



House of Commons

ODPM: Housing, Planning,  
Local Government and the  
Regions Committee

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# **The Role and Effectiveness of the Housing Corporation**

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**Eighth Report of Session 2003–04**

*Volume I*





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***Volume I***

*Report, together with formal minutes*

*Ordered by The House of Commons  
to be printed 22 June 2004*

**HC 401-I**  
Published on 29 June 2004  
by authority of the House of Commons  
London: The Stationery Office Limited  
£11.00

## The ODPM: Housing, Planning, Local Government and the Regions Committee

The ODPM: Housing, Planning, Local Government and the Regions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Deputy Prime Minister and its associated bodies.

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### Committee staff

The current staff of the Committee are Kate Emms (Clerk), Libby Preston (Second Clerk), Ben Kochan (Committee Specialist), Haidee Brockway (Committee Specialist), Ian Hook (Committee Assistant), Ian Blair (Chief Office Clerk) and Emma Carey (Secretary).

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## Summary

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There is a shortage of affordable housing and a growing number of public agencies seeking to deliver more homes in the South East and tackle the problems of areas in the Midlands and the North with low housing demand. The majority of the Government's funding for new social housing is managed by the Housing Corporation, but the Corporation's relationships with other agencies are not sufficiently defined and their roles are sometimes duplicated. The Corporation needs to work closely with English Partnerships and all the other new agencies being set up as a result of the Government's Communities Plan. The public funds would be better used if the agencies owning the land and the public funders were brought closer together to promote mixed tenure housing schemes. The Government needs to clarify the distinct roles played by English Partnerships and the Housing Corporation in promoting housing development.

Regional Housing Boards have been set up to prepare regional strategies. They must secure greater participation from within the regions they represent and could take on an important role in overseeing housing investment in their regions, monitoring the delivery of new development. The Housing Corporation should develop a close relationship with each of the Regional Housing Boards, should provide them with monitoring reports and consult them on the distribution of funds.

Under pressure from the Government to lever the maximum number of homes from its funding, the Housing Corporation is allocating more funds to fewer housing associations and prioritising schemes using prefabricated construction systems. There is no evidence that larger housing associations are any more efficient, and if they work across several areas may not provide the quality of management which a smaller locally based housing association could. Over the last 50 years the Government has used prefabricated construction systems to boost the supply of housing. Their design has often been poor, and they have subsequently caused problems in terms of maintenance. The Committee is concerned that the lessons from these systems have not been learned and problems are being stored up for the future.

The Government has transferred the responsibility for the inspection of housing association homes to the Audit Commission. There is a possibility that this could result in the duplication of much of the work of the Housing Corporation which regulates housing associations and is looking increasingly at the quality of their housing services. The Government needs to make a clear distinction between the regulatory role of the Housing Corporation and the inspection regime performed by the Audit Commission. The Housing Corporation also needs to develop new ways to encourage associations to improve their services and to play a greater role in neighbourhood management.



# 1 Introduction

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1. The Housing Corporation is now the major public funder of new social housing at a time when the shortage of affordable housing has been highlighted by many reports by this Committee and others and is high on the Government's agenda. It is setting up an increasing number of agencies to increase the supply of housing. Regional Housing Boards have also been established to develop regional strategies. The Government also aims to improve the management of existing social housing. Here we consider how the Housing Corporation has responded to the need to build more homes and its relationships with all the other agencies. With the Government concluding its own review of the Housing Corporation, it was an appropriate moment to hold this inquiry.

2. The Committee announced its inquiry on 7 January 2004. The terms of reference were to consider:

- the effectiveness of the Housing Corporation's role in ensuring housing associations are:
  - financially sound and responsible
  - accountable
  - providing high quality housing
  - catering for diverse housing needs
  - assisting the process of regeneration;
- the Housing Corporation's investment priorities, its balance of funding for social housing to rent, shared ownership and low cost housing for sale and its policy towards diversification.
- the Housing Corporation's relationship with other national public and private agencies – particularly the Audit Commission, Charity Commission, Housing Market Renewal Pathfinders, the Financial Services Authority, private finance institutions and house builders;
- the extent of the integration of the Housing Corporation's investment programmes with local, regional and national policies and particularly its emerging relationship with the regional housing boards and the Regional Development Agencies;
- the future role of the Housing Corporation in increasing the supply of affordable housing and the potential for streamlining all funding for social housing.

3. We received twenty nine written submissions and held five evidence sessions. We would like to thank our two specialist advisers, Brendan Nevin and Mark Lupton, for their guidance and assistance, and all those organisations who made written submissions or gave oral evidence to this inquiry.

## 2 The changing role of the Housing Corporation

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4. The Housing Corporation was established under the 1964 Housing Act. Since the 1974 Housing Act it has the remit to fund and regulate registered housing associations. There are 2,232 housing associations on the Corporation's register. Most associations are small and own fewer than 250 homes. The largest 7% of housing associations with more than 2,500 homes own 78% of all the homes. The Housing Corporation's investment budget is increasing from £900m in 2002-2003 to £1.7bn in 2005-2006. In the two years between 2004 and 2006, the Corporation is expecting to fund the building of about 67,000 homes.

5. Until the 1988 Housing Act, responsibility for the provision of social housing rested with local authorities. Housing association developments funded by the Housing Corporation complemented that. The 1988 Act removed local authorities' remit to develop housing and made the Housing Corporation the main provider of public subsidies for new social housing. The 1988 Act also changed the form of subsidy. 'Gap' funding was provided to make social housing viable for housing associations, with the balance of funding coming from private borrowing by housing associations.

6. The Government is now seeking to increase the overall supply of housing spurred on by Kate Barker's report for the Treasury and ODPM<sup>1</sup> which argued that the national shortage of housing was affecting the economy. The desperate shortage of affordable housing has increased the pressure on the Housing Corporation to maximise the number of homes built through its investment programme.

7. The Housing Corporation's main relationships outside central Government have until recently been with the housing associations which it regulates and funds. The Housing Corporation now has to work with a far wider range of organisations and initiatives. These include:

### *National Level*

- The Government is promoting major house-building programmes to address the shortages in the South East, mainly in four growth areas in Ashford, the Thames Gateway, the corridor between Stansted and Cambridge and around Milton Keynes. The Government is funding Low Demand Pathfinder Initiatives in nine areas in the North and the Midlands, to tackle the low demand for housing and to regenerate the areas.

### *Regional Level*

- Regional Housing Boards are developing strategies which are designed to promote more accountable housing policies.

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<sup>1</sup> Delivering stability: Securing our future housing needs Kate Barker, HM Treasury 2004

*Local Level*

- Most local authorities are developing planning policies to secure affordable housing through planning agreements with developers of mixed tenure housing estates. The Housing Corporation provides some of the funds for the resulting social housing.

*Housing Association level*

- As Housing Associations have taken on a central role in the provision and management of social housing owning assets worth more than £60bn, so the Corporation has come under pressure from the Government to improve the regulation of the stock and the services provided. The Audit Commission is also now responsible for inspecting the quality of housing associations.

8. With the scale of changes which are occurring in the development and management of housing, there is widespread confusion about which agency is responsible for the provision and funding of social housing, and about the role of the Housing Corporation. The Council of Mortgage Lenders said:

“While partnership is important, there is a risk that efficient co-ordinated delivery will be impeded by a dispersal of aspects of the investment role amongst different bodies.”<sup>2</sup>

**9. There is now considerable confusion about which agency is responsible for the provision of social housing. There is a clear need to clarify the Housing Corporation’s relationships with all the agencies engaged in the provision of affordable housing.** We consider how these relationships can be clarified in the rest of this report.

**The end to end review**

10. The ODPM has recognised the need to reform the way the Housing Corporation works. It is carrying out an ‘end to end’ review of the Housing Corporation. These reviews are carried out periodically on all Government agencies to assist them to improve their performance and better achieve targets. The review was announced on 16 September 2003 and is being managed by a Project Board. It is chaired by the ODPM and includes representatives from the Housing Corporation, the construction industry, housing associations, local government, the Audit Commission and practitioners. Initial work was carried out by internal consultants. An action plan identifying action arising from the review is expected to be published at the end of June 2004.

11. The ODPM’s supplementary submission set out the key themes of the review which are:

- How the Housing Corporation relates to other agencies;
- Efficiency at a local delivery level – in terms of the management of housing associations and their investment funds.<sup>3</sup>

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<sup>2</sup> THC10

<sup>3</sup> THC 1(a)

12. The significant changes taking place in the provision of affordable and social housing require a fundamental review of the way social housing programmes and funding are managed. The results of the end-to-end review which were presented to the Committee in the ODPM's supplementary evidence<sup>4</sup> suggest that it has not taken 'a root and branch' approach to the review of the future role of the Housing Corporation at a time when radical changes are being implemented at all levels of housing policy.

**13. The End to End Review should consider how decisions on housing investment should be taken and then determine the Housing Corporation's role in that framework at a national, regional and local level.** This report considers the Housing Corporation's role in developing national housing policy and achieving the Government's sustainable communities plan, its relationships with the regional housing boards, local authorities and housing associations and new approaches to regulation and inspection.

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<sup>4</sup> THC 1(a)

### 3 The Housing Corporation's national role

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14. The Housing Corporation has up to now mainly focused on the allocation of funds to individual housing associations and the development of an effective regulation regime mainly focused on financial probity. In recent years it has become concerned with ensuring effective service delivery to housing association tenants. Evidence to the Committee highlighted the Corporation's success in spending 99% of its allocation from central Government in most years. Few housing associations have become insolvent. Submissions suggest that the Corporation needs a new overall vision, remit and strategic role, but that it should retain its regulatory role over all housing associations.

