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# New Localism in Action:

## Housing and Sustainable Communities

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Richard was a member of the Home Ownership Task Force and the Egan Skills Review Group, both of which were established by the Deputy Prime minister following the publication of the Sustainable Communities Plan. He was the Chair of the National Housing Federation from 2000-2003 and has been a member of the Joseph Rowntree Foundation Housing and Neighbourhoods Committee. He was educated at Southampton University and is a Fellow of the Chartered Institute of Housing.

### Richard Clark

Richard Clark is Group Chief Executive of Prime Focus Regeneration Group, the UK's first Social Investment Agency (SIA) and Chair of the National Housing Federation. He was appointed in 1994 after being Regional Director of the Housing Corporation in the North East region from 1988. Richard originally trained as an economist at the London School of Economics before moving into town planning. He has worked in local government and new towns, where he has concentrated on Urban Renewal, community regeneration and equality issues.

During his ten years at Prime Focus, Richard has overseen the launch of the Social Investment Agency in 1997, followed by the transition from the Focus Housing Group to the Prime Focus Regeneration Group in 2000. Today Prime Focus has an annual turnover of £54m, over 14,000 properties and has over 700 staff, 100 of which are employed on SIA related work. In 2002 Prime Focus was the Midlands (all sectors) Equal Opportunities Employer, and in 2003 won the Midlands Public Sector Excellence Award.

In September 2003 Richard was elected Chair of the National Housing Federation and in January 2004 was awarded an OBE for services to Housing in the West Midlands.

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## introduction

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### The New Localism in Action Project

NLGN has been a key protagonist in the debates about the way we deliver our public services and govern ourselves. Our argument, laid out in the 2002 report, *New Localism: refashioning the centre-local relationship* is that we need to devolve down decision making to the lowest sensible level. Our belief is that – wherever possible – decision-making should be as close to the user as possible, that the ‘joining-up’ agenda happens more easily at more localised levels and that clear accountability, efficiency and engagement are much more likely to be achieved when this is the case. But we have also been clear that in almost all services there will be key roles for all the different tiers of governance – national, regional, local and even neighbourhood. We are not arguing for a naive ‘localist’, ‘free-for-all’ position.

As a think tank focused on local government, we have also been keen to see how these agendas play out with respect to local authorities. Despite many false starts from New Labour, they are now being given new freedoms and flexibilities, with the prospect of more to follow. These are mostly in the form of reduced ring-fencing of funds, ‘lighter touch’ inspection from the centre, having to produce fewer strategies and plans for central government departments, and freedom to trade and to borrow. We need to know how these freedoms and flexibilities can be used innovatively to make a difference on the ground. We also need to know what the barriers are to effective action – and which freedoms most need to be developed in the near future.

Rightly, there is now a debate about the perceived drawbacks of New Localism. For instance, won’t more local freedoms and less centralism lead to more ‘postcode lotteries’? As centrally-imposed targets are relaxed, what will happen? Will there be an even wider range of service levels and quality, and is this acceptable? We need to address these issues head on, to see what practical issues they raise – and find out how to overcome them.

So much for the theory. For in truth the key question has to be whether if we did alter our centralised state in a New Localist direction it would lead to better outcomes for citizens. In a series of seminars entitled ‘New Localism in Action’, NLGN has therefore been trying to pin down the implications of New Localism across a range of key services delivered locally. We wanted to look at the opportunities and challenges presented by potential moves to decentralise decision-making across a range of policy areas, namely transport, education, anti-social behaviour and sustainable communities. We will publish a collection of essays shortly and draw out some overall conclusions. In the meantime however, we are producing a series of ‘e-pamphlets’ reflecting the papers presented at the seminars, aimed particularly at specialists in those areas. This publication is the fourth in that series.

### Housing and Sustainable Communities and New Localism

This e-pamphlet includes three papers on Housing and Sustainable Communities which were given at a seminar in September 2004 and subsequently revised. We are very grateful to the National Housing Federation for financial support and hosting a brilliant event and to those who have attended the seminar and/or given the authors comments.

In the seminar and the essays, we focused on the key issues of the housing and sustainable communities’ agenda and examined whether the place where power and accountability are currently placed is right for taking us forward.

Many of the day’s participants felt that the new emphasis on localism alongside the emerging regional agenda suggests a fundamental shift in central-local-regional government relations. However, there was an overall recognition that to create

the kind of environment where people choose to live and work you need to strike a balance between national strategies to address the different issues faced by high and low-demand areas and to respond to local challenges with local solutions and not a one-size-fits all approach.

One of the tensions of this approach is the need to deliver more efficiency. Recently, the Government has emphasised that small Housing Associations are inefficient and need to merge and that in some areas there are too many associations competing with each other and are duplicating efforts. At the same time there is a call for more local solutions, more local accountability and responsiveness. Many practitioners are at a loss how to square this circle. Richard Clark picks up on this point and makes some useful suggestions, but ultimately feels it is down to central government to emphasise where priorities should lie.

Local authorities have a crucial role to play in creating sustainable communities as has been acknowledged by its inclusion in the Comprehensive Performance Assessment process. As community leaders they have to deliver cohesive and mixed communities. They have to design services and living space around the needs and preferences of local people and have a duty for continual dialogue with the community to establish local priorities for action. For example, in planning, they have to make people feel that they are able to influence the process and have some influence over investment decisions whilst at the same time having a system that works well and efficiently. However, during the discussions many practitioners voiced the concern that local authorities didn't get things done and there is a challenge for Local Authorities to demonstrate that they are indeed up for the job.

