

meeting **JOINT COMMITTEE ON STRATEGIC PLANNING & TRANSPORT**

date **14<sup>th</sup> September 2007** agenda item number

from: **JOINT OFFICER STEERING GROUP**

## **Report**

### **Recent Government Policy Announcements: Sub-National Review on Economic Development and Regeneration and the Housing Green Paper**

#### **Purpose of Report**

- 1 To inform members on the recent publication of two significant Government policy documents, the Sub National Review on Economic Development and Regeneration (SNR) and the Housing Green Paper 'Homes for the future: More Affordable, More Sustainable'

#### **Background**

- 2 The two recent policy announcements summarised at Appendices A and B of this report will have significant implications for Greater Nottingham. When considered together they present both a challenge and an opportunity to local authorities to work in partnership to deliver better integrated, more ambitious and sustainable development of the conurbation. This will need to be done in the context of new relationships with the government, emda and other partners at local, sub regional, regional and national level.

#### **Sub National Review on Economic Development and Regeneration**

- 3 Whilst the SNR flags up a significantly enhanced role for emda in developing the new East Midlands Integrated Regional Strategy with executive responsibility for its delivery, there are key new roles for local authorities, both as agents of economic development in their own areas and as key players in feeding into the strategy, scrutinising its

development and facilitating its delivery through new sub-regional and regional structures. The leading role Nottingham City and Nottinghamshire County Councils' have played in the following initiatives position us well with regard to the SNR:

- § Directional input and support to the development of the new Regional Spatial Strategy
  - § Developing the Nottingham Sub-Regional element of the 3 Cities Growth Point Proposals
  - § Developing the successful 6C's Transport Innovation Fund Submission
  - § Steering the last round of Regional Funding Allocation to secure appropriate benefit for the conurbation
- 4 The SNR recognises the important role for Cities and City Regions. The positive track record of joint working between partner authorities across Greater Nottingham will provide a sound platform to argue the case for further investment and development of the conurbation.

#### **Homes for the Future: more affordable, more sustainable**

- 5 The Housing Green Paper reflects an important new emphasis on speeding up the delivery of sustainable housing development across the country, but more specifically within Growth Point areas. The Green Paper also raises delivery of affordable housing up the Government's agenda, with new initiatives suggested to increase delivery giving LAs a greater role.
- 6 As referred to elsewhere on this agenda, Greater Nottingham lies within the Three Cities and Three Counties New Growth Point – the largest of the New Growth Points agreed in Round 1, and as such is well positioned to benefit from the £300 million Community Infrastructure Fund. In addition, Nottingham City Council is one of the 14 local authorities confirmed in the White Paper that will be establishing Local Housing Companies. These two factors place the City, County and Districts at the forefront of authorities who will be expected to lead delivery of inclusive regeneration

and renewal in creative and sustainable ways, meeting the Government's new housing delivery objectives.

- 7 This places even more emphasis on the need to plan and deliver balanced housing growth in a joined up way in partnership across Greater Nottingham, including Erewash, and signals a renewed importance of this Joint Committee and other Partnership bodies to form the basis for responding to the Government's challenge as set out in the Green Paper.

## **RECOMMENDATION**

- 8 It is RECOMMENDED that Members note the recent policy announcements and consider the implications for the future work programme and role of this Committee.

## **Background Papers**

None.

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# APPENDIX A

## Review of Sub-National Economic Development and Regeneration

The Government announced on July 17<sup>th</sup> 2007 the outcomes of the Treasury-led policy review into sub-national economic development and regeneration (SNR). The aim of the review is to ensure that:

- Local Authorities (LAs) and Regional Development Agencies (RDAs) are empowered to spread economic well-being and opportunity to all;
- sub-regional structures are simplified with strengthened accountability
- objectives for promoting growth and tackling deprivation are clear, focused and relevant;
- policy decisions that affect economic well-being are taken at the right spatial levels.

### KEY MESSAGES

- Enhanced role for local authorities, both as agents of economic development in their own areas and as key players in sub-regional and regional structures.
- Increased role of RDAs, with greater accountability
- Support for the role of cities and City Regions.

### KEY CHANGES

There are 4 key areas of reform:

#### **Empower all local authorities to promote economic development and Neighbourhood Renewal**

- A proposed new statutory duty for upper tier local authorities to analyse the economic circumstances and challenges of their local economy.
- Incentives through fiscal measures, including reform of the Local Authority Business Growth Incentive scheme and consideration of options for supplementary business rates.
- Clearer focus on economic development and neighbourhood renewal in the LA performance management system.
- Greater powers and flexibilities to promote economic well-being, building on the 2000 Local Government Act.