#### A new national vision and role

15. The Housing Corporation has lost its vision as it has become increasingly confined to delivering increasing numbers of Government programmes rather than helping to develop overall policies and strategies. It should enhance its national role in developing national housing policy, acting as champion of social housing and disseminating good practice.

16. Charlie Adams, the chief executive of Hyde Housing Association, told the Committee:

“It (the Housing Corporation) had a very clear and specific vision in the 1970's and that has gradually been reduced. The reason it has been reduced is that effectively government has added functions and responsibilities and taken away functions and responsibilities and if the Corporation is to have a new vision it is government that has to give it to it; it cannot really create it on its own.”<sup>5</sup>

17. The Consortium of Associations in the South East said:

“We believe that government should now give the Housing Corporation a new sense of direction and stability so that it is able to adopt a more creative role than it has over the last decade.”<sup>6</sup>

The Local Government Association suggested that the management statement which regulates the work of the Housing Corporation was inadequate.

“The LGA believes that the national policy context in which the ODPM sets out the performance targets for the Corporation is unclear. The ODPM and the Housing Corporation need to think more strategically about what are the key national outputs of the investment and regulatory process. The current use of the Management Statement to define the relationship between ODPM and the Corporation does not reflect the realities of current roles and responsibilities. The Corporation needs to be able to focus on a clearly set out number of prioritised targets.”<sup>7</sup>

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<sup>5</sup> Q3

<sup>6</sup> THC24

<sup>7</sup> THC13

### ***Developing National Policy and Championing social landlords***

18. Evidence to the Committee suggested that the Housing Corporation's role should be to work at a national level to inform Government policies, act as a public champion for social housing at a national level, and help develop a national housing strategy to be implemented by other agencies at a regional and local level.

19. The Council of Mortgage Lenders said:

“With its repository of data and experience of the HA sector the HC is in a position to be an expert commentator, able to advise and warn (although the HC has a weak strategic policy function, and this has limited such work). Unfortunately, it appears that the ODPM and the HC itself have often seen its role as simply that of a delivery mechanism, and that the HC has sometimes been passive in the absence of a positive steer from the Government.”<sup>8</sup>

20. The Chartered Institute of Housing goes further, suggesting that the Housing Corporation should take the lead in developing a strategic vision for the housing association sector.

“Its concern with “delivery” and its focus on the regulation of individual associations neither reflects the complexity of local housing markets nor the broader picture of the sector's future. CIH is keen to see the Corporation take a more proactive role in developing a strategic vision for the sector.”<sup>9</sup>

### ***National housing strategy***

21. Evidence to the Committee suggested that the Housing Corporation should concentrate on developing a national housing strategy which it could help implement with the regional housing boards and the elected regional assemblies if they are set up. The Local Government Association argued that:

“The role of the Housing Corporation as a national investment distribution agency needs to be further developed as the Regional Housing Boards grow in their ability to make regional decisions on resource distribution. The LGA believes that the Corporation will now need to move towards a national resource distribution role rather than a regional role as the Regional Housing Boards will now increase their competence and capacity at the regional level”<sup>10</sup>

The West Midlands Regional Housing Board proposed that:

“there would be a national framework both of funding and of policy and of key strands of housing policy which the regions would be asked in effect to relate to the regional needs in perhaps slightly different ways. So the Housing Corporation, through that relationship with ODPM, would be very much part of that.”<sup>11</sup>

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<sup>8</sup> THC10

<sup>9</sup> THC14

<sup>10</sup> THC 13

<sup>11</sup> Q263

### *Disseminating best practice*

22. The Housing Corporation could have a clearer role in disseminating good practice. It has an £8.5 million budget for Innovation and Good Practice, and Community Training and Enabling. The results of this programme of development work have not been used strategically and do not appear to be effectively disseminated. With the possible exception of the Market Renewal Programme, it does not appear to have been particularly influential over Government housing or social policy. David Cowans from the Places for People Group told the Committee:

“There needs to be a role for someone to have an overview of the whole housing market and to relay best practice between regional agencies, otherwise one can inadvertently create ossification as regions do not learn from each other. Hopefully that would not happen, but it might.”<sup>12</sup>

Jon Rouse, the Corporation’s new chief executive, accepted that the Housing Corporation could use its information more effectively:

“It (the Housing Corporation) has done an extraordinary amount through its Innovation and Good Practice Programme on these issues. What it has not been so good at, and this is something we need to correct, is disseminating its findings in a form which housing associations and local authorities and other housing providers can use on an accessible basis. That is something that we need to correct..... What we need to do more in future is benchmark performance so there are very few hiding places.”<sup>13</sup>

**23. The Housing Corporation should no longer be a passive delivery agency for Government housing programmes. It should take on a national role in terms of contributing towards a national framework for housing and acting as the public champion of social housing alongside the Local Government Association and the National Housing Federation. It needs to take on a strategic role in overseeing the work of the Regional Housing Boards.**

**24. The Housing Corporation should retain its regulatory role over housing associations and should use the best practice and examples of innovative projects which it has developed to raise the quality of housing association management. The results of its innovation and good practice programme should be actively disseminated and used in a way which informs strategic priorities.**

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<sup>12</sup> Q7

<sup>13</sup> Q357-358

## 4 The Housing Corporation and Sustainable Communities

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25. The Government's new sustainable communities agenda and its emphasis on creating viable neighbourhoods has spawned a new set of regeneration agencies and extended English Partnerships' role. Councillor Kemp from the Local Government Association highlighted the new complex environment in which the Housing Corporation now operated and the need for clarification:

“It (the Housing Corporation) has had a traditional role because ten years ago it was there with the government and local authorities, but so many new bodies have come in – Pathfinder, English Partnership and a whole series of new bodies – and we really need to seek that clarification.”<sup>14</sup>

26. The Sustainable Communities Plan published in February 2003 is a major programme developed by the Government over the last two years. It is supporting new housing developments in the South East and seeking to tackle the problems of low housing demand in the Midlands and the North. Across the areas covered by the Communities Plan, there are a range of agencies which are expected to assemble sites and promote housing development. English Partnerships has a supervisory role but there are a large number of agencies below it. In the areas covered by the low demand pathfinder initiatives, new partnerships are being set up to take over sites with abandoned homes which they will seek to redevelop with a mix of housing tenures. In the Growth Areas, new Urban Development Corporations and development agencies are emerging in Thurrock, East London, Milton Keynes, Ashford and the Stansted-Cambridge corridor.

27. The Corporation has not set up coherent relationships with these agencies to assist with delivery of the affordable housing as part of the developments. There is also confusion about the roles which each agency should play.

28. The Chartered Institute of Housing pointed out that

“Whilst the Corporation has increasingly seen its role as a delivery vehicle for the Communities Plan, there seems to be a lack of any clear articulation of its relationship with the various players, both in relation to specific functions and over time. This lack of clarity may lead to confusion and uncertainty particularly at a local level and the danger of undermining the confidence that stakeholders, particularly associations, have in the Housing Corporation.”<sup>15</sup>

The Local Government Association argued:

“There is a need to integrate the work of the Housing Corporation with all other major national housing regeneration agencies. In particular the role and work of English Partnerships and Urban Development Corporations needs to be better

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<sup>14</sup> Q85

<sup>15</sup> THC 14

integrated with the work of the Corporation and the ODPM must decide and make clear how the integration will work.”<sup>16</sup>

29. David Thompson from the LGA argued that the Housing Corporation’s

“investment strategy could be relaxed in terms of letting go to the implementation vehicles, be it in the growth areas – the emerging urban development corporations – where the Corporation should see that there is a prospectus for the next 15 years being developed, like the Pathfinders, with outcomes they improve and letting go levels of accountability to those accountable development organisations that are going to be running for the next 15 years.”<sup>17</sup>

## Relationships with English Partnerships

30. English Partnerships (EP) is to play an increasing role in promoting housing particularly in delivering the Government’s Sustainable Communities Plan. As part of its core business it says:

English Partnerships will play a major role in delivering the government’s Sustainable Communities Plan to ensure that high-quality, low cost and affordable housing is available in areas of market pressure and to tackle the problems associated with housing abandonment and decay.

We will invest in development and regeneration across the four growth areas identified in the Sustainable Communities plan: Thames Gateway, Milton Keynes/South Midlands, Ashford and London-Stansted-Cambridge.

Working in partnership with The Housing Corporation through a new joint unit, The Housing Partnership, we will rapidly bring forward sites for housing development, particularly affordable and key worker housing.

We will work alongside the Regional Development Agencies (RDAs), The Housing Corporation and Local Strategic Partnerships to develop strategies to bring about market renewal in the nine Pathfinder areas (areas suffering from low housing demand and abandonment), tailoring solutions to the requirements of the area.

Working with the Office of the Deputy Prime Minister and the RDAs, we have created a new housing gap-funding scheme, currently at consultation stage, to help deliver housing projects in deprived areas where there is a gap between the cost of development and likely sale values.

