

Development of the
West Midlands Housing Allocations Strategy
2008 – 2011

North HMA consultation – Monday 14 May 2007

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Why do a West Midlands Housing Allocations Strategy?

Previously:

- Pre 2004/2005 – previously done by Government and Housing Corporation – according to a Needs Index Based formula
- Post 2005 – GOWM produced RAS 2006 2008 in consultation with WMRA and Housing Corporation – drew upon new RHS evidence base

Now:

- Barker report on Housing Supply 2005
- DCLG letter: June 2006
- September 2006 - Regional Housing Board function moved to WMRA
- Recommendations on the Allocation of Resource to be largely based upon the evidence provided within the Sub-Regional Housing Investment Strategies

The DCLG letter Ministers invite the Housing Boards to –

‘advise them what the split of funding should be between local authorities and registered social landlords (and other providers of affordable housing) and...provide new or refurbished sites for Gypsies and Travellers for the Region..’

‘... provide an explanation of the basis for allocation of funding to local authorities’.

‘submit information on the broad (Local Authority) outputs / outcomes their recommendations are intended to meet, including the estimated impact on DCLGs PSA targets.’

Regional Housing Capital Pot

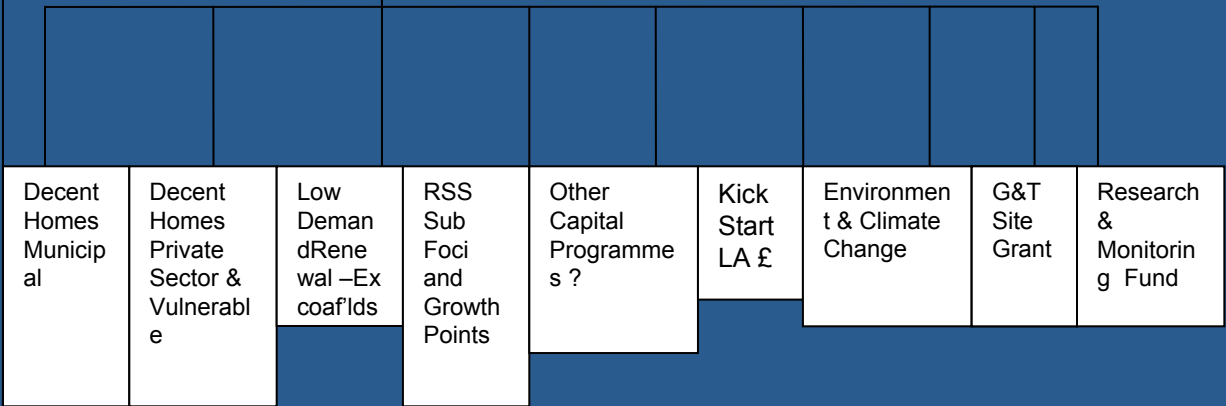
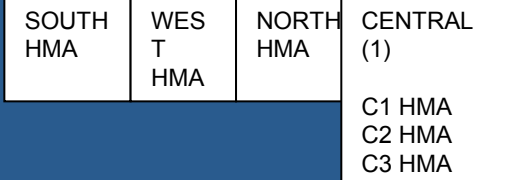
Split Between

National Affordable Housing Programme

Regional Housing Capital Pot for 34 Local Housing Authorities

Sub Regional Housing Market Areas

Kick Start Central Admin by Birmingham CC



New RHE Process - Production of the WMHAS Change and Continuity

Under RHE –

- More democratic
 - More devolved
 - Based on locally and regionally relevant evidence not high level statistical analysis
 - Much More consultation
 - Learning as we go
-
- RAS is being developed with the Housing Corporation, with assistance from GOWM
 - There is National policy to deliver
 - The RAS is Advisory
-
- Delivery will be monitored and the outcomes will influence future decisions

Amounts?

