

Policy Digest

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Further Information

The Policy Digest provides a review of Northern Housing Consortium policy activity and an update on recent national legislative, policy and regulation issues that have an impact on our members in the North. Visit our [website](#) or contact the NHC Policy section on 0191 566 1000 for further information on the work of the Consortium featured in the Digest or any other policy areas you would like to highlight.

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THE VOICE OF HOUSING IN THE NORTH

- **The Housing and Regeneration Bill**

The Housing Green Paper set out the Government's plans to deliver 3 million new homes by 2020 – homes that are needed to meet growing demand and rising aspirations for the future. [The Housing and Regeneration Bill](#), announced on the 16th November by Housing Minister, Yvette Cooper, will see new measures introduced in order to help deliver these greener, more affordable new homes. The new Bill will help **address the shortage of affordable housing** for first time buyers and families; **make new housing greener** to tackle climate change; and **give social housing tenants a better deal**. The Bill is in three parts which are examined below.

Part 1:- the Homes and Communities Agency

The main purpose of the Bill is to support the delivery of housing supply through the creation of the Homes and Communities Agency, which replaces English Partnerships and takes on investment powers currently held by the Housing Corporation.

The HCA will for the first time bring together responsibility for land and housing with a budget of billions for affordable housing, including shared ownership deals, and powers to revitalise existing communities. By shifting from simply grant funding social housing to investing in infrastructure, the Agency will support the regeneration and delivery of new housing, both social and private. The HCA will also make better use of surplus public sector land, maximise the potential for brownfield development and work with local councils on some of the 10 new eco-towns the Prime Minister has pledged by 2020.

Part 2:- Regulation of social housing

The Bill will also reform social housing regulation to put tenants at the heart of social housing, increase choice and drive up standards by establishing a new watchdog for social tenants, the Office for Tenants and Social Landlords, known as **Oftenant**.

This watchdog will have a duty to reduce red tape for good Housing Associations, with less paperwork and no routine inspections, allowing them to concentrate on building new housing. Oftenant will also have new powers to step in and penalise landlords who are not giving a good service, such as not getting repairs done, with tenant triggered inspections of landlords offering a poor service.

Part 3:- Other provisions

In addition to creating the new Homes and Communities Agency and the new social housing watchdog, the Bill includes legislation to remove barriers to councils building their own social housing by rewriting the rules on financing new council housing. Other areas covered by the Bill include; the code for sustainable homes, right to buy and some minor measures around homelessness, the armed forces and gypsies and travellers.

Councils will be able to keep full rents from new council houses and use any surpluses to help pay for new social homes. The Bill will also allow some councils to opt out of the Housing Revenue Account subsidy system, keep future rents and reinvest them in social housing.

Mandatory sustainability ratings will be required for all new homes and developers will have to provide either a certificate showing the rating or written confirmation that no assessment has been made. The Bill sets out a requirement for ballots of tenants prior to local authorities applying to the Secretary of State for permission to transfer stock as well as an extension of regulations to make local authorities co-operate with tenant management organisations requesting a transfer from local authority to RSL.

The Bill introduces family intervention tenancies as a new form of tenancy to be offered to those people who are at risk of losing their home due to anti-social behaviour and are taking part in Family Intervention Projects, which have proven to be highly successful in putting an end to the serious anti-social behaviour caused by a small minority of nuisance families.

The Bill also introduces some changes to the right to buy regulations including clarification on the rules and when right to buy can be exercised. It implements the European Court of Human Rights ruling on gypsies and travellers giving those living on local authority run sites the same security of tenure as residents on mobile home sites.

In addition to the Housing and Regeneration Bill, the Government announced [the Planning Reform Bill](#) on the 27th November. This Bill will support some of the provisions in the Housing and Regeneration Bill by streamlining and improving the planning system. The Planning Reform Bill introduces a single consents regime for major infrastructure, which will support the proposed new Eco-towns, by establishing an infrastructure planning commission. The Bill will also introduce greater public consultation and engagement opportunities within the planning decision-making process helping to put those people and communities most affected at the centre of decisions.

The Housing and Regeneration Bill implements the plans set out in the Housing Green Paper (July 2007), the recommendations of the Cave Review of Social Housing Regulation (June 2007), and policies responding to John Hills' Assessment of Social Housing (February 2007). The Northern Housing Consortium responded to these important consultations earlier this year and we are pleased to see that the voice of the North has been heard in terms of the Government's acceptance that affordability is a national issue and the measures they are introducing through the Bill to deal with it.