We will participate on each of the new Regional Housing Boards led by Government Offices, alongside the Housing Corporation and the RDAs.”<sup>18</sup>

31. The Housing Corporation argued that it was working closely with EP but that they had distinct roles. EP owned land and prepared it for development, while the Corporation

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<sup>16</sup> THC 13

<sup>17</sup> Q98

<sup>18</sup> <http://www.englishpartnerships.co.uk/creatingustainablecommunities.htm>

helped fund the social housing built on it. It said the Chairmen and Chief Executives sit on each other's boards. Under the Housing Partnership, EP delivers housing on surplus land it owns in the Growth Areas jointly with the Housing Corporation. Jon Rouse, the Corporation's Chief Executive told the Committee:

“At first glance some people say that English Partnerships and the Housing Corporation look like similar organisations. The reality is that if you actually look at them closely, we have substantially different functions, substantially different stakeholders. The important thing is that we work very closely together. The Corporation is, first of all, a regulatory body; English Partnerships is not and does not purport to be. In terms of our investment function, we have a very specific and large investment role in respect of funding housing, affordable homes, bricks and mortar. English Partnerships' responsibility is to facilitate the delivery of sites so that things can then be built on those sites or, indeed, public space can be provided, and that includes commercial, industrial, retail and new homes.”<sup>19</sup>

32. There are concerns about confusion between the roles and functions of the two organisations. The Chartered Institute of Housing said:

“The ability of housing associations to access available land is a key issue, and English Partnerships have a clear role in site assembly and land preparation. However there is discussion about English Partnerships being more involved in actually commissioning and providing homes, which steps over into the functions of the Corporation.”<sup>20</sup>

33. The Housing Bill proposes to give the Housing Corporation powers to fund private developers to provide affordable housing. English Partnerships itself pointed to the potential confusion between its role in working with and funding private developers and the Housing Corporation's operations that might arise if these proposals to change the Corporation's funding regime are taken forward. David Higgins, EP's chief executive said:

“The new Housing Act that is coming into force now provides flexibility for the Housing Corporation to provide funding to private developers as well as housing associations to deliver affordable housing. It is very important that we work with the Housing Corporation because we have gap-funding powers to ensure that we do not confuse the market, so we are working closely with them to how we use both of those mechanisms.”<sup>21</sup>

We have raised our concerns in previous reports about this proposal, urging the Government to consider way to streamline and improve the effectiveness of housing associations before introducing any measures to pay Social Housing Grant to private developers.<sup>22</sup> We consider how housing associations could be made more efficient in a later section of this report.

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<sup>19</sup> Q335

<sup>20</sup> THC 14

<sup>21</sup> Q476

<sup>22</sup> ODPM: Housing, Planning, Local Government and the Regions Committee The Draft Housing Bill Tenth Report of Session 2002-03 para 208

34. The Audit Commission argued that the current co-operation between the Housing Corporation and EP would only achieve limited benefits and that greater collaboration was required. It argued that grant funds could be better used if EP's landownership and the Housing Corporation's social housing funds were more integrated. The Audit Commission commented:

“EP works closely with local government and has a similar role to that of the Corporation in promoting sustainable communities and tackling the imbalance between supply and demand for housing. The Commission supports, and has been impressed by the impact of, the approach to its remit taken by EP in recent years. This appears to have generated a more thoughtful, inclusive and purposeful agenda for the utilisation of land in its ownership. We are nevertheless aware of, and to an extent share, doubts that the present institutional arrangements may limit the potential for further progress. We consider that an alternative approach, bringing together the land holdings of EP and the funding of the Corporation, could hold out the prospect of enhancing delivery and increasing efficiency in the development process. But we recognise that there are arguments both for and against changes of this kind. We therefore remain focused at present on improving collaboration and securing greater clarification of the roles and responsibilities of the different bodies involved in the housing sector.”<sup>23</sup>

35. David Higgins, the chief executive of English Partnerships accepted that:

“there is some logic in publicly owned land and publicly owned grant and coordinating the decisions on those prior to putting land out to tender.”<sup>24</sup>

The Housing Partnership between English Partnerships and the Housing Corporation is securing affordable housing on EP-owned sites in the four Growth Areas in the South East. Margaret Ford, the chairman of EP, said:

“The Housing Partnership is trying new models and trying different things and the things that are seen to work within mainstream into both programmes and that was really the purpose of setting up the Housing Partnership.”<sup>25</sup>

EP has a large landholding across England and is acquiring large numbers of surplus sites from Government agencies including the Department of Health and the Ministry of Defence. **There is potential for greater collaboration between English Partnerships, the Housing Corporation and the Department of Health and Ministry of Defence to maximise the potential for affordable housing in the redevelopment of their surplus operational land.**

**36. There are a large number of new regeneration agencies charged with delivering the Sustainable Communities Plan. The Housing Corporation needs to consider its role in securing considerable amounts of social housing as part of the mixed tenure developments being proposed.**

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<sup>23</sup> THC18

<sup>24</sup> Q482

<sup>25</sup> Q480

**37. English Partnerships' role in promoting housing development must be clarified as there seems to be an overlap with the role of the Housing Corporation. The Government needs to reconsider its proposal in the Housing Bill to allow the Housing Corporation to fund private developers. It would cause confusion as EP and other agencies already have the remit to fund developers and giving an additional remit to the Housing Corporation could cause confusion and duplication.**

**38. The relationship between the Housing Corporation and English Partnerships and the other new agencies delivering the Sustainable Communities Plan must be put on a firmer footing. Reciprocal membership of the boards of the agencies is not sufficient. Greater integration of social housing funds and landownership in the areas covered by the Sustainable Communities Plan is required to maximise the amount of affordable housing in the private developments.**

## 5 The Regional Agenda

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39. The Government is pursuing an active regional agenda. Regional Development Agencies have been operating since 1999. Regional Planning Bodies are to develop Regional Spatial Strategies as required under the 2004 Planning and Compulsory Purchase Act. Regional Housing Boards were set up in 2003 and drew up their first Regional Housing Strategies which helped to set the investment priorities for the Housing Corporation and other housing funding in the regions.<sup>26</sup> Evidence to the Committee suggested that the role of the Regional Housing Boards could be expanded and that the Housing Corporation should develop greater regional accountability to the Boards.

40. Evidence to the Committee from the West Midlands Regional Housing Board demonstrated the important role it has performed in bringing together funding from the Housing Corporation and regional priorities. Graham Garbutt, the chairman of the West Midlands Regional Housing Board, told us:

“So for the first time we have made that shift of advice from Civil Servants being formulated in the region going to ministers and being approved in, I think, a way that has been shown to be effective.”<sup>27</sup>

41. However, the membership of the Boards has limited accountability in the region. The Director of the Government Office in the Region chairs the Regional Housing Board and determines the membership. They all include representatives from the Housing Corporation and English Partnerships. The West Midlands Regional Housing Board also has representatives from the West Midlands Regional Assembly, West Midlands Local Government Association, the Regional Housing Partnership and Advantage West Midlands (the Regional Development Agency),

42. Witnesses pointed out that Regional Housing Boards are new, have limited resources; are not accountable to the local authorities in their region and have yet to develop some key relationships with sub-regional organisations, housing associations and tenants organisations. Graham Garbutt, the chairman of the West Midlands Regional Housing Board told the Committee:

“The Board itself does not include tenants; it does not include councillors at the moment, which is another key question.”<sup>28</sup>

He explained that the regional housing strategy was delegated to a regional housing partnership which involves a wide range of council representatives and other agencies.

43. The English Regions White Paper proposes that responsibility for housing investment could be transferred to elected Regional Assemblies in areas where they are set up.<sup>29</sup> The West Midlands Regional Housing Board pointed out that:

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<sup>26</sup> Sustainable Communities: Building for the future ODPM February 2003

<sup>27</sup> Q251

<sup>28</sup> Q274

<sup>29</sup> Your Region, Your Choice: Revitalising the English Regions ODPM May 2002 Cm 5511

“There is also a view among local politicians in the region that greater accountability and ownership of regional policy making and investment could transfer before an elected regional assembly is set up.....Any changes made now should enable a straightforward transfer to be made as and when ERAs are set up.”<sup>30</sup>

44. The Council of Mortgage Lenders argued that, while investment decisions should be taken regionally, regulation should remain with the Housing Corporation in order to safeguard private assets. Andrew Heywood, the CML’s senior policy advisor, said:

“I think that we ought to move forward to a situation where, as my colleague suggested, we maintain the links between the regulatory role of the Housing Corporation and investment and I think we need to try to arrive at a situation where the regional housing boards are clearly taking specific regionally informed decisions about particular investments, but the criteria that are being used, and that would include performance criteria drawn from regulation, are actually informing those decisions so that the two are actually connected. I think it is also important for the major stakeholders, including tenants and lenders, that the way in which investment is disposed is actually understood and there is a reasonable commonality across the country. I think a situation where there are nine different approaches, nine different sets of criteria being used, where the relationship was not consistent either would be quite unsatisfactory.”<sup>31</sup>

45. Julian Ashby from the housing consultancy HACAS Chapman Hendy said:

“They (the Regional Housing Boards) are developing their experience at setting strategies. They have had very little experience of managing investment delivery vehicles. That is the experience that I think the Housing Corporation brings because it has been doing that for 30 years since the 1974 Act. So it has got a great deal of experience, has never played a leading strategic role and I think, therefore, is very well placed to work with housing boards in matching up investment delivery to strategy.”<sup>32</sup>

46. Phil Morgan, chief executive of the Tenants Participation and Advisory Service argued:

“There is also a need for regional housing boards to develop exclusive strategies not just about how you might engage with regional tenant boards, but tenants more generally. That is in parallel with what happens with local authorities and with housing associations; they do not just have a relationship with their tenant federation, but they look to have a range of relationships with their tenants with a range of ways of engaging with tenants and with obviously the same happening at a regional level. There is a real opportunity to develop both accountability and transparency at a regional level about regional housing strategies and we want to be part of that process to make sure that tenants and residents do get that opportunity.”<sup>33</sup>

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<sup>30</sup> THC 29

<sup>31</sup> Q160

<sup>32</sup> Q164

<sup>33</sup> Q125

Mr Morgan said that it was developing a regional tenants forum in the North West. He told the Committee: “We would like to see active regional tenant forums in all nine regions of this country.”<sup>34</sup>

47. The Housing Corporation is represented on all nine Regional Housing Boards but does not have a regional office in all of them. Although it clearly has staff working in all areas, it only has four regional offices which cover very large areas. The Director of the Housing Corporation’s Central regional office sits on the West Midlands Regional Housing Board but his responsibilities cover a very large area – from the Essex coast to the southern edges of Manchester and the Welsh borders. It is hard to see how he can be expected to make an informed contribution on the particular needs of the West Midlands when his responsibilities cover such a large area.

