

CABINET MEETING – 3 NOVEMBER 2010

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Sunderland's Housing Priorities Plan

Author(s):

Executive Director of Health, Housing and Adult Services and Deputy Chief Executive

Purpose of Report:

To advise Cabinet of the development of the Sunderland's Housing Priorities Plan. To seek Cabinet approval for Sunderland's Housing Priorities Plan and for the Plan to be submitted formally to the Homes and Communities Agency.

Description of Decision:

To approve Sunderland's Housing Priorities Plan and for the Plan to be submitted formally to the Homes and Communities Agency.

Is the decision consistent with the Budget/Policy Framework? Yes.

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Sunderland's Housing Priorities Plan is seen as the main product of the on-going dialogue between the City Council and the Homes and Communities Agency, and is intended to form the basis for future investment decision making between the City Council and the Homes and Communities Agency. It will complement the Economic Masterplan and ensure that Sunderland's housing offer will meet the city's needs and objectives.

Alternative options to be considered and recommended to be rejected:

The alternative option is to not develop Sunderland's Housing Priorities Plan and thereby potentially putting at risk Homes and Communities Agency funding into the City.

Is this a "Key Decision" as defined in the Constitution?

Yes

Is it included in the Forward Plan?

Yes

Relevant Scrutiny Committee:

Sustainable Communities.

**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND
ADULT SERVICES AND THE DEPUTY CHIEF EXECUTIVE**

SUNDERLAND'S HOUSING PRIORITIES PLAN

1. PURPOSE OF THE REPORT

- 1.1 To advise Cabinet of the development of the Sunderland's Housing Priorities Plan. To seek Cabinet approval for Sunderland's Housing Priorities Plan and for the Plan to be submitted formally to the Homes and Communities Agency.

2. DESCRIPTION OF DECISION

Cabinet is requested:

- 2.1 To approve Sunderland's Housing Priorities Plan and for the Plan to be submitted formally to the Homes and Communities Agency.

3. BACKGROUND

- 3.1 The Homes and Communities Agency (HCA) was formed on 1 December 2008 through a merger of 'English Partnerships' and the 'Housing Corporation' to create the national housing and regeneration agency for England.
- 3.2 The primary role of the HCA is to create opportunity for people to live in high quality, sustainable places. The HCA provides funding for affordable housing, brings land back into productive use and improves the quality of life by raising standards for the physical and social environment in Sunderland.
- 3.3 From the launch of the HCA in December 2008, the focus has been on implementing the 'Single Conversation' or 'Local Investment Planning' process as a local place-based business model. The model was designed to realise the benefits of creating a single housing and regeneration agency and achieve more efficient investment delivery in places in line with locally determined priorities. The HCA have now initiated this on-going iterative process with every local authority in England.
- 3.4 Local investment planning is the HCA's formal approach to help ensure that there is a consistent approach nationally to identifying key needs and priorities at a local authority level and that plans are in place to support and deliver against these needs. This approach complements the Council's strategies and action plans for ensuring that the City's aspirations for Sunderland to be a place that people want to live, work, visit and invest in are met.

- 3.5 Sunderland's Housing Priorities Plan (HPP) is seen as the main product of the on-going iterative process and is intended to form the basis for investment decision making between the City Council and the HCA over the next 15 years. It is not a statutory document and supports the delivery of the Council's and Local Strategic Partnership's key documents. The strategic context of the HPP is set out below:



- 3.6 The HPP will also form the basis of a 'Local Investment Agreement' between the City Council and the HCA and this is likely to be signed-off in early 2011.

4. CURRENT POSITION

- 4.1 At the moment the City Council does not have a formal housing priorities plan or an 'investment agreement' in place with the HCA and as such the City could potentially miss out on much needed financial investment as to help realise the aspirations and strategic priorities of the City.
- 4.2 Investment opportunities with the HCA are currently based upon individual 'grant bid submissions' for individual projects that are short term by their nature. The HPP will ensure that the agency works with the Council to support the regeneration and growth of our local priority places and special needs over the next 15 years in Sunderland; all at a time of economic uncertainty, with the impacts of the recession now being felt, private sector uncertainty and reduced overall public expenditure. The current grant bidding process is not based upon a total capital approach or a placed-based commissioning framework and the HPP will help address these short comings and ensure that there is a more consistent approach developed.

