

*Annual Report* | 2006



This document is part of a series of Departmental Reports (Cm 6811 to Cm 6838) which, along with the Main Estimates 2006-07, the document Public Expenditure Statistical Analyses 2006 and the Supplementary Budgetary Information 2006-07, present the government's expenditure plans for 2005 to 2008.



**Department for Communities  
and Local Government**

**Annual Report 2006**

Presented to Parliament by  
The Secretary of State for Communities and Local Government  
and the Chief Secretary to the Treasury  
by Command of Her Majesty  
July 2006

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# Foreword



I am delighted to have been appointed as the Secretary of State for the newly established Department for Communities and Local Government – and to have the opportunity to present to Parliament this Annual Report on the achievements of the former Office of the Deputy Prime Minister over the last year.

This report shows the excellent work which was carried out under the leadership of the Deputy Prime Minister and his Ministerial team in creating sustainable communities in which everyone can enjoy economic prosperity and social justice.

I look forward to building on this strong legacy. The new DCLG has a key role at the heart of Government. Our responsibilities for empowering people, building sustainable communities, improving local services, and promoting equity, equality and social mobility and cohesion have the power to make a real difference to people and communities across the country. I am confident the new Department will rise to this challenge.

A handwritten signature in black ink that reads "Ruth Kelly".

**Rt Hon Ruth Kelly MP**  
Secretary of State

# Permanent Secretary's Introduction



Welcome to the fourth annual report for the Office of the Deputy Prime Minister.

ODPM achieved a great deal that it can be proud of over the past 12 months in delivering and meeting the challenges of the Sustainable Communities Plan and our two five-year plans. We have a strong foundation of achievement on which the new Department for Communities and Local Government can now build.

We have a demanding agenda to fulfil and central to delivering that is the effectiveness of the departmental organisation and how we build and develop the skills and talent of our staff.

Since taking over as Permanent Secretary of the former ODPM in October 2005, I have worked with Ministers and the Departmental Board to strengthen our leadership and arrangements for delivery and staff development.

We plan now to build on the real progress which has been made in these areas over the past year in establishing the new Department for Communities and Local Government. We published proposals for a new organisational structure for the Department and for improved ways of working in Summer 2006. I believe these proposals will ensure the department has the capacity and dynamism it needs to support Ministers in delivering our new agenda.

Peter Housden

# Who we are

1

DCLG was created on 8 May. The new Ministerial team is:



**The Rt Hon. Ruth Kelly MP**  
Secretary of State for  
Communities and Local Government



**Yvette Cooper MP**  
Minister for Housing and Planning



**Phil Woolas MP**  
Minister for Local Government



**Baroness Andrews OBE**  
Parliamentary Under Secretary  
of State



**Meg Munn MP**  
Parliamentary Under Secretary  
of State



**Angela E Smith MP**  
Parliamentary Under Secretary  
of State



## Senior management structure

ODPM was managed over the last year by the Board, as set out below. The DCLG Board is currently reviewing the structure of the new department with a view to making changes in Autumn 2006



**Peter Housden**  
Permanent Secretary



**Richard McCarthy**  
Director General –  
Places, Planning and  
Communities



**Neil Kinghan**  
Director General –  
Local and Regional  
Governance Group



**Joe Montgomery**  
Director General –  
Tackling Disadvantage  
Group



**Peter Unwin**  
Director General –  
Corporate Strategy and  
Resources Group



**Alan Evans**  
Director –  
Fire and Resilience



**Claire Tyler**  
Director –  
Social Exclusion Unit



**Keith Barnes**  
Director of Government  
Office North West



**Christina Bienkowska**  
Director of Strategy  
and Performance

## Non-executive members



**Vanessa Lawrence**  
Non-Executive Board  
Member  
Director General,  
Ordnance Survey



**Bob Kerlake**  
Non-Executive Board  
Member  
Chief Executive of  
Sheffield City Council

## The structure of the former Office of the Deputy Prime Minister

ODPM comprised four main groups:

- The Places, Planning and Communities Group was responsible for matching housing supply and demand in the context of delivering sustainable communities, for improving the quality of people's homes and the local environment, and for the country's planning system.
- The Tackling Disadvantage Group was responsible for improving neighbourhoods, tackling social exclusion, supporting the most vulnerable in society and reducing homelessness. For the time being, the Tackling Disadvantage Group will additionally look after the responsibilities for voluntary and community engagement, race inequalities and community cohesion inherited from the Home Office, and the responsibilities for gender equality, ethnic diversity and cooperative employment relations inherited from the Department of Trade and Industry.
- The Local and Regional Governance Group was responsible for local government performance, local government practice, local government finance, the government office network and the Regional Co-ordination Unit.
- The Corporate Strategy and Resources Group provided strategic support and ensured ODPM had the resources, skills and facilities it needed to deliver its objectives.

In addition to these four main groups, the Fire and Resilience Directorate was responsible for fire resilience policy, fire and rescue service modernisation, implementation of fire resilience programmes and regional resilience.

ODPM also comprised a number of smaller units that provided support functions for the above. These included the following:

- The Directorate of Communication provided ODPM's media interface and managed ODPM's information responsibilities.
- The Ministerial Group provided Ministers with their private offices and handled ODPM's business with Parliament.
- The Legal Directorate advised Ministers and officials on legal issues and was closely involved in the development and implementation of policy.

Over the coming months DCLG will be reviewing this structure to best meet the challenges of the new Department.

### Executive Agencies and Non-Departmental Public Bodies

During the year, ODPM was responsible for three Executive Agencies: the Planning Inspectorate, the Fire Service College and the Queen Elizabeth Conference Centre. ODPM was also responsible for a number of Non-Departmental Public Bodies, as well as for Ordnance Survey.

# The strategic context

# 2

## Our Vision

A flourishing fair society based on opportunity and choice for everyone depends on creating sustainable communities. That means decent homes at prices people can afford, good public transport, schools, hospitals and shops; people able to have their say on the way their neighbourhood is run; a strong economy; and a clean, safe environment.

In 2005/06, ODPM continued to work to create sustainable communities, working with other Government departments, local councils, businesses, the voluntary sector and communities themselves.

## Our Framework

The 2003 Sustainable Communities Plan set out a vision of sustainable communities for the next fifteen to twenty years. The Government has committed over £38 billion to this work. The two Five Year Plans explain how the Government are taking forward that long-term vision:

- *Sustainable Communities: Homes for All* describes the action the Government are taking to extend choice and opportunity in housing across the country: to address the challenges faced, particularly the South, of young families and first time buyers priced out of the housing market; to tackle low demand and abandonment in parts of the North and Midlands; and to offer greater quality and choice to those who rent.
- *Sustainable Communities: People, Places and Prosperity* explains how the Government are working to improve the quality of life of communities everywhere: fostering good governance and enabling people to have more say over issues that affect their neighbourhood; improving local services; tackling disadvantage and supporting a strong economy in every region.

In 2005, the ODPM Ministerial Team and Board reviewed ODPM policies and programmes to ensure goals, policies, funding and delivery arrangements were aligned as effectively as possible to deliver the five year plans and maximise the impact on the ground. In undertaking this work, Ministers concluded that there were three core values against which policies and programmes should be tested:

- **Empowerment:** are we giving people more power and control over their lives?
- **Equity:** are we ensuring that we narrow the gap between disadvantaged groups and areas and the average?
- **Value for money:** are we reducing costs and bureaucracy, increasing productivity and using public money to lever in resources from the private and voluntary sectors?

Based on these values and the key drivers that underpin sustainable communities (see box), ODPM developed a set of eleven priorities for the Department. Ranging from key policy goals to critical projects and areas where the Department has a significant contribution to make across Government, these priorities focus on the outcomes for individuals and communities that the strategic priorities and PSA targets aim to deliver.

#### **Five key drivers of sustainable communities**

- High quality services
- A good physical environment
- A strong economic base
- Strong leadership
- Shared values

Chapter three sets out ODPM's strategic priorities and explains the progress made against them. Annex A sets out further details of progress against individual PSA targets and in Annex F we show the relationship between the strategic priorities, PSA targets and high-level goals.

### **Going forward**

The concept of creating sustainable communities is being taken up in Europe and around the world. In 2005, under the auspices of the UK Presidency of the European Union, the Deputy Prime Minister led the development of the Bristol Accord, based on an integrated approach to the creating of sustainable communities across Europe.

# Delivering our objectives

# 3

This chapter summarises the progress ODPM made during the course of the year. To deliver sustainable communities, the Department set five strategic priorities, set out in the HM Treasury spending plans for 2005-08, around which the work was organised. These were:

**Strategic Priority 1: Tackling disadvantage** by reviving the most deprived neighbourhoods, reducing social exclusion and supporting society's most vulnerable groups.

**Strategic Priority 2:** Promoting the **development of the English regions** by improving their economic performance, so that all are able to reach their full potential, and developing an effective framework for regional governance, taking account of the public's view of what is best for their area.

**Strategic Priority 3: Delivering better services** by devolving decision-making to the most effective level – regional, local or neighbourhood:

- Promoting high quality, customer-focused local services and ensuring adequate, stable resources are available to local government.
- Clarifying the roles and functions of local government, its relationship with central and regional government and the arrangements for neighbourhood engagement, in the context of a shared strategy for local government.

**Strategic Priority 4:** Delivering a better balance between **housing supply and demand** by supporting sustainable growth, reviving markets and tackling abandonment.

**Strategic Priority 5:** Ensuring people have **decent places to live**, by improving the quality and sustainability of local environments and neighbourhoods, reviving brownfield land, and improving the quality of housing.

Eight PSA targets were adopted by ODPM as part of the spending review in 2004. Annex A provides more details of progress against ODPM's individual PSA targets. The Deputy Prime Minister and David Milliband agreed during Autumn 2005 to complement these with a set of high-level goals, critical projects and areas where the Department was making a major contribution to work across Government.

Annex F to this report sets out how the priorities, PSA targets and goals and critical projects are linked.

## Strategic Priorities

### **Strategic Priority 1: Tackling disadvantage by reviving the most deprived neighbourhoods, reducing social exclusion and supporting society's most vulnerable groups.**

The most disadvantaged neighbourhoods in our society have much in common. They tend to suffer from poor housing and living environment, poor health, poor education, fewer job opportunities and high crime rates. Over the year ODPM made real progress in building a cohesive approach to tackling disadvantage by bringing together those responsible both for championing the most disadvantaged people and places across Government, and for devising and delivering programmes to help people turn their lives and neighbourhoods around.

Real progress was made in closing the gap between the worst-off areas and the rest:

- In addition to the £2.9 billion allocated to the Neighbourhood Renewal Areas since 2001, ODPM invested over £1 billion in New Deal for Communities (NDC) areas where residents are now reaping the benefits.
- Between 2002 and 2004, there was a 14% increase in NDC residents who thought their local area had improved and a 10% reduction in fear of mugging and robbery in those areas.
- Together with HM Treasury and the Department of Trade and Industry, ODPM established the Local Enterprise Growth Initiative (LEGI) to stimulate self-employment and enterprise in our most deprived areas. £10 million was made available to Neighbourhood Renewal authorities to support the development of good-quality proposals for their areas. Announcements on the first round of funding were made in February 2006, with 14 authorities successful. In total LEGI is worth £300 million over the three years to 2008/2009.
- There has been a sharper reduction in crime rates in high-crime areas than in the rest of the country, with fear of burglary and mugging/robbery down by 10% in NDC areas.
- The Government has made progress in reducing cardio-vascular disease rates, especially in the Neighbourhood Renewal Fund and Spearhead Group areas. Compared with the baseline year of 1996, the gap in mortality rates has decreased by over 23%.

