
Report of: Chief Officer

Date: 10 DECEMBER 2009

Subject: LCR HCA BOARD

PURPOSE OF THIS REPORT

1. To set out the draft proposals for the Terms of Reference for the Leeds City Region HCA Board, which will oversee housing and regeneration investment in the city region.

BACKGROUND

2. The city region Forerunner bid set out the proposal to establish a City Region HCA Joint Housing and Regeneration Board. This Board would be responsible for overseeing housing and regeneration investment and delivery in the city region. The original intention was for the Board to have some form of delegated authority from the HCA / City Region Leaders Board to undertake this task.
3. Discussions over the summer with legal representatives of the City Region and HCA, and in liaison with Yorkshire Forward, indicated that the most appropriate and deliverable model would be based on one similar to the HCA London Board. The necessary delegated authority that would be required could not be provided through the Local Government Act, under which the Leaders Board is constituted.
4. This paper therefore sets the proposals for establishing the joint Board, which would be constituted as a committee of the national HCA Board, with delegated authority from the HCA Board for HCA investments in the city region. Currently, HCA Investment in the city region is circa £125m per annum (excluding PFI schemes), although this may change in the future.
5. The Board would also offer an appropriate mechanism for seeking to align other public sector funding around city region priorities, such as funding from Yorkshire Forward, local authorities and other bodies. This would enable the city region to deliver agreed outputs and outcomes more effectively and secure greater 'value for money' for public sector funds.

6. City region legal officers have provided an input to the proposals, which have also been considered and are supported by the city region Chief Executives Group and the City Region Housing Panel.
7. It would be intended for the inaugural meeting of the Board to be held in March 2010 to consider the final LCR Housing and Regeneration Investment Plan, currently being prepared through the LCR HCA Single Conversation.
8. The HCA national Board has agreed the principles of the proposed Board as set out in this report, and Government has also signed up to these principles through the Forerunner Agreement.

PREFERRED GOVERNANCE MODEL

9. The HCA is constituted under the Housing and Regeneration Act, with the 'sponsoring' Government department being the Department of Communities and Local Government (CLG). Subject to CLG's agreement, the Housing and Regeneration Act allows the national HCA Board to delegate authority to committees of the Board, which may include persons other than HCA Board members, subject to Secretary of State approval. The HCA London Board is one such sub-committee that has been set up to provide a strategic oversight of HCA Programmes in London, which is chaired by the London Mayor, and includes four Member representatives from London Councils and a representative of the London Development Agency.
10. The London Board oversees the delivery of HCA programmes in London and generally performs the following roles:
 - Oversight of HCA Programmes in London;
 - Approval of property and regeneration projects for referral to CLG (or to the HCA Board if they are novel or contentious or otherwise need Board sign-off);
 - Strategic proposals and plans from constituent organisations, subject to their internal approval processes, in order to align strategy, investment and delivery;
 - Implementing a joint investment planning approach
11. The HCA London Board through its senior multi-organisation membership, is in a strong position to align and coordinate the investment activities of other public sector investors in housing and regeneration in the City.
12. It is considered that this governance model offers an appropriate framework that could be implemented relatively quickly in the city region without requiring any legislative or constitutional changes.

FUNCTIONS AND RESPONSIBILITIES

13. In essence, the Board's functions would primarily be twofold:
 - a) To oversee the distribution of HCA investment across the city region, particularly in relation to the next Comprehensive Review Period;
 - b) To oversee the delivery of the agreed City Region strategic projects and programmes, to be determined through the city region HCA Single Conversation and to be set out in the Housing and Regeneration Investment Plan.

14. In particular, the proposed responsibilities of the Board are to:
 - (a) provide advice to the HCA Board and City Region Leaders Board on levels of housing and regeneration investment needed to deliver strategic priorities in the city region;
 - (b) prepare, monitor and review the City Region Housing investment Plan, providing advice to the City Region Leaders Board and the HCA Board on city region housing and regeneration policy and investment priorities;
 - (c) provide an input into the preparation, monitoring and review of the City Region Housing and Regeneration Strategy and Investment Framework;
 - (d) oversee the distribution of HCA investments across the city region;
 - (e) prepare the City Region Investment Plan setting out the city region's programme for housing and regeneration, and oversee its delivery based on regular monitoring information and analysis;
 - (f) consider and approve, or refuse, project and programme proposals for housing and regeneration in the city region, within the scope of delegation set by the HCA Board for the time being, subject to consideration of any advice from officials arising from full appraisal of proposals within the city region Partnership/HCA;
 - (g) consider and, on approval, recommend to the HCA Board, programme and project proposals for housing and regeneration in the city region, where these are above the limits of delegation set by the HCA Board for the time being;
 - (h) oversee the delivery of the HCA's programmes in Leeds City Region based on regular monitoring information;
 - (e) provide a mechanism for voluntary alignment and co-ordination of the activities of public sector investors in housing and regeneration in the City Region;
 - (f) develop and agree appropriate delivery models for housing supply, improvement of existing stock and regeneration to meet housing requirements in the City Region.

15. The proposed functions and responsibilities are particularly focused on overseeing HCA investments and programmes. However, a key role of the proposed Board would also be to provide a mechanism for the voluntary alignment of other relevant public sector investment, such as those of Yorkshire Forward and local authorities in the City Region.
16. The City Region Housing and Regeneration Strategy and Investment Framework that was previously endorsed by Leaders and was launched at the City Region Summit, sets the City Region strategic framework for identifying policy and investment priorities, and for developing the Housing and Regeneration Investment Plan by March 2010. This Plan will focus on those projects and programmes to be dealt with at the city region level. Once determined, the remainder of the investment programme will be managed by individual local authorities through their individual HCA Single Conversations.
17. Through the Forerunner Agreement, Government has agreed to consult the Board on proposals which could impact on the overall level and profiling of HCA funding within the City Region, to provide an opportunity for the City Region to respond appropriately in the interests of the city region.

