

Committee: Finance and Administration Committee

Agenda Item

Date: 24 March 2011

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Title: West Essex District Councils Local Investment Plan

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Item for decision

Summary

1. This report seeks the committee's view of matters raised by Epping Forest District Council as a precondition of it approving the joint Local Investment Plan (LIP) for West Essex which has been produced in conjunction with Epping Forest and Harlow District Councils. These relate to local authority boundary reviews, which may have implications for new homes bonus payments and housing nomination rights. This is an issue which particularly affects Epping Forest and Harlow Councils. The LIP raises a number of cross cutting issues and related reports are also on the agendas of the Community and Housing Committee and Environment Committee in the current cycle.

Recommendations

2. That the Committee recommends to the Full Council that the proposed exchange of letters between West Essex District Councils concerning boundary changes be approved.

Financial Implications

3. There are currently no specific financial implications for the Council arising from the recommendation.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report

Draft West Essex Local Investment Plan
Epping Forest District Council – Report to Cabinet – 7/3/2011

Impact

1.

Communication/Consultation	Close engagement has taken place between the three local authorities, the HCA, Harlow Renaissance and Essex County Council.
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	The LIP is a non statutory document
Sustainability	N/A
Ward-specific impacts	The Investment Plan indicates locations where there are commitments to development.
Workforce/Workplace	N/A

Situation

6 The Homes and Communities Agency (HCA) has requested that all local authorities produce a Local Investment Plan (LIP), agreed by the HCA in a form agreed by the HCA, setting out its approach to development in its District over a three year period. Although the requirement is not mandatory upon Local Authorities the HCA describes LIPs as the process by which it will work with Local Authorities and Communities to ‘support, enable and facilitate delivery of improvements for places and people’.

7 The intention for LIPs is to provide a framework for future partnership working with the HCA and to set out the investment required for an area to deliver the agreed vision and economic purpose of the place. LIPs, which originated from the HCA’s “Single Conversation”, will be used as the basis to set out the funding and resources that the HCA will invest in an area over time, as resources become available.

8 The LIP identifies the needs to be addressed, based on robust evidence from local strategies, including the Housing Strategy, the Strategic Housing Market Assessment and the Local Economic Assessment, and includes outputs that are expected from each partner’s interventions.

9 At the suggestion of the HCA, in view of the proposed growth of Harlow - which could potentially involve and affect neighbouring districts to Harlow – the three West Essex local

authorities (Uttlesford, Epping Forest and Harlow), together with Harlow Renaissance, Essex County Council and others have been working together to produce a **Joint** Local Investment Plan for West Essex. This has involved this Council's Director of Public Services and staff in his Directorate. Such joint working has been encouraged by the HCA nationally, but very few areas have been able to deliver joint LIPs.

10 This approach is also in keeping with the recent Memorandum of Understanding between the West Essex Councils.

11 The latest, advanced, draft of the LIP is currently being considered for adoption by the three local authorities involved.

12 It will be seen that one of the key aims of the LIP is to support the growth of Harlow, as a "sub-regional" centre. However, for the reasons given above, there are no statements or commitments given as to the way such support would be provided by Uttlesford District, or to the extent of such support.

13 Priorities for investment across West Essex have emerged from the evidence that is set out in the LIP, and these have been prioritised in terms of both strategic importance and timescale deliverability. The prioritisation has been made, taking into account the following criteria:

- Existing prioritisation as agreed by individual councils
- Deliverability and viability
- Funding availability
- Potential contribution to the overall LIP vision.

14 As part of its quality assurance process, the draft West Essex LIP underwent a peer review by the HCA. Feedback following this process was positive and the LIP has been commended by the HCA for its quality, content and as an example of good partnership working across local authority boundaries. There were very few negative comments, which were all of a minor nature, and have been addressed.

15 The LIP will have been considered by the Housing Initiatives Task Group, the Community and Housing Committee and the Environment Committee who are recommended to support the approval of the LIP by this Council.

16. If the Council agrees to adopt the LIP, Officers will continue to work with the Epping Forest District, Harlow District and the HCA to take forward the priorities identified in the LIP and aim to secure funding to develop those priorities. Decision on any specific projects or schemes will be channelled through the Cabinet and Committee processes as appropriate.

Epping Forest District Council

17 Officers in Epping Forest DC have drawn attention to concerns that they have if, through the Local Development Framework, EFDC agrees to any development in Epping Forest on the borders of Harlow - in order to support the growth of Harlow - and there is then a subsequent boundary change involving such areas where development has occurred. If this happens, they have stated that they want to ensure that EFDC receives the full benefit of:

- (a) **Any New Homes Bonus (NHB) that arises for the whole 6 year period of the NHB** - based on the proposals and figures within the Government's Consultation Document (which are clearly subject to change), the District Council could receive a New Homes Bonus of around £670,000 over a six-year period, for every 100 homes

built within the District. If there was a boundary change during the six-year period, it is possible that EFDC would not receive the New Homes Bonus for the whole six-year period; and

(b) **All the nomination rights to the affordable housing provided as part of any developments** - under current HCA guidance, the local authority in whose district affordable properties are built is entitled to have nomination rights to those properties (i.e. the ability to nominate to the developing housing association those housing applicants who should be accommodated in the affordable housing) – if there was a boundary change, the “new” local authority would receive the nomination rights for any new housing built after the boundary change, and for all subsequent re-lets.

18 Epping Forest Members were reminded that the area known as Church Langley in Harlow was previously known as Brenthall Park, situated in the Metropolitan Green Belt within the Epping Forest District, prior to a boundary change that was resisted by this Council. When the land was subsequently developed, which included the provision of affordable housing, this Council was not able to have any nomination rights to the affordable housing.

19 For these reasons, Epping Forest officers are recommending that the adoption of the LIP by EFDC is subject to an exchange of letters taking place between the Chief Executives of all three local authorities by 31st July 2011 (following formal resolutions by the relevant decision making bodies of each local authority), confirming that each district council gives a commitment that it will not seek to instigate a boundary change in respect of any areas where new housing is developed close to its boundary, other than through mutual agreement, together with the reasons. Furthermore, Epping Forest’s view is that if a boundary change is instigated *by a third party*, the letter should confirm that the affected councils will work together to ensure that any proposed and/or resultant changes are not to the detriment of either council, particularly in relation to the New Homes Bonus and nomination rights to affordable housing.

20 Epping Forest Members were also advised that, because of their concerns, officers had originally suggested to the other two councils that a statement to this effect should be included within the LIP itself. However, since Harlow DC’s members have already adopted the LIP in principle, Harlow DC proposed in response that this issue would be better covered through an exchange of letters. Epping Forest considered this suggestion and that this approach will probably provide EFDC with a greater safeguard than simply the inclusion of a statement in the LIP.

21 Uttlesford does not have a common boundary with Harlow District and it is inconceivable that new housing would be proposed in the Green Belt close to the Epping Forest – Uttlesford boundary, which runs through a rural area.

22 This Council should agree to the exchange of letters, as proposed by Epping Forest officers, to enable that Council to approve the LIP.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.