

## Local Investment Plans – Core Elements

In order to improve our delivery with local partners on the ground, enable the Agency to offer the best possible support for Local Partners, ensure good value for money on our investment, and inform our discussions with national Government about the scale of the housing, growth and regeneration challenges the country faces, we are adopting the following core elements for Local Investment Plans. The Core Elements reinforce key aspects of the existing Guidance Framework and supporting information.

The core elements set out a number of issues that Local Investment Plans should address, 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.

A good Local Investment Plan should have a clear narrative “golden thread”, rooted in analysis and understanding of the evidence base, which runs through the elements described below so that investment priorities can be clearly seen to flow out of the strategic challenges identified. We have also set out a suggested approach to appraisal of Local Investment Plans in order to ensure alignment with Government priorities and provide evidence of value for money.

The core elements should be used to inform the content of Local Investment Plans that are in development. They should not be applied retrospectively to Local Investment Plans already agreed, but they should form the basis for assisting Local Authorities in reviewing Local Investment Plans as they are updated in due course.

### **Economic purpose**

The economic purpose of the place and its economic trajectory

#### Explanation

Building on the local strategy for economic development:

- What are the current economic conditions and the likely economic trajectory?
- How does the place fit with the ‘functional economic area’ including cross boundary issues?
- What is the sectoral structure and the comparative strengths and weakness of the local economy?
- What are the economic development ambitions and proposals?
- How will the local investment priorities identified in the plan support economic growth?

#### Quality indicators

The Local Investment Plan demonstrates how an improvement in local economic conditions will be achieved through delivery of the investment priorities it identifies.

### **Housing demand and supply**

Analysis of housing demand, supply and needs.

### Explanation

Building on the understanding of the local economy and the Local Authority's assessment of future housing needs and demand:

- Demography and housing demand and need – what is the demographic profile of the area, (looking at past and future trends and breakdowns of particular equality strands such as gender, race and disability) and its geography, population density and location, and the impact this has on economic performance and housing demand?
- Affordability - what affordability challenges do particular income groups face?
- Supply - what is the current and baseline trajectory for housing supply?
  - What has been the performance against local plan targets in recent years?
  - is the existing stock and projected new supply adequate to meet projected demand and needs?
  - is there a viable land supply to support new housing provision?
  - what investment is needed to make existing and new supply better able to meet demand and need?

### Quality indicators

The Local Investment Plan identifies the investment needed to make existing and new supply of housing better able to meet housing demand and need.

### **Placemaking: wider sustainable place making outputs and outcomes**

The wider social, economic and environmental outputs, and outcomes, that the Local Investment Plan prioritises for delivery.

### Explanation

Local Investment Plans should reflect the local strategic objectives set out in the Sustainable Communities Plan, emerging local Enterprise Partnership priorities and Local Development Framework. Local Investment Plans should cover all aspects of place making and identify key location for co-ordinated intervention. Where relevant these should be related to the key performance indicators set out in the HCA's Corporate Plan

Appropriate measures for outputs and outcomes should be included in line with the local priorities identified in the plan, and linked to relevant HCA key performance indicators:

- amount of land brought back into beneficial use;
- leverage of private sector investment;
- links and coherence with other public investment;
- number of homes improved or refurbished, including social homes brought up to decent homes standard and empty properties brought back into use;
- employment floor space;
- apprenticeships, training and jobs created or protected;
- proportion of homes delivered to code level 3 and above;
- quality of place and quality of life outputs and outcomes;
- meeting diverse housing needs; and
- addressing climate change adaption or mitigation.

### Quality indicators

The Local Investment Plan demonstrates a comprehensive approach to the sustainable development of communities, places and the local environment.

## **Meeting our equalities duties and the needs of vulnerable and disadvantaged groups**

As public bodies we have legal duties to deliver race, gender and disability equality through our activities. In due course, the Equality Act will extend duty areas to cover religion and belief, sexual orientation and age. We also have a strong corporate commitment to meeting the needs of older and vulnerable people.

