

**LOCAL INVESTMENT AGREEMENT BETWEEN
LIVERPOOL CITY REGION LOCAL
AUTHORITIES AND THE HOMES AND
COMMUNITIES AGENCY**

APRIL 2012 TO MARCH 2015



For and on behalf of
Homes and Communities Agency
(HCA)

Date 30 July 2012

Signed 

Neil Pickering

For and on behalf of
Liverpool City Region Cabinet

Date 30 July 2012

Signed M. E. Rimmer CBE

Councillor Marie Rimmer - (Leader of St Helens Council) - on behalf of Liverpool City Region
Cabinet

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1. Introduction

- 1.1 The purpose of this Local Investment Agreement (LIA) is to set out the key roles of the Liverpool City Region (LCR) local authorities and the Homes and Communities Agency (HCA) in delivering the housing and regeneration priorities set out in the Liverpool City Region Local Investment Plan 2 (LIP2) for 2011-2015.
- 1.2 The LIA summarises the core activities and resources proposed over the next three years, mirroring the timeframe of the LIP2. It will be subject to an annual review to ensure that it remains relevant and reflects changes in local authority and city region delivery infrastructure. In particular in Liverpool which from May 2012 is to have an Elected Mayor with specific delivery and funding roles around economic development and housing. The HCA is likely to have a key partnership role working with the Elected Mayor and so the LIA reflects this changing environment.
- 1.3 It should be noted that this Agreement forms a Memorandum of Understanding between the LCR authorities and the HCA reflecting a joint commitment to work together effectively to deliver the ambitions outlined in LIP2. This is key to supporting the delivery of strong and successful communities, to further support LCR's economic growth, underpin its economic competitiveness, and create strong and attractive sustainable neighbourhoods.

2. Key LIA Areas of Activity

- 2.1 The LCR LIA has three key areas of activity and areas for joint working. These are:
- Maximising Investment;
 - Targeted Use of Public Land and Assets; and
 - Drawing on our collective skills, capacity and expertise.
- 2.2 These are all underpinned by a commitment between Liverpool City Region Local Authorities and the HCA to continue to adopt an open and collaborative approach to work together to deliver the City Region's shared economic and housing objectives. We have a strong track record of this to date, as exemplified by our joint work on the development of the Local Investment Plans 1 and 2 ; the response to the Affordable Homes Framework; and the HMR Transition Fund opportunities and the approach taken to encourage and prioritise strong bids to the Growing Places Fund.

Maximising Investment

- 2.3 The LCR local authorities recognise the new economic backdrop in delivering housing and regeneration objectives. The authorities are working to generate additional investment from both the public and private sectors to deliver these objectives, and are setting them clearly within an economic context.
- 2.4 The City Region has already secured over **£86m** of direct public investment commitments (2012 -15) to drive forward economic growth and regeneration priorities including the following:

- **£12.7m** NAHP;
- **£38.3m** Affordable Homes Programme (AHP);
- **£7m** REECH investment in Knowsley, Sefton and Liverpool;
- **£15.4m** Housing Market Renewal Transition Funding (plus match funding from Liverpool, Sefton and Wirral Councils giving a total resource of £31m);
- **£12.9m** HCA Property and Regeneration programme; and
- **48 sites** delivering Firstbuy.

Action 1: Optimising Existing Funding and Investment

Effective delivery of the funding and investment streams highlighted in paragraph 2.4 to deliver Local Investment Plan objectives will continue to be a high priority for the HCA and the LCR local authorities.

- 2.5 HCA and the LCR local authorities will continue to work together to develop mechanisms to prioritise and align local investment decisions to LIP2 priorities. There is a commitment to lever in sustainable investment to help deliver these from the private sector and Registered Providers as well as further integrate with other public transport, regeneration and housing funding streams.

Action 2: Emerging Funding and Investment Streams

LIA partners will ensure that emerging funding and investment streams such as Get Britain Building, Affordable Housing Programme (Empty Homes), Growing Places Fund and Regional Growth Fund will be aligned to deliver local priorities as set out in this Agreement and in LIP2.

- 2.6 The LIA partners recognise the circumstances of the new financial environment in which they are working in order to deliver their priorities. Delivering economic and housing regeneration objectives via dedicated, grant-based funding regimes is less likely to occur in future. Accordingly, the HCA and the LCR authorities are responding by working together to develop new sustainable investment approaches including the Chrysalis Urban Development Fund and to investigate the feasibility of new investment tools and opportunities to deliver objectives. Potential examples of such investment streams include Enterprise Zones and Tax Increment Financing. Working together in this way we will integrate investment decisions, align investment streams and strategies to maximise the broader impacts of investment.

Action 3: New Investment Streams

The LCR local authorities and the HCA will work together to investigate and implement potential new investment tools and funding streams. Examples could include those arising from Enterprise Zones.

Targeted Use of Public Land and Assets

- 2.7 The optimal use of public land and assets, alongside the alignment of available funding streams, represents a key method of bringing about new economic development and housing. The LCR authorities and the HCA are committed to making sites in their ownership available for economic and housing development wherever possible. There is also a commitment to continue to work in partnership to deliver development outcomes from previous investments and explore ways of creatively using these assets to underpin and accelerate programmes of investment and development.
- 2.8 The transfer of the former North West Development Agency assets to the HCA provides excellent opportunities to develop a critical mass of opportunity. These now form part of the HCA's Economic Assets Programme (EAP) which operate nationally across England but will be shaped locally by the North West Stewardship Group. The North West will operate as a single Stewardship Programme and HCA will work closely with the LCR Authorities and the LEP to build a strong business case for the future of the assets including, where appropriate, the need to invest prior to divesting. HCA and LCR partners also recognise the relationship between this and the new Mayoral arrangements for oversight of economic assets that will be put in place in Liverpool.

