

11 September 2007

Communities England Team
Communities and Local Government
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**Delivering Housing and Regeneration:
Communities England and the Future of Social Housing
Regulation Consultation**

West Midlands Regional Assembly (WMRA) welcomes Communities Local Government's (CLGs) prioritisation of housing and regeneration and its proposal to establish a New Homes Agency, to lead in the delivery of this goal. We are particularly pleased to see the range of outcomes which it is proposed the New Homes Agency will work towards, as they will significantly contribute to the levels of housing growth which Government believes to be necessary.

An understanding of the context from which these comments are made will assist. We believe we have a highly effective arrangement based upon a sophisticated partnership model within the West Midlands Region and are anxious that the benefits of this is maintained in the new arrangements.

Within WMRA, the Housing Secretariat provides policy direction and administrative support to the West Midland's Regional Housing Executive (RHE) and Regional Housing Partnership (RHP), which were both established in September 2006 following the merger of the former Regional Housing Boards with the Regional Planning Bodies. Both the Executive and Partnership are Elected-Member led Groups and feature representation from each of the 38 local authorities and other Stakeholder Groups (e.g. BME Housing Network, the Private Sector and key Regional / National Agencies - English Partnerships, Housing Corporation, Government Office West Midlands, Advantage West Midlands). The Executive and Partnership are also supported by six sub-regional Housing Market Area Partnerships (HMAPs) which act as the gateway through which Regional Housing policy is communicated to the local level and from the local level back up, to inform Regional decision making.

Relationship between Communities England and the RDAs:

WMRA suggests that the subsequent issue of new policy within the Housing Green Paper and the changes to Regional structures outlined in the Sub-National Review requires some of the proposals in the Communities England Consultation Paper to be re-visited. It is critical that the role of the Regional Development Agencies (RDAs), in their revised strategic role as both Regional Planning Bodies and leaders of Regional Economic growth, in relation to the New Homes Agency is re-defined.

The RDAs new executive responsibility for producing Single Regional Strategies' should be given more prominence, as these strategies will be the primary mechanism through which policy and delivery at the sub-regional and local level is integrated. Consequently it is essential that the New Homes Agency acknowledges the important role that RDAs will play in Housing in the future. The New Homes Agency's relationship to the RDAs also needs to move beyond the proposed provision of support for its economic activities and relate to the wider RDA role, encompassing spatial planning, sustainable development and social and environmental objectives.

It is also important for the new Agency to prioritise and fully take over English Partnerships current role as the Government's specialist advisor on Brownfield land. In the West Midlands context, the reclamation of urban Brownfield land is central to accelerating the urban renaissance of the Major Urban Areas (MUAs) and is critical to the scale of growth envisaged in the Regional Spatial Strategy. Consequently, this reclamation activity will become even more pertinent as the levels of growth rise above that in the existing RSS.

Greater clarity is also required as to which Agency sets the Strategic parameters for Housing and regeneration at the Regional level and which has the delivery role. We believe that the development of a Single Regional Strategy provides a valuable opportunity to integrate investment, with the Single Regional Strategy acting as a framework to determine the New Home Agency's activities. In addition, the relationship between the new Agency and the proposed accountability arrangements at both Regional and National level will also require further clarifications about both the way in which this will work and the impact it will be able to have.

We would hope to see the new Agency reflecting the high-values set out in Chapter 3 of the Consultation Paper (e.g. to build cohesion, tackle inequalities, face the challenges of climate change), without which, the Single Regional Strategies risk losing the 'softer' parts of Housing and regeneration delivery, which are equally as important as the economic interventions (e.g. Vulnerable households, Minority groups).

The current Communities England Consultation Paper also appears to suggest that the New Homes Agency will be carrying-out many activities on its own, whereas in reality these activities will be shared with partners (e.g. local authorities – (both individually and through the sub-regions and at a Regional level), RDAs, CABE) and the contribution that these partners will make, must be recognised. Equally, in light of the Housing Green Paper's emphasis on sub-regional partnerships, it will be important that New Homes Agency does not duplicate any of their work.

