



Housing and Development Group (HDG)

(Working Group to SELEP)

Tuesday 5 March 2019

10.30 am – 12.30 pm

Discussion Summary & Action Points

Nick Fenton	Kent Developers Group - Chair
Brian Horton	SELEP
Duncan Innes	Swan/nuliving
Hannah Wilson	Homes England
Helen McCabe	Chair South Essex Housing Group
Jemma Little	Haven Gateway Partnership
Lee Heley	Essex County Council
Lucy Spencer-Lawrence	SELEP
Mark Curle	Chair Essex Developers Group/Galliford Try
Paul Thomas	SELEP Housing Board Champion
Rebecca Smith	Kent Housing Group
Rhiannon Mort	SELEP
Richard Bayley	NEGC Ltd
Steve Nunn	Moat
Tina Hinson	Colchester
Mark Pullin	KPOG/Ebbsfleet DC

1. Introductions and Apologies – Nick Fenton (Chair)

Nick welcomed the group and the following apologies were noted from:

Sarah Finnegan, Richard Dawson, Edward Sheath, Derek Godfrey, Geoff Pearce, Christopher Moore, Andrew Palmer, Siobhan Pierce, Jo Ellis, Sarah Nurden, Dave Harris, Ben Brook, Ian Vipond, Ian Piper, Ian Vipond and George Kieffer.

2. Review & Agree Discussion Summary & Action Points of meeting held on 11 December 2018 - Nick Fenton

These were reviewed and agreed as a true record.

Actions:

With regards to the SME Partnering Model an action was taken away for Lee and Jemma to discuss work underway in the North of England re a local consortia of partners. This was actioned.

All further actions to be included in the main agenda.

3. Update: SEP/Industrial Strategy – Lucy Spencer-Lawrence

Lucy Spencer-Lawrence advised that Faster, Stronger, Together: SELEP's Economic Strategy Statement, had been officially launched. This outlines SELEP's priorities and aims to drive a more productive and prosperous economy for the area over the next decade.

Due to the requirement for the development of the Local Industrial Strategy, our Economic Strategy Statement will act as a bridging document, and the work already undertaken will provide a starting point for the evidence base production.

Lucy noted that timescales are still to be confirmed by Government on the LIS and prior discussions for a March 2019 deadline for Needs Assessments were not formally confirmed.

The SELEP team is working up a plan on the process this will include recruitment of project managers and data analysts. This plan will be shared when in place with this and other working groups.

Members of the group noted that there may be some good opportunities to share their expertise to support this process and Lucy and Brian agreed to raise this with the wider SELEP team, so that the planning of the LIS development could incorporate this. **(ACTION LSL & BH)**

4. SELEP Funding Update – Rhiannon Mort

Rhiannon Mort provided the group with a presentation on the various funding vehicles that are available via SELEP, including the Local Growth Fund, Growing Places Fund and Sector Support Fund. For each, background was provided on how the funds operate and are managed, and examples of investment across the SELEP were provided.

Presentation Slides:



Development and
Housing Group present

Brian Horton noted the very recent announcement of the £1.6 bn Stronger Towns Fund, which would direct money through LEPs and asked Rhiannon if she was aware of how this might operate. Rhiannon advised that as yet she had received no steer from Government on the criteria.

Richard Bayley asked about sources of skills and innovation funding. Rhiannon advised that first phases for skills funding were for capital equipment as part of LGF. Moving forward these are more likely to be accessed via Growing Places Fund, which is a rolling capital loan fund. All bids are assessed around certainty of repayment and value for money. For bids over £2m this process is incredibly robust with more flexibility for bids below £2m.

Richard asked if security required and Rhiannon confirmed that is not as a full assessment of the risk is undertaken. Funding awarded would be passed from SELEP to the Upper Tier Authority and then to the third party.

Rhiannon was asked on the status of the Shared Prosperity Fund. She noted that criteria is still being awaited but LGF comes to an end on 31 March 2021, therefore this may coincide as the next phase of funding.