The seminar debated whether user involvement does make the housing service better. There was a consensus that while residents want to be informed, they don't in general want to govern and run the service. However, everybody agreed that there was a need for functioning complaint mechanisms and effective consultation.

There is also a growing consensus that Housing Associations (HAs) are increasingly trying to do more than they are set up to do, which might lead to competing mandates and confused accountability between big housing associations and local authorities. One of the papers emphasises the need for HAs to "complement, rather than blur or undermine, existing democratic structures".

At a regional level, it was felt that Regional Development Agencies (RDAs) and Government Offices sometimes diminish the local strategic housing role of local authorities and that instead they need to add to the quality of their decision-making and affect greater regional co-ordination. Others also criticised the RDAs for their lack of consultation with housing associations and local authorities and fear it might undermine carefully prepared regional housing strategies. There is definitely a need for more joining up at the regional level as well as between the regions and localities.

This is particularly important in an area earmarked for major investment like the Thames Gateway. It is important to have strategies that link up at all levels to create the kind of housing and communities people really want to live in, not ghost towns without appropriate facilities and a sense of community. A recent LSE report headed up by Anne Power criticises the multitude of top-down plans and strategies that are aiming to create London's biggest expansion of living space in the east, as they are feared "to erode the stability of existing communities". But we cannot afford to get this wrong.

Overall, there was a general agreement that as a whole, decisions as part of this agenda were made at too high a level, or at least at an inappropriate level. Often the stakeholders in an area were not sufficiently consulted about its use. However, there was also a sense that housing professionals were trying to get on with it anyway and that everybody found it hard to imagine a different world. In the case of Thames Gateway this might turn out to be an expensive mistake.

There is a lot of confusion about the appropriate level of governance for housing and sustainable communities. Local authorities undoubtedly play a big role as community leaders to deliver on the kinds of environments people want to live in; however, there is clearly a need for above local agendas in this context too. Local authorities sometimes have to compete with big dominant housing associations and accountability at the local level is confused. Adding in the regional dimension and national policy initiatives and nobody knows any longer who is responsible for delivering thriving and vibrant communities. As the papers presented here suggest, the Government really needs to think harder about how different bodies at local and regional level should interact and how to square the circle between efficiency and new localism. We hope that these contributions raise many of the important issues and help thinking to develop further along these lines.

**Natalie Tarry**

**New Local Government Network**



# Chapter 1 What are the big issues in Housing and Sustainable Communities

## Richard McCarthy

The current working definition for Sustainable Communities is:

*“Sustainable communities are places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all”.*

The Government is committed to creating and supporting thriving, vibrant, sustainable communities. The Sustainable Communities Plan will reach every part of the country, providing homes for key workers, regenerating towns and cities, providing parks for families and children. Above all it is about helping people to live where they want to live with pride in their communities.

However, to deliver sustainable communities we have to find a better balance of housing supply and demand, an imperative which extends beyond the four Growth Areas and nine Market Renewal pathfinders. We need to create a high quality environment where people choose to live and work. But all areas are different. Therefore, we need to have different local solutions in different places. We in Whitehall have to try and work with local areas and on a regional basis and sub-regional basis to create sustainable communities together.

## Planning and infrastructure

Planning reform is at the heart of delivering sustainable communities. Legislation to modernise the planning framework has been completed, we have now got the tough job of making it work. We have got great performance in some places and other areas where it is not working at all. It is important to see and recognise that getting the planning system right and recognising its role not as a passive player or as a regulator, but as a driver, an enabler to build sustainable communities is very important.

We have identified areas of additional growth like Thames Gateway, London Stansted, Peterborough, Milton Keynes etc. These are parts of the country which we feel can deliver sustainable housing growth alongside access to good transport, good services and jobs.

As well as getting more housing built we are trying to ensure that from the start we have integrated that with improvements in infrastructure. Our Growth Area money is not just going into land or into housing, it is going into health projects, it is helping fund education projects, it is funding transport studies, it is, for example, building a bridge in Wellingborough. All of this is about creating sustainable growth and sustainable communities, the conditions that we hope will stimulate action by individuals that live there and investment by the private as well as the public sector.

## Abandonment and affordability

As well as the Growth Areas, we need to tackle issues of low demand and abandonment. The housing problems we have seen in some of these areas are a manifestation of a range of challenges, difficulties and economic failures, and we are trying therefore to be imaginative and come up with solutions that work. The Government has taken a whole new approach

to this and wants to work through the regional government offices and local partners on the ground to get this right and understand what people want for their local communities.

We also need to make sure that houses are of a decent standard and that we are addressing issues of affordability. This was one of the reasons for Kate Barker's report into housing and her recommendations.<sup>1</sup> The average price paid by a first time buyer has tripled since 1997 and it probably doubled in the last two or three years. We have a problem of homelessness and rising numbers of homeless people in, so called, temporary accommodation, balanced by the fact we have got people out of bed and breakfast accommodation. We are also putting more money into social housing, but we have a wider problem in terms of housing supply and housing affordability, particularly for key workers and first time buyers. That still needs further work.