MEMBERSHIP

18. It is proposed that similar to the London Board, the Board would initially comprise elected members from [City Region] Local Authorities, with representatives from the HCA and RDA. A representative of Government/CLG would attend in an advisory capacity. The composition of the Board would be:
 - Chair – A local authority Leader from the City Region (nominated by the Leaders Board)
 - Vice Chair – a Board Member of the HCA
 - HCA – The Regional Director or nominee
 - LCR Local Authorities - Three Members (nominated by the Leaders Board)
 - Yorkshire Forward - one senior representative
19. The City Region Lead Local Authority Chief Executive for Housing and Regeneration and the associated City Region Secretariat Lead officer, shall attend, but not be members of the Board. Government Office would attend in an advisory capacity.
20. The Board's Local Authority Members would be nominated by the Leeds City Region Leaders Board, and would represent the Leaders Board.
21. As the sponsoring body for the HCA, the appointment of non-HCA members to the Board would be subject to approval from the Secretary of State for Communities and Local Government.

VOTING ARRANGEMENTS

22. The one member one vote system that already operates both for the City Region Housing Panel and the Leaders Board would also apply to the Board. The Board would operate on a consensual model wherever possible, without voting, but where consensus cannot be achieved, a matter would be decided by a majority of votes of those present. The Chair shall hold a casting vote in the event of an equality of votes.
23. The HCA representatives on the Board would have the right, in exceptional circumstances, to refer a decision of the Board on HCA investments to the HCA Board for determination. Where such a referral occurs the matter shall not be decided until it is determined by the HCA Board.
24. Where the Board seeks to recommend a course of action or decision on the voluntary alignment of other related public sector investments, such as those of Yorkshire Forward or local authority partners, decisions on such alignments would similarly remain the responsibility of the respective funding body.

SUPPORT ARRANGEMENTS

25. The Housing Panel which comprises Members of all eleven local authorities in the city region partnership and the HCA, although consideration is being given to extending its membership to other non-local authority bodies. The Panel would continue to provide advice to the City Region Leaders Board on housing and regeneration policy and implementation matters. Under these new Board arrangements, the Housing Panel would also have a role in offering a view to the Board on housing and regeneration investment decisions.
26. Officer support arrangements are being reviewed for both the Panel and proposed Board. An executive officer group would be established comprising senior representatives from the City Region Secretariat, partner Local Authorities, HCA, Yorkshire Forward, CLG and other relevant organisations, to inform and advise the Board and Housing Panel on city region investment and related matters.
27. It will also be important to ensure that there is alignment with other related investment arrangements / decisions particularly where there is geographical 'cross-over,' such as in the case of both Barnsley and the districts also within North Yorkshire. In these cases, robust arrangements will be put in place to ensure that there is appropriate liaison with the respective sub-regional partnerships.
28. The secretariat arrangements to the Board would be provided jointly by the city region secretariat and HCA, although detailed arrangements are to be confirmed.

NEXT STEPS

29. These principles of the LCR HCA Board outlined above have been agreed by the HCA national Board and Government.
30. Subject to Leaders endorsement the detailed Terms of Reference based on the principles set out in this report, will seek to be confirmed in liaison with the HCA and Secretary of State early in the New Year. The intention would be to arrange the inaugural meeting of the Board in March 2010. This first meeting would include considering the draft City Region Housing and Regeneration Investment Plan, as the Board would have a significant role in ensuring its delivery.

CONCLUSIONS

31. The proposed Board offers an excellent opportunity for the city region partnership to direct where housing and regeneration investments are focussed across the city region, in liaison with the HCA, Yorkshire Forward and others. This would replace the current arrangements where nationally based investment decisions are made by Government or its agencies, and local authorities and Elected Members are limited to an influencing role.
32. Investigations have indicated that the most appropriate and early deliverable governance arrangement would be to adopt the HCA London Board model, with the proposed membership and functions and responsibilities as set out above in this report. These proposals are supported by both city region Chief Executives and the City Region Housing Panel, and have, through the Forerunner Agreement been supported by Government and the HCA.
33. In relation to wider arrangements, it is essential that the Housing Panel continues as an inclusive body with representatives from each Authority to maintain its role and influence. However, in developing the Board arrangements it would also be essential that the local authority Member representatives on the Board are cognisant of the views of all local authorities, through a close relationship with the Housing Panel.
34. Overall governance and the relationships between the various Regional, City Regional and Sub Regional bodies would also need to be clarified. Current arrangements are complex and would need to be considered as part of the wider city region governance review to be undertaken.

RECOMMENDATIONS

35. Leaders are requested to:
 - Endorse the proposed governance arrangements for the City Region HCA Board;
 - Nominate the four local authority member representatives on the Board, ensuring geographical representation, one of which is to be the Housing Panel Chair;

- Endorse the City Region Housing Panel Chair as the Chair of the Joint Board;
- Agree for the local authority member representatives on the Board to be appointed for a one year period of term, to be reviewed annually; and
- Agree for the inaugural meeting of the Board to be arranged for March 2010 to consider the City Region Housing and Regeneration Investment Plan;