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#### **'NIs, APACS and Vital Signs?' – The Changing Landscape of Housing Policy Making in England**

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#### **Abstract**

The public sector policy making process in England is undergoing significant change. One specific area is the relationship between national performance indicators and local priorities that are based on the Government's framework consisting of 198 National Indicators (NIs) co-ordinated by Communities and Local Government (CLG). Similar changes are taking place in, for example, health, social care and the police. It is, however, evident that there is a lack of joined up thinking

From a housing perspective, the engagement with this new agenda has been limited. Although there is a continued focus on council housing strategies, the reality is that local priorities and investment decisions are increasingly determined through three year local area agreements and multi area agreements drawn up by local strategic partnerships.

The Government has argued that this new agenda contributes to the devolution of powers and decision making to councils and their partners. It moves away from the top-down focus of target setting that has dominated the Labour Government approach over the last decade. However, evidence from a case study of a large city in the north of England is of tension between Government Departments and local stakeholders as well as a marginalisation of housing issues.

## **1. Introduction**

The aims of this paper are fivefold. They are, firstly, to briefly set out the new policy making landscape at a local level in England. This centres, primarily, on sustainable community strategies, local strategic partnerships (LSPs), local area agreements (LAAs) and national indicators (NIs). It is evident that housing organisations (especially housing associations) are struggling to cope with this new system. Secondly, the impact of this new 'landscape' on local housing policy making is set out. In particular, it raises challenging issues for the future of local housing strategies. The Audit Commission, the Chartered Institute of Housing (CIH) and the Improvement and Development Agency (IDeA) are each reviewing their approach on this topic. But the Government has not updated its guidance despite having highlighted that this was 'imminent' in early 2007. Thirdly, the paper discusses these developments within the context of central-local relations. Although there is increasing academic interest in housing studies on concepts such as governance, partnerships and policy networks, there is a danger that these underplay power relationships. It is, therefore, argued that despite the Government's rhetoric on reducing the burden of controls on councils and their partners, the emphasis continues to be one of top-down performance management by the centre. Fourthly, the housing dimension is explored through an analysis of the LAAs that were approved by the Government in 2008, and, fifthly, in a case study of a large northern city. The former draws on the slow but steadily increasing number of reports by organisations, such as Housemark and the National Housing Federation (NHF), and in news reports and articles in, for example, *Inside Housing*. The latter centres on the housing dimension of a broader project being undertaken by the authors on the new policy making framework. It makes use of a range of documentary sources as well as interviews with key stakeholders at local and regional scales.

The next section in this paper focuses on the new local policy making landscape as part of the on-going modernisation process for local government. It is followed by a discussion on whether this new system is bypassing traditional local housing policy making. Section four locates this issue within the broader framework of central-local relationships. This is followed by an analysis of the LAAs from a housing perspective. The penultimate section centres on a detailed analysis of a case study. The concluding element of the paper draws together key findings and indicates the direction for further research.

## **2. The New Policy Making Framework**

The public sector policy making process in England at a local level has undergone significant changes over the last decade as part of the 'modernisation of government' (Morphet, 2008; Stoker & Wilson, 2004; Wilson & Game, 2006). The national level framework comprises three year comprehensive spending reviews linked to public service agreements (PSAs) have been established (HM Treasury, undated) (HM Treasury, 2007). At the local level, there has been a growing emphasis on the place shaping role of councils. This has involved a focus on sustainable community strategies developed by local strategic partnerships. The 'golden thread' binding

together these different geographical levels of policy making consists of formerly local PSAs and now local area agreements for unitary and county councils and their partners.