- RAS 2006- 08 had £378.9 million split between the two years
- The expected LOWER outcome figures from RAS 0608 have been used as a starting point
- So for indicative purposes we assume that the WM Region will receive £564million for the three years 2008/09, 2009/2010, 2010/2011
- (NB. This is not a bid – we hope for more)

However, the actual amount the Region will receive remains unknown, pending the outcome of the Comprehensive Spending Review 2007

West Midlands Housing Allocation Strategy

Main Ingredients

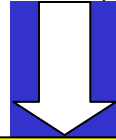
- **RHS 2005 and RAS 2006-2008**
- **National Policy and Regional – new and anticipated**
 - **Social, demographic and market trends – headline issues**
 - **Current development of Regional Strategy – revisions to RSS and RES**
 - **Sub-Regional contributions – Joint Housing Market and Needs Assessment**
 - **Sub-Regional Housing Investment Strategies**
 - **Priorities for Investment – Local HMA evidence based – justified, agreed, costed, deliverable, effective, monitored**

So Far, What are the Implications for the Next Regional Allocations Strategy?

National Policy Objectives and RSS

Emphasis

**Urban and Rural Renaissance, Regeneration,
Sub Regional Foci, Growth Points**



Regional Allocation Strategy 2008-2011

Affordable Housing (esp. more for Soc. Rent)

Consistent requirement – different drivers

Shared Ownership Products – affordable ?



**Vulnerable people, especially
Supporting People & the Elderly**

DH Private Sector Vulnerable

(DFG ?)

Broad consensus- Tendency

Priorities from Sub Regional Perspectives

DCLG Requirements of Housing Corporation Board

Minister's Expectation: Housing Corporation to deliver more than previous Housing Allocation Strategies:

- Deliver more homes for the same amount of money
- Move investment to a higher quality standard (sustainability level 3)- expected to increase costs by £3,000 to £4,000 per home
- Allow for the mixed economy of providers in accessing grant
- Confirm a two year programme + future development pipeline

As a result of these extra demands and in light of recent guidance from CLG, the % of funds for the Housing Corporation suggested in the Draft WMHAS08-11 (i.e. 48% of overall Pot) may have to be reviewed

Suggested Recommendations

Split by Housing Market Areas – If CSR07 allows, £181M over 2 yrs
Indicative HMA split might be - £43M+ for South HMA, £20M for North HMA, £18M for West HMA and £100M+ for Central HMA

WHY?

North – Keep at level of performance which is higher than last RAS and in 2010-2011 add funding in for Burton Growth Point

South – The Housing Corporation RSL Delivery Pipeline and lessons learnt from RAS0608 is that the South cannot cope with the level of funding for affordable housing given 2yrs ago (£60M)

West – Keep allocation the same with a slight increase to support Northern Shropshire LAs to do better

Central – keep broadly the same as in 2006-08. Focus on Pathfinder, Evolve, Eastern Corridor and Coventry's MUA regeneration.

Suggested Recommendations

- **If possible, strengthen the amount going to Supported Housing** (recommendation to be tested during consultation period)
- **Develop a Tenure split** with the Housing Corporation for each sub region
- **For Homebuy** – reassess the groups who should have priority access. Take sub-regional advice on the identification of key workers outside of the Government's South-East Region definition

Process for the Development of the West Midlands Housing Allocations Strategy 2008 2011

- Consultation process started on 15 January 2007
- Draft of WMHAS 08-11 launched for formal consultation on Friday 16 March 2007 with a deadline for comment of Friday 18 May 2007
- A WMHAS 08-11 Editorial Group will consider the responses submitted to the consultation and steer the drafting of the final document
- A final draft of WMHAS 08-11 will be presented to the Regional Housing Executive for sign-off on 14 June 2007
- This approved version will then be submitted to Ministers by Thursday 28 June 2007

West Midlands Housing Allocations Strategy 2008 -11 - After June 2007

- **Housing Corporation will begin using it for their bids round**
- **Summer 2007 – DCLG consult on draft allocations of the Regional Housing Pot to the Regions**
- **Autumn 2007 - Results of CSR 07 announced**
 - **Ministerial decisions on the amounts allocated to Regional Allocation strategies confirmed**
- **Autumn 2007 - assumed revision to draft Regional Allocation Strategies made, to account for actual allocation**