



Building Better Lives
Getting the best from strategic housing

SW Region Housing Seminar

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better together

What drove the report?

- ④ **Three quarters of councils whose strategic housing function was inspected by the Audit Commission were rated fair or poor; only one of the first 85 councils inspected rated excellent.**

What was the basis of these judgements?(1)

- ⑧ Access, customer care & user focus
 - How easy is it for people with a housing need to get clear information and advice on their options?
- ⑧ Diversity
 - How does the organisation respond to the diversity of its community to ensure that housing provision is strategically planned and delivered appropriately to meet local needs?

These KLOE relate to inspections before April 2010

What was the basis of these judgements?(2)

Strategic approach to housing

- Does the council have the right research base to understand its housing market and to deliver effective housing services?
- Does the council have a clear and robust strategy to deal with the problems highlighted by its research?
- How well do different sections within the council work together to understand the housing market and to develop joined-up and coherent strategies?

What was the basis of these judgements?(3)

Making the best use of existing housing

- Has the organisation developed good quality, effective and appropriate housing advice, homelessness prevention and options services?
- Is the council using its powers to intervene in the private housing sector to deliver an increasing supply of decent affordable homes?
- Where there is an over-supply of housing, is the council intervening to remove unsustainable private sector housing and to remodel the area?
- How effective are the council's policies in enabling people to remain in their own homes in suitable and sustainable properties?

What was the basis of these judgements?(4)

Enabling the provision of more housing to meet needs

- How effective is the council at enabling the development of social housing either through increasing, consolidating or re-configuring the social housing stock?
- How effectively are the council's internal and external partnerships contributing to balancing the housing market?

Value for money

- How does the council demonstrate that its work to balance the housing market represents value for money?

What did the Research Show? (1)

- 🏠 Even well-regarded councils assessed their own performance on strategic housing as mixed.
- 🏠 Fewer than half of districts think they have the skills they need. After two years of a government-funded programme, a third of all councils still lack the skills to understand and influence housing markets.
- 🏠 Few councils recognise how housing strategy can meet objectives beyond housing, or engage with a wide enough range of delivery partners.
- 🏠 One hundred and forty-three local area agreements (LAAs) – 94 per cent of areas – have prioritised new and/or affordable housing targets, but fewer than a third prioritised targets relating to the existing stock

What did the Research Show? (2)

- Local Area Agreements clearly show an overwhelming focus on the provision of new housing
- All but nine LAAs include the National Indicators (NIs) relating to new housing (NI154) and/or affordable housing (NI155) among their key 35 priority indicators. Other housing-related indicators are less popular:
 - ..only 38 per cent of LAAs prioritise improving the existing housing stock;
 - ..23 per cent of LAAs contain none of the eight indicators relating to housing support services; and
 - ..only one LAA prioritises improvement in council tenants' satisfaction with landlord services

What did the Research Show? (3)

- The survey of 100 Chief Executives also demonstrated this focus;
- When questioned on the role of the strategic housing function they identified the following (numerical – more than one vote)
 - Affordable homes 80
 - More homes 54
 - Stimulate regeneration 31
 - Reduce homelessness 31
 - Retaining population 27
 - Improve the PRS 20
 - Health improvement 9
 - Reduce fuel poverty 1

The focus on new homes is understandable

- 🏠 'We concentrate on achieving our targets for new and affordable housing because that is what we will be judged on.' – district council
- 🏠 N1 154 and NI 155 part of the indicators in PSA 20 which were used by Government to measure progress
- 🏠 CSR 2007 target to build 240,000 net new homes p.a.
- 🏠 In 2009 there were 118,000 housing completions – the lowest figure in peacetime since 1924
- 🏠 Number of households in England expected to grow by 223,000 a year until 2026
- 🏠 Between April 2007 and April 2008 households on social housing waiting lists **increased** by 100,000 – now ca 1.76 million

But it's only a part of the strategic housing story

- 🏠 New build in most areas amounts to less than 1% of the stock
- 🏠 81% (4.76 million) of NDH are in the private sector
- 🏠 Over one million vulnerable households live in NDPSH
- 🏠 The PRS is 14% of the stock and in the PRS 50% are non-decent (c.f. RSL only 29%)
- 🏠 Last year the AC had 7 `red flags` related to private sector housing
- 🏠 There are more long term empty homes in every region of England than those accepted as homeless and in priority need in those regions
- 🏠 England has over 750,000 empty homes with nearly half long-term empty - enough to house a million people

There is a need for a broader focus

There are potential health, financial and social gains

- 🏠 Removing dampness & improving heating reduces sick days & healthcare costs by a factor of seven (Stepney research)
- 🏠 Investment of £1.6 billion in the supporting people programme delivers £3.41 billion net financial benefits through reduced costs in homelessness, health services, tenancy failure, crime and residential care (Research for CLG – 2009)
- 🏠 Every £1 spent on providing housing support for vulnerable people can save nearly £2 in reduced costs of health services, tenancy failure, crime and residential care.

