

To: City Executive Board – 3rd March 2010

Item No:

Report of: Head of City Development

Title of Report: HCA Single Conversation update and the Oxfordshire Local Investment Plan

### Summary and Recommendations

**Purpose of report:** The report sets out those parts of the draft Oxfordshire Local Investment Plan which directly affects Oxford, and seeks endorsement to their content.

**Key decision – No**

**Executive lead member: Councillor Bob Price and Councillor Ed Turner**

**Report Approved by:**

**Executive Director, City Regeneration:** Mel Barrett

**Head of City Development:** Michael Crofton Briggs

**Head of Community Housing & Community Development:** Graham Stratford

**Finance:** Gillian Chandler

**Head of Legal & Democratic Services:** Jeremy Thomas

**Head of Environmental Development:** John Copley

**Head of People & Equalities:** Simon Howick

**Policy Framework:** The draft Oxfordshire Local Investment Plan is consistent with, and seeks to deliver, the objectives of Oxford City Council's Corporate Plan, the Regeneration Framework, the emerging Oxford Core Strategy, and the Oxford Community Strategy. In particular, it is key to the corporate priority of delivering more housing.

**Recommendations:**

**The City Executive Board is asked to:**

**AGREE the draft Oxfordshire Local Investment Plan as it affects Oxford; AGREE Oxford's 5 year list of schemes to be included in the Local Investment Plan;**

**AUTHORISE the Executive Director of City Regeneration in consultation with the Leader of the Council to agree changes to this information as the Oxfordshire Local Investment Plan before it is finalised before the 31<sup>st</sup> March 2010.**

## **Introduction**

1 The Homes and Communities Agency (HCA) was established in December 2008, primarily formed out of the former Housing Corporation and English Partnerships. The HCA introduced a new way of working referred to as the 'Single Conversation'. The purpose of the Single Conversation is to provide a shared framework at a local level for the delivery of housing and economic growth, infrastructure, regeneration and community objectives, which is owned by the partners.

2. Oxfordshire has been chosen as one of three pilot areas within the South East for the Single Conversation; the others being Kent Thames Gateway and Portsmouth and Urban South Hampshire (PUSH). The Single Conversation is intended to reach a shared view regarding the investment priorities for Oxfordshire, to enable the HCA to plan investment more strategically across the area.

3. The Single Conversation process in Oxfordshire is being managed through the Spatial Planning and Infrastructure Partnership (SPIP). At the present time this partnership is chaired by Cherwell District Council. In addition to all of the Oxfordshire local authorities, the membership of SPIP includes the HCA, GOSE, SEEDA, the Highways Agency and the Oxfordshire PCT.

4. The first key output of the Single Conversation Process is a Local Investment Plan (LIP). This document is to set out a shared vision for delivering housing, regeneration, economic growth and infrastructure across the County. This process ensures that there is a joined up approach and a set of agreed objectives for Oxfordshire, with the alignment of investment decisions across the County, not only by the local authorities and the HCA, but also key infrastructure / service delivery agencies such as the PCT, the Local Education Authority, and the Highways Agency. The Oxfordshire Local Investment Plan is required to be agreed by all of the local authorities and the HCA by the end of March 2010.

5 Although the Oxfordshire pilot is initially about producing the LIP, the Single Conversation is an ongoing process. The LIP will be regularly reviewed and updated. This will seek to ensure that key investment decisions taken at local, regional and national level are aligned to the shared objectives set out in the LIP.

## **Oxford's current HCA funding Streams**

6. The key areas where the HCA currently invests in Oxford are in the following programmes (in alphabetical order):

National Affordable Housing Programme (NAHP)

- Various affordable housing schemes delivered by RSLs
- Property and Regeneration (P&R)

- Barton master planning
- Blackbird Leys – opportunity sites will be identified as part of the development of an Area Regeneration Plan

#### New Growth Point Funding (NGP)

#### Local Authority New Build (LANB)

- Cardinal House
- Lambourn Road

#### Places of Change Programme (PCP)

- Aspire Oxford
- Old Fire Station / Crisis Skylight, Oxford
- O'Hanlon House
- Steppin' Stone
- The Gap, Oxford

### **Our Approach**

7. The City Council has seconded its Spatial and Economic Development Manager to work with Cherwell District Council, as current lead authority for the SPIP, to co-ordinate and project manage the local authority input into the single conversation process.

