

THE SINGLE CONVERSATION - DRAFT BOROUGH INVESTMENT PLAN

Cabinet Member	Councillor Phillip Corthorne
Cabinet Portfolio	Social Service, Health and Housing
Officer Contact	Marcia Gillings, Adult Social Care Health & Housing
Papers with report	Appendix 1 – The Draft Borough Investment Plan for Hillingdon 2009/10 – 2013/14 (circulated separately from agenda)

HEADLINE INFORMATION

Purpose of report	The report explains the new business process the Homes and Communities Agency (HCA) has introduced for engaging with local authorities and presents a draft Borough Investment Plan (BIP) which is a key requirement for that process. Approval of the draft BIP is sought for the purposes of pursuing inward investment to Hillingdon by the HCA and its partner agencies.
Contribution to our plans and strategies	The Borough Investment Plan document derives its priorities from the Sustainable Community Strategy, the Housing Strategy, the draft Core Strategy of the LDF, the Economic Development Strategy and the Local Area Agreement. It contributes to delivering their key objectives.
Financial Cost	Costs associated with production of the BIP are covered by existing revenue budgets.
Relevant Policy Overview Committee	Social Service, Health and Housing
Ward(s) affected	All

RECOMMENDATIONS:

That Cabinet:

- 1. Approve the draft Borough Investment Plan for Hillingdon for the purposes of engagement with the Homes and Communities Agency to support the case for inward investment to Hillingdon.**
- 2. Delegate authority to the Director of Adult Social Care, Health and Housing for overseeing the future development of the draft Borough Investment Plan for Hillingdon, approving the Local Investment Agreement and, if required, the Devolved Delivery Agreement.**
- 3. Delegate authority to the Director of Adult Social Care Health and Housing to agree, in conjunction with the Cabinet Member for Social Services Health and Housing, amendments to details as required.**

INFORMATION

Reasons for recommendation

Production of the draft Borough Investment Plan (BIP) and the council's endorsement of it is the most important stage in engaging with the Homes and Communities Agency (HCA) and its Single Conversation business process. It will assist in helping to continue to secure funding and other support from the HCA and its partner agencies. This in turn will help Hillingdon achieve strategic objectives and benefit Hillingdon residents.

Alternative options considered / risk management

If the council did not engage with the Single Conversation process, the BIP would not be required. There is no statutory requirement to produce a BIP. When the HCA requested the preparation of BIPs at the beginning of 2010, there was an expectation that all local authorities would co-operate. By July the draft BIP was nearly complete following internal consultation and several meetings with the HCA. However, following a national evaluation of the process commissioned by the HCA, the Housing Minister, Grant Snapps wrote to councils in July 2010 advising that the production of BIPs was voluntary and that councils need only prepare them where they felt it was worthwhile for them.

Officers recommend continued engagement as the HCA invests substantial amounts of funding in the borough for affordable housing; £55.7 million was allocated in 2009/10. The remit of the HCA is wider than affordable housing and includes funding and support for regeneration activities. The case for investment in Hillingdon will need to be stronger than ever, as spending cuts mean there will be up to 40% less funding available during the next Comprehensive Spending Review period starting in April 2010.

Comments of Policy Overview Committee(s)

The POC has not considered this report at the time of writing.

Supporting Information

- 1 The HCA is the principal funder of affordable homes in Hillingdon. In 2009/10 they allocated £55.7m of grant in the borough, mainly to housing associations but £8m was directly to the council for its own programme of developing surplus or derelict sites on housing estates (referred to as the HRA Pipeline programme).
- 2 The HCA has introduced a new process for engaging with local authorities called the Single Conversation. This process is aimed at building a relationship with a local authority and gaining understanding of their overall place-making priorities. In London, local authorities' plans are being considered in relation to their sub-region and London as a whole. Once the HCA have a thorough understanding of all the local authorities' priorities in London, and their capacity to deliver, they will be able to decide where to allocate scarce resources to achieve the optimum impact for both the local authority and the region.
- 3 This new business process is a reflection of the wider role of the HCA following merger with English Partnerships. They are now able to provide funding not just for affordable housing but also for regeneration schemes and can provide advisory and some funding support using other delivery tools such as joint venturing, master planning and supporting development of Supplementary Planning Documents, forward-funding infrastructure

delivery, PFI Credits and for capacity building and place-making. However, it should be noted that the majority of funding available will be for affordable housing.

