

## REGIONAL FUNDING ADVICE

### For Discussion/Decision

- To ask members to consider the draft Housing and Regeneration element of the Regional Funding Advice response from the region attached as **Annex A**.

### Background

1. The Regional Funding Advice guidance was launched on 30 July 2008. This is the second RFA exercise and follows on from the first round of advice held in 2005. It seeks advice from the region on long term investment priorities for elements of housing and regeneration, transport and economic development. It has been agreed that the Assembly's Functional Boards (including the Regional Housing Board) will play a key role in helping the region respond to the request for advice.
2. The Housing and Regeneration element of the RFA indicative budgets is £3.09bn between 2008 and 2019. This 'pot' includes the current Single Housing Pot that the Board advises Ministers on the use of (covering the Housing Corporation programme for new affordable provision and money for private sector decency/LA schemes), Housing Market Renewal money and English Partnerships investment. Most of these funding streams became the responsibility of the Homes and Communities Agency (HCA) on 1 December 2008.
3. The Housing and Regeneration element of the work has been coordinated by a drafting group involving key agencies, and has also been shaped through discussions with the Housing Board Advisory Group, which includes all sub-regions and key partners. The Board itself also had an early discussion to shape this emerging response to Government.

### Previous Discussions

4. At its meeting on 3 October 2008, the RHB had an opportunity to consider the approach it wished to adopt in responding to RFA2. The Board agreed:
  - A core set of principles that it wished to see the advice delivering – which will foster innovation, encourage flexibility and delivers on commitments (with an emphasis on flexibility *throughout* the period including the current 2008-11 investment round);

- That the three themes of Places, Access and Homes continue to provide the structure for the advice, but with some more clarity on what each of these means and how they relate to one another;
- That the current thematic split provides a good starting point for thinking about future funding blocks;
- That additional headroom created by the end of commitments to Decent Homes should be used to create an expanded Places theme;
- That for block 1 (2008-11) spatial and thematic priorities should be given, but for later blocks we should only look at thematic split and identification of major schemes; and
- That Assembly officers open up a dialogue with each sub-regional partnership, and the HCA to identify the key projects that need to be given certainty for future funding rounds.

## Progress Following the Meeting

5. Following the meeting, the Assembly wrote to all sub-regional housing partnerships and, where relevant, emerging City Regional Partnerships, seeking indications of long term priorities which should be included in the RFA response. The intention was to provide some certainty for major schemes and programmes, whilst allowing sufficient flexibility for the new Homes and Communities Agency to develop thinking through the Single Conversation process about priorities.
6. Individual discussions have taken place with each of the sub-regions. Each sub-region has had the flexibility to deal with the way that it identifies priorities.
7. These discussions have now helped to identify a list of key priorities for the region. Sub-regions understand that inclusion on this list does not constitute a cast iron commitment to a certain level of funding being received – this will be the subject of the more detailed investment planning process once figures are confirmed in future spending reviews. What inclusion on the list does signal, however, is the region's high level political and strategic commitment to these schemes progressing.

## The Response

8. The draft response is attached at **Annex A**. Members will be taken through the response in more detail at the meeting. It attempts to:
  - Set out a summary of key proposals at a glance;
  - Explain the evidence base underpinning these proposals;
  - Set out how this response builds upon previous submissions to Government on funding;
  - Describes some of the recent changes in the housing market and identifies how this response will respond to those in the short term;

- Reiterates the need to continue to focus on our long term strategic objectives in the longer term;
- Describes investment across three funding periods – termed ‘preparing for recovery’, ‘building for the future’ and ‘reaping the benefits’; and
- Identifies the list of key Regional Investment Priorities between now and 2019.

### **Links with the HCA Investment Process**

9. In constructing this response, we have had close ongoing dialogue with the HCA. As agreed at the last Board meeting, a key challenge for the advice was to balance the need to provide flexibility for the Agency to have local and sub-regional conversations, with the desire from members to give long term certainty to our larger transformational projects.
10. The HCA now intend to use the agreed RFA response as the starting point for its own Regional Investment Strategy. This is discussed in more detail under Agenda Item 6.

### **Next Steps**

11. The full Advice will be signed off by the LGYH Leaders Board, the Joint Regional Board and the Yorkshire Forward Board at the end of January/beginning of February. It will be considered by the full Assembly at their next meeting on 12 February. The deadline for passing the Advice to the Regional Minister, Rosie Winterton is the end of February 2009

### **For Decision**

12. Members are asked to consider the draft Housing and Regeneration element of the Regional Funding Advice response from the region attached at **Annex A**.

Carole Cozens, Principle Housing Policy Manager  
January 2009