## Social Exclusion

The drive to tackle social exclusion is one of the Government's most ambitious and important goals. Over the last 18 months, the ODPM Social Exclusion Unit's work programme, *Improving Services, Improving Lives*, has focused on in-depth studies of particular groups and issues to look at how public services can be made to work better for disadvantaged people, in order to improve their life chances. A series of projects has looked at how services can be designed and delivered more effectively to ensure disadvantaged groups can benefit more fully.

Real progress has been made. Between 1997 and 2003, the number of adults experiencing five or more disadvantages fell by 1.1 million and there are now 700,000 fewer children and 1 million fewer older people living in poverty. Latest statistics show a fall in the number of households in temporary accommodation – indicating good progress towards our target to halve the number of households living in temporary accommodation by 2010.

- The number of people sleeping rough on the streets of our towns and cities has been reduced by 75% since 1998
- The number of people becoming homeless is at its lowest annual level since 1985
- The Government has ended the long-term and unsuitable use of Bed and Breakfast hotels as accommodation for homeless families with children.

### **Strategic Priority 2: Promoting the development of the English regions by improving their economic performance, so that all are able to reach their full potential, and developing an effective framework for regional governance, taking account of the public's view of what is best for their area.**

An essential element of raising the rate of productivity growth in the UK is to improve the economic performance of every part of the UK. If the economic performance of the three Northern regions (the North East, North West, and Yorkshire and the Humber) could be raised to the national average, the North would have 170,000 more jobs, and the UK economy would be £30 billion a year better off.

The Government is therefore committed to raising the rate of growth in every region and, at the same time, narrowing the gap in growth rates between those regions to ensure that people throughout England benefit from a buoyant and inclusive economy, achieve greater prosperity and enjoy a better quality of life.

There is emerging evidence of encouraging progress on enhancing regional economic performance and reducing the persistent gap in growth rates between the regions:

- In 2003 (the last year that we have GVA data) the six under-performing regions had nominal GVA growth rates between 5.3% and 5.5%
- All regions of the UK grew in 2003 between 2.4% and 5.5%

As part of developing the English regions, ODPM's New Deal for Cities promoted Core Cities as engines of national economic growth. The New Deal for Cities has enabled city and city-region partners to work together in developing the frameworks, institutions and accountability that will bring a step change in the quality of life for local residents.

A series of successful Core City Summits was held towards the end of 2005. DCLG and the Government Offices are now working closely with the Core Cities in developing their business case proposals for delivering future growth. DCLG has also started a second round of summits with smaller cities and towns in order to identify the barriers to their achieving their full economic and social potential. To complement this work, The State of the English Cities report was published in March 2006. It sets out some of the successes and challenges that our cities face. Key messages include:

- Economic performance, as measured by Gross Value Added per capita, grew faster than average in 25 of the 56 cities in the period 1995-2002, including in 6 of the 8 Core Cities. Nine cities had growth rates more than 10 per cent above the national average
- Cities accounted for 63 per cent of England's jobs in 2003. Cities outside the capital contributed 44 per cent of the total growth in jobs between 1998 and 2003, compared to 14 per cent in London.
- In 2003, 58 per cent of the English population lived in cities. There has been a reversal in the decline of city population with cities accounting for 42 per cent of population growth between 1997 and 2003. London provided 34 per cent of England's total growth.

Overall, there has been remarkable progress in creating sustainable communities in our major towns and cities over recent years. Cities are very much back in business as more successful places to live and work. They are engines of growth once again and people and jobs are coming back into our city centres. ODPM's planning policies which require retailers and developers to use brownfield sites before greenfield sites is a key element in this change. There remains much more to do, however, and DCLG will be building on the good work undertaken by ODPM.



**Strategic Priority 3: Delivering better services** by devolving decision-making to the most effective level – regional, local or neighbourhood:

- Promoting high quality, customer-focussed local services and ensuring adequate, stable resources are available to local government.
- Clarifying the roles and functions of local government, its relationship with central and regional government and the arrangements for neighbourhood engagement, in the context of a shared strategy for local government.

Many of the highest priorities for people are delivered through local public services and public services are the most visible demonstration of the way in which Government spends its money.

All of us expect effective and efficient local public services that are well-funded so that they can deliver the services local people need. 2005/6 will be the first year council tax was introduced that average increases have been below 5% for a second year in succession. Funding for councils overall has increased faster than inflation for ten successive years. By 2007/08, the increase in Government grant for local services since 1997 will be 39% in real terms. To complement this, the Government continues to work to ensure that increases in funding go hand-in-hand with improvements to effectiveness and efficiency.

In 2005 the independent Audit Commission revised its Comprehensive Performance Assessment (CPA) of local authorities in England. This assessment: *CPA: The Harder Test* was acknowledged to be the most challenging test of performance to date. Against this backdrop, the majority of local authorities attained high performance markings, and an even larger proportion demonstrated that they are continuing to improve. Nearly 70% of local authorities are now rated three or four star, offering good quality services for local people. A similar assessment of Fire and Rescue Authorities, carried out by the Commission for the first time, has provided a baseline measurement to help fire authorities focus on areas of improvement.

At the same time as securing improvements in performance, local government is working even more efficiently, and in so doing, delivering better value for money for local people. Supported by the Regional Centres of Excellence, local authorities and fire and rescue authorities are on course to meet demanding annual efficiency targets to deliver efficiencies in excess of £1bn over the course of the financial year 2005/06.

The success enjoyed by local authorities during the CPA Harder Test and in meeting efficiency targets is attributable, in no small part, to an evolving approach to service delivery in local areas. The Government wants to see local authorities taking a stronger lead in partnership working to improve local areas.

To help deliver this, during 2005/06, ODPM began putting in place Local Area Agreements across the country. Local Area Agreements are key to the new relationship between central and local government. They simplify funding streams and enable local partners to address the priorities for a local area agreed between Government, local authorities and other local service providers. 87 Local Area Agreements are now in place. The final 63 are expected to be agreed in April 2007.

By placing local authorities at the heart of the network of local service providers, the Government is working to cement a strategic role for local government. The debate on governance for the 21st century was, in part, stimulated last year by the local:vision documents on *Vibrant Local Leadership*, *Citizen Engagement and Public Services: Why Neighbourhoods Matter*, and *Securing Better Outcomes: Developing a New Performance Framework*.

The outcomes from this debate are now being drawn together into a White Paper on the future role of local government, which will be published in the autumn. In addition, Sir Michael Lyons will be making recommendations at the end of 2006 on the future role and functions of local government, including funding arrangements

### Fire and Resilience

As part of the drive to improve local services, the Government is working to modernise the Fire and Rescue Service. A new generation of equipment for dealing with today's threats is being introduced. ODPM has worked with fire and rescue authorities to reduce fire deaths, and funded the installation of over 500,000 smoke alarms in the most vulnerable households.

Latest figures show that there was a sharp decline in the number of accidental fire deaths in the home, and in the number of deliberate fires in the 12 months to 30 June 2005. Fire deaths showed a decline of 21% and the number of deliberate fires decreased by 20% compared with the previous 12 months.

The Government is improving the way the UK responds to major incidents. This year there have been several incidents that have required a multi-agency response, including the fire and rescue service and the regional resilience tier.

In response to the London bombings on 7 July, the fire and rescue service sent teams to each of the explosions and urban search and rescue equipment procured under the New Dimension programme was deployed. The Multi-Agency Initial Assessment Team (MAIAT) also used detection, identification and monitoring equipment to check for chemical, biological, radiological or nuclear hazards.

At a regional level, the London Resilience Team contributed to the management of the incident, working with local responders to put in place tried and tested plans to cope with mass fatalities.

The explosion at the Buncefield Oil Depot in Hemel Hempstead presented a different challenge to the fire and rescue service, but again required a multi-agency response. This time, the Government Office for the East of England provided support and co-ordination of this response, while 14 fire and rescue services contributed to the fire-fighting effort. 13 high-volume pumps supplied by the New Dimension programme pumped water to the site, working continuously for over three days.

**Strategic Priority 4:** Delivering a better balance between **housing supply and demand** by supporting sustainable growth, reviving markets and tackling abandonment.

Over one million more people own their own homes now than in 1997 – taking home ownership levels to 70%. But nine out of ten households would prefer to own their own home if they could and the Government has set the target to increase the number of households who own their own home to 75%. The Review of Housing Supply by Kate Barker showed that this country has built too few homes for decades. So we are working to improve the supply of housing.

The ODPM's Sustainable Communities Plan set out a programme to build more homes, supported by infrastructure and public services, whilst protecting the countryside and our historic towns and cities. Increasing the supply of market and affordable homes in high demand areas will reduce the upward trend in homelessness.

The output of new homes in London and the wider South East has increased from around 50,000 in 2002 to over 65,000 in 2004/05. A £200m Community Infrastructure Fund, held within DfT's budget but jointly administered by DCLG, will support around 25 transport schemes across the four growth areas. A simpler and fairer range of low-cost home ownership schemes – HomeBuy – will help around 100,000 households into low-cost home ownership by 2010.

Realising the ambitious vision for the Thames Gateway is well underway – the Government as a whole is investing £6 billion to create sustainable communities across the Thames Gateway – and 23,227 homes have been delivered for the area. Combined with London and the other three Growth Areas, around 200,000 additional homes above previously planned levels will be provided and 300,000 jobs by 2016.

Across the country, we are more than doubling investment in social housing, to £2 billion per year by 2008, delivering up to 10,000 extra homes per year and over 20,000 key workers helped to find a home under the Key Worker Living and Starter Home Initiative

On the initiative of the Deputy Prime Minister, English Partnerships' Design for Manufacture competition has shown how to drive down the costs of construction to £60,000 or less per home – without cutting standards of design, quality or environmental performance. By increasing housing supply, and targeting help for key workers and first time buyers, the Government are giving more people the opportunity to own a home in places where they otherwise couldn't afford one.

Conversely, in particular areas of the North and Midlands, local housing markets have been severely undermined. The Government's £1.2 billion Housing Market Renewal Pathfinders cover about half of the homes affected by low demand for housing. The emphasis is on refurbishing and renewing properties and the local environment – only replacing housing when essential. There is much still to do but already house prices have doubled in these Pathfinder areas. Up to September 2005, pathfinders had delivered over 17,000 refurbished homes, nearly 8,000 new homes and 4,000 demolitions. They had also delivered more neighbourhood wardens, cleaner streets and community support paid for by ODPM's Housing Market Renewal funding.

### Support for the Olympics

The past year has seen an intense period of activity within Government to complete the Olympic Bill, set up the new Olympic Delivery Authority and carry out a substantial amount of project planning and development in the interim. ODPM was closely involved in providing a wide range of support to these processes, arising from the experience and policy interests in development, regeneration and the Thames Gateway. DCLG will continue to provide support.

Particular contributions have been made i) to the land assembly programme and integration project in Stratford City, through the participation of English Partnerships, ii) to the rapid progress made on implementation of the undergrounding of powerlines, by exploiting the good relationship already brokered by ODPM with the power distribution industry and iii) to the drafting of the Bill and the creation of an effective planning regime to manage Olympic-related development.

As key members of the Olympic Steering Group, ODPM played a major part in helping to progress the early programme management work and the assessment of legacy opportunities particularly related to area recognition and community involvement.

