Strategic Approach to Housing KLOE

January 2010
Background

This document details the themes, key lines of enquiry (KLOE) published by the Audit Commission for assessing the strategic approach to housing within a local authority area(s). It is one of a set of KLOE documents produced by the Audit Commission to provide inspectors, inspected bodies and other stakeholders with a framework through which to review and assess service planning and delivery. To find out more about how the Audit Commission uses KLOEs, please read the guidance notes available from the Audit Commission website at: www.audit-commission.gov.uk/housing/inspection/Keylinesofenquiry/Pages/default.aspx

Focus

The Strategic Approach to Housing KLOE is designed to assess how well a council works with its partners and other stakeholders to address the housing needs and challenges within its area. It looks at whether the council is making best use of its powers and influence to drive forward the housing vision for the locality and deliver better housing outcomes for the community, including disadvantaged groups. It recognises how important political leadership, joint working and spatial planning are in developing effective approaches, and makes it clear that the housing vision must support wider plans to create sustainable communities. The KLOE focuses on all housing and tenure types in an area, as well as different types of housing markets – for example, those dealing with either under or over-supply of housing.

The KLOE can also be used to assess how well a group of councils work together to address strategic housing challenges across a defined area. This may be a housing sub-region, a county or an area covered by a multi-agency agreement (MAA). The three headline questions in the KLOE, with their focus on local priorities, outcomes for residents and capacity for improvement, mirror the approach to Comprehensive Area Assessment (CAA). Outcomes from inspection and assessment work using this KLOE will therefore help to inform wider cross-inspectorate assessments of performance.

The Audit Commission does not expect the same approach from all councils. This KLOE document is designed to establish how well councils are working to shape and deliver their housing vision within their own local context and circumstances. While the KLOE details a range of housing outcomes, the Audit Commission recognises that the focus on these will vary from place to place to best meet the needs and priorities of local communities. The economic climate has also led to pressures on resources and increasing levels of demand on services. This will mean partnerships and housing strategies will need to be flexible and have deliverable objectives.
Judgements made across the Strategic Approach to Housing KLOE will be used to assess both the quality of the existing service and the prospects for improvement. This recognises that an overall assessment of the strategic approach – with its focus on vision, leadership, strategy development, partnership working and delivery of housing and related outcomes – allows judgements to be made about future prospects as well as current performance. This approach has the benefit of reducing duplication within our assessment framework and is in line with the Audit Commission’s wider commitment to proportionate and effective regulation. Judgements about both current service performance and future prospects will continue to be spelled out separately in our report summaries.

Themes and key lines of enquiry

1 Vision and strategic approach: how effectively do the council(s) and its partners strategically plan work to balance the housing market and develop sustainable communities?

1.1 There is an overarching and shared vision for housing which supports wider ambitions for the community and is championed effectively.

Evidence that the council(s), working with partners:

- understands the nature and scale of the challenges it faces in balancing supply and demand in its housing market and creating sustainable communities;
- has worked with its partners and the wider community to develop an ambitious, inclusive and long-term vision for all housing within its area, with clear links to issues such as health, crime, education, economic development, worklessness and social inclusion; and
- provides strong leadership on housing issues and actively builds political, business, stakeholder and community support for the local housing vision. It champions the vision effectively and takes difficult and contentious decisions when needed.

1.2 Effective partnership working and community engagement shape and support the delivery of strategic housing priorities.

Evidence that the council(s), working with partners:

- consults widely and regularly with local, regional and national partners and can show how feedback has shaped the local housing vision and related priorities and supported their delivery;
- uses a range of community engagement mechanisms to build understanding of the housing vision and identify the needs and preferences of local communities and other stakeholders; and
- engages relevant statutory and third sector organisations and groups more at risk of disadvantage in the housing market to ensure that local housing ambitions are inclusive.
1.3 An up-to-date understanding of housing market and housing conditions, socio-economic data and the broader policy context inform the housing vision and strategic decision making.
Evidence that the council(s), working with partners:
- has a comprehensive understanding of the dynamics of the housing market, the condition of all homes in and around its area and the land available for housing development;\(^1\)
- routinely assesses housing needs, including the housing and support needs of vulnerable and socially excluded people and diverse communities;\(^2\)
- uses available data and intelligence effectively to inform the strategic approach to housing, making use of data on issues such as skill gaps, travel to work areas and health outcomes.