48. The End to End review is proposing that the Housing Corporation should

“consider changing its organisational structure so that its investment teams work to the Government Office regional boundaries, to ensure good working arrangements with Regional Housing”<sup>35</sup>

However Peter Dixon, the Housing Corporation’s chairman, told the Committee that its resources did not allow it.

“We do not have the resource, either financially or in terms of people, to replicate our field offices across nine regional areas.”<sup>36</sup>

49. English Partnerships is represented on all the Regional Housing Boards but, like the Housing Corporation, it does not have a regional office in all of them and its activities are concentrated in a few areas. David Higgins, EP’s chief executive told the committee:

“We have five regional directors who are all at the most senior level within our organisation who report to myself. They all individually sit on the regional housing boards. They are the most important coordinating body in the regions for our executives.”<sup>37</sup>

Margaret Ford, EP’s chairman, told the Committee that the agency would be seeking to even out its activity across the English regions but, “for the next few years whilst we have huge amounts of business in certain parts of the country, we had to resource up to do that.”<sup>38</sup> She also accepted that its main role was not to set strategy:

“English Partnerships, as a delivery agency, tends to work to other people’s strategies, notably either Government’s, for example, in the growth areas or the regional development agencies economic strategies. We are much more focused on particular

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<sup>34</sup> Q133

<sup>35</sup> THC 1(a)

<sup>36</sup> Q333

<sup>37</sup> Q483

<sup>38</sup> Q485

usually large-scale projects within an area in terms of the contributions of affordable housing, but we do not tend to go in and dream up those strategies.”<sup>39</sup>

## Merger of Regional Housing Boards with Regional Planning Bodies

50. The Government is considering merging regional housing boards with regional planning boards. This proposal was initially made in the review of housing supply carried out for the ODPM and the Treasury by Kate Barker.

“The Regional Planning Bodies and Regional Housing Boards should be merged to create single Regional Planning and Housing Bodies (RPHBs), responsible for all aspects of managing the regional housing market. They should be supported by the establishment of Regional Planning Executives (RPEs) which would be responsible for providing evidence to inform the provision of market housing and investment in social housing in the region. There would be merit in extending the remit of the RPEs to provide the evidence base for the Regional Economic Strategy.”<sup>40</sup>

51. Keith Hill, the Planning and Housing Minister, said that the Government would be consulting on the merger by the end of 2005.

“The Government accepts, of course, the need for reform, and we intend to open consultations on that proposal with the intention of coming forward with proposals for a merged function towards the second half of 2005.”<sup>41</sup>

52. Evidence to the Committee suggested that the merger was not necessary because the Regional Housing Boards could already work effectively with the planning boards. There were also concerns that the proposed merger could cause confusion. Steve Gregory, a member of the West Midlands Regional Housing Board and chairman of the West Midlands Regional Housing Partnership said:

“I think we have effectively tied together regional planning guidance with a regional housing strategy, with an early regional housing strategy, which has identified the key housing issues for the region, very closely tied to planning.”<sup>42</sup>

The North West Regional Assembly argued in the Housing Today magazine that the merger would cause chaos and would confuse different planning roles.

“The solutions Brown (the Chancellor) has come up with are not the ones that will tackle the problems we have in the North. Change now will cause chaos. The key function of the regional planning boards – setting a regional spatial strategy – would be usurped by the strategy set by the regional housing boards.”<sup>43</sup>

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<sup>39</sup> Q467

<sup>40</sup> Review of Housing Supply Final Report -Delivering Stability: Securing our Future Housing Needs Kate Barker April 2004 HM Treasury and ODPM para 2.19

<sup>41</sup> Q389

<sup>42</sup> Q251

<sup>43</sup> “Merging regional housing and planning boards will cause ‘chaos’ in North West” Housing Today March 26 2004

53. There is potential to develop the role of the Regional Housing Boards but first of all they must increase their input from local authorities and tenants organisations. This could build on the work of the regional housing partnerships which involve a variety of housing interests in many areas and are drawing up the regional housing strategy on behalf of the Boards.

54. The Regional Housing Boards need a clear role in overseeing the allocation of housing funds. They should develop a monitoring regime for the Housing Corporation's allocation of funds to housing associations to ensure that the priorities identified in the Board's regional strategies are met. The Boards also require resources to develop their analysis of regional needs and prepare their strategies.

55. Regional policies should be drawn up by local interests. The Housing Corporation and English Partnerships are represented on all the Regional Housing Boards but they are national agencies providing funding, land and development expertise. At the moment the Corporation and EP's regional structures do not reflect the RHBs or the Government's regional offices. If their involvement is to be meaningful, EP and the Housing Corporation must develop effective regional arrangements to ensure that those with regional knowledge are on the Boards. In regions where EP does not have a major programme it should not sit on the Regional Housing Board, but once a new programme is developed in a region then it should be eligible for representation.

56. The Housing Corporation must develop a clear relationship with the Regional Housing Boards in terms of managing the delivery of housing. At a regional level progress and monitoring reports prepared for the Corporation should be made available to the Regional Housing Board and the Corporation should make it their practice to consult the Board on a regular basis. In distributing funds, the Corporation should be obliged to consult the Regional Housing Boards and to have due regard to their strategies and priorities.

57. The Government should require English Partnerships to work to the priorities set by the Regional Housing Boards and to report progress on implementation to them on a regular basis.

58. The Committee accepts that housing and planning policies needs to be better coordinated but there is no case currently for merging the Regional Housing Boards with Regional Planning Boards. The Regional Housing Boards are beginning to develop a regional approach to the provision and funding of affordable housing that could be lost in the merger. Once directly elected assemblies are set up, they should be allowed to decide how planning and housing decisions are made.

## 6 The role of local authorities

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59. Local authorities are playing an increasing role in enabling housing developments generally through housing associations. The Government requires them to draw up annual housing strategies to cover all issues of housing need and provision in the district. Most authorities are also drawing up affordable housing strategies as part of their district or unitary development plans which set out their planning gain requirements from housebuilders in terms of contributions towards affordable housing as part of mixed tenure housing estates.

60. The local authority housing strategy statements are expected, according to the ODPM, “to be an over-arching document that reviews housing-related issues in a local authority's area, sets out its housing objectives, establishes priorities for action both by the local authority and by other service providers and stakeholders, and sets out a clear Action Plan in agreement with the council's local partners.”<sup>44</sup>

61. Social housing funding should be better coordinated with local authority plans and resources. The Local Government Association suggested:

“The LGA believes that the Housing Corporation should build closer working relationships with local authorities. The LGA is concerned at the development of the Corporation's new national partnering arrangements which appear to be detached from the role of the local authority strategic enabling function. Local authorities are developing increased knowledge of the housing markets that sit within their boundaries and also the Housing Associations capable of meeting the needs. Local housing authorities must be involved in the determination of the types of partnership best suited to the needs of the housing markets that are found within local authority areas.”<sup>45</sup>

62. Planning Policy Guidance Note 3 on Housing allows local authorities to require contributions from developers towards affordable housing. The social housing elements of the scheme often require a public subsidy.<sup>46</sup> Public funds for social housing need to be better integrated with contributions from housebuilders. David Cowans from the Places for People Group urged greater flexibility with the use of grant funds.

“We are saying in our submission that the Corporation ought to have, in the future, a piece of work to identify what is the film script of a mixed tenure community and grant monies ought to be funded to create these places that we are trying to achieve rather than just making the numbers look the right way round.”<sup>47</sup>

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<sup>44</sup> Housing strategies: guidance ODPM creating sustainable communities  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_housing/documents/page/odpm\\_house\\_602006.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_housing/documents/page/odpm_house_602006.hcsp)

<sup>45</sup> THC 13

<sup>46</sup> A study of planning gain and affordable housing by the Universities of Cambridge and Sheffield suggested that 70 per cent of the sites where private sector contributions towards affordable housing were secured also needed Social Housing Grant. Planning gain and affordable housing Tony Crook, Jennie Currie, Alastair Jackson, Sarah Monk, Steven Rowley, Kerry Smith and Christine Whitehead October 2002

<sup>47</sup> Q33

Derek Martin, the head of housing strategy at Manchester city council, urged that funding packages need to look at the whole financial package in a scheme.

“I think you need to look at the totality of the funding over a longer period. If we are producing mixed tenure estates where you can work with the private developers to build homes and have a flexible approach with the Housing Corporation putting the funding in to allow the communities to access those homes, it may need a lot of funding for some of the homes in the beginning. It could even take the form of an equity stake rather than a straight forward grant, which could then be recycled further down the line.”<sup>48</sup>

63. The Committee’s report on affordable housing noted that “some housing associations secure social housing grant but have no sites on which to build. In contrast local authorities negotiate sites for social housing as part of a planning permission but have no funds to build.”<sup>49</sup>

**64. The Housing Corporation needs to review how it works with local authorities to ensure that its funding and partnering arrangements help to implement their local housing strategies. Public funders need to consider better how they contribute to achieving mixed tenure development.**

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<sup>48</sup> Q101

<sup>49</sup> Affordable Housing ODPM: Housing, Planning, Local Government and the Regions Committee Third Report of Session 2002-03 HC 75-1 para 39

## 7 Housing Corporation Efficiency Savings

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65. A key theme in the End to End Review of the Housing Corporation was that it should achieve greater efficiency in the investment and management of housing associations. In its supplementary evidence the ODPM said:

“As soon as possible the Housing Corporation should look to use the investment programme, regulation and other programmes and tools to pursue progressively higher efficiency and effectiveness in the procurement and delivery of new development and in the management of housing stock;”<sup>50</sup>

66. Evidence to the Committee supported the objective to achieve greater efficiency. There were a number of concerns that the overall quality of development may be sacrificed in the quest to achieve savings. There are particular concerns about

- the use of modern construction methods
- targeting funds on larger associations.

