

**NORTH LINCOLNSHIRE COUNCIL**

**CABINET**

**NORTH LINCOLNSHIRE LOCAL INVESTMENT PLAN 2011-15**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To seek approval of the North Lincolnshire Local Investment Plan (LIP) 2011-15 and recommend it for approval by Cabinet.
- 1.2 The key points of the report are as follows:
  - 1.2.1 North Lincolnshire Council has worked with the Homes and Communities Agency (HCA) and a range of local partners and stakeholders to develop a comprehensive LIP.
  - 1.2.2 The LIP sets out vision for North Lincolnshire and the spatial and thematic priorities that will help deliver the vision.
  - 1.2.3 The LIP covers the totality of the housing and regeneration investment priorities within the area, within the context of transport, employment, health, education and community facilities. It sets out an investment ask of the HCA, and will support bids for resources to other government funding programmes and help to attract private sector investment.

**2. BACKGROUND INFORMATION**

- 2.1 The North Lincolnshire Local Investment Plan has been prepared in collaboration between the Council and the Homes and Communities Agency (HCA). Previously known as the 'single conversation', Local Investment Planning is a process which takes place between the Council, the HCA and a range of partners and stakeholders in an area. The aim of the process is to produce a Local Investment Plan (LIP) which sets out the spatial and thematic investment priorities for a place.
- 2.2 The priorities stem from established, mutually shared and agreed priorities with local partners, based on local ambitions. These priorities should have comprehensive coverage, including housing, regeneration, transport, employment, health, community facilities and education.
- 2.3 A number of LIPs have been agreed across the country, and the focus of the plans has changed over time as government policy direction and the scale of public sector job cuts has become clearer. As a result those LIPs that are currently being agreed are more outward looking documents which aim to help to attract private sector investment to an area, as well as setting out the investment that is sought from the HCA.

- 2.4 The LIPs for each local authority area will help to inform HCA Investment Plans, which will in turn inform the HCA Corporate Plan.
- 2.5 The North Lincolnshire LIP has been prepared in consultation with a range of partners and stakeholders. The LIP sets out a vision which reflects the vision and aims of a number of key Council and partner strategies including the Community Strategy.
- 2.6 The long term vision is for North Lincolnshire to become the Global Gateway for the north of England, and for the area to be transformed through rapid economic growth on the South Humber Bank, supported by the delivery of high quality housing, business and leisure facilities at Lincolnshire Lakes. This economic transformation will act as a catalyst for the reduction of inequalities in the more deprived parts of North Lincolnshire.
- 2.7 However there is a need to create an environment for change in the most deprived parts of Scunthorpe to enable them to be best placed to benefit from the transformation of North Lincolnshire by pressing forward with housing led regeneration schemes which will be delivered in the short-medium term. In the short term we need to continue to address a number of issues including rural housing affordability, provide appropriate crisis and short term temporary accommodation and improve existing housing conditions for our more vulnerable residents.
- 2.8 The LIP contains the following key spatial and thematic priorities:

### **Spatial Priorities**

- **South Humber Gateway** – the long term vision for transformation of North Lincolnshire is based upon rapid economic growth of the South Humber Gateway. Over £3 billion of investment is anticipated in the area, which will create over 10,000 new jobs over the next 10 years. A high quality housing offer will need to be provided to support this economic growth, which will help to attract new residents and retain existing ones.
- **Lincolnshire Lakes** – a high quality sustainable urban extension will be created to the west of Scunthorpe Town Centre, which will incorporate around 10,000 new homes, business parks and leisure facilities in an attractive waterside setting. This project will change the image of Scunthorpe in the long term and will support the development of the South Humber Gateway.
- **Advance Crosby** – we will continue the work to improve and sustain this area of strategically important housing adjacent to Scunthorpe Town Centre. We have already made progress with the acquisition and demolition of over 40 of the least sustainable properties, and we now need to ensure that the future proposals for the area are aligned with and complement the regeneration of Scunthorpe Town Centre. This will also include consideration of how to improve and ensure the sustainability of the homes that are to be retained in the area.
- **Westcliff Precinct** – the Westcliff estate is an area of social housing which is built around a poor quality shopping precinct. The precinct is now in a poor condition and does not meet modern requirements. This has led to anti-social behaviour and unfavourable trading conditions for the shops. An options appraisal has been carried out, and some demolition work has already been

carried out to adjacent properties. An options appraisal has been carried out and work is ongoing to determine how the redevelopment of the precinct area can be delivered.

