

LOCAL GOVERNMENT AND HOUSING COMMITTEE

REVIEW OF THE LOCAL HOUSING STRATEGY PROCESS - CONSIDERATION OF CONSULTATION RESPONSES TO THE WORKING GROUP ON THE LOCAL HOUSING STRATEGY PROCESS

PURPOSE

1. This paper invites Committee to consider:
 - a summary of the responses to a consultation on the Working Group report on proposals for a new framework for Local Housing Strategies (see Annex); and
 - suggested action for implementing the proposals (at paragraphs 6 and 8 of this paper).

RECOMMENDATION

2. That the Committee considers this paper and submits views to the Minister for Finance, Local Government and Communities.

TIMING

3. Subject to consideration of Committee's views on the report, it is intended to issue guidance on the new Local Housing Strategy process by early February 2002.

BACKGROUND

4. The Working Group report was the outcome of the first stage in the review of the Local Housing Strategy process and was discussed by Committee in June 2001 (LGH-9-01 p.2). The subsequent consultation exercise asked for views on the Report's key recommendations, on

the resource and timing implications, and whether the Assembly should make representations to the UK Government for primary legislation to make Local Housing Strategies a statutory requirement.

CONSIDERATION

5. The Consultation period ended on 6 September 2001. A total of 26 responses were received - the list of respondents is on the final page of the Annex. A detailed summary of responses is contained in the Annex.

6. There is general support for the Report's proposals. **The major part of the response amounts to a useful set of pragmatic suggestions, which we propose to take on board in drafting the Local Housing Strategy guidance.** On those specific issues highlighted in the covering consultation letter we propose the following approaches:

- timing: **to continue with plans to publish guidance in February 2002 with the aim of strategies being in place by April 2003.** Further delay would prove unfavourable with the majority of organisations involved in Welsh housing in light of the Review having started in December 2000. However, the Assembly recognises that some authorities will encounter difficulties producing well-researched and high quality Local Housing Strategies at the first attempt, and that strategies will improve over time as the new process beds in;
- resources: we maintain that although additional resources will be required to undertake a more robust process for formulating higher-quality strategies, this should be balanced against the fact that the process will only need to be comprehensively undertaken once every five years. In the past, local authorities were required to produce Strategies every three years but in practice many produced new strategies annually. However, in response to authorities' concerns about resource implications, **we propose to continue partial funding for housing need and demand assessments**, and provide support through technical and best practice guidance (see paragraphs 7 and 8 below); and
- statutory basis: making strategies a statutory requirement, which would require primary legislation, was a proposal put forward by the Working Group. It has received a mixed response from consultees. Implementing the proposal should only be necessary if authorities do not adequately follow the new Local Housing Strategy guidance. In view of this, **we propose to monitor authorities and, if necessary, will consider with the Welsh Local Government Association whether putting Local Housing Strategies on a statutory footing would be beneficial.**

NEXT STEPS

7. In addition to the steps mentioned in paragraph 6 the Assembly has commissioned supplementary guidance on:

- carrying out assessments of local housing demand; and
- how to secure an effective role from the private sector in creating and delivering Local Housing Strategies.

8. It is further proposed that we take the following actions through the "Social Housing Management" and "Housing Research" programmes, and publicity budget:

- **launch/promote the new Local Housing Strategy regime throughout Wales to local authorities and partners through a series of events;**
- **support a project to produce guidance on Local Housing Strategy consultation, drawing on existing examples of good practice in the UK; and**
- **support a joint local authority pilot project on cross-boundary working on housing issues.**

COMPLIANCE

National Assembly Powers

9. The main general power of Section 40 of the Government of Wales Act 1998 gives the Assembly supplementary powers, that can be used in conjunction with its general housing powers, to encourage local authorities to produce Local Housing Strategies. However, the Assembly cannot currently compel authorities to do so.

10. There are no issues of regularity or propriety connected to this submission.

FINANCIAL IMPLICATIONS

Local authorities

11. The resource implications of the new Local Housing Strategy regime will vary among local authorities depending on how their strategic planning processes are currently organised and resourced. However, to reiterate points made in paragraph 6, the additional work required to produce the new type of strategies should be balanced against the fact that in future the process will only need to be comprehensively undertaken once every five years.

National Assembly

Programme costs

12. The actions set out above in paragraphs 6 and 8 will be funded from planned provision in the 2002-2003 "Social Housing Management" and "Housing Research" programmes and the 2002-2003 publicity budget.

Administration costs

13. The on-going cost of the Assembly fulfilling the role advocated for it in the Report can be met from planned administration costs budgets.

