

**MINUTES OF THE REGIONAL HOUSING BOARD MEETING:  
11 JULY 2008**

	<b>ACTION</b>
<p><b>1. Welcome, Introductions and Apologies</b></p> <p>The Chair welcomed members to the meeting and the apologies were <b>noted</b>.</p> <p>A full list of attendees and apologies is attached at <b>Annex A</b>.</p>	
<p><b>2. Minutes of the Last Meeting – 7 March 2008</b></p> <p>The minutes of the last meeting were <b>agreed</b> as an accurate record.</p>	
<p><b>3. Matters Arising</b></p> <p>The matters arising from the previous meeting were <b>noted</b>.</p>	
<p><b>4. Introduction for New Members – The Role of the Board and Key Work Areas for the Year</b></p> <ul style="list-style-type: none"> <li>• For the benefit of new members, and as a reminder to existing members, a brief overview of the role and responsibilities of the Board were explained.</li> </ul> <p>The Chair explained that the Board had been very successful and had delivered – despite, on occasion, conflicting political views. He added that, although the region’s structures were in a period of transition, there was still a business plan to deliver. Members were then given an overview of the key priorities for the coming year:</p> <ul style="list-style-type: none"> <li>• Driving delivery of the Regional Housing Strategy – ensuring that the strategy makes a difference on the ground.</li> <li>• Working to improve delivery of affordable housing.</li> <li>• Further work on affordable warmth, improving private sector stock and Gypsy and Traveller issues.</li> <li>• Contribute to Regional Funding Allocations advice on long term funding priorities for the region.</li> <li>• Work with the emerging Homes and Communities Agency</li> </ul>	

to help shape developing structures.

## 5. Review of the Sub National Economic Development and Regeneration and the Homes and Communities Agency

Members considered the response to the Sub National Review, submitted to Government by local government leaders and Yorkshire Forward, and the next steps in the development of transitional arrangements.

In the discussion that followed, a number of key points were raised:

- Continuing concern that democracy will be compromised under the new arrangements due to Yorkshire Forward's perceived lack of accountability.
- Any new regional arrangements need to be able to withstand a change in government.
- Concern that housing will lose status and profile in the new arrangements.
- The regional response is too 'economy' focussed and has no links to community. If the new arrangements are to follow a bottom up approach, they need to focus on community and 'social capital'.
- The Board has worked well in this region and we should therefore try to build on this in the new arrangements.
- The new Thematic Boards mentioned in the response should be developed in dialogue with the existing Boards. Yorkshire Forward confirmed that they were committed to building on the good work of the Boards.
- The view that too much responsibility is being placed on the Strategic Leaders' Board and it will lack the capacity to do everything itself.
- Until the Homes and Communities Agency is launched, we do not know precisely how it will relate to regional structures.
- The Board needs to push the debate on the more social aspect of housing issues (Supporting People, Gypsies and Travellers etc). Where will this sit in future arrangements?
- The Board has a lot of influence over other resources for housing in the region, not just the Housing Pot funding.

It was **agreed** that a letter should be sent to Yorkshire Forward highlighting the Board's concerns around

accountability and emphasising the importance of housing in the region.

Members were then given a brief update on the Homes and Communities Agency.

It was confirmed that the current Chair of English Partnerships, Robert Napier, had been appointed Chair Designate of the Agency. It was also stated that the Agency was working to develop its structures to include stakeholders.

It was noted that a regional roadshow was being planned for 19 September 2008, and further details will be circulated to members as they become available.

## 6. **The Region's Housing Market – The Impact of Current Market Conditions on Future Strategy and Investment**

Rob Warm gave a presentation that highlighted the key issues and challenges in the report (slides attached at **Annex B**).

Representatives from the private sector and the Housing Associations were each then asked to give their perspective on the current housing market:

### Private Sector Housing Interests – John Kirkham

- The current market is very bad – worse than anyone can remember.
- The speed that the downturn in the market has happened has also been an issue.
- Starts will be down.
- There will be implications for affordability of housing.
- In periods of low demand, potential buyers are more critical about the type and location of homes.
- The industry will be wary coming out of the recession.
- There will also be future issues around capacity as many builders etc may leave the trade.
- There is concern that, at political level, market conditions will be seen as an excuse not to take decisions on development.
- We need to come up with policies that reflect the market norm.
- We need to consider how grant can be used to cross subsidise affordable housing that could previously be delivered through Planning Gain.

