



Skills for success:

developing proficiency
in strategic housing

Merron Simpson
Christoph Sinn



Chartered Institute
of Housing

Ipsos MORI

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Merron Simpson, Head of Policy: Merron.simpson@cih.org

Chartered Institute of Housing, Octavia House, Westwood Way, Coventry CV4 8JP

Tel: 024 7685 1700

Website: www.cih.org

IDeA

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Adam Benjamin, Strategic Housing Programme Manager: Adam.Benjamin@idea.gov.uk

Improvement and Development Agency, Layden House, 76-86 Turnmill Street, London EC1M 5LG

Tel: 020 7296 6880

Website: www.idea.gov.uk

Ipsos MORI

The Ipsos MORI housing research team worked in partnership with the CIH and IDeA to carry out fieldwork and analysis with key stakeholders involved in developing the strategic housing function. The Ipsos MORI Social Research Institute works closely with national government, local public services and the not-for-profit sector to help policy makers understand what works in terms of service delivery. We have a specialist Housing Research Team with a broad range of expertise and experience of working with social landlords, the Housing Corporation, CLG and many other housing organisations. Our research provides robust evidence to bridge the gap between the public and government.

Richard Davis, Research Director: Richard.davis@Ipsos-MORI.com

Tel: 020 7347 3250

James Baglin, Research Executive: James.Baglin@Ipsos-MORI.com

Tel: 020 7347 3138

Ipsos MORI, 79-81 Borough Road, London SE1 1FY

Website: www.ipsos-mori.com

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Written by: Merron Simpson and Christoph Sinn. Project team: Kathy Hanson, Sarah Davis and Debbie Larner

Graphic design by Jeremy Spencer

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Introduction

As part of its Strategic Housing Programme, the IDeA have commissioned CIH and Ipsos MORI to undertake research to (i) identify the current gaps in local authorities' skills and knowledge required to carry out the strategic housing role effectively and (ii) to assess the changing skills and capacity of local authorities to deliver the function effectively. This report is the interim report of that research.

The expectation on local authorities to influence housing outcomes in their areas in pursuit of sustainable communities is increasing. Previous communities' ministers spoke of a 'new and enhanced' and 'increasingly powerful' role for local authorities. Recent announcements¹ have drawn strong links to economic development and have placed an emphasis on increasing the supply of housing to meet growing demand. Local authorities can add a huge amount to housing and community outcomes in many ways if they are able to provide the leadership required to generate and deliver visionary cross-tenure housing strategies based on a strong understanding of the dynamics of housing and jobs markets. They are well-positioned to collaborate with colleagues across the whole of the council's functions and with external partners to commission appropriate housing and support services to develop and deliver their strategies.

Government recognises that local authorities are in need of some assistance to develop their strategic housing role and have provided funding to provide and to deliver learning and development opportunities through IDeA. The CLG plan published in 2005 *Sustainable Communities: Homes for All* stated:

'...we in central government need to support local government in developing their strategic role for the benefit of all sectors and all citizens'

The research consists of both qualitative and quantitative elements. To date, the following activities have been completed:

1. Focus groups with local authority strategic housing officers to inform and scope the survey
2. Baseline telephone survey of 209 senior housing officers responsible for delivering the strategic housing role
3. Online survey of 126 local authority chief executives
4. Telephone interviews with key stakeholders, mainly at national level
5. Focus groups with local authority members.

A further telephone survey is due to be undertaken in the spring of 2008 and this will assess whether there has been any change, and the extent of the change, in the skills and capacity over the course of 12 months following the initial baseline survey.

This report brings together the various strands of research:

- **Section 1** presents the key findings from the research.
- **Section 2** provides the CIH perspective on the prospects for the future of the strategic housing role, based on the findings of this research and knowledge about the changing context for local authorities.
- **Section 3** considers what conditions are required for success including the value that local authorities can make at a local level. It sets out some current positive and innovative approaches being adopted at a local level to develop and deliver the role effectively and other measures that are being put in place nationally to promote the development of the role.
- **Section 4** asks what more needs to be done and sets out a range of suggested actions for local authorities, central government and other integral agencies.

¹ In particular the Local Government White Paper, the Housing Green Paper, the Treasury's review of Sub-National Economic Development and Regeneration

Section 1: Key findings from the research

High interest levels

The response to the research project from local authorities was much higher than anticipated. Survey specialists Ipsos MORI reported that a 59% response rate to a work-based telephone survey is extremely high. The response rate from chief executives to the online survey was also good, with 38% of those that had been emailed completing the online survey.

This suggests that the level of commitment to, and interest in, the strategic housing role is very high among senior officers working in the field, and also among local authority chief executives.

In addition there were high level representatives from national and regional stakeholder organisations (see appendix 1).

Understanding of the strategic housing role

There is a good deal of variation in how respondents understood the strategic housing role, with perspectives depending to some degree on the position of the individual. Those closest to, and who are participating in, national debates (key stakeholders) appeared to have a fuller understanding of the broad objectives of the role and how this links to local authorities' place-shaping role and to key national priorities. On the whole, officers working on strategic housing are either less engaged with recent developments and debates which help provide wider vision for the role or they are describing the role as it currently is in their authority, with little influence to change it. The perception of many of the national stakeholders was that government has not impressed on local authorities a clear enough view about what is expected from them.