- 4 To support the case for continued funding and support from the HCA, local authorities are being asked to prepare Local Investment Plans. In London these are called Borough Investment Plans (BIPs), which should bring together a local authority's key investment schemes and proposals into one document with priorities clearly identified. The HCA guidance state that these priorities are expected to be derived from key documents such as the Sustainable Community Strategy, the Local Development Framework, the Housing Strategy, the Economic Development Strategy and the Local Area Agreement. It is expected that the BIP will develop over time and be subject to periodic review.
- 5 The HCA will be assessing BIPs in conjunction with the Greater London Authority (GLA) for fit with their criteria. When BIPs have been signed off, the HCA will negotiate and enter into a Local Investment Agreement with each local authority. This will be an agreement to provide funding for a selection of schemes that meet regional and national ambitions. The Local Investment Agreement will be the "action plan" which accompanies the Borough Investment Plan.
- 6 The GLA will take over the HCA's functions in London starting from April 2012 and will be responsible for allocating former HCA funding. However, from April 2011 there will be close working arrangements between the HCA and GLA in London. The BIP will therefore need to have alignment with the Mayor's strategies and policies. In addition, the GLA and London Councils have launched a consultation on whether local authorities are interested in further devolution by taking on the responsibility for devolved budgets for housing and regeneration investment. The BIP would be important in assisting decisions about budget allocations. Authorities taking part would sign up to a Devolved Delivery Agreement which differ from Local Investment Agreements in that there would be greater programme management responsibilities involved with managing their own budgets. London Councils support the devolved budget proposal and are encouraging all Boroughs to take part although it will not be compulsory.
- 7 The BIP is intended to convey a strong statement of the council's priorities and support the case for funding in the borough. Thus it will help the HCA to make its decisions by providing background and context and demonstrating how Hillingdon contributes to the development and prosperity of the West London sub-region and London as a whole. Through the BIP and Single Conversation liaison meetings, the HCA will become familiar with our local priorities.
- 8 Officers are working to a timetable set by the HCA. HCA officers have said they wish to sign off the documents following approval by Cabinet, with the aim of having the Investment Agreement in place by 1st April 2011, ready for the new Comprehensive Spending Review period.
- 9 The draft of Hillingdon's BIP is circulated seperately attached as Appendix 1. Most detail is derived from existing published council strategies along with information from the emerging draft Core Strategy of the Local Development Framework which has been approved by Cabinet and is now out for public consultation. The current Sustainable Community Strategy provides the main framework for the document and the themes of People, Place and Prosperity are mirrored in the BIP.
10. It is proposed that the annual reviewing and refreshing of the LIP is overseen by the Director of the Department involving the Prosperous Borough Steering Group, the group

of senior officers with links to the Local Strategic Partnership. During 2010 -11 the LIP will be undergoing further refinement and there needs to be a process to ensure that the HCA has an “approved” reference document as a starting point for the next stage involving the Local Investment Agreement and the Devolved Delivery Agreement. The process will start with Cabinet approval but regular amendments are likely to be needed as projects and priorities change. Therefore, it is proposed that the Cabinet delegate authority to the Director to approve the annual refreshing of the BIP and to approve the Local Investment Agreement and Devolved Delivery Agreement which will follow HCA acceptance of the BIP. It is proposed that the Cabinet delegate authority to the Director of Adult Social Care, Health and Housing to agree, in conjunction with the Cabinet Member for Social Services Health and Housing, amendments to details if these are required more frequently than the meetings of the Prosperous Borough Steering Group.