1.4 Robust housing and planning strategies and policies support delivery of housing priorities.
Evidence that the council(s), working with partners:
- develops robust, flexible and shared strategies that support delivery of housing and related priorities in the short, medium and long term;
- has a clear and comprehensive policy framework, including up-to-date spatial planning policies in place to support delivery of the overall vision and strategic priorities for housing;\(^3\) and
- sets challenging environmental and sustainability standards for new developments, with a focus on minimising environmental impact, integration of social housing, good design and meeting Lifetime Homes standards.\(^4\) There is also a clear focus on increasing the energy efficiency of existing homes.

2 Capacity to deliver: does the council(s) have the capacity to deliver its housing vision effectively now and in the future?

2.1 The right skills and tools are in place to ensure effective delivery of housing priorities.
Evidence that the council(s), working with partners:
- has strong internal, joint working and communication mechanisms to support the delivery of strategic housing objectives;
- has effectively integrated housing and planning work to deliver shared priorities and keep development on track;
- ensures there are the right skills and capacity to manage strategic housing work, including housing and planning strategy development and delivery of key housing tasks, such as private sector regulation, support and targeted enforcement work and homelessness prevention;
- uses human resource planning and training and development to address skills gaps, plan for newly emerging needs and promote understanding of strategic housing issues; and
- uses IT effectively throughout its activities and partnerships.

\(^1\) Intelligence will include: private and social housing stock condition surveys, strategic housing market assessments (SHMAs), strategic housing land availability assessments (SHLAAs), Gypsy and Traveller accommodation needs assessments (GTAAs), economic viability studies and sustainability studies, as well as wider assessments of neighbourhood change and/or success.
\(^2\) Including PSA 16 groups.
\(^3\) For example, core strategy, development plan documents (DPDs), supplementary planning documents, area development frameworks, economic viability and sustainability assessments.
\(^4\) [http://www.lifetimehomes.org.uk/](http://www.lifetimehomes.org.uk/)
2.2 Arrangements are in place to keep delivery of housing priorities on track and promote a culture of continuous improvement.

Evidence that the council(s), working with partners:
- develops robust plans to deliver housing strategies which are widely owned by staff and relevant partners, and sets out clear accountability for actions;
- monitors performance against key targets and takes prompt action to identify reasons for under-performance and tackle barriers to delivery;
- identifies and manages delivery risks effectively and uses risk management to inform future priorities and strategic planning; and
- learns through its experiences and wider feedback, shares guidance and good practice and uses learning to improve future performance.

2.3 The council(s) plans and manages its finances and other resources to support the effective delivery of its strategic housing priorities and achieve value for money.

Evidence that the council(s), working with partners:
- integrates financial planning with strategic housing and service planning processes on a medium to longterm basis, ensuring that resources match priorities;
- understands its service costs, the factors that influence these, how they link to performance and compare with those of other organisations. This understanding influences strategic decision making and delivery to achieve better value for money;
- achieves value for money in delivery of strategic housing services and works to align and share resource allocation across partner agencies to deliver shared priorities cost-effectively; and
- makes effective use of the planning process and external and complementary investment to support delivery of housing priorities and offset wider infrastructure costs.

2.4 Commissioning and procurement decisions maximise value for money and sustainability.

Evidence that the council(s), working with partners:
- evaluates different options for procuring strategic housing services, programmes and projects to deliver cost-effective solutions and takes steps to influence and develop the market;
- uses procurement and partnership working to support managing and delivering sustainable approaches;
- makes effective use of existing assets, including land holdings and buildings, to support housing development; and
- works effectively with partners to keep affordable housing development costs down and achieve efficiencies and quality improvements in service delivery.

3 Improving housing outcomes for the local community: is the strategic approach to housing delivering better housing outcomes for the local community?

3.1 New market and affordable housing offers greater choice for new and existing households and promotes sustainable communities.