**Strategic Priority 5:** Ensuring people have **decent places to live**, by improving the quality and sustainability of local environments and neighbourhoods, reviving brownfield land, and improving the quality of housing.

The Government inherited a £19 billion backlog of repairs to the local authority housing stock. Over two million social homes failed to meet basic standards of decency [*od duse of the word – can you look at drafting please*] Since then, local authorities have invested over £16 billion in their homes and £6.5bn has been levered in by the private sector through stock transfer.

Overall, £40 billion of public and private money will have been spent on improving our social housing stock by 2010. Tenant involvement and training opportunities for local people are key features of the delivery of this programme.

Achievements are:

- A million fewer non-decent social homes – the majority of the reduction to date has taken place in the 112 most deprived areas of the country.
- 340,000 new kitchens
- 720,000 new boilers and central heating systems
- 500,000 social homes rewired
- Over 130,000 vulnerable households in the private sector have been helped to make their home decent. The proportion of vulnerable households living in a decent home has increased from 43% in 1997 to 65%.

To complement these improvements in housing, over the next five years, the Government plans to invest around £750 million in creating cleaner safer greener communities where people want to live. Successes to date include:

- 450 neighbourhood warden schemes since 2000 resulting in a reduction in crime of 27% in warden areas
- Public satisfaction with parks increased from 63% to 71% between 2001 and 2003.
- The Safer and Stronger Communities Fund was created in 2005 to reduce crime, fear of crime and anti-social behaviour, to improve public spaces, and enhance the most disadvantaged neighbourhoods.
- The percentage of Local Authorities with unacceptable levels of litter and detritus fell from 23% to 10% nationally between 2003-04 and 2004-05. In local authorities in receipt of Neighbourhood Renewal Funding, the percentage fell from 33% to 10%.
- Numbers of abandoned vehicles removed by LAs also fell significantly during this period.

## Climate Change

ODPM made significant progress in 2005-06 on climate change policy, which has strong links to the Sustainable Communities agenda.

New Building Regulations relating to energy efficiency (Part L) were launched in April 2006, increasing the energy efficiency of new buildings by 40% compared with those built in 2002. Following consultation on the new voluntary Code for Sustainable Homes, this will be strengthened by setting minimum standards for energy and water efficiency.

ODPM also contributed £2 million, matched by Defra, to set up a best practice fund to help more Local Authorities to build capacity to engage in climate change issues. The programme, which will start in 2006-07, will be delivered through the new local authority led Improvement Partnerships being set up in every region in conjunction with the 7 Sustainable Energy Beacons.

Annex A sets out in more detail the progress ODPM made against its PSA targets in 2005-06.

# Managing our resources

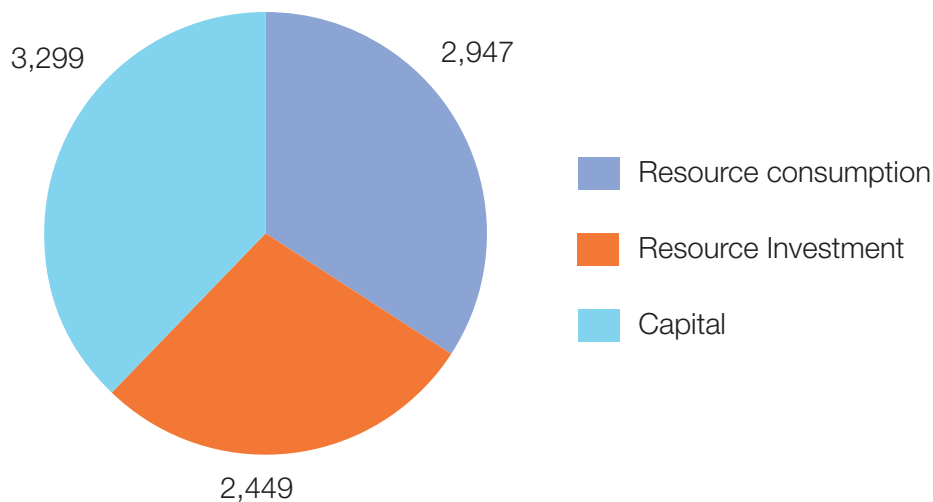


This section of the report sets out how ODPM managed its resources and what it did to improve its capacity to deliver.

## Financial and business management

ODPM's provisional forecast outturn on its programmes (excluding Local Government) in 2005-06 is £8,695m. This is split between resource consumption, resource investment (capital grants to the private sector) and capital as set out in the following chart:

### Provisional outturn 2005/06 (£m)



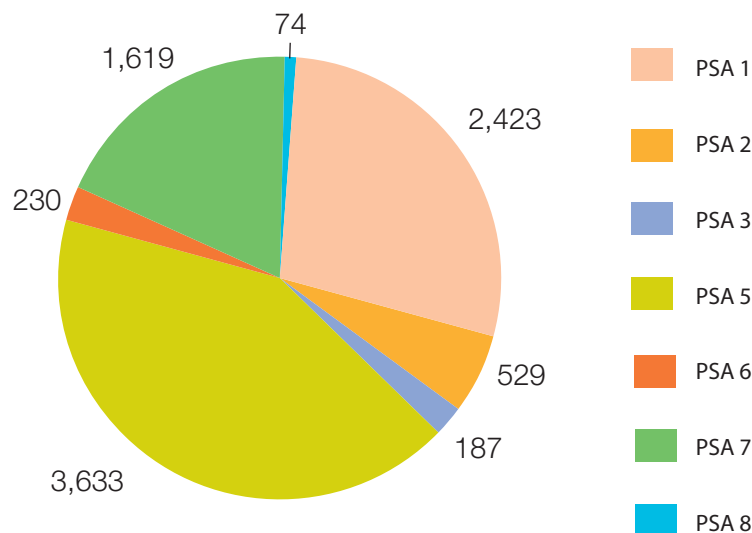
The following chart sets out expenditure on ODPM's eight PSA Targets.

### ODPM Expenditure Against PSA Targets £m

The Office's 8 PSA Targets were:

1. Neighbourhood renewal
2. Regional economic performance
3. Fire
4. Local government

- 5. Housing markets
- 6. Planning
- 7. Decent homes
- 8. Liveability



**Notes**

**PSA1:** Expenditure on PSA 1 included spending on Supporting People (£1,764m), RDAs and LDA (£297m) and New Deal for Communities (£270m).

**PSA2:** Most of the expenditure on PSA 2 was by RDAs and LDA (£520m).

**PSA3:** Most of the expenditure on PSA 3 is incurred by Fire and Rescue Authorities which are local authorities whose expenditure falls within the Local Government DEL (RfR2).

**PSA4:** In 2005-06 there was no expenditure on PSA 4 in ODPM main DEL (RfR1). Expenditure fell in the Local Government DEL (RfR2).

**PSA5:** Expenditure on PSA 5 included spending by the Housing Corporation (£1,637m), by RDAs and LDA (£669m), by English Partnerships (£440), on the Housing Market Renewal Fund (£305m), on Thames Gateway and other Growth Areas (£228m) and on Homelessness (£100m).

**PSA6:** Expenditure on PSA 6 included spending on Planning Delivery Grant (£166m) and by The Planning Inspectorate Agency (£44m).

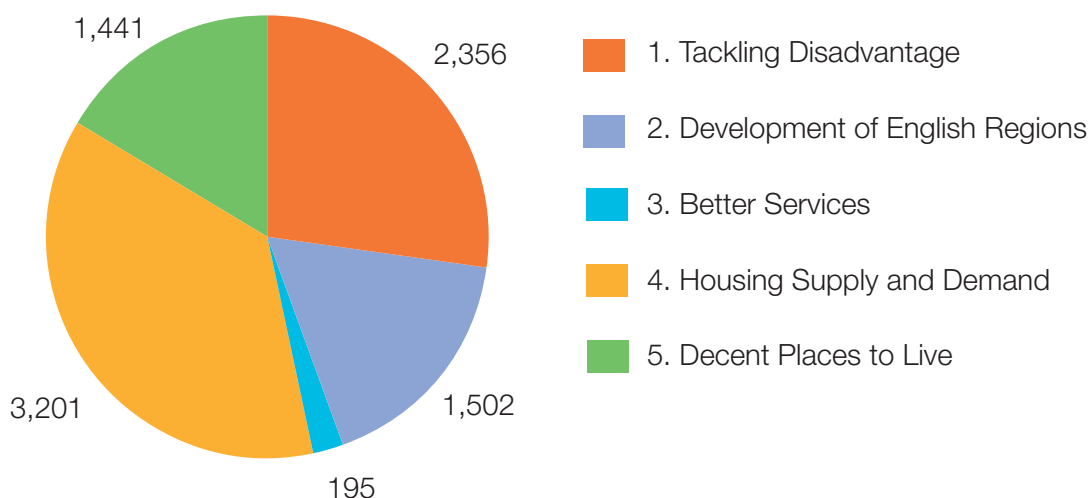
**PSA7:** Expenditure on PSA 7 included expenditure on Arms Length Management Organisations (£840m), on supported capital expenditure for local authority housing (£625m) and on Disabled Facilities Grant (£111m).

**PSA8:** Expenditure on PSA 8 included expenditure on the Liveability Fund (£37m) , on Groundwork (£14m) and on Living Spaces (£12m).



### ODPM Expenditure against Strategic Priorities 2005/06 (£m)

ODPM's expenditure is also monitored against 5 Strategic Priorities:



#### Notes

- 1. Tackling Disadvantage:** This included spending on Supporting People ((£1,716m), on New Deal for the Communities (£274m), on Disabled Facilities Grant (£111m) and on Homelessness (£100m), but excludes Neighbourhood Renewal Fund which falls in Local Government Departmental Expenditure limit.
- 2. Development of English Regions:** Most of the expenditure on this priority was by RDAs and LDA (£1,486m).
- 3. Better Services:** This included expenditure on Fire services (£103m) and Civil Resilience projects (£75m), but excludes support Central Government provides to other local authorities.
- 4. Housing Supply and Demand:** This included expenditure by the Housing Corporation (£1,687m), by English Partnerships (£440m), on Housing Market Renewal Fund (£305), on supported capital expenditure for local authority housing (£271m), on Thames Gateway and other Growth Areas (£228m) and on Planning Delivery Grant (£166m).
- 5. Decent Places to Live:** This included expenditure on Arms Length Management Organisations (£840m), on supported capital expenditure for local authority housing (£551m), and on various liveability programmes (£70m).

ODPM spent £8,695m on the eight targets it was set in SR04. These exclude expenditure falling to the Local Government Departmental Expenditure Limit (DEL). Although there are significant differences in the level of resource allocated to each target and strategic priority, they are complementary and all lead to meeting the Department's overall objective of creating sustainable communities.

Further information on the delivery of ODPM's targets and objectives can be found in Chapter 3 and Annex A.

## Local Government Grant

Aggregate External Finance (AEF) is the total level of support that central government provides to local authorities. This support is normally made up of Revenue Support Grant, police grant, specific formula and ring-fenced grants and the amount distributed from business rates.

The main areas of funding that central government supports are Education, Personal Social Services, Police, Fire, Highways Maintenance, Environmental, Protective and Cultural Services and Capital Financing.

For 2005-06, £60.1 billion was provided in AEF.

## Resource Consumption Budget

ODPM spent £2,947m in 2005-06 on resource consumption. The main spending was on Supporting People (the aim of which is to provide services which help vulnerable people live independently in their accommodation) and on support for the Regional Development Agencies' work, including the London Development Agency.

