

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
EXECUTIVE COMMITTEE**

Date: 14 September 2007

Subject: **Communities England: Consultation Response**

Report of: Director of Development

Recommendation:

It is recommended that Executive agree the response in Annex I.

Purpose of Report:

To agree the Regional Assembly's response to the Government's consultation on the proposed roles and responsibilities of Communities England.

Key Issues:

DCLG proposes that Communities England be vested with English Partnerships' regeneration roles, the Housing Corporation's affordable housing and investment roles, and key DCLG housing and regeneration delivery and programme management functions. Communities England is intended to play an important role in the place-shaping agenda alongside local government. It is therefore essential that it therefore has a clearly defined relationship with local and regional partners, and is publicly accountable.

1. Context

- 1.1 The establishment of Communities England, a new housing and regeneration agency, was announced by Government in January 2007. In June the Government published for consultation its proposals for how the new agency might operate: 'Delivering Housing and Regeneration: Communities England and the future of social housing regulation'. The consultation also seeks to implement key recommendations from the 2006 Cave Review of social housing regulation and the 2006 Hills Review of the future roles of social housing.

2. Summary of the Consultation Proposals

2.1 Functions

- 2.1.1 Under the Government's proposals Communities England will assume responsibility for:

- Regeneration roles from English Partnerships;
- Affordable housing investment from the Housing Corporation; and
- Key housing and regeneration implementation and programme management roles from Communities and Local Government.

- 2.1.2 Details of the CLG functions to be vested in Communities England, and those to remain with CLG, are attached at Annex II.

2.2 Rationale and Objectives

- 2.2.1 Around two thirds of current spending on the functions proposed to be transferred to Communities England is on common objectives – estate and mixed use regeneration, strategic growth and low cost home ownership. The Government argues that the creation of a single body for the delivery of national housing and regeneration will add value compared to existing arrangements, by:

- Being a one-stop delivery partner with the necessary 'critical mass';
- More effective use of resources via economies of scale including attracting private sector funding through enhanced negotiating power;
- Driving adoption of higher environmental standards across the whole housing market; and
- Combining scarce and complementary skills in one organisation, enhancing scope for innovation and onward dissemination of best practice.

- 2.2.2 It is proposed that Communities England would have the following objectives:

- To work with local authorities in developing a strong strategic housing and planning role on behalf of their communities.
- To support housing growth by promoting high quality, well designed developments that provide a range of tenures and affordability.

- To increase provision of social rented housing and low cost home ownership and to provide high quality supported accommodation.
- To support economic priorities of Regional Development Agencies, local authorities and others, by ensuring that land and infrastructure are made available to facilitate growth and aid recovery and support the delivery of Regional Economic Strategies.
- To maximise the opportunity for private investment in housing and regeneration through the best use of public investment, powers and assets.
- To bring about a step change in environmental quality and the reduction of carbon emissions.

2.3 Institutional arrangements and relationships to regional and local government

2.3.1 It is stated that Communities England 'will work with partners locally, regionally and nationally to help create and sustain attractive and prosperous places'. It will advise the regional tier and local government on housing and regeneration priorities, and support the economic priorities of Regional Development Agencies and delivery of Regional Economic Strategies.

2.3.2 It is proposed that Communities England will be accountable to ministers and the sponsor department, Communities and Local Government. CLG envisage that this will be similar to the existing structures of English Partnerships and the Housing Corporation.

2.3.3 Communities England is expected to have offices in each of the English regions, with arrangements for the Thames Gateway still under consideration. The consultation paper was published ahead of the Sub-National Review. Institutional arrangements at the regional level are not elaborated upon in the document, nor is there any consideration given to the nature of the relationship with existing regional governance arrangements.

2.3.4 At local government level Communities England will be made a named partner for local authorities to consult when preparing the Sustainable Community Strategy and the Local- or Multi-Area Agreements. In key strategic locations, the intention is that Communities England will be involved in LAAs/MAAs as a partner authority. It would thus be bound by the proposed duty to co-operate to determine targets and to have regard to them.

2.3.5 In line with recommendations from the Cave Review a new Social Housing Regulator is proposed to replace Housing Corporation regulatory functions (rather than transfer them to Communities England). The role would remain with the Housing Corporation in the interim whilst the necessary statutes are progressed. Further details are provided at Annex III.

2.4 Planning Powers

2.4.1 English Partnerships, Urban Development Corporations (UDCs) and New Towns Development Corporations can all be authorised by Order to exercise some planning functions. In setting up Communities England, the Government is considering whether to amend or rationalise these planning

powers. It is also considering the scope to develop new joint bodies or committees to allow Communities England and individual local authorities or groups of local authorities to work together in the exercise of planning functions.

- 2.4.2 Both English Partnerships and the Housing Corporation have compulsory purchase powers, the former restricted to brownfield land. Communities England is proposed to have the CPO powers of the Housing Corporation, which are not so restricted.

3. Consultation Response

- 3.1 The closing date for responses to the consultation is 10 September. In order to meet this requirement a copy of the draft response, set out in Annex I, has been submitted by the secretariat in advance of this meeting. In the covering letter it is made clear that the Assembly's response is made subject to consideration of the issues by this Committee.

4. Next Steps

- 4.1 The Government aim is to have Communities England fully operational by April 2009, subject to legislation. A Transition Team has been established and is working on developing the detail necessary in establishing a new agency.
- 4.2 A series of stakeholder consultation events about the plans for Communities England will take place shortly in each of the English regions, plus the Thames Gateway.
- 4.3 The future regulation system for social housing at will be implemented at the earliest opportunity. Regulatory functions will continue to be managed by the Housing Corporation in the interim.

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