

## REVIEW OF THE LOCAL HOUSING STRATEGY PROCESS

I have pleasure in enclosing the report of the Working Group set up by the National Assembly to begin a review of the Local Housing Strategy process. The report includes a series of recommendations for achieving higher quality strategies that are more informed and inclusive. These recommendations have been arrived at through a process of collaboration between the National Assembly and representatives all of Wales' key housing sectors including local authorities, registered social landlords, and the private and voluntary sectors.

The Review was established in response to concerns that stakeholders had expressed about the purpose and value of Local Housing Strategies. These concerns needed to be explored given that Local Housing Strategies are the framework for local authorities to carry out their strategic housing role. In addition, the strategies provide the means for authorities to report their housing priorities to the National Assembly.

In the course of their deliberations, supported by the findings of a national consultation exercise, the Working Group concluded that there are particular problems common to many of Wales' existing Local Housing Strategies. These include:

- a lack of distinction between strategic and operational plans, resulting in strategies that are not best suited to planning over the longer term;
- documents too often failing to include clear housing objectives and target outcomes, instead generally containing a description of existing housing programmes and actions but without a clear indication of why these are being undertaken and the desired outcomes;
- local authority partners often being inadequately involved and consulted in the process of producing Local Housing Strategies;
- the documents often being based on a very limited understanding of how local housing sectors/markets operate and interact;
- the strategies paying little attention to the identification of the broader trends and preferences within the owner-occupied and private-rented markets with the result that the potential of the private sector as a means for addressing local housing requirements is not being utilised to best effect; and
- monitoring and evaluation of the strategies being generally weak.

These particular problems alongside work to rationalise the local government planning framework, prompted the Working Group to consider the place of local housing strategy in the new Community Strategy framework. The Group concluded that it is vital that the fundamental importance of housing to promoting and improving the quality of life of local communities is taken account of in authorities' strategic plans. In light of this, and given that Community Strategies are in their infancy, the Group has recommended that Local Housing Strategies remain in place, but that this position should be reviewed within 5 years in light of the development of the Community Strategy framework.

From the national perspective, while Local Housing Strategies play an important role for the Assembly by linking national and local housing policies, the Report makes clear that the process is first and foremost a local one to enable local authorities, in close collaboration with their housing partners, to:

- identify local housing issues, and opportunities to improve and make better use of housing in their localities; and
- respond strategically to housing issues and opportunities, making better links to Community Strategies for individual localities and for the authority as a whole.

In order to fulfil this purpose, the Working Group considers that Local Housing Strategies should:

- address housing needs and demands identified in all housing tenures;
- address the housing requirements of all sections of the community (including, groups with special housing needs), championing the rights of all housing consumers;
- harness the capacity of all relevant local organisations; and
- look beyond administrative boundaries.

The third of these points is central to the Working Group recommendation that while the process of producing and monitoring Local Housing Strategies should be led by the local authority, future strategies should be joint-documents, "signed up" to by the local authority and all its housing-related partners. This represents an important departure from current practice where the Local Housing Strategy (or "HSOP" as it is more commonly known) is generally seen as a local authority strategy.

To enable authorities and their partners to produce higher quality strategies, the Working Group has made some specific recommendations including:

- the strategies should cover a five-year period but with overarching housing objectives that are 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;
- local authorities should produce Housing Operational Plans that 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;
- authorities should put in place formal arrangements to facilitate a corporate approach to formulating and monitoring the strategies, and publish a process and timetable for involving their external partners in the strategy process;
- local authorities should consult the National Assembly on the production of their housing strategies;
- authorities should carry out a rigorous housing assessment prior to each five-year strategy. These assessments should be a joint housing-planning function for the both the Housing Strategy and the Unitary Development Plan;
- the National Assembly should provide detailed guidance on the completion of housing requirements assessments, and advice on encouraging local authorities to make far greater use of their existing powers to facilitate private sector involvement in meeting local strategic housing objectives (these should be Advice Notes to the main Local Housing Strategy guidance);
- the strategies should be made easily available to local housing related organisations and the local community;
- local authorities should review the capacity and resources that they devote to their housing strategy function; and
- the National Assembly should use five-year Local Housing Strategies to build up a "national housing picture" and annually review progress against the strategies through analysing Local Authority Housing Operational Plans and Council Housing Business Plans.

Allied to these recommendations on the Local Housing Strategy process, the Group suggests that the National Assembly *"urges the UK Government, at the earliest opportunity, for primary legislation to make Local Housing Strategies a statutory requirement."*

These recommendations have the broad support of the National Assembly and we aim to produce guidance to enable local authorities and their partners to put in place the type of Local Housing Strategies that the Working Group is advocating. The National Assembly believes that it is important that all those organisations involved in housing policy have the opportunity to make their contribution to the content of this guidance. **To this end we would very much welcome your views on the Working Group recommendations, by [ ].**

In particular, the National Assembly would value your comments on the resource and timing implications of the Working Group recommendations. On the former, the Working Group has concluded that *"[the new recommended process] will not necessarily require a need for increased resources in all cases. 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. (At present local authorities are required to produce Strategies every three years but in practice many authorities produce new strategies annually.)"* Is this a realistic assessment?

The National Assembly has yet to finalise dates for the introduction of the new arrangements. In general terms, the provisional timetable we have in mind is: issuing guidance in January 2002; draft strategies to be submitted to the National Assembly by Autumn 2002, and final strategies to be in place by April 2003. Is this timetable feasible at the local level?

Views would also be welcome on the benefits or otherwise of enshrining the local strategic housing role more clearly in statute. It must be recognised, however, that this would require primary legislation.

Please send your comments to:

James Watkins  
Housing Strategy Branch  
Housing Directorate  
National Assembly for Wales  
Cathays Park  
CARDIFF  
CF10 3NQ

Telephone: 029 2082 6827

E-mail: [James.Watkins@Wales.GSI.Gov.UK](mailto:James.Watkins@Wales.GSI.Gov.UK)

Further copies of the Working Group report can be obtained from Andrew Dobbs at the above address (tel: 029 2082 3887). The paper can also be viewed on the National Assembly's web site:

**JOHN BADER**

## **REPORT OF THE WORKING GROUP ON REVIEWING THE LOCAL HOUSING STRATEGY AND OPERATIONAL PLANNING PROCESS**

### **INTRODUCTION**

This review is not the first examination of the Housing Strategy and Operational Plan (HSOP) process. A review undertaken as recently as 1998 led to revised guidance that:

- encouraged local authorities to set out their strategies in a set format, and to distinguish these from their operational plans;
- emphasised the importance of partnership working and consultation, and the need to report on this aspect in the HSOP; and
- more effectively aligned the HSOP with budget timetables and other corporate planning cycles.