Two thirds of strategic housing teams consist of up to five people and the number of local authorities with larger teams (between 16 and 20 staff) is small, at 2%. While 11% say they have teams with over 21 staff it is likely that they are including staff who are not actually (or exclusively) working on strategic housing matters. The majority are non-stock-holding authorities and they could include all staff working in the retained housing function, including homelessness, private sector renewal etc. This further demonstrates the confusion over how the role is perceived, defined and ultimately delivered.

While all the national stakeholders used different language to describe the role – relating to their specific area of interest or knowledge – some common themes emerged:

- an understanding of local dynamics and drivers in the housing market (including cross-boundary drivers)
- a comprehensive overview of need and provision/demand and supply across all tenures² and client groups
- the need to set a vision locally
- the importance of building/creating sustainable communities
- the connectivity with regional and national picture
- the importance of connecting housing-related and other activities across the local authority (integrating departments and systems)
- the need to coordinate partners' activities locally
- the value of using their powers to achieve outcomes through others

² The cross-tenure nature of the strategic role was implicit in the discussions with the national stakeholders

- an understanding of others' agendas
- an understanding of local housing markets – demand/supply
- the value of cross-boundary working to embrace travel to work areas

Given a list of possibilities, local authority chief executives did appreciate the corporate context of housing strategy, most frequently defining the role in terms of creating a vision compatible with sustainable communities (45%). This did not, however, feed through to as full an appreciation of the role of the Local Area Agreements (LAA) – the main tool – in delivering the vision. 32% strongly agree that it has a key role in the LAA, but only 13% chose 'embedding housing in the LAA' as one of their top 2-3 important aspects of the strategic housing role.

Overall, there appears to be a better appreciation of the role in authorities that have transferred their stock. Chief executives in transfer authorities are more likely to strongly hold the view that delivering the housing strategy is a priority and they gave higher importance than others to building relationships with other key professionals in order to ensure that housing is represented in their strategies. Strategic housing officers working in authorities with no stock are more likely to view LAAs as an important delivery vehicle for the strategic role.

This is an encouraging finding and suggests that local authorities appear to be more likely to consider how they are going to fulfil their strategic housing responsibilities when they transfer their housing than in the past.

Unitary authorities also seem to have a slightly more sophisticated understanding of the role in a modern and corporate context. Strategic housing officers working in unitary authorities were more likely to give a 'very important' rating to those ingredients on the list that are more sophisticated – such as 'embedding housing priorities in Local Area Agreements', 'linking housing into the sustainable communities strategy' 'tracking trends and changes in the housing market', and 'improving housing conditions in the public and private sectors' – than their district counterparts. While these differences on the whole are very small the findings are consistent.

On the whole, those delivering the strategic housing role are much more likely to equate the role with the provision of social (affordable) housing than senior officers, with over two-thirds of respondents to the baseline telephone survey highlighting 'ensuring an affordable housing supply' as the main priority. District authorities are more likely to espouse these views, with 73% for instance seeing 'ensuring an affordable housing supply' as a main priority to address through their housing strategy, compared to 60% of unitary authorities. Whilst elected members in the focus group acknowledge the wider remit of the strategic role (ie beyond simply social housing) evidence from joint CIH and IDeA regional roundtable discussions on the strategic housing role suggest that officers do not consider that their members have sufficient knowledge and awareness of the importance of the strategic role.

Follow up interviews with strategic housing officers suggested that they also thought that a 'basic understanding of social housing' was essential. They did not consider 'building sustainable communities' as being very important at all (only 7% see it as a priority) and embedding it within the LAA was also least likely to be chosen as an ingredient of the strategic housing role. Very few, only 2%, considered 'building mixed communities' as being important. These findings are surprising given that mixed communities have been frequently mentioned as a key housing priority by government for some time. What is perhaps even more surprising is that 'balancing housing markets' is only seen as a priority by 17% of strategic officer respondents (26% from unitary authorities and 13% from districts) even though this has been a key government target (PSA 5) since 2001.

This suggests that those working closest to the role have not yet embraced 'new and enhanced' cross-tenure strategic approaches that contribute to place-making and sustainable communities in the widest sense, and this is particularly the case in district authorities.

Interviews with national health and planning stakeholders identified difficulties in understanding both the strategic housing role and local housing agendas, as well as frustration associated with this lack of understanding. For example, the individual from RTPI who was interviewed said that planners are not taught enough about the strategic housing role in their planning degrees or other courses, nor is it included often enough in Continuing Professional Development activities – although some joint RTPI/CIH events have led the way in this. Also, planners in local authorities with limited resources are forced to focus on their development control based targets rather than appreciating other strategic agendas. In line with this, the baseline survey suggests that ‘not understanding other agendas’ is the biggest barrier to partnership working.

Partnership working

Developing and maintaining effective partnerships are crucial to effective delivery of the strategic housing role and the research tested perceptions about the importance and effectiveness of local authorities’ partnerships both internally and externally.