WMRA would also like to query the Consultation Papers claim that the New Homes Agency will not have any role in policy development, as the Housing Green Paper is somewhat contradictory in relation on this. Clarity is needed about the role it is intended the New Homes Agency will play around policy development

It may be that the RDA will be in a strong position to provide strategic policy advice to the new Minister for the Region, as it will have the executive responsibility for developing the over-arching framework for the whole WM Region (i.e. Single Regional Strategy) The RDA will be able to draw upon the valuable experience which has been built up within the Region, as a result of the implementation of the Sustainable Communities Plan (e.g. development of Regional Housing Strategy, Regional Allocations Strategy 2008 – 20011, Sub Regional Housing Market and Needs Assessments) and the work of WMRA to develop effective and inclusive Partnership working. In the longer-term, the RDA will need to work with the Regional Association of local authorities (i.e. WMLGA in the West Midlands Region) and through the sub-regional partnerships to deliver the Single Regional Strategy and this in turn will allow it to inform the Minister on issues emanating from the grassroots, which meets the Government's aspiration for a more bottom-up approach towards policy and strategy formulation to be taken in the future.

Responses to Questions:

Q1: Do you agree that the Mixed Communities and Decent Homes roles should be transferred to Communities England? If not, why not?

WMRA would argue strongly for CLG to give further thought to the transfer of the Decent Homes programme, as it remains unclear which organisation will become responsible for providing advice on Capital Allocations for Housing ,in terms of the high-level split between funding for local authorities and the National Affordable Housing Programme (NAHP). As the future positioning of the Housing Allocations Strategies has yet to be clarified and as neither the Housing Corporation nor English Partnerships have previously had a particular local authority focus, we would suggest that the development of advice to Ministers must involve active engagement with the Regional Housing Board working with the RDAs. Further, as the local authorities will be closely involved in the development of the Single Regional Strategies, it would enable local authority issues (e.g. Private Sector Vulnerable, Kick Start, Regional areas of Housing Market Intervention) to be addressed by one organisation rather than being split between different organisations. This would also be beneficial in terms of monitoring arrangements and intelligence gathering but both would need to be sufficiently resourced to ensure a sound basis of evidence was delivered from which to provide advice to Government.

However, we welcome the commitment for the New Homes Agency to work with partners locally, regionally and nationally' (p.14) and hopes that regional working through the new Regional Office of the Minister and Regional Office of the New Homes Agency will be effective. However, whilst this commitment highlights the provision of support to the economic principles of the RDAs it does not make any reference to the Statutory Spatial Planning activities undertaken by the Regional Planning Bodies, which are key to the creation of new communities and expansion of existing settlements. To ensure the

long-term sustainability of developments across the West Midlands Region, it will be critical for the New Homes Agency to work within the frameworks of both the WM Regional Spatial Strategy and WM Regional Housing Strategy, as these have been specifically formulated to bring about urban and rural renaissance.

The successful creation of Mixed Communities will it seems to us, to be equally dependant upon the establishment of stronger community relationships rather than purely via solely economic interventions. Therefore, whilst the New Homes Agency will undoubtedly improve prosperity for communities, we would query its capacity to deliver cohesive communities (as it is currently proposed), which cannot be readily achieved through a top-down approach.

Q2: Do you agree that the Housing Market Renewal roles should be transferred to Communities England? If not, why not?

WMRA would suggest that it would be better for the HMR programme to be transferred to the RDAs than the New Homes Agency as they will be closer to the Pathfinders in terms of understanding how they fit into the overall demands (e.g. housing, economy, place-shaping, and environment) of a Region. The RDAs will also be working with local authorities on the development of the Single Regional Strategies to which the progress of the Pathfinders will be integral. However, we agree that the Pathfinders would benefit from expert advice on delivery arrangements and funding, which the New Homes Agency will be able to offer and so it should seek engagement with partners on all programmes of renewal as appropriate. We would also suggest that the proposed remit for the New Homes Agency to advise and challenge sub-regional strategies should be in terms of providing a constructive commentary to strengthen their activities, as sub-regional arrangements are sometimes fragile and easily damaged.