The main elements of resource consumption spending are set out in the following table:

Resource Consumption	2005-06
<b>Programme</b>	<b>£m</b>
Supporting people	1,764
RDAs & LDA	546
New Deal for Communities	167
Safer & Stronger Communities	77
English Partnerships	-101
Thames Gateway & Other Growth Areas	19
Homelessness	61
Planning	139
Other Housing	30
Housing Corporation	47
Planning Inspectorate (PINS)	41
Fire & Resilience	97
Other Sustainable Communities	39
Other Programmes	21
<b>Total</b>	<b>2,947</b>

## Resource Investment Budget

ODPM spent £2,448m in 2005-06 on resource investment, i.e. capital grants to the private sector. The vast majority of this was spent by the Housing Corporation on projects aimed at providing affordable, good-quality homes. The other main area of expenditure was on support for the RDAs. As from 2006-07, Resource Investment expenditure will be classified as Capital expenditure.

The main elements of resource investment spending are set out in the following table:

<b>Resource Investment</b>	<b>2005-06</b>
<b>Programme</b>	<b>£m</b>
Housing Corporation	1,636
RDAs & LDA	641
English Partnerships	81
Other Housing	24
Thames Gateway & Other Growth Areas	30
Other Sustainable Communities	29
New Deal for Communities	4
Fire & Resilience	3
<b>Total</b>	<b>2,448</b>

## Capital Budget

ODPM spent £3,299m in 2005-06 on capital e.g. purchase of assets, and capital grants to local authorities. The main areas of expenditure were Arms' Length Management Organisations (ALMOs), the Housing Market Renewal Fund and on support for the RDAs' work.

The main elements of capital spending are set out in the following table:

Capital Programme	2005-06 £m
Other Housing	903
Planning	41
RDAs and LDA	300
English Partnerships	460
Homelessness	39
Arms Length Management Organisations	840
New Deal for Communities	103
Safer & Stronger Communities	1
Fire & Resilience	87
Thames Gateway & Other Growth Areas	179
Other Sustainable Communities	38
Housing Market Renewal Fund	304
Other	4
<b>Total</b>	<b>3,299</b>

**Note:** The figures in these tables and charts exclude expenditure financed by the European Regions Development Fund (ERDF) as the tables in Annex B are based on the new budgeting regime which nets income off against expenditure.

### Administration budget

ODPM's estimated out-turn for net administration costs for 2005-06 is £302m. Of this, £139m is related to expenditure by Government Offices

Further information can be found in Table B5 in Annex B.

## Departmental Investment Strategy

ODPM published its Departmental Investment Strategy (DIS) for 2005-2008 in January 2005 (available at [www.odpm.gov.uk/departmentalinvestmentstrategy](http://www.odpm.gov.uk/departmentalinvestmentstrategy)).

The DIS sets out ODPM's capital investment plans resulting from the 2004 Spending Review. It also outlines how existing assets are being utilised and managed, and the systems employed to safeguard investment and to ensure that investment plans deliver the intended outcomes.

A summary of the DIS is set out in Annex E.

## Public Accounts Committee (PAC) recommendations

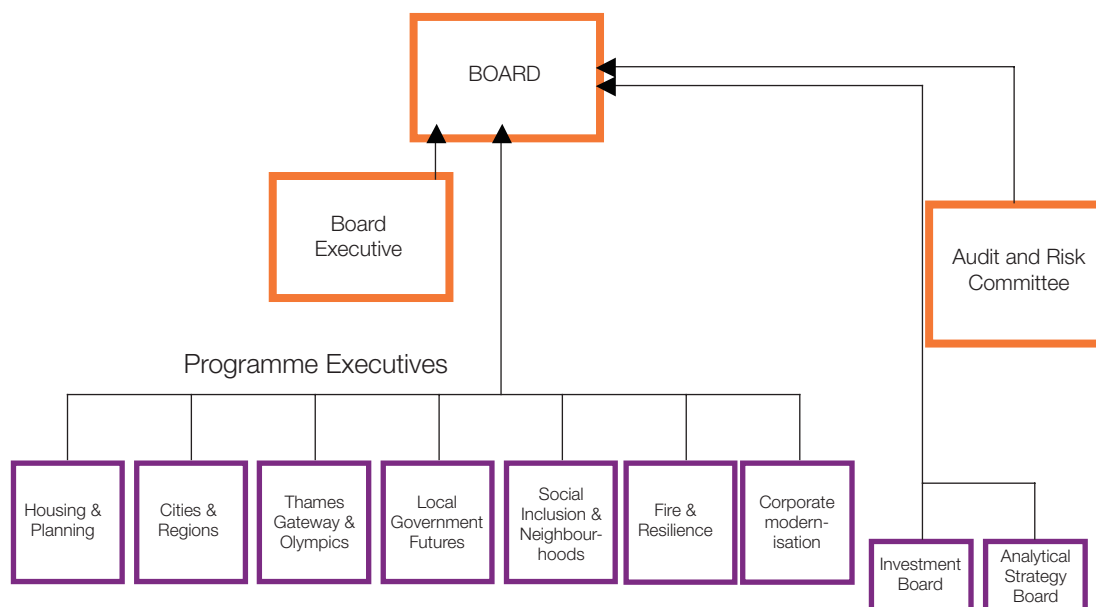
There were two PAC reports during 2005-06 on *The Regeneration of the Millennium Dome and associated land* and *Tackling Homelessness*. Details can be found in Annex G. In addition, details of a report on *Success in the Regions (DTI/ODPM)*, which was completed in 2004-05 but not included in the 2005 Annual Report, are also included in Annex G.

## Improving our ability to deliver

### Role of the board

ODPM reorganised the governance structures to ensure more effective ways of handling business, clearer accountability and stronger leadership. To support the Board, a Board Executive was established which managed and led the Department's business day to day. The main Board set the strategic direction, commissioned the work programme and took final and key decisions, whilst the Board Executive assessed the issues and implemented and monitored progress on Board decisions. These activities were supported by a small number of standing committees and seven new Programme Executives, which were established in April 2006 to focus on the big delivery challenges for the Department. A diagram showing the governance structure is below.

### ODPM governance structure (April 2006)



## **Risk Management**

Risk management procedures and their application continued to be developed and refined to minimise risk and to exploit opportunity. This has been recognised in assessments of ODPM's risk management capability reported to the Civil Service Management Board sub-group on risk, to the Prime Minister's Delivery Unit and to the Office of Government Commerce. Further opportunities for improving the quality of risk management are being considered in the context of the management changes being introduced and through our participation in the National School of Government's Innovation and Risk Management Study published in January 2006.

## **Sponsorship**

During 2005/06 ODPM received no direct financial sponsorship, but PricewaterhouseCoopers conducted delegate surveys after the Sustainable Communities Summit at no cost to ODPM.

## **Communications**

### **Media Handling**

In 2005/06, ODPM continued to focus on the regional and specialist media to ensure ODPM's vision and delivery of programmes were clearly communicated to regional, local and stakeholder audiences, working closely with colleagues in the Government Offices and the Government News Network.

ODPM Press Office had a key role in the Government-wide media response to the 7 July bombings and the Buncefield fire.

### **Public Information**

In the year 2005/06 ODPM ran a number of very successful publicity and advertising campaigns, including the Fire Safety Smoke and Alarm Maintenance campaign that helped to drive the penetration of smoke alarms up to 92% of all homes in the UK. Overall the Fire Safety activity delivered 56% unprompted recall in post-campaign tracking.

ODPM also ran an awareness campaign on Part P of the building regulations, the arson control forum, industry facing information and publicity activity for Home Information Packs, Thames Gateway, other growth areas, and the development of the 'How To' programme in support of the 'Cleaner Safer Greener Communities' campaign.

Our centralised print-buying operation has delivered operational efficiencies and savings of £193,000 to date on a spend of £1,550,000

### **Corporate communications**

ODPM's priority was to embed successful stakeholder engagement with policy officials working on the Department's key priorities such as the Barker Review, Local Government reform and Home Information Packs.

ODPM undertook a programme of attending some 30 core events where ODPM had been seen as a corporate body – promoting key messages, outputs and supporting speeches and announcements from Ministers.

Feedback from qualitative surveys conducted following the 2005 *Delivering Sustainable Communities Summit* – which was attended by over 3000 people – was extremely positive about its success in sharing of best practice and in engaging stakeholders from all sectors with the sustainable communities' agenda.

In December 2005, ODPM held the successful EU Presidency Informal meeting on Sustainable Communities in Bristol which resulted in the 'Bristol Accord' – a common European approach to creating sustainable communities.

ODPM also took forward the local and regional governance agenda within the EU through the successful hosting of a high-level meeting on governance and through engaging with other Member States and the EU institutions on governance developments.

### **Electronic communication**

ODPM upgraded the main corporate website's design and technology, and refreshed the design and functionality of the intranet during 2005/06. The ways in which ODPM's other external websites complied with corporate and government guidelines were audited, creating a project to align all sites more closely.

Electronic communication was used to underpin dialogue between ODPM and its audiences during the year. Internal examples included the Permanent Secretary's new online forum for staff questions. Externally, ODPM took part in the Hansard Society's Digital Dialogues pilot sponsored by the Department for Constitutional Affairs.

Info4local continues to be a market leader in central to local government communications. It has experienced record usage figures while undergoing a major review of subscribers. Info4local was this year among the first government websites to implement the new Integrated Public Sector Vocabulary and to introduce RSS (Really Simple Syndication) feeds to extend its outreach.

### **Internal communication**

ODPM continued to work to improve its internal communication channels over the year. A new look intranet was launched in April 2005 which gave staff daily news about ODPM's internal and external business. The emphasis on communication has continued, led by the Permanent Secretary and the Board Executive. The new Permanent Secretary's discussion forum on the intranet led the way in encouraging two way dialogue on a regular basis. DCLG are currently conducting further focus groups on the effectiveness of internal communication channels.

### **Legal Services**

Legal Group provided advice and drafting services that contributed to Strategic Priorities and major projects across ODPM. The Directorate's key activities included implementation of the Planning and Compulsory Purchase Act 2004 and the Housing Act 2004; drafting other secondary legislation; providing advice on major projects and on litigation as required; providing advice and training on the Freedom of Information Act; and continuing a programme of legal awareness training across the Department.

### **Building the evidence base for policy-making**

Having a robust evidence base for policy making was key to the delivery of ODPM's objectives. The Analytical Services Directorate (ASD) and other associated analytical units provided a professional and influential analytical service to the Department. This included economic advice, the collection, analysis and dissemination of statistics, and social research and analytical support for creating sustainable communities. ASD was also responsible for ODPM's geographic information strategy. Across the Department, analysts:

- provided evidence and analysis to support the delivery of PSA targets, including the response to the Barker recommendations
- launched the State of the Cities final report in early March 2006
- enhanced understanding of place through provision of over 200 quality assured, pertinent, location based data sets to ODPM, Government Offices and our partners via interactive web mapping on the "Maps on Tap" service
- underpinned improvements in community and firefighter safety through research including defining new data collection on incidents, research into operational effectiveness of the fire and rescue service, the impact of community fire safety and arson prevention initiatives, the development of lower cost sprinkler systems for houses and led the development of a Fire and Resilience Research Academy of many stakeholders.