This review, however, is more detailed and wide-ranging than previous reviews, looking at the fundamental purpose of Local Housing Strategies in the wider strategic planning context (see terms of reference at Appendix C). The main reasons for undertaking a review at this time are:

- some stakeholders in the HSOP process have expressed concerns about its current value; and
- the need to bring Local Housing Strategies into line with the wider local government modernisation agenda, the strengthening of local authorities' community leadership role and the strategic plans of the National Assembly.

In addition, regardless of current differences, the effort and resources dedicated to the HSOP process (particularly at local government level) and new requirements for strategic planning by local authorities make the need to deal with these issues all the more pressing.

This report presents the findings of the first stage of the review. It involved a series of seven working group meetings held between January and April 2001, chaired by the National Assembly. Given the range of organisations with a stake in Local Housing Strategies, the National Assembly adopted an inclusive approach, drawing a working group membership from key housing sectors including local authorities, registered social landlords (RSLs), and the private and voluntary sectors. (The list of working group members is at Appendix D).

This inclusive approach to reviewing the HSOP process has also engaged the wider housing community through a wide-ranging consultation exercise. The Working Group would like to thank those organisations that contributed their views and ideas. These made a valuable input to the Group's work. (The list of organisations that responded is at Appendix E).

## KEY RECOMMENDATIONS

The recommendations in this report are highlighted in boxes. The following is a summary of the key recommendations. (A glossary defining the different types of plans and strategies referred to in this summary is at Appendix B).

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. (3.1)
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. (3.3)**
3. The National Assembly should urge the UK Government, at the earliest opportunity, for primary legislation to make Local Housing Strategies a statutory requirement. (3.6)
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. (4.7)
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. (4.10)

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. (5.3)

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. (6.2)

8. Local authorities should consult the National Assembly on the production of their housing strategies. (6.17)

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. (8.5)

10. The National Assembly should provide detailed guidance on the completion of housing requirements assessments (as an Advice Note to its Local Housing Strategy guidance). (8.6 and 8.11)

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. (11.3)

12. Local Housing Strategies should be made easily available to local housing related organisations and the local community. (12.1)

13. Local authorities should review the capacity and resources that they devote to their housing strategy function. (14.1)

14. The National Assembly should analyse Wales' five-year Local Housing Strategies to build up a "national housing picture". (15.2 – 15.3)

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. (15.5)

***INTRODUCTION*** \*

***KEY RECOMMENDATIONS*** \*

***SECTION 1: STRUCTURE OF THE REPORT*** \*

***SECTION 2: THE WIDER CONTEXT*** \*

**"BetterWales.com" and The National Housing Strategy** \*

**Community Strategies** \*

**Best Value** \*

***SECTION 3: THE PURPOSE OF LOCAL HOUSING STRATEGIES*** \*

***SECTION 4: FORMAT AND TIMESCALES*** \*

**Local Housing Strategies** \*

**Local Authority Housing Operational Plans** \*

**Local Authority Council Housing Business Plans** \*

***SECTION 5: DEVELOPING A CORPORATE STRATEGY*** \*

***SECTION 6: WORKING IN PARTNERSHIP WITH, AND CONSULTING, OTHER ORGANISATIONS*** \*

**The Private Sector** \*

**Registered Social Landlords (RSLs)** \*

**The voluntary sector** \*

**Tenants and residents groups and the wider community** \*

**Cross-boundary working** \*

## ***SECTION 7: LOCAL STRATEGIC HOUSING VISION \****

## ***SECTION 8: UNDERSTANDING THE LOCAL HOUSING SITUATION \****

## Principles \*

## Gathering relevant data \*

## Sharing data \*

## SECTION 9: SETTING HOUSING OBJECTIVES AND TARGET OUTCOMES \*

## ***SECTION 10: GENERATING AND APPRAISING STRATEGIC HOUSING OPTIONS \****

## ***SECTION 11: HARNESSING AN EFFECTIVE CONTRIBUTION FROM THE PRIVATE SECTOR HOUSING STOCK \****

## SECTION 12: "SELLING" STRATEGIES \*

***SECTION 13: MONITORING AND REVIEW - THE ROLE OF LOCAL AUTHORITIES AND THE HOUSING INSPECTORATE. \****

## Local Authorities \*

## The Housing Inspectorate \*

**SECTION 14: LOCAL AUTHORITY CAPACITY FOR FORMULATING, MONITORING AND REVIEWING LOCAL HOUSING STRATEGIES \***

## ***SECTION 15: THE ROLE OF THE NATIONAL ASSEMBLY - THE NATIONAL HOUSING STRATEGY \****

## Local Housing Strategies \*

## Monitoring Progress \*

***APPENDIX A: BASIC DIAGRAMATIC ILLUSTRATION OF THE RECOMMENDED REVISED LOCAL HOUSING STRATEGY PROCESS \****

## ***APPENDIX B:GLOSSARY OF COMMONLY USED TERMS \****

## ***APPENDIX C:REVIEW TERMS OF REFERENCE \****

## ***APPENDIX D:WORKING GROUP MEMBERSHIP \****

## ***APPENDIX E:CONSULTATION EXERCISE RESPONSES \****

### **SECTION 1: STRUCTURE OF THE REPORT**

1.1 This report is structured into sections that address the key themes associated with the Local Housing Strategy process. For each theme, the Group has attempted to set out the background (problems and opportunities) and recommendations for change.

1.2 Section 2 looks at the position of Local Housing Strategies in the wider policy context. At the national level, this involves considering how Local Housing Strategies can contribute to the objectives of "Better Wales.com" and the emerging National Housing Strategy. In the local context, the Group looked at how Local Housing Strategies should be linked with Community Strategies and the Best Value regime.

1.3 Section 3 sets out the Group's findings on the purpose of Local Housing Strategies and their future role. Section 4 contains recommendations on the format and timescales for future Local Housing Strategies and Local Authority Housing Operational Plans.

1.4 Section 5 considers how Local Housing Strategies should be linked to other local authority corporate plans, while Section 6 contains recommendations on the process of partnership and consultation that authorities should embark upon with their local housing partners and the local community.

1.5 Section 7 considers how local authorities, with their partners, should articulate a local housing 'vision'.

1.6 Section 8 looks at the ways for authorities to gain an understanding of, and report on their local housing situations (i.e. to build up a robust understanding of housing demands and needs and local organisational capacity to meet these). Section 9 explains how this analysis should be translated into strategic housing objectives and target outcomes.

1.7 Section 10 considers how local authorities should appraise options to achieve strategic housing objectives.

1.8 Section 11 contains recommendations on how future Local Housing Strategy guidance might encourage local authorities to make greater use of their existing powers to encourage more private sector involvement in meeting strategic housing objectives.

1.9 Section 12 considers how local authorities and the National Assembly can promote strategies to the

wider 'housing community' and the public.

