

## Local Investment Plan – Agreeing Priorities

### Emerging assumptions:

- Relatively short 5 year horizon
- On detailing, primarily covers HCA funding streams – where there is a “bidding” requirement
- Includes smaller scale scheme funding requirements – particularly the NAHP grant flow to small or medium urban and rural redevelopment / infill housing schemes which are often “windfalls” (the old HC bidding and market engagement process covered this)
- Smaller scale schemes can only be sensibly / flexibly handled in terms of a projected rate of development and a related assumption about affordable housing proportion – and grant requirement.

### Possible criteria for selection of priorities:

- Strategically important schemes / projects that will make a significant impact on provision of housing or unblocking of infrastructure constraints to economic development and housing growth (this was the basis we used for the initial listing now embodied in Working Paper 5 – it was judgmental, but there is – more or less - agreement on this list)
- Deliverability within 5 years equals immediate funding priority (this has now been suggested as a practical way of “sorting” the priorities, but may be problematic as availability of funding is often itself a key factor in deliverability)
- Combination of above (systematic – but still judgemental - scoring system required)

### Issues:

- Need for recommendation to SPIP that can achieve consensus?!
- Does the LIP include a general / shared view of high level priorities for housing and related infrastructure priorities on a longer than five year horizon?
- Is the LIP viewed as a bid document for HCA regeneration funding (implies need for longer view)?
- Is the LIP also viewed as a bid document for HCA NAHP funding for specific schemes – if so how will flexibility be built in for continuous market engagement? Alternatively should an assumption be made that NAHP grant funding will only be available on exceptional case basis – and justify exceptional cases in priorities?
- What other funding streams is the LIP likely to influence – how does this relate to a bidding approach?
- What view does HCA take on appropriate criteria for prioritisation?
- What is the likely scale of funding available, and how does this affect the view taken the criteria for prioritisation?

- How is use of funding now to open up longer term opportunity to be handled (this applies particularly to some regeneration projects with long time horizons. It also influences choices about “easy or difficult” sites – often greenfield will win over brown on immediate deliverability)
- What are the absolute constraints to deliverability (e.g. land ownership and assembly / market viability .....)?
- Deliverability often depends on “release” of infrastructure constraints. In many cases this is dependent on LPA decisions about the scale and balance of planning obligations (including private sector land provision/funding for affordable housing) – these constraints are not absolute. If deliverability is used as a priority measure then inclusion, or not, of schemes and projects as priorities will depend on the approach of the LPA to negotiating scheme progress (possibly with less affordable housing or infrastructure)?
- Who decides the bid for NAHP funding? Typically RSLs will make an approach with developer partners under planning obligation terms – will the funding priority decision veto this method and market engagement response
- How are NAHP grant rates to be fixed and what level should be assumed? – this will allow quantification of funding priorities and a consistent message to private sector and RSL development partners about expected levels and locations for public sector investment?

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