Q3: Do you agree that the Housing Growth roles should be transferred to Communities England? If not, why not?

The Assembly agrees that the New Homes Agency should act as a key influencer on the delivery of the new Eco-Towns / new communities generally and in making the best use of surplus public sector land. The Housing Corporation has been at the forefront of the sustainable construction of homes and English Partnerships has been working with the MoD and NHS to identify suitable Brownfield sites for some time. Whilst examples of Eco-friendly homes are evident across the West Midlands Region, these are typically viewed as exemplar schemes and far from the standard product, which they will need to become if all new homes are to achieve zero-carbon within a decade.

However, we would argue that Housing growth (both the four Growth Areas and the recently announced Growth Points) within the West Midlands Region must be aligned to the WM Regional Spatial Strategy, West Midlands Regional Housing Strategy and the West Midlands Regional Economic Strategy. It is essential that the phasing and location of new growth is strategically planned only for those areas which have the potential to deliver the policy within these strategies and bring about urban and rural renaissance in the West Midlands.

The Government's growth agenda has implications of such a magnitude for other Policy areas (e.g. Economy, Transport, Environment and Climate Change) that WMRA would argue that the role of the New Homes Agency should be to drive growth within the strategic policy framework and objectives of the Single Regional Strategies and delivered through the sub-regional delivery mechanisms. Consequently, the Government should retain ultimate accountability for growth across the UK and not just growth in the existing

Sustainable Communities Plan. The planning of sustainable communities will only be developed if an integrated social, environmental and economic view to housing growth is adopted. As, although the New Homes Agency can undoubtedly improve delivery capability within the Growth Areas and New Growth Points, it runs the risk of delivering housing numbers and not truly sustainable communities.

This prospect of numbers being given a higher priority than sustainable development is also posed by the usage of ex-NHS/MoD sites. Whilst providing valuable land, the locations may not always be appropriate, particularly in relation to the criteria for the development of Eco-Towns. The existing West Midlands Regional Spatial Strategy seeks to implement as much development as possible within the Major Urban Areas and in other strategic settlements, with the intention to reduce the need to travel and ensure as sustainable patterns of development as possible are created. Consequently, this will require the New Homes Agency to support the delivery of urban Brownfield land in substantial quantities, if the required level of growth is to be met.

Q4: Do you agree that the homelessness capital investment delivery route should be transferred to Communities England? If not, why not?

We would suggest that a decision as to this should be deferred until the exact role of the RDAs will have (in terms of providing advice to Ministers on Capital Allocations for Housing) is clarified. If the intention is for the RDAs to take over responsibility for providing advice on Capital Allocations from the Regional Assemblies, then this should clearly include the delivery of homelessness investment.

In relation to this, we would highlight concerns in connection to the future funding of the other Housing themes (e.g. Supported Housing, BME and ASR). The Supported Housing theme, in particular is concerned that once the Regional Housing Strategies become condensed within the Single Regional Strategies', the profile currently awarded to the thematic Housing groups will disappear and their ability to influence future investment programmes will be significantly reduced. This potential loss of 'voice' for the thematic Housing groups is further compounded by the fact that English Partnerships has to date leaned towards the Private Sector, with the Housing Corporation focused upon RSLs, suggesting that the new Agency will not be sufficiently alert to the needs of those vulnerable groups in specific housing need.

Q5: Do you agree that the NLUD-PDL should be transferred to Communities England? If not, why not?

The National Land Use Database is potentially a vital resource, subject to the availability and ease of access to its data and WMRA would not have any objections for it to be transferred to the New Homes Agency. Furthermore, on the basis of the more complete information offered by the West Midlands Region Annual Derelict Land Survey being available, we would suggest that the opportunity is taken for the Secretary of State to issue a direction to all local authorities, obliging them to submit annual data on Brownfield land.

