

HousingNorthwest

NW Affordable Housing conference 15th January 2008

The new affordable housing agenda: Peter Ruback

Additional Notes

- Identified fact that affordability is worsening provides an opportunity (in increased land values) to access affordable housing via Sec 106
- Will be announcing a target for 3+ bedrooms in the near future and are working on targets for housing in rural areas.
- Housing Associations will be the main deliverers for the next three years because: they have experience in development; they can access private finance; they can utilise their own resources from past investment
- Delivery through developers via sec 106 is significant and there is scope for increasing the contribution from developers.
- A real reduction in grant from the Housing Corporation is based on "Unlocking the Door" research by Housing Corporation
- Need for LCHO is growing
- The shared Equity Review led by Brian Pomeroy will look at how investors could link with potential owner occupiers who could not afford the full cost. Recent issues in the Lending Market suggest this may be a more long term objective!
- Challenge to build 8.4 billion new homes over 3 years. Partners need to work together to achieve delivery
- The first time we have certainty over a 3 year programme. Have agreed system of regular market engagement, meaning bids to the Housing Corporation can be made at 6 monthly "mini-bid rounds" This will enable better planning and will avoid the problem of having to fill a programme even if bids are not strategic or at the right price.
- Peter said he would be interested to see how the Corporation balance providing a degree of certainty over strategic sites while seeking best value for money

Questions

Q. Can you say more about the Community Infrastructure Levy?

A. The details are complex but are still envisaging Sec 106 as giving an on site contribution to affordable housing

Q. How does the £28bn programme link to the Decent Homes Programme?

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A. New homes will be funded through a mix of grant, borrowing, rents and HA's own finances. Some of the £28bn will also be used to achieve decent homes.

Q. LA performance has been variable. How will CLG monitor the performance of LAs and what can be done to encourage and help them?

A. Have funded work with IDeA, helping LAs deliver their strategic role and ensure delivery. Negotiation of Sec 106 is particularly difficult and has been talking to some Regional Assemblies about whether a leadership role is needed. Important to include targets in LAAs. Do not consider that more Guidance is necessary.

Q. The NW has been criticised for its high costs – often because building is on contaminated and derelict land. How can the higher costs of land assembly be met?

A. Traditionally EP has led on land assembly issues, and processes have not been as aligned as they could be. The merging of EP and Housing Corporation should help with this.

Q. LAs are being asked to provide free land for development while taking a big hit on their Decent Homes funding

A. Ministers took the decision that new supply must take priority over decent homes for 08/09. In future years they are open to looking at other ways of delivering more homes.