A specific emerging area of interest is the relationship between national performance indicators and local priorities. This has received considerable attention because of the focus on the Government's performance framework consisting of 198 National Indicators co-ordinated by Communities and Local Government (2008a)<sup>1</sup>. The NIs are grouped into seven families:

**Table 1: National Indicator (NI) Framework**

<b>NI Families</b>	<b>Number of NIs</b>
Stronger communities	14
Safer communities (35 NIs)	35
Children and young people, which is itself sub-divided into five sub-categories:	
• Be healthy	9
• Stay safe	13
• Enjoy and achieve	38
• Make a positive contribution	6
• Economic well-being	3
Adult health and well-being	21
Tackling exclusion and promoting equality	11
Local economy	34
Environmental sustainability	14

Each NI is linked to specific PSAs and national government departmental strategic objectives (DSOs). The Government has frequently highlighted that the number of performance measures for local service providers has been cut back from over 1,200 to 198 through the NI system.

Local authorities (unitary and county councils<sup>2</sup>) and their partners have been required to identify up to 35 of these indicators as priorities<sup>3</sup>. In addition, the Government has designated 16 mandatory education and early years targets (all of which are in the children and young people family and the enjoy and achieve sub-themes). The 'local priorities' should be derived from the sustainable community strategy. In agreeing LAA targets and priorities, LSPs should have considered how to resource these priorities. The Government has indicated that partners should consider pooling resources (for example, health and social care)<sup>4</sup>. It has also indicated that it has abolished the ring fencing of over £5bn of funds so enabling councils and their partners to resource local priorities.

Each of the 150 local authorities has produced its LAA priorities to a similar format and they are available for downloading from the Improvement and

<sup>1</sup> Communities and Local Government is the department with overall responsibility for the new policy making and performance management framework.

<sup>2</sup> In total, there are 150 unitary and county councils responsible for LAAs.

<sup>3</sup> Councils and their partners can identify additional local indicators.

<sup>4</sup> See, for example, Audit Commission (2008): Clarifying Joint Financial Arrangements – A Briefing Paper for Health Bodies and Local Authorities: London, Audit Commission.

Development Agency (2008). Each LAA statement includes as a minimum a table of LAA priorities covering:

LSP and local sustainable community strategy theme
Selected NI priority
Baseline data
Improvement target for each of the next three years
Partners / organisations responsible for the indicator
Status of the indicator i.e. draft or approved by Government

The Government approved local priority indicators for each unitary and county council in June 2008 for a three year period (2008/09 to 2010/11). These are to be reviewed annually. Guidance suggests that the reviews, which commenced in October 2008, would be small scale and relatively minor. But subsequently, these may be more strategic and fundamental as they will be linked to a new system of regulation – the comprehensive area assessment (CAA).

Local authorities are required to collect relevant data on each of the 198 NIs but will clearly pay particular attention to local priorities. In addition, Government Regional Offices will monitor performance. Nevertheless, it should be noted that the Audit Commission (which is the regulatory body for local government) is still expecting councils to collect relevant best value performance indicators (BVPs) as part of its inspection process and key lines of enquiry on, for example, housing services. BVPs were part of the previous performance management system.

More importantly, the Audit Commission will focus attention on NIs and the local priorities as part of an annual CAA from April 2009. This represents a significant change from the current comprehensive performance assessment system. The new approach centres on improved quality of life for customers and communities as well as better public services. The previous system centred on the performance of councils. Detailed guidance on CAA was published in February 2009. This new system raises important challenges on collaborative and partnership working between councils and other public sector agencies. The assessment of the performance of a local authority area will depend not only on the council as a strategic enabler and service provider but also the activities of a range of other public sector agencies such as primary care trusts.

This description of the new policy making framework at the local level has, so far, simplified a more complex picture. No mention has yet been made of city regions and sub-regions. There is growing emphasis by the Government on sub-regional governance. This has resulted in a city region equivalent of LAAs, multi-area agreements (MAAs). As of March 2009, the Government had approved ten MAAs. These involve groups of councils and their partners agreeing a limited common set of objectives linked to NIs. It should be noted that the Government is also planning to announce in spring 2009, at least two city pilot regions. These are likely to have formal executive powers over strategic policy issues (including housing) as well as having a relatively

greater degree of financial autonomy from regional agencies. It is also rumoured that they will have a reduced regulatory burden.