## Equality and Diversity Unit

The values of equality and diversity were intrinsic to ODPM's ability to deliver sustainable communities. The Equality and Diversity Unit worked to support Ministers and officials achieve this aim by:

- ensuring that equality is at the heart of our public policy development and employment practices;
- enabling the Department to meet its statutory obligations as a public body;
- co-ordinating the Department's responses to cross-government equality strategies and commitments.

This year saw the publication of ODPM's second Race Equality Scheme 2005-8 following a public consultation exercise. This sets out how the Department will comply with the public duty to promote race equality. Progress against the commitments is reviewed annually by the Board. The Race Equality Scheme is available on the DCLG website.

ODPM successfully implemented key activities from the ODPM Disability Action plan and independent consultation with disabled staff. These included measures to improve accessibility for staff and visitors to ODPM's buildings and guidance for staff on organising accessible events.

ODPM worked hard to embed greater awareness and understanding of equality issues into the culture of the organisation. To this end, ODPM organised training on the impact of human rights, set up a policy workshop on equalities and local government, run a series of lunchtime seminars on a variety of topics and advised staff on how to apply race equality impact assessments to new policy work.

The EDU provided advice and led on policy across DCLG for two ministerial taskforces:

**Improving the Life Chances of Disabled People:** Led by the Department for Work and Pensions. ODPM policy interests were key to taking forward the theme of independent living.

**Ethnic Minority Employment Task force:** Led by Department for Work and Pensions. ODPM policy interests contributed to two of the strategic strands – Connecting People to Work and Equal Opportunities in the Workplace.

### *Equality and diversity in public appointments*

Appointments to ODPM's executive and advisory non-departmental public bodies were made following the Commissioner for Public Appointments Code of Practice for Ministerial Appointments to Public Bodies. Ministers were committed to achieving

greater diversity in public appointments, ensuring that those who serve on the boards of public bodies reflect the diversity of British society. Members should be appointed from a range of backgrounds with as much emphasis placed on experience gained through non-traditional career patterns as experience gained through more traditional backgrounds. For a full Public Appointments plan detailing our policy and practice including measures and targets set to improve diversity, see <http://www.odpm.gov.uk/index.asp?id=1122600>.

### Departmental reporting on better regulation

Much of the data on better regulation are only available for the calendar year 2005, rather than the financial year 2005-06. The calendar year has generally been used throughout this Better Regulation report.

### Regulatory Impact Assessment

ODPM maintained 100% compliance with the Regulatory Impact Assessment (RIA) process, as measured by the Cabinet Office.

The new internal Better Policy Making website, and the improved guidance material for RIAs together with targeted training and advice, has helped maintain the improvement in the quality of RIAs throughout the year.

All final RIAs contain clear commitments to Post Implementation Review, normally within a period of three years from coming into force. For instance the RIA for the *Mineral Planning Authority Monitoring of Mining and Landfill Sites: Implementation of a New Fees Regime in England* – clearly stated the specific areas for further monitoring and review post implementation, and commit to a full review of the regime no later than 2011.

From April 2006, ODPM committed itself to the Common Commencement Date initiative, under which regulation impacting on business will, with a few exemptions, come into force on either 6 April or 1 October. It has also published its first Common Commencement Date Annual Statement for 2006 which sets out the intended coming into force date of all forthcoming new and amended regulations which directly affect business.

## Consultation

During 2005, ODPM issued 57 public consultations. Of these, 48 lasted for 12 weeks or more. Of the nine consultations which were issued for less than 12 weeks, the majority were still compliant with the code as they were re-consultations. All were authorised by the appropriate Minister.

Reasons for these deviations were:

- to meet Parliamentary/Local Government timetables (3);
- prior 12 week consultation (5);
- Future further consultation for 12 weeks planned (1).

There were eight non-public consultations, mainly with local government or fire authorities.

All RIAs now clearly state how the consultation has influenced policy formation. For example the RIA for the amendment of *Approved document F of the building regulations: ventilation* details how the consultation process reduced the costs of the proposals by leading to changes in the moisture performance criterion used to assess the background ventilation. As a consequence, the necessary ventilation area was reduced.

## Simplification and Administrative Burdens Reductions

During the latter half of 2005, ODPM was heavily committed to the Cabinet Office-led Administrative Burdens Reduction project. ODPM worked closely with contractors PwC, the main stakeholders and Cabinet Office on the first stage of this project – to establish a baseline figure for the administrative burden placed on business by the Department. The process was aided by a monitoring group which included representatives of the main business stakeholders and policy officials for the relevant areas. ODPM also produced a draft simplification plan, with input from stakeholders, which will be published later this year.

Since September the Department has had a “Simplifying Regulatory Burdens” section on its website, to make stakeholders aware of the actions being taken. There is also a dedicated email address – [simplification@communities.gsi.gov.uk](mailto:simplification@communities.gsi.gov.uk) – for business to use to suggest ways in which specific regulations can be simplified. Such suggestions will also feed into the Simplification Plan.

## Best practice examples

**The Fire Safety Regulatory Reform Order** – due to come into force later in 2006, will repeal or amend over 50 Acts of Parliament and numerous Statutory Instruments, creating one simple risk-based fire safety regime.

**Local Area Agreements (LAAs)** set out priorities for a local area, agreed between central government, the local authority, local strategic partnership and other key partners. This simplifies funding streams and helps join up public services more effectively – promoting local solutions to local circumstances.

**A review of the management of building regulations** is considering more proportionate control, and the production of clear and simple guidance for small scale building work. Also, routine updating of regulations and guidance will take place in one group, at about five year intervals, rather than in a piecemeal fashion.

**Small Business Rate Relief** – following the successful introduction of Small Business Rate Relief in April 2005, procedures will be refined from October this year to reduce the requirement on businesses to register annually. Over time this will achieve an 80% administrative burden reduction on eligible firms.

#### *Transparency of implementation plans for European legislation*

ODPM used the following methods to inform the public of new EU legislation:

- stand-alone Regulatory Impact Assessments (RIAs);
- public consultations, accompanied by a RIA where necessary;
- press releases, providing an overview of the changes along with links to consultation documents and RIAs where available;
- Use of DTI's "Regulation Updates" initiative to notify business of changes.

For the first time this year, ODPM also published a "Common Commencement Dates Statement of Forthcoming Regulations" which provided business with an indication of when new or amended requirements will be introduced over the coming year.

# Executive Agencies and Public Bodies



ODPM was responsible for three executive agencies, Ordnance Survey, a number of executive and advisory non-departmental public bodies and, through the Regional Co-ordination Unit (RCU), the efficient and effective operation of nine government offices. These agencies produce their own detailed annual reports which are available from their websites.

## Executive Agencies and Ordnance Survey

### **Fire Service College**

The Fire Service College, at Moreton-in-Marsh, is the central training establishment for the UK Fire and Rescue Service. It provides a wide range of operational incident and New Dimension training and a comprehensive suite of courses designed to support all aspects of vocational development, including community fire safety, fire legislation and risk management.

### **The Planning Inspectorate**

The Planning Inspectorate's main work is the processing of planning and enforcement appeals and holding inquiries into local development plans. It also deals with a range of other planning-related casework including:

- listed building consent appeals
- advertisement appeals
- reporting on called-in planning applications
- reporting on inquiries into compulsory purchase orders made under a variety of planning and housing legislation
- right of ways cases and
- cases arising from the Environmental Protection and Water Acts and the Transport and Works Act.

### Queen Elizabeth II Conference Centre

The Queen Elizabeth II Conference Centre (QEIIICC) is a purpose-built venue, specialising in events of 40 to 1,000 delegates, based in the heart of Westminster. It is an Executive Agency with Trading Fund status. The QEIIICC has a set of key performance targets progress against which will be reported in its own Annual Report.

### Ordnance Survey

As Great Britain's national mapping agency. Ordnance Survey is a Government Department and Executive Agency, with Trading Fund status, in its own right. It is responsible for creating and updating the master map of the entire country, from which it produces and markets a wide range of digital map data and paper maps for business, leisure, educational and administrative use. The Government has a shareholder interest in Ordnance Survey and, as such, it should pay the Government a dividend each year to offset capital employed in the business.

### Public Corporation

#### Architects Registration Board

The Architects Registration Board (ARB) was set up under the Architects Act 1997. The ARB's duties are to:

- maintain the Register of architects
- prescribe qualifications for entry to the Register
- deal with competence to practise
- issue a Code which lays down standards of professional conduct and practice and
- regulate use of the title 'architect' and prosecute those who use it fraudulently.

### Executive Non-Departmental Public Bodies

#### Audit Commission

The Audit Commission appoints auditors to local authorities and some NHS bodies, carries out inspections of local authorities and registered social landlords, and reports on the performance of local authorities in Comprehensive Performance Assessments. The Commission is required to produce an Annual Report, copies of which may be obtained from its website: <http://www.audit-commission.gov.uk>

### **English Partnerships**

English Partnerships is the national regeneration agency helping the Government to support high-quality sustainable growth across the country.

ODPM's aim, as set out in *Sustainable Communities: Homes for All*, published in January 2005, was to create prosperous, inclusive and sustainable communities for the 21st century, places where people want to live, that promote opportunity and a better quality of life. English Partnerships played a major role in delivery of this important and challenging long term aim.

### **The Housing Corporation**

The Housing Corporation registers, regulates and facilitates the proper performance of more than 2,000 not-for-profit Registered Social Landlords (RSLs) in England. It invests public money into RSLs and unregistered bodies to provide new or improved homes that meet local needs and contribute to the creation and maintenance of sustainable communities. It carries out its work in ways and to targets that promote and deliver the Government's wider objectives and policies, notably sustainable communities.

### **Valuation Tribunals Service**

The aim of the Valuation Tribunal Service is to provide staff, accommodation and other support, including general advice about procedure in relation to proceedings before tribunals, to the 56 Valuation Tribunals in England. Valuation Tribunals hear and determine appeals against non-domestic rating, council tax valuations and council tax liability.

### **West Northamptonshire Development Corporation**

The West Northamptonshire Urban Development Corporation (WNDC) was established on 15 December 2004 to deliver sustainable regeneration and growth in Northampton, Towcester and Daventry. WNDC is developing a framework that will set out how the regeneration and growth of West Northamptonshire will be achieved. In December 2005, it produced a prospectus which set the scene for the next ten years and beyond. During 2006, WNDC will produce the second part of this framework, its growth delivery plan.

### **Thurrock Thames Gateway Development Corporation**

Since the previous Departmental Annual Report, where the Thurrock Thames Gateway Development Corporation had already completed a baseline study of the Borough, the Corporation has published a document outlining the Regeneration Framework for Thurrock, *Transforming and Revitalizing Thurrock: a Framework for Regeneration and Sustainable Growth*, which was completed in the Autumn of 2005.

On 12 October 2005, the Corporation was granted planning control powers for large and strategic planning applications within the Borough of Thurrock and is currently in the process of examining a range of options for the Spatial Plan. Furthermore, the Thurrock Thames Gateway Development Corporation is close to completing work on its Corporate Plan, which should reach approval by April 2006.

### ***London Thames Gateway Development Corporation***

Since its establishment in June 2004 as part of the Government's vision for delivering new sustainable communities in the Thames Gateway, the London Thames Gateway Development Corporation has made good progress towards developing a strategy to attract new investment and create new opportunities in the area. The Corporation has completed a business plan for 2005/06 and is currently preparing a three year corporate plan that identifies the Corporation's key objectives and strategies to achieve these objectives.