The opportunity could also be taken to extend the scope of the NLUD-PDL to include sites identified on the Register of Surplus Public Sector Land and that membership of the NLUD Partnership should be extended to include RDAs, RPBs and upper-tier Authorities.

Q6: What are your views on Communities England taking on responsibility for the Academy for Sustainable Communities? Do you see any difficulties in achieving this, and maintaining the identity of the ASC?

WMRA supports the proposal for the New Homes Agency to take on responsibility for the Academy for Sustainable Communities (ASC). This will mean ASCs valuable expertise will be better disseminated across all Regions enabling skills issues within the housing sectors to be more decisively addressed. However, to ensure the profile of these skills issues are kept high on the agenda, we welcome the proposal for the ASC to maintain its own separate 'brand' within the New Homes Agency, as otherwise its importance risks being diluted.

Q9: How can we encourage joint working between local authorities and Communities England, including through institutional arrangements?

In view of the Housing Green Paper the future role of the RDAs in terms of encouraging joint working should be re-assessed. Indeed, the working relationship between the tiers and with Government Office probably needs to be reviewed, to prevent any conflicts of responsibility or duplication of activity. However, once working arrangements have been clarified, the New Homes Agency should seek to work through existing structures rather than developing new committees (e.g. the existing Regional Housing Executive, the Regional Housing Partnership and the six Sub-Regional Housing Market Area Partnerships which are in operation within the WM Region), as it would prove more efficient for the New Homes Agency to build upon those joint-partnerships which are already established and have developed some capacity in terms of sharing resources and expertise.

For example, our Regional Housing Advisory Forum (RHAF - an Officer-led Group comprising of local authority representatives from each of the sub-regions, thematic groups and a range of National organisations') has been integral to providing advice to the former WM Regional Housing Board and the current Regional Housing Executive. From steering the development of the RHS 2005, to contributing to the RSS Revision Phase Two issue on Housing numbers, RHAF has built up a comprehensive knowledge of Regional Housing policy and it is essential that this and other resources, offering similar experience are not lost in the re-organisation of the Regions'.

Q11: Do you think the existing compulsory purchase powers outlined are sufficient for the range of challenges Communities England faces?

Considering the scale of the affordability problem in the WM Region, we would argue that any restrictions on the New Homes Agency's use of CPO powers should be removed. The considered use of CPOs in rural areas could have a significant impact on bringing forward land for affordable housing developments, particularly as rural authorities have appeared reluctant to utilise this tool to date. The New Homes Agency has an opportunity to take a lead in this area and demonstrate how CPOs can be utilised effectively within rural areas to assist delivery.

Q12: 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.

The proposals for monitoring to remain with the Department whilst the programme itself is transferred to the new Homes Agency risks a fragmentation of the programme, which invariably makes monitoring more difficult to undertake. In our view, monitoring should transfer to where the programme transfers and in connection to the wider monitoring of

housing activities, we would like to bring to CLGs attention the work we have carried out to date, to achieve a comprehensive overview of Housing activities across the WM Region. We are in fact, close to establishing a joint housing and planning Monitoring system, which will enable more effective decisions in terms of investment and interventions to be taken in the future.

Regarding the registration of new RSLs, consents on disposals, consents on transfers and tenant support programmes, we support the proposal for these to be made the responsibility of a separate regulator than sit with Ministers. However, it will be imperative for the Government to set down clear guidance to any new Regulator, primarily around the importance of social responsibility. This will be particularly important in areas of high-housing demand, where housing associations could potentially be influenced to dispose of their properties to improve their balance sheets but to the detriment of their existing and prospective tenants.

Q13: Are there any other Communities and Local Government roles that you think should transfer to Communities England?

If the New Homes Agency is to successfully deliver increased housing numbers and improve the regeneration delivery chain, we would argue that along with other Government Agencies, it should also have a role in the provision of supporting infrastructure. This role could possibly be through the provision of finance, land, expertise or other means and would bring about additional benefits to those identified as being offered by the new Agency (p.13).