Furthermore, there continues to be frequent and regular additions, ideas and guidance from the Government on the new policy making framework. For example, Communities and Local Government has recently issued updated advice suggesting that the preparation of local sustainable communities strategies should be aligned with the local development framework. This will help to ensure that the latter functions as the ‘spatial manifestation of the local community strategy’<sup>5</sup>. Similarly, the Government is consulting on specific provisions within the Sustainable Community Act (2007) and is taking forward the modernisation agenda through the Local Democracy, Economic Development and Construction Bill. In relation to the former, the focus of attention is on local spending reports as a basis for greater community involvement in the new process as well as revitalising LSPs. In relation to the latter, proposals include formal statutory requirements for unitary and upper tier authorities to carry out economic assessment to more effectively underpin local priorities and targets.

Finally, and most importantly, there is the challenge of aligning at a local level the NIs, which are primarily co-ordinated by CLG, with indicators that have been developed by other government departments, stakeholders and regulators. For example, the Department of Health has adopted a ‘vital signs’ system in 2008<sup>6</sup>. This comprises five themes and a range of indicators:

**Table 2: Department of Health Vital Signs System**

Vital Signs Themes	Number of indicators
Cleanliness and healthcare associated infections	3
Access to personalised and effective care	30
Improving health and reducing health inequalities	23
Reputation, satisfaction and confidence in the NHS	6
Finance	2

Interestingly, the indicators are grouped into three categories: national requirement; national priority for local delivery; and local action. The guidance highlights that primary care trusts should work with local partners on delivering the first two categories and choosing local action priorities.

Similarly, in relation to policing, the Home Office has established a new performance management framework, analysis of policing and community safety (APACS)<sup>7</sup>. This has 14 themes and associated indicators for 2009/10:

<sup>5</sup> This guidance was published in April 2009 and can be found at <http://www.communities.gov.uk/publications/localgovernment/planningtogether>.

<sup>6</sup> See Department of Health (2008): Operational Plans 2008-2011: London, DH – this is available at [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_082542](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_082542).

<sup>7</sup> Further details of the Home Office performance management system can be found at <http://police.homeoffice.gov.uk/performance-and-measurement/assess-policing-community-safety/>.

**Table 3: Home Office APACS System**

<b>APACS Themes</b>	<b>Number of indicators</b>
Satisfaction	4
Local concerns and perceptions	5
Recruitment and representation	2
Perception of crime	3
Crime categories	6
Serious crime	4
Arson and fires	1
Asset recovery	1
Road traffic casualties	1
Prolific re-offending	1
Offending and re-offending	4
Efficiency	1
Sickness absence rate	2
Domestic violence	1

The Home Office has also published guidance on setting priorities in the 'local policing plan' using the APACS system. There is relatively little if any reference to LSPs and LAAs. But 19 out of the 36 APACS indicators are cross referenced to NIs.

Clearly local policy makers have the twin challenges of implementing the new and frequently changing LAA and NI system and aligning this with other performance management systems.

### **3. Housing Policies and the Local Housing Strategy Dimension**

One of the fundamental issues facing housing organisations and their staff is the need to engage with this new and complex policy making system at a local level. As the title of this paper indicates, housing staff must understand the new framework and be able to 'identify their NIs and know their APACS from their Vital Signs!'<sup>8</sup>

This represents a significant challenge for a variety of reasons. Firstly, the day-to-day management of sustainable community strategies, local strategic partnership and local area agreements is usually located within the local authority chief executives' office as part of the policy and performance function. The relationship with local authority housing policy staff is often unclear. Secondly, there are a number of examples of local strategic partnership that do not include housing associations as members or housebuilders / developers (Cooper, 2009). Thirdly, in two tier areas of local government, the county council is the LAA lead authority. This adds to potential difficulties for housing, which is a district function. The Local Government Association (2008) has highlighted this as an important area of concern. Fourthly, the role of a separate local housing strategy is increasingly diminished as key policies are incorporated into the local sustainable community strategy and the local development framework (LDF). These are

