

SUSTAINABLE GROWTH SCRUTINY COMMITTEE	Agenda Item No. 6
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Report of the Chief Executive

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PETERBOROUGH LOCAL INVESTMENT PLAN (LIP)

1. PURPOSE

- 1.1 The purpose of this report is to seek comments from the Committee on the Local Investment Plan (LIP). This plan is required by the Housing and Communities Agency (HCA) to show evidence to support requests for funding and sets the context for residential development within Peterborough.

2. RECOMMENDATIONS

- 2.1 To support the adoption of the Local Investment Plan, developed in conjunction with the Homes and Communities Agency, in order that it can be used to help to attract inward investment into Peterborough, primarily for the purposes of encouraging residential regeneration.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 This item supports Priority 4 of the Sustainable Communities Strategy 'Delivering substantial and truly sustainable growth'.

4. BACKGROUND

- 4.1 The LIP is a document initiated by the Homes and Communities Agency. The purpose of the LIP is to provide the first step in a funding application process towards the encouragement of strategic growth projects, with a particular emphasis on the provision of housing. The HCA are the intended recipient of the document, although they are keen that it is also used as a tool to attract other possible inward investors. It has been based upon the Peterborough Integrated Development Programme, which was adopted by Cabinet in December 2009. The LIP is more focussed and is intended by the HCA to be a very fluid document. Regular updates and revisions are expected from the Council in accordance with changing situations and priorities.
- 4.2 The basic aim is to help provide or facilitate housing development in any area throughout the City where there is an identified and evidenced need.
- 4.3 The HCA see the LIP as being the key to investment within the City. It is an initiative aimed specifically at local authorities, and the earliest examples were completed around mid 2009. LIPs can only be formed with local authorities and as a result the Local Authority is the custodian of the document but the financial beneficiaries can be other organisations or project partners, such as housing associations.
- 4.4 The LIP is presented in two fundamental parts. Evidenced policy text, from which the existing IDP document was heavily drawn upon, and a programme of specific proposed projects, which are currently made up of 4 large affordable housing developments and 4 transport infrastructure plans enabling residential development.

5. KEY ISSUES

- 5.1 The LIP is not in itself a funding application or binding agreement. It is a plan, a statement of intent, the projects within which are eligible for progression to the next stage of the application process. The key in the context of the LIP is that they are presented in an approved evidential format.
- 5.2 The LIP is intended to be a fluid document in that the content, notably the project content, can be revised on an ongoing basis, with specific project cases deleted, altered, or added to as required. These cases are in very brief summary form and follow an existing template.

5.3 There is currently no definitive information from the HCA as regards volume of funds available or exactly how they will be prioritised and allocated, other than that it is anticipated that there will be unallocated budget becoming available to them during the course of 2011.

5.4 The Recommendation outlined above would result in a fully approved LIP document being in existence and registered with the HCA by March 2011. The LIP can then be reviewed in terms of project content and, if deemed desirable, this can be done in consultation with third party organisations that are likely to have a direct interest in these project proposals.

6. IMPLICATIONS

6.1 Legal Implications: At present there are no legal implications. The agreement is not legally binding on either party and only provides a framework by which the Council can bid for financial support from HCA. Further stages will have legal implications and these will move forward with the full involvement of Legal Services.

6.2 Financial Implications: Other than staff time there are no financial implications at this time. However it is likely that should we move to the next stage then there will be a requirement for resources either directly or through the contribution of physical assets eg Land. Finance will be fully involved in any future work arising out of the LIP.

6.3 Equalities: There are no specific issues arising out of this proposals that will have an effect on any of the groups.

7. CONSULTATION

7.1 The document has been undergoing compilation since July 2010 and has been subject to considerable consultation with the HCA. In addition Housing Associations have also been consulted on the format and content of the LIP. **The HCA formally approved the Peterborough LIP on 10th February 2011.**

8. NEXT STEPS

8.1 The item is intended to be submitted to Cabinet on 21st March for approval and adoption by the Council.

8.2 The stage beyond a LIP is known as the Local Investment Agreement (LIA)). This is not legally binding itself, but was referred to as a Memorandum of Understanding. They are less flexible than LIPs and require much more detail on the proposed structure and delivery mechanisms for the project work therein. However, at the time of writing, it was understood that LIAs may be being superseded by new arrangements. Further details have yet to be confirmed.

8.3 The stage beyond an LIA has also not yet been fully defined. However is likely to be the formation of detailed business cases for each individual project. In effect, actual funding applications.

9. BACKGROUND DOCUMENTS

9.1 Peterborough Integrated Development Plan – December 2009

10. APPENDICES

10.1 Appendix 1 - Peterborough Local Investment Plan (LIP) – As Approved by the HCA.