Housing Strategy Branch

Housing Directorate October 2001

REVIEW OF THE LOCAL HOUSING STRATEGY PROCESS - SUMMARY OF RESPONSES TO THE REPORT OF THE WORKING GROUP

Introduction

1. This paper provides a summary of the responses to the Report of the Working Group on Local Housing Strategies.
2. The consultation period ran from 12 July to 6 September 2001. A total of 25 written responses were received, and a list of respondents is appended. The summary of responses is divided into two main sections:
 - general comments on the Working Group report; and
 - comments on the 15 key recommendations.

General Comments

3. All respondents broadly welcomed the Report with a significant number of respondents supporting all 15 key recommendations. Particularly positive examples of feedback included:
 - *"what is proposed in the report makes a great deal of sense"* (Powys County Council);
 - *"we are fully supportive of the [Report's] proposals"* (Torfaen County Borough Council);
 - *"we are impressed by the quality of the recommendations, believe they are well-thought-out and if implemented would be a significant benefit to a co-ordinated, strategic response to meeting housing need"* (Dewi Sant Housing Association);
 - *"the recommendations [should] lead to higher quality strategies which are more informed and inclusive than is the case today"* (Churches' Housing Coalition of Wales); and

- *"they will go some considerable way to improving the current process"*. (Chartered Institute of Housing)

4. However, among respondents a number of fundamental issues were raised:

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Resources

5. The resource implications (including required skills) that local authorities would face in delivering the type of strategy advocated in the Report was a concern for the City and County of Cardiff, Monmouthshire County Council, Newport County Borough Council, Pembrokeshire County Council, Powys County Council, Wrexham County Borough Council, Gwalia Housing Group, Pembrokeshire Housing Association and the Chartered Institute of Housing. It was argued that increased resources would be needed to meet the cost of more robust housing need/demand assessments (see key recommendation 9), increased partnership working and consultation (key recommendation 7) and ongoing monitoring/review (key recommendation 5). It was suggested that smaller authorities in particular would face problems over resourcing the new strategy process. (Monmouthshire County Council)

6. In addition, it was proposed that achieving wider ownership of the Local Housing Strategy (as envisaged by the Report) would require a need for local authorities to *"educate all potential housing partners in the Local Housing Strategy process."* To this end it has been proposed that the Assembly assist by *"making available appropriate resources and briefing materials"* (City and County of Cardiff). This should help to overcome the mistrust that often exists between partnership organisations. (City and County of Cardiff).

Timing

7. There were concerns about the feasibility of preparing draft Local Housing Strategies by Autumn 2002 i.e. around 9 months after guidance is issued (Bridgend County Borough Council, City and County of Cardiff, Ceredigion County Council, Wrexham County Borough Council and Pembrokeshire Housing Association). An alternative suggestion was for draft strategies to be submitted to the Assembly by April 2003 with final strategies in place by 2004 (City and County of Cardiff). However, opposing views considered the proposed timetable reasonable and achievable (Monmouthshire County Council, Pembrokeshire County Council, Powys County Council, City and County of Swansea, Cardiff Community Housing Association

and Dewi Sant Housing Association)

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8. The Chartered Institute of Housing believes that:

- a fundamental aim of local housing strategies should be to achieve sustainability and that the theme of sustainable development should run through the documents; and
- there needs to be a strong reference to local community regeneration initiatives. The Welsh Federation of Housing Associations also made this point.

Housing and health

9. The need for more explicit links between housing and health was an issue raised by Ceredigion County Council, Monmouthshire County Council, the Welsh Federation of Housing Associations, the Chartered Institute of Housing, Bro Taf Health Authority and Swansea Local Health Group. Specifically it was suggested that:

- housing strategies, community strategies, health improvement programmes and health and well-being plans should "feed into each other"; and
- linkages with health should go beyond consultation, with NHS and Local Health Alliance representatives being part of Local Housing Strategy partnerships. This would help to ensure, for example, that:
 - the design and delivery of primary health care services is planned to take account of local demographic changes that are projected to result from strategic housing decisions such as planning approval / financial support for new housing developments; and
 - the health impacts of housing design and developments are taken into account by the carrying out of Health Impact Assessments. (Bro Taf Health Authority)

Key Recommendation 1

The Local Housing Strategy framework should remain in place for the medium term. This should be reviewed within 5 years in light of the development of Community Strategies.

10. This recommendation was met with widespread agreement. However, it was suggested that further thought should be given to the relationship between local housing strategies and community strategies to maximise effective links between the two (Cardiff County Council).