### Quality of development

67. In its bid to achieve output targets the quality of housing association developments may suffer. Phil Morgan, the chief executive of the Tenants Participation Advisory Service, warned:

“I am concerned that what we will end up with is a big accounting exercise to do X amount of housing and we will end up with the same problems we have had in the past about having communities which are not sustainable.”<sup>51</sup>

Greater emphasis on design is required. The Places for People Group argued that clearer criteria for appraising the quality and design of housing association schemes were required. It pointed out that there was no published standard to appraise housing associations on their quality and design standard. It urged that:

“Each housing association the Corporation selects as a partner investor should have an audited and published design code that reflects context and highest standards of design prior to investment. This should be applicable to all tenures.”<sup>52</sup>

Places for People also called for a review of the Corporation’s appraisal mechanisms to place greater emphasis on quality:

“The use of total cost indicators and flexibility limits needs review. The cost per unit assumptions that underpin the output targets set for the Housing Corporation should ensure they are on a best value basis to guarantee quality rather than just maximise unit production.....All housing developments above a certain size

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<sup>50</sup> THC 1(a)

<sup>51</sup> Q138

<sup>52</sup> THC25

should be based upon a commissioned urban design plan to establish layout, density, quality, and other facilities. This is currently not part of the Corporation's appraisal mechanism."<sup>53</sup>

68. The need to ensure that the ability to effectively maintain and manage the properties over their lifetime is considered at the time when they are developed was a key point made by several witnesses. Julian Ashby from the housing consultancy HACAS Chapman Hendy argued that the Housing Corporation should give greater emphasis to the long term costs of housing schemes.

"We feel the Housing Corporation could have and could still take a stronger view in terms of working with housing associations to make sure they have looked at issues such as longevity, whole life cost, repairability, adaptability – can this building actually be adapted over the course of its life to meet changing requirements – insurability, another major issue."<sup>54</sup>

**69. In the quest to increase the number of homes, there is a serious danger that the quality of new homes may suffer. The Housing Corporation should impose stringent design requirements on housing associations before any funding bid is approved. It also needs to set out clearly its requirements in terms of whole lifetime costs and adaptability. Where possible, it should ensure that homes meet lifetime homes standards.**

## Off-site manufacturing

70. The Housing Corporation is encouraging housing associations to use off-site manufacturing systems for the construction of new homes. According to the Housing Corporation about 49% of 67,000 homes planned between 2004 and 2006 are to use 'modern methods of construction'.<sup>55</sup> Keith Hill, the Housing and Planning Minister said:

"the principle, I am sure, is absolutely right, that in order to speed up house-building, in order to make house-building cheaper without losing quality, in order to improve health and safety in construction, there is a very powerful case indeed for the use of modern methods of manufacture."<sup>56</sup>

Evidence to the Committee raised concerns that

- the previous experience of new methods of construction and pre-fabrication had not produced durable homes and that the lessons of previous programmes had not been learned.
- the methods were not necessarily cost effective.

However evidence to the committee also suggested that off-site manufacturing could address the shortage of skilled labour available on construction sites.

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<sup>53</sup> THC25

<sup>54</sup> Q198

<sup>55</sup> Q314

<sup>56</sup> Q417

### ***Durability of Off-site Manufacturing***

71. Andrew Heywood, Senior Policy Advisor at the Council for Mortgage Lenders, pointed out:

“One area where I think there is a risk is in the Housing Corporation target to build 50 per cent of its stock in 2004-06 using modern methods of construction (MMC). That is not a risk because modern methods of construction are good or bad per se; but we have got a situation where there is a large unresolved issue with the previous generations of modern methods; there are something over a million houses out there; about 800 different designs, 300-400 of which are unmortgagable due to defects of one sort or another; significant association between previous generation of MMC and low demand.”<sup>57</sup>

72. Julian Ashby from the housing consultancy HACAS Chapman Hendy urged that the Corporation work with the Building Research Establishment

“to make sure there is certification which addresses those particular issues that relate to modern methods, which do tend to be longevity, long-term demand, repairability and whole-life cost.”<sup>58</sup>

The Council for Mortgage Lenders warned that unless some guarantees are given in terms of longevity, whole life costs, adaptability and design of some new construction methods

“the expansion of MMC may falter as systems for the certification of designs and other safeguards as to quality and fitness for purpose are developed later in the day than was necessary.”<sup>59</sup>

Jon Rouse, the Chief Executive of the Housing Corporation, accepted that some form of quality guarantee was required on homes built using modern construction methods.

“What we must do is work together to work out what safeguards and even maybe certification or kite marks are required to give us assurances over not just the immediate quality of those dwellings but also their longevity or durability.”<sup>60</sup>

The committee received evidence that off-site manufacturing methods should deliver significant benefits in the thermal and acoustic properties of new homes.

### ***Cost Effectiveness***

73. There is little evidence that the use of modern construction systems would be any more efficient or cost-effective than traditional methods. Kate Barker, the economist and author of the Government’s report on housing supply told the magazine *Housing Today*:

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<sup>57</sup> Q197

<sup>58</sup> Q198

<sup>59</sup> THC10

<sup>60</sup> Q314

"There are problems with getting the sites in the first place and getting [planning] permission through. In terms of speed and cost, off-site manufacture may not be much help. Compared with the time taken on planning negotiations, build time is actually quite short."<sup>61</sup>

The Traditional Housing Bureau suggests that modern methods are between 12% and 20% more expensive than traditional construction techniques. Barry Holmes, the Chief Executive of The Traditional Housing Bureau told the magazine *Inside Housing*: "I don't understand how we can be pressuring developers and associations to be building things that are 12 to 20 per cent more expensive with public money."<sup>62</sup>

74. Jon Rouse, the Chief Executive of the Housing Corporation, argued that at the moment modern building methods were more expensive, but that with the scale of the programme now being pursued there would be economies of scale and that the problems with assembly on site would be resolved.

"There is an issue about what happens to prefabricated dwellings when they get on site. At the moment we have very poor vertical integration in those methods, which means that they are more expensive than traditional labour, and we are losing out in terms of the time gains we should be having because the labour on site is not finishing off those prefabricated dwellings as sufficiently quickly and defect free as they should be doing.....I think something like 49% of our programme is going to be spent on modern methods of construction this time, and the fact that we are going to be working 85% of our programme delivered through 71 partner RSLs gives us a tremendous opportunity to drive economies of scale and scope."<sup>63</sup>

The committee is concerned that any cost benefits of off-site manufacturing cannot be delivered until a greater proportion of construction in both social housing and private sector developments are made using these methods.

**75. There is currently no certainty that the use of off-site manufacturing is any more cost effective than traditional methods. The committee welcomes the opportunity to address the shortage of on-site skills and to use prefabricated components that could offer thermal, acoustic and other benefits. The committee is concerned that off-site fabrication methods should not mirror any of the 'system-build' approaches used in the past that have left a legacy of problems in some housing stock.**

**76. The government should work with the Building Research Establishment to develop confidence that all new off-site manufacturing methodologies will be effective in the short term and over the lifetime of the housing.**

## Targeting Funds on Larger Associations

77. The Housing Corporation has developed a new partnering approach with larger housing associations. About 80% of its funds between 2004 and 2006 have been allocated to

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<sup>61</sup> *Housing Today* 18 July 2003

<sup>62</sup> *Inside Housing* 18 August 2003

<sup>63</sup> Q313-314

71 larger housing associations. The ODPM said that the partnering arrangements “will encourage longer term relationships with partner Registered Social Landlords with a high level of competence, strong delivery track record and appropriate financial capacity. In doing this, the Corporation is seeking for greater efficiency and economies of scale to drive down costs.”<sup>64</sup> Keith Hill, the Housing and Planning Minister, suggested that

“Efficiency gains of up to eight per cent in new social housing provision have been estimated, and the ability of the associations to continue to deliver savings in subsequent years will be an important factor in retaining their partnership status.”<sup>65</sup>

78. Evidence to the Committee said that

- the impact of the partnering approach required detailed evaluation;
- larger housing associations were not necessarily more efficient than medium-sized or smaller associations, particularly in terms of ongoing management and maintenance;
- larger associations could be too remote from their tenants which could make management very inefficient; and
- smaller associations catering for the needs of particular groups could lose out as funds are targeted at the larger associations.

Submissions did however accept that in some cases the proliferation of several very small associations owning housing in a small area or an estate could cause management problems particularly when regeneration schemes were planned.

