

Meeting:	BNG BOARD
Date:	21 September 2007
Contact:	Karen Anderson
Board Action:	For information
Sensitivity:	Public

Item 4, Appendix 1: BNG response to consultation on Communities England

Link to BNG Vision and Objectives: The proposals for the roles and responsibilities of Communities England support BNG's vision and objectives to deliver sustainable, transformational change that supports growth in the economy and create more mixed tenure/income communities as part of a holistic approach to regeneration.

Recommendation: BNG's response to the consultation on Communities England (appendix 1) has already been submitted to meet the government's deadline; it has been approved by the Chair and Director as agreed by the Board at its meeting on 18 July.

Executive Summary: The Government announced its proposal to set up Communities England (CE) in January 2007. The consultation document, *"Delivering Housing and Regeneration: Communities England and the future of social housing regulation"*, now provides an opportunity to comment on CE's roles and responsibilities. Responses were required by 10 September 2007.

CE will combine the regeneration roles from English Partnerships (EP), the affordable housing investment from the Housing Corporation (HC) and key housing and regeneration roles from Communities and Local Government (CLG) including Housing Market Renewal (HMR), with the aim of:

- Being a one-stop delivery partner for local government and other partners
- More effective forms of investment and increased private sector leverage through the use and value of public sector assets
- More effective marshalling of scarce skills eg. section 106 schemes
- Sharing best practice and increased negotiating power
- Economies of scale eg. increase incentive for developers to adopt efficient construction, deliver high quality, more sustainable development and increased environmental benefits
- More timely interventions – timing/sequencing of HC, CLG and EP activity
- A stronger, more strategic Department – moving HMR, Decent Homes, housing growth and urban regeneration outside Central Government.

CE will have a national and regional presence. It will develop a portfolio of investment tools; these, and interventions on the ground, will be able to be tailored to the needs of local areas and help local authorities/Local Strategic Partnerships to deliver their place-making role.

A useful, updated description of HMR is provided: *'where demand for housing has been relatively weak and which have seen significant decline in population, dereliction, poor services and, as a result, poor social and living conditions'*. CE's remit with regards to HMR would include advising and challenging sub-regional strategies, assessing funding proposals and advising the Secretary of State on allocation of resources and streamlining delivery arrangements. Delivery of the strategies and funding would remain with the pathfinders/local authorities (in future through Multi-Area Agreements), drawing on support from CLG. The importance of linking HMR to the economy is reiterated and there is cross-over between this paper, the recent Housing Green Paper and the Sub National Review of

Economic Development (SNR).

BNG's response is set out at appendix 1. Key points include:

- The new Eco-Towns are only mentioned in relation to the Growth Areas; the Green Paper clarifies that northern cities/towns will be able to bid for Growth Point and Eco-town status subject to fulfilling certain criteria. Discussions are taking place with both local authorities on the potential for the above in NewcastleGateshead.
- Although the Government is clearly still committed to Decent Homes work and CE will have a holistic approach to regeneration, there is still no mention of resources to deliver 'Decent Places', whilst public realm improvements are essential to creating places where people want to live and work.
- Moreover, CE's remit is very much focussed on delivering new homes, only part of successful regeneration and HMR. It will be essential that CE give enough emphasis to improving existing homes/places as well as creating new ones; that growth and renewal are linked as set out in the Green Paper.
- The subsequent change in the working title of CE to 'The New Homes Agency' also weakens the perception of the organisation as taking a holistic approach to the regeneration of places and communities and not just the bricks and mortar.

Subject to legislation, the Government proposes that CE should be operational by April 2009. A Transition Team has been set up under the leadership of Baroness Ford and includes senior staff from EP, HC and CLG.

Implications	
Financial:	It will be important to continue to engage the partners involved in CE in the development of the BNG programme and Business Plan 2008-2011 to maximise future funding
Equality:	The proposed remit of CE includes addressing inequalities in income, housing choice and encouraging cohesion
Sustainability:	CE's remit would include promoting environmental sustainability and sustainable, mixed communities
Freedom of Information:	This report is a public document

Risk:	Brief description of any material risks, including of not proceeding	Impact	Probability
Strategic:	Proposed remit of CE focuses on new development rather than improving existing homes and places - however likely to deliver more holistic regeneration	Very high	Low to medium
Financial:	Change in responsibility for HMR carries risk that its national importance reduces	Very high	Low to medium
Development:	The roles and focus proposed could help to deliver the programme more effectively and efficiently	Low	Low
Operational:	Relationship building with regional/national CE team essential to help deliver the programme	Medium	Medium
Reputational:	No obvious change of risk to reputation	Low	Low

Bridging NewcastleGateshead – Response to “Delivering Housing and Regeneration: Communities England and the future of social housing regulation”

Bridging NewcastleGateshead's (BNG) response to the above consultation paper is set out below under the relevant questions posed in the document.

As one of the government's nine Housing Market Renewal (HMR) pathfinders, our response concentrates on paragraph 3.12 which deals with HMR. We also comment on other aspects of the consultation paper affected by our activities. In addition, as the more recent publication of the Sub National Review of Economic Development and the Housing Green Paper have clear implications for how Communities England (CE) will operate, we comment briefly on aspects of those documents where relevant.

1) Do you agree that the Mixed Communities and Decent Homes roles should be transferred to Communities England? If not, why not?

Yes. However, the subsequent change of the working title to 'The New Homes Agency' weakens the perception of the organisation – that it is focussed on housing and bricks and mortar and does not take a holistic approach to regeneration and communities. It is one of the strengths of the current HMR Partnerships that our governance structures achieve integration with spatial, economic and housing strategies.