However, the issue for the northern regions now is to deliver the new expectations that are being put upon them for better quality and higher volumes of new, affordable homes. There is much innovation and good practice in the North in terms of delivery and use of new vehicles to do this. We now need to make the best use of our resources in order to meet the targets of the Green Paper which the provisions of the Bill will help to support.

We welcome the [news](#) that Sir Bob Kerlake, currently Chief Executive of Sheffield Council, will become the first head of the new agency from March 2008, initially being responsible for its development and implementation ready for its launch in 2009. Yet we await further clarity on the form that the Agency will take and detail on how much of a regional presence it will have. We would like to see the HCA bring real powers to the regions with decision-making responsibilities not just having an administrative role.

- **The Callcutt Review of Housebuilding Delivery**

The Callcutt Review of Housebuilding Delivery was commissioned in December 2006, by the then Secretary of State for Communities, Ruth Kelly. This independent [review](#) undertaken by John Callcutt and his team, were tasked with:

- Examining how the supply of new homes is influenced by the nature and structure of the housebuilding industry, its business models and its supply chain, including land, materials and skills;
- It also considered how these factors influence the delivery of new homes to achieve the Government's target of 200,000 (now 240,000) new homes per annum by 2016, while meeting homebuyers' requirements and aspirations, achieving high standards of energy efficiency and sustainability, as set out in the Code for Sustainable Homes, and achieving a zero carbon standard; and
- To make recommendations.

The key findings and recommendations were published by Communities and Local Government (CLG) on the 22nd November 2007 in the Callcutt Review of Housebuilding Delivery [report](#). In its 37 recommendations, the Review set out five propositions to meet the challenge of aligning the Government's targets of 240,000 new homes a year by 2016 where housing is needed, at an affordable price, and which meets the Government's ambitious zero carbon targets, with the industry's commercial objectives of providing returns to their shareholders. The five propositions are:

- The public and private sectors are incentivised to work in new 'mature' partnerships.
- Public commitment to infrastructure and services to build investor confidence in areas earmarked for regeneration.
- The regulatory framework is turned around so as to incentivise good quality and standards and to create opportunities for smaller firms.
- Government gives sustained leadership to its zero carbon objectives to underpin their delivery by the industry.
- Community management is given renewed priority as a key component of permanent regeneration.

The Northern Housing Consortium very much welcomes this Review which concludes that given sufficient land, and subject to the recommendations, England's housebuilding industry is in shape to meet the Government's objectives on volume, quality, environmental performance and affordability. In particular, we favour the high priority it has given to housing volume alongside quality of housing design.

The Consortium has produced a [briefing paper](#) which highlights and provides commentary on some of the key recommendations set out in the Callcutt Review of Housebuilding Delivery. It also considers the implications of this Review for housing in the North to assist members in responding to these key recommendations. For more information on this area contact: [Helen Kerridge](#), Senior Policy and Research Officer.

- **The Northern Housing Summit 2007 – Key Messages**

“The only constant in the next decade will be one of change. The link between the economy and housing has never been greater. The opportunity to make a difference, never stronger”

Steve Douglas, Acting Chief Executive, Housing Corporation
Northern Housing Summit, 20th November 2007

The Northern Housing Consortium’s must-attend event, the annual Northern Housing Summit, took place on November 20-21 in York. The event saw leaders from a wide range of housing organisations across the North come together to listen, to learn, to debate and to be inspired to lead the housing agenda forward. The tremendous buzz surrounding this year’s Summit was perhaps unsurprising, given the profile of the speakers and the relevance of the issues being covered.

Housing is right at the top of the political agenda. The north has received an increased financial settlement under the new Comprehensive Spending Review, but it comes with challenging new targets, particularly around the supply of greener and more affordable new homes. The Housing Green Paper and subsequent Housing and Regeneration Bill, the Sub National Review of Housing and Regeneration and the new performance framework highlight the challenges ahead in the delivery of homes for the future, quality places and thriving local economies.