79. There are concerns that the partnering approach has not been thought through and needs very careful evaluation before it is allowed to proceed after 2006. The Council of Mortgage Lenders said:

“In our view this policy (the partnering approach) has not been as fully developed, as it should be. Partly this reflects the pressure on the HC to produce economies of scale quickly. What is lacking is the wider view, and it is important that this policy is closely monitored so that its effects can be assessed early.”<sup>66</sup>

According to the Chartered Institute of Housing:

“The partnering approach is in many ways a leap in the dark. We have emphasised above the Corporation’s success in delivering its spending targets. Yet the new regime, with a “pilot programme” which constitutes a substantial part of the ADP being ‘rolled out’ over 2 years not only changes the basis of how the Approved Development Programme is delivered but is also likely to change the nature of the sector in unplanned ways..... Now that the new investment regime is about to start, and given the preparation to get it up and running, we believe it is essential to

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<sup>64</sup> THC 01

<sup>65</sup> Q382

<sup>66</sup> THC10

ensure that the pilot programme is properly evaluated as the programme is developed.”<sup>67</sup>

### **Overall efficiency of larger associations**

80. There is no evidence that larger housing associations are any more efficient than smaller ones. The Chartered Institute of Housing said:

“We believe that it is important not to assume that ‘big means better’ in terms of landlords and it may well be more effective and efficient to have locally based managers rather than a large absentee landlord.”<sup>68</sup>

Julian Ashby from HACAS Chapman Hendy commented:

“The issue of whether doing that on a larger scale with a smaller number of partners will actually produce significant economies of scale actually is unproven: it may; it may not. There is still evidence that a lot of the smaller schemes are amongst the most competitive.”<sup>69</sup>

The Housing Corporation accepted that there was no evidence that larger housing associations are more efficient. Its chairman Peter Dixon told the Committee

“We have yet to demonstrate a significant correlation between size and efficiency, interestingly enough big is not necessarily beautiful in this context but we do believe that we have an absolute necessity to be more active in pursuing efficiency whether it is in procurement or whether it is in housing management.”<sup>70</sup>

Its own performance indicators show that smaller housing associations improved their performance more than larger ones between 2002 and 2003.

“There was no material change in 2003 from 2002 in the majority of the analysis by size bandings. However, in those instances where material change did occur, generally the smaller associations (i.e. up to 5,000 dwellings) performed better than the larger ones. Similarly, for the absolute results of the PIs in 2003, the smaller associations had the best result in twice as many PIs as the larger ones.”<sup>71</sup>

81. The large developing housing associations may be too remote from their tenants, which could pose serious management problems once the housing is developed. Sarah Webb, the Head of Policy at the Chartered Institute of Housing warned:

“I think the other biggest problem with this whole debate is whether we end up with very large organisations that have moved too far from local service delivery and we

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<sup>67</sup> THC14

<sup>68</sup> THC 14

<sup>69</sup> Q199

<sup>70</sup> Q316

<sup>71</sup> Housing associations in 2003 Performance Indicators 65 Housing Corporation March 2004

are learning some of the mistakes of trying to manage in very large organisations that are remote.<sup>72</sup>

Roy Irwin from the Audit Commission raised concerns that the issues of long term management may be overlooked when funds are given to the large associations.

“There is a prospect of associations building where they have no current stock, because they are the recipients of the grant and they have not worked there before. I know it is something the Corporation are looking at, but for the ones who do not receive any grant for development it is around who then becomes the managers of that new stock that is being built. Is it always the developer who receives the grant, or is it the best housing manager that they can find?”<sup>73</sup>

Rather than growing ever larger housing associations, Councillor Kemp from the Local Government Association argued that the Housing Corporation should break up the larger associations:

“Perhaps more contentiously they could help with breaking up some of the big ones. There are RSLs who work in something like 80 local authority areas. We have one which has 80 units; the regional office is based somewhere in the Midlands and we never see anyone, they are no use to us in terms of developing strategy.”<sup>74</sup>

### ***The benefits of smaller associations***

82. The benefits of smaller associations which contribute to meeting local community needs could be lost if larger associations come to dominate. Derek Martin the Head of Housing Strategy at Manchester city council pointed out:

“Some of our most successful housing associations which are putting things back into the community and working them are small, locally based housing associations. Some of the ones that have caused urban decay in Manchester are some of the larger ones.”<sup>75</sup>

The Council of Mortgage Lenders pointed out that the partnering approach could limit the expansion of associations:

“It may become too difficult to gain the experience needed to become eligible for funding, leading to the existence of a small, self-perpetuating group of developing HAs, and a large group of smaller declining HAs.”<sup>76</sup>

Peter Dixon, the chairman of the Housing Corporation ruled out major investment in smaller associations despite their benefits:

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<sup>72</sup> Q75

<sup>73</sup> Q238

<sup>74</sup> Q87

<sup>75</sup> Q94

<sup>76</sup> THC 10

“It would not be sensible, I think, to put a lot of money into small associations to grow their own. That would not be an effective way of operating.”<sup>77</sup>

### ***Fragmented Ownership***

83. In some areas, particularly those suffering from low housing demand, there are problems because of fragmented ownership with several different housing associations working in a single neighbourhood or even on the same estates. This is inefficient in terms of service delivery and makes redevelopment more complex. Jim Coulter, chief executive of the National Housing Federation highlighted the problems in Manchester where 55 housing associations own housing in the city. He described a project which “looked at ways in which we could actually get more coherence and consistency on the ground of service delivery rather than overlapping services or conflicting services even of organisations in the same street or neighbourhood.”<sup>78</sup>

84. Councillor Kemp from the Local Government Association called on the Housing Corporation to be more proactive in supporting the consolidation of associations.

“You heard before about stock swaps in Liverpool. They are tremendously complicated and more help is needed by associations to do that. I think we do need help with consolidation. The fact is that we are dealing in Liverpool with 52 associations, none of which are almshouses, and we have developed a Liverpool strategy for doing that – as I know Manchester has – but the Housing Corporation should perhaps be more proactive.”<sup>79</sup>

85. Peter Dixon, the chairman of the Housing Corporation, commented:

“We are encouraging smaller organisations to work together, where appropriate, and we shall be continuing to do that. What we are not doing is trying to force independent organisations to merge where they do not want to. There would be no point.”<sup>80</sup>

86. Housing associations are well placed to take on management responsibilities for whole neighbourhoods. The Places for People Group set out its plans

“to create a new type of housing and regeneration organisation that meets the requirements of a changing housing market and customer expectations. It is one that can generate surpluses through commercial activities to build more affordable housing for ownership and renting and to subsidise the non-housing facilities and services needed to make places work. It means having the capacity and financial strength to tackle area based regeneration in a comprehensive way, creating mixed tenure neighbourhoods without the need for complicated consortia and most importantly to use surpluses to fund community infrastructure. Our aims are

<sup>77</sup> Q320

<sup>78</sup> Q75

<sup>79</sup> Q87

<sup>80</sup> Q321

distinct from the private sector in that we are committed to the long term management and investment in communities.”<sup>81</sup>

**87. The Housing Corporation is prioritising funding to larger housing associations despite a lack of evidence that they are more efficient at managing or developing their stock. There is some evidence that smaller associations are better managers. The Partnering approach has been implemented by the Housing Corporation without due consideration for its impact on the housing association movement. A detailed evaluation is required which considers not only the efficiency savings of the Corporation working with fewer larger associations but also in terms of the costs and quality of management and maintenance.**

**88. Housing association development and management can be made more efficient but reforms should not be driven through that undermine the advantages of their developments in terms of providing responsive local management. The Housing Corporation’s vision for housing associations should enshrine that requirement in all its funding decisions and only approve funding applications from associations which have local management arrangements in place. Effective service delivery to tenants should be the key driver of any moves to rationalise the number of housing associations. Where associations are proving inefficient or not providing a good service incentives and penalties should be considered to encourage rationalisation.**

**89. There is a need for associations of varying types and sizes to meet the specific needs of local communities. There are too many small associations in some areas with problems of low demand housing which are adding to the complexity of assembling sites. The Housing Corporation needs to look at encouraging housing associations to set up neighbourhood management organisations which could manage the local stock of a number of associations.**

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<sup>81</sup> THC 25

## 8 Regulation and Inspection

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90. The Housing Corporation's main regulatory role is to ensure that housing associations are properly governed and managed. The success of its regulatory function is demonstrated in that no housing association has become insolvent. The Housing Corporation's regulation is also valued by the banks and building societies which have raised about £30bn since 1988 for housing association development. The Housing Corporation suggests that its regulation has secured lower interest rates for associations.<sup>82</sup>

91. Following the Government's previous review of the Housing Corporation in 2000, it changed the way housing associations were regulated by producing a regulatory code and guidance. This put much stronger emphasis on improving the performance of associations. The Housing Corporation began in 2002 to inspect the quality of services provided by housing associations. In April 2003, the Government transferred the responsibility for inspection to the Audit Commission. The results of the Commission's inspections are reported to the Housing Corporation to inform its overall assessment of the quality of management in an association.

92. The Housing Corporation can bring an association under supervision if its performance is failing. This generally involves making appointments to its board. It can also carry out a statutory inquiry into the association's operation. However, the inquiry process is cumbersome and relatively expensive, and is generally used as a last resort. The Corporation also uses the link between its investment and regulation role to encourage responsible management. If a housing association's management is failing, it would not be granted investment funds.

93. Submissions to the Committee raised concerns that

- Housing associations were subject to several regulation regimes that should be simplified;
- Greater emphasis in inspection and regulation was required on the quality of neighbourhoods created;
- The Corporation needed new intermediate powers to improve the quality of housing management; and
- The distinction between the Housing Corporation's regulatory function and the Audit Commission's inspection function were not clear.

### Overregulation

94. The National Housing Federation estimated that housing associations are subject to eight different regulatory regimes.