Key Recommendation 2

Future Local Housing Strategies should:

- ***address the housing needs and demands identified in all housing tenures;***
- ***address the housing requirements of all sections of the community (including, for example, black, minority ethnic groups), championing the rights of all housing consumers;***
- ***harness the capacity of all relevant local organisations; and***

- ***look beyond administrative boundaries.***

11. Although there was general support for this recommendation, several respondents raised particular issues:

- an argument that social housing and supported housing should remain the primary focus of the Local Housing Strategy (City and County of Cardiff);
- the need for Local Housing Strategies and associated Assembly guidance to focus particular attention on certain client groups:
 - special needs clients in general (Newport County Borough Council);
 - vulnerable groups entering a new locality (Welsh Women's Aid);
 - the homeless and rough sleepers (Welsh Women's Aid);
 - users of supported housing (Gwalia Housing Group);
 - the disabled (City and County of Cardiff); and
 - women and children that experience domestic violence/abuse (Welsh Women's Aid).
- a suggestion that the Assembly should clarify through guidance, how cross-boundary working on housing issues should work in practice (City and County of Cardiff, Monmouthshire County Council and Pembrokeshire County Council). There were

concerns about the feasibility of cross-boundary working on housing issues and an argument that this dimension is already adequately addressed through the Unitary Development Plan process; and

- an argument for Assembly guidance to refer to "*rurality and associated problems.*" (Ceredigion County Council)

Key Recommendation 3

The National Assembly should urge the UK Government, at the earliest opportunity, for primary legislation to make Local Housing Strategies a statutory requirement.

12. Several housing organisations welcomed the recommendation (Monmouthshire County Council, Newport County Borough Council, Bro Myrddin Housing Association, Cardiff Community Housing Association, Gwalia Housing Group and the Chartered Institute of Housing). Some local authorities, however, pointed to particular issues:

- a concern that the introduction of primary legislation could give rise to legal sanctions against an authority and its partners, not only where a strategy is not produced, but where the quality, coverage and the priorities within the document do not accord with the Assembly's view. They questioned whether this would also mean that the guidance would be more prescriptive and take away local flexibility and discretion (Monmouthshire County Council);
- questions about what action would be taken against authorities and partners that did not statutorily comply (Monmouthshire County Council);
- the need for the Assembly to ensure that any future framework for local housing strategies did not conflict with the current statutory planning framework (Bridgend County Borough Council); and
- a suggestion that there might be merit in awaiting the full impact of the Community Strategy legislation before making local housing strategies a legislative requirement (City and County of Cardiff and Pembrokeshire County Council).

Key Recommendation 4

Local authorities, with their partners, should frame Local Housing Strategies for the next five-year period. However, the overarching housing objectives should be longer-term to establish a housing vision for the area, within the context of the vision and

timescale for promoting and improving quality of life as set out in the Community Strategy.

13. There was local authority support for this recommendation. However, it was pointed out that authorities (in their role as strategic housing enablers) would have to act as first arbitrator in instances where full support for objectives was not forthcoming from all partners (Newport County Borough Council).

14. On the timescale for a long-term housing vision, it was suggested that a 10-year period might be most appropriate (City and County of Cardiff).

15. In terms of the more specific objectives and target outcomes in the Local Housing Strategy, it was suggested that there should be a clear indication of the resources and partner involvement required to implement each of these (United Welsh Housing Association).

16. Lastly, some authorities pointed to the need for sufficient flexibility in the Strategy process so that they and their partners could respond to unforeseen changes that might arise during the five-year cycle. (City and County of Cardiff and Pembrokeshire County Council)

Key Recommendation 5

Local Authority Housing Operational Plans should:

- ***contain interim targets/milestones for all target outcomes in the Local Housing Strategy;***
- ***contain a section showing progress made in the year just completed; and***
- ***plan activity for at least the next financial year ahead.***

17. Local authorities generally endorsed this recommendation. In addition the following points were made:

- details of the resources required to meet key targets / milestones should be included in the Operational Plan (Welsh Federation of Housing Associations);
- there is a need to ensure that Operational Plans complement, rather than duplicate, authorities' other business planning and review arrangements, including Best Value (Newport County Borough Council and Pembrokeshire County Council);

- an argument that consideration must be given to the resourcing of the Operational Plan process (City and County of Cardiff and Monmouthshire County Council);
- a proposal that the Housing Operational Plan should span 3-5 years, based on an argument that an annual plan would not facilitate detailed planning and resource allocation (United Welsh Housing Association);
- an argument that the partners of a local authority should be consulted during the formulation the Operational Plans given that registered social landlords will make a key input to achieving the Plans' goals and targets (Gwalia Housing Group, United Welsh Housing Association and Welsh Federation of Housing Associations); and
- as well as local authority operational plans being available to partners, it was suggested that the operational and business plans of housing partners should be available to local authorities (Monmouthshire County Council).