- 4.3 The HCA has issued its 'Local Investment Plans – Core Elements' requirements that each local authority is encouraged to address within its plan, including:
- Alignment and coherence of local strategies, and the degree to which these are consistent with relevant local targets;
 - A clear and consistent narrative about the rationale for the investment priorities identified, including key evidence of the local economic, social, demographic and environmental needs that they will address; and
 - A framework for making choices and determining priorities to deliver strategic outcomes within limited resources
- 4.4 The role of the private sector can not be underestimated, and the HPP needs to be alive to the requirements of the private sector and enable developers to aid in the delivery of the strategic priorities all aligned to the realisation of the city's vision. At the moment, due to the lack of clarity on our housing priorities, private sector developers and investors are uncertain where development opportunities are linked to an overall strategic investment plan.
- 4.5 The HPP seeks to set out the reason for, and the commitment to, joint investment in Sunderland and develop the priorities for that investment over the lifetime of the Plan (2010-2025).
- 4.6 The HPP has been based upon and developed around the overall spatial and socio-economic regeneration priorities of Sunderland as set out in the Sunderland Strategy 2008 -2025, Economic Master Plan and the Core Strategy / Local Development Framework (LDF).
- 4.7 It is intended that the HPP will be updated and refreshed in April 2011 by which time the impacts of the Comprehensive Spending Review 2010 (CSR10) will be fully known.

5. REASONS FOR DECISION

- 5.1 The HPP is intended to form the basis for future investment decision making between the City Council and the HCA and an initial 'investment agreement' for 2011/12-2013/14 is planned to be signed-off in early 2011.
- 5.2 There is also an implicit recognition that HCA resources, like other public funding, will be limited and that a 'partnership' aimed at 'place shaping' can only work if it is linked to making the most use out of other resources as well, such as private sector investment, land use, cross subsidy, prudential borrowing and the use of other assets such as knowledge, skills, time, intelligence and other services.

- 5.3 This approach will enable the City to enter into a negotiation phase with the HCA that will culminate in an 'Investment Agreement' being signed in early 2011, which will confirm the priorities for investment. This approach will also highlight the spatial priorities and timescales for the City's development in three year tranches up until 2025, with associated investment requirements.
- 5.4 The HPP will also underpin the City's commitment to current and future priorities contained within the Economic Masterplan.
- 5.5 The HPP reaffirms the city's intention to:
- Improve the local economy and support economic growth
 - Develop and deliver new homes that meets the needs and aspirations of existing and potential residents
 - Improve the existing housing stock – especially in relation to reducing the carbon footprint and reducing fuel poverty
 - Supporting the development of Low Carbon City Villages
 - Meeting the accommodation and support needs of all vulnerable people – especially the needs of an ageing population
 - Promoting sustainable living
- 5.6 The HPP will also help clarify HCA thinking on how it's investment will help drive Sunderland's economy and contribute towards dealing with socio-economic inequalities in the city.

6. ALTERNATIVE OPTIONS

- 6.1 The alternative option is to not develop Sunderland's Housing Priorities Plan and thereby potentially putting at risk Homes and Communities Agency funding into the City.

7. RELEVANT CONSIDERATIONS/CONSULTATION

- 7.1 The Director of Financial Resources has been consulted upon throughout the development of the HPP.
- 7.2 The HPP has been widely consulted upon, with two consultation events with partners being held in July and September respectively. The HCA have also been fully involved in the Plan's development and have carried out their own 'Peer Assurance Review' and comments made from the Review have been factored into the document.

8. RECOMMENDATIONS

- 8.1 Cabinet are recommended to approve Sunderland's Housing Priorities Plan and for the Plan to be submitted formally to the Homes and Communities Agency.

- 8.2 That delegation be authorised to the Executive Director of Health, Housing and Adult Services and the Deputy Chief Executive in consultation with the Portfolio Holders for Sustainable Communities and Prosperous City to negotiate with the HCA over the development of the Local Investment Agreement
- 8.3 That Cabinet receive an updated Housing Priorities Plan in April 2011.

9. APPENDICES

Sunderland's Housing Priorities Plan 2010-2025

Appendix 1 - Priorities