Whilst partnerships with external organisations are seen as extremely important, across the board the perception is that these relationships are not as effective as they could be. The best relationships are with those organisations that local authorities have traditionally worked with to deliver affordable housing – housing associations and the Housing Corporation – while partnerships with others such as private landlords, regional development agencies and community and residents groups are judged to be much less effective.

Views regarding working relationships with regional development agencies differ between unitary and district authorities, with the former being more likely to see partnerships with these organisations as both important and effective. This might reflect the wider responsibilities of unitary authorities. It is also concurrent with unitary authorities’ appreciation of the wider remit of the strategic role as mentioned above. The least effective external partnerships are with health bodies, with district councils more likely to see these relationships as not effective.

On the whole, internal partnerships were judged to work better than external ones. However, whilst both the baseline survey and follow up interviews showed the relationship with planning departments are well developed, anecdotal evidence would suggest the contrary. For example, in a separate CIH / IDeA exercise, discussions held with relevant housing professionals in the English regions found many instances in which the relationship with planning was described as a specific challenge. Given the focus on affordable housing, it is likely that officers were primarily considering their ability to work with planning to deliver affordable housing through s106 agreements, rather than on planning for housing per se, based on their understanding of housing markets. The importance of well developed partnerships with planning was reiterated by elected members:

‘Planning departments can effectively be gatekeepers to development and yet can wholly strengthen the strategic function if they are on side.’

Chief executives generally saw both internal and external partnerships as being more effective than strategic housing officers. This could reflect the fact that they can see the bigger picture and can therefore see more clearly the positive outcomes compared with those closer to the day to day realities of making the partnerships work. Alternatively it could reflect the fact that the relationships chief executives make tend to be at the strategic rather than the operational level, so that they do not have to engage to the same degree with the difficult aspects of achieving outcomes through the partnership. Relationships between the strategic housing team and the Chief Executive’s office, corporate policy and legal team are all deemed to be very effective in stock transfer authorities in particular.

Some of the stakeholders interviewed did not share this positive view of partnership working. Current partnership arrangements were felt to be underdeveloped and generally in need of improvement. Some said that relationships with private sector partners were still quite poor and one elected member pointed to difficult relationships with developers and an apparent lack of powers to steer their development behaviour.

The research has also identified a number of barriers to effective and successful partnership working. In spite of indicating that they had adequate 'softer skills' such as communication skills, influencing etc, almost 40% of respondents to the baseline survey cited the lack of understanding other agendas as the main barrier. This may be due to insufficient resources to 'keep up' with others' agendas and it may also reflect a continuing 'silo mentality'.

Knowledge and skills

Participants in the research were asked about access to knowledge and skills to do the job effectively. In all instances there was a disparity between the skills valued and required to deliver the role and the actual skills that were available within their authority.

A lack of confidence within local authorities was mentioned frequently by stakeholders as a significant, and perhaps the biggest, barrier to effectiveness. One respondent observed that until recently housing policy generally has been very top down and quite prescriptive. The level of understanding and difficulty in decision-making required locally has not been particularly high, so there hasn't been a huge need for strong leadership locally. On the whole, local authorities have not developed the ambassadorial skills to 'tell the story' which has meant that buy-in from partners is patchy.

Elected members had a slightly different perspective on this. They implied that they aren't hearing enough about the strategic housing role from their officers, in such a way which helps them in their understanding of the role and to see connections between programmes and agendas. As well as council leaders, strategic housing teams also need to be able to communicate the strategy internally between council departments and externally, making it relevant to decision makers.

The political interpretation of the role seems also to be missing which makes it difficult for authorities to make a case for spending money on it when they don't own housing stock. Non-stock owning authorities in particular see the ability to influence the allocation of resources as being a very important aspect of their role. Many authorities have not managed to establish themselves as an authority on issues and do not have the confidence to take on some of the more difficult issues such as compulsory purchase orders, closing orders and or simply to say 'no' where required. Instead, *'there is fear of rebuke and nervousness about taking on the more difficult elements'*.

Local authority chief executives alluded frequently to the low profile of housing within the corporate context – the fact that it is starting from a low base and is not automatically included in mainstream thinking.

There was a consistent view that leadership needs to come from members. While around 75% of respondents to the baseline survey said they are happy with the support they get from elected members this does not fit with comments made at all the regional discussions held by IDeA and CIH, where there was widespread recognition of the need for elected members to increase their understanding and awareness of the role. This supports the impression that often their understanding of the requirements of the role in a modern context is relatively low. In the focus group with members, they drew attention to the fact that the function is seen corporately as a second tier activity.

Elected members agreed that they have an important role to play in promoting the strategic role across their authority (particularly with regard to breaking 'silos' down between departments and agendas). They also drew attention to the fact that the function is seen corporately as a second tier activity and there was a view that the strategic function would be strengthened by being 'absorbed' into the chief executive's department.

Evidence from the survey supports the view that chief executives are well placed and can be instrumental in putting the strategic role centre stage, by acting as conduits between strategic teams, internal partners and elected members and also well placed to take on a leadership role in terms of promoting the strategic housing role. Chief executives have a good appreciation of housing in the corporate context and most felt they are well informed about their authority's housing strategy – nearly 60% said they felt very well informed. Similarly, satisfaction in terms of the actual level of information received about the strategy is equally high.