1.10 Section 13 discusses the role of local authorities and the Best Value Housing Inspectorate in monitoring and reviewing Local Housing Strategies and Local Authority Housing Operational Plans.

1.11 Section 14 considers possible resource implications of this report for local authorities.

1.12 Section 15 contains recommendations on the purpose of Local Housing Strategies and Local Authority Housing Operational Plans for the National Assembly.

## **SECTION 2: THE WIDER CONTEXT**

### *"BetterWales.com" and The National Housing Strategy*

2.1 The Group considers that Local Housing Strategies can contribute to the National Assembly's long-term vision for a better Wales. The following examples illustrate how national housing policies and programmes are designed to achieve the vision of a better Wales:

- Assembly action and funding (through community safety initiatives such as "Secure by Design") is helping to create sustainable communities;
- social inclusion programmes (like "People in Communities") provide a means of integrating local housing action (such as the renovation and adaptation of housing) into community regeneration projects for Wales' most deprived neighbourhoods; and
- through its Black, Minority Ethnic Housing Strategy, the National Assembly is promoting, and providing funding for, projects and guidance aimed at improving racial equality and preventing discrimination in social housing.

2.2 At an all-Wales level, these policies are encapsulated in the National Housing Strategy. At the local level, Local Housing Strategies, containing an assessment of local needs and priorities and the resources available to meet these, should be linked to the national policies and objectives articulated in the National Housing Strategy.

2.3 Recommendations for achieving partnership working between the National Assembly and local authorities, and their housing partners, are set out in paragraph 6.17 and section 15.

### *Community Strategies*

2.4 The Local Government Act 2000 has introduced a new duty on local authorities to prepare Community Strategies to promote or improve the economic, social and environmental well being of their areas. These

strategies will comprise a long-term vision for areas, focussing on the outcomes to be achieved and a series of action plans identifying the actions necessary to achieve the long-term vision. The requirement on authorities to prepare Community Strategies in partnership with other bodies and local communities should provide the impetus for local authorities, other public sector bodies and the private and voluntary sectors to establish strategic partnerships. These partnerships will prepare the Community Strategies and ensure that the actions taken and the services provided by the public and private sectors contribute to the achievement of the objectives set out in Community Strategies. The National Assembly expects local authorities to have the key components of Community Strategies in place before the next council elections.

2.5 Housing is a key element in people's quality of life and is central to the health of local communities. Local Housing Strategies should be fully integrated into the community planning process and should implement the housing objectives set out in Community Strategies.

2.6 In practical terms, **it is important that the organisations (i.e. local authorities and their partners) that sign up to a Community Strategy should be jointly committed to achieving the Strategy's housing policy goals. These goals should be taken into account in the setting of objectives and targets in:**

- **the Local Housing Strategy;**
- **the Authority's Housing Operational Plan and Council Housing Business Plan; and**
- **the business plans of local organisations with a housing role.**

### *Best Value*

2.7 The Best Value regime impacts on the Local Housing Strategy process in a number of important ways:

- housing strategy target outcomes should be consistent with the performance measures contained in the Best Value Performance Plan;
- local authorities have a statutory duty to review all services (including housing services) over a five-year cycle. Consequently, at some point in this cycle all authorities should be reviewing the elements of their strategic housing role;
- required actions (contained in Best Value improvement plans, following reviews of housing functions) should be taken account of in producing and revising Local Housing Strategies and Local Authority Housing Operational Plans and Council Housing Business Plans; and
- Best Value housing inspections will follow on from, and be scoped in line with, authorities' Best Value housing reviews.

## **SECTION 3: THE PURPOSE OF LOCAL HOUSING STRATEGIES**

3.1 Following the Local Government Act 2000, the National Assembly and its partners have begun to consider whether the local authority planning framework (which includes the HSOP) can be rationalised. In view of the importance of housing to promoting and improving well-being, and given that Community

Strategies are at a very early stage in their development, the Group **considers that the requirement for Local Housing Strategies, developed through local partnerships, and led by the local authority, should remain in place for the medium term. (It is recommended that this requirement be reviewed within five years, in light of the development of Community Strategies framework.)**

3.2 Despite national guidance on Local Housing Strategies, the approach to formulating strategies varies significantly at the local level. To an extent this is a response to different local contexts. However, it is equally clear that it also stems from differing perceptions about the purpose of the strategies. For example, it is evident that some authorities consider that strategies are for bidding purposes, while other authorities have found it difficult to give sufficient attention to their wider strategic role due to the dominance of their provider function.

3.3 On this issue the Group **concluded that future Housing Strategies should:**

- address the housing needs and demands identified in all 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.

3.4 While there is a requirement for national guidance on the format and broad content of strategies, lead responsibility for formulating and achieving strategy rests firmly with local authorities (albeit in close collaboration with their housing partners). For this reason, it is important that organisations involved in the Local Housing Strategy process understand that the process is a local one:

- to identify local housing issues, and opportunities to improve and make better use of housing in their localities; and
- to respond strategically to housing issues and opportunities, making better links to Community Strategies for individual localities and for the authority as a whole.

3.5 Finally, while the recommendations of this report, if implemented, should go some way towards raising the corporate profile of the authority strategic housing role and the Local Housing Strategy, the Group considers that the most effective way of achieving this would be to make Local Housing Strategies a statutory requirement. It is clear that strategies which do not have statutory backing are given less priority than those that do. It is therefore **recommended that the National Assembly urge the UK Government to make the necessary primary legislative change at the earliest available opportunity.**

## SECTION 4: FORMAT AND TIMESCALES

4.1 Many authorities' HSOPs do not make the necessary distinction between strategic and operational plans. Strategies formulated in this way are not best suited to planning over the longer term, consistent with the framework for Community Strategies. Most strategic housing objectives will only be achievable over the long-term. For example, deep-rooted social problems such as homelessness cannot be tackled in the short-term; while effective maintenance programmes for council house stock need to be planned over a long-term cycle. Strategic plans will not routinely alter annually. Of course, they may be subject to revision where new evidence suggests that a change in strategic direction is necessary (for example, following newly emerging findings from local stock condition surveys).

4.2 In light of the above issues, the Group **recommends that future National Assembly guidance should make clear at the outset the distinction between local housing strategic and operational planning.**

4.3 Local Authority Housing Operational Plans and Council Housing Business Plans should be used as planning tools setting out the actions that the authority will implement or support to meet strategic objectives and targets. As a minimum these plans should be revised annually.

### *Local Housing Strategies*

4.4 The Group's analysis of current HSOPs revealed that the documents too often fail to include clear housing objectives and target outcomes. Instead they generally contain a description of existing housing programmes and actions either without a clear indication of why these are being undertaken or what the desired outcomes are.

