

Housing and planning: The crucial role of the new local performance framework



This document has been produced for all partners who have an interest in delivering housing and planning through the new performance framework.

The purpose of this note is to support you in making the most of the new local performance framework and signpost key guidance and other documents that have recently been published. This note is not statutory or technical guidance and does not replace published or consultation documents.

housing growth and affordability

The Housing Green Paper *Homes for the Future: More Affordable, More Sustainable*, published in July 2007, recognised that meeting the demand for more, better quality homes at prices people can afford is crucial to the creation of thriving, sustainable communities. The Green Paper acknowledged that the supply of new homes has not kept pace with demand, highlighted the challenges of affordability across the country, and stressed the centrality of good planning and the local authority strategic housing role to place-making. Effective provision of sufficient quantities of good quality housing in the right places can play an important part in delivering improved outcomes for people and places. It can help to improve the local economy, strengthen community cohesion, regenerate disadvantaged communities, improve the local environment, and reduce overcrowding and homelessness. The Planning White Paper, *Planning for a Sustainable Future* (May 2007), and Planning Policy Statement 3 (PPS 3) (November 2006), support the Government's commitment to deliver two million homes by 2016, and three million new homes by 2020.

Regional spatial strategies

The Regional Spatial Strategy (RSS) sets out the broad development strategy for the region. PPS 3 requires strategies to set out the overall housing figures for the region, broken down by housing market and local planning authority areas. In London, district housing allocations are set out in the Spatial Development Strategy (The London Plan). These figures should be sufficient to enable authorities to plan for housing over a period of at least 15 years.

Policy guidance in PPS 3 advises that RSSs should set out the level of overall housing provision for the region and should be sufficient to enable local planning authorities to plan for housing over a period of at least 15 years.

Local plans

Planning Policy Statement 3 also requires that local planning authorities should set out in Local Development Documents their policies and strategies for delivering their housing figures, including identifying at least five years' worth of sites that are ready for development.

Planning Policy Statement 3 advises that in circumstances where the RSSs are in development, local planning authorities should also have regard to the level of housing provision proposed in the relevant emerging RSS.

Planning Policy Statement 12 (PPS 12) sets out the Government's policy on the preparation of local development documents which comprise the local development framework. Guidance in PPS 12 states that local development documents must be in general conformity with the RSS. However, where the RSS is being reviewed, account may be taken of the strategy's progression through the statutory procedures. The weight to be attached to it, particularly the housing figures proposed, depends on the stage it has reached. Where it has been through an Examination in Public, and the proposed changes have been published, considerable weight may be attached because of the strong possibility of it being published in that form by the Secretary of State.

how will the new performance framework help?

The new National Indicator Set contains a number of performance indicators relating to housing supply (for example: NI 154 Net additional homes provided; NI 155 Affordable homes delivered; NI 159 Supply of ready to develop housing sites; and NI 157 Processing of planning applications). This allows housing delivery to be monitored against housing figures, alongside other local priorities through the new local performance framework. Negotiation of **local area agreements (LAAs)** – a key element of the local performance framework – will be based on the National Indicator Set, and allows local authorities and partners to prioritise and address housing delivery through targets that are tailored to a three year timescale. LAA targets are, as a matter of law, determined between the lead local authority and the partner authorities listed at section 104 of the Local Government and Public Involvement in Health Act 2007, and then submitted for approval of the Secretary of State. In practice, as set out in the draft statutory guidance, this process will be underpinned by extensive negotiation with central Government.

The Local Government and Public Involvement in Health Act 2007 requires authorities to have regard to the **Sustainable Community Strategy (SCS)** in the preparation of their LAA. The SCS captures the “story of place” and authorities need to be aware of the desirability of relating the SCS to their local development framework, and basing it on a range of evidence of local need. Therefore, in preparing their LAA, local authorities may wish to draw upon housing policies in local development documents, emerging RSS, and other relevant evidence, as well as past delivery performance.

LAAs will form part of a range of measures through which local authorities and their partners can achieve their objectives on housing growth. These include:

- the overarching SCS setting out the long-term vision for the local area;
- the Local Development Framework Core Strategy which sets out that vision in spatial terms, bringing together the land, infrastructure and capital investment needed to support these priorities over the longer term;

- local authorities' five and fifteen year land supply for housing – a key tool underpinning the delivery of future housing supply;
- effective development management including engagement with developers and stakeholders, managed processes (eg Planning Performance Agreements) and timely and quality planning decisions; and
- Housing and Planning Delivery Grant, aimed at incentivising local authorities to improve delivery of housing and other planning outcomes and to provide extra support to communities and local councils in delivering new homes.

making best use of existing housing stock and meeting the housing needs of vulnerable people

As well as delivering new housing, Ministers have also set out commitments to make the best use of the existing stock, whether social sector or private sector. The Government's priorities were set out in December.

They include ensuring children do not have to live in inadequate or temporary social homes, hence the continuing decent homes programme in the social and private sectors, the drive to deliver the temporary accommodation target, and a new strategy and action plan to tackle overcrowding. They include a new social housing regulator whom we intend should regulate all social housing providers, including local authorities, in a manner that is consistent with the local performance framework, and providing a new body to represent tenants' interests.

The Government's priorities also include tackling the lack of geographical mobility in the social stock, addressing the impact of an aging society, and continuing to support the most vulnerable and socially excluded, particularly through the continuing significant investment in the Supporting People programme, and the Disabled Facilities Grant programme. A review of private rented housing will look at the contribution that this sector can make to meeting housing need.