2) Do you agree that the Housing Market Renewal roles listed should be transferred to Communities England? If not, why not?

Yes. We agree with the proposal to transfer management of the HMR programme to Communities England. However, CE must give considerable discretion to their regional offices if the objectives of local accountability and meeting identified local investment needs are to be met.

We ensure that our plans fit within the Regional Housing Strategy and our funding works alongside that from the Single Housing Pot to finance improvements in the housing stock, especially in the private sector. Thus it is important to us that Communities England and the Regional Housing Board work closely together and share the same agenda. Similarly, when Single Regional Strategies are introduced under the guidance of the Regional Development Agencies, we would want to see effective working mechanisms in place to involve stakeholders in the identification of the housing and regeneration elements of the SRS.

We also welcome the continued importance given to linking HMR to the economy and that the delivery of strategies and funding remaining with the pathfinders/local authorities. The Housing Green Paper opens up new opportunities for the HMR Partnerships and we stress the need for continued support. The market is starting to recover in parts of BNG, and although we still monitor these areas, we are letting the market find its own solutions. In other areas, there are still massive challenges to overcome and Communities England will provide a further opportunity to drive forward the efficiencies we deliver, in particular

giving us greater freedom to benefit from value creation in assets we fund as well as more flexible use of capital receipts.

The consultation paper also mentions that, in future, funding will be allocated through Multi Area Agreements and the role of MAAs is clearly strengthened by the SNR report. We support this as it reflects that housing markets (and labour markets), and thus the HMR Partnerships, straddle several local authority boundaries; Newcastle and Gateshead have recently agreed to set up a City Development Company reflecting this.

The new Eco-Towns are only mentioned in relation to the Growth Areas; the Green Paper clarifies that northern cities/towns will be able to bid for Growth Point and Eco-Town status subject to fulfilling certain criteria. Discussions are taking place with both local authorities on the potential for the above in NewcastleGateshead.

3) Do you agree that the Housing Growth roles listed should be transferred to Communities England? If not, why not?

Yes.

6) What are your views on Communities England taking on responsibility for the Academy of Sustainable Communities (ASC)? Do you see any difficulties in achieving this, and maintaining the identity of the ASC? AND

7) As an alternative approach, what are your views about establishing the ASC as a separate statutory body?

Either approach could be taken. Whilst remaining a separate statutory body would ensure that ASC keeps an independent viewpoint, especially when commenting on/advising CE, being part of CE would help it to benefit from more regular involvement of ASC expertise in its operations.

12) Do you agree that these roles should remain within the Department? We would welcome your views on whether it would be appropriate for these consents to sit with a regulator rather than Ministers. AND

13) Are there any other Communities and Local Government roles that you think should transfer to Communities England?

Although the Government are clearly still committed to Decent Homes work and CE will have a holistic approach to regeneration, there is no specific mention of resources/powers to deliver 'Decent Places', whilst public realm improvements are essential to creating places where people want to live and work.

Moreover, CE's remit is very much focussed on delivering new homes. Delivery of private sector Decent Homes (grants and loans) and monitoring of local authority progress on Decent Homes will continue to be monitored by Local Government Offices. New development is only part of successful regeneration and HMR. It will be essential that CE give enough emphasis to improving existing homes/places as well as creating new ones; that growth and renewal are linked as set out in the green paper.

CE will develop and implement the National Brownfield Strategy. It is not clear however how they will engage with Regional Assemblies/ the Regional Development Agencies and

Regional Select Committees (as per the SNR) and at what geographical level potential brownfield development sites will be considered.

14) We would welcome suggestions and proposals for helping to take forward a successful investment finance model. Are there other approaches to the provision of support and investment that should be added to the proposed toolbox?

We support the emphasis in this paper and the Housing Green Paper to make the best use of public sector assets to bring in private finance. It is also essential that we are supported to make public sector investment go further: BNG is currently working with CLG and the local authorities to determine the optimum use of its assets. For major projects, it would be appropriate to invest our assets/funding (rather than provide grant assistance), along with those brought forward by the local authorities and investment from the private sector, in some form of delivery mechanism such as a Local Asset Backed Vehicle (LABV). This would provide the potential to receiving a return in the medium to long term, potentially significantly reducing the amount of HMRF that would be required under the traditional grant funding mechanism and lead to a return on the investment.

15) We would welcome your views on how you feel Communities England could work most effectively with the different organisations and structures that support place-shaping.

It is likely that it would not be practical for CE to be represented on all the various Local Strategic Partnerships nationally, where the main parties involved in shaping particular 'places' come together. It is therefore appropriate for the government to specify a requirement for local authorities/LSPs to involve CE in any major projects and Multi Area Agreements.

20) Do you agree that all providers should have a duty to engage constructively with local authorities in their place-shaping function?

Yes. And to avoid consultation fatigue, encourage a joined up approach, housing providers should feed in the comments of their tenants and leaseholders to the Local Authority (LA). If they have a lot of stock in an area they should also be actively encouraged by the LA/LSP to attend local governance meetings and events.

22) Do you agree that the regulator's consent of disposals of RSL stock should continue to be required?

Yes, although it is crucial that a strategic approach is taken to this especially in regeneration areas, where physically 'good' stock is still in low demand.

26) Do you have any other comments about the proposals, including any practical implications you think it might have? For example, how can we best ensure we minimise bureaucracy?

The CE approach should be to set clear standards of performance for funding and rely on self certification and audit as the basis for performance management rather than detailed inspection or scrutiny.