Action 4: HCA Assets

The HCA will use its assets to accelerate economic development and regeneration across the City Region. It will target activities and resources where there is a critical mass of assets and investment creating opportunities to meet local growth and regeneration aspirations

- 2.9 The HCA will work with Local Authorities to identify spatial priorities in the City Region, in alignment with authorities' Local Development Frameworks, where the use of public assets and a focus of HCA investment can support the priorities set out in LIP2. In the early years of the LIA, these will be in locations where there are already concentrations of assets and opportunities to align initiatives (e.g. Regional Growth Fund and Growing Places Fund) that can lever and deliver economic and housing growth. These locations are identified under Action 5; reflecting the areas where the HCA will be asked to concentrate its support. It is recognised that there are other locations across LCR which remain local priorities such as Knowsley Industrial Park, Atlantic Park, Sefton, South Liverpool International Gateway and Wirral International Business Park where the LCR partners will drive growth and regeneration, and the HCA will support this activity either through its direct disposals or flexibility on use of contingent assets.

Action 5: Spatial Priorities

In the early years of the LIA, the following locations will be the initial focus for the use of HCA and LCR assets and investment to drive growth:

- **Edge Lane / Knowledge Quarter; Liverpool**
- **Liverpool Central Business District**
- **Kings Waterfront; Liverpool**
- **Mersey Waters; Liverpool and Wirral**
- **Superport / Atlantic Gateway; Sefton and Liverpool**
- **Anfield; Liverpool**
- **Sandymoor; Halton**

- 2.10 Both the HCA and the LCR authorities recognise the wider importance of delivering new housing supply, alongside the restructuring of housing markets affected by low demand and abandonment. This will be particularly important in those housing areas in, and adjacent to, the locations highlighted above, in order to improve choice and quality, and rise to the opportunities created by the new demands arising from economic growth.
- 2.11 HCA and the LCR authorities recognise the significant potential for housing supply on public sector land and will promote the accelerated release of such sites in a way that realises local authority ambitions and promotes economic growth. An example of this is Liverpool's Housing Delivery Plan 2012-2015 programme. Wirral is developing a framework for disposal of Council-owned assets in the context of meeting its overall housing supply needs and work is being undertaken to identify a future supply of assets to assist in meeting housing and economic growth needs. In Knowsley, sites in North Huyton will be developed through the North Huyton Revive Partnership and the opportunity to develop over 300 homes in the Tower Hill Action Area will be pursued. There are also wider regeneration initiatives in Knowsley Industrial and Business Parks, and the ongoing planned regeneration of key sites in Kirkby Town Centre. The HCA will dispose of its own sites to accelerate housing supply including Sandymoor, Halton and Mere Bank, Liverpool.

Action 6: Housing Supply and Quality

The HCA and the LCR authorities will use their land and assets to increase the supply of housing and to improve the quality and choice of the City Region's housing offer to support economic growth and housing market restructuring in areas affected by low demand. Locations which in the first instance will be the focus for this activity will be those in, or adjacent to, the areas highlighted in Action 5.

- 2.12 The economic downturn and the subsequent impact it has had on the development industry has resulted in the delivery of certain sites identified for economic and / or housing development stalling. The delivery of such sites continues to be a priority for the City Region partners but is likely to require public funding to ensure that their delivery commences.

Action 7: Stalled Development Opportunities

The HCA will continue to support the work of the LCR authorities to identify a pipeline of development priorities that might be appropriate for future public funding investment should the opportunity arise (e.g. Growing Places Fund). In the first instance, priority will be given to the delivery of sites of strategic importance identified as “stalled” as a result of the economic downturn in Appendix A of this Agreement. This schedule of sites / development opportunities will be kept under review and updated.

Drawing on our collective, skills, capacity and expertise

- 2.13 The previous sections of this LIA recognise the importance of working effectively together to achieve the LCR’s economic growth and regeneration objectives by:
- Delivering existing investment programmes and commitments;
 - Securing new investment, and
 - Maximising the economic benefits of our collective public land and assets.
- 2.14 Both the HCA and the LCR authorities have the benefit of a wide range of experience and expertise which has helped deliver a number of complex projects and programmes in recent years. It is recognised that even greater benefits can be realised by working together with resources directed jointly towards delivering specific local ambitions. This section identifies the initial activity areas where we anticipate we will focus our joint working and how we will do this. There will be further refinement of the scope of activity over the LIA period.

Action 8: Collaborative working between HCA and the LCR local authorities

The HCA and the LCR authorities intend to draw on the key resource of our skills, capacity and expertise by working smarter and creatively together to deliver opportunities and the priorities set out in this Agreement and in the Local Investment Plan 2. Such joint working will be between both the HCA and the LCR authorities and between the LCR authorities themselves.

- 2.15 The HCA have a key enabling role and capacity support function in the Liverpool City Region to assist the local authorities and other stakeholders deliver local priorities around economic growth and housing. They are able to draw on a number of local and national networks, technical advice and resources to help drive forward a number of LCR priorities to support the work of the LEP, Housing and Spatial Planning Group and Local Authorities. This will also include working specifically with