8. The City Council is represented at the SPIP Full Partnership by Councillor Bob Price and the Executive Director of City Regeneration, Mel Barrett. The officer working group of SPIP is attended by Michael Crofton Briggs, and the officer group of the Oxfordshire Housing Partnership (as sub-group of SPIP) is attended by Graham Stratford.

9. The Executive Director of City Regeneration has established quarterly senior level liaison meetings with the HCA.

10. The Executive Director of City Regeneration also chairs the Strategic Housing Delivery Group (SHDG) which brings together all the relevant heads of Service involved in delivering the Council's agenda to increase the supply of housing in general, and affordable housing in particular.

### **Shared Objectives for Oxfordshire**

11. The Corporate Plans, Community Strategies, and emerging Core Strategies for each Local Authority were used as a starting point to identify a shared set of objectives and ambitions for Oxfordshire. This was balanced against national and regional guidance, including the Regional Spatial Strategy and Regional Economic Strategy.

12. This identified a number of common themes which assisted in developing priorities as part of the LIP process.

13. At the SPIP Full Partnership meeting in December 2009 it was agreed that there were four shared objectives for Oxfordshire. These are summarised as follows:

- Providing the housing, including affordable housing, to support the economy of Oxfordshire through the development of healthy and thriving communities
- Address the regeneration needs of the most deprived groups and communities / breaking the cycle of deprivation
- Providing the necessary infrastructure to support the development of thriving and healthy communities and planned growth in Oxfordshire
- Providing the economic drivers to support the Oxfordshire Economy, and support 'Building the Future' of the economy

### **A 20 year view**

14. Each district has taken a long term assessment of what sites and schemes are likely to come forward over the next 20 years (to 2030 – to tie in with the Oxfordshire Sustainable Community Strategy). These sites are based primarily on evidence from the Strategic Housing Land Availability Assessment (December 2009) and knowledge of the housing teams.

15. This information is of key importance when taking a long term view on the development pressures facing an area, and the infrastructure needed. The 20 year programme for Oxford is attached at **Appendix 2**.

### **Details of deliverable schemes within the first 5 years**

16. The following projects have been identified as key projects which are deliverable (in part) within the first five years. As such these are proposed as priority projects in the LIP. Detailed information on each of these schemes is attached at **Appendix 4**.

17. It is important that all the relevant projects are included in the Local Investment Plan as otherwise it will be very difficult to get funding for them in the future.

17. For some of these schemes we are already in discussion with the HCA, and some they are already funding.

#### *Housing / Employment and Regeneration:*

- Barton (including regeneration of Barton and Northway)
- Oxford West End Renaissance project (including Transform Oxford)

- Small / medium housing sites (including windfalls)
- Blackbird Leys and Greater Leys regeneration
- Central Oxfordshire (no specific location(s))
- Northern Gateway (mixed use employment led development)
- Homelessness Projects (inc Old Fire Station)
- Regeneration projects (Rose Hill and Wood Farm)
- New Council House Building programme

Infrastructure:

- Access to Oxford
- Chiltern Railway / Evergreen 3 project (East-West rail)
- Secondary Education Schemes – Building Schools for the Future (Iffley Mead and Cheney)

18. The schemes outlined above could deliver the following housing and affordable housing numbers for Oxford over the next five years. These are only the schemes that are deliverable over the next 5 years. Clearly the 20 year list is considerable longer and the numbers are higher. These figures do need to be taken with caution, as they are dependent upon a number of external factors which we do not have control of.