## Regional Structures

We are now trying to think outside the box so we are starting to think about our regional structures. How can we get added value from getting regions in the north to work together, for example through the Northern Way?<sup>2</sup> The level of collaboration has increased extraordinarily over the last six months and that creates an exciting opportunity to try and do something different in the north. We are now working with regional assemblies and the Regional Development Authorities (RDAs) in the Midlands and also in the South West to see what we can do to actually put some real life into our Public Service Agreement, which is about reducing the imbalances in growth between our regions. It is not about reducing growth in London, it is about stimulating growth across the country including in parts of the country that still lag behind the growth of London and the South East. In fact, the fastest growing area economically outside London is South Manchester. We have to start thinking about city regions and their importance to the regional economy. We are also looking at issues of infrastructure, transport, design and design quality and on skills. The Egan report has greatly helped in terms of our work on the national skills agenda.<sup>3</sup>

Building and supporting sustainable communities is a grand plan, a bold vision, but it has to work on the ground in individual neighbourhoods and for residents. It is about places that are well built and well designed but they have also got to be well run.

Government is not just obsessed with big top down visions, action plans and investment plans. That is part of it but it is about more than that. It is about creating the right structures and the right approaches in the right areas. We are very reluctant to impose solutions. What we do want to do is create the circumstances and the conditions where people genuinely focus on outcomes and local solutions to get them there.

## Participation and engagement

What are we doing about engaging with, and enabling influence and control for, communities? In the world of planning, for example, while we want to make sure we have a planning system that works well and works efficiently, we don't want that to be at the price of good community participation. We want to see really good engagement and make people feel that they are able to influence the process and have some influence over investment decisions. This sometimes is an issue of contention, particularly in the North East where we have different community views about what we should and shouldn't be demolishing. We have got to work through this and not operate despite and in spite of local communities' preferences; otherwise we will

<sup>1</sup> Barker, K (2004) *Delivering Stability: Securing our Future Housing Needs*, London: HMSO. Available at [www.barkerreview.org.uk](http://www.barkerreview.org.uk)

<sup>2</sup> Office of the Deputy Prime Minister (2004) *Making it happen: The Northern Way*, London: ODPM. Available at [www.odpm.gov.uk](http://www.odpm.gov.uk)

<sup>3</sup> Egan, J (1998) *Rethinking Construction*, London: DTI. Available at [www.dti.gov.uk](http://www.dti.gov.uk)

not create the vibrant, successful, sustainable housing locations and markets which are part of sustainable communities.

## Neighbourhood Renewal

Neighbourhood Renewal, a national strategy launched in 2001, is another long term vision. We are making some encouraging progress now across many of the floor targets. We are seeing some changes in behaviour, some changes in priorities. The way people are talking now not just about acute housing needs but also about focusing on housing equalities is an encouraging development. People are starting to recognise some of the differences that occur between neighbourhoods and it's very important that we keep working and keep driving on that. The development of the index of multiple deprivation published this year is very important, taking it down to ward and below ward level, really trying to identify where we have real inequalities so that we can address and put in place, at both national and local government level, systems and approaches that we hope will work. We also need to find a way of engaging with people who live in those areas, sometimes out of choice, and sometimes not, to enable them and their lives to improve.

## Neighbourhood management and liveability

Neighbourhood management is a particularly interesting area. There are 35 neighbourhood management pathfinders and we are encouraging a network of over 150 other neighbourhood management initiatives. We are starting to see this idea now bed down into mainstream activity, sitting alongside the 39 New Deal for Communities programmes, all of which are focused on neighbourhoods, all of which have active involvement and decision making powers delegated to local people working alongside and with service providers. Most important is to create the right structures which give influence and control locally while getting the service providers who operate in the wider area to deliver the right service most effectively in that area.

Neighbourhood management was proposed about five years ago by a Policy Action Team, set up in the early days of the Labour government. It proposed that in disadvantaged communities a mechanism was needed for bringing together all the local service providers and residents to identify priorities, work out how they could be addressed and to give influence and sometimes control over those. In response to that the Government announced 20 pathfinders in 2001 and then another 50 in 2003 to test out that approach, to find different ways of making it work. We will soon have the latest evaluation of the neighbourhood pathfinder programme and we anticipate that this will show that neighbourhood management pathfinders have made significant changes to local service delivery, primarily in respect of community safety, health care, housing and the environment.

In Manchester for example, in response to local citizen's concerns about the cleanliness of the local environment in Bolton the neighbourhood management pathfinder asked Manchester City Council to do a clean up of the area involving waste collection and graffiti removal. Owing to its popularity the clean up was repeated in the summer and autumn last year, with the added benefit of input from the newly appointed street wardens who also provided daily intelligence for the contract services on the incidences of fly tipping and vandalism, helping speed up the response. They were also able to dispose of discarded needles and arrange the removal of abandoned vehicles. Following a review of waste collection and recycling that pathfinder has recommended various ways of improving the service so that can be sustained, and those improvements have been implemented. The result is that in Bolton 96% of streets achieved a good or satisfactory standard of cleanliness by August 2003.<sup>4</sup> That compares with only 19% in October 2002

<sup>4</sup> Neighbourhood Renewal Unit (2003) *The National Evaluation of the Neighbourhood Management Pathfinder Programme*, London: ODPM. Available at [www.neighbourhood.gov.uk](http://www.neighbourhood.gov.uk)

Indeed, the whole liveability agenda is a key issue for local communities. It also demonstrates the importance and impact of New Localism at a practical level. These issues engage people because they feel they make a real difference to their own lives.

It is important that we improve the connectivity between services and getting a local community voice. Local Strategic Partnerships play a role. Local area agreements are another way. They are about getting our funding streams working as one with shared outcomes. We have to make sure we create the conditions in pilot areas to enable them to work locally.