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<sup>8</sup> The Centre for Comparative Housing Research runs a MSc Business for Housing programme that has, as one of its aims, to help middle managers understand the new system.

increasingly regarded as the 'plan of plans' and the 'spatial manifestation of the community strategy' respectively. Fifthly, the key drivers of local housing policy are the relevant NIs and especially those that have been prioritised in the LAA. There are relatively few NIs that are directly housing-orientated. It is estimated by the National Housing Federation (2008) that there are 14 out of 198 housing and support related indicators, while Housemark (2008) suggest that there are 20 housing-related indicators. The Improvement and Development Agency (2008) considers that there are 23 NIs that are relevant for the strategic housing function<sup>9</sup>.

The reaction of the 'housing community' to this last point has veered over the last year between outrage over the low priority attached to housing issues by LSPs (see Cooper, 2009) to concerns that the Government's NIs do not incorporate well-established and agreed targets. For example, although the decent homes target for council housing is included as NI 158, only 23 LSPs have selected it as a priority (i.e. 15%). Furthermore the related target in the private sector is not one of the 198 indicators. For example, this has caused some consternation in the East Midlands where making decent homes in the private sector has been a regional housing focus. Housing Intelligence for the East Midland (Hi4em) highlights,

"In 2002 the ODPMs Public Service Agreement (PSA)<sup>7</sup> to make all homes in the social sector decent by 2010 was extended to include an increase in the number of vulnerable households in the private sector living in decent homes. The 2001 English House Condition Survey estimated that as at April 2001 around 1.6 million, or 57%, of vulnerable households in the private sector lived in decent homes. The Government expects this to increase to 65% by 2006, 70% by 2010 and 75% by 2020. Local authority power to provide assistance for repairs and improvements is expected be one of key vehicles for delivering these increases." (Housing Intelligence for East Midlands, undated).

But it is now unclear as to the status of this target in relation to LAA priorities and the associated funding and investment decisions – see section two above. In many cases, local housing strategies produced by district and unitary authorities in the East Midlands have identified the private sector decent homes standard as a priority.

This highlights the more general and important issue of the future role of these strategies. As we have already seen, local housing strategies are becoming less important relative to the local development framework. Indeed, it can be argued that this reflects a continuation of the Government's drive for plan rationalisation i.e. reducing the burden on councils of top down requirements for strategies (Wilson & Game, 2006). This poses an interesting dilemma as to whether separate local housing strategies should be abandoned in favour of incorporating relevant policies in the sustainable community strategy and the local development framework.

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<sup>9</sup> The housing NIs are discussed in more detail in section five of this paper.

Nevertheless a number of national stakeholders have been taking forward a parallel debate on the future of the local housing strategy function. The Audit Commission is reviewing its key lines of enquiry (KLOE) on the strategic housing function so that it is aligned with the new CAA system (see section two above). It is due to publish a report on 'improving performance through the strategic housing function' in 2009. This will take forward the results of a scoping study (Housing Quality Network, 2008). The Chartered Institute of Housing has published three papers including a joint report with the Local Government Association on a 'new future for local housing strategies' (Chartered Institute of Housing and Local Government Association, 2005) and a guide on 'delivering housing strategy through local area agreements' (Lewis, 2007). The Improvement and Development Agency (IDeA) is in the process of publishing five good practice guides – three of which are so far available. They include reports on community leadership and strategic housing (IDeA, 2007) and place shaping and the strategic housing role (IDeA, 2008b). Each of these publications usefully highlights to practitioners the importance of the broader emerging policy framework of community strategies, LSPs and LAAs. But the frequent changes in the policy environment (see section two) often makes the guidance out-of-date.

Clearly, there is a need for a definitive statement from the Government on the future role of the local housing strategy function. Although an outline of powers and duties was recently published (Communities and Local Government, 2008b), the current guidance was issued at the start of this decade. Ministers and civil servants have indicated since 2007 that a new framework is imminent but this has so far failed to materialise. This has created a further degree of uncertainty at a local level on the future role of the housing strategy function.

