

**SOUTH EAST ENGLAND COUNCILS
PLENARY**

Date: 4 December 2009

Subject: **Regional Housing and Regeneration Board**

Report of: Chairman

1. The Regional Housing Board met on 8th September. We spent the morning as a workshop for the members to understand the challenges of the expanded role of the new Board. We are delighted that we will now have the support of 3 Local Authority Chief Executives at our meetings which I am sure will be extremely beneficial. We had introductions into the work of the Board that touched on the Government's expectations of us and set out the role of the Homes and Communities Agency (HCA).
2. We were assured that the Ministers attach importance to regional advice. The wider remit of the Board means that our focus will need to be on the full range of housing issues as well as the regeneration remit. Pressures on public spending will emphasise the need for getting more from less. We will also need to be more aware of the work of the other delivery boards.
3. The reason for holding the meeting in Brighton was to see the One Brighton project and we had a presentation on this from Daniel Villiesid. This is an eco regeneration scheme, which is a One Planet living concept with guiding principles ranging from zero carbon, zero waste, locally sustainable materials to health and happiness.
4. At the meeting in the afternoon I was elected Chairman and Cllr Nick Rose from Chiltern was elected vice Chairman.
5. Our main meeting received the Government's response to the region's Regional Funding Advice (RFA) submission. This serves to emphasise the pressures on public spending and hints at the need for cuts to come. It also suggests that prioritisation on the allocation of funds for housing, regeneration and economic development in the region needs to be further developed and better aligned.
6. The Board expressed its concern at the proposed reduction in the Growth Fund given its key role in supporting the delivery of infrastructure that facilitates planned growth.
7. The HCA gave the Board an update on recent Government announcements and the progress with delivering the 2009/10 programme. The good news is that the Government has provided a significant level of additional funding to stimulate the housing market and provide additional affordable housing; however the Board noted once again that Government's targets for affordable housing are below those set out in the South East Plan.
8. The Kickstart programme should unlock a number of stalled sites possibly as many as 26 in South East.
9. The South East will also benefit from a variety of 'green' initiatives to

create more energy efficient developments and improve the insulation of homes. There have been a number of bids for the Local Authority Challenge fund new build programme.

10. These initiatives amount to over £1b a year for 2009/10 and 2010/11, although the regional distribution is yet to be determined. It is anticipated that 23,900 additional completed homes will be delivered by the end of March 2012.
11. The additional investment has, in part, been possible because of cuts in some of the existing programmes, including the Decent Homes programme (£150m), the Growth Fund (£128m) and the Private Sector Renewal programme (£75m); such reductions are in themselves regrettable.
12. HCA expenditure for the year is on target and greatly improved on the same period last year. There is a high level of provision in the Growth Areas and Growth Points. Unfortunately the lack of rural housing still gives cause for concern and the Board will be looking further at its role in helping overcome the barriers *at the next Board meeting on the 1 December*.
13. The HCA also has responsibility for Decent Homes, Gypsy and Traveller and Growth Area programmes. We were pleased to note that the HCA is giving priority for introducing robust processes for monitoring and reporting delivery of outcomes.
14. The HCA has committed about 85% of their budget for the current year. 80% of the completions are new build and the split between rent and intermediate tenures is 71%: 29% exactly in line with the South East Plan. The Open Market Homebuy programme, where purchasers buy existing second hand homes continues to be very popular but the Government has announced it will no longer be available after this year.
15. The grant levels were very flexible last year to assist the market but these are now reducing by 5-10% from the £76k for a rented house offered until the end of June. But activity on S106 sites remains low. The HCA intends to work with RSLs and other suppliers of affordable housing to ensure that alternative models of provision are pursued. There has also been an increase in the provision of larger homes.
16. The Board considered a draft response to the Government's proposals for the reform of the Housing Revenue Account subsidy system. The Board was concerned that the proposed reform places too high a burden of new debt on many, currently debt free, authorities. It also expressed disappointment that the Government has not recognised the potential economic advantages of cancelling the debt in return for the retained rental income being re-invested in new housing provision. Subject to a number of amendments the draft response was agreed in principle.
17. The Private Sector Renewal programme is now well established and the majority of the funds allocated have been spent or committed. The Board was disappointed that this important work which improves the lives of the most vulnerable will face funding cuts after this year.
18. The Board recommended the allocation of the £5.5m allocation for the provision of Gypsy and Traveller sites. These continue to be extremely expensive and our allocation for this year will provide 19 new pitches and the refurbishment of 25 existing pitches.

19. Three Dragons consultants gave a presentation on their research into Strategic Housing Market Assessments (SHMA) and Strategic Land Availability Assessments (SHLAA). Their findings concluded that the studies carried out so far in the South East are fit for purpose and broadly deliver the evidence required.

But significant differences in assumptions and approach mean that they cannot be aggregated to deliver a 'robust' regional evidence base, nor can different areas be directly compared using the study results. The Board is running 2 training sessions for Local Authorities during September.

20. SEEDA provided a report that they had commissioned on 'Beyond the Credit Crunch: Building a stronger South East'. The research identified barriers to development going forward.

21. **Agenda Items for 1 December 2009 Meeting.**

The Board will be discussing:

- the revised Business Plan covering its work for the next year,
- Affordable rural housing delivery and the Board's role in providing leadership on improving delivery,
- Private Sector Renewal funding for 2010-11 and the additional allocations approved for the remainder of this financial year,
- revising the performance report to include housing and regeneration delivery across all sectors in the south east ,and ,
- the Homes and Communities Agency in particular developing future working arrangements including the Board's involvement in investment planning at regional and local level. This will also cover the Single Conversation currently being piloted within 3 areas in the South East and its links to the agreed regional investment priorities.

Elizabeth Cartwright
Chairman Regional Housing and Regeneration Board

23 November 2009