4.5 To address this problem the Group **recommends that future housing strategies should first and foremost contain a locally agreed "housing vision". This would be built upon a robust analysis of local housing needs and demands and capacity to meet these, and a statement of local housing-related objectives and target outcomes.** Details of the means for achieving objectives should largely be confined to the operational and business plans of the organisations that have a role in achieving the strategy. For the local authority, these plans are the Housing Operational Plan and the Council Housing Business Plan.

4.6 Findings and recommendations on the method for setting Local Housing Strategy objectives and targets are covered in section 9.

4.7 On timescales, it is **recommended that authorities should take stock of the housing situation in their areas (see section 8) and frame 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.**

4.8 By moving to a five-year timeframe, local authorities should be able to dedicate a higher level of resources to the production of Local Housing Strategies (e.g. to forming a robust housing evidence base,

and carrying out consultation). This improves in the strategic planning and decision making of authorities and their partners.

### *Local Authority Housing Operational Plans*

4.9 The Group considers that the Housing Operational Plan should primarily be a planning and management tool for the local authority, linked to the overarching 5 year Local Housing Strategy. The plan should be reviewed and "rolled forward" annually. The timespan and detailed content of the plan should be a matter for the local authority to decide upon.

4.10 The Group **recommends, however, that as a minimum, 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.**

4.11 While the Operational Plan will be a local authority plan, it will contain some recommended actions that will be implemented with other local partners, or achieved solely by other partners. Hence the plan should be available to an authority's housing partners.

4.12 In its role as strategic housing enabler, the local authority will be expected to monitor and report upon all actions that are carried out in pursuit of objectives and targets in the Local Housing Strategy.

### *Local Authority Council Housing Business Plans*

4.13 These plans will separate the council's landlord function from its strategic housing responsibilities and will cover all aspects related to development, management, maintenance and finance of the local authority stock. Although detailed guidance on the plans is yet to be drawn up (see paragraph 4.15 below) it is envisaged that the plans should cover a long-term timeframe and:

- provide an authority with a clearer assessment of the investment needs of its stock and how those needs can be met;
- ensure that an authority has a clear direction of where it is heading with the financial management of its stock;
- enable an authority to demonstrate that its proposed options and expenditure plans represent value for money;
- provide a framework for annually monitoring and evaluating the progress of the authority's landlord function; and
- communicate an authority's plans to the National Assembly and other stakeholders, such as tenants.

4.14 The content of Council Housing Business Plans should not be duplicated in an authority's Housing Operational Plan; rather the latter should include clear cross-referencing to the Council Housing Business

Plan.

4.15 A separate review has begun to produce guidance on Council Housing Business Plans. It is important that this guidance is consistent with Local Housing Strategies guidance.

4.16 A diagram illustrating the links between different types of plans and strategies is on the following page.

**The position of Local Housing Strategies in the wider strategic planning framework**



**SECTION 5: DEVELOPING A CORPORATE STRATEGY**

5.1 The "co-ordinated" approach to strategic planning advocated in Community Strategy guidance should ensure that individual local authority departments do not formulate strategy in isolation where policies have cross-cutting links to other service areas. In order to deliver truly successful outcomes, Local Housing Strategies need to be integrated with other local authority plans. To add legitimacy to the role that housing policy plays in community strategy, it is vital that Local Housing Strategies are seen as corporate strategies rather than departmental ones.

5.2 Analysis of current HSOPs suggests that the degree of consultation between housing policy managers (and managers in other areas) on the formulation of strategies varies significantly. Clearly the organisational structure of authorities has a strong bearing on this. However, regardless of structure, there are well proven management methods that a local authority can use to secure a truly corporate Local Housing Strategy. These include, for example:

- joint working departmental protocols; and

- officer-led cross-departmental project teams (with a clear brief and lines of accountability).

**5.3 To facilitate a corporate approach to formulating and monitoring Local Housing Strategies, local authorities should put in place formal arrangements to achieve this. Details should be included as an appendix to the strategy.**

5.4 In some areas the need for cross-departmental working involving the housing function is particularly important. These include land-use planning (see paragraphs 5.5 – 5.6), social services functions and crime and disorder reduction strategies.

-

#### Planning services

5.5 Joint working between housing and planning departments is crucial given that planning and land release directly impact on housing development. Ensuring that households have access to good quality housing to meet their needs, with greater choice over tenure, requires the support of a complementary and effective planning system. Local Housing Strategies and the planning system should work together to maintain and create sustainable communities. In particular, there needs to be strong links between Unitary Development Plans and Local Housing Strategies to ensure that the two are complementary and consistent.

**5.6 To achieve improved links between the housing and planning functions, local authorities should ensure that working arrangements cover the housing-planning link, especially for the analysis of local housing sectors / markets (see paragraph 8.5).**

## **SECTION 6: WORKING IN PARTNERSHIP WITH, AND CONSULTING, OTHER ORGANISATIONS**

6.1 This review has revealed that some local authorities are failing to adequately involve their partners in the process of producing the HSOP. This is despite National Assembly guidance putting significant onus on the need for *"full and meaningful consultation with communities and all relevant partner organisations in developing [the local] housing strategy"*.

**6.2 To tackle this problem, the Group recommends that local authorities should put in place and publish a process and timetable, for involving their partners in the Local Housing Strategy process. This should, as a minimum, include the following stages:**

- **setting high level strategic housing objectives (see section 7);**
- **analysing local housing needs and demands (see section 8);**

- **setting intermediate level strategic housing objectives and target outcomes (see section 9); and**
- **generating and appraising housing options to achieve strategic housing objectives and targets (see section 10)**

**6.3 As a minimum, the following sectors / types of organisations should be included in the consultation exercise:**

- **private sector housing organisations;**
- **local RSLs;**
- **voluntary organisations;**
- **representatives of the National Health Service;**
- **local tenant/resident groups and the wider community;**
- **neighbouring local authorities;**
- **the police and crime prevention groups;**
- **the National Assembly;**
- **National Assembly sponsored public bodies; and**
- **the Welsh Local Government Association.**

**6.4 Finally, authorities should include an Appendix to their strategy explaining:**

- **the methods they have used to involve and consult local organisations and people in the Local Housing Strategy; and**
- **the level of input that local organisations and people have made to the production of the Strategy.**

6.5 In some cases carrying out this process will require authorities devising new forums and vehicles to support consultation. For example, the Welsh Local Government Association advocates the establishment of Local Housing Consultative Forums, with members from local housing-related organisations, to oversee the formulation and monitoring of the Local Housing Strategy. In addition, authorities should seek to carry out consultation through means that already exist, such as Community Housing Agreements and Tenant Participation Compacts.