Delegates at the Summit heard key messages around:

- **Supply, quality and efficiency** – while CSR07 has provided the housing sector with a greater resource, expectations around scale and efficiency of delivery will mean that the north must deliver better designed, greener and more affordable homes for less. Key issues for members include best use of financial capacity and assets such as land, use of innovative delivery vehicles and delivery through sub-regional partnerships;
- **Economy and prosperity** – the link between housing and the economy is heavily emphasised by government, the importance of affordable housing delivery through Local Area Agreements and Multi-Area Agreements as well as the joining up of all policy areas from transport, to health, to education, to housing in the new Single Regional Strategies, in addition there is a strong link between housing and employment with housing providers expected to do more to tackle worklessness;
- **Current and future customers** – with the placing of tenants firmly at the heart of the new performance regime from 2008 and the introduction of the new regulator from 2009, there is a greater focus on outcomes than ever before for current customers, and a need to ensure higher standards and to plan ahead for better opportunities for the customers of the future.

The Summit is now in its 4th year and provides an ideal opportunity for our members to feed into government their concerns, suggestions and ambitions for the sector.

- **Building Strength Through Community Ownership**

"Building Strength Through Community Ownership" is the latest publication from the Northern Housing Consortium highlighting the role of the social housing sector in supporting communities to own and manage assets.

Using a series of case studies including community land trusts, social enterprises and development trusts, the publication seeks to inspire readers to imagine how community ownership can real add value to their communities and their organisations whilst meeting the challenges of a changing policy environment.

Housing providers are already adding value across the North as social investors contributing to a broad range of public service agendas, and community ownership of assets represents the next stage. The added value is that it works at the heart and soul of communities enabling the benefits of regeneration to be sustained into the longer term – through empowerment of communities and development of their economies. Community ownership of assets is an important agenda for the social housing sector to engage with. It is a policy area which we will be hearing much more of in the future and our members' experience of partnership working and sustainable communities puts us in a prime position to take this agenda forward.

The publication has already attracted interest from government, practitioners and policy makers including; English Partnerships, the Housing Corporation and academics such as Professor Martin Cave and Professor Anne Power. All members of the Northern Housing Consortium will have received a free copy of the publication and can download a PDF version from our [website](#). Non-members can purchase a copy for £20.

The Northern Housing Consortium is also planning an event in the spring to disseminate learning from the community land trust and community ownership demonstrator sites around the north. For more information on this area of work please contact: [Sarah Taylor](#), Policy and Practice Development Manager.

- **Local Government and Public Involvement in Health Act 2007**

On 30th October 2007 the [Local Government and Public Involvement in Health Act 2007](#) received royal assent creating a wider and stronger role for local authorities which was first promised in the 2006 Local Government White Paper 'Stronger and Prosperous Communities'. CLG are issuing two stages of statutory guidance on the Act. The White Paper promised "one, new, streamlined piece of guidance on the place shaping role, replacing existing statutory and non-statutory guidance" and the draft [Statutory Guidance: Creating Strong, Safe and Prosperous Communities](#) was published for formal consultation in November. A second stage of guidance in 2008 will deal with overview and scrutiny, parishes and the community call for action.

The draft guidance covers:-

- A vision for safe, strong and prosperous communities;
- Issues of governance and engagement – setting out role of the LSP and the leadership role of the local authority within them, this section also outlines the duty to involve, engage and empower local communities to shape the future of their area;
- Establishing a vision for the area – the central role of the Sustainable Community Strategy in encapsulating the 'story of place' and the duty to produce a Joint Strategic Needs Assessment* (JSNA);
- Agreeing priorities for an area - the statutory framework for new 'second generation' local area agreements (LAA) and the role of local partners; and
- Delivering priorities for an area – how local partners are required to have regard to LAA targets, how commissioning should be addressed in the future to put people and places at its heart and ensure the right outcomes.

*Joint Strategic Needs Assessment is defined as joint analysis of predicted health and well-being outcomes, what the community wants and a view of future needs. From April 2008 local authorities and PCT's will work jointly to produce a JSNA which will provide the evidence base to inform the commissioning and delivery of appropriate services. The [Dept of Health guidance on JSNA](#) was published on 13th December.

The consultation period for the draft Statutory Guidance ends on 12 February 2008. Members should send responses direct to CLG. The Northern Housing Consortium does not intend to submit a consultation response to the guidance. We will be producing a briefing paper on JSNA and we are planning further outputs in 2008 on the role of LAA's, and their partners, in tackling health inequalities and in the delivery of affordable housing. For further information please contact: [Charlotte Howse](#), Director of Policy and Practice or [Sarah Taylor](#), Policy and Practice Development Manager.

