

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY  
ANNUAL MEETING**

Date: 16 July 2008

Subject: **Regional Housing Board**

Report of: Chairman of the Regional Housing Board

**Recommendation:**

That the Regional Assembly notes the report.

**Purpose of Report:**

To report on the activities of the Regional Housing Board over the past year and to identify key areas of activity for the forthcoming year.

**Key Issues:**

The Regional Housing Board has met four times during the past year. The main areas of activity have been:

- Advising Ministers on the allocation of funds between regional funding streams and responding to final funding allocation decisions for 2008-11.
- Publication of the updated Regional Housing Strategy (RHS).
- Developing a stronger leadership role on housing priorities on behalf of the region.
- Continued monitoring of investment across all funding streams in the 2006-08 programme.
- Advice to Ministers on bids for Gypsy and Traveller site grant.

The focus for the coming year is to input to the Housing Revenue Account subsidy review and Regional Funding Allocation submission and to take forward the RHS action plan.

## **I. Review of the Past Year**

- I.1 Ministers' decision on the allocation of the housing element of the Regional Funding Allocation was received in December 2007. Overall the funding for the three year period 2008-11 shows a slight increase on the previous period, with £1.372bn available to invest in the region.
- I.2 The Board's recommendations were broadly accepted for:
- An increase in the proportion of investment in social rented homes and to provide larger homes with three or more bedrooms.
  - The allocation of £80m (over three years) to invest in private sector housing improvements to meet the decent home standard and support regeneration activity.
  - A continuation of £11m per year investment in local authority housing stock to meet the decent home standard.
  - The allocation of £17m (over three years) to invest in the provision of facilities for Gypsy and Travellers.
- I.3 At the expense of social rented homes, Government has set a target for the Housing Corporation to deliver a higher number of intermediate homes than that recommended by the Inspectors for the South East Plan.
- I.4 Based on support from stakeholders the Board had recommended allocating a small proportion of the funding available to invest in innovative funding mechanisms that would unlock barriers to delivery. It was therefore disappointing that this proposal was not accepted by Ministers for the current financial year. However, Ministers have indicated a willingness to consider more detailed proposals for the period 2009-11. We will continue to explore this option during the rest of this year.
- I.5 An updated version of the Regional Housing Strategy (RHS) was published in April 2008 to coincide with the start of the 2008-11 investment programme. For the first time the RHS includes an action plan which will shape our work over the next three years. In addition a monitoring framework has been mapped out that will be used to monitor our progress in delivering the RHS.
- I.6 Although the increase in funding for the region is to be welcomed we do not believe it to be sufficient to enable us to deliver the affordable housing we need as a region. The Assembly published the 'Making the Case' document which set out the basis of our argument for more funding. Evidence from the monitoring returns confirms that as a region we are failing to deliver the number of affordable homes that are needed. A particular concern is to ensure that the types of homes being delivered are of the right size and type and are located where the need occurs. We will want to return to these issues as part of the Board's input into the Regional Funding Allocation advice.

- 1.7 Over the year the Board has developed its leadership role on behalf of the region. We have embarked upon a programme of work to help partners across the region address the key barriers to delivery of affordable housing, with a particular emphasis on disseminating good practice and improving skills and capacity. We have contributed to Matthew Taylor MP's review of rural affordable housing and the economy. And we have worked with local authorities in the region to highlight the inequity of the Housing Revenue Account (HRA) subsidy system for authorities with retained housing stock and their tenants.
- 1.8 In our monitoring role we have benefited from improved data on affordable housing completions collected for the Regional Monitoring Report. This has shown for the first time the amount of affordable housing that has been provided without public grant and has highlighted a variable pattern of delivery across the region. Combined with the monitoring information provided by the Housing Corporation we are now able to track how delivery on the ground reflects the need identified in the South East Plan. This will help inform our work on addressing barriers to delivery.

## **2. The Year Ahead**

- 2.1 The recent downturn in the housing market brings a very real risk to affordable housing delivery. Our review workshop in September will be used to consider market pressures and options to help ensure that where possible the impact on delivery is minimised.
- 2.2 Work continues apace with the setting up of the Homes and Communities Agency. I will want to ensure that we build upon the initial discussions we have had with the Agency's set up team to ensure that there is a strong and effective working relationship between the HCA and the Board.
- 2.3 With the HCA expected to be established before the end of the calendar year we will need to consider during the autumn the implications of the change on the structure of the Board. It is clear to me that the Board has a key role to play in helping ensure the region's needs are fed into Whitehall. I therefore want to work with colleagues in the region to understand how any change in the Board structure will build upon the progress we have made since the Assembly took on responsibility for its operation.
- 2.4 We expect Government guidance on the next round of Regional Funding Advice to be published before the summer recess. The Board will play a full part in developing the Regional Delivery Plan that will underpin the region's advice on the allocation of resources. As part of this process we will need to influence the allocation of the housing element of the RFA for the next two financial years.
- 2.5 Our continuing work on addressing the barriers to delivery will be an important part of the Board's work over the next 12 months. The Board partners are continuing to develop the co-ordinated programme of activity that will help ensure we have the skills and capacity in the region to meet the need for affordable housing.

- 2.6 We will also continue to work with local authorities across the region to make sure that the strongest possible case for reform is fed into the Government's review of the Housing Revenue Account subsidy system. In so doing we will build upon our initial position that a reformed system should enable:
- i) social housing providers to finance their own management and maintenance services;
  - ii) decent homes and sustainable communities to be achieved;
  - iii) tenants' rents to be spent on their homes, additional affordable housing provision and improving homes with respect to climate change.
- 2.7 Retaining funds locally would enable local authorities to improve the fuel and resource efficiency of homes in their districts.
- 2.8 Other areas of work identified in the RHS action plan for 2008-09 are:
- i) contributing to consultation on the Gypsy and Traveller South East Plan partial review;
  - ii) developing more detailed programmes to improve the sustainability of the existing housing stock and to ensure that the housing needs of the ageing population are addressed.
- 2.9 Finally, I want to remind colleagues in the Assembly that meetings of the RHB are held in public. I am personally committed to encouraging local authority portfolio holders to take an interest in the work of the Board and, if changes to the Terms of Reference are agreed, to participate in its work areas. The Board is this region's mechanism for working with Government on matters relating to the delivery of housing. In the current economic climate we need to continue to use the Board to press the region's case. We have made tremendous progress in this regard in the last 12 months; with your continued support I am sure that we can make a difference.

**Cllr Elizabeth Cartwright**  
**Chairman of the Regional Housing Board**

19 June 2008