

Report to the Council

Committee: Cabinet

Date: 29 March 2011

Item: 10

Portfolio Holder: Councillor D Collins (Leader and Chairman of the Local Development Framework Cabinet Committee)

ADOPTION OF THE WEST ESSEX LOCAL INVESTMENT PLAN

Recommending:

- (1) That the West Essex Local Investment Plan (LIP) be adopted, subject to an exchange of letters taking place between the Chief Executives of all three local authorities in West Essex, following formal resolutions by the relevant executive bodies of each local authority, confirming that:**
 - (a) 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 with the reasons; and**
 - (b) if a boundary change is instigated by a third party, the affected councils will work together to ensure that any proposed changes are not to the detriment of either council, particularly in relation to the New Homes Bonus and nomination rights to affordable housing;**
 - (2) That in accordance with (1) above, this Council gives a commitment:**
 - (a) 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 with the reasons; and**
 - (b) that, if a boundary change is instigated by a third party, it will work together with the other affected council to ensure that any proposed changes are not to the detriment of either council, particularly in relation to the New Homes Bonus and nomination rights to affordable housing;**
 - (3) That the Acting Chief Executive be authorised to agree the final version of the LIP, in consultation with the Leader of the Council.**
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Background

1. We have considered a report of the Local Development Framework Cabinet Committee which has considered in detail the proposed adoption of the West Essex Local Investment Plan.
2. 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.

3. 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 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.
4. The LIP identifies the need 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.
5. 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 the 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. This approach is also in keeping with the recent Memorandum of Understanding between the three West Essex councils.

Draft LIP

6. The latest draft of the LIP is attached as an Appendix to this report and it now needs to be adopted by the three local authorities involved.
7. One of the difficulties has been to set out a vision for West Essex, at a time of uncertainty, 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. 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.
8. One of the key aims of the LIP is to support the growth of Harlow, as a "sub-regional" centre. However, there are no statements or commitments given as to the way such support would be provided by this Council, or to the extent of such support.
9. 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.
10. As part of its quality assurance process, the draft West Essex LIP has been subject to 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.
11. The document has been considered in detail by the Local Development Framework Cabinet Committee which made some comments which have been incorporated into the final version and we are satisfied it can now be adopted by the Council.

12. However, we are concerned about the possibility of the Council agreeing to any development in Epping Forest District on the borders of Harlow in order to support the growth of Harlow which is followed by a subsequent boundary change involving such areas where development has occurred. In the event of this happening, we have sought to ensure that Epping Forest District Council receives the full benefit of:
 - (a) any New Homes Bonus that arises for the whole six year period of the New Homes Bonus;
 - (b) all the nomination rights to the affordable housing provided as part of any developments.
13. Accordingly, we are recommending that the adoption of the LIP by this Council is subject to an exchange of letters taking place between the Chief Executives of the three local authorities (following formal resolutions by the relevant executive 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 with the reasons. Furthermore, we are recommending that, if a boundary change is instigated by a third party, the affected councils should 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.
14. It is necessary for the LIP to be formally adopted by all three partners by 31 March 2011. If this timescale is not achieved, there will be insufficient time for this Council, or either of the other two councils, to produce their own LIP and based on advice from HCA officials, the HCA would then not provide any funding for affordable housing or infrastructure in any of the three local authority areas.
15. Although the LIP has no legal status, it is our view that since it is a strategic document, it would be appropriate for it to be adopted by full Council.
16. The document before the Council is the latest draft and we are recommending that the Acting Chief Executive be authorised to agree the final version of the LIP, in consultation with the Leader of the Council in order to meet the required timescale.
17. Accordingly, we recommend as set out at the commencement of this report.