- **Putting People First: A shared vision and commitment to the transformation of adult social care**

“Across Government, the shared ambition is to put people first through a radical reform of public services, enabling people to live their own lives as they wish, confident that services are of high quality, are safe and promote their own individual needs for independence, well-being and dignity”.

[Putting People First](#), published on 10th December 2007 by the Department of Health (DH), sets out the shared aims and values which will guide the radical transformation of adult social care. The key principles of this shared vision are:-

- A new relationship between Government, local authorities, the NHS, independent sector providers and the regulator;
- A major shift of resources and practice to prevention, early intervention and re-enablement;
- High quality accessible information and advice available to all irrespective of financial means;
- A commitment to treating carers as partners; and
- Maximum power, control and choice in the hands of the people who use these services and their carers.

The reforms mark the first stage in the transformation of adult social care. The reforms will not require structural changes, but the re-design of local systems around the needs of individuals. The government has committed specific funding to support system wide transformation through the Social Care Reform Grant. The government has also begun to issue guidance for organisations.

Further incentives will be provided by the new local performance framework and further announcements are expected in 2008 including a green paper on longer term reform of the funding system.

This is an important policy announcement for Northern Housing Consortium members as it supports the sector to work across shared agendas with users and carers and will have implications for the commissioning and delivery of support services to enable greater control and self determination. The Northern Housing Consortium/Integrated Living Network [briefing](#) on the announcement provides further detail.

Quality of Place

- **Buy-to-let and Buy-to-leave: Sustaining or saturating the market?**

"Buy-to-let and Buy-to-leave: Sustaining or saturating the market?" looks in detail at five separate towns and cities across the North analysing the impact that the buy-to-let and buy-to-leave phenomena are having on their housing markets.

The five case studies were Bolton, Burnley, Carlisle, Preston and Sunderland and in all five areas buy-to-let was found to be a factor contributing to increasing property prices and local people had been priced out of the market. Homes that are bought as an investment and left empty can blight areas and create magnets for crime and anti-social behaviour. While the buy-to-let market provides much needed private rented accommodation and can supplement social housing, it can also lead to problems.

In three of the locations – Bolton, Burnley and Sunderland – there had been an influx of out-of-area and overseas investors who leave homes empty. Some homeowners in the case studies felt they had been mis-sold properties when moving into areas dominated by empty homes or rented accommodation.

The report also points out that councils can make use of the powers at their disposal such as licensing and accreditation schemes to ensure standards for private tenants, along with empty dwelling management orders that can force landlords to let homes.

The publication has attracted much media attention and has been featured in both the industry and national presses including; [Inside Housing](#) (16th November), [Regeneration and Renewal](#) (23rd November), [Public Finance Magazine](#) (7th December) and [The Times](#) (11th December). In addition, BBC Radio 4 have conducted an interview with the Consortium about the research which was broadcast on 20th December on the '[You and Yours](#)' programme.

This work has also attracted interest from practitioners and policy makers including; the Communities and Local Government Select Committee, LACORS, and the Local Government Association.

All members of the Northern Housing Consortium will have received a free copy of the publication and can download a PDF version from our [website](#). Non-members can purchase a copy for £20. For more information on this area of work please contact [Natalie Hodgson](#), Policy and Research Officer.

- **IGP Project: Land Issues Papers**

The Northern Housing Consortium has been commissioned by the Housing Corporation to undertake a project exploring means by which affordable housing delivery can be improved across the North through better management of our land resources. The Consortium is considering how effective housing organisations in the North are in the release of land for affordable housing and we are keen to support members to overcome obstacles hindering progress and to promote innovation in the development of new models to support opportunities to bring forward land for development.

[Facing the northern land challenge](#) is the first in a series of discussion papers to be published during the project timeframe. The paper seeks to explore some of the key challenges that may be inhibiting delivery of land. [Identifying and overcoming barriers for delivery in the North](#) is the second paper in the series and focuses primarily on the initial learning from the demonstrator projects and the barriers that they have been facing. Our aim in these papers is to disseminate issues and early findings from the project, seek feedback and input from Consortium members into the project and ensure that the full breadth of issues you are facing in the delivery of affordable homes will be tackled through the project.

