

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

**APRIL 2012 TO MARCH 2015**



Homes &  
Communities  
Agency



St. Helens Council



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.

#### **Action1: 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

Liverpool City Council on the new governance and delivery mechanisms arising out of the city having an Elected Mayor from May 2012. Potential areas of HCA assistance could include:

- Private rented sector models – where the HCA's experience of bringing together fund managers and other institutional investors with professional management companies can assist LCR ambitions for new high quality development opportunities that will meet increasing residential demand;
- Regional Growth Fund – building on the HCA's technical and commercial input from Rounds 1 and 2: and / or
- Local investment vehicles and commercial and technical advice on enhancing scheme viability

#### **Action 9: HCA's Enabling Role and Capacity Support**

HCA will provide enabling and capacity support to the LCR local authorities to complement joint investment and regeneration activity. Initial examples include:

- HCA Property and Regeneration Programme – which is bringing a mixture of solutions to address growth and regeneration
- HCA is supporting creative solutions in the former HMR areas to generate viable property solutions which recycle public investment and bring new jobs, homes and opportunities to those areas.

Other ways the HCA's enabling role and capacity support can assist LCR local authorities include:

- Advice on securing funding and investment streams such as Regional Growth Fund, Growing Places Fund and the National Affordable Housing Programme;
- championing the LCR authorities and supporting them in maximising opportunities for new initiatives and investment, which helps meet strategic priorities;
- Advice and support to Local Authority initiatives to promote commercially viable low carbon, high quality residential developments; and
- Providing advice in developing options appraisals and viability assessments to de-risk sites, build-now-pay-later models of disposal, access to the Developer Partner Panel and the provision of technical and procurement advice.

2.16 In addition to the above benefits to be obtained from working closely with the HCA, the LCR authorities have a strong tradition of cross boundary, City Region working



which they are keen to build on. Examples include the City Region Development Programme, a City Region Housing Strategy, the Multi Area Agreement, the delivery of the NewHeartlands housing market renewal programme and the City Region Overview Study. Functioning economic and housing market areas do not operate to administrative boundaries and issues relating to them are often best addressed at a cross boundary or City Region level.

2.17 Building on existing cross boundary working relationships, particularly those which have developed via the City Region Cabinet, the LCR local authorities will involve and learn from partners at formative stages as new initiatives and programmes are developing and will provide information, interpretation and guidance wherever possible to ensure strong and effective partnerships. In particular, the LCR local authorities will create synergies by working more closely in the following areas:

- Policy and Research: by sharing information and analysis such as the HCA's housing and land datasets and GIS systems and economic intelligence we can improve our understanding of local markets and continue to improve the way we prioritise scarce public investment. This will be particularly relevant on policy and research which is of a City Region nature such as functional housing markets;
- Building on current examples of cross boundary working such as the choice based letting scheme which pools costs;
- Empty Homes: by establishing local priorities, collaborative working to draw on best practice, skills and capacity across LCR, and finding creative solutions to support Registered Provider and private partners to deliver investment to bring empty homes back into use; and
- HCA and the LCR will continue to host events jointly wherever relevant and appropriate. In our experience joint engagement helps foster confidence amongst developers and housing providers who are looking to invest in the conurbation.

**Action 10: Collaborative Working between Liverpool City Region Local Authorities**

The LCR local authorities will continue to work jointly on economic growth, housing delivery and associated policy areas where these are best addressed at a City Region level under the auspices, and reporting to, the City Region Cabinet. They will collaborate in areas of policy and research; addressing empty homes; and knowledge dissemination jointly with the HCA.

2.18 The Liverpool City Region will continue to develop its existing governance and partnership structures to ensure open and positive working relationships with HCA and other stakeholders, including through the LEP, LCR City Region Cabinet and the Housing and Spatial Planning Group. As the implications arising from the establishment of an Elected Mayor in Liverpool become apparent, governance structures and relationships will be developed accordingly.

### **3. Monitoring and Review**

- 3.1 The Housing and Spatial Planning Group will coordinate and oversee the delivery of this LIA, reporting to the LEP and LCR Cabinet as appropriate. An annual review of progress against the Actions in this Agreement will be prepared.
- 3.2 Given the changes emerging in Liverpool as a result of the decision to have an Elected Mayor, there may be a need to undertake an early review of this Agreement to ensure that it reflects and supports new governance and delivery infrastructures.

