

Department for  
**Communities and  
Local Government**

Paul Bevan  
Chief Executive  
South East Regional Assemblies  
Berkeley House  
Cross Lanes  
Guildford  
GU1 1UN

Peter Ruback  
Head  
Affordable Housing Division  
2/F2  
Eland House  
Bressenen Place  
London SW1E 5DU  
Direct Line: 020 7944 3560  
Fax: 020 7944 3639  
GTN No: 3533 3560  
e-mail: peter.ruback@odpm.gsi.gov.uk

Web Site: [www.communities.gov.uk](http://www.communities.gov.uk)

27 June 2006

## **REGIONAL ASSEMBLIES - REGIONAL HOUSING RESPONSIBILITIES**

1. I am writing following David Miliband's letter of 30th March 2006 to Cllr David Smith, in which he announced that he was asking the Regional Assemblies to assume formal responsibility for the work of the Regional Housing Boards.
2. The purpose of this introductory letter is, firstly, to welcome your Assembly colleagues in their new role and, secondly, to re-iterate broad, key principles. Assemblies have asked that we should set out how we see matters being taken forward. Assemblies have of course already played an important role in setting up and developing the current Regional Housing Boards
3. Housing is of course a very broad policy area. I head, within DCLG's New Housing and Communities Directorate, the Affordable Housing Division and have policy responsibility for the regional housing agenda. Other colleagues elsewhere in DCLG, not least those in the Housing, Planning, and Homelessness & Housing Support Directorates, also take a keen interest in what is being delivered at the regional level. It is partly for this reason that we expect the Assemblies' first port of call in dealing with DCLG to be through their contacts in the Government Offices.
4. Annex A, sets out, in broad terms, roles and responsibilities as they are at the moment.
5. My colleague, Jane Everton, who heads DCLG's Housing Care and Support Division, will be writing separately to give an overview of the Supporting People programme and to give more detail about how the Assemblies may wish to approach interaction with Supporting People.

## Financial Support

6. DCLG has already agreed funding with the Assemblies for 2006-08 where it is needed to assume these new responsibilities. For future years, funding these new responsibilities will be taken into account as part of the overall grant settlement to Regional Assemblies.

## Regional Housing Strategies

7. Regional Housing Strategies will continue to be documents owned by the regions. Ministers will have no formal role in receiving them or signing them off.

8. There will therefore be no centrally imposed timetable for up-dating them, but, given the links between the two strategies, Ministers intend the process to be more closely aligned with that for the Regional Spatial Strategies. This was one of the drivers behind the decision to invite the Assemblies to take on this role.

9. While Ministers are not prescriptive about the content of the Strategies, they expect them to set out regional priorities, to identify sub-regional housing markets, and to set out a clear plan for delivery. This is important if the Strategies are to be effective in informing the recommendations Assemblies' will be making to Ministers on the allocation of resources.

10. Because Housing markets do not respect local authority boundaries and regions comprise many housing markets, it is essential that the Regional Housing Boards continue to identify sub-regional housing markets and work with local authorities and other key stakeholders in each sub-region to develop sub-regional housing market strategies (where appropriate). We would be happy to see local authorities moving away from producing their own housing strategies in favour of these joint strategies, and would welcome the continued support of the Boards in achieving this.

11. It is vitally important that your Strategies continue to reflect what is being delivered on the ground. It is therefore important that the Boards continue to monitor how the objectives identified in the Strategies (and for which financial support has been provided) are being met. It will be very helpful if there is evidence that demonstrates that investment decisions are achieving the desired results.

12. This will in some cases require a degree of sensitivity: the resources we provide to local authorities are un-ring-fenced and may be spent on any of the receiving authority's legitimate purposes. You cannot therefore monitor spend, but you can (and must) monitor outputs. It is quite legitimate to determine how any local authority is helping to deliver our objectives.

## Regional Funding Priorities from the Regional Housing Pot for 2006-8

13. Ministers have already agreed:

- the Housing Corporation's Affordable Housing Programme for 2006/07 and 2007/08; and
- local authority allocations for 2006/07.

The Regional Housing Boards have identified indicative local authority allocations for 2007/08, but these will need some slight adjustment. Ministers will therefore shortly be inviting the Boards to re-submit their recommendations within the revised regional totals.

14. The DCLG Gypsy and Traveller Unit will be providing further detail separately on the Assemblies' housing role in relation to Gypsy and Traveller provision. From 2006/7, investment in Gypsy and Traveller provision has been included within the Regional Housing Pot. Regional Housing Boards have already set out allocations for the Gypsy and Traveller Sites Grant for 2006 - 2008. Regional Assemblies, through the Regional Housing Boards, will be expected to make recommendations to Ministers on an appropriate package of schemes to take up the funding available.