#### **4. Central-Local Relations**

The new policy making approach for housing with its emphasis on sustainable community strategies, LSPs and LAAs is generating interest in the application of new conceptual frameworks for understanding and analysing these issues. These include governance, collaborative working and policy networks. Each of these is helpful in creating useful insights into the policy making process, but have limitations.

The term, 'governance', has multiple meanings (Wilson and Game, 2006). But from a local policy making perspective, according to Leach and Percy-Smith (2001), it refers to the process of governing in a system comprising many non-state and state organisations. It is often characterised as a more inclusive approach to policy making involving the public, private and voluntary sectors with an emphasis on facilitating and enabling. It is closely associated with partnerships and collaborative working. As Sullivan and Skelcher (2002) have pointed out, an holistic or joined up approach between governments, businesses and the voluntary sector is central to the manner in which public policy is now made. Local strategic partnerships are an example of this. They involve a wide range of organisations and focus on cross-cutting issues

such as tackling social exclusion and dealing with crime and anti-social behaviour. They are also responsible for the local sustainable community strategy and the local area agreements. Improving the effectiveness of partnership working, thus, continues to generate a wide range of guides and good practice examples, but there is relatively little analysis as to whether they deliver better outcomes (Brown & Yates, 2003; Pollitt, 2003).

Linked to partnership working is the associated concept of networks. Again this is a complex and contested area of research. Policy networks have become a well-established concept in public policy and politics especially since the 1970s for a variety of reasons. They reflect the reality of policy making and implementation in contrast to the formal public administration perspective. They link with the focus on strategy and implementation in public policy (and the current theme of 'delivery'). They are associated with the growing complexity of policy making including the multiplicity of organisations i.e. governance rather than government. The prominence of policy network concept can be attributed to the work of Rhodes (1992). He argued that it was important to investigate the different types of networks and suggested that policy networks 'have become the main feature of policy making in Britain'. He further stated that there has been a failure to appreciate that delivery systems are complex, disaggregated and indeterminate and this has resulted in policy failures.

Nevertheless, the interrelated concepts of governance, collaborative working and policy networks have their limitations in helping to understand and analyse the new policy making framework. For example, they are useful for describing complexity but are poor for explaining the politics of decision making as it ignores basic concepts such as 'power'. More importantly, policy networks ignore the centrality of top-down government in the UK and lack of local autonomy.

A more fruitful approach is, thus, to focus on central-local relations. As Loughlin (2001) pointed out, the UK is a centralised if not a hyper-centralised state. This is because of the vast array of formal controls and constraints backed up by informal and softer guidance and advice. Not surprisingly, there is considerable support for the agency model that views councils as having a sub-ordinate relationship to the central state. Over the last decade, this has been highlighted in many studies by the 1,200 performance measures that Government has required local authorities to produce (Wilson & Game, 2006). So, does the move to only 198 NIs and up to 35 local priorities represent a shift away from an agency model to a power-dependence approach? The latter suggests that both central government and the local state have resources that they can utilise i.e. legal powers, finance, skills and political judgements. The policy process is this characterised by bargaining and negotiation. Is, therefore, the process of agreeing LAA priorities at the local level and with regional and national government characterised by this approach or is the power of central government dominant?

## 5. Housing and Local Area Agreements

As has already been pointed out, the Government approved the 150 LAAs in summer 2008. Analysis of the priorities selected by councils and their LSPs has been undertaken by a wide range of agencies including CLG, the Local Government Association and IDeA. From a housing perspective, reviews have been carried out by the National Housing Federation (2008) and Housemark (2008).