Evidence that the council(s), working with partners:
- maximises successful delivery of new homes (and sites for Gypsies and Travellers) in line with identified needs and local and regional housing targets;
- develops new housing to a high standard with a focus on liveability, leading to sustainable homes that can be adapted over time as residents’ needs change; and
- ensures developments are linked to wider infrastructure considerations (such as transport links, road access, water supply, schools and hospitals) and promote the sustainability of existing neighbourhoods.
### 3.2 The quality and use of existing housing is improving and neighbourhoods are increasingly sustainable.

Evidence that the council(s), working with partners:
- successfully delivers comprehensive regeneration and improvement strategies to balance the housing market, improve the quality of existing housing, promote the sustainability of local neighbourhoods and reduce the level of empty homes;
- raises housing standards in the social housing and the private sector, through well-targeted investment and support, and effective use of its housing, planning and environmental powers; and
- maximises opportunities to address under-occupation and over-crowding across all housing.

### 3.3 The housing and related needs of vulnerable and lower income households are being met effectively.

Evidence that the council(s), working with partners:
- ensures that people in housing need are signposted to and helped to access a broad range of housing options across different tenures and promotes fair access to existing housing;\(^1\)
- actively prevents people becoming homeless; and
- ensures a wide range of accessible, high-quality, supported housing and housing-related support options for vulnerable and socially excluded people across different housing tenures.

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More detailed guidance on the levels of performance expected by the Audit Commission in its inspections of the strategic approach to housing within a local authority area(s) can be found on the Audit Commission website at: [http://www.audit-commission.gov.uk/housing/inspection/Keylinesofenquiry/Pages/StrategicapproachhousingKLOE.aspx](http://www.audit-commission.gov.uk/housing/inspection/Keylinesofenquiry/Pages/StrategicapproachhousingKLOE.aspx)

The guidance includes detailed descriptors to help organisations understand how judgements will be formed against each KLOE and sets out the key evidence that will be used.

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\(^1\) For example, via well-designed and transparent choice-based lettings schemes, increased use of the private rented sector and improved housing information and advice services.
Reference documents

The following reference documents have informed the development of the strategic approach to housing KLOE document:

The KLOE document uses some general terms with the following definitions.

- **Gypsy and Traveller Accommodation Needs Assessment (GTAA)** – in-depth study of Gypsy and Traveller accommodation needs, including new pitches.
- **Senior management** – the most senior staff of an organisation, typically comprising a chief executive or a team of directors and normally referred to as the management team.
- **Leadership** – a combination of the council’s cabinet and senior management as defined above.
- **Partners** – will include range of national and local agencies depending on local circumstances, but will include the Homes and Communities Agency, registered landlords, private landlords, landowners, developers, voluntary and community groups (also referred to as third sector organisations), health and criminal justice agencies, schools and higher education establishments.
- **Local area agreement (LAA)** – a three-year funding arrangement between central government and a local area, as represented by a local strategic partnership (LSP).
- **Multi-area agreement (MAA)** – cross-boundary local area agreement.
- **Local development framework (LDF)** – a programme setting out the spatial planning strategy for a local planning area.
- **Local Strategic Partnership (LSP)** - a non statutory partnership of the public sector, private sector, business, community and voluntary sectors. It provides an overarching co-ordination framework within which other partnerships can operate and is responsible for Community Strategies and Local Area Agreements (LAAs)
- **Strategic housing land availability assessment (SHLAA)** – assessment by local planning authorities of potential local sites, their suitability for housing and timescales for development.
- **Strategic housing market assessment (SHMA)** – in-depth study of housing markets in a local area, often crossing local area boundaries.
- **Public Service Agreement 16 (PSA 16)** – supports adults who are at risk of social exclusion and seeks to increase the proportions of at-risk individuals in settled accommodation and in employment, education or training. It focuses on the following four client groups: care leavers; adult offenders under probation supervision; adults in contact with secondary mental health services; and adults with moderate to severe learning disabilities.
- **Supplementary Planning Document (SPD)** – expands and provides greater detail on the policies in a Development Plan Document (DPD). It can provide detailed guidance on specific topics such as affordable housing, or design issues for a particular site.
The Audit Commission

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