6.6 The following paragraphs explore the nature of the consultation that should take place with the local authority's key housing partners:

#### *The Private Sector*

6.7 It is important that the following types of private sector housing interests are given the opportunity to contribute to Local Housing Strategies: developers, private landlords, lenders (banks and building societies), valuers and estate agents.

6.8 Effectively engaging with these types of organisations is, however, not a straightforward task. In many areas of Wales, different parts of the private housing sector do not have an umbrella group to represent

them. This problem is particularly evident for the private rented sector. Where this is the case authorities should look to forms of engagement such as consultative panels or forums for particular interest groups. These could, for example, consist of a single consultative conference at which dialogue could take place.

### *Registered Social Landlords (RSLs)*

6.9 It is important that local authorities harness the contribution that RSLs can make to meeting local housing need and demand. For many aspects of housing policy, such as the development and rehabilitation of housing for people on low incomes, it may be appropriate for the Local Housing Strategy to contain shared objectives between these two sectors.

6.10 To ensure effective joint working between local authorities and their partner RSLs, at the strategic and operational level, the Group endorses the National Assembly issuing advice to local authorities and RSLs on the development and benefits of ‘Community Housing Agreements’. These agreements are already used in some areas, providing an effective means of underpinning the strategic and operational relationship between local authorities and RSLs.

### *The voluntary sector*

6.11 Voluntary organisations should have the opportunity to participate in the development of Local Housing Strategies, given the important role that they play in identifying and framing strategic priorities in the areas of supported and special needs housing, and housing services for the homeless and roofless.

6.12 All authorities will be required to have in place a compact with their local voluntary sector covering the planning and delivery of services. Through these compacts and associated arrangements (such as partnership agreements with authority-wide voluntary sector umbrella bodies), authorities should ensure that they carry out effective consultation with local voluntary sector bodies on the formulation of Local Housing Strategies. This might, for example, take the form of a voluntary sector conference supplemented by consultation meetings with particular parts of the sector.

### *Tenants and residents groups and the wider community*

6.13 The Best Value regime requires local authorities to consult local people about their needs prior to making strategic plans. In the social housing sector there are practices and initiatives (principally Tenant Participation Compacts) in place to involve tenants in the planning and delivery of housing services.

6.14 In other housing tenures, consultation is more difficult. However, given that the majority of households live in private sector housing, it is vital that their needs and preferences are represented in the strategic choices that local authorities and their housing partners make.

### *Cross-boundary working*

6.15 Private sector housing markets, household preferences and pressures for housing are not constrained by administrative boundaries. In light of this it is inevitable that authorities will have to tackle cross-boundary strategic housing issues.

6.16 The Group therefore **recommends that:**

- **local authorities should collaborate on cross-boundary issues; and**
- **future National Assembly guidance on Local Housing Strategies should promote and provide practical advice on collaborative working.**

*National Assembly for Wales*

**6.17 Local authorities should provide a draft copy of their Local Housing Strategy to the National Assembly at the earliest opportunity so that the Assembly can:**

- **ensure that Local Housing Strategies and Local Authority Housing Operational Plans contain objectives and targets that, as well as to tackling local housing issues, are appropriately integrated with the National Housing Strategy;**
- **raise concerns about, and work with authorities to address target outcomes which appear inappropriate, insufficiently stretching, or inconsistent/poorly integrated with broader local strategic housing objectives;**
- **ensure that the local authorities set target outcomes in areas where it will be receiving National Assembly programme funding; and**
- **check compliance with guidance on the Local Housing Strategy process i.e. on corporate working, consultation and housing assessment.**

6.18 Following this stage, the Group considers that the National Assembly should analyse Wales' Local Housing Strategies to build up a national picture, and annually review progress against strategies. This role is covered in section 15.

## **SECTION 7: LOCAL STRATEGIC HOUSING VISION**

**7.1 The foundation of any Local Housing Strategy should be a defined 'vision' of how housing can contribute to promoting and improving the quality of life of local people.** In practical terms this will require a set of high level housing objectives flowing from the Community Strategy.

7.2 These objectives should be focussed up to ten to fifteen years ahead, and taken together should encapsulate a vision of what local housing and communities should be like in ten to fifteen years time. A typical set of high-level strategic housing objectives might be:

- to meet aspirations towards home ownership where these are sustainable;
- to ensure that high quality social housing is readily available for those who cannot afford or do not wish to buy;
- to strive to promote a flourishing private rented sector that enhances choice and labour mobility, but that is effectively regulated to prevent serious risk to health and safety;
- to eliminate the need for people to sleep rough; and
- to provide sufficient levels of accommodation-based support to vulnerable people.

7.3 Given the general nature of these objectives it is necessary that they are supported by lower level and more specific objectives and target outcomes ( See Section 9).

## SECTION 8: UNDERSTANDING THE LOCAL HOUSING SITUATION

8.1 Analysis of current HSOPs suggests that in general Welsh local authorities have a limited understanding of how their local housing sectors/markets operate and interact. This is a significant problem, particularly given the importance of the interaction between private housing markets and the subsidised housing sector at the margins. Without information (such as household preferences for owner-occupied and private rented housing; and price and rent trends in these sectors) it is difficult to envisage how authorities can forecast overall future requirements for housing.

8.2 This situation has arisen in part due to the lack of onus that current HSOP guidance puts on the requirement for local strategies to be underpinned by a strong analysis and understanding of the local housing context. Following from this, the advice on assessing housing demand and need (and the capacity of local housing organisations to respond) is weak and lacking in detail. Too often the guidance asks councils to gather certain types of information but does not make clear how this information should be used. Clearly stronger and clearer links need to be established between future Local Housing Strategy guidance and the Assembly's Good Practice Guide on Housing Needs Assessment.

8.3 It is crucial that National Assembly Local Housing Strategy guidance is improved, to encourage and assist authorities to carry out robust assessments to measure:

- current and future housing demand and need in their areas; and
- the capacity of existing providers to meet those demands and needs.

8.4 This information should reveal the housing problems and opportunities that exist within an authority's area. The Local Housing Strategy should encapsulate the decisions of the authority and its partners on how to address these problems and opportunities.

8.5 Given the complexity of housing sectors/markets, understanding the local housing context will be a difficult and resource-intensive task. In recognition of this, the Group **recommends that authorities carry out a rigorous housing assessment prior to each five-year strategy (as opposed to the less in-depth analyses carried out at present) and that these assessments should be a joint housing-planning**

function for both the housing strategy and the Unitary Development Plan.

8.6 The Group further **recommends that the National Assembly should provide detailed guidance on the completion of assessments in the form of an Advice Note to the Local Housing Strategy guidance. This should complement the Housing Needs Assessment Good Practice Guide and in particular should cover the "gaps" that currently exist in guidance on housing demand. The final product would therefore be consolidated guidance covering "the housing system" in the round. (The Assembly should consult its partners on the content of the guidance).**

8.7 The limited time and resources available to the Group has meant that it has not been able to produce detailed guidance on what assessments should cover. However, **a set of basic principles and methods are recommended as a starting point for the guidance.** These are set out in the remainder of this section.