An Order came into effect on 31 October 2005 establishing the Corporation as the local planning authority for key strategic applications in its area, prior to the official launch of the Corporation by David Miliband at the Thames Gateway Forum in November. Also in November 2005, London Thames Gateway Development Corporation published *Engines for Growth, Our Vision for the Lower Lea Valley and London Riverside* to further outline its role, vision and the challenges it faces in achieving this vision.

### ***Housing Action Trusts***

Housing Action Trusts (HATs) were established under the Housing Act 1988 to manage and take a holistic approach to regenerating run down council estates. Their aim is sustainable community regeneration and their functions include building new homes and refurbishing existing ones, improving residents' job prospects by training and careers advice, providing community facilities and services, and making environmental improvements. When tenants are re-housed or their homes refurbished, they have a choice of transferring to a Registered Social Landlord or exercising their statutory right to return to council tenure.

Of the original six HATs, North Hull completed its work in 1999, Waltham Forest in 2002 and Tower Hamlets in March 2004. Castle Vale (Birmingham) and Liverpool have now also completed their work and closed in June and December 2005 respectively. The remaining HAT, Stonebridge (Brent), is working to complete its 10–12-year programme of regeneration by December 2007.



### ***Independent Housing Ombudsman***

The Independent Housing Ombudsman Limited is an independent executive NDPB which administers the Independent Housing Ombudsmen Scheme (IHOS). The IHOS deals with complaints from tenants and residents of member landlords. These consist of registered social landlords, along with those landlords who choose to join the scheme on a voluntary basis.

### ***Standards Board for England***

Officers of the Standards Board for England (SBE) investigate allegations of misconduct against members of local authorities. The SBE also promotes high standards of conduct in local government by providing advice and guidance to authorities and members.

### ***Leasehold Advisory Service***

The Leasehold Advisory Service (LEASE), which was originally established as an independent company in 1994, is now classified as an executive NDPB. It provides free initial legal advice to leaseholders, landlords, professional advisers, managers and others on the law affecting Residential Leasehold and Commonhold. LEASE also has a formal role in the provision of advice to Government on Leasehold matters and the development of Commonhold through agreed business programmes and seeks, as part of its remit, to improve management in the Residential Leasehold sector.

## **Advisory Non-Departmental Public Bodies**

### ***Building Regulations Advisory Committee***

The Building Regulations Advisory Committee (BRAC) was established in 1962 and is responsible for advising the Secretary of State on the making of building regulations, and on other connected subjects, in England and Wales. The core of its business is determined by the work priorities of Buildings Division, which in turn reflects Ministers' priorities. Members are appointed on an independent basis and are unpaid.

### ***Advisory Panel on Standards for the Planning Inspectorate***

The Advisory Panel on Standards (APOS) for the Planning Inspectorate was established as an independent body in January 1993. Its purpose is to advise the Secretary of State and the First Minister for the Welsh Assembly Government on the maintenance and enhancement of professional standards in the Planning Inspectorate Executive Agency. It indicates in its Annual Report whether the Inspectorate's professional quality assurance, quality control and training systems are in place and functioning properly.

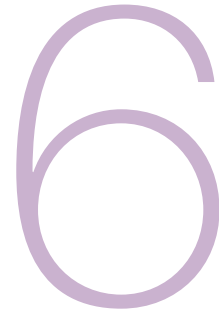
***Advisory Panel on Beacon Councils***

The Advisory Panel on Beacon Councils provides independent advice to Ministers on the operation of the Beacon Scheme. The Panel's responsibilities include advising Ministers on the crosscutting service areas to be chosen each year as Beacon themes; advising Ministers on the selection criteria for Beacons and recommending to Ministers a list of potential Beacon authorities. Beacon authorities share their best practice with others, helping to raise standards of public services across the country.

***National Community Forum***

The National Community Forum's remit was to provide a community perspective on ODPM's Tackling Disadvantage Group's (TDG) policy and practice, and ensure that community priorities and needs are addressed across all TDG programmes. The Forum acts as a sounding board and a source of ideas for Ministers and officials. Members draw on their 'grass roots' knowledge and experience to provide a fresh and challenging input into work relating to deprived areas.

# ODPM (Central) Efficiency Programme



The Spending Review 2004 (SR04) set ODPM (Central) a target to achieve at least £620 million in annual efficiency gains by 2007/08. DCLG will continue ODPM's work in delivering efficiency gains across a wide range of programmes, including administration, Registered Social Landlords (RSLs), social housing, homelessness, Regional Development Agencies (RDAs), fire modernisation and Firelink. SR04 also set targets for ODPM (including agencies and NDPBs) on workforce reduction (headcount) and relocation.

A separate target was set for Local Government to achieve at least £6.45bn efficiency gains (part of PSA4 – for progress see Annex A). For implementation and monitoring purposes, social housing was identified as a specific workstream and set a target of £835m. Of the £835m efficiency gains for social housing, £355m delivered by Registered Social Landlords counts towards the DCLG central target of £620m and the balance contributes to the local government efficiency programme. Efficiency gains are counted only once.

We published a revised Efficiency Technical Note for ODPM (Central) in December 2005. It sets out how each efficiency workstream measures quality and tracks progress. The ETN can be found on the 'Objectives and Performance' section of the DCLG website at: <http://www.communities.gov.uk/about>

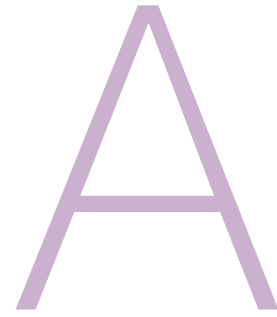
ODPM did not prescribe quality measures for RSLs' and Fire and Rescue Authorities' (FRAs) efficiency gains but expects those used to be robust and capable of independent validation. RSL quality measures include adoption of cross checks and sign-off of annual efficiency statements (AES) by RSL Boards. For FRAs, the AES is signed off by the chair, chief fire officer and chief finance officer, and quality measures demonstrate operational performance has been at least maintained.

Target	At least 2.5% per annum efficiency gains for ODPM/DCLG central, equating to at least £620m by 2007/08. At least two thirds of these must be cash releasing.
Progress	<p>We have reported £244m gains to date, £204m for 2004/05 and £40m for the period from April to December 2005 (of which £53.7m to date are cash-releasing).</p> <p>These gains have been provisionally audited and will be fully validated.</p> <p>Key areas where savings have been achieved include:</p> <ul style="list-style-type: none"> <li>● Fire and Rescue Services £38m</li> <li>● Social Housing Registered Social Landlords: Management and Maintenance £74.6m; Capital Works £64.4m</li> <li>● Homelessness £19.9m</li> <li>● Regional Development Agencies £27.9m</li> </ul>
Plans	<p>We have plans to achieve £740m efficiency savings by March 2008 (of which £485m are cash releasing).</p> <p>Efficiency gains in 2006/07 onwards will include admin savings from:</p> <ul style="list-style-type: none"> <li>● Rationalisation of our estates</li> <li>● Departmental Business Planning</li> <li>● GO efficiency review including 'back office' reform</li> <li>● Procurement, by connecting to new online purchasing system</li> <li>● IT outsourcing for DCLG (Central) – contract awarded to Steria</li> </ul> <p>Planned gains for each of the areas in the programme for 2005/06 to 2007/08 and progress are summarised in the table below.</p>
Target	DCLG as a whole (including agencies and NDPBs) is required to achieve a reduction of 400 posts in its overall staffing by March 2008. At least 250 of these will be HQ and Government Office civil service posts.

Progress	<p>Reported changes in staffing levels may be revised as a result of re-evaluation of the baseline data in conjunction with ONS. However, our assessment is that DCLG is on course to meet its headcount target, progress to date includes:</p> <ul style="list-style-type: none"> <li>● workforce reduction of 47 full time equivalents (against June 2004 ODPM baseline) in ODPM central and GOs</li> <li>● plus 43 full time equivalents in NDPBs and agencies</li> </ul>
Plans	<p>Workforce reduction plans for 2006/07 onwards:</p> <ul style="list-style-type: none"> <li>● 82 full time equivalents taking voluntary early severance/retirement</li> <li>● total reduction of 500 posts (against June 2004 ODPM baseline) forecast by March 2008</li> </ul>
Target	<p>Relocate 240 posts out of London and the greater South East by 2010 – at least 216 by March 2008.</p>
Progress	<ul style="list-style-type: none"> <li>● 93 posts relocated to date</li> <li>● new policy work has been devolved to the GOs including European Regional Development Fund, Regional Co-ordination, Community Housing Taskforce, Regional Resilience, Local Area Agreements posts. Locations include Leeds, Birmingham, Nottingham, Newcastle and Bristol.</li> <li>● this policy also necessarily results in new (local service facing) posts within London and the Greater South East in GOL, GOSE (Guildford) and GOEE (Cambridge).</li> </ul>
Plans	<p>Relocation plans for 2006/07 onwards include:</p> <ul style="list-style-type: none"> <li>● on current plans, we will relocate a further 89 posts by March 2008</li> <li>● in addition the Standards Board for England plans to relocate to Manchester, around 70 posts, beginning in 2006/07</li> <li>● English Partnerships, Audit Commission, Housing Corporation NDPBs plans include moving at least 55 more posts out of London HQs to locations including Bristol, Manchester and Leicester</li> </ul> <p>DCLG's executive board is considering the scope for further relocation of posts from London and the South East in order to meet our Lyons target, but we have no plans to relocate posts to areas where we do not already have an office.</p>

ODPM central target: at least £620m gains by 07/08, of which at least two thirds will be cashable	Forecast gains (£m)			ODPM central efficiency progress 2005
	05/06	06/07	07/08	
Administration	8	16.5	25	<ul style="list-style-type: none"> <li>Central London estates rationalisation</li> <li>IT outsourcing – contract awarded to Steria</li> <li>business planning and associated headcount reductions</li> </ul>
Regional Development Agencies	40	80	120	<ul style="list-style-type: none"> <li>RDA efficiency plans submitted April 2005 and approved by ODPM and DTI</li> <li>First efficiency reports from the eight RDAs and the LDA October 2005</li> </ul>
Social Housing: New Supply	130	140	160	<ul style="list-style-type: none"> <li>Strategy for investment partnering for new affordable housing</li> <li>Widening competition for grant to non-registered bodies, encourage better vfm</li> </ul>
Social Housing: RSL spend on capital works	2	30	60	<ul style="list-style-type: none"> <li>National network of local procurement consortia</li> <li>£33m Efficiency Challenge Fund</li> </ul>
Social Housing: RSL management and maintenance	35	60	80	<ul style="list-style-type: none"> <li>Successful pilots following systems reviews</li> </ul>
Social Housing: RSL spend on commodities	10	30	55	<ul style="list-style-type: none"> <li>National collective agent offering joint procurement of commodity goods and services (utilities, office supplies etc). Take-up by well over 60% of RSLs.</li> </ul>
Fire and Rescue Services	27	90.6	105	<ul style="list-style-type: none"> <li>Integrated Risk Management Planning firmly embedded</li> <li>Audit Commission's Fire CPA reports published July 2005</li> <li>CPA improvement planning reinforces efficiency messages and sharing good practice</li> <li>FRAs' first Annual Efficiency Statements November 2005</li> </ul>
Firelink: Operational Continuity	8	8	10	<ul style="list-style-type: none"> <li>Phase 1 work complete. This replaced high-risk items identified through an initial risk assessment process</li> </ul>
Homelessness	21	58	125	<ul style="list-style-type: none"> <li>2005/06 grant allocations to LAs and other agencies link funding more strongly to performance in tackling homelessness</li> </ul>
<b>Total</b>	<b>281</b>	<b>513.1</b>	<b>740</b>	