A mixed picture emerges. As the National Housing Federation (2008) points out, two of the top five priorities were housing related indicators:

**Table 4: Top Five National Indicator Priorities**

Rank	National Indicator	Number (and %) of areas selecting NI
1	NI 117: 16-18 year olds not in education, employment & training (NEET)	115 (77%)
2	NI 112: Under 18 conception rate	106 (70%)
3	NI 154: Net additional homes provided	104 (69%)
4	NI 155: Number of affordable homes delivered	102 (68%)
5	NI 186: Per capita reduction in CO <sub>2</sub> emissions	100 (67%)

However as Housemark (2008) and Cooper (2009) show, other housing related NIs fared relatively less well, for example,

**Table 5: Housing National Indicators**

National Indicator	Number (and %) of areas selecting NI
NI 141: % Vulnerable people achieving independent living	70 (47%)
NI 187: % of people receiving income-based benefits living in low energy-efficient homes	40 (27%)
NI 156: Households living in temporary accommodation	36 (24%)
NI 158: % Non-decent council houses	23 (15%)
NI 160: Local authority tenants' satisfaction with landlord services	1 (<1%)

From a housing policy perspective, this indicates that new housing provision and affordable homes are the two key issues in local sustainable communities. Detailed policies are likely to be within the local development framework system rather than the local housing strategy. This reinforces the point that the latter is becoming of less importance in local policy making. Nevertheless, as Housemark (2008) and Cooper (2009) both argue, housing organisations and their staff not only need to reinforce the significance of housing-related NIs but also focus on how housing can contribute to achieving successful outcomes on more popular indicators such as 'per capita reduction in CO<sub>2</sub> emissions and '16-18 year olds not in education, employment or training'.

This, of course, raises interesting issues on the policy making process at the local level. How, for example, were LAA priorities chosen and what role did housing organisations play in the process? Anecdotal evidence from

individual actors (including one of the authors of the paper) indicates that the outcomes depended on the effectiveness of housing theme groups within LSPs to make a stronger case relative to other groups. In cases, where housing representatives were in a small minority or not involved, housing NIs were not likely to be selected. The Local Government Association (2008) noted that this was a concern in two tier areas.

However, as was pointed out in the previous section, there is a danger that analysis adopts policy network and power-dependence approaches focusing on local players. Instead a more appropriate and valuable approach is to investigate the policy framework from a central-local relations perspective. This helps to address a wide range of broader issues. Firstly, the Government has set the 'rules of the game' by designating 198 NIs. As a number of observers have commented, there are a range of other housing indicators that are not part of this agenda, for example, decent homes in the private sector (see section three above). Councils and their LSPs are able to designate other local indicators but these would not be monitored and no additional resources would be forthcoming. Secondly, the Government has frequently reiterated that the new policy framework further lifts the burden on councils by reducing the number of performance measures from 1,200 to 198 NIs and to a maximum of 35 LAA priorities. Nevertheless, the reality is rather different. The Audit Commission has emphasised that the CAA process will involve monitoring performance across all 198 NIs and furthermore through its key lines of enquiry, it will continue to require councils to collect data on best value indicators. Thirdly, the performance management framework at the local level is becoming more complex and less straightforward. There are 198 NIs, but in addition, there are 64 'vital signs' indicators and 36 APACS indicators. To this list could be added a wide range of other families of indicators associated with, for instance, school performance. From a housing perspective, the Tenant Services Authority is in the process of developing a set of standards for social housing providers that will 'go live' for housing association in late 2009 and for councils that have retained stock in 2010.

This conclusively suggests that a top-down approach to policy making through performance management is alive and well in England.

## **6. Local Authority Case Study**

An in-depth case study can help shed light on the detailed processes and procedures on policy making and the relationship between housing organisations. The case study centres on a city in the north of England. It is part of a housing market pathfinder and has a relatively recent and up-to-date local housing strategy. During the early part of 2009, the LAA and the local sustainable community strategy have both been reviewed and refreshed. The LAA priorities are aligned with the four key strategic themes of 'earning', 'learning', 'healthy' and 'safe'. The relevant three prioritised housing NIs are:

- NI 21: Dealing with local concerns about anti-social behaviour and crime;
- NI 142: Number of vulnerable people supported to maintain independent living; and

- NI 158: Percentage of decent homes in the council sector.