### *Principles*

8. Analysis should:

- **Cut across all housing tenures: each housing tenure has individual characteristics and problems but these cannot be tackled in isolation. The interaction between the social and private market sectors and the movement at the margin between the two sectors is particularly important.**
- **Assess the housing requirements of all sections of the community: certain minority or vulnerable groups will have special housing needs that can only be addressed with a particular type of response. For example, some households will require a special kind of housing provision such as dwellings built to wheelchair or mobility standards, or specialist supported housing.**
- **Closely involve other relevant local organisations given that:**
  - some of the information required to assess the local housing context will be held by other local organisations; and
  - other local organisations need access to a well-informed view of the local housing context in order to plan their own strategies and programmes.
  - **Look beyond administrative boundaries: households as consumers of housing have no regard to administrative boundaries. Many households will indeed have a preference or need for a type of housing that is unavailable in their authority area. To respond to this issue, authorities need to understand how their local housing markets and providers (such as RSLs) work across boundaries.**
  - **Take account of the wider local picture: economic, employment, health, social care and crime trends are all relevant to the assessment of housing need and demand.**

### *Gathering relevant data*

8.9 Local Housing Strategies need to be based upon relevant and up-to-date information. This means

authorities gathering and keeping abreast of new information. Such information should, as far as possible, be collected in a common form that can be shared across authorities. (This issue will be addressed in the Advice Note on Housing Assessments – see paragraph 8.6).

8.10 Much of the information collected will be important for projection purposes. Housing strategies that look five years ahead must be based upon a considered view of the likely future state of local housing sectors/markets.

8.11 The proposed guidance referred to in paragraph 8.6 should take account of the methodological problems that local authorities are likely to face in gathering data that is robust enough to inform policy development. It is **recommended that the Advice Note be specific about the most effective methods for authorities to use.**

8.12 In carrying out its "housing requirements" assessment, the local authority should ensure that there is a clear link to the evidence base that informs the local homelessness strategy. Homelessness reviews will be required to conform to forthcoming Assembly guidance on homelessness strategies, and incorporate data collection and analysis which identifies client groups, repeat presenters, trends and causal factors.

### *Sharing data*

8.13 Some of the data collected and analysed for the Local Housing Strategy will be used for many other local authority strategies and plans. Population/demographic data is the most obvious example. To avoid duplication of effort, and to ensure consistent use of data, the Group **recommends that the National Assembly guides each local authority to have in place arrangements for the effective sharing of categories of data that are common to their different strategic plans.**

## **SECTION 9: SETTING HOUSING OBJECTIVES AND TARGET OUTCOMES**

9.1 It is vital that Local Housing Strategies contain clear objectives that, where possible, include desired, measurable target outcomes. These objectives and targets should flow from three sources:

- the high-level objectives that make up the strategic housing vision;
- the Best Value Performance Plans and action plans that follow from service reviews of housing functions and other functions; and
- the issues identified in the assessment of local housing and systems.

These objectives will be the starting point for generating strategic options and subsequent actions – see next section.

### Issues identified in the assessment of local housing markets and systems

9.2 This data should prompt questions about current gaps in provision and whether the efficiency of local housing sectors/markets can be improved by more effective intervention and targeting of resources.

9.3 For housing need, a useful approach is to classify all the households in need living in unsuitable housing according to the possible administrative actions that would be required to solve their problems. These include a move to a different home, upgrading the existing home, providing support to make the home suitable and the provision of financial or other support.

9.4 For housing demand, authorities should consider:

- the demand for, and affordability and sustainability of, home ownership and its implications for;
- provision of housing information and advice;
- the scale and location of low cost home ownership developments;
- potential for conversion of social housing stock to owner-occupied stock; and
- the appropriate location of housing development sites in the Unitary Development Plan.
- the capacity and suitability of private rented housing to meeting local housing demand and need.

9.5 To some extent, the approach advocated in paragraphs 9.3 – 9.4 will overlap with the stage covered in section 10. This is because, in practice, there will not be a neat dichotomy between "setting objectives and targets" and "generating and appraising strategic options to achieve these."

9.6 With regard to the exact nature of objectives, analysis of current HSOPs shows some key weaknesses:

- high-level objectives are often vague and consequently are unlikely to prove useful in guiding the generation and choice of actions; and conversely
- low-level objectives are often quite detailed tasks (i.e. process and input focussed) rather than desired, measurable outcomes. As a result, it is difficult to gauge the contribution of such tasks to the local strategic housing vision.

9.7 The Group **recommends that future National Assembly Local Housing Strategy guidance stress that objectives should be:**

- **precise and unambiguous;**
- **clearly linked to:**
- **overarching corporate objectives, objectives in other policy/programme areas and lower level operational interim targets and milestones; and**
- **measurable target outcomes set within specific timescales.**

9.8 It would be useful if guidance also contained diagrams showing examples of this type of "objective hierarchy".

## SECTION 10: GENERATING AND APPRAISING STRATEGIC HOUSING OPTIONS

10.1 Having agreed upon strategic objectives and target outcomes, the next stage will be for authorities (and their partners) to consider alternative options of using limited resources to achieve housing objectives and targets. In appraising and choosing between strategic options, the Group **recommends that future National Assembly Local Housing Strategy guidance should guide authorities and their partners to take account of the following types of dimensions:**

- **scale of intervention;**
- **timescales for achieving objectives;**
- **location (authority-wide or targeted at particular communities, areas or groups);**
- **different levels/mixes of capital and revenue funding;**
- **partner (i.e. public, private and voluntary) inputs/outputs; and**
- **different mixing and matching of options.**

**10.2 Case studies of generated options to achieve strategic housing objectives could also usefully be included in guidance.**

## SECTION 11: HARNESSING AN EFFECTIVE CONTRIBUTION FROM THE PRIVATE SECTOR HOUSING STOCK

11.1 The Group has not produced a comprehensive list of the housing policy subjects that should be included in Local Housing Strategies. This is very much a matter to be determined at local authority level. An exception to this approach has been the Group's consideration of the coverage of private sector housing issues in Local Housing Strategies. This follows a study on Wales carried out by the Council of Mortgage Lenders in 1999 that found HSOP coverage of private sector issues concentrated heavily on house conditions, empty properties and houses in multiple occupation. It revealed that little attention was paid to the identification of the broader trends and preferences within the owner-occupied and private-rented markets. The Group considers that allowing this situation to prevail will mean authorities failing to harness the potential of the private sector as a means for addressing local housing requirements. This problem clearly needs to be tackled on two main fronts.