The delivery of Gypsy & Traveller provision is another role which could with benefit be transferred to the New Homes Agency, as its future position is not referred to in the Communities England Consultation Paper. However, if advice on Capital Allocations is transferred to the RDAs, then it may be more appropriate for this to also become a responsibility of the RDA, with the New Homes Agency providing support to local authorities in terms of developing bids and undertaking procurement.

In general, arrangements around Monitoring also need to be set out in more detail, as the New Agency will have to provide a range of information to the RDAs, in relation to progress on all types of Housing programmes across the WM Region. Clearly, Monitoring is vital to ensuring that any Strategies / Policies which are implemented achieve the desired impact, therefore the New Homes Agency's responsibilities in relation to Monitoring must be clarified.

Q14: 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 would suggest that guidance and the sharing of expertise on funding models would be invaluable additions, along with the offer of support to establish appropriate infrastructure on large scale/sub-regional developments welcomed (WMRA suggests that assets could be released to create capital investment opportunities).

The inclusion of an innovation fund in the toolbox, to provide support to alternative means of investment from across the Regions could also be considered. This support could be through the means of providing initial investment to run pilot projects or fund research to develop the models further. For example, within the WM Region, South Shropshire DC has developed an Equity mortgage model which has successfully delivered affordable housing and maintained social sustainability across smaller rural areas, which could

possibly be piloted in other Regions before being recognised as a definite tool by the New Homes Agency. The sharing of good and developing practice will also be important.

Q15: 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?

The involvement of a wide range of organisations is integral to the success of place-shaping and WMRA would argue that the New Homes Agency must seek full engagement with local authorities through their arrangements at a Regional level and their sub-regional structures, with the Third sector and with the Private sector to ensure place-shaping activities draw upon the expertise which each organisation /sector has to specifically offer. The proposal for the New Homes Agency to act as a member of Local Strategic Partnerships is supported in principle but the New Homes Agency must also be required to seek engagement with relevant organisations which may not be directly represented on LSPs.

Q16: We are considering whether Communities England should have a specific presence in the Thames Gateway, in addition to the nine English Regions. We would welcome your views on this.

The assertion in the Sub-National Review that National Bodies have a duty to back Regional strategy is welcomed and we would suggest that this commitment should be strongly reflected in the New Homes Agency's practical working arrangements.

The Thames Gateway, although important, sits within a Regional context which the Sub-National Review has strengthened through the development of a Single Regional Strategy. Therefore, the New Home Agency's resources should be concentrated at the Regional level, to aid sub-regional delivery such as the Thames Gateway.

Q17: Do you agree with the accountability arrangements of Communities England? Are any further safeguards required?

The question of accountability is very important. The important role of Elected Members must be recognised fully in the proposals. It is Elected Members who approve Planning applications and Regeneration programmes and who can have considerable influence as to whether Places develop successfully or not. Most Regions are developing proposals for effective accountability around the new RDA functions and it would make sense if the proposals for the New Homes Agency built upon these, through Councils working Regionally (in the West Midlands Region this is through the WMLGA).

The Regional Housing Boards were only recently re-structured in autumn 2006 to address the democratic deficit which had previously existed and which had created considerable disquiet from Elected Members. The Regional Housing Executive in the West Midlands Region currently allows for a balanced representation in terms of both Political party and geography (i.e. all of the Housing Market Areas are represented), along with representation from the Third Sector and the Private Sector. This sharing of accountability ensures that no one interest group is able to dominate the decision-making process and provides a direct democratic link back to the communities themselves.