The sustainable communities' agenda stretches right across government. Residents want and expect services to connect; they want good quality schools, good quality services. They want a clean and safe local environment, good facilities and good quality housing. Therefore the way we are investing in local areas and local groups as well as local services is hugely important. We have to meet our communities' needs to deliver sustainable communities.

Delivering sustainable communities is a national vision, but it can only work if we get local delivery and local intervention right.

## Chapter 2 National, regional and local government strategy

Richard Clark

### Introduction

With so much happening on a regional governance level care must be taken to ensure that the future space that local authorities occupy is clear. It is not in the interests of local communities that the role of local government be confused. It is also timely to take stock of how local authorities are rising to the challenge of their community leadership role in this shifting context.

Local authorities have a crucial role to play in creating sustainable communities, not only as providers and commissioners of local services but also in their community leadership role. The emphasis on localism alongside the emerging regional agenda suggests a fundamental shift in central-local-regional government and community relations. The overall presumption should be that decisions should be made at the most local level possible (including at a neighbourhood level) within broader regional and national frameworks that provide the means of co-ordinating and driving overall outcomes.

Ensuring that local services deliver for local communities requires authorities to work in partnership with others. Housing associations are key players in local neighbourhoods. Our *iN business for neighbourhoods* agenda emphasises their role in delivering more than housing. It is a sector change programme predicated on commitments to neighbourhoods, customers and excellence. It requires associations to adopt a wider neighbourhood approach. While residents expect efficient housing services delivered by a responsive landlord, issues such as crime, environment, health, education and transport also affect them. At our recent annual conference we marked the first year of *iN business* with awards to celebrate the best work in the sector at a local level in partnership with communities, local government and others.

We are keen to enter into further dialogue with central, local and regional government about how our *iN business* agenda can compliment the public sector reform agenda.

### A new settlement between central, local government and communities

The Government's four aspirational principles of public sector modernisation (national standards, devolution/delegation, flexibility for public organisations, and consumer choice) provide a helpful framework for testing existing, and shaping new, policy initiatives. Inevitably the challenge is where to draw the lines and how central-regional and local levels will interact.

### Regeneration funding and Local Strategic Partnerships

We would like to see further moves to consolidate and streamline regeneration funding into a truly 'single pot' Neighbourhood Challenge Fund with broader access criteria. Our members tell us this would enable them to respond better to local issues. It would be more efficient than having to access and juggle the current myriad of funding streams (at least 64) especially as many have rigid criteria and are only available on a short-term basis. We believe the 5 themes of *A New Commitment to Neighbourhood Renewal-National Strategy Action Plan* should remain as the national underpinning principles with local discretion directing the spend of the funding.<sup>5</sup>

<sup>5</sup> Social Exclusion Unit (2001) *A New Commitment to Neighbourhood Renewal-National Strategy Action Plan*, London: Cabinet Office. Available on [www.neighbourhood.gov.uk](http://www.neighbourhood.gov.uk)

We would like to see a bigger push from government departments to ensure that mainstream programmes are re-shaped and joined up to tackle local issues. We also need to see a greater drive at cabinet level for Whitehall departments to work in partnership with the Office of the Deputy Prime Minister (ODPM) to better integrate economic, transport, health, education and other social policies.

The ODPM should provide guidance on the future governance arrangements of Local Strategic Partnerships (LSPs) to promote the meaningful engagement and joint working of public bodies, private and voluntary sector agencies. It is not just a case of the need to develop more effective representation of businesses organisations and black and minority ethnic communities, although these are of importance.

LSPs have over time been charged with a central role in a number of strategies and initiatives. It would be good to have further guidance from the ODPM to consolidate thinking about LSPs ongoing role. Greater clarity is also needed with regard to the role LSPs play relative to that of local authorities and other partnerships operating and developing strategies at a local authority and neighbourhood level.

The complexity of current arrangements does not always make it easy for communities and other organisations to engage effectively. Nonetheless LSPs have an established mechanism, via community empowerment networks, for engaging community groups that could be built on. Care should be taken not to lose this. But in any case LSPs are not a substitute for engaging with communities at a neighbourhood level.

Local authorities have a community leadership role in mediating dialogue between LSPs and neighbourhood-based regeneration schemes and communities. But they cannot do this alone as we explore further below. The ODPM should provide greater guidance for local authorities in taking forward their community leadership role in relationship to their engagement with LSPs. For example, how can they develop community strategies in consultation with LSPs?

### Driving up performance

The continuing focus on Best Value, Comprehensive Performance Assessment and the calibre of local leadership is important in driving up local authority performance.

The challenge for government and its agencies is to ensure that their approach to performance assessments supports cross-departmental and organisational working. In this way it can support the integrated performance management and jointly owned outcomes that partnerships are seeking to adopt. Government and its agencies also need to take a broad view of efficiency gains acknowledging for example that the delivery of good neighbourhood management services by associations can contribute to other public policy goals such as reduced crime and improved public health. These issues are explored further below.

It would be good to see how the lessons learned from reduced regulation and greater freedom for best performing councils could be translated for the housing association sector.

### The regional sub-regional dimension and local strategic role

A balance needs to be struck between devolving decision-making and ensuring that national, regional and local priorities are met. As stated above, the overall presumption should be that decisions are made at as local a level as possible within a broader regional and national framework that provides the means of co-ordinating and driving overall outcomes.