Key Recommendation 6

Local authorities should put in place formal arrangements to facilitate a corporate approach to formulating and monitoring Local Housing Strategies. Details should be included as an appendix to the strategy.

18. This recommendation was generally accepted but it was suggested that the proposed arrangements for corporate working should cover delivering Local Housing Strategies as well as formulating and monitoring them (Welsh Federation of Housing Associations and United Welsh Housing Association). To support a good corporate approach it was suggested that the Assembly produce a clear and comprehensive list of local strategic plans that should feed into the Local Housing Strategy (Neath Port Talbot County Borough Council).

19. There was also feedback on some of the specific links to Local Housing Strategies:

- a suggestion that energy conservation reports (under the Homes Energy Conservation Act) should be incorporated in the Assembly's Local Housing Strategy guidance (Chartered Institute of Housing);
- an argument that the Local Housing Strategy and the Homelessness Strategy should be complementary and linked in terms of production time scales (Pembrokeshire County Council);
- problems around the compatibility of Local Housing Strategy and Unitary Development

Plan timetables (Bridgend County Borough Council, Neath Port Talbot County Borough Council and Wrexham County Borough Council); and

- the need to ensure strong links between Local Housing Strategies and:
 - Social Services Plans (Welsh Federation of Housing Associations);
 - the Objective One Strategic Planning Document (Chartered Institute of Housing).

20. Lastly, the need to guard against duplication and "*strategy fatigue*" came through in a number of responses.

Key Recommendation 7

Local authorities should be required to put in place and publish a process and timetable for involving their partners in the Local Housing Strategy process.

21. This recommendation was widely endorsed by councils, registered social landlords and other organisations. However, concerns were expressed about the cost of carrying out meaningful partnership working and consultation (Bridgend County Borough Council, Ceredigion County Council, Monmouthshire County Council and Powys County Council).

22. Comments were made about the nature of communication with some of the partners/consultees listed in the Working Group report:

- care would need to be taken to ensure that private sector housing forums are representative (City and County of Cardiff and Powys County Council);
- the nature of consultation with tenants and residents groups needs to be determined locally in light of local circumstances (Powys County Council); and
- consultation with the wider community might be carried out through local housing need/demand assessments and consultative forums (Powys County Council).

23. It was suggested that the list of proposed consultees, contained in future Assembly guidance should include those organisations listed in the Working Group Report with the following added/highlighted:

- national park planning authorities (Pembrokeshire Housing Association);
- local women's aid groups (Welsh Women's Aid),

- black, minority ethnic groups (Welsh Federation of Housing Associations);
- Community Safety Partnerships (United Welsh Housing Association); and
- Christian and other faith based groups (Churches' Housing Coalition of Wales).

24. It was also suggested that a best practice guide on local housing consultation (City and County of Cardiff and Powys County Council) could usefully supplement Assembly guidance. Further support could also be provided by the Assembly to help local authorities trial innovative approaches to consulting and involving their stakeholders (Gwalia Housing Group).

Key Recommendation 8

Local authorities should consult the National Assembly on the production of their housing strategies.

25. Some local authorities expressed a varying degree of concern about this recommendation with Monmouthshire adding that the Assembly's role in respect of Local Housing Strategies needs to be clarified to counter a view emerging that the role would simply be one of control.

Key Recommendation 9

Local authorities should carry out a rigorous housing assessment prior to each five-year strategy and these assessments should be a joint housing-planning function for the both the housing strategy and the Unitary Development Plan.

26. This recommendation was endorsed in principle by local authorities, registered social landlords and other housing-related agencies (including the WDA). However, several authorities (City and County of Cardiff, Monmouthshire County Council, Pembrokeshire County Council, Powys County Council and Wrexham County Borough Council) and some registered social landlords pointed out that implementing the recommendation would have resource implications for councils and that it would be important that financial assistance from the Assembly in this area would continue or increase (Ceredigion County Council and Powys County Council). One authority further suggested that, "*in practice local authorities may not yet be fully geared up to undertaken the proposed more rigorous type of assessment.*" (Bridgend County Borough Council).