	Total homes	Homes 2010-2015	AH 2010-2015
Barton (including regeneration of Barton and Northway)	1,000	500	250
Oxford West End Renaissance project	830	830	415
Small / medium housing sites (including windfalls)	2,722	2,722	1,094
Blackbird Leys and Greater Leys regeneration	500	500	250
Northern Gateway (mixed use employment led development)	200	200	100
New Council House Building programme	58	58	58
<b>TOTAL</b>	<b>5,310</b>	<b>4,810</b>	<b>2,167</b>

Note: The homes at Blackbird Leys may be added to the small / medium and windfall totals in the future as part of the prioritisation process.

### The Prioritisation Process

18. Each Local Authority has a list of schemes which are deliverable within the first 5 year period. At the current time there is a lack of clarity about the amount of funding available to the HCA over this period, due in part to the lack of the Comprehensive Spending Review (CSR). But the process will require to a greater or lesser degree a process of prioritisation.

19. The Local Authorities and HCA have developed an assessment process to come up with the lists of priority projects. The SPIP Full Partnership meeting on 2<sup>nd</sup> February considered how schemes across Oxfordshire would

be prioritised. They endorsed the spirit of the process set in Appendix 1, but agreed that some refinement would be necessary.

### **The next steps**

20. SPIP Full partnership will consider the LIP at its next meeting on the 1<sup>st</sup> March 2010. A verbal update will be given to CEB on the day of the meeting.

21. The CEB is asked here to authorise the Executive Director of City Regeneration in consultation with the Leader to make amendments to Oxford's Priority Projects and sign up to the LIP. This is due to be completed by 31<sup>st</sup> March 2010.

22. Once the words are agreed, the final LIP will be assessed by the Plain English Commission for a Clear English Standard. The document will then be desk top published in order to ensure that is an attractive document.

23. Once the LIP has been signed off by each of the Local Authorities and the HCA, work will start on the production of a Local Investment Agreement (LIA). This is a non-contractually binding Memorandum of Understanding between all of the Local Authorities in Oxfordshire and the HCA about how the LIP will be implemented.

24. Once the LIP is agreed, the SHDG role will be responsible at officer level for managing the process of bidding for HCA funding for the relevant projects identified in Oxford, and seeking to ensure that the various schemes come forward in a timely way.

### **Level of risk**

25. A risk assessment has been undertaken and the risk register is attached Appendix 4. All risks have been mitigated to an acceptable level.

### **Climate change / environmental impact**

26. All developments identified in Oxford in the LIP will be encouraged to minimise their carbon emissions in line with the Council's corporate priority of Tackling Climate Change. All developments over the threshold in Oxford will be required to meet the requirements of the Natural Resource Impact Analysis (NRIA). In addition, the assessment of schemes considers the potential for developments to go further, whether that is Code for Sustainable Homes level 6 (CSH6) or district wide low carbon heating schemes.

### **Equalities impact**

27. There are no direct equality impact issues relating to the LIP. Individual major projects will be subject to project level Equality Impact Assessments.

### **Financial implications**

28. The Local Investment Plan is about focussing investment decisions of a range of partners to deliver the shared objectives for the area. As such, the LIP will focus investment of others on key projects in Oxford (as well as elsewhere). At the same time, it is anticipated that the City Council will also seek to align its investment to drive forward the shared objectives in Oxford. As such it is critical that the shared objectives for the LIP are based in part on the City Council's Corporate Plan.

### **Legal Implications.**

29. There are no direct legal implications of the LIP. In due course the Local Investment Plan (and the projects identified within it) will be the subject of a Local Investment Agreement (LIA), a non-contractually binding Memorandum of Understanding between all of the Local Authorities in Oxfordshire and the HCA. The LIA will not create a binding commitment as the Council will have the opportunity to consider and approve individual schemes in the light of financial implications etc., however it should be recognised that in the event that the Council decided not to bring forward a scheme of development identified in the LIP following an offer of funding from the HCA then this would potentially lead to difficulty in the Council's relationship with the HCA.