11.2 Firstly, local authorities need to improve their gathering and analysis of information on private sector housing markets, local demand and the ways that the private sector might meet housing needs. (This issue was partly covered in section 8).

11.3 The other required key action is for local authorities to make far greater use of their existing powers at their disposal to enable private sector involvement in meeting local strategic housing objectives e.g. powers over mortgage guarantee. It is **recommended that future Local Housing Strategy guidance should be supplemented by an Advice Note which:**

- **sets out the powers that local authorities have in this regard; and**
- **includes examples of good practice where authorities have engaged the private sector or**

**intervened in private sector housing markets.**

11.4 An important current development that will have a bearing on the content of Local Housing Strategies, are the new arrangements set to come into force in regard to 'Private Sector Housing Renewal'. These will give local authorities considerably more scope to develop renovation strategies, that are sensitive to local pressures and priorities, and improve targeting to individuals and disadvantaged communities. They will also place a statutory obligation on authorities to publish a local private sector renewal policy. In most cases, this will become an authority's private sector renewal strategy. Authorities have a new general power to give financial assistance for home repair, improvement and adaptation. They will be either able to provide assistance themselves or through another agency such as an RSL, charity or home improvement agency. In addition, they will be able to provide financial help (either direct to the borrower or lender via an agency), to enable people to obtain a loan provided by another body such as a commercial lender.

11.5 Private Sector Housing Renewal Strategies will in effect be "sub-strategies" which should connect to the overarching Local Housing Strategies and Local Authority Housing Operational Plans.

## **SECTION 12: "SELLING" STRATEGIES**

12.1 The Group **recommends that local authorities should provide their "housing partners" with a copy of their Local Housing Strategy. The strategy should also be published on the authority's website and summary copies should be distributed to a wide spectrum of providers/users and made available in public libraries.**

**12.2 At the national level, the Assembly should seek to reinforce the importance that it attaches to the local authority strategic housing role and Local Housing Strategies. This reinforcement should be undertaken at political and official level.**

## **SECTION 13: MONITORING AND REVIEW - THE ROLE OF LOCAL AUTHORITIES AND THE HOUSING INSPECTORATE.**

### *Local Authorities*

13.1 It is generally accepted that monitoring and evaluation has been a weak feature of the HSOP process. It is important that local authorities address this problem by putting in place information systems to provide good quality and timely information to enable measurement of progress on achieving local housing strategic target outcomes and milestones.

13.2 With the advent of Best Value, local authorities have a statutory duty to review all services (including housing services) over a five-year cycle. Therefore all authorities should be reviewing their strategic housing role at some point in this cycle. The action plans that flow from reviews of mainstream housing services and other services may necessitate changes to the Local Housing Strategy and the Authority's

## Housing Operational Plan and Council Housing Business Plan.

13.3 Authorities can decide for themselves how they wish to structure their Best Value review programme. They may choose, for example, to carry out a "stand alone" review of housing strategy, to link housing strategy with one or more other aspects of housing services, to incorporate housing strategy into a "whole service" housing review, or to include it in a much wider corporate or cross cutting review.

### *The Housing Inspectorate*

13.4 Best Value inspections will follow on from, and be scoped in line with, authorities' Best Value reviews. Where Best Value housing reviews cover particular areas of the housing service (e.g. sheltered housing, repairs and maintenance), and do not examine housing strategy directly, inspections are likely to consider:

- the way in which aims and objectives for that service area link into the authority's corporate objectives and the authority's housing objectives as outlined in their Local Housing Strategy and the Local Authority Housing Operational Plan;
- the robustness of the information on which aims and objectives for that service area have been based (e.g. information on the housing needs of the elderly in the area, stock condition information); and
- the coherence and quality of objectives and targets for that service area.

13.5 Where Best Value reviews look directly at the authority's strategic housing role, inspections are likely to consider:

- authority corporate working practices in producing and monitoring Local Housing Strategies;
- authority consultation on these strategies with local housing-related organisations, and the local community;
- how housing strategies are linked to Community Strategies and other corporate plans;
- the robustness of housing needs and demands assessments on which strategies are based; and
- the coherence and quality of objectives and targets within the strategy.

13.6 To ensure that all elements of the housing strategy process are captured in the Best Value service review programme, the Group **recommends that Local Housing Strategies should include an appendix setting out which of the service reviews (in the Best Value Performance Plan) cover each of the following aspects of the Local Housing Strategy process:**

- **linking housing strategy to Community Strategies and other corporate and service plans (i.e. inter-departmental working);**
- **consulting external partners and the local community;**
- **setting strategic housing objectives, priorities and target outcomes; and**
- **gathering and analysing information on the local housing situation.**

## **SECTION 14: LOCAL AUTHORITY CAPACITY FOR FORMULATING, MONITORING AND REVIEWING LOCAL HOUSING STRATEGIES**

14.1 The new Local Housing Strategy process may have resource implications for some local authorities. For this reason, the Group **recommends that authorities review the capacity and resources that they devote to their housing strategy function.**

14.2 This new Local Housing Strategy process will not necessarily require a need for increased resources in all cases. 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. (At present local authorities are required to produce Strategies every three years, but in practice many authorities produce new strategies annually.)

## **SECTION 15: THE ROLE OF THE NATIONAL ASSEMBLY - THE NATIONAL HOUSING STRATEGY**

15.1 Local Housing Strategies, containing an assessment of local needs and priorities and the resources available to meet these, should be linked to the national policies and objectives articulated in the National Housing Strategy. The National Assembly's role in working with local authorities and their partners on draft Local Housing Strategies is covered in paragraph 6.17. This section covers the continuing role of the National Assembly.

### *Local Housing Strategies*

15.2 The Group **recommends that the National Assembly should analyse Wales' five-year Local Housing Strategies to build up a "national housing picture":**

- **to identify key housing priorities across Wales, including issues common to Welsh authorities that do not currently feature in the National Housing Strategy; and**
- **to highlight significant regional, and individual authority, variations in terms of housing problems and policy.**

**15.3 A report on this aspect of the analysis should be submitted to Ministers and the Local Government and Housing Committee. Their response should inform the development of future national housing strategy.**

15.4 Analysis at this stage might also seek to identify, and disseminate, good practice on the Local Housing Strategy process (e.g. authorities that have carried out particularly robust analysis of local housing sectors/markets).