### Housing Associations – Tony Stacey

- It is a bleak picture.
- Overall, targets cannot be delivered.
- Housing Associations that do not meet their targets have their 'traffic lights' turned from green to amber or red, but Housing Associations should not be penalised for non delivery in current market conditions.
- Developing affordable housing is not economically viable for the Housing Associations.
- There is high demand for Housing Association low cost home ownership properties, but people are unable to get funding/mortgages.
- The question is, how are Housing Associations going to manage the risk – one has already gone bankrupt.
- The Housing Associations do not have the property turnover they used to have; therefore the number of units required are not becoming available.
- Homelessness could become a major issue.
- Housing Associations need to be flexible in how they respond to the current climate.
- One way to retain capacity in the industry would be by retrofitting existing stock.
- Request funding from the Board to market low cost home ownership across the region.
- Government needs to make mortgage finance more available and provide resources for retrofitting.
- Need to clarify whether Housing Associations can use their Housing Corporation grant for mortgage rescue.
- The Board needs to come up with a plan on what needs to be done now.

Members were then asked for their comments on both the report, and the perspectives from the private sector and Housing Associations. In the discussion that followed, a number of points were raised:

- Very diverse issues across the region - concern that sub regions are going to look very different.
- Many assumptions we are using no longer apply.
- We need to be supporting mortgage rescue region wide. It was noted that Housing Associations were meeting with the Housing Corporation to discuss mortgage rescue and it was confirmed that the outcomes from this meeting would be circulated to the Board for information.
- The Board should have a realistic discussion about land

Stuart Whyte

- value and affordability.
- More trust is required between the public and private sectors in negotiations on schemes.
- Can we look at getting more affordable units from sites that weren't originally planned as affordable?
- Need to send out the right messages to land owners to allow land to come forward.
- Need to try and engage lenders in the debate so they can understand the products on offer (e.g. low cost home ownership).

Members felt that further, in depth discussion on this item needed to take place. Therefore, it was **agreed** that a special meeting of the Board should be arranged as soon as possible to facilitate that discussion.

Nicola Baylis

In advance of that meeting, members were asked to forward any questions or comments they had raised during the discussion to Nicola Baylis. These would then be used to help draw up a draft strategic plan for the region which would help shape discussion at the meeting. English Partnerships also offered to assist in this work.

Rob Warm

Sub and City Region representatives were also asked to debate the issues within their authorities, and with Planning Portfolio Holders, to establish a wider set of views in advance of the meeting. Assembly officers offered to support these debates at Sub/City Regional level.

## 7. **Advice from the National Housing and Planning Advice Unit**

Due to time constraints, members were unable to discuss this item at the meeting. Therefore, it was **agreed** that members should forward their views on paragraph 10 of the report to Nicola Baylis at the Assembly by Monday 21 July 2008.

## 8. **Regional Housing Board Monitoring in 2006-08 and 2008-11**

Members **noted** delivery on spend and outputs in 2007/08 in both the local authority private sector programmes and the National Affordable Housing Programme, delivered by the Housing Corporation.

The spend position at sub region level was then discussed.

It was noted that each of the sub regions had recorded an underspend for 2007/08. The sub regions were then asked for their comments:

- **West Yorkshire** - Underspend was low (3.32%) but, even with this amount carried over, the funding for the coming year would be tight.
- **South Yorkshire** - The entire underspend was due to the Regional Loans Fund.
- **North Yorkshire** – Working hard to improve their monitoring.
- **Humber** - Looking at over programming to hopefully reduce underspend in the coming years. Also in the process of appointing a project manager.

Members also **endorsed** the new approach to monitoring for 2008/09 which uses the three cross boundary projects, as well as collecting affordable housing statistics for the regional target.

## 9. **Regional Loans Fund – Update and Next Steps**

Members **noted** progress on this work and **agreed** that the current approach to loan budget apportionment is maintained.

Members did, however, express concerns around performance of the loans fund in the Yorkshire and Humber region. They asked that the developing business plan take a clear and honest look at the capacity issues that have impacted on delivery so far, and ensure that the skills are in place to drive delivery.

## 10. **Supporting People – Update from the Regional Housing Forum**

Members **noted** the update on recent Supporting People research and **agreed** that it should be substantive discussion item at the next meeting.

