

Cheltenham Borough Council
Cabinet – 21st September 2010
Local Investment Plan for Cheltenham

Accountable member	Councillor Steve Jordan
Accountable officer	Grahame Lewis
Accountable scrutiny committee	S & C/E&BI/Env
Ward(s) affected	All
Key Decision	Yes
Executive summary	The allocation of funding for the delivery of affordable housing became the responsibility of the Homes and Communities Agency following its establishment in December 2008 as the single, national housing and regeneration agency for England. The process to determine allocation is via the Single Conversation, designed to realise the benefits of creating a single housing and regeneration agency and achieve more efficient investment delivery in places in line with locally determined priorities. This report details how Cheltenham Borough Council has engaged in the process to date, details the outcome of the activity and seeks to gain support for the list of sites we wish to support for HCA investment.
Recommendations	To approve the sites as listed in Appendix 1 for inclusion in the Cheltenham section of the Local Investment Plan

Financial implications	<p>There are no financial implications arising from this report. The funding allocation for Cheltenham to support the delivery of affordable housing has not yet been determined and is pending the outcome of the government spending review.</p> <p>Contact officer: Sarah Didcote, sarah.didcote @cheltenham.gov.uk, 01242 264125</p>
Legal implications	<p>The local investment planning process is not a statutory requirement. However there is a need to ensure that investment plans have as rigorous an approach as possible to setting priorities.</p> <p>Securing investment in local schemes will also enable delivery of affordable housing which will assist Cheltenham Borough Council in meeting its statutory duty to address local housing needs.</p> <p>Contact officer: Rose Gemmell, rose.gemmell@tewkesbury.gov.uk, 01684 272014</p>

Strategic Land Use	The Local Investment Plan has been prepared in partnership with the Strategic Land Use Team, taking into account delivery of local plan and civic pride allocations, intelligence collected via the Strategic Housing Land Availability Assessment and officer knowledge in respect of strategic context of sites identified.
Key risks	Cor 2: Lack of resources and relationship issues falling out of the single conversation.
Corporate and community plan Implications	Corporate Strategy 2010-2015- Objective 3: Strengthening our communities. Outcome: people have access to decent and affordable housing. By engaging in the Local Investment Planning process, Cheltenham Borough Council will help to secure more affordable housing.

1. Background

- 1.1 The Homes and Communities Agency is the single, national housing and regeneration agency for England, bringing together English Partnerships, the investment functions of the Housing Corporation, and the Academy for Sustainable Communities, with major delivery programmes of the DCLG. Amongst other functions the HCA is now responsible for providing funding for affordable housing. Since its launch in December 2008 the agency has focused on implementing the Single Conversation, designed to realise the benefits of creating a single housing and regeneration agency and achieve more efficient investment delivery in places in line with locally determined priorities. The HCA has since moved onto the next detailed planning stage, known as Local Investment Planning.
- 1.2 Local authorities within areas, in our case Gloucestershire, were requested to develop a Local Investment Plan (LIP). The Local Investment Plan should address:
- the alignment of local strategies-with relevant local targets;
 - a clear and consistent narrative about the rationale for the investment priorities identified, including key evidence of the local economic, social, demographic and environmental needs that they will address; and
 - a framework for making choices and determining priorities to deliver strategic outcomes within limited resources.

Through this process the HCA aims to act as the bridge between local ambition and national targets.

- 1.3 The project in Gloucestershire began with a county coordinated partnership group including representatives from the 6 district housing authorities. This group built on work already in train through the Local Development Frameworks, core development, housing strategies and the updated Gloucestershire Strategic Housing Market Assessment (based on the 2009 joint housing needs assessment carried out by Fordham research). To start the process, each District Council developed a comprehensive list of potential development sites within their administrative areas which would benefit from funding, grouped by priority themes and areas.
- 1.4 A 'case for investment' is currently being coordinated by Gloucestershire County Council through the Leaders' Group. This work focuses on the future investment priorities for Gloucestershire and highlights the key housing issues in the County. The Case for Investment and the list of sites generated at a district level will make up the Local Investment Plan for Gloucestershire for use by HCA to consider allocation of funding for financial years 2011/12 onwards.
- 1.5 However there are still a number of uncertainties with this process still being resolved at the time of writing. The first is that the HCA has, very recently, changed it's approach to the project. Initially the LIP was required to be a county-wide, prioritised use of sites, however the HCA are now proposing that it is up to each local authority to decide what works best for its specific area. In Cheltenham's case it could choose either to continue with a county wide approach: base the plan on it's joint core strategy area (Cheltenham Tewkesbury & Gloucester), or submit a Cheltenham only plan. The merits of each option will be fully explored as work progresses.
- 1.6 It is also still uncertain what future scheme funding the HCA will have available, how this will be allocated and how much will be available for affordable housing subsidy. This should however become clearer after the government spending review. Even when this has been made clearer the formula and process will no doubt change again with the proposed introduction of the Community Infrastructure Levy (CIL) in 2011/12.
- 1.7 The Districts, together with the county council, have so far agreed a list of potential sites within Gloucestershire, with consideration to their ability and likelihood to be delivered in both the short and medium term according to an agreed set of criteria. In Cheltenham's case the list being proposed is attached as Appendix 1. This list includes sites identified in the Strategic Housing Land Availability Assessment and potential schemes which have come forward through our enabling partnerships with Registered Providers and the planning process. The list contains sites which we would support in principle in terms of meeting the affordable housing need in Cheltenham, taking account of information available in respect of certainty of delivery.

