

HOUSING AND PLANNING IN THE REGIONS - CONSULTATION

1 SUMMARY

- 1.1 The Office of the Deputy Prime Minister (ODPM) is consulting on proposals to merge Regional Housing Boards with Regional Planning Bodies. Responses are required by 30 November 2004.
- 1.2 This report sets out the background, the proposals and a suggested response.
- 1.3 A copy of the consultation has been placed in the Members' Library.

2 INTRODUCTION

- 2.1 The Barker report, "Review of Housing Supply – Delivering Stability: Securing our Future Housing Needs", contained a number of recommendations, including better integration of housing and planning strategies at regional and local level.
- 2.2 It also recommended that, to help achieve this, Regional Boards (RHBs) and Regional Planning Bodies (RPBs) should be merged and that Regional Planning Executives should be established to provide independent advice on housing numbers to the merged body.
- 2.3 The Government's initial response accepted the principle of the merger of RHBs and RPBs. This consultation provides more detail and views on the best way of achieving the merger.
- 2.4 The Government has identified the outcomes it is seeking: better integration in the development and delivery of housing and planning strategies drawing on the best evidence base available on housing supply and current and future demand. The Government has also accepted the case for the provision of independent advice to assist in strategy development and also to link with Regional Economic Strategies and other regional strategies.
- 2.5 Regional housing statements have been produced since 1998, but Regional Housing Boards were only formed in February 2003 to develop regional housing strategies and to advise Ministers on allocation of funding for housing investment. This includes:
 - The split of funding between Local Authorities (mainly for improving the condition and sustainability of existing housing) and housing

associations (mainly for additional affordable housing) through the Housing Corporation's Approved Development Programme.

- The specific focus of the programmes (eg, new social rented housing, rural housing, supported housing, etc).
 - Spatial distribution within the region.
- 2.6 The planning system operates within a statutory framework involving the production of a regional plan, which sets the parameters for land use and development in the region, including the provision of new housing, over the next 15 – 20 years. The Planning and Compulsory Purchase Act 2004 replaces Regional Planning Guidance with Regional Spatial Strategies (RSS), incorporating the regional transport strategy.
- 2.7 The housing element is a critical part of the RSS and one that is intrinsically linked with the wider strategic agenda. The Government feels that there is now a need for a more robust evidence base and greater degree of cohesion between the strategic themes.

3 MERGER PROPOSALS

- 3.1 The Government proposes that, in future, Regional Assemblies will be given the responsibility for producing regional housing strategies and making recommendations to Ministers on the broad pattern of housing investment that reflect priorities set out in the regional housing strategies. It is stated that this will not affect responsibilities for delivering new affordable housing and improving the condition of existing stock or Local Authorities' strategic and enabling functions.
- 3.2 Regional Assemblies will have responsibility for ensuring that integration is followed through and delivered at sub-regional and local levels.
- 3.3 Housing may be dealt with through a sub-group of the Assembly – a Regional Housing Sub-Group – leading on development of the regional housing strategy. The Government expects Government Offices, Regional Development Agencies, the Housing Corporation and English Partnerships to remain fully involved in the development of regional housing strategies and for there to be full consultation arrangements to involve interested parties at regional, sub-regional and local level on housing and planning strategies.
- 3.4 Recommendations on funding allocations for housing investment and on regional housing strategies will need to be formally approved by the Regional Assembly before submission to Ministers.

4 PROPOSALS ON INDEPENDENT ADVICE

- 4.1 As mentioned earlier, the Government has decided that a more consistent and robust evidence base is needed to guide strategy development and decisions, for example, in assessing housing needs and housing markets and in ensuring consistency of key assumptions that impact on a range of regional strategies (eg, economic, growth, migration).
- 4.2 The Barker Review recommended strong and independent Regional Planning Executives who would compile this evidence. The Government agrees with the need for better information, but recognises that regional bodies already draw on various sources of advice, for example, through regional observatories. Therefore, it proposes to establish a national advice unit responsible for providing technical advice to all the regions.
- 4.3 The Government proposes that this expert advice unit should be overseen by an independent committee, bringing together leading independent experts from the public and private sectors and academic institutions, with an independent chair. The Committee would monitor the advice unit, check the quality of advice to the regions and suggest improvement on methodologies.
- 4.4 The expert advice unit would be responsible for a range of functions including advice relating to:
- The compilation of an evidence base to inform regional strategies.
 - How affordability targets should be set at regional level, helping to ensure regional targets are consistent with the Government's national affordability goal.
 - The relationship between affordability targets and sustainability.
 - The relationship between housing numbers and distributions within the region and affordability targets.
 - Keeping track of performance against regional market affordability targets and the functioning of the housing market.
- 4.5 The Government will be establishing a market affordability goal, which will be incorporated into the Public Service Agreement framework. The expert advice unit will provide advice on the methodology for setting regional affordability targets and the methodology for translating the regional target into scenarios for future housing numbers in the region.
- 4.6 The Regional Assembly's proposals for affordability targets, based on the national methodology, and future housing numbers, will be tested through the process of independent public examination and will be subject to confirmation by the Secretary of State.

- 4.7 The Government proposes to give initial guidance to regions and the expert advice unit on the methodology to establish regional affordability targets. The unit will develop this and advise regions in setting net housing targets for the region.

5 NEXT STEPS

- 5.1 Existing Regional Housing Boards already have the task of submitting regional housing strategies and funding recommendations for 2006/7 and 2007/8 by May 2005. This will continue.
- 5.2 Once these have been delivered, arrangements for the integration of RHBs and RPBs will proceed with the expectation that the integrated bodies must be up and running by September 2005. The expert advice unit will be established on a similar timetable.

6 OFFICER COMMENTS

- 6.1 This appears to be a consultation about issues where many of the main decisions have already been taken.
- 6.2 The developments as set out in the consultation will lead to more centralised control of housing policy, based on national and regional priorities and targets but with responsibility for delivery still remaining with Local Authorities.
- 6.3 The proposal for a national expert advice unit, rather than a regional one, supports this view. A regional unit of expertise would be more likely to have a better understanding of the particular housing and planning challenges facing each region.
- 6.4 As the national expert advice unit will receive “guidance” from Central Government it is unlikely to be truly independent. It is, perhaps, inevitable that final judgments about housing numbers, spatial planning, investment, etc, will involve a blend of political, as well as technical judgements, but this should be open and transparent and there should not be any attempt to influence the technical assessments. The East of England Regional Assembly has noted that a better proposal would be to develop the existing regional observatories to provide transparent regional data.
- 6.5 The present Regional Housing Boards have a clear focus on all aspects of housing, within the overall regional context. The clear thrust of these proposals seems to be to put arrangements in place to deliver new housing and there is a risk that other important issues in the District, sub-region and region, such as supported housing, homelessness and rural issues, will be marginalised.

7 RISK IMPLICATIONS

7.1 Strategic Risk

There is a potential for local housing and planning priorities to be further marginalised by the proposed arrangements.

7.2 Resource Risk

Unless sub-regional and individual housing investment priorities align with regional priorities, it is likely that funding opportunities will be lost.

8 RECOMMENDATION

8.1 It is proposed that the Committee RESOLVES

To determine the response to the consultation on merging Regional Housing Boards with Regional Planning Bodies.

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Background Papers:-

Letter and consultation from ODPM September 2004 "Housing and Planning in the Regions – consultation"

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