### **Thematic Priorities**

- **Rural Affordable Housing** – there is an estimated shortfall of affordable housing in North Lincolnshire of 304 units per annum until 2016, with some parts of the rural area having particularly high levels of need. The most significant need is for social rented housing, with smaller levels of need for intermediate rent and equity-based intermediate housing.
- **Supported/Vulnerable People** – there is a large level of unmet need within North Lincolnshire, with over 10,000 households likely to require support to live independently. Demand for a range of housing and support services continues to rise, including homelessness prevention and advice, and disabled adaptations. The lack of a direct access hostel is a key gap in provision which we need to address, and provide temporary accommodation with appropriate support services to enable us to provide assistance for vulnerable people and help them to move on to more permanent accommodation.
- **Existing Housing Stock** – there are concentrations of poor quality housing stock in parts of Scunthorpe, and high levels of fuel poverty. These issues affect the more vulnerable members of our community, and we therefore need to target resources to improving conditions for these groups to reduce risks to health from poor living conditions. We need to do this alongside wider initiatives to address health inequalities and the wider indicators of deprivation.

2.9 The plan sets out an indicative ‘investment ask’ from the HCA. This is the minimum resource that the Council considers necessary to deliver a number of priorities within the plan. However, the HCA is unlikely to have sufficient resources available to be able to provide this level of funding, and the Council will need to work with a range of partners to develop innovative investment solutions to deliver the priorities. This work has already commenced, and further reports will be brought back to the Cabinet Member as appropriate as relevant proposals are developed.

2.10 The LIP is required to be approved by Cabinet as it is an overarching strategic document which will help to secure public and private sector investment for the North Lincolnshire area.

## **3. OPTIONS FOR CONSIDERATION**

3.1 Option 1 – Approve the North Lincolnshire Local Investment Plan.

3.2 Option 2 – Do not approve the North Lincolnshire Local Investment Plan.

## **4. ANALYSIS OF OPTIONS**

4.1 Option one is the preferred option as this will provide a framework for the Council and its partners to work to secure external public and private sector resources. The HCA is shortly to publish a funding framework prospectus for the period 2011-15 and will seek bids to the National Affordable Housing Programme (NAHP). Registered Housing

Providers will be able to bid to the NAHP, but all bids must be in accordance with the agreed priorities for the local area. The LIP is therefore a key document in setting out the priorities for North Lincolnshire.

## **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 The LIP sets out details of investment and enabling support that is required from the Homes and Communities Agency in order to deliver the priorities set out in the plan. Whilst the plan itself does not bring with it any resources, it does provide a framework for the Council and its partners to bid for resources from a range of public sector funding sources including the HCA's National Affordable Housing programme and the government's Regional Growth Fund. It will also be a key document in setting out the Council's priorities to the private sector and helping to attract inward investment.

## **6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)**

### **6.1 Statutory**

The Council is not legally obliged to develop a Local Investment Plan. However the delivery of some of the priorities within it will help the Council to meet statutory requirements in respect of preventing and addressing homelessness and taking action to address poor housing conditions.

### **6.2 Diversity**

The Local Investment Plan will support the Council's work to secure investment to provide services to those who are most vulnerable in the local community.

An Integrated Impact Assessment has been carried out on the plan, and has not identified any adverse impacts.

### **6.3 Environmental**

The Local Investment Plan includes consideration of the environmental impact of delivering the priorities set out within it. The environmental impacts that are relevant to particular priorities are being addressed through work to deliver each of the relevant priorities.

### **6.4 Section 17**

The Local Investment Plan includes priorities which will help to contribute towards a reduction in crime and anti-social behaviour and create safer homes and neighbourhoods.

## **7. OUTCOMES OF CONSULTATION**

7.1 The LIP has been developed in consultation with a range of partners and stakeholders. This started with a wide ranging stakeholder event in July 2010 which agreed the spatial and thematic priorities for the plan. A further event was held in September 2010 which focused on the support needs of vulnerable people and groups. A detailed evidence

base has been prepared and this has been consulted on along with the emerging LIP. Partners and stakeholders, including a range of Council services, have been consulted on two draft versions of the LIP during October and December 2010.