4. Commercial Development – Nick Fenton

Following a recent study undertaken by Kent County Council, Nick Fenton raised his concerns on the lack of commercial space. He suggested that the issues with commercial space were not simply a matter of converting and improving what is currently available, but assessing and responding to the demand.

Sharing Nick's view Mark Curle commented that a big issue is land vendors' aspirations. Where there is a much higher premium on homes and convenience stores (e.g. Tesco Extra etc)

Nick noted that there are opportunities to bring forward allocated space.

Richard Bayley commented that the planning system has to adjust as much for commercial as for housing.

Brian Horton asked Hannah to comment on the view from Homes England. She commented that they are trying to be flexible and support this issue. With regards to HIF Duncan Innes commented that flexibility for payback is needed.

Jemma Little highlighted the links to the place-making agenda and the vision for the economy that that SELEP is developing. Mark Curle also noted the links to planning and transport infrastructure requirements.

Nick flagged his concern as to whether the planning authorities are focused on commercial development in the same way as they are focused on housing numbers.

Brian suggested that this needs traction with Ministers and commented that the Industrial Strategy work should enable links with Garden Settlements.

The group discussed Enterprise Zones and it was agreed to review and evaluate impact to assess what works. **(Action: LSL, BH, RM)**

Helen McCabe noted that Ashford Council have prioritised commercial development and it would be interesting to see what the benefits of this has been. **(Action: BH)**

The group agreed that this issue needs to be considered and that it should be a standing item on future agendas. It was discussed whether a potential Sector Support Fund application might present an opportunity to undertake some research. Brian suggested that to include this is the scope of the LIS evidence base or via a Sector Support Fund application would need to be considered and it was agreed that he would consider with LEP colleagues to take this forward. **(Action BH, LSL)**

5. I-Construct / Future Proof Update – Jemma Little

I-Construct

Jemma Little reminded the group that funding for £7m has now been awarded via ERDF for the project to support SMEs in the construction sector.

She noted that there is a slight delay due to planning permission from Braintree District Council for the Innovation Centre, however the planning is now on track for the end of May 2019. It is hoped that a grand launch of the Innovation Centre will take place in October 2019, but in the meantime the team is working hard to lay the groundwork for the project, so that when the facility is open, a fully formed workshop and programme of support will be available.

Jemma suggested that she present a draft scope of the workshop programme for comment to this group at the June meeting. This was supported **(Action: JL)**

Future Proof

Jemma went on to outline the Future Proof project which had been awarded Sector Support Funding. Essentially this project aims to develop create a proof of concept for a new financial product to accelerate housing supply which in turn can be used to unlock development sites across SELEP. Homes England are a partner in this, providing site data for a baseline model and then developing an alternative model which will then to be tested with stakeholders. This will be brought back to a future meeting for discussion. **(Action: JL)**

Jemma noted that this is very much an evolutionary process and welcomed partners' inputs.

7. Housing Delivery Test – Brian Horton

Brian discussed the Housing Delivery Test which is an annual measurement of housing delivery, organised by planning authority area. He noted he wished to put this on the group's radar as the LEP is committed to accelerating delivery. While no authorities in SELEP had been identified specifically, there are a number that need to find land and/or improve delivery.

Nick suggested that the bigger picture should be considered and questioned what the plans are over the next five years

Paul Thomas suggested it would be helpful if we knew which Local Authorities needed to increase their numbers. Lee Heley advised that the Litchfield Housing Delivery Test is available online and maps every Local Authority in the Country and where they will be in 2021.

Brian suggested that this becomes a standing agenda item and that he assesses how SELEP can help and be useful

8. Affordable housing

In light of concerns about affordable housing, Nick and Brian attended a meeting at Ashford yesterday. The concern is that the figure for Kent of 12% (similar figures reflected elsewhere in SELEP geography), is becoming quite an issue. This needs to be considered moving forward.

9. Homes England Update – Hannah Wilson

Hannah advised that IMS is open and CME funding is still available until 2021 and encouraged partners to talk to them about any schemes they want to bring forward.

She updated the group on the Social Rent Scheme and Move on Fund which are both slow to start.