When it comes to the more technical skills, only around half of authorities appear to have access to the skills required to understand their housing markets – even though all the local authorities considered it to be an essential set of skills for carrying out the role. Seventy one per cent of unitary authorities reported that the skills to do this are actually available within the team, compared to 46% of districts. The skills needed for an effective understanding of housing markets are more technical in nature and we would expect local authorities to have access to knowledge in research strategies and methods, analysis of complex data sets, statistical analysis and techniques as well as the use and application of Geographical Information Systems (GIS). The use of consultants is wide-spread and can be appropriate. However, it is also important that local authorities themselves observe and monitor ongoing trends in the market (something which is only seen as a priority by 3% of authorities). Other skills such as the ability to make connections between programmes and to develop an evidence-based understanding of housing markets are more likely to be available to unitary authorities. This is supportive of the notion, as mentioned earlier, that unitary authorities seem to have a better appreciation of the wider remit of the role.

The baseline survey highlighted that there is a perception that there is a lack of access to suitable skills around financial awareness and understanding. This is surprising given that improving affordable housing supply was by far the most cited priority in the baseline survey, and financial know-how is essential to achieving this.

Strategic housing as a profession

Part of the challenge in accessing or attracting skills is that the market for 'strategic housing professionals' is not very strong. There simply are not sufficient numbers of people with the necessary skills prepared to do the job for the money on offer – 82% of respondents to the survey said that have difficulty attracting people into the housing strategy role. Stakeholders supported this view with one pointing out that private practice / consultancy is more attractive. District councils on the whole seem to have slightly more difficulties in recruiting strategic housing staff, compared to unitary authorities (76% and 85% respectively). While housing as a whole fares reasonably well compared to other professions, 'strategic housing' requires different sets of skills and knowledge from mainstream housing management and other specialisms, such as understanding of housing markets (see above), influencing and leadership skills, financial understanding, ability to negotiate and commissioning services, undertaking and evaluating options, ability to communicate, writing of strategies and action plans, managing and undertaking research, making connections between programmes, influencing the allocation of resources, ability to engage with a range of partners.

The strategic housing role has not historically been recognised as an important activity in its own right. It is not a legal requirement as the local authority planning function is, nor is it a defined programme as Supporting People is, for example. Partly because of this strategic housing is not seen as a valid professional route unlike in, say, planning where there are clear paths for strategic

planning and development control. Consequently a career path for acquiring the skills set required to deliver the strategic housing role has not been established.

Barriers to implementing the strategic role

Respondents identified a wide range of obstacles preventing the strategic housing role from being carried out effectively. These were broadly similar across the various groups of respondents.

A lack of resources in terms of staff capacity, skills and funding was by far the most frequently cited barriers. Chief executives specifically raised the challenge of managing the sometimes conflicting priorities in terms of the national/regional versus local agenda as a significant barrier. These issues can have adverse impacts on partnerships, as one chief executive mentioned:

'In a London context, the need to co-operate with an intricate network of partners in Government, Mayor/GLA and neighbouring/West London authorities creates a very complex environment in which to deliver our housing strategy'.

Chief executives also alluded to the fact that 'buy-in' to and the recognition of the strategic role as a major contributor to many 'non-housing' agendas within their authority is far from satisfactory. Raising the profile of and perhaps more importantly embedding housing in the corporate context is crucial for the effective functioning of the strategic role.

Section 2: Challenges ahead for the strategic housing role

The findings from the research set out in section 1 suggest that there are many opportunities being missed at local level for housing to make a valid contribution to local 'successful communities' agendas. At officer level, at least, an out-dated perception of the strategic housing role predominates – one that focuses on affordable housing rather than on balancing housing markets or creating sustainable communities. At the chief executive level there is a better understanding of what strategic authorities need to do, particularly in unitary authorities, but an admission that there is a long way to go before they will be successful. Members acknowledged that there was confusion over what the focus of the function should really be which contributes to its low profile in the corporate agenda. This is accompanied by a general agreement among national stakeholders that government could do more to promote the importance of this crucial agenda.

At the same time, the expectation on local authorities to influence housing outcomes locally across all tenures is growing, and the number of organisations that will have a bearing on how the role develops is also increasing.

In line with the original commission by the IDeA, CIH and Ipsos MORI will be undertaking a second survey of local authorities in the spring of 2008 to establish the extent to which local authorities have developed their skills and capacity to perform the role.

There are many challenges ahead for both central and local government if local authorities are to become effective deliverers of housing and 'managers' and 'influencers' of the housing market in their areas.

This section of the report focuses on the state and prospects for the role and how to move it forward. It considers some successes in the strategic function and, looking beyond the skills and capacity deficit, identifies other potential obstacles to development of the role going forward. It provides a sketch of some of the current work being undertaken by CLG, IDeA, CIH and others and makes recommendations to local authorities, government and other bodies which have an influence on how local authorities carry out this role going forward.