Rob Warm

### **Information Notes**

- **Places of Change – Capital Funding for Homelessness Services**
- **RSS 2009 Update: 'The Housing Challenge' – Report on Progress**

The information items were **noted**.

**Date of Next Meeting: 3 October 2008**

**ACTION**

Nicola Baylis, Business Services Officer  
15 July 2008

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## REGIONAL HOUSING BOARD MEETING

11 JULY 2008

### Attendees

Cllr Kris Hopkins	Chair
Rob Pearson	English Partnerships
Stuart Whyte	Gateway (Humber)
Isobel Mills	Government Office
John Kirkham	Home Builders Federation
Richard Panter	Housing Corporation
Cllr Allen Healand	Humber Housing Partnership
Cllr Andrew Waller	Leeds City Region Partnership
Tony Stacey	National Housing Federation
Cllr Jean Butterfield	North Yorkshire Housing Partnership
Cllr Jane Evison	Regional Housing Forum
Sally Rawlings	Rural Housing Interests
Cllr Jahangir Akhtar	South Yorkshire Housing Partnership
Cllr Michael Auty	Town and Parish Councils
Mike Gahagan	Transform South Yorkshire
Cllr Elizabeth Smaje	West Yorkshire Housing Partnership
Alex Brown	Y&H Tenants and Residents
Patrick Bowes	Yorkshire Forward (Deputy for Simon Foy)
Carole Cozens	YHA
Nicola Baylis	YHA
Rob Warm	YHA

### Visitors

Helen Fielding	Hambleton DC
Julie Gamble	National Housing Federation
Karen Maxwell	Regional Housing Forum
Lindsay Greenwood	West Yorkshire Housing Partnership
Andy Haigh	YHA
Fay McCulloch	YHA
Harriet Fisher	YHA
James Paton	YHA
Mary Clark	YHA

### Apologies

Patricia Farrell	Deputy Chair
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# Housing Market Trends & Implications

Regional Housing Board Meeting

11 July 2008

## Aims

- To flag up key issues in the report
- To get a perspective from developers – both private and HA sector
- To suggest key implications for the Board and get a steer about how you want to respond in terms of strategy and investment.

## Strategic Context

No RHS review but...

- RSS – short term input, long term implications
- HCA – opportunity to shape thinking
- Ongoing investment advice – short term decisions
- RFA – medium to long term implications

## What Characterised Previous Period – And What's Changed?

- Net in migration
- Highly positive economic growth
- Large influx of investor capital into housing market
- Ready availability of finance
- Restoration of confidence in low demand area

## Challenge 1: Rates of Growth

- High RSS targets – and getting higher. Are the figures right?
- Starts down 24% on last year
- What does this mean for affordable housing target?
- Does this change the balance of long-term priorities?
- What sort of housing will high targets and low development lead to?

## Challenge 2 Access to Finance

- Mortgage availability
- Lack of FTBs stagnates the market
- Adds pressure on affordable rented
- Affects developers and HA's too
- HA business plans depend on housing for sale
- Is shared ownership pitched right?

### Challenge 3: Affordability

- 75% of potential FTB's can't afford to buy
- Shared Ownership not understood
- Bigger deposits needed
- Rising costs of other commodities – energy, fuel, food etc.

### Challenge 4: At Risk Markets

- Where will these issues hit hardest?
- Regeneration is unfinished business
- Could lose the gains of recent years
- Oversupply may undermine Pathfinders
- City-Centre Markets

## Challenge 5: Homelessness

- Still underlying lack of supply
- Pressure on HA Stock
- Security of private renting
- Repossessions – likely to double this year.

## The View From Here....

- What is the perspective of the private sector?
- What is the perspective of Housing Associations?



## Questions for the Board - 1

- Long term strategy – would it change the balance?
- How do we maintain strategy led approach
- Are we too reliant on market for affordable housing delivery?
- What are the opportunities that current situation throws up – and how can we take advantage of them?
- Grown up debate about standards



## Questions for the Board - 2

- What are the key blockages to delivery at moment?
- What are the key messages for HCA – how should they work with us to respond to market situation?
- What sort of housing strategy do we need to deal with changing market?



## Questions for the Board - 3

In short term:

- Should Board be promoting different use of funding – e.g. mortgage rescue?
- Can we market shared ownership more effectively?
- Do we need to improve our understanding of the impact of the market on our work