



LAs - has their day come?



The role of local authorities in the provision of affordable housing is becoming much more important. As a result, the relationship between authorities and associations needs to change. **David Shelton** reports.

When it came to allocating grant for new affordable housing, decisions by Government agencies were sometimes based on financial considerations alone and by a 'top down' approach. While housing needs and local priorities were supposed to have guided the allocation process, authorities were obliged to accept what was offered to them.

Consultation with the authority has always been a feature of the system when making grant allocations. Housing associations especially, understand that a good relationship with their local authority partners is essential. But how many associations and authorities recognise that recent changes require a fundamental re-evaluation of that relationship? Simply keeping the authority 'on side' in order to win support for grant, is no longer enough. Real and effective consultation, related to the authority's defined strategic vision, is required.

The emphasis in this relationship is changing in favour of the local authority. Look at the 2011-15 NAHP Framework document: in its 65 pages it makes over 60 references to local authority consultations. Compare that with the 2008-11 document, where consultations with the local authorities were mentioned barely 10 times in over 100 pages.

Regular liaison meetings with associations happen at most authorities. These are intended to bring about a coordinated provision of housing, but they are rarely attended by those sufficiently senior to make a real difference. Authorities should now review the purpose and effectiveness of these meetings and exploit their new found importance to greater advantage.

Whilst the impact of the changes introduced by this Government will be different for those authorities which own stock, from those that don't, they are, even from a cynical viewpoint, particularly far reaching for all of them. Already introduced, or in the pipeline, are changes in planning policy and in housing revenue. Higher rents and tenure changes will also bring new challenges. Significant grant reductions to housing associations will make it harder to deliver housing at affordable rents.

But the single biggest impact will come from the Bill currently passing through Parliament which embraces the idea of localism. In the context of affordable housing this is especially relevant in the relationship between authorities and their partners.

As suggested above, this relationship has too often been about the detail of what is happening, rather than the strategic vision for housing. The balance of power is shifting towards local authorities.

While subsidy for new housing from an association's own resources has invariably been necessary, such subsidy is unseen and so is rarely understood, or appreciated. In short, the association has got to get much closer to its local authority partner and develop a new relationship which goes beyond its own direct interests. That relationship will be key to the association's future. Greater sharing of services is likely to follow and contributions in kind, as well as in cash, will be on the agenda.

Inevitably this will mean that the number of authorities in which associations work, or hold stock, will reduce. Indeed we are already seeing stock swaps between associations and development programmes becoming more

focused on core boroughs. It will be harder for the national associations to offer the same focused service as the local associations, so it will be interesting to see how they respond to this challenge. On the other hand, the larger associations generally have greater resources to provide these services.

Some local authorities will soon have the financial resources and political ambition to develop on their own. Of the 146 grant allocations awarded in the 2014-15 NAHP, 23 went to local authorities, including those in the North and Midlands. A worry is that authorities may no longer have staff with development knowledge and experience, but that problem can be addressed and there are plenty of consultants ready to help them.

From a political viewpoint, authorities are often suspicious of associations, who they see as being governed by unelected boards and therefore, not answerable to the public in the same way as councillors. Is it too unrealistic to think that in due course there will be areas where all the affordable housing is provided by the authority and none by associations?

Localism is the idea that local communities make their own decisions. The view of those communities will be implemented by the local authority. For those organisations involved in the provision of affordable housing, the local authority is becoming a new force to be reckoned with.

If authorities haven't already woken up to their new status, be warned, they are about 'to have their day'. ●

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