*Monitoring Progress*

15.5 The Group recommends that 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.

**APPENDIX A: BASIC DIAGRAMATIC ILLUSTRATION OF THE RECOMMENDED REVISED LOCAL HOUSING STRATEGY PROCESS**



**APPENDIX B: GLOSSARY OF COMMONLY USED TERMS**

Current housing strategic planning process

Housing Strategy and Operational Plan (HSOP)	<p>The "HSOP" as it is commonly referred to comprises two separate elements prepared by the local authority for their housing strategy and business planning functions:</p> <ul style="list-style-type: none"> <li>• the housing strategy covers a three year period; while</li> <li>• the operational plan looks forward over two years.</li> </ul>
--	--

### Recommended revised strategic planning process

Local Housing Strategy	<p>A strategic plan prepared by the local authority and its partners containing a long-term housing vision consistent with the Community Strategy; and more specific housing objectives and target outcomes covering a five year period. (A comprehensive housing assessment should be undertaken to provide a robust "evidence base" for the strategy).</p>
Local Authority Housing Operational Plan	<p>An operational plan for the local authority to enable the achievement of the objectives and targets contained in the Local Housing Strategy.</p> <p>The Plan should be reviewed and "rolled forward" annually and should:</p> <ul style="list-style-type: none"> <li>• contain interim targets/milestones for all target outcomes in the Local Housing Strategy;</li> <li>• contain a section showing progress made in the previous year against target outcomes; and</li> <li>• plan activity for at least one financial year ahead.</li> </ul>
Local Authority Council Housing Business Plan	<p>This plan separates the council's landlord function from its strategic housing responsibilities and covers all aspects related to development, management, maintenance and finance of the local authority's own stock. (The content of Council Housing Business Plans should not be duplicated in the authority's Housing Operational Plan; rather the latter should include clear cross-referencing to the Council Housing Business Plan).</p>

## Best Value

Performance Plan	<p>This plan is the key means by which an authority accounts for the efficiency and effectiveness of its services, and for its future plans. It should summarise the authority's objectives, its current performance against national and local housing performance indicators, and compare current performance against previous financial years.</p> <p>Performance Plans should also detail the authority's Best Value Review programme, the key results of completed Reviews, and performance targets for the future. It should give a response to audit and housing inspection reports, and provide financial information - including details of major capital projects and investments.</p>
Service Review	<p>These reviews are the main means by an authority can achieve improvements in its performance. They provide an opportunity to identify ways of improving services, using the '4 Cs' of Best Value – Challenge, Consult, Compare and Compete.</p> <p>Reviews should take a long-term view but also seek to identify and achieve short-term gains. Each one should result in an action plan, setting out the objectives, performance indicators and targets for the function, and how these will be achieved.</p>
Inspection and Inspection Reviews	<p>Housing inspections are carried out by the Housing Inspectorate in the Audit Commission. Inspections follow on from, and are scoped in line with authorities' Best Value reviews. Their purpose is to reach two judgements: how good is current service; and how likely is it to improve. In reaching these judgements the Inspectorate will assess the service from a tenant or service users perspective, assess performance against national and local standards, test whether the 4 C's have been rigorously applied in the authority's Best Value review, and decide whether planned improvements are reasonable and achievable.</p>

-

## Other terms

Housing demand	The total number and types of housing that households are willing and able to pay for (i.e. to buy or rent).
Housing need	The total number of households that may be living in inadequate housing (or be unable to obtain their own accommodation) in the housing market.

## **APPENDIX C: REVIEW TERMS OF REFERENCE**

To conduct a study of the local authority Housing Strategy and Operational Plan (HSOP) process in order to evaluate:

- the actual, and potential, contribution of the HSOP process to achieving: the strategic aims in "BetterWales", the actions in the Annual Government Business Programme, and the goals of the National Housing Strategy for Wales;
- the actual, and potential, effectiveness of the HSOP as a strategic planning mechanism for local authorities' housing functions, and its contribution to meeting their responsibilities for promoting the economic, social and environmental well-being of their areas; and
- how the HSOP can most efficiently and effectively be integrated with local authorities' wider responsibilities for community planning and achieving Best Value.

The study will pay particular attention to:

- setting a framework within which local authorities can devise solutions to local housing-related problems;
- providing evidence to enable local government and the National Assembly to allocate housing resources fairly and effectively;
- supporting local authority corporate working and effective links with other local authority strategic processes such as Unitary Development Plans, Local Transport Plans, Economic Development Plans, Social Care Plans, Children Strategies and Health Improvement Programmes;
- promoting local authority partnership working, and consultation, with local stakeholders;
- developing an effective operational and business planning framework for local authority housing functions; and
- measuring and monitoring the performance of local authority housing functions.

The study will look at the role of, and consult with, the following sectors that have a key part to play in the HSOP process: local government; the private sector (lenders and house-builders); registered social landlords; tenants' groups; the voluntary sector; academia; and professional housing bodies.

## **APPENDIX D: WORKING GROUP MEMBERSHIP**

### **Core**

Ms Frances Beecher, Llamau

Mr Keith Edwards, Chartered Institute of Housing Cymru

Mr Terry Hennegan, Welsh Tenants' Federation

Mr John Glyn Jones, Cymdeithas Tai Clwyd Cyf

Mr David Lewis, Gwynedd County Council

Mr Steve Thomas, Welsh Local Government Association

Mr Gareth Williams, House Builders Federation

Mr Peter Williams and Mr Andrew Heywood, Council of Mortgage Lenders; and Mr Keith Reeve, Nationwide Building Society (jointly representing private lenders)

Dr Mike Harmer, Housing Directorate, National Assembly for Wales

Mrs Geraldine Newbery, Housing Directorate, National Assembly for Wales (Secretariat)

Mr Stephen Phipps, National Assembly for Wales (Working Group Chair)

Mr James Watkins, National Assembly for Wales (Project Co-ordinator)

### **Others**

Ms Anne Delaney, Best Value Housing Inspectorate

Mr Martin Lloyd, Association of Letting and Management Agencies

Mr Martin Symonds, Best Value Housing Inspectorate

Mr Steve Tucker, Lovell Partnerships

Mr Mohammed Field, Housing Directorate, National Assembly for Wales

Mr Jonathan Fudge, Planning Division, National Assembly for Wales

Mr Chris Hawker, Social Services Inspectorate Wales, National Assembly for Wales

Mr Brendon Hilbourne, Housing Directorate, National Assembly for Wales

Mr Alan Morgan, Housing Directorate, National Assembly for Wales

Mr Henry Small, Statistical Directorate, National Assembly for Wales

## **APPENDIX E: CONSULTATION EXERCISE RESPONSES**

Bridgend County Borough Council

Cadwyn

Caerphilly County Borough Council

Cardiff Community Housing Association

Charter Housing

City and County of Cardiff

Cymdeithas Tai Dewi Sant

Cynon Taf, Pontypridd & District, & Rhondda Housing Associations (joint response)

Disability Wales

District Audit Office

Flintshire County Council

Grwp Agored

Gwerin Cymru Housing Association

Monmouthshire County Council

Newport County Council

Newydd Housing Association

Pembrokeshire County Council

Shelter Cymru

Torfaen County Borough Council