

Executive report

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Report of Strategic Director

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Local Investment Agreement

Recommendations

That the Executive:

- (a) Agrees that the Council enters into the proposed Oxfordshire Local Investment Agreement (LIA) (Draft at Appendix 1 to the Report).
- (b) Delegates responsibility for finalising the Local Investment Agreement (LIA) wording to the Strategic Director in consultation with the Leader of the Council.

Purpose of Report

1. This report summarises the outcomes of partnership work with the Homes & Communities Agency (HCA) on the Oxfordshire Local Investment Plan (LIP) and it recommends entering into a Local Investment Agreement (LIA) based on it. This report should be considered by Executive in July in order that the Leader can sign the LIA document on behalf of the council.

Background

2. The Government Homes & Communities Agency (HCA) is responsible for significant investment into the Vale of White Horse for affordable housing. The average value of completed homes funded by it over the past three years totals £48m. The amount varies year on year according to the cost and quality of bids submitted Registered Social Landlords, and, of course, the availability of land. Schemes are given a funding commitment and must progress to start on site to an agreed timescale or the funding is withdrawn and switched to other schemes, which may be anywhere across the South East.

3. Under this system local authorities are consulted periodically by the HCA to check whether the bids it has received meet priority needs. Other than this we have little formal influence over what is funded, although in practice we liaise closely with the HCA to seek to maximise funding into the district. Oxfordshire authorities have to work hard to achieve their full funding potential compared with other areas of the South East due to the high cost of and lack of availability of land.

The Single Conversation and Local Investment Plan

4. The HCA is currently piloting a new approach to its method of distributing funding and Oxfordshire has been chosen as one of three pilot areas within the South East. This involves what has been termed the 'Single Conversation'. The intent of the Single Conversation is that the HCA will work with a single Oxfordshire partnership to plan their investment into the county. The benefits of this are, firstly, that Oxfordshire will receive a block of funding more akin to its housing needs assessment, secondly, that the Oxfordshire SPIP partnership will be able to determine where the funding should be directed, and, thirdly, if schemes are delayed Oxfordshire will retain the funding and direct it towards reserve schemes which are worked up and ready to go.
5. The Single Conversation goes considerably further than just the provision of affordable housing. It ties together all housing, infrastructure, transport, regeneration and economic development priorities across Oxfordshire in a document termed a Local Investment Plan (LIP). The objective of this plan is to ensure there is effective alignment of investment decisions across Oxfordshire, whether funded directly by government departments or by local authorities.
6. The LIP draws its priorities from each authority' Local Plan or emerging Local Development Framework and it will influence the Highway Authorities' Local Transport Plan (LTP), use of developer funding contributions and affordable housing obligations in planning agreements. As the Single Conversation and LIP process is developed, the HCA's objective is that a range of national government investment decisions (e.g. transport and health) can be influenced by the Single Conversation and the LIP.
7. In early 2009, the Oxfordshire Partnership agreed that its sub-group, the Spatial Planning & Infrastructure Partnership (SPIP) could act collectively for the local authorities. SPIP is the relevant thematic partnership under the Oxfordshire Partnership and its members comprise the leaders of each district council, the relevant cabinet member from Oxfordshire County Council, and other bodies including the Regional Development Agency and the HCA. Chairmanship of SPIP is rotated between the local authorities and Cherwell is currently the lead council.
8. A LIP was agreed by SPIP in March 2010. It has now been submitted to HCA for its approval. The LIP is a detailed document setting out information about priority development and infrastructure schemes across the county. A copy has been deposited in the Members' Room for reference.

Local Investment Agreement

9. A Local Investment Agreement (LIA) has now been prepared to commit the parties (HCA and the local authorities) to implementing the LIP. The draft agreement is at Appendix 1. The Agreement is designed to cross-reference the content of the LIP and to recognise the priorities it establishes.
10. The LIA is in the form of a 'memorandum of understanding'. It does not, therefore, bind the parties in formal legal terms. Nevertheless, it is a statement of intent and a commitment to work in partnership to deliver the objectives of the Single Conversation. The constituent local authorities of the Oxfordshire Partnership have taken the view that, by working together and committing to the LIA, all concerned will be best placed to secure the best outcomes in respect of future Government funding allocations. This could be particularly important given the future economic climate and likely future public spending restraints.

Impact of Government policy changes

11. Clearly, the future of Government agencies and their funding mechanisms is uncertain under a new Government. It is possible that the HCA and the Single Conversation process it has established will not continue in the future.
12. The detailed programmes within the LIP were produced prior to the change of Government and it is clear that the housing numbers and the mechanisms for investment in transport and infrastructure will now change. We are currently awaiting guidance from Government and a bill on the new 'localism' agenda which will deliver bottom-up planning, with undoubtedly, changes in the numbers and locations of new housing schemes. Nevertheless, the principles of the LIP are sound and it will remain a useful basis for prioritisation of housing, regeneration and infrastructure investment projects in the district and across Oxfordshire.

Financial Implications

13. There are no direct financial implications of the recommended decision. The LIA is intended to be influential in attracting Government funding to support the council's investment priorities. In that respect, it has potential financial benefits.

Legal Implications

14. The LIA is a memorandum of understanding that conveys serious intent but is not binding.

Risks

15. There is a risk to the council's reputation and ability to influence future Government funding decisions if it does not participate in the Single Conversation process.

Conclusion

16. The Local Investment Agreement is a non-binding statement of intent that commits the council to working in partnership with all Oxfordshire authorities, the HCA and other relevant partners to take co-ordinated decisions on housing and infrastructure investment across the county. There are potential benefits for the district in this approach as explained in paragraph four above and cabinet is
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recommended to agree that the leader of the council signs the LIA on behalf of the council.

Attachment

Appendix 1: Draft Local Investment Agreement

