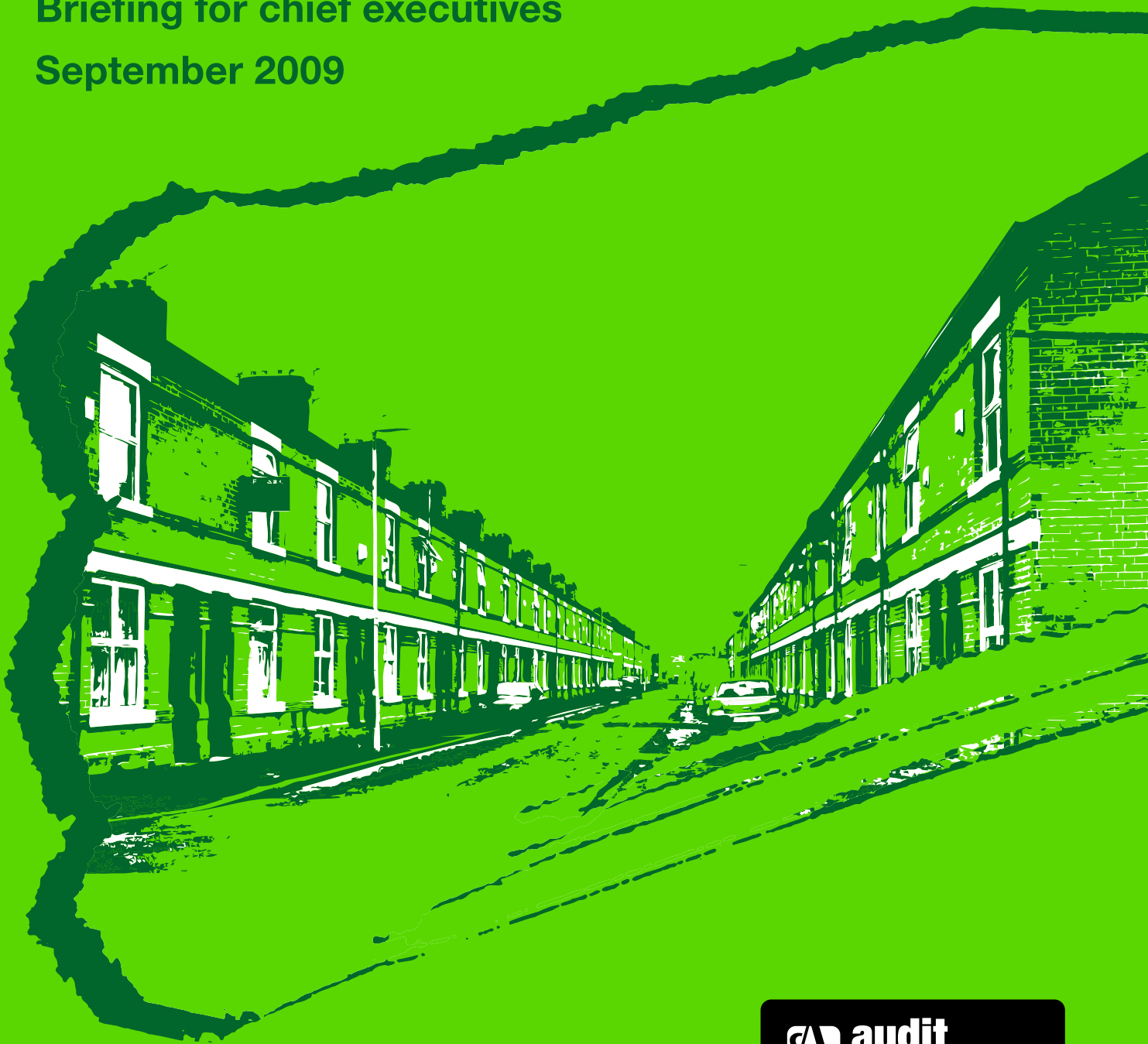


# Building better lives

Getting the best from strategic housing

Briefing for chief executives

September 2009



**The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.**

**Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.**

**As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.**

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## Introduction

### **Housing matters**

This briefing is for chief executives of councils and explains why the strategic housing role is important in helping you meet your objectives for your area.

### **What is strategic housing?**

A good strategic housing function contributes to the wider well-being of an area. It can help to make a place where people want to live with good quality housing from which they can select a type and tenure appropriate to their needs, aspirations and means. It can also make sure no communities are disadvantaged because of the housing they occupy or have available to them.

### **What our report Building Better Lives says**

#### **Managing your housing responsibilities well can help your council create sustainable communities**

Even if your council does not have your own housing stock you do have housing responsibilities that can provide opportunities to improve your area.

Improving housing can improve public health and children's education, and make communities more sustainable.

Improving the housing stock that already exists will help more people than building new houses, but more homes are also needed in most places in the country. It is important to get the balance right.

#### **Well-targeted spending on the housing stock can also yield financial benefits**

Every £1 spent on providing housing support for vulnerable people can save nearly £2 in reduced costs of health services, tenancy failure, crime and residential care.

Spending between £2,000 and £20,000 on adaptations that enable an elderly person to remain in their own home can save £6,000 per year in care costs.

If only 5 per cent of empty homes in England could be brought back into use, councils could cut their annual homelessness costs by £½ billion.