- 7.2 There is broad agreement and support for the priorities set out within the LIP, and officers have already started working with partners on proposals and initiatives to deliver the priorities set out within it. The HCA has been closely involved in the development of the plan, and it has their support.

## **8. RECOMMENDATIONS**

- 8.1 That the North Lincolnshire Local Investment Plan 2011/2015 be approved.

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### **Background papers used in the preparation of this report**

- North Lincolnshire Local Investment Plan & Executive Summary
- North Lincolnshire Local Investment Plan Evidence Base

# **North Lincolnshire Local Investment Plan**

## **Executive Summary**

### ***Introduction***

North Lincolnshire is in a fantastic strategic location on the south side of the Humber estuary. It is part of the Hull and Humber Ports City Region, within the Yorkshire and Humber region. Our population is projected to increase by 10% by 2021, an increase of 8,000 every five years.

We have a number of key priorities that take advantage of our strategic location and deliver our vision for North Lincolnshire.

Our long term vision is to be the Global Gateway for the north of England, a vision of regional and national importance.

We want to transform North Lincolnshire through rapid economic growth on the South Humber Bank, and create 10,000 new homes with the Lincolnshire Lakes project. This growth will be supported by the renaissance of Scunthorpe as a sub-regional centre. The economic transformation will act as a catalyst for the reduction of inequalities in the more deprived areas of North Lincolnshire. By ensuring that more young people have the right skills for the new job opportunities, deprived communities can access employment opportunities. Home owners will be encouraged to improve their homes by taking advantage of the uplift in property values. Increased housing and employment will result in highways improvements, public open space and new schools being delivered to local communities through planning obligations.

### ***South Humber Gateway***

The council and its partners are working to make North Lincolnshire the global gateway to Europe and a place with a great quality of life.

Significant business investment is already underway, particularly on and around the South Humber Gateway. As the last remaining UK development site that fronts a deep water estuary, the South Humber Gateway is attracting private and public sector investment worth over £3billion. It is projected to create upwards of 10,000 new skills level 3/4/5 jobs in the next ten years benefiting the whole sub-region. The development of the site is of national importance capable of going some way to help narrow the north-south prosperity divide. The South Humber Gateway will be the key economic driver for North Lincolnshire.

Recent developments include:

- Able UK planning permission for 1,500 acres of port-related development worth £100m, including a logistics hub has recently been approved by the council, subject to Secretary of State call in.
- Able UK plan to develop a 300-hectare Marine Energy Park with factories for the construction of turbines for Round 3 of the UK's offshore wind farm programme

The economic growth at the South Humber Gateway will transform the economy of North Lincolnshire, as well as the wider sub-region. The South Humber Gateway will help to retain existing residents who may otherwise leave to seek higher paid and better quality jobs elsewhere, as well as attracting new residents to the area. This will further increase the population of North Lincolnshire, beyond the projected 10% increase by 2021, and will require a significant increase in housing supply. A range of high quality new housing will be needed to meet the aspirations of those who will work in the South Humber Gateway. An additional 15,700 homes will be required in

North Lincolnshire between 2004 and 2026 to meet the anticipated increase in population and support the planned economic growth.

North Lincolnshire is also in a position to be at the heart of the growing low carbon and green economy - a renewable energy capital. There is significant interest to develop various forms of green energy generation facilities, particularly on the South Humber Bank. Lincolnshire Lakes could become an exemplar for combined heat and power, whilst the area's proximity to the recently announced off-shore wind energy zones could allow the area to become a key location for the manufacturing of wind turbines. North Lincolnshire is ideally located to benefit from the emerging technology of carbon capture and storage - pumping CO<sub>2</sub> from heavy industry and power generation to disused gas wells under the southern North Sea, given the presence of the steel, power generation and petrochemicals industries within and adjacent to the area.

### ***Lincolnshire Lakes***

The council and its partners have been working on the development of the Lincolnshire Lakes project. This will transform Scunthorpe through a high quality sustainable new waterfront development on the western fringe of the town. The first stages of development are likely to start before 2015. Much work has been done to develop the strategic and policy framework required to support its delivery. This environmentally friendly urban extension will incorporate around 10,000 new homes, business parks and leisure facilities in an attractive waterside setting, transforming perceptions of Scunthorpe. Lincolnshire Lakes will provide Scunthorpe with a sustainable, modern and vibrant economy, bringing financial, social and environmental benefits, complementing the development of the South Humber Gateway. It will act as a driver for the regeneration of North Lincolnshire as a whole, and will create an attractive, sustainable and competitive economy for the Scunthorpe area which is capable of attracting and retaining skilled and talented people.