### **Recommendation**

30. The City Executive Board is asked to:  
AGREE the draft Oxfordshire Local Investment Plan as it affects Oxford;  
AGREE Oxford's 5 year list of schemes to be included in the Local Investment Plan;  
AUTHORISE the Executive Director of City Regeneration in consultation with the Leader of the Council to agree changes to this information as the Oxfordshire Local Investment Plan before it is finalised before the 31<sup>st</sup> March 2010

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**List of background papers: none**

**Version number: 2**

**Appendices:**

Appendix 1: The Prioritisation Process

- Appendix 2: 20 year programme
- Appendix 3: Oxford's 5 year detailed sheet
- Appendix 4: Risk Register



### The Prioritisation Process

Each Local Authority has a list of schemes which are deliverable within the first 5 year period. At the current time there is a lack of clarity about the amount of funding available to the HCA over this period, due in part to the lack of the Comprehensive Spending Review (CSR). But the process will require to a greater or lesser degree a process of prioritisation.

The Local Authorities and HCA have developed the following assessment process to come up with the lists of priority projects. The SPIP Full Partnership meeting on 2<sup>nd</sup> February considered how schemes across Oxfordshire would be prioritised. They endorsed the spirit of the process set out below, but agreed that some refinement would be necessary.

Firstly, looking at individual schemes / projects / programmes:

#### Stage 1

Is the scheme deliverable in the short term 2010 – 2015?

- Will there be a start within the next 5 years?
- What pump priming, grant or infrastructure investment is needed within the next five years to get it going?
- Within this look at the 'readiness' for a project to get going, include viability, does it have planning permission, is the landowner interested?

#### Stage 2

What does the scheme offer in respect of its strategic fit / linkages?

- Does it deliver national or regional priorities?, e.g. SEP or RES.
- Does it deliver HCA national or regional priorities?
- Does it deliver individual LA priorities as set out in their Community Strategy and Corporate Plans?
- Does it deliver the shared objectives of all of the Oxfordshire authorities as agreed at SPIP at the end of 2009? – i.e. Economy, Housing, Regeneration, (Strategic) Infrastructure? (set out in section 6 of the LIP emerging draft)

(Stages 1 and 2 apply the assessment criteria set out. Subsequent stages add supporting assessment information).

#### Stage 3

What does the scheme deliver?

- No of homes / affordable homes / percentage of affordable homes?
- Economic development / number of jobs?

#### Stage 4

Does the scheme deliver wider benefits? (i.e. more than just the standard items to mitigate the impact of the development)

- Is the scheme a catalyst for other development / regeneration?
- Transport / green transport benefits?
- Provision of social infrastructure?
- Other forms of additionality (e.g. environmental gain)?
- For example does it unlock another site / provide a vital link in a road scheme etc?

### **Stage 5**

What is the overall level of investment required?

### **Stage 6**

Does the scheme offer value for money?

- This is a commentary, not a calculation.

Then looking at the County-wide list of projects as a whole:

### **Stage 7**

Does the priority list deliver a range of projects which cover all of the agreed objectives?

- Does the priority list have a reasonable geographical spread?
- Does it cover urban and rural areas? etc

Appendix 4

Risk Register

Risk Score **Impact Score:** 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action:	Outcome required:	Q 1	Q 2	Q 3	Q 4	I	P
					Mitigating Control: Level of Effectiveness: (HML)			Action: Action Owner:	Outcome required: Milestone Date:	⊗	⊗	⊗	⊗		
								Mitigating Control: Control Owner:		☺	☺	☺	☺		
1	Failure to agree the LIP by the agreed deadline	3	3	Pilot of a new approach, joining up between the City, 4 District and the County Council, plus the HCA and other stakeholders.	Senior Manager from the City Council has been seconded to project manage the process: M	2	2	Action: Accept Action Owner: Michael Crofton-Briggs  Mitigating Control: Control Owner:	Outcome required:  Milestone Date:						

