

## **Report to the Local Development Framework Cabinet Committee**



**Epping Forest  
District Council**

**Report reference: LDF-019-2010/11**  
**Date of meeting: 7 February 2011**

**Portfolio: Leader**

**Subject: Adoption of the West Essex Local Investment Plan**

**Responsible Officer: Alan Hall (01992 564004)**

**Democratic Services Officer: Gary Woodhall (01992 564470)**

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### **Recommendations/Decisions Required:**

(1) That the draft West Essex Local Investment Plan (LIP) (published as a supplementary to this agenda) be recommended to the Council for adoption, subject to:

(a) the inclusion of a statement within the LIP giving a joint commitment from the three local authorities involved that none of the local authorities will seek to instigate or support a boundary change in respect of any areas where new housing or other development is developed around Harlow, other than through mutual agreement, together with the reasons; and

(b) the authorisation of the Acting Chief Executive, in consultation with the Leader of the Council, to agree the final version of the LIP; and

(2) That, during the period leading up to the Cabinet meeting, officers and the Leader of Council discuss the proposed inclusion of such a statement with Harlow and Uttlesford District Council and report the outcome of these discussions at the meeting of the Cabinet.

### **Reasons for Proposed Decision:**

At the suggestion of the HCA, and in view of the relationship that is developing between the three local authorities in West Essex, a Joint Local Investment Plan for West Essex has been formulated. The Council is required to submit a Local Investment Plan (LIP) to the Homes and Communities Agency (HCA), if the District is to receive any funding from the HCA in the District. The Council's Management Board is of the view that the draft LIP should be adopted by the Council, subject to the inclusion of the proposed statement and the Acting Chief Executive being authorised to agree the final version.

### **Other Options for Action:**

- Not to adopt the Joint Local Investment Plan;
- Not to request the inclusion of a statement regarding potential future boundary changes;
- To request other changes to the draft LIP prior to its adoption by the full Council; and/or
- 4) Not to authorise the Acting Chief Executive to agree the final version of the LIP.

## Report:

1. The Homes and Communities Agency (HCA) requires all local authorities to produce a Local Investment Plan (LIP), agreed by the HCA in a form determined by the HCA, setting out its approach to development in its district over a three year period. The HCA will not provide funding for affordable housing and infrastructure in districts where the local authority has not produced a LIP.
2. 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.
3. 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.
4. 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, 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 Acting Chief Executive, Director of Housing, Director of Planning and Economic Development and staff in their directorates. Such joint working has been encouraged by the HCA nationally, but very few areas have been able to deliver joint LIPs.
5. This approach is also in keeping with the recent Memorandum of Understanding between the West Essex Councils. The latest advanced draft of the LIP has been published as a supplementary agenda and, subject to further minor amendments, now needs to be adopted by the three local authorities involved. Hard copies have been provided for members of the Cabinet Committee, and further hardcopies will be available on the evening. If other Members require their own hardcopy then please contact Democratic Services Officer listed above before the meeting.
6. One of the difficulties has been to set out a vision for West Essex, at a time when there is currently a hiatus in each local authority's thinking on its own development objectives, following the revocation of the East of England Plan (even though this was subsequently re-instated following a legal challenge) and the need for each local authority to now determine, locally, the amount of growth that it considers appropriate for its district, and in which location(s). This view is being progressed through each council's Local Development Framework (LDF). As members will be aware, this Council carried out a Community Visioning consultation between November 2010 and January 2011, in order to inform its approach to the Issues and Options stage of the LDF. Therefore, there is currently no clear view from any of the three local authorities on future development in each of the districts, let alone West Essex as a whole.
7. 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 the Epping Forest District, or to the extent of such support.
8. 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.

9. 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.

