
Environment Board Meeting 5 November 2009

Note of Discussion with Sir Bob Kerslake (HCA)

Sir Bob Kerslake (Chief Executive, Homes and Communities Agency (HCA) recently attended the LGA's Environment Board meeting to discuss the work of the HCA.

The Chairman, Cllr Gary Porter, had prior to the meeting, written to every local authority leader seeking their experiences of working with the HCA and analysis of the responses were circulated to members in order to inform discussion and raise any issues.

A note of their discussion is below:

Homes and Communities Agency (HCA)

Sir Bob Kerslake said that he was pleased to attend the meeting and hoped that it would provide a useful opportunity for all members to participate in an open debate. He began by providing Members with some background concerning the HCA; that it was set up as an investment agency, to bring together, and take responsibility for delivery of a series of government targets for provision of affordable housing and to act as a bridge for local authorities to achieve their ambitions in line with these.

He informed the Board that the HCA is the primary provider of direct funding with a budget of £7.5billion. Its aims are to deliver according to local and central government policies and priorities for:

- Supply and demand of housing;
- Provision of support in areas where renewal is necessary;
- Provide affordable funding for development;
- Design and advise on sustainability in accordance to statutory requirements.

Sir Bob identified 4 key challenges in the next 12-18 months:

- Although evidence showed that the housing market was improving, it was still fragile.
- Regeneration schemes, particularly mixed-use schemes that had been reliant on receipts, are facing even more acute challenges.
- The need to do more with less funding calls for the use of new approaches.
- All of these challenges are playing out during a period of heightened political debate.

The HCA would endeavour to provide a lead to all involved in developments to ensure that they have the skills, knowledge and capacity they require, and assured members that the HCA would be working closely with the LGA and government to monitor and revise agreements as necessary.

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Members noted that there was much positive feedback about early experiences of the HCA. Points raised for consideration were:

- Concerns regarding the aesthetics of social housing and the right to live in decent housing – Cllr Potts pointed out that this was a particular issue in South Tyneside;
- Issues around the future viability of Section 106 and reliance on sales receipts;
- Worries that grouping of LAs would not capture specific issues faced by individual authorities;
- The importance of infrastructure and the need for the HCA's support to make sure that Government investment in infrastructure is maintained;
- Regeneration of empty housing needs to be higher on the agenda for progress;
- The vital importance of carbon reduction and other aspects of environmental sustainability being central to the delivery of housing development and regeneration
- Ensuring that there is a level playing field for local authorities to access HCA funding for new build;
- Importance of joined-up working between the HCA and the TSA to ensure that investment decisions are linked to performance of RSLs;
- The role for elected members in the Single Conversation;
- Concerns that future lack of resources will lead to a freeze in investment in like-for-like renewal;
- Members requested assurance that future funding of new build would not be achieved by cuts to other funding such as ALMOs.

With respect to Section 106, Sir Bob acknowledged that its viability had clearly been challenged by the downturn in the housing market and that practical guidance was available on the HCA website at: <http://www.homesandcommunities.co.uk/economic-appraisal-tool>

Realistic debate would be needed in order to identify priorities for housing investment. Members were told that these would be continually revisited and working together in order to reach central government would be vital to progression. Infrastructure would have to be considered when identifying housing growth and a balance was important in providing benefits to a whole area.

He assured members that the HCA were keen to establish priorities with local collaboration and that all criteria would be transparent. Sir Bob told the Board that elected members should be involved throughout the Single Conversation process, both to ensure involvement from other partners and to raise local authority needs with the HCA at an early stage. Sir Bob indicated that he felt there should be a formal sign-off of whatever is produced through engagement with members.

The Chairman thanked Sir Bob for attending and for allowing the opportunity for a useful and interesting debate. A report summarising HCA's response to the issues

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raised by councils would be agreed with HCA and circulated to the councils which had provided feedback. Sir Bob told members that they should write to the HCA via Jim.Bennett@hca.gsx.gov.uk (Head of Policy and Strategy at the HCA) with any issues that had not been addressed at the meeting, and that he would provide a more detailed note on sustainability. He offered to attend again at the Board's discretion and it was **agreed** that he would return following the next general election.

Actions:

- Members to forward examples of substandard social housing and additional concerns to the HCA (via Clive Harris) **All**
- Follow-up delivery of report from Sir Bob Kerlake **Clive Harris**
- Prepare note for circulation to councils who provided feedback on HCA's answers to points raised **Clive Harris**