

CIH submission to the HCA review 2016



About CIH

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: www.cih.org

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Responses to the consultation were collected through an online survey, the following are our responses to the survey.

Please provide any additional information about your interaction with the HCA

Our contact with the HCA takes a number of forms. This includes taking part in regular stakeholder meetings, scheduled meetings with senior investment and regulation staff to discuss areas of mutual interest and one-off conversations on specific issues as they arise.

Are the purpose and priorities of the Homes and Communities Agency clear to you and correct for the future?

Its operating context has changed significantly but the HCA's role and purpose for regulation and investment remains clear and continues to be important.

However, the devolution agenda and the pulling back of grant programmes poses questions about the nature of its future role in delivering national programmes and also its capacity to do so given the operating savings which we understand the agency is expected to make. Its future role on land and financial instruments with devolved arrangements is also unclear at this point in time.

How effectively does the Homes and Communities Agency carry out its functions and how could it do so more effectively to meet future challenges?

In our view the HCA carries out its functions effectively, particularly when seen against a backdrop of significant change. In investment terms it has achieved the challenging objectives set in relation to delivering the affordable homes programme.

As a regulator it is to its credit that there has been only one instance of a private registered provider coming nearly to the point of ceasing to trade.

We believe it has taken successful steps to strengthen its capacity for financial regulation. The importance of this will increase as organisations seek to raise finance from diverse sources and also face a range of threats to their income streams, for example, the one per cent reduction and a growing range of welfare cuts.

How effectively does the Homes and Communities Agency work with customers and partners?

The HCA works well with customers and partners. As a stakeholder, our organisation has a positive and constructive relationship with it. It is seen as credible and is generally well-regarded in the sector and the market. This has been enhanced by the skilling up of its regulatory function since 2012.



What skills does the Homes and Communities Agency require for the future and, from your experience, does it have these?

The HCA has commercial skills and understands the lending and bond markets and the housing industry. A lot of work has been done to ensure that the right people are in place at all levels of the regulatory function. The team working on land is strong but may need more capacity given the extent to which delivery needs to be stepped up.

The HCA does not have direct commissioning skills and although it does have oversight experience from its investment and regulation activity it will need to skill up and increase capacity if it is to directly execute the government's direct commissioning policy.

What is your view of how efficient the Homes and Communities Agency is in delivering its objective and can you suggest ways this could improve?

We think the HCA is efficient overall. We are concerned about its capacity to achieve the scale and range of delivery needed if it has to make significant additional spending cuts.

There is scope to consider the shape of what is needed to achieve a mix of local and centralised delivery, for example, a smaller core/central function with local co-location. However, we are cautious in suggesting this as, in our view, it is important to avoid any changes which will dilute focus on the government objective to deliver one million homes by 2020.

Is there any other feedback on the HCA that you would like to provide to the Review Team?

Although some minor changes and/or clarifications might be needed to reflect the scale and nature of change in its operating environment, our overall view is that the HCA is operating effectively. Also, in the face of a challenging government target to deliver one million homes by 2020, it is important to avoid changes which would undermine its delivery.