Financial Implications

The council needs to maximise inward investment primarily to enable the supply of housing of all tenures in the borough and to help meet the shortage in affordable housing. Given its wider regeneration role, the HCA could also provide resources to support wider regeneration and economic development activities. Engaging in the Single Conversation process and producing the BIP will help to achieve this.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

If the recommendations are approved, officers will continue engagement with the HCA’s Single Conversation process and go on to develop the Local Investment Agreement and Devolved Delivery Agreement. This will provide an indication of the amount of funding and resources that the HCA would be prepared to invest in Hillingdon over the next Comprehensive Review Period starting from April 2011. This in turn will help to achieve the objectives of the Sustainable Communities Strategy.

Consultation Carried Out or Required

The draft BIP has been circulated to the council’s housing association partners. An early draft was placed on the Hillingdon Partners website for comment and also presented to the Prosperous Steering Borough Group. Senior Officers in Adult Social Care Health and Housing, (HICMT) approved an early draft. Comments were sought from key officers of the council including those who made contributions. The comments have been incorporated in the document. There have also been a number of liaison meetings with the HCA which have shaped the contents.

CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and is satisfied that the costs associated with the production of the Borough Investment Plan (BIP) will be contained within existing budgets. Engaging with the Homes and Community Agency and its Single Conversion business process and the production of the BIP, will help to secure and maximize inward investment in the Borough for affordable housing and potentially wider regeneration projects. Individual projects with direct financial implications will be reported to cabinet for approval.

Legal

The Homes and Community Agency (“HCA”) was formed on 1 December 2008 through the transfer of the functions and assets of English Partnerships; the investment functions of the Housing Corporation; a number of delivery programmes from the Department for Communities and Local Government and the transfer of the Academy for Sustainable Communities.

The statutory objects of the HCA, are as listed in the Housing and Regeneration Act 2008, namely to;

- Improved the supply and quality of housing in England;
- Secure the regeneration or development of land or infrastructure in England;
- Support in other ways the creation , regeneration or development of communities in England or their continued well-being;
- Contribute to the achievement of sustainable development and good design in England, with a view to meeting the needs of people living in England.

There are no specific legal implications for this report which seeks to approve the draft Borough Investment Plan (“BIP”) for the purpose of engagement with the HCA. As mentioned, the production of a BIP in association with the HCA is a non-statutory requirement. No specific difficulties with the draft BIP and ongoing negotiations with HCA been brought to the attention of Legal Services.

In terms of recommendation B above, the legal department should be consulted on the precise terms of the Local Investment Agreement and Devolved Delivery Agreement, and any other legal issues in connections with these agreements should be expeditiously brought to the attention of Legal Services.

Corporate Landlord

The report relates to arrangements for external funding for affordable housing and regeneration, therefore comments for the report were sought from corporate property. However, they contributed to the contents of the BIP and were consulted on an earlier draft.

BACKGROUND PAPERS

All on www.Hillingdon.gov.uk

Hillingdon Partners Sustainable Community Strategy 2008 - 2018

Hillingdon Profile 2008

Hillingdon’s Housing Strategy 2007 – 2010

Hillingdon Joint Strategic Needs Assessment 2009 – 2014, 2010 refresh

Sustain, Prosper, Renew; The Hillingdon Approach to Regeneration 2010 – 2015; Preparing for the Upturn

Building Schools for 21st Century; Strategy for Change Part 1, April 2009

Comprehensive Area Assessment, 2009 (Audit Commission)

A Vision for 2026 – Local Development Framework Core Strategy Consultation Draft June 2010

Cabinet Report – 14th October 2010

**DRAFT BOROUGH INVESTMENT PLAN
(CIRCULATED SEPERATELY FROM MAIN AGENDA)**