## 1. Housing strategy

Regional bodies and strategies must not usurp the local strategic housing role of local authorities but add to the quality of their decision-making and affect greater regional co-ordination. For example, while large scale housing programmes via partnering arrangements may be appropriate for regional or sub-regional markets, local authorities should still have a strategic role in relation to smaller developments in their area. We would like the ODPM to encourage local authorities to produce a single housing plan combining housing and planning considerations. The ODPM should issue improved guidance on the strategic housing role of local authorities.

We welcome the drive, signalled by the proposed merging of regional housing boards, and regional planning body functions, to effect great co-ordination and synergy between regional strategies. Currently too frequently regional economic, spatial and housing strategies do not feel like complimentary parts of a co-ordinated whole. But beyond the merging of the functions of the boards there needs to be better guidance on the inter-relationship of these strategies and how this can be translated into operational co-ordination.

Regional Housing Boards have made considerable strides in developing coherent regional and sub-regional housing strategies to meet the national challenge of more balanced housing markets. It will be important to build on their work and not lose the focus on housing issues. Regional Housing Strategies have produced their best results where they have joined up well with local housing strategies and engaged local delivery agents, such as housing associations, in their development. It will be important to ensure that regional housing forums and other effective approaches go forward into the new arrangements. In establishing these arrangements, and with the emergence of regional assemblies, it will be important not to obfuscate the role of the Housing Corporation and lose the benefits of the current co-location of its housing investment and regulation functions. The Corporation importantly provides a national framework for investment, regulation and accountability.

In driving the new arrangements the ODPM needs to clarify and provide further guidance on the respective inter-relationship of the roles of regional, sub-regional and local agencies. It also needs to recognise the way in which growth areas and the housing market renewal pathfinders cut across these arrangements. The possibility for confusion could hamper effectiveness.

Local authorities will rightly have a continuing role to play in analysing the needs of local communities through community dialogue to establish local priorities for action. They are likely to remain better placed to do this than regional bodies, irrespective of whether there is a democratic mandate via regional assemblies.

## 2. Planning policy

Local strategies need to feed into regional frameworks and plans. Yet some local areas feel their voices are not being heard at the regional table. Taking planning as an example, the challenge is to find better ways for local needs to inform regional spatial strategies and investment priorities and in return for regional strategies to set the framework for local development documents. We are making the case for robust and integrated guidance on local and regional housing assessment arguing for a whole market approach at each level. We have concerns that regional affordability targets may not be realised on a local site basis because of commercial viability considerations. We are engaged in a dialogue with the ODPM about PPG3<sup>6</sup> and S106<sup>7</sup> to ensure that planning policy truly underpins the delivery of mixed communities. If regional strategies are to be realised they are dependent on local planning delivery and in some localities a willingness to overcome Nimbyism.

<sup>6</sup> PPG3 encourages the promotion of sustainable residential environments that are linked to public transport, make efficient use of land and are well designed places for people.

<sup>7</sup> Legal (section 106) agreement entered into as a result of two policies in the Council's draft replacement Unitary Development Plan: DQ2-Trees and Development and DQ3-Public Greenspace and Development.

There are particular challenges in the growth areas and where sub-regional housing investment means that 'needs' presenting in one local authority area are to be met in another. Two of which are, who should receive priority for these new homes and how can people be attracted to 'choose' to move beyond the neighbourhoods they know? There are particular issues for black and minority communities who may have concerns about moving to an area they do not perceive as welcoming or having the right cultural infrastructure. There are challenges here for local government in terms of its leadership role with regard to community cohesion. There are also issues around how the care and support needs of those moving longer distances can be resourced in order to ensure that people can make sustainable moves. To raise these issues is not to argue that the wrong approach is being taken but to flag that we need to find new ways of co-operating across boundaries. It would therefore be good for the government to promote further sub-regional collaboration between local authorities, for example around choice-based lettings and meeting housing needs. It has not developed well in all regions.

In addition to the strategic dimension of sub-regional collaboration on housing and neighbourhood improvement it is important that planning reforms are closely tracked for effective delivery when coupled with sub-regional approaches. Legal precedent currently grounded on local administrative boundaries and data has yet to be tested against more fluid and complex sub-regional methodologies. This is one important example of the need to translate local government evolution into the delivery arena.

### 3. Homelessness

We need to find ways of unlocking the barriers to greater regional and sub-regional co-operation. For example, a critical barrier to the development of greater cross authority cooperation to meet housing need and deliver choices is the financial arrangements around homelessness. The duty to secure temporary accommodation falls on the local authority that accepts a household as eligible for assistance, unintentionally homeless and in priority need. The cost of the temporary accommodation falls on local taxpayers. This translates into a financial imperative for local authorities to interpret homelessness duties narrowly and to minimise the number of people they house from outside their area. We are seeking ODPM support for a study into unlocking these barriers to cross boundary working to promote more meaningful choices for households whose aspirations are not confined by thoughts of administrative boundaries.

### Local governance, community engagement and the role of associations

We recognise that local government is in a pivotal position to ensure that local services are designed around the needs and preferences of local people. Local authorities should have a clear leadership role in co-ordinating the delivering of local services and reconciling the needs of different communities (geographically and culturally). But as explored above, thought needs to be given to how they do so in the context of the work of LSPs.

In some areas, our members are leading the regeneration of neighbourhoods or the delivery of local services beyond housing. They have established mechanisms such as neighbourhood forums and customer panels to establish local aspirations and translate this into customer-driven priorities for action. Housing associations also have a role to play in influencing other service providers, for example local authority street cleaning departments, the local police authority or primary care trusts. Our *iN business* agenda sees associations increasingly championing the views of local communities and opening doors for them to have a direct say about what needs to happen in their neighbourhood.

