

## **SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

### **BOARD MEETING ON 26 MARCH 2009**

#### **ITEM 9**

#### **FEEDBACK FROM REGIONAL HOUSING BOARD**

##### **Recommendation**

The Board is invited to **NOTE** this report.

##### **Background**

1. The last Regional Housing Board meeting was held on 10 February 2009.
2. The meeting was attended by Imtiaz Farookhi for the first time as the SEEDA representative, supported by Lee Amor, Executive Director of Enabling Infrastructure and Development and Pat Tempny, Head of Urban Renaissance and Housing.

##### **Key issues**

3. The key issues discussed were:
  - Affordable housing delivery
  - RHB input to the Regional Funding Advice (RFA)

##### **Affordable housing delivery**

4. The RHB focus for the coming months will include a programme of events to tackle the barriers to affordable housing delivery, new funding and delivery models to respond to the housing market downturn, the potential of environmental technologies to reduce carbon footprint of the housing stock and on the housing needs of the SE ageing society.
5. Data collected from SEERA monitoring report shows that affordable housing output continued to fall short of the SE Plan targets. One key area of concern is the continued increase in the proportion of homes provided as flats, particularly in the social sector (73%). The region has a long way to go in terms of providing the right type and size of housing.
6. HCA expects this year's funding allocation to be fully committed. A greater proportion of social rented homes is being funded, bringing delivery closer to the proportion in the SE Plan - but at the expense of the overall number of new homes that can be provided with a fixed allocation of funding. New build completions to the end December 2008 = 4,064 a significant shortfall against the 11,600 target in the proposed modification to the SE Plan.

7. The HCA is working on new approaches to investment, funding development packages rather than individual schemes and using funding as investment as opposed to grant. Funding land acquisition is also being considered. Joint work with all RHB partners will identify how regional funding can be aligned to support schemes in strategic locations.
8. It was noted that while support measures are welcome the impact on the housing market will be very limited unless access to lending for housing associations, developers and individuals starts to ease

### **Regional Funding Advice**

9. The RHB fears that the funding currently available for investment remains insufficient -there are particular concerns around the level of funding for the future as recent initiatives have brought forward funding from future year's allocations
10. Top priority for investment will continue to be affordable housing. This will help to retain some capacity within the development industry.
11. The RHB saw the merit in investing in infrastructure where this is directly linked to the delivery of affordable housing and re-affirmed support in principle for the Regional Infrastructure Fund

### **Looking ahead**

12. The RHB will expect to be the focus for the "single conversation" with HCA at the regional level.
13. Work on the RFA has highlighted the fact that developers and housing associations will be unable to bear all the risk of delivery in the future. There is a need for a new model of delivery in which there is some reallocation of risk.
14. The RHB wants to understand the difference in performance across the region in the delivery of affordable housing without grant.
15. The RFA has also highlighted the need to drive forward the creation of markets that will enable the widespread application of environmental technologies both for new and existing homes.