The issue of the decent homes standard in the public sector is a long-standing issue. It has been highlighted as a corporate priority and is a central feature of the local housing strategy and the action plan of the housing market pathfinder. The Audit Commission inspection report on landlord services also recently highlighted decent homes as a significant challenge. Similarly, there have been major concerns raised by the community on actual and perceived anti-social behaviour and low level crime. The council and its partners have set out policies and an action plan to tackle this issue. This has resulted in a significant fall in crime and anti-social behaviour compared to national and regional trends in recent years. The targets are also aligned with the local policing plan and the indicators that are being developed as part of the APACS system. The focus on helping vulnerable people to maintain independent living is linked with policies in the health and social care sector. The council's older persons' strategy and the PCT's 'vital signs' indicators prioritise this issue.

As part of the case studies, a series of interviews took place with senior managers in two housing associations and two major private sector contractors operating in the city. All four organisations operate on either a national or a regional basis. Each of the interviewees were aware of and supported the council's priorities. Rather interestingly, one of the housing associations and both contractors expressed surprise that the issue of non-decent homes in the private sector was not a LAA priority. None of the organisations were, however, represented on the LSP. Also, each of the interviewees were only vaguely aware of the new policy making framework of local sustainable community strategies, LSPs, LAAS and CAAs.

Detailed discussions with each of the representatives highlighted four common issues. Each organisation expressed concern over their ability to participate actively in LSPs in all of the towns and cities in which they were major players. Their approach was summed up by one of the housing associations who stated that, where necessary, they would engage in specific discussions with senior managers of the authority to influence local priorities.

Concern was expressed over their possible role in the CAA process. Although the interviewees admitted they had only a very sketchy awareness of the system, they expected that focus of attention would be on council services and activities. Indeed both housing associations noted that they are regulated by the Tenant Services Authority (which is not part of the CAA process).

In relation to NIs, there was an overwhelming perception that this was a top-down approach by the Government for performance management purposes. There was also a belief that the NIs were primarily and appropriately directed at public sector organisations, for example, councils and PCTs. Both of the housing associations interviewees commented that they were not designated as public bodies in the Local Government & Public Involvement in Health Act, 2007.

Finally, the four organisations expressed views on the local housing strategy. Each of them argued that the relevance of individual strategies had declined in recent years. They admitted that they had played no active part in the development and consultation of the council's housing strategy as they were already aware of priorities and how they intended to operate in the city.

The interviews raised a number of important issues. These key organisations are not engaged with the new policy making framework and indeed do not see it as a necessary activity. This could have serious implications in respect of the CAA process as the organisations assume that it will centre on the activities of the council. In relations to NIs, the perception is that this is a top down performance management system affecting public sector agencies.

More generally, discussions with key council staff and documentation on the LAA negotiations with Government departments and the regional office highlighted a high degree of bargaining over the setting of priorities. For example, both the Department of Health and the Department for Children, Schools and Families exerted significant pressure during 2007 and 2008 for the inclusion of specific NIs. In some cases, the council was able to resist pressures, while in other cases a compromise was reached. It is perhaps noteworthy that CLG did not play an active role in this process. This is an aspect of the research that requires further work.

## **7. Conclusions**

This paper represents work in progress. It is part of a broader project on the new policy making system using a north of England city as a case study. From a housing perspective, there are three emerging conclusions. These are, firstly, that housing organisations and staff are not fully engaged with the new approach. There is a clear need for staff to 'know their NIs and be able to distinguish their vital signs from their APACS'! Secondly, although much of the debate is rightly centred on how priorities are determined at the local level, there is a danger of marginalising the importance of central-local relations. The perception is that the system is one of top-down performance management, but the case study illustrates that councils and their LSPs may be able to use their resources to influence the bargaining process with Government departments. Nevertheless the 'rules of the game' are set by the latter. Finally, the new policy making process, combined with the effects of earlier modernisation initiatives such as plan rationalisation, are challenging the relevance of traditional approaches to the local housing strategy function. It seems inevitable that in the medium term, we shall witness the demise of local housing strategies. Relevant policies will be incorporated into local sustainable community strategies and local development frameworks, while the strategic housing enabling role will become part of the local authority place shaping function.

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