#### **Support local authorities to work together at the sub-regional level**

- Sub-regions will be allowed to strengthen sub-regional management of transport including the possibility of longer term certainty of funding for transport (as part of the Local Transport Bill)
- Help for groups of local authorities to work effectively and accountably together through new Multi-Area Agreements (MAAs), and pool economic responsibility on a more permanent basis.
- Possibility of creating statutory sub-regional bodies for economic development, beyond transport.

### **Strengthen the regional level**

- A single strategy co-ordinating jobs, economic growth, housing, planning and environmental objectives, replacing the current myriad of overlapping strategies. RDAs will take on a new strategic role to develop the single strategy on behalf of the region, consulting widely with stakeholders.
- Regional Assemblies to be phased out from 2010, as local authorities take on increased responsibility for shaping priorities in the region. CLG will consult on this later in the year.
- RDAs to have executive responsibility for the regional strategy.
- RDAs expected to delegate funding to local authorities where possible.
- Each region to have a regional economic growth objective and will expected to set out plans for housing growth and tackling affordability.
- LA leaders to have responsibility for agreeing the regional strategy with RDAs and scrutinising RDA performance.
- Stronger Parliamentary scrutiny of regional institutions and regional economic policy.
- A new extended round of Regional Funding Allocations to give regions a greater say on how spending is prioritised including for transport and regeneration investment.
- Significant reform of the RDA's sponsorship framework and simplified performance growth objective.

### **Reform central government's relations with the regions and localities**

- The Department for Business, Enterprise and Regulatory Reform (DBERR) to have responsibility for performance management of RDAs, the regional economic performance PSA and signing off regional strategies.
- Ministers for the Regions to provide strategic direction for their region and a voice in central government to ensure that government policy takes account of the 9 English regions.

## APPENDIX B

# Homes for the future: more affordable, more sustainable

The Government published a Green Paper on housing on 23 July 2007, which proposes measures and reforms to meet the Prime Minister's recent announcement of 3 million more homes by 2020. This is backed by £8 billion investment for affordable housing in the Comprehensive Spending Review 2008-2011. The Green Paper will be out for consultation until 15 October 2007.

### KEY MESSAGES

- 3 million new homes by 2020, 2 million of which by 2016
- At least 70,000 affordable houses a year to be delivered by 2010-11
- Well designed and greener homes, linked to schools, transport and healthcare
- A renewed role for local authorities, both in their enabling role and as direct providers of housing

### KEY CHANGES

#### More homes to meet growing demand

- 1.6 million homes already planned in existing Regional Spatial Strategies, plus:
- 150-200,000 additional homes in the new Regional Planning process round
- 100,000 homes in the 29 New Growth Points – these towns and cities will be eligible for additional support and funding, comparable to the support received by Growth Areas, including a £300 million Community Infrastructure Fund for Growth Areas, New Growth Points and eco-towns.
- 50,000 new homes through an additional round of New Growth Points, including for the first time the north of England.
- 5 new eco-towns schemes each providing 5,000-20,000 new homes with the entire community reaching zero carbon standards. Local authorities and developers are invited to propose schemes for consideration.
- Local planning incentives and enforcement – a new Housing and Planning Delivery Grant providing extra resources to councils who are delivering high levels of housing and to those councils who have identified 5 years worth of sites ready for development.
- Proposals to strengthen the requirement on developers to commence development or lose planning permission.

### **Better homes: creating homes and places that people want to live in**

- Building on new planning policy (PPS3) to ensure housing developments meet the needs of local communities including infrastructure and high standards of design, the Government will work with CABI to raise standards so that good and very good design becomes the norm.
- A Planning-gain Bill is still proposed but the Green Paper seeks ideas on alternatives to the current Planning Gain Supplement proposals to enable local communities to benefit from new development.
- Greener homes – all new homes to be zero carbon from 2016, with building regulations strengthened to achieve 25% by 2010 and 44% by 2013.

### **Making housing more affordable**

- £8 billion programme for new affordable housing 2008-2011. At least 70,000 more affordable homes a year by 2010-11, with an ambition to increase further in the next spending review period.
- Of these, at least 45,000 new social rented homes a year 2008-2011 and over 25,000 shared ownership and shared equity, particularly for key workers.
- An opportunity for local councils to develop Local Housing with English Partnerships to deliver shared ownership homes and homes for first time buyers on council land.
- Wider range of affordable housing in mixed communities, including ALMOs and local authority companies who can pre-qualify for social housing grant.
- New ways for councils to use land and resources to build homes and proposals to change the treatment of council rents and capital receipts from additional homes to incentivise this.

### **Skills and construction**

- Improving the capacity and capability within sectors supporting housing growth (built environment professionals, construction workers and local authority planners).
- Government will work with ConstructionSkills and other Sector Skills Councils to increasing the number of apprenticeships.
- Strong emphasis on local people without skills and qualifications to able to get the skills they need to access the new jobs that will be created in delivering the new housing agenda, linking to the Leitch Review of Skills and Green Paper on Welfare Reform.