The Regional Housing Executive is part of a 3-tier Regional Housing structure which deliberately mirrors the Regional Planning Body (RPB) and it is therefore critical that the Elected Members within RPB are given similar capacity to influence the activities proposed to be undertaken by the New Homes Agency. The RPB provides an invaluable Regional platform on which local authorities are able to come together and consider large-

scale planning proposals and due to the Statutory nature of the Regional Spatial Strategies, RPB Members' ability to call the New Homes Agency to account (in the event of any of its activities working against a Regional Spatial Strategy) should be introduced as a safeguard. Control over development could also be further strengthened by the introduction of stronger Conformity powers within the Planning policies of the new Single Regional Strategy, which Communities England would be subject to, along with all other developers.

The WMRA also proposes that the New Homes Agency should be charged, along with other National Bodies suggested in the Sub-National Review, with reporting formally into the Regional level. This could involve the role of the new Ministers for the Regions and proposed Select Committee arrangements.

Q20: Do you agree that all providers should have a duty to engage constructively with local authorities in their place-shaping function?

It is critical for all providers to work with local authorities if places are to be delivered which are sustainable and meet the needs and aspirations of local communities. Leadership by local authorities has recently been awarded a high-profile by Government through the Sub-National Review and to enable them to strengthen control over developments across their administrative boundaries and in adjacent areas, it is essential they lead on all programmes of development, regeneration and renewal being undertaken. Only by local authorities taking a strategic approach to development, will places be shaped in ways which meet the needs of the local communities and unique characteristics of that area enhanced, to deliver improved economic performance, social integration and environmental improvement.

WMRA would also expect the New Homes Agency to consult with and work in partnership with Regional-level partners (e.g. Regional Planning and Housing Body, the WMLGA, the RDA and Midlands Architecture for the Designed Environment), in the pursuit of effective place-shaping. The West Midlands Regional Spatial Strategy provides the framework for development / re-development within the WM Region and provides a unique over-arching Strategy view of how communities interrelate, which the New Homes Agency will need to have a full appreciation of, if places are to be delivered which meet the needs of the wider Region (i.e. achieving urban and rural renaissance).

Q22: Do you agree that the regulator's consent to disposals of RSL stock should continue to be required?

The Housing Secretariat agrees with the continuation of the practice whereby RSLs have to seek approval before disposing of stock. Due to the current low levels of affordable and social housing stock in comparison to the demand, a check on any disposals must be undertaken to ensure it is the most appropriate course of action and that no other options could be considered. However, to ensure efficiency is maximised, it is important that a more streamlined process is introduced and any duplication in activities between the Regulator and the Audit Commission resolved (if in fact two separate inspection regimes are maintained).

Q23: How should local authority owned social housing be regulated?

WMRA would recommend that social housing owned by local authorities should be inspected by the proposed independent regulator to be established for RSLs. Tenants should expect to receive an equality in accommodation, whether housed by the local authority or RSL. However, WMRA recognises the fact that local authority owned social housing will have received a different level of funding to RSL owned social housing and

would therefore expect this funding difference be taken in to account in any inspection. Clearly, a convergence in regulation is the ideal scenario but in reality a number of factors may make it impossible, certainly in the short term, for local authority stock and RSL stock to be fairly inspected by the same regulator.

Q24: What are your views about combining the Ombudsman services for tenants of RSLs and local authorities under a single Ombudsman?

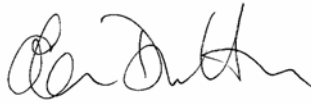
WMRA supports the proposal to establish a single Ombudsman service for RSL and local authority tenants, as it should bring about efficiency savings and ensure all tenants have recourse to the same complaints process and level of service.

Q25: What are your views about the location of the regulator of social housing?

We believe that the location should be outside London and would propose that the West Midlands, given its geographical location, transport links and current regeneration activities would be the most appropriate place. This would give a positive affirmation to Government's commitment for development within the Regions and demonstrate that national delivery can be successfully led, through a location which is outside of London.

I hope that our comments are useful and we look forward to working closely with the New Homes Agency in the future, to improve housing delivery and regeneration across the West Midlands Region.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Olwen Dutton', written in a cursive style.

**Olwen Dutton
Chief Executive
West Midlands Regional Assembly**