# Appendix A - Liverpool City Region - Pipeline/stalled schemes

| Local Authority | Site/Development             | Planning Permission | Development value (million) | Infrastructure costs (million) | Outputs                            | Status              |
|-----------------|------------------------------|---------------------|-----------------------------|--------------------------------|------------------------------------|---------------------|
| Liverpool       | Project Jennifer             | Outline             | 125.00                      | 3.20                           | 2000 sq m retail space             |                     |
| Liverpool       | Stonebridge Cross            | Preferred option    | 150.00                      | 15.00                          | 550 homes, retail, leisure, sports | GPF gateway not met |
| Liverpool       | Norris Green Village         | yes                 | 130.00                      | 0.75                           | 1000 homes                         | GPF approved        |
| Liverpool       | Ellergreen                   | Yes                 | 19.50                       | 2.01                           | 218 homes                          | GBB shortlist       |
| Liverpool       | Kings Dock Mill              | yes                 | 26.48                       | 0.18                           | 12,000 sq m commercial, 93 homes   | GPF approved        |
| Liverpool       | Everton Park                 | yes                 | 9.00                        | 1.10                           | 11000 sq m commercial              | GPF shortlist       |
| Liverpool       | Tribeca                      | yes                 | 30.00                       | 0.47                           | 10000 sq m commercial, 300 homes   | GPF approved        |
| Liverpool       | Liverpool BioInnovation Cntr | no                  | 26.37                       | 0.79                           | science facilities                 | GPF gateway not met |
| Liverpool       | Fazakerley Hall              | no                  | 20.00                       | 0.30                           | retail space, 100 homes            | GPF gateway not met |
| Liverpool       | Elm Place, Prescott Rd       | yes                 | 2.00                        | 0.20                           | 25 homes                           | GBB shortlist       |
| Liverpool       | Royal Court Theatre          | no                  | 0.10                        | 0.01                           | additional leisure space           |                     |
| St Helens       | Pilkington Park              | Yes                 | 60.00                       | 5.00                           | 70000 sq m commercial floorspace   | GPF approved        |
| St Helens       | Polar Ford                   | Yes                 | 14.50                       | 1.50                           | 87 homes                           | GBB shortlist       |

| Local Authority | Site/Development            | Planning Permission | Development value (million) | Infrastructure costs (million) | Outputs                                 | Status              |
|-----------------|-----------------------------|---------------------|-----------------------------|--------------------------------|---|---------------------|
| St Helens       | Vulcan Village (phase 3)    | Yes                 | 26.00                       | 2.00                           | 200 homes                               |                     |
| St Helens       | West Point                  | Yes                 | 5.00                        | 0.50                           | hotel, 3000 sq m retail                 |                     |
| St Helens       | Deacon Estate, Earlestown   | Yes                 | 40.00                       | 3.00                           | 325 homes                               |                     |
| St Helens       | Eccleston works site        | Yes                 | 53.00                       | 0.60                           | 270 homes                               |                     |
| St Helens       | Moss Nook                   | Yes                 | 51.00                       | 7.50                           | 990 homes                               | GPF shortlist       |
| St Helens       | Newton Campus               | Yes                 | 11.50                       | 1.30                           | 70 homes                                |                     |
| St Helens       | Old Boston and Empress      | Yes                 | 9.50                        | 1.50                           | 12000sq m commercial                    |                     |
| Sefton          | Coffee House bridge         | Adopted             | 11.90                       | 0.38                           | 108 homes                               | No GPF/possible RGF |
| Sefton          | Johnson's site              | Yes                 | 11.20                       | 5.30                           | 230 homes                               |                     |
| Sefton          | Senate Business Park        | Partial             | 10.00                       | 0.10                           | 250000 sq m business space              |                     |
| Sefton          | St Anne's House             | No                  | 0.50                        | 0.25                           | Car parking/rebalancing of land use     |                     |
| Sefton          | Stanley Rd car park         | No                  | 20.00                       | 0.10                           | 150000 sq m commercial, retail, leisure |                     |
| Sefton          | Switch car site, Netherpton | No                  | 6.00                        | 0.05                           | 120000 sq m business space              |                     |
| Sefton          | Trinity Park                | Yes                 | 9.00                        | 0.30                           | Business relocation                     |                     |
| Sefton          | Damfield Lane               |                     |                             |                                | 90 extra care housing units             |                     |
| Wirral          | Dell site, Rock Ferry       | Yes                 | 6.50                        | 0.25                           | 67 homes                                | GBB shortlist       |



| Local Authority | Site/Development           | Planning Permission | Development value (million) | Infrastructure costs (million) | Outputs                             | Status              |
|-----------------|----------------------------|---------------------|-----------------------------|--------------------------------|-------------------------------------|---------------------|
| Wirral          | St Benedicts, Woodchurch   | Yes                 | 18.00                       | 1.21                           | 155 homes                           | GPF shortlist       |
| Wirral          | Church Road                | Yes                 | N/K                         | 0.43                           | 8 new shops                         |                     |
| Wirral          | Melrose and Thornridge     | No                  | 5.00                        | 0.47                           | 47 new homes                        | GPF gateway not met |
| Wirral          | International Trade Centre | yes                 | 50.00                       | 5.00                           | 228,000 commercial                  | GPF shortlist       |
| Knowsley        | North Huyton Revive        | Outline             | 225.00                      | 0.72                           | 60 new homes                        |                     |
| Knowsley        | North Huyton Revive        | Full                | 225.00                      | 0.50                           | 50 new homes                        |                     |
| Knowsley        | Kirkby Town Centre         | Outline             | 250.00                      | 2.00                           | Town centre business, 400 new homes |                     |
| Knowsley        | Perimeter Rd, Knowsley     | No                  | 100.00                      | 1.00                           | business space                      |                     |
| Knowsley        | Knowsley Point             | yes                 | 18.00                       | 4.00                           | 30,000 sq m commercial              | GPF shortlist       |
| Halton          | 3MG                        | yes                 | 45.00                       | 7.20                           | New regional warehouse facility     | GPF approved        |
| Halton          | Daresbury STZ              | yes                 | 84.00                       | 5.90                           | science and technology cluster      | GPF shortlist       |
| Halton          | Sandymoor South            | yes                 | 50.00                       | 1.00                           | 469 homes                           | GPF gateway not met |
| Halton          | Surrey Street              | yes                 | N/K                         | N/K                            | 31 homes                            | GBB shortlist       |
| Halton          | Halton Brook               | yes                 | N/K                         | N/K                            | 71 homes                            | GBB shortlist       |