We are currently working with members to develop a toolkit on community engagement. It will look at how associations can complement, rather than blur or undermine, existing democratic and grass root structures. It will challenge all associations



to win the trust of communities and to demonstrate that they are responsive to their issues and can add value. It recognises that service providers in all sectors are grappling with rising customer expectations.

Local authorities similarly need to earn and work to retain the trust of local communities and stakeholders. Trust does not automatically fall out of existing democratic structures. Devolution should not stop at the town hall in either a geographical or organisational sense. Community dialogue needs to take place at a neighbourhood and individual level. This is not something local authorities can do well alone. Neighbourhood forums, community planning days and ballots on stock transfer show that people are willing to turn out if they think their views will make a difference. Neighbourhood Management Pathfinders and New Deal for Community projects have rightly been directed by central government to put communities at their heart. Our community engagement work recognises the challenge of overcoming people's cynicism about past involvement exercises and existing democratic structures, symbolised by low turnouts. It recognises the need for a cultural shift and for organisations and communities to find new ways of working together if we are serious about a neighbourhood focus.

Our community engagement toolkit will also look at how associations can play a role in building the capacity and pride of communities, such that local people are engaged in delivering solutions as well as in identifying priorities for action. We recognise that associations also need to build the trust and ability of local people to work with each other and agencies to seek common solutions. We are exploring how associations can act as a catalyst for models of inclusive wealth creation, for example by disseminating the good practice of members who have helped establish social enterprises. We see such approaches as central to ensuring that communities generate solutions within themselves and thrive over the longer term.

Our *iN business* agenda places community engagement at the heart of the work of associations. It recognises that it is not something that should be left to local authorities alone. But it recognises that local government 'has a role to play in working with local people to create the conditions that underpin a sustainable community: a flourishing economy, good quality public services, a diverse vibrant and creative local community: community cohesion; and a sense of place and pride'. If we are serious about localism both local government and associations need to rise to the challenge of this ambitious agenda for community engagement and set their sights beyond a traditional consultation model.

We are asking our members to be accountable to local communities about the role they play, or aspire to play, in each neighbourhood and the resources they are investing in it. We are also encouraging members to review the role they play in each neighbourhood. We intend to produce guidance for them on using the LIFE model (lead, influence, follow, exit) pioneered by associations in Liverpool and Manchester. The model enables associations to consider how they will work together and with other sectors. It recognises that in some areas there are too many associations competing with each other, duplicating rather than adding value. It has an important contribution to reconciling efficiency and the localism agenda.

## Efficiency Agenda

The Federation and its members support the government's drive for efficiency. We are intending to work with the local government sector and ODPM to promote cross sector change. For the Federation and associations efficiency and effectiveness go together in a rounded view of value for money. They are an important part of our *iN business for neighbourhoods* agenda, which emphasises performance improvement as part of the commitments to customers, neighbourhoods and excellence.

Understanding local needs requires investment in community capacity building and engagement upfront. The payback should be the delivery of services that more effectively meet residents' aspirations over time. If local authorities and housing

associations are to deliver this, inspectors and regulators need to have a rounded view of value for money. The current emphasis on cost from government and its agencies appears to be at odds with the emphasis government also places on localism and community leadership.

Also, government, regulators and inspectors need to recognise the added value to public policy brought by the delivery of excellent neighbourhood services, for example by adopting a wider approach to meeting the needs of neighbourhoods associations are helping to tackle anti-social behaviour, contributing to public health and education and employment participation rates. Such investment saves the public sector costs down the line. If the government is serious about localism it will need to allow associations and local government to recycle efficiency savings for the benefit of local communities.

Associations and local government find themselves under pressure simultaneously to be more efficient and better procurers – which implies more centralisation and larger organisations, and to be more local, accountable and responsive – which implies smaller structures and more delegation. Organisations may be able to square this circle by, for example, using centralised procurement for goods and services that do not automatically impact on the public (commodities such as stationary or telephony), while using more local suppliers for building and jobbing maintenance (even if their materials are procured more centrally), which will additionally help stimulate the local economy.

But we ask the ODPM, and the Government more generally, for some joined-up thinking here. We can mitigate to some extent the tension between localism and efficiency but we cannot resolve it entirely. There is much to be said for a range of small, locally accountable organisations and much also to be said for much bigger organisations that can achieve the economies of scale. But the two approaches are fundamentally different and it is part of the leadership function of government to indicate clearly where its priorities lie.

### Partnership working with housing associations

Associations are able to deliver new homes and raise the standards of existing homes at value for the public purse. Over the last ten years alone they have gained access to £24bn private investment to complement £9.5bn public funding for affordable homes. Public sector borrowing roles simply do not allow local government to do the same.

Importantly associations recycle any surpluses generated for community purposes, for example to provide new homes or support regeneration projects. In doing so they offer extra value to the public purse, in meeting wider policy goals, than will be achieved by private sector developers accessing social housing grant under the proposals going through parliament.

We have stressed throughout this paper the wider role that associations play in the delivery of sustainable neighbourhoods beyond building and managing homes. Their effectiveness to do so is best underpinned by a clear understanding of the different roles of local and regional agencies. It also requires an ongoing emphasis on performance culture in both local government and associations.