“Housing associations have an extensive engagement with public sector agencies responsible for regulation and inspection. As well as the Housing Corporation and

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<sup>82</sup> THC 02

the Audit Commission, there are relationships variously with the Financial Services Authority, Charity Commission, Registrar of Companies, Care Standards Commission (to be divided from April 2004 into the Commission on Social Care Inspection and the Commission for Health Improvement). In addition for those engaged in Supporting People funded activities, there are relationships with local Administering Authorities. Finally, following the Sharman Report, the National Audit Office now audits the Corporation and, under an inter-departmental protocol, the NAO now has direct access rights to housing associations.”<sup>83</sup>

95. The Hyde Housing Association argued that the costs of inspection and regulation were excessive. The association’s chief executive, Charlie Adams told the Committee:

“We did a calculation at Hyde to work out what the cost to Hyde was - my own association - of coping with the regulatory regimes of which there are many. We worked out that it was about £800,000. This is an organisation with a turnover of just short of £90 million. We thought that was an excessive amount of money and I would entirely agree that there are far too many organisations with a different regulatory role.”<sup>84</sup>

**96. The Government must ensure that the costs to housing associations of inspection and regulation are not excessive. It should require the Corporation to produce a plan for the strategic regulation of housing associations which will streamline the regulatory burden. It should consider setting up a single regulatory body or at least aligning the different regimes to streamline the process and avoid duplication.**

## The Quality of Neighbourhoods

97. The scope of regulation and inspection needs to be broadened to consider the contribution which a housing association makes to a neighbourhood and the local community.

Derek Martin, the head of housing strategy at Manchester city council said:

“How can a housing association affect and change a neighbourhood, make a neighbourhood a nice place to live purely by renting out a few houses? It is their contribution to the whole regeneration of the area which they should be monitored on as well and not just how do they collect the rent.”<sup>85</sup>

Peter Dixon, the chairman of the Housing Corporation highlighted the importance of looking at the overall management of mixed tenure housing estates.

“My personal belief is that we have to be much slicker and much sharper around housing management generally in the context of sustainable communities. It is all very well having appropriate building standards and appropriate everything else but if we do not get the housing management of those new developments right,

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<sup>83</sup> THC 03

<sup>84</sup> Q 26

<sup>85</sup> Q112

including the mixed development we have a problem. It just as important across a mixed development as it is in a social housing unit.”<sup>86</sup>

### Intermediate powers

98. The current regulatory regime is heavy handed and was principally designed to address serious financial mismanagement or governance problems in housing associations rather than questions of effective service delivery. These may not be appropriate for the issues arising from inspections which are important but do not affect the overall management of the organisation. The Chartered Institute of Housing argued:

“Where an association is clearly not delivering a good service to its users and has not significantly improved despite being given time and support to do so, there appears to be little the Corporation can do except use its heavyweight powers aimed at the business itself. CIH would like to see the Corporation develop incentives for improving performance and measures to tackle continued poor performance in service delivery.”<sup>87</sup>

The CIH proposed:

“Where an association is clearly not delivering a good service to its customers and has not significantly improved despite being given time and support to do so, there should be a wider range of measures open to the Corporation to secure improvement. There are a number of options, for example:

- further restrictions could be imposed in terms of development and diversification; and
- the association could be forced to explore options such as partnering services with other associations or even having to put parts of its service out to tender.”<sup>88</sup>

**99. The Government needs to review the Housing Corporation’s powers to respond to the inspections carried out by the Audit Commission. With the new emphasis on housing associations providing quality services, the Housing Corporation needs intermediate powers to influence how services are delivered without imposing supervision or a statutory inquiry.**

### The role of the Housing Corporation and the Audit Commission

100. Some submissions highlighted the lack of clarity of roles between the Housing Corporation’s function in regulating housing associations and the Audit Commission in inspecting their housing in terms of assessing the management of service delivery.

101. The Local Government Association highlighted possible duplication between the two organisations.

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<sup>86</sup> Q353

<sup>87</sup> THC14

<sup>88</sup> THC14

“At the national level the regulatory work of the Corporation and the inspection work of the Audit Commission appear to duplicate and therefore need to be better integrated.”<sup>89</sup>

Richard Clark, the chairman of the National Housing Federation called for better guidelines setting out their distinct functions.

“We need to ensure that the guidelines around which the Audit Commission and the Corporation work are perfectly clear and, for example, the policy area clearly belongs to the regulator, the governance area clearly belongs to the regulator, whereas the service inspection role clearly belongs to the inspector.”<sup>90</sup>

102. The Audit Commission tried to clarify the distinctive roles. Roy Irwin, its chief inspector of housing told the Committee:

“I think our focus is: how services are delivered; what is the quality of those services; and what are the plans from the association to improve those services even further. The Corporation’s focus of their regulatory activity is around financial capacity and security, governance and overall management arrangements, which include service delivery.”<sup>91</sup>

103. Jon Rouse, the Housing Corporation’s Chief Executive, accepted that there was a need for coordination with the Audit Commission over the assessment of management services.

“Indeed if you think about the overall Housing Corporation Assessment of RSLs it is based on four factors, one of which is the quality of services which flows from inspection. Consistency between us and the Commission on this seems very sensible.”<sup>92</sup>

**104. There is potential confusion between the roles of the Housing Corporation and the Audit Commission in terms of assessing the quality of management of services by housing association. The ODPM needs to clarify the distinctive regulatory and inspection roles of the Housing Corporation and the Audit Commission.**

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<sup>89</sup> THC 13

<sup>90</sup> Q54

<sup>91</sup> Q209

<sup>92</sup> Q368

# Conclusions and recommendations

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## The changing role of the Housing Corporation

1. There is now considerable confusion about which agency is responsible for the provision of social housing. There is a clear need to clarify the Housing Corporation's relationships with all the agencies engaged in the provision of affordable housing (Paragraph 9)
2. The End to End Review should consider how decisions on housing investment should be taken and then determine the Housing Corporation's role in that framework at a national, regional and local level. (Paragraph 13)

## The Housing Corporation's national role

3. The Housing Corporation should no longer be a passive delivery agency for Government housing programmes. It should take on a national role in terms of contributing towards a national framework for housing and acting as the public champion of social housing alongside the Local Government Association and the National Housing Federation. It needs to take on a strategic role in overseeing the work of the Regional Housing Boards. (Paragraph 23)
4. The Housing Corporation should retain its regulatory role over housing associations and should use the best practice and examples of innovative projects which it has developed to raise the quality of housing association management. The results of its innovation and good practice programme should be actively disseminated and used in a way which informs strategic priorities. (Paragraph 24)

## The Housing Corporation and Sustainable Communities

5. There is potential for greater collaboration between English Partnerships, the Housing Corporation and the Department of Health and Ministry of Defence to maximise the potential for affordable housing in the redevelopment of their surplus operational land. (Paragraph 35)
6. There are a large number of new regeneration agencies charged with delivering the Sustainable Communities Plan. The Housing Corporation needs to consider its role in securing considerable amounts of social housing as part of the mixed tenure developments being proposed. (Paragraph 36)
7. English Partnerships' role in promoting housing development must be clarified as there seems to be an overlap with the role of the Housing Corporation. The Government needs to reconsider its proposal in the Housing Bill to allow the Housing Corporation to fund private developers. It would cause confusion as EP and other agencies already have the remit to fund developers and giving an additional remit to the Housing Corporation could cause confusion and duplication. (Paragraph 37)

8. The relationship between the Housing Corporation and English Partnerships and the other new agencies delivering the Sustainable Communities Plan must be put on a firmer footing. Reciprocal membership of the boards of the agencies is not sufficient. Greater integration of social housing funds and landownership in the areas covered by the Sustainable Communities Plan is required to maximise the amount of affordable housing in the private developments. (Paragraph 38)

### The Regional Agenda

9. There is potential to develop the role of the Regional Housing Boards but first of all they must increase their input from local authorities and tenants organisations. This could build on the work of the regional housing partnerships which involve a variety of housing interests in many areas and are drawing up the regional housing strategy on behalf of the Boards. (Paragraph 53)
10. The Regional Housing Boards need a clear role in overseeing the allocation of housing funds. They should develop a monitoring regime for the Housing Corporation's allocation of funds to housing associations to ensure that the priorities identified in the Board's regional strategies are met. The Boards also require resources to develop their analysis of regional needs and prepare their strategies. (Paragraph 54)
11. Regional policies should be drawn up by local interests. The Housing Corporation and English Partnerships are represented on all the Regional Housing Boards but they are national agencies providing funding, land and development expertise. At the moment the Corporation and EP's regional structures do not reflect the RHBs or the Government's regional offices. If their involvement is to be meaningful, EP and the Housing Corporation must develop effective regional arrangements to ensure that those with regional knowledge are on the Boards. In regions where EP does not have a major programme it should not sit on the Regional Housing Board, but once a new programme is developed in a region then it should be eligible for representation. (Paragraph 55)
12. The Housing Corporation must develop a clear relationship with the Regional Housing Boards in terms of managing the delivery of housing. At a regional level progress and monitoring reports prepared for the Corporation should be made available to the Regional Housing Board and the Corporation should make it their practice to consult the Board on a regular basis. In distributing funds, the Corporation should be obliged to consult the Regional Housing Boards and to have due regard to their strategies and priorities. (Paragraph 56)
13. The Government should require English Partnerships to work to the priorities set by the Regional Housing Boards and to report progress on implementation to them on a regular basis. (Paragraph 57)
14. The Committee accepts that housing and planning policies needs to be better coordinated but there is no case currently for merging the Regional Housing Boards with Regional Planning Boards. The Regional Housing Boards are beginning to develop a regional approach to the provision and funding of affordable housing that

could be lost in the merger. Once directly elected assemblies are set up, they should be allowed to decide how planning and housing decisions are made. (Paragraph 58)

### The role of the local authorities

15. The Housing Corporation needs to review how it works with local authorities to ensure that its funding and partnering arrangements help to implement their local housing strategies. Public funders need to consider better how they contribute to achieving mixed tenure development. (Paragraph 64)