There is a need for a broader focus

- Spending between £2,000 and £20,000 on adaptations that enable an elderly person to remain in their own home can save £6,000 per year in care costs.
- If only five per cent of empty homes could be brought back into use, councils could cut their annual homelessness costs by £1/2 billion.
- Housing contributes to the local economy by making localities and neighbourhoods attractive to businesses as well as to residents

The features of an effective strategic housing function

- **Is based on a vision for housing in the area that is consistent with broader place-shaping ambitions**
 - integrated with the social, spatial, environmental and economic strategies to achieve broader ambitions
- **Is well informed and understands local housing needs and markets**
 - housing need, established through surveys such as housing needs assessments, strategic housing market assessments and stock condition surveys
 - and the local and sub-regional economy, established through assessment of economic conditions and land use planning
 - An understanding of public attitudes to housing issues

The features of an effective strategic housing function

● Has effective housing partnerships/relationships

- strategic, executive and operational. Partners play an integral role at all three layers, providing information, expertise and capacity
- partners help to gather information, to identify and agree an order of priority for local needs, and to bring available resources to bear on priorities
- effective partnership of different kinds (contractual or by formal or informal agreement), is also necessary at the executive and operational levels – e.g. housing advice, homelessness services, CBL

The features of an effective strategic housing function

Uses regulatory powers as well as influence

- Because councils directly control a small proportion of the money associated with housing, they can have more impact on their housing objectives by influencing the behaviour of others than by any direct action they take themselves. That influence might be exercised through the planning system, or through use of regulatory powers. – e.g. enforcement, accreditation, grant/loan, planning permission

The features of an effective strategic housing function

Has skilled and competent staff

- These are the strategic skills needed to understand and interpret information, to develop good strategies, and then employ partnership working and influencing skills to implement them.
- There is a need to use human resource planning, training and development to address skill gaps, plan for newly emerging needs and promote understanding of strategic housing issues

What are the areas that councils need to focus on

- The AC judgements on `prospects for improvement` showed that those with poor or uncertain prospects had a lack of skills or capacity in the strategic housing function
- A literature and policy review showed common areas of weakness;
 - Limited development of partnership between councils or with other agencies
 - few councils with the understanding of local needs and priorities or the skills to enable them to commission housing services effectively;
 - few councils that understand their housing market well and have the mechanisms in place to respond to a changing environment
 - effective performance management in the strategic housing function is rare.

Councils self assessment through the delivery chain workshops

- Councils assessed their weakest areas as;
 - Cross agency operational planning
 - Risk Management
 - Capacity and resources
 - Levers and incentives

What has changed since the report(1)

The report was published in September 2009. Subsequent decisions by the coalition government have altered the environment;

“ Big Society building block...decentralisation and redistribution of power...handing down power to local authorities and the communities they serve”

Regional government offices to be disbanded

The inspection regime

- 🏠 The Audit Commission is to be disbanded with new audit arrangements in place by 2012/3.
- 🏠 Comprehensive Area Assessment has been abandoned

What has changed since the report(2)

Local Area Agreements

- 🏠 Councils can amend or drop any of the targets without ministerial approval
- 🏠 Central Government will have no monitoring role
- 🏠 No requirement to have an LAA after April 2011

Impact

- 🏠 No centralist review of local authorities means that priorities are set within the authority in the absence of external leverage. Services will need to demonstrate their relevance and cost effectiveness to continue to be supported. The quality of information and the voice articulating need will become more important.

What has changed since the report(3)

The availability of Government finance has decreased markedly;

- 🏠 The affordable house building budget is to be cut by 60% - from £8.4 billion of the last 3 years to £4.4 billion over the next 4
- 🏠 Housing market renewal funding cut by £50 million in 2011/12
- 🏠 Gypsy and travellers site grant to be cut by £30 million in 2011/12
- 🏠 Overall, local government funding will be reduced by £1.16 billion from CLG as a contribution to cross government savings of £6.2 billion in this financial year

Ring Fencing of grants is to be reduced;

- 🏠 Housing market renewal - £236 million

What has changed since the report(4)

Some protected areas;

- 🏠 Homelessness grant - £400 million
- 🏠 Area based grant for supporting people (but ABG, funding for administration - £30 million being withdrawn)
- 🏠 Mortgage rescue - £200 million
- 🏠 Empty homes - £100 million (new funding?)
- 🏠 The main source of LA funding, the general grant(£29 billion) not being reduced

What has changed since the report(4)

Impact

- Ring fencing – a potential gain (bar HMR), but resources will have to be won in competition.
- Substantial reduction in resources available to LAs
- Subsidy for affordable housing funding difficult to access – likely substantial decrease in affordable housing completions and waiting lists growing.
- Substantial impact on market renewal pathfinders (although the resources had not been allocated)

What has changed since the report(5)

Other changes

- ⑧ Housing benefit – 5 bed allowance rate removed, absolute caps based on bed spaces (affects tenancies from 7.4.08 onwards) and from October 2011 reduction in rates to reduce the proportion of properties affordable in an area to 30% from the current 50%.
- ⑧ Housing Benefit – extension of the single room rate only from currently up to age 25 to age 35.
- ⑧ Social Housing rents – to increase up to 80% of the market rate
- ⑧ Regional Spatial strategies to be disestablished (Cala Homes challenge upheld – but going in the Localism Bill)
- ⑧ Housing and planning delivery grant abolished (£146 million)

What has changed since the report(5)

Impact;

- 🏠 Potential growth in HMOs (single room rate effect)
- 🏠 Current confusion about RSS targets and planning applications approved since the S of Ss now overturned decision – will continue until decision established in law – timescale and challenge?
- 🏠 Potential for deleterious effect on new provision, both increased or decreased and differential between tenures – NIMBY
- 🏠 Housing markets are not LA based – potential for damaging effects on other LAs
- 🏠 Likely displacement of families in high cost accommodation (largely London) to outer areas of cities with impact on provision in those areas