We continue to work with the Local Government Association (LGA) to promote partnership working between associations and authorities. Most recently, one of our *iN business for neighbourhoods* awards celebrated good practice in this area. We are planning further work this year to disseminate good practice building on our recent joint publication with the LGA and the Association of Chief Police Officers, which looked at partnership working to tackle anti-social behaviour.<sup>8</sup>

<sup>8</sup> LGA, NHF & ACPO (2003) *Together we can beat it! Partnership working on anti-social behaviour*, London: LGA. Available at [www.lga.gov.uk](http://www.lga.gov.uk)

## Chapter 3 Can we deliver Sustainable Communities?

### Tony Stacey

My brief was to consider whether sustainable communities can be delivered in low demand areas such as South Yorkshire. I will come off the fence immediately. My answer is a definite 'yes'. From my perspective there has been an extremely good local response to the challenges of neighbourhood degeneration and housing market collapse. The response in the South Yorkshire area has been characterised by thorough research and preparation, effective linkages with related strategies and excellent leadership.

I write as the Chief Executive of South Yorkshire Housing Association (SYHA). We manage 6,000 homes in South Yorkshire and the surrounding area. Two thirds of our turnover relates to some form of housing with care and support. SYHA is one of the two parent Associations for Safe Haven Yorkshire, a partnership which supports 3,000 asylum seekers across the Yorkshire and Humber region. SYHA is represented on the Market Renewal Pathfinder, Transform South Yorkshire, The Green Corridor, Sheffield First - the Local Strategic Partnership (LSP) - and other local strategic groups.

A cursory look at the Yorkshire map – considering, for example, the Index of Deprivation or housing market vulnerability – reveals the depth and concentration of vulnerable communities. Over the last 20 years South Yorkshire has seen the collapse of its traditional manufacturing base, notably in the coal and steel industries. Although Sheffield continues to produce as much steel as ever, far fewer people are required to produce it, and entire communities, often in semi-rural areas, have had their primary means of economic support withdrawn. South Yorkshire contains an unusual mix of urban and rural areas, and the Transform South Yorkshire Pathfinder zone covers a complex range of inter-connected housing and economic markets.

Research by the Centre for Urban and Regional Studies reveals the time-lag between economic collapse and housing market collapse – frequently as much as 20 years before the full effects have been felt. One of the central analyses of The Northern Way is that in many parts of the North, housing conditions are holding back economic revival. There is strong evidence of this in South Yorkshire where concentrations of social housing re-enforce the stereotype “it’s grim up North”.

A significant advantage for my Association is the strong links between national, regional and local strategies. For example, the Sustainable Communities Plan resonates strongly with the Transform South Yorkshire strategy and is substantially reflected in our Business Plan. The inspirational lead shown by the National Housing Federation through *iN business for neighbourhoods* re-enforces this policy alignment. *iN business* provides both vision and context for the work of local associations. The links to regeneration, partnership working and diversity of service provision are immediately obvious, but *iN business* also sheds light on the role associations can play as supported housing providers in building human and social capital at the local level. Associations such as SYHA have a vital role in helping our residents to re-engage with the community. In Sheffield twice as many people are registered disabled as unemployed. In Barnsley the ratio rockets to 9:1. If the Northern Way’s vision of economic growth is to be achieved, many of these people will need to be provided with routes back into the workplace. If there is one concern I have about the congruence of policies it relates to the way in which The Northern Way has been handled. Housing agencies have felt on the outside of this process. The Regional Development Agencies have some ground to make up if associations and local authorities are to be convinced that the lack of consultation around The Northern Way is not to undermine carefully prepared regional housing and spatial strategies.

There is also good alignment of resources. The Regional Housing Board identified three key areas for new capital investment – regeneration, supported housing and affordable housing in high demand areas. Next year they are seeking a step-change by focusing on housing markets. A funding stream was established for “transformational projects” which has

encouraged new ways of thinking at sub-regional and local level. Housing Corporation investment has followed the same strategic lines, with the majority of the Accelerated Development Programme being allocated to ten strategic schemes. Funding for “new tools”, Pathfinders and LSP funding have also been coherent. Sheffield City Council is one of the local authorities seeking pilot status for Local Area Agreements which has the potential to drive accountability down to local levels and bring diverse regeneration funding streams together. Considerable effort has also gone into exploring ways of retaining increases in asset values for the benefit of local communities. The Manor & Castle Development Trust in Sheffield have led the way locally.

The leadership shown by Sheffield City Council within, for example, the Sub-Regional Partnership, the Housing Market Renewal Pathfinder and the Regional Consortium for Asylum Seekers has made a reality of our city-region. The four local authorities that make up South Yorkshire have quickly moved beyond mutual suspicion and are learning from each other and co-operating well – although they do have their moments! The research team at Sheffield broke the ground nationally with its early attempts to understand the way in which housing markets were operated. It is now seven years since their finding that one third of their tenants would be unlikely still to be living by 2007 grabbed national headlines. The Councils have also moved quickly to engage local communities in planning for the future. Housing associations have organised themselves to operate effectively with these emergent agendas. All associations operating in South Yorkshire have come together as a local forum. We quickly realised we had more to gain from working with each other than competing. When the Market Renewal Pathfinder announced how the zone was to be broken down into ten Area Development Frameworks (ADFs) we established a lead association for each area. This provides our local authorities and other partners with one point of contact for housing and regeneration. The meeting to decide who should lead on each ADF took just 30 minutes.