Already the Lincolnshire Lakes project has attracted significant private sector interest. Detailed studies and tests have confirmed that the Lakes are sustainable as well as both technically and financially feasible. Financial support will be required to deliver the necessary infrastructure and flood protection measures required at the start of the development. Funding will also be required to deliver affordable housing, especially given the higher costs of including suitable flood mitigation and defence measures. The studies have outlined flood risk measures, development scenarios for housing, employment, sustainable power generation, recreation and tourism, with the creation of a significant body of water. An Area Action Plan approach will support the delivery of project, and it forms a key part of the Council's proposed Core Strategy. The delivery of this scale of new housing supply should generate significant income in terms of additional Council Tax and government New Homes Bonus scheme. Whilst a large amount of this funding will be required to support infrastructure, we intend to use some to support the regeneration of our more vulnerable areas.

In creating the Lincolnshire Lakes, we need to ensure that the most vulnerable neighbourhoods in our area can also benefit from the growth that will take place. We will continue the regeneration of our least sustainable neighbourhoods so that we narrow the gap between them and the rest of our communities in terms of deprivation, economic activity, housing, education and health.

### ***Scunthorpe Renaissance Programme***

A number of major renaissance projects are currently underway in Scunthorpe including the Advance Crosby initiative, the regeneration and development of the town centre, the development of the Pods sports centre alongside the rejuvenation of Central Park and the refurbishment of the Baths Hall entertainment venue.

### ***Advance Crosby***

The Advance Crosby initiative aims to transform an area of obsolete terraced housing into a place where people choose to live overlooking a rejuvenated Memorial Gardens. It is part of a sub-regional approach to regenerating strategically important areas of low demand housing, which complement and support wider regeneration initiatives within sub-regional towns and cities. Advance Crosby lies immediately to the north west of Scunthorpe town centre. By clearing a number of terraces of older properties a range of new more sustainable homes can be created for a more balanced community. The area has seen £3.2m of public sector investment up to 2010, which has been used to acquire and demolish obsolete properties to assemble sites ready for redevelopment. A masterplan has been agreed to guide the redevelopment, and a delivery plan is in place. By 2011 it is anticipated that 41 obsolete properties will have been acquired and demolished. A further 115 properties will have been improved through the provision of energy efficiency measures.

There is private sector interest in developing the assembled sites, but the likely sales values that will be realised mean that development is not possible unless gap funding is provided. The council will explore how the redevelopment of the cleared sites in the Advance Crosby area can be brought forward alongside the redevelopment of Scunthorpe town centre to ensure that both initiatives complement and support each other. The timing of redevelopment of sites in the Advance Crosby area will also be considered as part of this work.

The council has also carried out a feasibility study for the redevelopment of the primary school in the Advance Crosby area, with a view to creating a building that enhances rather than hinders the educational experience. An intensive neighbourhood management approach has been used in the area in order to address some of the wider indicators of deprivation, including crime and anti-social behaviour.

Local residents are keen for the long-awaited redevelopment to take place. The local community has been involved in shaping and overseeing the project, and we need to ensure that we deliver on their expectations. Selective improvements to the housing that is being retained are essential in order to encourage property owners to invest in their homes. Existing homes must be seen as an attractive alternative to the new build properties and the wider development of Lincolnshire Lakes and other major new developments or the area will be at risk of further decline.

Confidence in the future of the area is demonstrated by the £14.4m investment in the Scunthorpe Integrated Health and Social Care Centre currently under construction. This will provide and improve access to high quality primary, community, and social care services for the whole the local community. The ongoing regeneration of Scunthorpe town centre and the delivery of the Advance Crosby project are complementary to each other, and the combined benefits that will be realised will deliver wider community benefits and support the local economy.

### ***Westcliff Precinct***

Westcliff shopping precinct was built in the 1960s as the heart of the Westcliff residential estate to the south west of Scunthorpe town centre. The precinct reflects design ideas of that era, and the layout has led to problems with anti-social behaviour and unfavourable trading conditions for the shops.