10. It is the view of the Council's Management Board that the most appropriate member body to consider the draft LIP in the first instance is this Local Development Framework Cabinet Committee, but that the document should be adopted by the full Council on 29<sup>th</sup> March 2011, on the recommendation of the Cabinet (which meets on 7<sup>th</sup> March 2011). Since the LIP must be formally adopted by all three partners by 31<sup>st</sup> March 2011, this now presents a tight timescale. There are risks to the Council and its partners if any of the partners, including this Council, do not sign up to the LIP – which are set out in the Risk Management Section below.

11 The document has been considered by the Management Board and, since the LIP has been formulated with the full involvement of EFDC officers, it is felt that the LIP can now be adopted by the Council. However, it should be noted that EFDC officers have sought the inclusion of a statement in the LIP that all three local authorities agree not to instigate or support a boundary change in respect of areas where new housing is developed around Harlow. This is because 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 – the Council would 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.

12. In response to this request from officers, the other two local authorities appeared reluctant to include such a commitment within the LIP. Although such inclusion within the LIP would give no legal commitment to future intent, the Management Board feels that the inclusion of a statement giving a joint commitment not to instigate or support a boundary change in respect of areas where new housing is developed around Harlow – together with the reasons for making such a commitment - would not only provide a clear commitment within a public document of each council's position, it would also remove any suspicions and

assist in any discussions held between the three local authorities on future development within West Essex.

13. Consequently, Management Board suggests that if the Cabinet Committee shares this concern, it recommends to the Cabinet that a recommendation be made to the full Council that the LIP be adopted, subject to the inclusion of the proposed statement within the LIP, and that, during the period leading up to the Cabinet meeting (and if necessary the full Council), officers and the Leader of Council express the Cabinet Committee's concerns to the other two local authorities and seek to agree the inclusion of wording that satisfies the Cabinet Committee's concerns.

14. Members may recall 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.

15. Since there will inevitably be further changes required to the latest draft LIP, it is suggested that the Cabinet be recommended to authorise the Acting Chief Executive to agree the final version of the LIP, in consultation with the Leader of the Council.

#### **Resource Implications:**

There are no financial commitments given within the LIP.

However, if planning permission for the development of new homes within the District bordering Harlow is given in the future, and there is a subsequent boundary change which takes those properties out of the Epping Forest District prior to, or during, the 6-year period of the Government's proposed New Homes Bonus, this Council could lose a significant amount of New Homes Bonus.

On the basis of the Government's current proposals under consultation, this could amount to around £1,200 per home, per annum, for up to 6 years.

#### **Legal and Governance Implications:**

The LIP has no legal status. It is the Management Board's view that, since the LIP is a strategic document, and having regard to the Council's Constitution, it would be appropriate for it to be adopted by the full Council.

#### **Safer, Cleaner and Greener Implications:**

The strategic proposals within the LIP would result in developments that improve the safety, cleanliness and environment of those parts of the district where development takes place.

#### **Consultation Undertaken:**

The draft LIP has been produced following consultation between officers of the three West Essex local authorities, Harlow Renaissance, Essex County Council and others.

#### **Background Papers:**

Housing Policy File H884

## Impact Assessments:

### Risk Management

Apart from the perceived benefits of having an agreed Joint Investment Plan covering the three local authority areas in West Essex, there are real risks to the Council and its partners if any of the partners, including this Council, do not sign up to the LIP by 31<sup>st</sup> March 2011. There would be insufficient time for this Council, or either of the other two councils, to produce their own LIP. Based on the statement of HCA officials, the HCA would then not provide any funding for affordable housing or infrastructure in any of the three local authority areas.

If agreement cannot be reached with the other two councils on the proposed inclusion of a statement regarding potential future boundary changes, the Cabinet or full Council may decide not to adopt the LIP, which would result in this outcome.

However, if the LIP is adopted without such a public commitment from all three councils, there may be more likelihood that one or more of the three councils may either seek to instigate a boundary review, or support a boundary change if instigated by others. If this happens, there is a real risk that the Council could lose all or part of any New Homes Bonus that would otherwise be received by the Council, as set out under the section above on Resource Implications.

### Equality and Diversity:

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*

N/A

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*

N/A