

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 1 June 2010
Report of: Strategic Director - Places
Subject/Title: Cheshire and Warrington Local Investment Plan
Portfolio Holder: Cllr Jamie Macrae

1.0 Report Summary

- 1.1 The Leaders of Cheshire and Warrington's three Local Authorities have agreed an ambitious growth strategy for the sub-region – ***Unleashing the Potential***.
- 1.2 Through the new Cheshire and Warrington Enterprise Commission, the sub-region is now developing a comprehensive long-term strategy to achieve these aims – bringing together its plans for economic development, skills, housing, transport and planning infrastructure, together with a single co-ordinated shorter-term investment plan.
- 1.3 This report presents the draft Housing Local Investment Plan for endorsement which will form the 'first chapter' of this integrated planning process and focuses on housing investment over the next four years with a particular focus on the next twelve months.

2.0 Decision Requested

- 2.1 That the Local Investment Plan is endorsed for early submission to the Homes and Communities Agency.
- 2.2 That the Local Investment Plan is further developed to include all economic, housing and transport priorities to deliver the *Unleashing the Potential* sub-regional strategy.

3.0 Wards Affected

- 3.1 All Wards

4.0 Local Ward Members

- 4.1 All Local Ward Members

5.0 Policy Implications including - Climate change - Health

- 5.1 There are a number of Commissions at a sub-regional level addressing major policy implications such as health inequalities and climate change. It is anticipated that the Enterprise Commission will liaise with all Commissions to ensure the priorities contained in the Investment Plan align with key policies.

6.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)

- 6.1 The Investment Plan sets out the specific priorities for housing investment over the period 2010/11 – 2013/14. The total public investment proposed over the four years is £316m, of which £203m relates to programmes funded through the Homes and Communities Agency. Detailed within the plan is the investment which each of the three local authorities has made in order to deliver their targets in relation to decent homes, affordable housing and extra care housing.
- 6.2 The financial implications for Cheshire East relate to the investment required to deliver decent homes and affordable housing. Within the Investment Plan the Private Sector programme for 2010/11 has been included. This equates to £2.1m of which Cheshire East contributes £773,000. This is already within the approved capital programme. An assumption has been made that this level of funding will be continued – in terms of both Council and Government financing - although it is also pointed out that the level of funding falls short of the amount needed to achieve major reductions in the number of non-decent homes.
- 6.3 It is envisaged that the Investment Plan will evolve over the coming year and be reviewed after 12 months. It is also worth noting that the new Government is reviewing its spending plans and that any effects of this will need to be reflected in due course.

7.0 Legal Implications (Authorised by the Borough Solicitor)

- 7.1 The Local Investment Agreement will be prepared by the HCA following submission of the agreed Local Investment Plan and is a non-legally binding Memorandum of Understanding which will set out what has been agreed between local partners and stakeholders.
- 7.2 A Memorandum of Understanding (MOU) here is intended to give certainty and clarity to all parties regarding their respective roles and responsibilities in delivering the agreed investment priorities for an area, without giving formal commitments. The MOU implies moral obligations on all the parties, and once signed may reduce bargaining power to amend terms. Care should be taken that formal commitments are not given within the document and that it is submitted to legal for prior approval. No clause within the Local Investment Agreement will prevent either party in exercising their legal functions.

8.0 Risk Management

- 8.1 The Investment Plan has been developed on a sub regional basis in line with recommendations from the HCA. Failure to adopt the plan by Cheshire East will impact on the 'Single Conversation' and our ability to bring forward investment from the HCA.

9.0 Background and Options

- 9.1 The aim of the sub-regional growth strategy is to contribute significantly to regional growth by accommodating significant increases in population, housing, jobs and GVA which will be achieved by sustainable development of existing settlements across the area. By 2030, the sub-region has the potential to increase annual GVA by at least £10 billion to some £30 billion, to increase its population by 100,000 or more (to a total population of around 1 million) and its employment levels by at least 22,000.
- 9.2 Through the new Cheshire & Warrington Enterprise Commission, the sub-region is now developing a comprehensive long-term strategy to achieve these aims – bringing together its plans for economic development, skills, housing, transport and planning infrastructure, together with a single co-ordinated shorter-term investment plan. The strategy and investment plan will address both the 'top down' drivers of national and regional strategy with the 'bottom up' elements of sustainable community strategies, local development frameworks and local transport plans.
- 9.3 This Homes & Communities Local Investment Plan is the 'first chapter' of this integrated planning process, and focuses on housing investment over the next four years – the first stage of Cheshire & Warrington's ambitions for sustainable growth.
- 9.4 The growth for economic development and for new housing provision is focussed on five locations which align the economic, housing and regeneration priorities and include, Chester/Ellesmere Port and Deeside Hub, Warrington, Crewe, Macclesfield and the Weaver Towns of Northwich, Winsford and Middlewich.
- 9.5 The Local Investment Plan details the interventions which will enable us to:
- Increase the provision of all forms of housing – to meet the RSS targets plus the Growth Point additions.
 - Increase the provision of affordable housing - with a target of achieving 1183 additional homes per year by 2013/14.
 - Make the most effective use of land in public ownership – to support housing delivery and regeneration work, and to deliver sustainable communities.
 - Enable the development in key locations – This comprises investment in master planning, infrastructure and site pre-development works, focussed on each of the five priority locations.
 - Deliver decent homes across all sectors.
 - Meet the needs of all sections of the community – focus on the needs of our growing numbers of older people, homelessness and Gypsies and Travellers.

- 9.7 The total public investment proposed in these programmes over the four years is £316m, of which £203m relates to programmes funded through the HCA. This investment comprising of:
- Affordable Housing, including empty homes: £135m
 - PFI extra care capital payments: £33m
 - Growth support £25m
 - Support for people and communities, with HCA programmes for Homeless and Gypsies and Travellers: £10m
- 9.8 In order to deliver the programme a level of investment will be required by the three unitary authorities. Cheshire East currently has a programme of £2.1m to fund Disabled Facilities Grants, Private Sector assistance and affordable homes. This level of funding will need to be retained in order to meet the targets set within the Investment Plan.
- 9.9 To progress the Investment Plan, it is to be submitted to each LA Cabinet and then to the Cheshire and Warrington Enterprise Commission for their consideration prior to being finalised. Endorsement will also be sought from each Local Strategic Partnership.

10.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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