The rapidly changing expectation on local authorities

Over the last two years, government has provided some statements about how the strategic housing role of local authorities should develop. These messages have developed over time as different ministers have taken on the 'communities' brief and have significantly changed the expectation on local authorities.³ In the summer of 2006, Ruth Kelly, the then Communities Minister, said:

'I want to see local authorities taking an increasingly powerful strategic role on housing across all tenures, putting housing at the heart of economic, social and environmental objectives'

The Local Government White Paper published in 2006 places housing at the heart of the local authority 'place-shaping' role – alongside economic development and planning. It consolidated the LAA approach to setting local priorities and established the principle of MAAs that can be employed where groups of local authorities are coming together to address mainly economic

³ Both David Miliband and Ruth Kelly spoke about a 'new and enhanced' strategic role where local authorities gather high quality data on housing, interpret the data to help them to understand housing needs and demands across all tenures and use their powers to meet the full range of needs. David Miliband suggested that this would be 'a shift in mindset as well as a shift in thinking' and that it would require an allegiance between housing and planning departments locally.

issues at a higher spatial level. More detail on what this actually means in practice has emerged with the Housing Green Paper *Homes for the Future: more affordable, more sustainable* and Treasury's review of *Sub-national Economic Development and Regeneration* both published in July 2007. Together, they have gone much further in setting housing and neighbourhood renewal within the economic arena, recasting the arrangements for housing delivery to maximise the chances of meeting new national targets for house building.

The Housing Green Paper sets out a clear statement about the expectation on local authorities to provide vision, leadership, planning and delivery at a strategic level to:

- assess and plan for the current and future housing needs of the local population across all tenures
- make the best use of the existing housing stock
- plan and facilitate new supply
- plan and commission housing support services that link homes to the support and other services that people need to live in them
- work in partnership to secure effective housing and neighbourhood management on an ongoing basis

This statement provides a succinct, clear and helpful description of what is required. The best performing strategic local authorities are going beyond this requirement and fuller and richer explanations are provided in various IDeA and CIH documents.

Other developments in recent years include revisions to PPS3 which give much greater influence to local authorities to shape where and what housing is delivered in their areas, and the recently announced Housing and Planning Delivery Grant which provides additional resources to local authorities that build the right level of housing. This needs to be matched by leadership that is capable of influencing the behaviour of developers to actually build housing in line with what is required.

Strategic authorities need to recruit and develop people who are able to take on new challenges as they arise and to drive change – because the strategic housing role is not about a defined set of issues. For example, some current housing-related challenges relate to an ageing population, climate change, buy-to-leave empty, EU economic migrants etc. In 10 years time the big issues might be entirely different. Local authorities need to be working at a level – and have access to tools – in which they can influence outcomes locally that relate to all of these issues.

New organisations and new ways of working

A number of new and existing bodies have entered the arena – they will have a significant bearing on how local authorities develop their strategic housing function in the future although quite how these roles will be carried out in the future is not yet certain.

- The Regional Development Agencies (RDAs) will take over responsibilities for housing and neighbourhood renewal strategy at the regional level within the context of an 'integrated regional strategy' – based on the core strategies of economic development and planning;
- A new National Housing and Planning Advice Unit (NHPAU) will advise regions, sub-regions and local authorities on housing requirements and strategy;
- The new Homes and Communities Agency will work with local authorities to support them in their place-shaping role, including on how local authority and other disused land can be used to lever in private investment and transform communities.

Other highly significant developments in the way the role is being carried out include:

- encouragement of sub-regional working through (i) multi-area agreements (MAAs) and (ii) the creation of statutory sub-regional arrangements, where local authority partners want to formalise their partnerships

- the creation of a joint improvement and efficiency strategy to provide support to local authorities and their partners to help them in their place-shaping role and in the delivery of excellent LAAs
- the development of a new performance framework, including discontinuation of the PSA target to 'balance housing markets' and introduction of a target focused on delivering new housing

Some barriers to success

The context in which the strategic housing role is developing is changing at a significant pace. The next few years are critical and local authorities will be judged on how they rise to the challenge ahead of them to deliver strategic housing outcomes that increase levels of housing and support sustainable communities and neighbourhood renewal.

There are, though, a number of barriers to success. The research shows that, particularly in relation to housing, local authorities are starting from a very low base. Not only this, but the 'new and enhanced' role comes after a 20-30 year period in which local authorities have been held back from taking a strategic lead in their areas. Given this, a lag phase would be expected and some specific actions are needed to overcome that lag phase.

As one stakeholder put it *'Some local authorities are still unclear whether to switch it on or not – they don't want to be marched up the hill only to have to march down again'*.

Other challenges include:

- while the best authorities have a good understanding of what is required – among both members and officers – many others have yet to appreciate the need for a strong long-term (10-15 year) vision for how housing can support economic development and sustainable community objectives, based on strong information on the trends and dynamics of housing markets
- a lack of clarity around the roles of the different players – including the new Homes and Communities Agency, the National Housing and Planning Advice Unit and the RDAs – and concern that they may not fully appreciate the value local authorities can add. Local authorities risk being in a situation where they have responsibilities but not the authority or ability to deliver
- coordination and utilisation of current transferable skills already contained within various local authority departments to contribute to developing and delivering housing strategy and/or skilling strategic departments

Section 3: Creating the conditions for success – a shared endeavour

If local authorities are to deliver their strategic housing role effectively and make a full contribution to place-shaping, then conditions for success need to be put in place. Given the starting point, and the rapidly changing environment, this will not happen without concerted effort from a range of organisations.