1.8 The schemes/sites listed have been grouped into ‘themes’ which are based on the priorities for Gloucestershire that have emerged through the Single Conversation process and focus on:

- Growth,
- Regeneration,
- Rural housing,
- Supporting an ageing and vulnerable population.

1.9 In order to identify the schemes/sites in Cheltenham that we would like to see being considered for investment, the following process was undertaken for each scheme/site as follows:

Step 1: How does the scheme/site fit with the strategic and corporate aims of Cheltenham Borough Council and the Gloucestershire Local Area Agreement?

Step 2: Assessment based on the following criteria:

- Proportion of the contribution expected to be provided by the HCA as a percentage of total scheme costs
- Project Deliverability- planning status, financial year funding required
- Index of Multiple Deprivation based on LSOAs for each Cheltenham ward where the project is located or intended to benefit
- Sustainability (based on CABE Building for Life Criteria)- access to public transport and community facilities, previous use of land, use of existing buildings, design quality, code for sustainable homes level, on-going revenue for the local economy, reducing carbon footprint, tenure mix and meeting housing need.

1.10 The above assessment criteria does not include a Value for Money evaluation. The Value for Money element of the scheme priority evaluation will be completed at a later stage when there is greater certainty of project costs. This will need to be done in conjunction with the HCA.

In cases where certain elements of the scheme/site aren't known at this stage, assumptions have been made and assessed on that premise. If key aspects change, the scheme/site will be re-assessed.

2. Reasons for recommendations

2.1 In order to attract HCA investment in housing in Cheltenham the Council needs to engage with the HCA's investment planning process. This includes indicating where in Cheltenham we would potentially like to see investment and which schemes we consider would benefit from HCA funding.

3. Alternative options considered

3.1 The option to fund affordable housing solely through Cheltenham Borough Council resources is not a viable option as it would not generate sufficient funding to meet the evidenced housing needs of the borough.

3.2 An alternative approach, as outlined in 1.5, would be to produce a Local Investment Plan for the JCS area prioritising schemes across all three districts, or alternatively develop a Cheltenham only plan.

4. Consultation and feedback

- 4.1 The County Council have undertaken consultation at key stages in the Local Investment Plan process. The Stakeholder meetings were attended by representatives from all the Gloucestershire districts, HCA, Glos Rural Community Council, SWRDA, Registered Providers, GOSW, Developers and agents.
- 4.2 At an internal level, a working group has been established to progress the scheme/site list locally. This group includes Strategic and Assistant Directors and representatives from Strategic Land Use, Housing and Civic Pride.
- 4.3 On a district-wide level, the Gloucestershire Homes and Communities Group (formerly CHSOG) have been consulted and acted as a liaison group with the County on the LIP. In particular the approach for assessing the schemes/sites put forward for consideration.

5. Performance management –monitoring and review

- 5.1 The leadership role of the LIP has been undertaken by the Leaders' Group. The project management role has been carried out by the Single Conversation Joint Commissioning Group comprising local authority Strategic Directors, supported by housing and planning officers.

Report author	Contact officer: Kathryn Chamberlain, kathryn.chamberlain@cheltenham.gov.uk, 01242 775205
Appendices	1. Priority Sites
Background information	

Cabinet Report risk register

Cabinet Report Local Investment Plan Report 21.09.2010

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	Any environmental risks										
C2	Lack of resources and relationship issues falling out of the single conversation	SLT	Jan 10	4	2	8	Reduce	Practical input to county/districts process. Facilitate partnership working.	Autumn 2010	AN/PW/TC	
	If we fail to secure resources for the supply of affordable housing we will not be able to meet housing needs of the community, particularly the vulnerable, and put additional pressure on statutory functions such as homelessness and social care	SLT	Aug 10	3	3	9	Reduce	Continue with LIP process in partnership	April 11	AN/PW/KC	
	Failure to comply with the processes of a major potential funder			3	2	6	Reduce	Continue with LIP process in partnership	Oct 10	AN/PW/KC/TC	
	If we fail to secure funding we will not be able to regenerate areas of deprivation within the borough			3	3	9	Reduce	Continue with LIP process in partnership	Ongoing	AN/PW/TC	

	If we fail to secure funding we will not generate sustainable growth within the borough and its economy	SLT	Aug 10	3	3	9	Reduce	Continue with LIP process in partnership	April 11	AN/PW/KC/TC	
	If we do not have a robust evidence base then we will significantly reduce our ability to secure funding	SLT	Aug 10	3	2	6	Reduce	Continue to update evidence bases	Ongoing	PW/KC/TC	

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use "If xx happens then xx will be the consequence" (cause and effect). For example "If the council's business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted."

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 4 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on.

