

### **SOUTH EAST ENGLAND LEADERS' BOARD/ SOUTH EAST ENGLAND COUNCILS' EXECUTIVE**

Date: 22 January 2010

Subject: **Regional Housing and Regeneration Board: Investment  
Priorities**

Report of: Director of Regional Investment, Partnership Board

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#### **1. Context**

- 1.1 The Business Plan for the Regional Housing and Regeneration Board for 2010/11 will reflect its broader remit following the creation of the Homes and Communities Agency.
- 1.2 Two critical areas of the Board's work that are already being addressed are:
  - The importance of ensuring that the monitoring framework available to the Board provides a comprehensive picture of housing regeneration activity in the region.
  - The need to agree the detailed working relationship between the Board and the Agency, in particular ensuring that the Agency's Business Plan takes proper account of the region's wider objectives and priorities.

#### **2. Regional Investment Priorities**

- 2.1 Through the Regional Funding Advice (submitted in 2009) the regional partners set out the investment priorities for the Housing and Regeneration element of the regional 'budget', what is in effect the Homes and Communities Agency budget for the region.
- 2.2 In preparing its initial Business Plan the Homes and Communities Agency have used this advice to shape their investment priorities. It is important to bear in mind that a substantial proportion of the HCA's available funding for the remainder of the current Spending Review period (to the end of 2010/11) is already committed.
- 2.3 Members should be aware that the level of investment in 2010/11 itself shows a decrease as a result of Government having brought forward investment in response to the impact of the recession.
- 2.4 The Homes and Communities Agency reports progress in delivering the region's investment priorities on a quarterly basis to the Regional Housing and Regeneration Board. Information is presented to the Board using the framework set out in the South East Plan. This enables the Board to advise on issues relating to delivery.
- 2.5 In recent months the Board secretariat has worked with the Homes and Communities Agency to broaden the scope of the progress reports to include the full scope of the Agency's work. The information presented to the most recent Board meeting is reproduced as Annex 1.

- 2.6 The Board secretariat is continuing to develop the content and scope of the progress reports to ensure that the Board has as broad a picture of housing and regeneration activity in the region as possible.
- 2.7 The Board secretariat is also continuing to work on understanding the implications for delivery of a reduction in the level of funding available. This work is being undertaken in response to the request from the first meeting of the South East England Partnership Board which considered the Government's response to the Regional Funding Advice.
- 2.8 This Board secretariat is scheduled to report back on this work to the next meeting of the Board (9 March 2010). This will in turn feed into a debate at the meeting of the South East England Strategy Board (30 March 2010) focused on the work on the Regional Delivery Plan.

### **3. Influencing the Homes and Communities Agency Business Plan**

- 3.1 At its meeting in December the Regional Housing and Regeneration Board discussed at some length how it expects the relationship with the Homes and Community Agency's business planning process to work.
- 3.2 As a result of that debate the Board secretariat is engaged in a dialogue with the Homes and Communities Agency that is focused around the following principles:
  - i) The Regional Housing and Regeneration Board uses the Regional Strategy to identify the critical outcomes that it expects the HCA's investment programme to focus on – the expectation being that these will be expressed in terms of broad programmes with spatial definition as appropriate.
  - ii) The presumption is that the HCA uses this guidance to define the planning assumptions for its business planning process; the presumption is that the HCA would share these assumptions with this Board.
  - iii) This would then enable the HCA to identify the extent to which it is possible, within the funding available, to meet the region's ambitions.
  - iv) The Regional Housing and Regeneration Board may wish to comment further on the HCA's proposed allocation of investment; this may be necessary either to reflect changes in regional priorities or to improve alignment with other regional investment.
  - v) Once the HCA has concluded its business planning it would then report progress with delivery on a quarterly basis in the usual way.
- 3.3 The Board concluded that the above approach would provide a robust and transparent approach to the identification of regional investment priorities for the HCA. It would enable regional partners to have a strong input into the HCA's business planning process thereby enabling synergies with investment proposals put forward by the other delivery boards to be taken into account.
- 3.4 Improving the alignment of public sector investment at the regional level would bring greater certainty and clarity to the whole process. It would also potentially lead to cost savings through simplification of the decision making process.

- 3.5 Through such an approach it would be possible to reach agreement in regard to the allocation of funds to broad investment programmes for each spending review period. Allocations for specific years could then be confirmed on an annual basis in the light of the information provided by the HCA through its monitoring of programme delivery. The detail of individual programmes would be informed by the content of the single conversations at the local level with local authorities.
- 3.6 The secretariat is to report back to the Board on progress with the discussions with the Homes and Communities Agency on 9 March.

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### Summary of the HCA South East's Performance in 2009/10

The following table summarises the progress made on the HCA South East's programmes to the end of October 2009.

	Target/ Planned	Actual	% of Target	2008/09
<b>National Affordable Housing Programme (NAHP)</b>				
Expenditure <sup>1,2</sup>	£561.8m	£225.7m	40.2%	£426.7m
Completions	10,207	5,066	49.6%	9,633
<i>Rent</i>	5,434	2,508	46.2%	5,019
<i>Intermediate</i> <sup>3</sup>	4,773	2,558	53.6%	4,614
Starts on Site	7,626	2,950	38.7%	6,619
<i>Rent</i>	5,641	2,186	38.8%	4,681
<i>Intermediate</i> <sup>3</sup>	1,985	764	38.5%	1,938
Rural completions – less than 3,000 population <sup>4</sup>	500	283	56.6%	351
Rural completions – between 3,000 and 10,000 population <sup>4</sup>	500	116	23.2%	156
Larger homes funding ( <i>rent</i> ) <sup>4</sup>	25%	26.2%	-	24.9%
Larger homes funding <sup>4</sup> ( <i>intermediate</i> ) <sup>3</sup>	15%	13.4%	-	13.3%
Housing for vulnerable/older people <sup>4</sup>	min. 5%	8.5%	-	13.0%
<b>Property &amp; Regeneration Programme</b>				
Expenditure <sup>2</sup>	£19.9m	£3.1m	15.5%	£32.9m
Receipts	£17.5m	£9.5m	53.9%	£95.5m
Brownfield land reclaimed (hectares)	20.2	0	0.0%	35.4
Starts on site	465	259	55.7%	951
Completions	235	75	31.9%	940
<b>Other Programmes</b>				
Community Infrastructure Fund	£19.8m	£1.5m	7.6%	£2.6m
Growth Funding	£35.6m	£34.5m	96.9%	£34.2m
Thames Gateway	£39.4m	£9.6m	24.5%	£18.0m
Gypsies & Travellers	£5.5m	n/a	-	£5.5m

Low Carbon Infrastructure	£4.3m	n/a	-	n/a
Places of Change	£1.5m	0	0.0%	£4.3m
Decent Homes (ALMOs)	£29.4m	£29.4m	100.0%	£22.4m

<sup>1</sup> *includes Local Authority Newbuild Programme funding confirmed from Round 1*

<sup>2</sup> *excludes Kickstart funding*

<sup>3</sup> *includes all low cost home ownership products and intermediate rent*

<sup>4</sup> *Regional Housing Strategy targets/aspirations*