The stakeholder interviews revealed a sense of huge potential for local authorities to add value locally. As advocates for an area and with responsibility for a breadth of issues, they are seen to be uniquely positioned to:

- understand local dynamics – to complement the sub-regional and regional understanding of housing markets
- secure affordable housing in sustainable communities with high quality development
- ensure land is used effectively
- achieve real coherence on the ground in the delivery of both sites and services
- coordinate service provision – ensuring services are joined up and support wider objectives
- value partners' contribution and persuade them to make significant contribution to an area
- create conditions for the private sector to operate effectively eg. by investing in infrastructure
- attract inward investment – ensuring full utilisation of publicly available grants and private funding sources
- engage with communities
- get buy-in and support for difficult decisions
- build the social capacity of neighbourhoods
- create positive identity / pride of place
- support people to make housing choices

Despite the findings of this study, there are some instances in which local authorities are delivering housing, influencing housing markets and shaping communities very proficiently. Some examples are included below:

Ashford BC is committed to providing 31,000 new homes and 29,000 new jobs by 2031. The authority has developed a ten year vision for creating 'the great town within the great garden'. The Council compiles comprehensive data on housing need and its housing and planning teams work closely together, for example developing affordable housing briefs for major developments.

Another excellent authority that was a beacon council for affordable housing in 2006 and is currently a beacon for 'creating sustainable communities through the planning process' is **Basingstoke and Deane DC**. Its housing, planning and regeneration services are all in the same directorate and council leaders have insisted on joint working. They have been commended for improving the delivery of affordable housing in ways that support the creation of sustainable communities and tackle social exclusion.

Hambleton DC is currently a Beacon for 'creating sustainable communities through the planning process'. Within Hambleton, a strong corporate philosophy recognises the potential of the planning system to deliver community and corporate priorities, including those for housing and regeneration.

The **Liverpool LIFE** model is a blueprint for partnership working developed by Liverpool City Council and its Strategic Housing Partnership. The model enables collaboration and co-operation between the city, housing associations and key stakeholders by providing a structured approach to the management of areas of opportunity.

The core principle is that the combined contribution of stakeholders creates the conditions for vibrant and stable communities. In this way LIFE differs from other approaches to rationalisation which have focused on the ownership of stock rather than the management of an area.

There are 11 local authorities involved in **PUSH: Partnership for Urban South Hampshire** and they are trying to move from the narrow housing agenda of the south east plan to a wider strategy which encompasses economic, social and environmental sustainability. They are using a managed growth strategy of plan, monitor and manage with all development conditional on infrastructure provision. They are locally led, democratically accountable and have cross party leadership.

Some actions already in progress

There is a good deal of activity going on to develop a more powerful and sophisticated strategic housing role at the local level. Some of these are documented below:

- Since 2005 the **Housing Corporation** has actively stepped-up its engagement with local government. The Corporation has signed a national protocol agreement with the LGA and around 20 local variants with local authorities around the 9 regions, including an agreement with the GLA. It has developed a good practice note (to be published shortly) on working with local government and rolled out a survey tool enabling local authorities to feedback on the performance of housing associations in their areas. It has established working with local government as an integral part of strategic publications, including strategies on homelessness, respect and neighbourhoods and communities. It also provided training to staff on the strategic housing function. The National Affordable Housing Programme 2008-11 has been opened to local authority special purpose vehicles and high performing ALMOs. On the back of the Housing Green Paper, Sub National Review and Pre-budget report, which spell out a stronger role for local government in the delivery of housing and regeneration, the Corporation is continuing to develop its engagement with local government and support in shaping the strategic housing role.
- Following the announcement of the Local Government White Paper, the **Local Government and Public Involvement in Health Bill** will introduce a requirement for *'each partner authority to co-operate with the local authority when it is agreeing targets for inclusion in the draft LAA and to have regard to any guidance issued by the Secretary of State'*.
- **IDeA** strategic housing programme – the IDeA is supporting local authorities that are charged with delivering substantial new housing growth, large-scale regeneration of existing communities and creating affordable and accessible housing. The IDeA's programme, which has been informed by the findings of this skills audit, includes the publication of best practice guides; national awareness-raising events; specific training (with officers on housing and regeneration and strategic housing finance, and with elected members on visioning and leadership); bespoke workshops on issues such as establishing a vision for the area, housing and planning joint working, LAAs and cross-boundary working. Visit www.idea.gov.uk/housing for further information.
- **CLG** is funding the IDeA to develop a programme of capacity building and support to help local authorities deliver their strategic housing role (referred to above). Earlier this year, the Housing Green Paper *Homes for the future: more affordable, more sustainable* set out a clear statement of the strategic housing role, and called on local authorities to work with partners to meet needs by ensuring the delivery of new market and affordable housing and making the best use of existing stock.