# Annex: Work Streams by Strategic Priority



<b>Summary of Progress on PSA targets</b>	
<b>SR04 PSA Target</b>	
<b>PSA 1 – Neighbourhood Renewal</b>	
<p>Tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.</p>	<p><b>On course</b></p> <p>Good progress is being made on four of the six floor targets for worklessness, crime, health and liveability. There has been some slippage on the decent homes target and some challenges remain on Key Stage 3 attainment in schools, although the 2004/2005 academic year data indicate a further reduction in the number of failing schools from last year which offers a positive picture.</p>

<p><b>PSA 2 – Regional economic performance</b></p>	
<p>Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006, (shared with the Department of Trade and Industry and HM Treasury), including by establishing elected regional assemblies in regions which vote in a referendum to have one.</p>	<p><b>On course</b></p> <p>A full assessment of trends in economic performance and disparities will be fully determined when the current economic cycle is complete. However, there is emerging evidence of encouraging progress on regional GVA per capita data, which suggests that the Government is on course to meet this target.</p> <p>A referendum was held in the North East in November 2004.</p>
<p><b>PSA 3 – Fire</b></p>	
<p>By 2010, reduce the number of accidental fire-related deaths in the home by 20% and the number of deliberate fires by 10%.</p>	<p><b>On course</b></p> <p>Good progress has been made against both elements of the PSA target, and we are on track to meet our targets.</p>
<p><b>PSA 4 – Local Government</b></p>	
<p>By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities.</p>	<p><b>On course</b></p> <p>Good progress is being made by local government as measured through the Comprehensive Performance Assessment (CPA) framework and local government efficiency statements</p>



<p><b>PSA 5 – Housing markets</b></p>	
<p>Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities.</p>	<p><b>On course</b></p> <p>This is a complex objective involving a diverse range of workstreams. Whilst it is too early to make an assessment across all workstreams, good progress is being made. For example, we are working to deliver our response to the Barker report and new cases of homelessness are 27% lower, between October and December 2005, than they were a year earlier.</p>
<p><b>PSA 6 – Planning</b></p>	
<p>The planning system to deliver sustainable development outcomes at national, regional and local levels through efficient and high quality planning and development management processes, including through achievement of best value standards for planning by 2008.</p>	<p><b>On course</b></p> <p>Good progress is being made on all elements of the PSA target, although there are still challenges ahead on the achievement by Local Planning Authorities of relevant Best Value targets for handling major planning applications.</p>
<p><b>PSA 7 – Decent Homes</b></p>	
<p>By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition.</p>	<p><b>Slippage – social sector</b></p> <p>We expect to see some slippage on our 2006 milestone to have reduced the number of non-decent properties by between 45% and 50% (we now expect to see a reduction of 41%)</p> <p><b>Ahead – private sector</b></p> <p>We have already achieved our 2006 milestone for the private rented sector.</p>

<b>PSA 8 – Liveability</b>	
<p>Lead the delivery of cleaner, safer, greener public spaces, and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008.</p>	<p><b>On course</b></p> <p>Good progress has been made across the suite of indicators for the liveability PSA during the first year of the target.</p>

***Strategic Priority One: Tackling disadvantage by reviving the most deprived neighbourhoods, reducing social exclusion and supporting society's most vulnerable groups***

**PSA1 – SR2004 PSA target**

Tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.

(also contributes to Strategic Priorities 3 and 5)

**Milestones**

The measure of success for achieving this PSA is that the six PSA 1 floor target indicators set out below are achieved within their respective time frames.

**Performance Indicators**

As with the SR2002 PSA 1 target, the current PSA 1 relies upon the delivery of floor targets by Government departments who own them, in the 6 key outcome areas.

'Floor target' is a generic term to describe a series of targets that sets a minimum standard for disadvantaged groups or areas, or a narrowing of the gap between them and the rest of the country.

The trajectory for this PSA target is the combination of the trajectories contained in individual departments' delivery plans for those floor targets.

The six key PSA 1 floor target indicators that PSA 1 will be judged against are:

**Health**

In deprived areas, substantially reduce mortality rates from heart disease and stroke and related diseases so that the absolute gap between the national rate and the average rate for deprived areas is reduced by 40% by 2010.

**Education**

Raise standards in English, maths and science in secondary education so that, by 2008, in all schools located in Local Authority Districts in receipt of NRF, at least 50% of 14-year-olds achieve level 5 or above in each of English, maths and science

**Crime**

In Local Authority Districts in receipt of NRF which are also high crime areas, reduce aggregated crime by a greater percentage than the aggregated reduction in the non high crime areas.

### **Worklessness**

For those living in the Local Authority wards with the worst labour market position that are also located within Local Authority Districts in receipt of NRF, significantly improve their overall employment rate, and reduce the difference between their employment rate and the overall employment rate for England.

### **Housing**

By 2010, bring all social housing into decent condition, with most of this improvement taking place in deprived areas.

### **Liveability**

By 2008, compared to the baseline year 2003-04, reduce the percentage of Local Authority Districts in receipt of NRF judged to have unacceptable levels of litter and detritus at a greater rate than the percentage rate reduction for all Local Authority Districts nationally.

## **Progress**

### **Progress by the Neighbourhood Renewal Unit (NRU) on PSA 1 indicators and its own individual workstreams**

The following sections provide details of key NRU achievements in its work across Whitehall and actual floor target progress. It then goes on to describe what has been achieved with Government Offices, Local Strategic Partnerships and neighbourhood renewal programmes, and what it is doing to develop and promote the evidence base for neighbourhood renewal.

### **Supporting and Challenging Government Departments to Deliver Floor Targets**

The NRU has continued to use its unique support and challenge role across Whitehall, working with other Government Department officials and Ministers to ensure that service delivery in health, education, worklessness, crime, housing and liveability address deprived neighbourhoods.

Specific achievements include:

- The joint production and publication, with the Department of Health, of an extensive guidance document for tackling health inequalities and neighbourhood renewal, which supports the delivery of the Public Health white paper *Choosing Health*.
- Working successfully with the DWP to produce its 5-year strategy, which commits to an increased focus on tackling barriers to employment faced by people from disadvantaged groups and deprived areas, and commitment to reducing the Incapacity Benefit claimant number by 1 million.

- Making significant input to the DWP published *Opportunities for All* report – Government strategy for tackling poverty and financial exclusion.
- Making significant input to the recently-published DWP Welfare Reform Green paper, which contains a number of further proposals for reducing inactivity amongst Incapacity Benefit claimants, lone parents and older people: and which announced the extension of the Pathways to Work programme – which aims to reduce Incapacity Benefit claimants – across the country by 2008.
- Launching the new Local Enterprise Growth Initiative (LEGI), which provides £300m funding over the next three years to stimulate self employment and enterprise in deprived areas. 10 successful round one bids were announced in February 2006, to receive funding from 2006/07:
  - Ashfield, Bolsover and Mansfield (joint bid)
  - Barking & Dagenham
  - Bradford
  - Coventry
  - Easington, Derwentside, Wear Valley & Sedgefield (joint bid)
  - Great Yarmouth
  - Hastings
  - St Helens
  - South Tyneside
- Working with DfES to ensure that its induction package for the new role of ‘School Improvement Partner’ acts as a focus on NR and deprivation.

### **Progress on the 6 key PSA 1 floor target indicators**

#### **Worklessness**

At the time of writing this report, data for the new ward-focused DWP SR04 target are not available. Using the SR02 worklessness target, which focuses on local authority districts as a proxy, DWP is on track to exceed the SR02 target. The gap between the GB rate and the 21 LAs with the worst labour market position narrowed between 03/04 and 04/05 by a further 0.7 percentage points, from 11.9 to 11.2. The gap between the England rate and the 21 LAs with the worst labour market position over the same period has narrowed by 1 percentage point. The figures represent 4-quarter averages for that year.

*Source: DWP Labour Force Survey*

## **Education**

The PSA 1 measure for education is around Key Stage 3 attainment for schools. Successful delivery will have been achieved if, by 2008, in all schools located in Local Authority Districts in receipt of NRF, at least 50% of pupils achieve level 5 or above in each of English, maths and science. Analysis of 03/04 data confirms that in NRF areas, 32.4% of schools were below the floor target in 2004, whereas 11.1% were below the floor in non-NRF areas – meaning a school is almost three times as likely to be below the floor target in an NRF area.

## **Crime**

Successful delivery of this target will rely on crime being reduced at a faster rate in NRF high-crime areas than elsewhere in the country. So far, good progress has been made against this target and it is likely that the floor target will be met. In areas where the Drug Interventions Programme operates intensively, which are mainly the most deprived areas, there has been a 19% average reduction in acquisitive recorded crime (drug-related) in the 12 months to January 2006 compared with the average for the year April 2002 to March 2003.

## **Health**

‘Deprived areas’ for this indicator are the group of Local Authority Districts in receipt of NRF which are also identified as being part of the Department of Health “Spearhead Group” of areas having the worst health and deprivation indicators in the baseline years (1995-97). Of the 70 local authority districts in the spearhead group, 60 currently receive NRF.

Recent data indicate further good progress on the Cardio-Vascular Disease (CVD) target in terms of the gap between the NRF/spearhead cross-over and the England average. It now stands at 28.8 deaths per 100,000 populations, compared to 37.8 in the baseline year 1996. This shows a gap reduction of 23.7% since the baseline year which continues the trend of progress.

## **Housing and Liveability**

The relevant sections in this report, on the Decent Homes and Liveability PSAs (PSA targets 7 and 8) report progress on those targets.

## **Progress on Other Government Floor Targets**

Whilst these are not floor targets against which PSA 1 delivery is being judged, we continue to have a strong interest in their delivery, given their importance to the tackling disadvantage agenda:

### **Employment Rates for Disadvantaged Groups**

Four-quarter average 2004/05 employment data from ONS indicate that the gap between employment rates for lone parents, over 50s and the lowest-qualified in NRF areas as compared to non-NRF areas, has decreased or at least stayed the same. The gap for BME groups has widened over the last year.

### **GCSE Attainment**

Revised 2004/05 GCSE data show that the gap in pupil attainment of 5+ GCSEs at grades A\*-C narrowed from 12.7 percentage points to 7.9 between NRF areas and non NRF areas between 1999/00 and 2004/05.

Latest accurate data on NRF areas are for 2004/5 and indicate that 49.9% of pupils achieved 5+ GCSEs at grades A\*-C, compared to 46.1% in 2003/4. This represents an increase of 3.8 percentage points.

### **Teenage Conception**

Teenage conception rates have been falling steadily at both the England and NRF 88 levels. The average rate for the NRF 88 areas has fallen more quickly than the national average, thus reducing the gap between the two (from 12.6 points in 1996-98 to 11.6 points in 2000-02). Most recent data indicate that the gap at 2001-03 is now 11.7, representing an increase of 0.1 since 2000-02.

### **Life Expectancy**

On life expectancy the most recent figures (for 2002-2004) confirm that the relative gap for males between the national average and the Spearhead Group is still widening (by 1.2% since the baseline). This data also shows that the gap for females between the national average and the Spearhead Group has also been widening (by 7.3% since the baseline).