Key indicators in the National Indicator Set relevant to these priorities include:

- number of households living in temporary accommodation;
- % decent council homes;
- number of vulnerable people achieving independent living;
- number of vulnerable people who are supported to maintain independent living;

- adults with learning disabilities in settled accommodation;
- care leavers in suitable accommodation;
- adults in contact with secondary mental health services in settled accommodation;
- offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence;
- local authority tenants' satisfaction with landlord services; and
- satisfaction of people over 65 with both homes and neighbourhood.

Other indicators will also support the delivery of housing and planning outcomes, for example by measuring re-offending rates, levels of domestic violence, and levels of work/ housing benefits.

It is for local authorities and partners to decide which targets to include in a draft LAA, as explained above. If they decide to include targets from the above list they can draw on a range of evidence including data about stock condition; void levels; tenant satisfaction; levels of overcrowding; use of temporary accommodation; the quality of the private rented sector; and the housing needs of vulnerable people.

how the new performance arrangements will work

Central to the new arrangements is a robust Local Strategic Partnership (LSP), which is the main vehicle for agreeing the SCS. The LSP is also the forum for agreeing the targets of the LAA. Each LAA will have **up to 35 improvement targets**, drawn from the National Indicator Set and agreed with central Government via the Government Office. However, performance against all 198 indicators will be measured and will feed into the new Comprehensive Area Assessments. Local partners can also agree additional targets in their LAA to support improved local delivery and outcomes (eg tackling overcrowding; improving tenant mobility), though these will not be subject to performance monitoring by Government.

LAAs will be underpinned by a **duty to co-operate** by named partners to determine targets and by a **duty to have regard** to those targets they have agreed in the course of their business.

The proposed Homes and Communities Agency will, subject to Parliamentary approval, become one of the named partners with a duty to co-operate to agree LAA targets and have regard to them in the course of their business. This recognises the key role of the agency as an expert partner helping local authorities to regenerate communities and deliver the place shaping vision through expert negotiating, brokering and collaborating skills.

Supporting People resources are a very significant element of Communities and Local Government support to local authorities for people with housing-related needs. Next year a set of pathfinders will test the impact of delivering these resources through the Area Based Grant. In selected pathfinder areas, the ring-fence will be removed and performance will be measured through the National Indicator Set. Subject to the outcomes of the pathfinders, Supporting People programme grant will be included within Area Based Grant from 2009/10.

Two-tier areas

In two tier areas, the duty to co-operate in agreeing targets will assist close co-operation between counties and districts in the preparation of the LAA. There is flexibility, too, in the way targets can be set – for example an LAA may include priorities which apply only to one district, or group of districts, whilst other targets may apply county-wide.

managing performance

Assessment of performance in localities will be carried out by the local public service inspectorates working together. These bodies are jointly developing a **Comprehensive Area Assessment (CAA)**, which will be introduced from April 2009. The CAA has four elements: an area risk assessment; a scored use of resources judgement for public bodies in the area; a scored direction of travel judgement for each local authority in the area; and a publication of performance data for each area against the National Indicator Set. Inspections of local authority housing, housing support, or planning activity will be triggered by the inspectorates as the result of issues identified in the CAA.

The **National Improvement and Efficiency Strategy** aims to provide a stronger focus on supporting local authorities and their partners in achieving LAA improvement targets and meeting ambitious efficiency targets for local spending. It will support a devolved approach with a stronger role for local government in supporting and challenging performance. As part of this, local authorities will want to consider how they and their partners can better manage their own performance in delivering improved housing and planning outcomes. Local authorities will benefit from more integrated capacity-building support, with resources channelled through **Regional Improvement and Efficiency Partnerships** to deliver housing and planning priorities.

The Government Offices will help LSPs and local authorities to ensure that the partnerships' internal structures are robust and that all relevant partners are appropriately involved and engaged in the partnership and in the LAA.

Local authorities are required to publish Annual Monitoring Reports, informing citizens about progress against the priorities in their Local Development Framework.

key roles for all stakeholders

Delivery through the new local performance framework will involve strong partnerships with local people and a range of stakeholders. In addition to the partner authorities that are under a duty to co-operate to determine LAA targets, Registered Social Landlords, Arms Length Management Organisations, home builders, public sector landowners, private sector landlords, third sector organisations, and Voluntary and Community Service housing services providers can also play a key role in helping to shape places and deliver improved services.

where can I find out more?

Further information about the new local performance framework and LAAs, as well as aspects of housing, housing support, and planning, are available from the following websites:

Communities and Local Government – Government’s policy and guidance on the local performance framework, LAAs, housing and planning, and details of Yvette Cooper’s 12 December keynote speech: www.communities.gov.uk

National Indicator Set:
www.communities.gov.uk/publications/localgovernment/nationalindicator

First part of two-stage of guidance on the negotiation of LAAs:
www.communities.gov.uk/publications/localgovernment/negotiatingnewlaas

Second part of two-stage of guidance on the negotiation of LAAs :
www.communities.gov.uk/publications/localgovernment/laaoperationalguidance

Draft Statutory Guidance: *Creating Strong, Safe and Prosperous Communities*:
www.communities.gov.uk/publications/localgovernment

Local Government Association: www.lga.gov.uk

Chartered Institute of Housing: www.cih.org

Royal Town Planning Institute: www.rtpi.org.uk

Audit Commission – independent external assessment of performance by local authorities and other public bodies: www.audit-commission.gov.uk

Improvement & Development Agency – improvement & capacity building, and help for councils in delivering their strategic housing role: www.idea.gov.uk

Planning Advisory Service: www.pas.gov.uk



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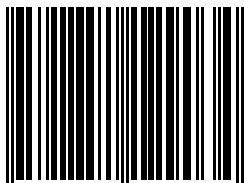
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