This former council estate is now in the ownership of North Lincolnshire Homes, following stock transfer in 2007. The local community has been consulted and options appraisals carried out to determine how best to deal with the issues that exist on the precinct. This has led to proposals to redevelop the shopping precinct and the least sustainable housing adjacent to it. North Lincolnshire Homes have already commenced the demolition of some problem properties to demonstrate their commitment to the scheme.

Redevelopment of Westcliff will involve the acquisition of leasehold interests in both the retail units and the residential flats above them, the demolition of the precinct, and provision of housing in its place and on some land within the ownership of North Lincolnshire Homes. Low demand housing at Beverly Court will be demolished. Public sector funding is required to finance the acquisition of the leasehold interests and to de-risk the site in order that development can proceed. Development proposals include enhanced community facilities, high quality public realm, new high quality fit for purpose retail units located to catch passing trade, and new homes including some affordable homes as well as homes for sale on the open market. The Council is currently considering what type of community facilities would be appropriate for the area, taking into account the existing facilities in the area.

### ***Thematic Priorities***

Whilst we are working to deliver our longer term ambitions we also have a number of priorities for investment in the short term. We have ongoing housing needs that we need to ensure we can meet, including non-decency and fuel poverty amongst the more vulnerable members of our community.

### **Rural Affordable Housing**

We have an estimated shortfall of affordable housing of 304 units per annum until 2016, with some parts of our rural area having particularly high levels of need.

Locally incomes have not kept pace with house prices, and there has been a lack of affordable housing supply. We have been successful in delivering affordable housing over recent years, through planning obligations and funding from the National Affordable Housing Programme (NAHP). We will continue to maximise the affordable housing that is delivered through planning obligations, through our Core Strategy, but we require ongoing support from the NAHP programme. We work closely with the registered housing providers to identify sites suitable for affordable housing, and work with our communities to help them understand the need for affordable housing in their areas so that successful delivery is maximised. We have allocated sites for housing in some of the rural areas with the highest affordable housing needs in our Core Strategy, which is due for examination in public during 2011.

### **Supported/Vulnerable People**

We have no hostel or other forms of direct access temporary accommodation for homeless people, and this is a big gap in our ability to effectively meet the needs of certain vulnerable groups. We are working with our partners to develop proposals for a Place of Change as this is the best way to meet the needs of a number of vulnerable client groups. In addition to providing high quality direct access accommodation to prevent vulnerable people having to sleep rough or being placed in expensive or unsuitable accommodation, the on site support services would be

provided to improve the outcomes for our most vulnerable clients. Clients receiving these services would be better able to sustain tenancies, and would be more likely to be able to access the private rented sector, reducing the demand for scarce social rented accommodation. We are also working with partners to overcome our lack of short term temporary accommodation that prevents us further reducing our use of unsuitable bed and breakfast accommodation.

### Existing Housing Stock

The housing stock in North Lincolnshire is more modern than the national profile and therefore has a higher proportion of decent homes. However Scunthorpe North has a disproportionately high level of non-decent homes, with 32% of properties in the area being non-decent compared to 19.9% across North Lincolnshire. This is due to the numbers of older houses, and concentrations of deprivation in the area. Fuel poverty is a particular issue in Scunthorpe South, with 34% of all people who are experiencing fuel poverty living in this area. This is due to the high levels of deprivation and low employment rates. We want to target interventions to improve the physical conditions of properties in these areas to reduce the risks to health from living in poor quality housing, as well as initiatives to address the wider indicators of deprivation.

## Overall Investment Requirements

<b>Priority</b>	<b>2011 – 2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015 onwards</b>
Advance Crosby	£1,000k	£1,000k	£1,000k	£1,000k	£3,000k
Westcliff Precinct		£500k	£1,000k	£1,000	
Affordable housing	£3,200k	£3,200k	£3,200k	£3,200k	£3,200k per annum
Places of Change hostel	£50k	£1,000k	£1,000k		
Targeted home improvements and energy efficiency	£200k	£200k	£200k	£200k	£200k per annum
<b>Total</b>	<b>£4,450k</b>	<b>£5,900k</b>	<b>£6,400k</b>	<b>£5,400k</b>	