### Housing Corporation Efficiency Savings

16. In the quest to increase the number of homes, there is a serious danger that the quality of new homes may suffer. The Housing Corporation should impose stringent design requirements on housing associations before any funding bid is approved. It also needs to set out clearly its requirements in terms of whole lifetime costs and adaptability. Where possible, it should ensure that homes meet lifetime homes standards. (Paragraph 69)
17. There is currently no certainty that the use of off-site manufacturing is any more cost effective than traditional methods. The committee welcomes the opportunity to address the shortage of on-site skills and to use prefabricated components that could offer thermal, acoustic and other benefits. The committee is concerned that off-site fabrication methods should not mirror any of the 'system-build' approaches used in the past that have left a legacy of problems in some housing stock. (Paragraph 75)
18. The government should work with the Building Research Establishment to develop confidence that all new off-site manufacturing methodologies will be effective in the short term and over the lifetime of the housing. (Paragraph 76)
19. The Housing Corporation is prioritising funding to larger housing associations despite a lack of evidence that they are more efficient at managing or developing their stock. There is some evidence that smaller associations are better managers. The Partnering approach has been implemented by the Housing Corporation without due consideration for its impact on the housing association movement. A detailed evaluation is required which considers not only the efficiency savings of the Corporation working with fewer larger associations but also in terms of the costs and quality of management and maintenance. (Paragraph 87)
20. Housing association development and management can be made more efficient but reforms should not be driven through that undermine the advantages of their developments in terms of providing responsive local management. The Housing Corporation's vision for housing associations should enshrine that requirement in all its funding decisions and only approve funding applications from associations which have local management arrangements in place. Effective service delivery to tenants should be the key driver of any moves to rationalise the number of housing associations. Where associations are proving inefficient or not providing a good service incentives and penalties should be considered to encourage rationalisation. (Paragraph 88)

21. There is a need for associations of varying types and sizes to meet the specific needs of local communities. There are too many small associations in some areas with problems of low demand housing which are adding to the complexity of assembling sites. The Housing Corporation needs to look at encouraging housing associations to set up neighbourhood management organisations which could manage the local stock of a number of associations. (Paragraph 89)

### Regulation and Inspection

22. The Government must ensure that the costs to housing associations of inspection and regulation are not excessive. It should require the Corporation to produce a plan for the strategic regulation of housing associations which will streamline the regulatory burden. It should consider setting up a single regulatory body or at least aligning the different regimes to streamline the process and avoid duplication. (Paragraph 96)
23. The Government needs to review the Housing Corporation's powers to respond to the inspections carried out by the Audit Commission. With the new emphasis on housing associations providing quality services, the Housing Corporation needs intermediate powers to influence how services are delivered without imposing supervision or a statutory inquiry. (Paragraph 99)
24. There is potential confusion between the roles of the Housing Corporation and the Audit Commission in terms of assessing the quality of management of services by housing association. The ODPM needs to clarify the distinctive regulatory and inspection roles of the Housing Corporation and the Audit Commission. (Paragraph 104)

# Formal minutes

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**Tuesday 22 June 2004**

Members present:

Clive Betts, in the Chair

Mr Andrew Bennett

Mr Chris Mole

Sir Paul Beresford

Mr Bill O'Brien

Mr David Clelland

Mr Adrian Sanders

Mr John Cummings

The Sub-committee deliberated.

Draft Report (The Role and Effectiveness of the Housing Corporation), proposed by the Chairman, brought up and read.

*Ordered*, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 104 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Second Report of the Sub-committee to the Committee.-  
[The Chairman].

*Ordered*, That the Chairman do make the Report to the Committee.

[The Sub-committee adjourned.]

**Tuesday 22 June 2004**

Members present:

Andrew Bennett, in the Chair

Sir Paul Beresford

Mr Chris Mole

Mr Clive Betts

Mr Bill O'Brien

Mr David Clelland

Mr Adrian Sanders

Mr John Cummings

The Committee deliberated.

Draft Report (The Role and Effectiveness of the Housing Corporation), proposed by the Chairman, brought up and read.

*Ordered*, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 104 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Eighth Report of the Committee to the House – (The Chairman.)

*Ordered*, That the Chairman do make the Report to the House.

*Ordered*, That the Appendices to the Minutes of Evidence taken before the Sub-committee be reported to the House.

*Ordered*, That the provisions of Standing Order No. 134 (Select committee (reports)) be applied to the Report.

[The Committee adjourned.]

## Witnesses

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### Monday 15 March 2004

**Mr Mohni Gujral**, Chief Executive, and **Mr Arun Misra**, Director, Corporate Affairs, Presentation Housing Association.

**Mr Charlie Adams**, Chief Executive, Hyde Housing Association, Consortium of Associations in the South East/G15 London Housing Associations.

**Mr David Cowans**, Group Chief Executive, Places for People Group.

**Ms Sarah Webb**, Director of Policy, Chartered Institute of Housing (CIH).

**Mr Jim Coulter**, Chief Executive, and **Mr Richard Clark**, Chair and Chief Executive of Prime Focus Regeneration Group, National Housing Federation (NHF).

**Mr Richard Kemp**, Vice Chair, LGA Housing Executive Committee and Cabinet Member for Housing, Liverpool City Council, and **Mr David Thompson**, LGA Housing Unit, Local Government Association (LGA).

**Mr Derek Martin**, Head of Housing Strategy, Manchester City Council.

### Tuesday 30 March 2004

**Mr Phil Morgan**, Chief Executive, Tenant Participation Advisory Service (TPAS).

**Mr Julian Ashby**, Director, Chapman Hendy HACAS.

**Mr Peter Williams**, Deputy Director General, and **Mr Andrew Heywood**, Senior Policy Adviser, Council of Mortgage Lenders (CML).

**Ms Frances Done, CBE**, Managing Director, Local Government, Housing and Criminal Justice Services, and **Mr Roy Irwin**, Chief Inspector of Housing, Audit Commission.

### Wednesday 5 May 2004

**Mr Graham Garbutt**, Regional Director, Government Office of the West Midlands and Chair of the West Midlands Regional Housing Board, and **Mr Steve Gregory**, Director of Urban Form, Sandwell Metropolitan Borough Council and Chair of the West Midlands Regional Housing Partnership.

**Mr Peter Dixon**, Chairman, and **Mr Jon Rouse**, Chief Executive, The Housing Corporation.

### Monday 17 May 2004

**Rt Hon Keith Hill**, a Member of the House, Minister of State for Housing and Planning, Office of the Deputy Prime Minister.

**Mr Neil McDonald**, Director of Housing, and **Mr Peter Ruback**, Head of Affordable Housing, Office of the Deputy Prime Minister.

### Monday 14 June 2004

**Ms Margaret Ford**, Chairman, and **Mr David Higgins**, Chief Executive, English Partnerships.

## List of supplementary written evidence

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Memoranda THC 01 to THC 26 published as HC 401-II on 15<sup>th</sup> March 2004

Supplementary Memorandum by Battersea and Wandsworth TUC (THC 26(f))

Manchester City Council (THC 27)

Traveller Law Reform Coalition (TLRC)

Graham Garbutt (Regional Director GOWM and Chair of the West Midland Regional Housing Board) and Steve Gregory (Director of Urban Form Sandwell MBC and Chair of the West Midlands Regional Housing Partnership – a partnership of the West Midlands Regional Assembly) (THC 29)

Supplementary Memoranda by the Office of the Deputy Prime Minister (THC 01(a) and (b))

Supplementary Memorandum by the Housing Corporation (THC 02(a))

Supplementary Memorandum by the Tenant Participation Advisory Service (TPAS) (THC 05(a))

## Reports from the ODPM Committee since 2002

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The following reports have been produced by the Committee since 2002. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2003–04

First Report	ODPM Annual Report and Accounts 2003	HC 102-I ( <i>CM 6141</i> )
Second Report	Annual Report to the Liaison Committee	HC 221
Third Report	The Fire Service	HC 43-I ( <i>CM 6154</i> )
Fourth Report	Coalfield Communities	HC 44-I ( <i>CM 6265</i> )
Fifth Report	Decent Homes	HC 46-I
Sixth Report	Social Cohesion	HC 45-I
Seventh Report	Postal Voting	HC 400-I

### Session 2002-03

First Report	Local Government Finance: Formula Grant Distribution	HC 164 ( <i>CM 5753</i> )
Second Report	Annual Report to the Liaison Committee	HC 288
Third Report	Affordable Housing	HC 77 ( <i>CM 3783</i> )
Fourth Report	Planning, Competitiveness and Productivity	HC 114 ( <i>CM 5809</i> )
Fifth Report	Departmental Annual Report and Estimates	HC 78 ( <i>CM 5841</i> )
Sixth Report	The Evening Economy and the Urban Renaissance: Interim Report [Responding to issues in the Licensing Bill]	HC 541 ( <i>HC 750</i> )
Seventh Report	The Effectiveness of Government Regeneration Initiatives	HC 76-I ( <i>CM 5865</i> )
Eighth Report	Planning for Sustainable Communities: Sustainable Communities in the South East	HC 77-I ( <i>CM 5985</i> )
Ninth Report	Reducing Regional Disparities in Prosperity	HC 492-I ( <i>CM 5958</i> )
Tenth Report	The Draft Housing Bill	HC 751-I ( <i>CM 6000</i> )
Eleventh Report	Living Places: Cleaner, Safer, Greener	HC 673-I ( <i>CM 5989</i> )
Twelfth Report	The Evening Economy and the Urban Renaissance	HC 396-I ( <i>CM 5971</i> )