In the north of the area three local authorities, Barnsley, Doncaster and West Yorkshire’s Wakefield have come together to form The Green Corridor alliance. This initiative has been enthusiastically supported by the Regional Housing Board under the transformational projects fund. The alliance is working closely with Transform South Yorkshire to ensure that a common approach can be developed to understanding housing markets, master planning, community consultation and delivery vehicles. Once again, the local authority co-operation and community engagement is developing well.

Transform South Yorkshire itself received the third highest allocation from ODPM (£71m for 2004-06). It contains 140,000 homes, the largest of the nine Pathfinders. The Board is chaired by the former Head of Housing at the ODPM, Mike Gahagan. The Board works well and combines representatives from the private and public sectors. Six key themes have been developed:

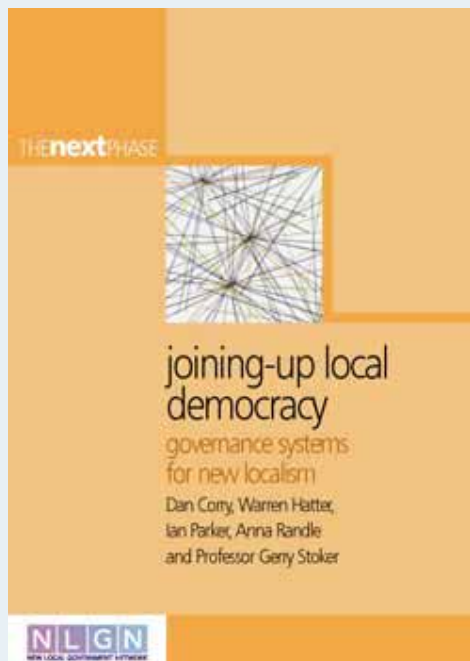
- The development of high quality successful neighbourhoods
- A sustainable pattern of neighbourhoods and communities
- Access and choice
- Land and site acquisition
- Quality and design
- Sustainable homes

These cross-cutting themes ensure that quality underpins the proposals in all ten ADFs. SYHA’s own experience through working as the lead housing association in Sheffield’s Fir Vale is that there is much that associations can add in developing community cohesion and capacity. Our Fir Vale Vision team have spent much of this year making links with groups which traditionally missed out on local authority consultation. These include the young single homeless, Asian women and asylum seekers. Revenue support for this project has been jointly provided by the Pathfinder and by the Housing Corporation. Working in one of the most deprived neighbourhoods in the Region, we have been able to build on the enthusiasm of the primarily black and minority ethnic population to improve conditions locally. The vast majority of people we are working with

wish to remain in the area, giving us a firm base on which to build.

There are, however, a number of stumbling blocks. These include the heavy-handed approach by the National Asylum Support Service to evicting “overstaying” asylum seekers (creating many new homeless households), the lack of clarity on new funding for Supporting People and some of the more primitive thinking expressed in some quarters of the Housing Corporation on efficiency. Of course we want value for money, but we need a more comprehensive assessment of outcomes. The silo-mentality persists in performance indicators relating to new housing provision. This is frustrating at a time when LSPs are demonstrating how broader measures can be adopted on regeneration and economic revival. There have also been difficulties in engaging the private sector, and many developers still feel they are brought in as an afterthought.

Our Regional Housing Board has worked extremely well but concerns will remain about the new arrangements until they prove they can deliver.



## Joining-Up Local Democracy: Governance systems for new localism

**Dan Corry, Warren Hatter, Ian Parker, Anna Randle and Professor Gerry Stoker**

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Since NLGN published its call for a refashioning of the relationship between central and local government in the UK, the phrase 'New Localism' has captured the imagination of policy makers and practitioners alike – with civil servants and politicians across the main parties increasingly keen to reveal their decentralising rhetoric.

Joining-Up Local Democracy: governance systems for new localism takes the debate back to basics and considers both the main principles on which sound local governance should be built and the criteria by which to best judge its performance. Proposals for the introduction of local directly elected bodies in health, the police and elsewhere are also assessed, as is the case for

increasing the power of councils to join up services. In concluding, the authors argue that our increasingly complex society demands a pluralist approach to local governance with a strong but by no means exclusive role for local government.

*'This is a debate that is long overdue. What is most needed now is greater imagination about what is possible, and greater rigour in thinking through the implications. This pamphlet – by some of the people most directly involved in recent arguments about 'New Localism' – is therefore extremely welcome. It helps to give shape to the arguments and usefully focuses in particular on what should be the unique selling point of local government – its ability to see things in the round. NLGN should be congratulated for leading the debate once again.'*

Geoff Mulgan, Head of Policy, Prime Minister's Office

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NLGN has been a key protagonist in debates about the way we deliver our public services and govern ourselves. Advocating ‘New Localism’, we have long stated that decision-making should be as close to the user as possible, that the ‘joining-up’ agenda happens more easily at such levels and that clear accountability, efficiency and engagement are much more likely to be achieved when this is the case. But we have also been clear that in almost all services there will be significant roles for different tiers of governance.

The primary question has to be whether major changes to our centralised state would lead to better outcomes for citizens. What opportunities and challenges would be presented by moves to decentralise decision-making across a range of policy areas, namely transport, education, anti-social behaviour and housing? ***New Localism in Action: Housing and Sustainable Communities*** focuses both on the key issues affecting this policy area and on the implications of moves to devolve decision-making.

This e-pamphlet is the fourth in a series based on papers given at an ongoing NLGN seminar programme: New Localism in Action. The series aims to pin down the main implications of New Localism across a range of key public services delivered locally.

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