27. It was also suggested that there is a need to reinforce that the evidence gathering exercises for the Local Housing Strategy and the Unitary Development Plan need to be consistent. They should use the same terms and assessment and forecasting protocols (WDA) and at the same time complement one another to avoid duplication of effort (City and County of Cardiff).

28. As part of the overall housing assessment, it was suggested that local housing stock condition surveys provide good baseline information, but that the high cost of carrying these out would need to be partly funded by the Assembly (City and County of Cardiff and Ceredigion County Council).

29. In terms of data collected, it was suggested that local authority housing strategy teams should utilise public health information (Bro Taf Health Authority).

30. Lastly, it was suggested that the Assembly could support authorities by "*working with the Council of Mortgage Lenders and other professional organisations to provide information on house prices, mortgage costs, purchaser profiles and other such relevant information that could be used to supplement assessment of housing needs and demands.*" (Powys County Council)

Key Recommendation 10

The National Assembly should provide detailed guidance on the completion of housing requirements assessments.

31. This recommendation was met with widespread agreement.

Key Recommendation 11

Future Local Housing Strategy guidance should be supplemented by an Advice Note to encourage local authorities to make far greater use of their existing powers to facilitate private sector involvement in meeting local strategic housing objectives.

32. Local authorities and the Chartered Institute of Housing welcomed this recommendation.

The latter added that work to produce the proposed Advice Note should refer to a recent Chartered Institute of Housing /Council of Mortgage Lenders study, "*Understanding Local Housing Markets: their role in Local Housing Strategies (Blackby, B. 2000)*".

Key Recommendation 12

Local Housing Strategies should be made easily available to local housing related organisations and the local community.

33. This recommendation was accepted.

Key Recommendation 13

Local authorities should review the capacity and resources that they devote to their housing strategy function.

34. See earlier comments on resource implications (at paragraphs 5 – 6).

Key Recommendation 14

The National Assembly should analyse Wales' five-year Local Housing Strategies to build up a "national housing picture".

35. This recommendation was accepted.

Key Recommendation 15

The National Assembly should annually review progress against Local Housing Strategies. This should be through analysing Local Authority Housing Operational Plans and Council Housing Business Plans to:

- ***monitor progress on National Housing Strategy target outcomes;***
- ***identify (and make necessary and appropriate interventions) in areas where***

authorities are making poor progress against interim housing targets and milestones; and

- **identify and disseminate good practice.**

36. Some local authorities (City and County of Cardiff, Monmouthshire County Council and Pembrokeshire County Council) supported this recommendation. It was felt that the Assembly's discontinuation of annual reviews in recent years had devalued Local Housing Strategies (Monmouthshire County Council). However, the City and County of Cardiff, while supporting the re-introduction of reviews, pointed:

- to doubts over the merits of reviews at an early stage in the five-year timescale of strategies given that overarching objectives will only be achievable in the longer term;
- that reviews would pose resource difficulties for authorities if the Assembly requested detailed papers from authorities in advance of meetings; and
- that reviews would only be considered as beneficial if the Assembly showed evidence of analysing authorities' plans in a robust way leading to constructive suggestions.

37. Ceredigion County Council raised similar concerns but in a far stronger tone. They argued that the role of the Assembly in reviewing local progress on strategic housing objectives would amount to *"unacceptably detailed interference"* particularly in light of what they see as *"increasing control through Best Value Inspectors, Performance Indicators and District Audit."*

38. Finally, it was suggested that Assembly guidance should make clear the links between resources (such as Social Housing Grant) and Local Housing Strategies and associated plans (Newport County Borough Council).

Appendix

List of responses to the Review of the Local Housing Strategy Process

1. Bridgend County Borough Council
2. Bro Myrddin Housing Association
3. Bro Taf Health Authority
4. Cardiff Community Housing Association
5. Cardiff County Council
6. Ceredigion County Council
7. Chartered Institute of Housing Cymru

8. The Churches' Housing Coalition of Wales
9. City and County of Swansea
10. Dewi Sant Housing Association
11. Dyfed Powys Health Authority
12. Gwalia Housing Group Ltd
13. Monmouthshire County Council
14. Neath Port Talbot County Borough Council
15. Newport County Borough Council
16. Pembrokeshire County Council
17. Pembrokeshire Housing Association
18. Powys County Council
19. South Wales Police
20. Swansea Local Health Group
21. Torfaen County Borough Council
22. United Welsh Housing Association Ltd
23. Welsh Development Agency
24. Welsh Federation of Housing Associations
25. Welsh Women's Aid
26. Wrexham County Borough Council