- **CIH** published *Visionary Leadership in Housing: a new future for local housing strategy* in 2005 and *Delivering Housing Strategy through LAAs* in early 2007. It ran a series of regional seminars in 2006, sponsored by the Housing Corporation and CLG, and is collaborating with IDeA on many elements of its programme – including the regional programmes. CIH is also undertaking a review of its professional development activities relating to the strategic housing role in a modern context.
- Members of the **LGA's** Environment Board have been involved in the shaping and steering of the Strategic Housing Programme. Through conferences and regional meetings, LGA has been promoting the strategic role and understanding and discussion about the big policy and service issues which councils are having to tackle. LGA has also worked with the Housing Corporation to establish the national and local protocols agreements. LGA and CLG will be working together to communicate the importance of the strategic role to leaders and chief executives.

Section 4: What more could be done?

The skills and capacity audit has provided a useful picture of the current state of the strategic housing role of local authorities. This report has also provided some sense of the challenges ahead if the role is to be developed further and has set out some measures that are being put in place to promote development of the role.

However, there is still more that could be done – both by local authorities and also by government and other organisations – to promote success. Some actions are suggested below:

- ***Developing ambassadorial skills relating to housing***

Local authorities need to consider how they increase their influence locally in relation to strategic housing matters. Setting the long-term vision and strategic direction, building a strong team to deliver, articulating and communicating the narrative of the place and how housing fits into that are all activities that will contribute to the authorities' ability to influence the housing agenda locally.

Chief executives and members in particular are well positioned to articulate the element of place-shaping that related to housing, and they have particularly visible leadership roles to play. They should foster effective partnerships with a wide range of players locally, sub-regionally and regionally. The IDeA leadership programme is one development tool available for developing leadership skills among members.

- ***Repositioning housing within the corporate strategic planning***

The study provides evidence – articulated by both officers and members – that there's a perception that housing is not fully part of the corporate consciousness. It is seen as a second tier activity and therefore not sufficiently on the agendas of county councils which lead the LAA in two-tier areas. As a consequence, local authorities do not appear to be clear about how housing outcomes and the housing vision fit with the wider place shaping vision and the Sustainable Community Strategy.

Some elected members have said that they felt that the status of the strategic housing role locally should be raised so that it sits in the corporate strategy, as part of a 'leadership package'. Local authorities should look at repositioning strategic housing so that it plays a bigger role in the corporate context. Both of these things would be supported by making sure housing strategists are represented on the LSPs, that housing features in the SCS and that housing priorities are embraced within LAAs. Councils may need to consider higher levels of resourcing to ensure that the key issues and priorities are properly communicated internally within the council. The recent announcement that the four blocks and mandatory targets are to be removed should provide more flexibility and scope for including housing within them.

- ***Raising awareness of and drawing together the range of strategic housing activities***

While the research focused on local authority strategic housing teams as the 'first port of call', in reality elements of housing strategy are performed in different places within local authorities. For example, planning departments have some strategic housing responsibilities, as do environmental health, property valuation and regeneration functions – and others such as social services and health take decisions that have a bearing on housing.

None of the participants to the study gave an articulate description of how the role could effectively be carried out across departments although some said that they draw on skills outside the housing strategy team.

The dispersed nature of the strategic housing function in local authorities is entirely appropriate. It is not, though, sufficiently recognised or understood and the necessary mechanisms are not in place to facilitate sharing of information or coordination of activities, or to enable participants to see the bigger picture when it comes to activities and decision-making.

Chief executives should actively seek to identify teams and individuals within the authority that contribute to the strategic housing role, to raise their awareness of the contribution they may already be making or could make in the future, and to put in place mechanisms to coordinate their work more effectively. This may involve restructuring to bring disparate activities together, but it may be possible to achieve this without large-scale restructuring through the use of protocols and by changing decision-making arrangements, for example.

- **Wide engagement – including with the new bodies**

Local authorities need to improve in the way they engage with partners – including neighbouring authorities, other external partners, the regional bodies and internal partners. Partnership working was consistently seen as being more important than it is effective locally. For many authorities, this may involve increasing the size of the strategic team (see later section on resources).

In particular, the emergence of new players will add a new dimension and they may benefit from being made more aware of the value that local authorities can add. These include the RDAs, the new Homes and Communities Agency and National Housing and Planning Advice Unit. There is scope for mixed messages and it's important that consistent messages are given so as not to limit attempts that are being made by some local authorities to grow the strategic housing role.

These new bodies need to be in a position to support local authorities and help them to deliver their place shaping obligations. As one contributor put it *'will the Homes and Communities Agency be a steam-roller or a helping hand?'* This depends, to a degree, on how local authorities engage with them and enable them to increase their understanding.

- **Investment in the strategic housing role**

Local authorities have frequently inadequately funded the strategic housing role. Following stock transfer, which removed the Housing Revenue Account as a source of funds for housing strategy, many authorities failed to provide sufficient funds from the General Fund which has led to recruitment to junior posts rather than to senior positions that would attract experienced individuals, for example.

New resources are being made available to local authorities that build to their housing targets, in the form of a Housing and Planning Delivery Grant, backed by £500m of government resources. It is suggested that local authorities should consider reinvesting some of that money into developing their capacity in strategic housing.