The IGP project is due to complete in March 2009 with the publication of our Land Assembly Manual. If you have any comments on this paper, or would like to have further involvement in the project please email: [Charlotte Howse](#), Director of Policy and Practice.

Performance Improvement

- **New Local Government Performance Framework**

The new local government performance framework has been developed as part of the Comprehensive Spending Review 2007. It is focussed on outcomes and delivery through strong partnership working between the public, private and third sectors and will cement the transformed relationships between local government and their partner agencies, the GO's and central government outlined in the Local Government and Public Involvement in Health Act.

On the back of the Comprehensive Spending Review the government announced 30 new [public service agreements](#) (PSAs). These PSAs set out the government's vision and 30 key priorities for the spending review period (2008 – 2011). Each PSA is underpinned by a single Delivery Agreement shared across all contributing government departments and developed in consultation with delivery partners and frontline workers. Delivery Agreements are listed below:-

- Sustainable growth and prosperity (PSA 1-7)
- Fairness and opportunity for all (PSA 8-17)
- Stronger communities and better quality of life (PSA 18-26)
- A more secure, fair and environmentally sustainable world (PSA 27-30)

The PSA's include a small basket of national outcome-focused performance indicators that will be used to measure progress towards each PSA. Some of these performance indicators also have specific national targets or minimum standards attached – these are the indicators which the government feel can be measured fairly at local level. Those indicators without national targets attached to them are still expected to improve against baseline trends over the course of the spending period. The PSAs include key priorities for the north including tackling social exclusion, promotion of better health and well-being for all and specifically for later life, building more cohesive, empowered and active communities and increasing long term housing supply and affordability.

The national targets or minimum standards are the 198 [Single Set of National Indicators](#) (NIs), also published in October. The government is currently consulting on the definitions of the targets. From April 2008 they will replace *all* other sets of local government indicators. Performance against each of the 198 indicators will be reported for every single tier and county council LSP. However each LSP will negotiate up to 35 targets from the 198 with the Government Office for delivery through the new local area agreements. Local authorities are being encouraged to include those indicators in the new LAA's which most reflect local needs and aspirations.

The Northern Housing Consortium will publish a briefing paper in the New Year on the new performance framework and the implications for both local authorities and RSL members. For more information please contact [Nigel Johnston](#), Performance Improvement Manager.

Investment and Resources

- **Comprehensive Spending Review 2007**

The [Comprehensive Spending Review 2007](#) (CSR07) was announced by the Chancellor Alistair Darling on 9th October 2007, delivering 2.9% real growth per year to the Department for Communities and Local Government's (CLG's) budget over the CSR period. The spending review settlement for housing is greater than was originally anticipated by the sector and will take CLG's total budget from £10.3 billion in 2007-08 to £12.1 billion in 2010-11.

The North has fared well in this spending review, gaining 16% of the total regional housing funding; better than the previous spending review, where the 3 northern regions collectively were allocated 11% of the total regional share. The Northern Housing Consortium is pleased that housing in the North has been given greater recognition by government, as reflected in its higher funding allocations from CSR07.

Nevertheless, the outputs the regions are expected to generate from this increased funding are significantly higher this time round. Based on the level of current outputs, the outputs for 2008-11 are much higher than the level of funding increase. This means a real challenge for the North to become more proactive and innovative in ensuring that we deliver more for less.

	Funding over 3 years	Affordable homes expected to deliver over 3 years	LCHO homes expected to deliver over 3 years
North East	£283m	2,100	1,200
Yorkshire & Humber	£559m	5,700	2,100
North West	£801m	6,900	3,000

The shift in emphasis towards growth, while welcome, is going to be a major challenge for the North. There is an acceptance across the 3 northern regions that growth must sit alongside effective and successful regeneration and renewal and should support the aims of the regional strategies.

There is a concern that due to the strong emphasis on the provision of more affordable housing, other areas of work will be detracted from, to their detriment. In particular there is concern over the level of funding for private sector decency, regeneration and renewal; it is felt that the role of our existing stock is underplayed in terms of ambitions for the future. The challenge for the North is to ensure that we effectively balance the need for regeneration with the need for more affordable homes and not neglect the part existing stock can play in this.

The Northern Housing Consortium intends to support its members in achieving the outputs expected of them in this CSR period and help to ensure that regional priorities are met for all aspects of housing in order to provide sustainable, affordable homes for the future.

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