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**LOCAL INVESTMENT PLAN**

Committee: Corporate Governance & Finance

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**1.0 ISSUE**

- 1.1 To receive a report on how the Council works with the Homes & Communities Agency and Registered Providers to secure support for and financial investment in affordable housing development.

**2.0 RECOMMENDATION**

- 2.1 That the report is noted for information.

**3.0 BACKGROUND**

- 3.1 The Local Investment Plan (LIP) is the name given by the Homes and Communities Agency (HCA) to a plan agreed between a Local Authority and the Agency. The LIP is the means by which East Cambridgeshire DC secures support and investment for affordable housing in the District. The HCA is the main funder of affordable housing, and the purpose of the LIP is to express the Council's support for proposed new affordable housing, and confirm each scheme meets our strategies and policies. Inclusion in the LIP gives the HCA early notice of the Council's ambitions, and enables investment decisions to be made.

**4.0 ARGUMENTS/CONCLUSIONS**

- 4.1 The HCA operates on a county-by-county basis, and therefore East Cambridgeshire's LIP is part of a larger document – the Cambridgeshire Local Investment Plan (CLIP). The CLIP is a public document and can be found on Cambridgeshire Insight website: <http://www.cambridgeshireinsight.org.uk/>. Cambridgeshire Insight is a shared research and knowledge base for the Cambridgeshire area.
- 4.2 East Cambridgeshire's LIP is in three sections:
1. A brief introduction to the District and local housing market, affordability and housing need, the Council's Local Plan and sustainable communities and equalities objectives.
  2. A list of the affordable housing projects which have been successfully delivered through the Local Investment Plan process.
  3. A list of current and future affordable housing schemes on which the Council seeks support and investment to successfully deliver.

- 4.3 The third section is the most important part. The list of schemes is derived mainly from the Strategic Housing Land Availability Assessment and from the draft Local Plan. It contains all those schemes which are expected to deliver affordable housing over the next five years, and includes details of housing numbers, planning status, the anticipated timescale for delivery, details of possible hindrances, and details of any extra features or particular benefits. This is the land which the Council is promoting for development, and the Strategic Housing section negotiates with landowners, Community Land Trusts, Housing Associations (RP's – Registered Providers) and the HCA in order to achieve the best affordable housing outcomes. The LIP also includes proposals where the Housing Association owner is intending to improve or redevelop housing, and in addition schemes to acquire/retain existing homes as affordable housing. Schemes are categorised as "growth sites", "supported housing", "rural housing", etc.
- 4.4 Direct investment is required on all schemes where there is no (or insufficient) cross-subsidy from market housing, for example rural exception sites. This investment is almost always in the form of a grant from the HCA. Where there is sufficient cross-subsidy, i.e. on affordable housing being delivered through a s106 planning agreement, the HCA's policy is that grant will not normally be available (except for supported housing such as extracare schemes for older people).
- 4.5 The Government has made funding available to the HCA through the 2015/18 National Affordable Housing Programme (NAHP). RP's receive funds from the HCA via a "Framework Agreement", which contains all the schemes an RP wishes to deliver: schemes for which grant is needed and grant-free s106 schemes. Therefore the LIP contains all affordable housing schemes, not just those upon which grant will be needed.
- 4.6 When an RP applies to the HCA for a scheme to be included in its Framework Agreement, the HCA asks the Local Authority to confirm support. Confirmation of the inclusion of the scheme in the LIP is vital to ensure the HCA's approval.
- 4.7 It is essential that the HCA approves schemes in East Cambridgeshire and that they are included in RP's Framework Agreement. There is competition between local areas, and between RP's, for the HCA's limited resources and therefore this Council's must visibly support proposals.
- 4.8 No schemes included in East Cambridgeshire's LIP have been denied support to date.
- 4.9 The East Cambridgeshire LIP is a "living" document and is updated as and when schemes are proposed, amended and delivered. A full review is carried out at six monthly intervals.

## 5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 There are no additional financial implications arising from this report'.

5.2 Equality Impact Assessment (INRA) not required

## 6.0 APPENDICES

6.1 Appendix 1 – East Cambridgeshire DC's Local Investment Plan

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| <b><u>Background Documents</u></b> | <b><u>Location</u></b>        | <b><u>Contact Officer</u></b>  |
|------------------------------------|-------------------------------|--|
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