### Explanation

The plan must demonstrate what steps have been taken to actively meet statutory obligations for race, gender and disability equality. It should also show how it is addressing the housing and associated needs of specific groups under our National Affordable Housing Programme, identified in diversity strategies and our [Single Equality Scheme, Diverse Interventions](#), including:

- the provision of secure and affordable sites for Gypsies and Travellers;
- affordable homes for larger families;
- specialist housing that meets the needs of diverse communities;
- accessible housing that meets the needs of disabled people;
- supporting community cohesion and addressing socio-economic disadvantage; and
- promoting equality for future statutory areas of religion and belief, sexual orientation and age.

In addition, the Local Investment Plan should include explicit reference to meeting the needs of vulnerable people and key priority areas such as housing for older people, housing with care and support for vulnerable people, improving the quality of hostel accommodation for homeless people. Local Investment Plans should also be subject to an Equality Impact Assessment, which is a duty both on Local Authorities and the Agency.

### Quality indicators

The Local Investment Plan and the Equality Impact Assessment clearly state how duties have been considered and the plan will deliver positive actions to meet them.

## **Strategic priorities**

A systematic approach has been undertaken to determine the key spatial and thematic priorities identified in the Local Investment Plan, so for example with respect to the condition of the existing stock of affordable housing, there may be a number of key estates which are a **spatial** priority for transformation alongside a **thematic** district-wide of achieving the decent homes standard across the social stock.

### Explanation

The overall priorities for investment in the area to achieve the local ambition and vision agreed with partners. The Local Investment Plan should identify:

- how these priorities have been determined by local authorities and partners in line with evidence, including that set out above
- how these priorities fit with other relevant local strategies
- the rationale for the strategic choices that have been made through the process of developing the Plan.

### Quality indicators

See Local Investment Plan appraisal (below)

## **Local community engagement**

The priorities in the Local Investment Plan should have been informed by the views of the local community.

### Explanation

While responsibility for the development of the Local Investment Plans rests with the local authorities and their partners, it is important that it demonstrates that communities have been involved in setting priorities. Consideration should be given to the role of community led housing and organisations, including Community Land Trusts and Local Housing Trusts in delivering the Local Investment Plan.

As well as engaging local communities in setting priorities, the development of the Local Investment Plan should be informed by the Local Strategic Partnership, emerging Local Enterprise Partnerships, the business community, other public agencies, the voluntary and community sectors and development partners.

It is also important to set out how the development process for the plan has been consistent with the local authorities' Duty to Inform, Consult and Involve and the HCA's parallel duty.

### Quality indicators

The Local Investment Plan should show which bodies have been consulted or involved in the setting of the visions and priorities for the area, either specifically for the Plan or indirectly through consultations by the LA on other strategies and programmes which informed the plan and priorities.

## **Local Investment Plans - appraisal**

The appraisal of a Local Investment Plan should consider:

### **Strategic case**

- Is there a clear shared vision and set of objectives?
- Are local policies and strategies rooted in evidence and aligned towards achieving the vision?
- What are the **strategic challenges** in achieving ambitions around economic change and / or housing supply / stock condition (as appropriate) given the evidence base?
- How do these translate into **priorities**?
  - Thematic, eg:
    - provision of affordable housing
    - supported housing
    - improvement of existing stock condition
  - Spatial, eg:
    - Priority investment locations
- Do these in turn provide the strategic rationale for individual investments which will form part of the project appraisal?

### **Prioritisation (economic case)**

- Given resource constraints, how have trade offs between investment priorities been made?
- How have priorities been determined? This might include:
  - input from stakeholder and community consultation
  - timing
  - deliverability
  - capacity
  - fit within any value for money frameworks

- What are the opportunity costs of choices that have been made ie why has one priority been chosen over another and what are the trade-offs?

**Commercial case**

- What other public and private resources and assets have been considered and included?
- Will there be demand / need for the prioritised activities?
- How realistic are assumptions, particularly around private sector leverage?

**Financial case**

- Is the potential HCA investment set out in the plan clear; is it affordable to HCA within its anticipated funding envelope? Will it achieve appropriate outputs in line with Corporate and Local Business Plans?

**Management case**

- Are the identified investment opportunities deliverable within the timescale?
- Who will lead on each?
- Do partners have the capacity / expertise?
- What are the risks?
- What are the provisions for monitoring (including performance monitoring) – how will any underperformance be managed?
- How will the impact of the plan be evaluated?