

# HousingNorthwest

## Local Area Agreements & Housing Workshop

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Why is local government reform important to those working in the private sector?

- The government wants local authorities and their partners to be 'place makers'
- New duties are being introduced to ensure this happens e.g. authorities and partners will be required to develop sustainable community strategies and local area agreements
- The mechanisms for making decisions about where funding is spent locally are changing – the local strategic partnership will have much greater influence
- Funding will be prioritised on the basis of delivering improvement targets
- If private sector housing issues and solutions, and the contribution they make to other targets e.g. health, are not recognised in the process of the developing and delivering the sustainable community strategy and LAA, there is less certainty of funding

### **Local government reform and local area agreements**

Local Area Agreements (LAA) are a key part of proposals to reform local government; they will be the contract between central and local

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government to deliver improvements in delivering sustainable communities. Every upper tier (county and unitary) local authority will have a LAA by April 2007. Districts will not have a LAA but are expected to contribute to its targets through their own sustainable community strategies.

Although preceding the Local Government White Paper, the process of developing LAAs and the reason for doing so has always remained the same; by bringing together partners to identify local priorities and pooling resources to deliver against these, local areas – represented by the local strategic partnership (LSP) – will be better at delivering sustainable communities. The LAA will flow from the development of a sustainable community strategy; LSPs are required to revise these to ensure this happens.

### **Partnerships**

The White Paper, the subsequent Local Government and Public Involvement in Health Bill, and statements of intent to introduce statutory guidance, will introduce a duty on named partners to co-operate in the development of sustainable community strategies and agreement of targets in LAAs. Partners must also acknowledge those targets in their work.

To ensure sustainable community strategies and the LAA are developed and delivered effectively, and particularly to ensure that the use resources to do this will be the responsibility of the LSP, there are proposals to strengthen accountability.

### **Funding**

Funding to deliver sustainable community strategies and LAAs is intended to be more streamlined. The numerous area based 'pots' of funding payable to a number of organisations operating in an area, for example disabled facilities, grant will be brought together into the LAA grant. It is

not clear as yet how other capital funding will be managed in the context of the LAA.

The LAA is based on four themes – Healthier Communities and Older People, Children and Young People, Safer and Stronger Communities and Economic Development and Enterprise. In future the LSPs will be able to use the LAA grant how they choose i.e. it won't be assigned to themes based on whether it was previously allocated for a specific purpose. This will provide LSP with greater flexibility in the use of funding from central government.

### **Targets and performance**

Success in delivering sustainable communities will be measured through the LAA – the LAA will be based on 35 local improvement targets (taken from a national performance indicator set of 200 PIs – a reduction from 1,200) and 18 targets in relation to 'education and early years'. There is some scope for additional local performance targets but these will be negotiated on the basis of their 'prime importance' to an area.

The performance of the LSP in delivering the LAA and sustainable community strategy will be measured through a comprehensive area assessment (replacing the comprehensive performance assessment). This assessment will seek to identify areas where further assessment (inspection) is required on the basis of risk.

### **Private sector housing issues**

It is important that every effort is made now to increase the profile of issues in the private sector housing market to the LSP and partners; only in this way can you ensure that the LSP will consider focussing its plans for improvement – and resources – on tackling these. It is also important that the LSP understands that improvements to private sector housing have an impact on much wider agendas e.g. health and as such, resources and priority should be assigned here.

The Local Government Association is keen for councillors to have increased input in the LSP; therefore, you need to make genuine efforts to improve the relationship with councillors as part of raising the profile of housing issues.

***Mushtaq Khan: Oldham MBC, Head of Strategic Housing***

LAA was reviewed after six months as LA decided that it did not reflect Oldham's core priorities.

The key issue was moving away from a welfare-based model of the LAA which concentrated on decent homes and homelessness provision towards a more balanced LAA, which reflected affordability and improving quality and choice. There was also a need to improve economic activity rates amongst tenants and in the most disadvantaged private sector neighbourhoods. Housing is only one of a range of agencies that can help in this area, and the LAA was designed to be cross-cutting, especially with regard to the economic block.

**Housing Issues in Oldham:**

- Currently the housing market in Oldham is in a dysfunctional state.
- Currently an over supply of 1919 terraced housing, but real shortage of affordable housing which is in demand.
- Overcrowding is a major issue, especially in relation to BME households.
- Increase in number of Eastern European immigrants producing different needs to those already in the current communities.
- Continuing decline in the number of Council properties available, which reflects the lack of movement through the housing market.

Also the current housing available does not support the economic aspiration of Oldham because the majority of housing is low value and in council tax bands A and B.

- Current council housing stock does not reflect the need of the current population of Oldham. The average age of council house tenant is well over 50 and the vast majority are white-British. This has added to community cohesion problems due to many estates being predominantly white and no sign of change due to lack of movement through the housing market. This has contributed to current community cohesion problems due to the unequal distribution of housing.

As can be seen from points identified – Oldham has massive housing issues, therefore, LA has decided to introduce a separate housing block, to sit alongside: healthy people and older people, safer and stronger communities, economic development and enterprise, children and young people.

The key issue for Oldham was to develop an LAA that met its requirements – not specifically those of the government. The refreshed LAA therefore moved away from a fixation with government performance indicators and into more local outcomes for the borough.

The LAA is owned by the Oldham Housing Board, which is responsible for drawing it up, and monitoring performance. There is also a direct link to the LSP, and this means that housing is a key strategic issue in the borough.

### **Multi Area Agreements:**

Oldham is currently in discussion with Rochdale over developing a multi-area agreement which is building on the close working relationship

between the two boroughs, developed through the pathfinder and economic partnership.

The pathfinder itself is looking to do an MAA in place of its scheme update, so it is essential that the three bodies work together on understanding the nature and the extent of the MAA.

Welcomed by CLG because such proposals encourage communication between neighbouring LAs and promote sharing of good practice, which will ultimately benefit all concerned.