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### **Funding and regulatory changes reinforce the need for your council to manage housing strategically**

If your council does not have a local investment strategy for housing agreed with your partners you will not secure funding and support from the Homes and Communities Agency.

Comprehensive Area Assessment (CAA) will assess how well housing is contributing to your council's and your partners' ambitions for your area.

Although your council probably only directly commits a small proportion of the money spent on housing in your area, you need to influence markets and funding flows as well as deliver services.

### **Imaginative councils have managed to improve local housing**

Our research found that councils with a clearly expressed vision for their area have found it easier to attract developers and funding.

We also found that creative councils that worked in partnership to tackle homelessness, reclaim empty properties and improve housing quality have found they have done this in ways they could not have achieved alone.

The research found some councils have used regulatory powers and accreditation schemes to improve the quality of housing without spending significant sums of public money.

### **But we found that most councils still struggle to grasp the opportunity that strategic housing presents**

Three-quarters of councils whose strategic housing function was inspected by the Audit Commission were rated fair or poor; only one of the 139 councils inspected so far, rated excellent.

Even well-regarded councils assessed their own performance on strategic housing as mixed.

Fewer than half of districts think they have the skills they need. After two years of a government-funded training programme, a third of all councils still lack the skills to understand and influence housing markets.

Few councils recognise how housing strategy can meet objectives beyond housing, or engage with a wide enough range of delivery partners.

One hundred and forty-three local area agreements – 94 per cent of areas – have prioritised new and/or affordable housing targets, but fewer than a third prioritised targets relating to the existing stock.

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## **Model of good delivery**

We think a good strategic housing function:

- is based on a vision for housing in the area that is consistent with broader place shaping ambitions;
- is well informed and understands local housing needs and markets;
- has effective housing partnerships and relationships;
- uses regulatory powers as well as influence; and
- has skilled and competent staff.

Does your council follow this model of good delivery? The questions below will help you consider your own position and think about how to improve your strategic housing function. We also have some other documents that can help and these can be found on our website, [www.audit-commission.gov.uk/buildingbetterlives](http://www.audit-commission.gov.uk/buildingbetterlives)

The strategic housing role has never been so important. CAA, developed by the Audit Commission and its partner inspectorates, will ask ‘how well is housing need met?’ in every area. CAA changes the Audit Commission’s approach to assessment of the strategic housing function in three ways:

- It will be comprehensive – this question will be explored in every area in the country.
- it will look at success as well as failure – where the Commission has previously targeted resources in areas of concern, CAA provides the opportunity to highlight good or innovative practice publicly with green flags; and
- It will focus explicitly on the strategic housing role – what contribution is housing making to councils’ and their partners’ aspirations for their area?

Councils that have thought through their strategic housing role will be best placed to answer the challenges that CAA will pose.

The Homes and Communities Agency has been set up as the government’s housing delivery partner (replacing the Housing Corporation’s investment function and English Partnerships). The Tenant Services Authority is the new regulator of social housing (landlord functions only). The Homes and Communities Agency has published its intentions for a ‘single conversation’ with councils. To qualify for financial support it expects councils to have developed and secured local agreement to soundly based strategies and business plans from local, sub-regional and regional partners.

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## Questions you need to ask yourself

We have designed the following questions to help you consider how well your council is performing.

- 1** Have you developed a clear vision for the role that housing has to play in your community that is:
  - based on good evidence;
  - consistent with other local strategies (for example, sustainable community strategies and local development frameworks);
  - agreed with a wide range of local partners;
  - underpinned by implementation plans; and
  - regularly reviewed in the light of economic, environmental and social change?
- 2** How have you articulated this vision publicly?
- 3** How do you involve local partners in developing your housing strategy?
  - How do you include residents?
  - How do you include developers?
  - How do you include landlords?
  - How do you include builders?
  - How do you include housing associations?
- 4** What use do you make of local regulatory powers (for example, licensing of properties, planning permission, enforcement in relation to housing conditions) to achieve your housing and broader objectives?
- 5** What are you doing to improve the quality of your existing housing?
- 6** What are you doing to bring empty homes back into use?
- 7** Have you reviewed your own land and property holdings, and those of others in your area, to identify opportunities to release land for new market or affordable housing?
- 8** What have you done in response to the impact of the recession on housing issues locally?
- 9** How effectively are you working with other councils in your area or nearby to deliver strategic housing?
- 10** How are you ensuring that you have the capacity and capability to deliver an effective strategic housing function?

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This document is available on our website.

For further information on the work of the Commission please contact:

**Audit Commission**

1st Floor  
Millbank Tower  
Millbank  
London  
SW1P 4HQ

Telephone: 0844 798 1212

Fax: 0844 798 2945

Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

We welcome your feedback. If you have any comments on this report, are intending to implement any of the recommendations, or are planning to follow up any of the case studies, please email:

[nationalstudies@audit-commission.gov.uk](mailto:nationalstudies@audit-commission.gov.uk)



**Audit Commission**

1st Floor  
Millbank Tower  
Millbank  
London  
SW1P 4HQ

Telephone: **0844 798 1212**  
Fax: 0844 798 2945  
Textphone (minicom): 0844 798 2946

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Stock code: LEB 3569