There will be a Home Building Fund, this revitalised fund will continue to support key marginal sectors like the Small and Medium-sized Enterprise (SME) developer market and will continue to be available nationally, although there will be an increased focus on investment in areas with the highest affordability pressures.

A new 5 year Strategic Plan has been published and this sets out more flexible approach to encourage delivery.

Brian asked if the operating model of Homes England looks different. Hannah advised it is structured very differently and their aim is to facilitate opportunities and solutions that overcome barriers, with a more holistic approach across the Departments.

Hannah was asked about the status of HIF and Garden Settlement decisions. She was unable to confirm but agreed to share for circulation with the minutes.

Supplement to meeting notes: the following information (*italics*) has been received from Homes England

Housing Infrastructure Fund (HIF) – Update April 2018

Please refer to the HIF website for the most up to date information on the HIF:

<https://www.gov.uk/government/publications/housing-infrastructure-fund>

Forward Funding:

- *On 25 March 2018, Government announced the 44 areas selected to move into the next stage of the process, co-development.*
- *Homes England has worked with partners within the selected areas to develop their full business cases for submission at one of the 3 bidding windows: September 2018, December 2018 and March 2019.*
- *Assessment has been undertaken or is ongoing for bids submitted*
- *Please refer to the HIF website for a list of published successful bids to date.*

Marginal Viability Funding:

- *In February 2018, Government announced 133 Marginal Viability projects worth £866 million to help unlock up to 200,000 new homes – bringing forward a pipeline of homes at pace and scale, and solving the problems facing local communities today.*
- *Projects have been progressing through a process of funding clarification to determine the final funding amount, and the conditions of the funding.*
- *In March 2019 Government published 94 Marginal Viability Funding projects, worth £611 million to unlock up to 104,000 homes as approved following funding clarification. A number of other projects are still being considered. Information on the remaining projects will be published shortly.*
- *Funding is subject to contract and conditions.*

10. Open forum on Developers Issues / AOB – Brian Horton

Brian opened the item asking developers to share their current experiences on the state of the market.

Steve Nunn advised that Moat had taken action to mitigate exposure to shared ownership sales risk.

Brian asked if developers were approaching Housing Associations.

Duncan advised that Swan had flexible terms with Homes England through new Partner status.

Steve advised that Moat were being approached by developers looking to reduce exposure to sales risk.

Mark Pullin commented that there is no evidence of a slow down at Ebbsfleet

Mark Curle advised that planning triggers were affecting residential sales as well as affordable sales.

Skills and labour continues to be a concern with uncertainty of long term availability of European labour.

Nick advised that a Kent wide licensing scheme for Newts has now been launched:

<https://www.gov.uk/government/publications/great-crested-newts-district-level-licensing-schemes>

11. Future Meeting Dates (with thanks to Moat for agreeing to host)

18 June 2019	10.30am	Moat
17 September 2019	10.30am	Moat
10 December 2019	10.30am	Moat
25 February 2020	10.30am	Moat
16 June 2020	10.30am	Moat

Actions:

1. Members of the group noted that there may be some good opportunities to share their expertise to support this process and Lucy and Brian agreed to raise this with the wider SELEP team, so that the planning of the LIS development could incorporate this.
(Action: LSL & BH)
2. The group discussed Enterprise Zones and it was agreed to review and evaluate impact to assess what works.
(Action: LSL, BH & RM)
3. Helen McCabe noted that Ashford Council have prioritised commercial development and it would be interesting to see what the benefits of this has been.
(Action: BH)
4. The group agreed that Commercial Development needs to be considered and that it should be a standing item on future agendas. It was discussed whether a potential Sector Support Fund application might present an opportunity to undertake some research. Brian suggested that to include this is the scope of the LIS evidence base or via a Sector Support Fund application would need to be considered and it was agreed that he would consider with LEP colleagues to take this forward.
(Action: BH & LSL)
5. Jemma suggested that she present a draft scope for an I-Construct workshop programme for comment to this group at the June meeting.
(Action: JL)
6. Agreed Future Proof will be brought back to a future meeting for discussion.
(Action: JL)