- **Clear communication of expectation**

Some clear communication and direction from government to local authorities on what is required, in terms of both outcomes and approach, are required. Other areas of policy in which the strategic approach is quite successful at local level include (i) planning and (ii) Supporting People (iii) homelessness. In all three instances, there are very clear expectations from government.

Building on the statement contained in the Housing Green Paper – and other material such as the CIH and LGA's *Visionary Leadership in Housing*⁴ document and IDeA's practice guides – it would be appropriate for government to set out more fully and more prominently the role that it envisages for local authorities. It is important, therefore, that this expectation is communicated to and understood by other professions such as planning, economic development and health, and by members.

4 Visionary leadership in housing: a new future for local housing strategy, CIH/LGA

- ***Purpose of the housing strategy***

Currently it is not necessary for those local authorities that score an excellent CPA rating to develop a housing strategy. This sends out the wrong messages to authorities about the purpose of a strategy.

Strategies should be used as an instrument of communication – a means of articulating vision and direction to internal and external partners. Having a written strategy demonstrates a commitment to consistency but also makes the organisations' vision and strategy accessible to partners and the public. Local authorities that gain an excellent CPA rating should consider preparing a housing strategy as a vehicle for communicating their vision.

- ***Guidance on the role and how to build strategic capacity***

While a few local authorities have successfully made the leap from strategies that focus on delivering affordable housing to cross-tenure strategies based on an understanding of housing markets and creating sustainable communities, many others need more direction if they are to develop the role successfully.

Communities and Local Government (CLG) should involve stakeholders in preparing guidance to support development of the role. The current guidance and fit-for-purpose criteria are out of date and need to be revisited and modernised.

Such guidance might include:

- description of the outcomes expected from local authorities, in terms of their long-term strategic vision
- an idea of what 'excellence' in housing strategy might look like
- a 'road-map' to assist authorities to develop a strong strategic housing function
- approaches to sub-regional working
- guidance on evidence gathering and interpretation
- clear guidelines for engaging with the Homes and Communities Agency, the RDAs and other key bodies

- ***Constructive engagement with partners***

The recent review of regulation of social housing, carried out by Professor Martin Cave, has recommended that there should be a statutory requirement for providers of social housing to engage constructively with local authorities in their place-shaping role.⁵

This requirement is entirely appropriate and government should move to legislate. The best outcomes will be achieved where local authorities are proficient in carrying out their responsibilities and are able to engage constructively with housing partners in a way that is mutually beneficial. Indeed, it is these authorities that are making a convincing case for housing locally, collaborating effectively with others, bringing together effective partnerships and using the full range of tools and powers at their disposal. They also seek to align their strategic vision closely with that articulated at the regional (and sub-regional) levels.

- ***Regional Development Agencies***

The RDAs have not, until now, had responsibilities for housing. Following Treasury's Sub-national Review, they will be required to play a more strategic role and work with local authorities and sub-regional groups of authorities to promote economic development and tackle deprivation.

They will have certain key responsibilities relating to housing, including to promote housing growth and to tackle deprivation as part of an Integrated Regional Strategy that sets out the regions economic, environmental and social objectives.

5 Cave Review

The stakeholder interviews provide sufficient evidence to suggest that some RDAs do not yet have a strong grasp on housing issues or of how their responsibilities might complement and support those developing at sub-regional and local level. RDAs should work with key housing stakeholders to identify and address the gaps in knowledge and capacity that they have, in order to constructively drive the housing agenda at the regional level.

There also needs to be clarity on how RDAs and local authorities should interact in developing the Integrated Regional Strategy and in the scrutiny of the RDAs work. There are challenges to be worked through in relation to the basis on which RDAs will devolve economic development delivery to local authorities.

- ***Use of Geographical Information Systems (GIS)***

Visionary Leadership in Housing recommends the wide use of GIS which make it possible to present a wide range of information about communities in a spatial way. This very visual form of presenting information can help strategists and decision-makers to get a better understanding of the complex interactions between elements of communities (e.g. between housing turnover and schools performance or between house conditions and mental health). It also allows them to track trends as they are happening, and potentially make projections on future trends.

It is recommended that all players at all levels invest in GIS systems – the NHPAU, Regional Assemblies, RDAs, Homes and Communities Agency, and local authorities / sub-regional groups. As well as investing in the actual software, which is not expensive, these bodies should be encouraged to set up protocols to ensure that data input is maintained, trends analysed and information shared and to provide training for relevant staff in the use of GIS systems.

- ***Cross-discipline learning***

The strategic housing role needs to be widely understood among professionals from different disciplines who have a role in place shaping. Professional bodies and other organisations such as the Academy for Sustainable Communities can help with this if they are prepared to work together and contribute towards each others' learning programmes. They should also seek to influence other learning establishments such as universities to promote cross-professional learning – for example to include learning around the strategic housing role in planning courses.

Appendix 1: National and regional stakeholder organisations interviewed

Academy for Sustainable Communities
Audit Commission
British Property Federation
Department of Health
East Midlands Regional Assembly
English Partnerships
National Housing and Planning Advice Unit
National Housing Federation
One North East (RDA)
Royal Town Planning Institute
Tenant Participation Advisory Service