#### Future resources

15. The resources available for 2008/09, 2009/10 and 2010/11 will be determined in the 2007 Comprehensive Spending Review (CSR07). How this is divided between the nine Regional Housing Pots will be determined by a formula on which we will launch a public consultation in the Autumn.

16. The time between the conclusion of CSR07 and making decisions on allocations, at least for the first year of the spending review period (2008/09) will be much tighter than in previous years. For this reason much of the Assemblies' recommendations will need to be developed in advance of knowing the full size of the Pot. We will be providing more information on the process and timing for Assemblies' recommendations in due course

#### Involvement of key stakeholders

17. The specific housing responsibilities of the organisations represented on the Boards remain unchanged at present. It is vitally important therefore that the core members of the Regional Housing Boards continue to contribute as they have to date. In particular, the Housing Corporation, English Partnerships, the RDAs, and the Government Office will need to be closely involved in contributing towards allocation recommendations. We will give further advice on this when the Housing and Regeneration review is concluded.

#### DCLG and the Regional Assemblies

18. A dialogue between DCLG and the Assemblies already exists at a number of different levels. We expect this to continue once they have assumed their new housing responsibilities and that there is an effective working relationship at officer level specifically for housing. On a day to day basis this will be with officials in the Government Offices and Assemblies and the Government Offices should agree between them how best to do this.

19. In addition, it may be helpful if we established informal meetings between members of my team and officials working within the Assemblies for a period covering the transfer of responsibilities and the bedding down of those responsibilities. I suggest that we hold an exploratory meeting in the summer with Assembly representatives and GO officials to determine how useful future such meetings would be. We will be in touch with the Assemblies soon on this.

20. We hope that the Assemblies will share experiences and good practice, and they will certainly need to meet to discuss cross-regional housing markets. I understand the Assemblies all meet as regional planning bodies three or four times a year under your chairmanship. You might wish to chair a similar housing meeting or perhaps combine the two. I would be grateful if you could let us know what you decide.

21. I have copied this letter to the Chief Executives of the seven Assemblies. I have also copied it to the Chairs of the current Regional Housing Boards (for them to disseminate to their members) and, for information purposes, to the Mayor of London.

**Peter Ruback**

## Annex A

### **Regional Housing: roles and responsibilities**

#### Regional Housing Boards were established in recognition that

- many aspects of housing need to be planned on a regional or sub-regional basis as housing markets cross local authority (and regional) boundaries;
- to be effective strategically, to deliver sustainable, mixed communities and make the best use of limited resources, housing needs to be joined up with land use planning, economic development, transport and the planning of other services;
- formulaic allocations are unlikely to make the best use of available resources: a better use of resources is likely to be produced by using regional knowledge, informed by a proper, evidence-based analysis of housing markets (including housing need) in the region.

#### Regional Housing Boards

- prepare, consult on, publish, and keep up-dated the Regional Housing Strategy
- monitor delivery of the Strategy
- support and encourage partnership working, particularly partnerships based around sub-regional, housing markets
- advise Ministers on how the Regional Housing Pot should be targeted and priority groups to be helped into home ownership.

#### Ministers invite the Boards to

- advise them what the split of funding between local authorities, registered social landlords (and other providers of new affordable housing) and those wishing to provide new or refurbished sites for Gypsies and Travellers should be for their region
- provide an explanation of the basis for allocation of funding to local authorities. This needs to set out: any formula based sums (and why a formula based approach has been adopted), amounts to support delivery of decent housing, and the approach to allocating any remaining funding and priorities to be addressed.
- submit information on the broad outputs / outcomes their recommendations are intended to meet, including the estimated impact on DCLG's PSA targets
- provide a matrix setting out the broad pattern of allocation of funding for the National Affordable Housing Programme by type (ie rented, low cost home

ownership products, schemes to help key workers) and spatial distribution (eg sub-regions and / or strategic schemes)

- advise Ministers of groups of people for assistance under the Government funded HomeBuy scheme (in addition to social tenants, those on the housing register, and key public sector workers in London, the South East and East of England).

Ministers decide Regional Housing Pot allocations on the advice of the Boards and in the context of national priorities and emerging needs.

### The Housing Corporation

- acts as the Government's delivery agent in procuring new affordable housing and is therefore key to the delivery of both regional and national housing objectives
- contributes towards both production of the Regional Housing Strategy and recommendations to Ministers
- works on each region's behalf, managing the process of allocating resources to RSLs and other providers, and provides the Boards with regular reports on progress.

The Housing Corporation re-allocates funds between different regions if the delivery of particular projects in some regions threatens its ability to make full use of the available resources in any year. It does however ensure that any such re-allocations are repaid in subsequent years so that no region loses out as a result. The Housing Corporation keeps each relevant region informed where it has operated this flexibility.