### **Improving the performance of Government Offices, LSPs and Programmes in the delivery of Neighbourhood Renewal.**

In addition to working closely with other Government departments (OGDs) to ensure that their delivery chains and specific service-providers make a concerted effort to address deprivation and social exclusion, the NRU adds value to the delivery of neighbourhood renewal through the direct funding and operational delivery of neighbourhood renewal activity, through local strategic partnerships (LSPs) and neighbourhood renewal programmes. These are supported and challenged through neighbourhood renewal teams in the nine Government Offices for the Regions.

### *Government Offices*

The delivery of neighbourhood renewal relies heavily upon the significant input made by our teams in Government Offices for the nine regions of England. They support and challenge the performance of NRU-funded LSPs and programmes. Specific NRU achievements with GOs include:

- Deployment of specialist performance improvement capacity in each GO during the performance assessment of LSPs, to enable them better to challenge LSPs to drive forward delivery of floor target outcomes
- The piloting in London of a specific delivery skills training course on improving outcomes for deprived BME communities.

### *Local Strategic Partnerships*

There are 87 LSPs covering 88 local authority areas that receive additional support from the NRU through its neighbourhood renewal fund (NRF). Using the analysis from the self-assessment of NRF LSPs from the previous year (2004/05), weaker LSPs have been provided with a package of tailored support by the NRU to enable them to focus on their challenges and develop their delivery capacity. This has included:

- Setting up Minister-led delivery seminars to ensure high-level partner commitment to addressing poor outcomes. These seminars were held with a number of LSPs including Oldham, Sandwell, Hull, Plymouth, Liverpool, Leeds, Tower Hamlets, Birmingham, Lambeth and Islington.
- Deploying assignment managers to act as strategic advisers in all of the LSPs highlighted through the 2004/05 performance management framework process as having the greatest support needs

During the spring and summer of 2005, all 87 NRF LSPs that cover the 88 local authority areas in receipt of NRF completed their PMF self-assessments and annual reviews with GOs as part of the 2005/06 performance management framework. This has enabled them to identify weaknesses in their performance and key areas for improvements that will lead to improved floor target outcomes.

- Having looked at all the summary annual review reports provided by Government Offices, the analysis for this year shows that 35% were assessed as green overall, 47% amber/green, and 18% amber/red. This represents a slight shift from amber/green to green from last year's performance assessment and indicates a stronger focus on the delivery of neighbourhood level outcomes.



- The 16 LSPs assessed as amber/red in 2005 were asked by mid January 2006 to develop robust improvement plans and demonstrate that they had the capacity to deliver in place.
- Performance improvement support packages (including the appointment of Assignment Managers) have been established for the amber/red priority LSPs (those of strategic importance who are performing poorly on floor targets).
- In February 2006, Ministers decided that three Local Strategic Partnerships (Birmingham, Hull and Nottingham) who were assessed as 'weak' in 2005 had failed to demonstrate sufficient progress by January 2006, and 10% of their Neighbourhood Renewal Fund allocation for 2006/07 was withheld. These LSPs were asked to make progress and complete priority Floor Target Action Plans by the end of April, and Ministers will then consider if the 10% can be reinstated.

Other achievements include the following:

The 2004 Spending Review (SR04) made available over £1 billion of new Neighbourhood Renewal Fund (NRF) resources for the period 2006-08 (£525 million for 2006-07 and £525 million for 2007-08). This is the largest ever NRF settlement.

From 2001-2006, the Indices of Deprivation 2000 were used to allocate NRF. Over this period, 88 local authorities were eligible for the fund.

The new allocation for 2006-08 is based upon the more detailed and precise Indices of Deprivation 2004. 86 local authority areas will now be eligible to receive NRF.

### **Improving performance and delivery of NR Programmes**

The NRU continues to support specific neighbourhood renewal programmes in deprived areas. These are the New Deal for Communities (NDC), Neighbourhood Management pathfinders and the Neighbourhood Wardens Scheme.

The main focus for the Programmes division is the forthcoming merger of programme funding for pathfinders, wardens and community networks into the Safer Stronger Communities Fund (SSCF). This change also involves a shift from direct NRU funding to funding agreed through local negotiations and set out in Local Area Agreements (LAAs). Working with Local Government colleagues, we have contributed to the guidance for LAAs and SSCF, including development of a mandatory outcome for community empowerment and a set of indicators to measure and assess progress.

Workshops and regional meetings with Community Empowerment Networks (CENs) and Government Offices have been used to communicate the changes and to identify risk factors that need to be addressed during the transition. LSPs will be expected to maintain support to CENs that are 'fit-for-purpose'. We have set out the criteria that GOs might use to make this assessment and are providing NRA support to any CENs that are vulnerable. We are also encouraging CENs to gather evidence of the added value they bring to their LSP and have made a study based on Hull CEN available as a model for this sort of scrutiny.

A similar strategy has been used to prepare Neighbourhood Management Pathfinders (NMPs) for the changes that came fully into force in April 2006.

Further progress is illustrated as follows:

- The NRU has issued primary guidance to NDCs on succession strategies and the use of assets, and is working closely with NDCs to develop the framework further.
- The NRU issued guidance to support the process of ensuring the ongoing sustainability of neighbourhood warden programmes.
- Regional warden resource centres have been set up and are operational, providing technical support to warden programmes.
- Seminars have been held in each region, targeting those areas likely to receive the Neighbourhood Element of the Safer Stronger Community Fund from 2006
- The 'improving outcomes' project has been launched with a group of NDCs and NMPs, which aims to support and learn from participating programmes who are trying to tackle poor outcomes for BME groups at a local level through a greater focus on ethnicity monitoring.
- The private sector panel is working with a number of NDCs, providing a business perspective and helping to review their options for achieving sustainability.
- The NRU published the New Deal for Communities 2001-2005 interim evaluation report in November 2005 and have run a series of good practice dissemination workshops.
- NRU are continuing to support NDCs to deliver improvements, for example through Government Offices, NRAs and by refocusing the Performance Assessment Framework.

### **Building the Neighbourhood Renewal Evidence Base**

The Research and Development Division (RDD) of the NRU provides a critical function in developing the evidence base for neighbourhood renewal. In the past six months it has commissioned a very extensive and large scale three-year evaluation study which will assess the impact of the national strategy for neighbourhood renewal. It has also commissioned other very important pieces of work including:

- An evaluation into the impact of NRF
- Further evaluation studies into the impact of the various neighbourhood renewal programmes described earlier
- The Supporting Evidence for Local Delivery (SELD) pilot project, where regionally-based research support services in four regions are testing how the improved use of evidence may contribute better to neighbourhood renewal delivery.
- Data-focused research reviews that are examining the sources of data that are most useful for local target setting and delivery. A research study is also assessing the nature and effectiveness of systems that have been developed at a local level to share, present and help interpret local and national data.

These important pieces of work are in addition to the ongoing work being carried out with ONS to deliver the neighbourhood statistics service (NeSS) which will make a significant impact on local delivery by making available neighbourhood-level data related to the six key PSA 1 outcomes. RDD has also continued to provide the online service 'Floor Targets Interactive', which is accessed via the NRU website. This service provides recent floor target performance data at a local authority district level, and is refreshed regularly to ensure it reflects the most recent data releases.

#### *Testing new approaches to neighbourhood renewal*

In addition to evaluation of neighbourhood renewal activity currently underway, the NRU tries to develop innovative approaches to tackling deprivation which it pilots at a local level. Two projects have been developed in the past 6 months and are underway.

The Mixed Communities approach aims to transform dramatically some of the most deprived estates in the country into successful and sustainable socially mixed communities. The approach aims to address poor neighbourhoods through the promotion of a mix of housing tenure, management and quality of design and income.

The Department is taking forward a series of workstreams to take forward the concept of mixed communities including working with a series of local 'Demonstration Projects' and considering how current housing and regeneration programmes and policy across Government can be more effectively aligned with mixed communities outcomes.

The current Demonstration projects include Harpurhey in Manchester; Gipton in Leeds and Canning Town in Newham. The Department has been working with all Demonstration Projects throughout 2005 and 2006, helping them overcome obstacles to delivery, tracking progress and connecting them to the latest research and best practice through a mixed communities Learning Network and Expert panel.

Many of our findings will be used to support policy development and ensure that the key elements of a mixed communities approach are applied more widely. An evaluation of the Demonstration Projects has been commissioned to feed into this work.

#### **Quality of data systems**

The NRU relies on published data sets, and the systems producing them, from ONS and other Government Departments to track its progress on floor targets. These data are then used to provide individual NRF area analysis on Floor Targets Interactive, which can be reached electronically through the NRU website [www.neighbourhood.gov.uk](http://www.neighbourhood.gov.uk)

**Strategic Priority Two: Promoting the development of English Regions by improving their economic performance so that all are able to reach their full potential, and developing an effective framework for regional governance, taking account of the public's view of what is best for their area.**

**PSA 2 – SR 2004 PSA target**

Make sustainable improvements in the economic performance of all the English regions by 2008, and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006 (shared with the Department of Trade and Industry and HM Treasury)

**1. Milestones**

*Making sustainable improvements in economic performance*

- The trend rate of growth for Gross Value Added per head for all regions, measured over the period 2003-08, compared with the average growth between 1990/91 and 2001;

*Reducing the persistent gap in growth rates between regions*

- Reduction over the period 2003-2012, compared with the baseline (the period 1990/91 to 2001) in the absolute gap between the average trend growth rate in the three regions that currently have above-average Gross Value Added per head (London, South East and East) and the average trend rate for the other six regions;
- Increase for each region in trend growth over the period 2003-2012 compared with the baseline.

*Demonstrating progress by 2006*

- Produce progress report by Autumn 2006 in liaison with HM Treasury, DTI, DfES, DWP, DfT in line with commitment given in SR2004 target and PSA Technical Note

**Performance Indicator**

The main indicator for this target is Gross Value Added (GVA) per head in each region.

**Progress**

**On course.**

A full assessment of trends in regional economic activity and disparities cannot be fully determined until the current economic cycle is complete. However, the evidence so far is encouraging:

- in 2003 (the last year for which we have GVA data) the six under-performing regions had nominal GVA growth rates between 5.3 per cent and 5.5 per cent: and
- All regions of the UK grew in 2003 (between 2.4 per cent and 5.5 per cent).

In addition to the GVA data there is other encouraging evidence. In particular unemployment is decreasing and employment rates are up in the North.

We are working closely with a number of Government Departments (DWP, DfES, DEFRA, DfT) to develop policies that will contribute to the delivery of the PSA target. For example, Pathways-to-Work pilots (aimed at helping Incapacity Benefit claimants back into work) are seen as a welcome contribution to the ongoing work on Regional Economic Performance and New Deal for Cities and the Regions. In particular, we have been working closely with DWP prior to the launch of the Welfare Reform Green Paper in January 2006, in which DWP announced £360m to roll out the Pathways-to-Work pilots nationally by 2008.

The elected regional assemblies strand of this target was **met** in November 2004. The people of the north-east voted against the establishment of an Elected Regional Assembly. Turnout was nearly 48%. After reflecting on this result, and taking into consideration the impact of a long period of uncertainty on local government in Yorkshire and the Humber and the north-west, the Government decided not to bring forward orders for referendums to be held in either of these regions.

### Quality of data systems

Performance against this target is measured through estimates of the trend rate of growth in GVA per head in each region for the period 2003-08. The gap in growth rates is measured by comparing the average growth rate of regions that currently have above-average GVA per head with the average growth rate of regions that currently have below-average GVA per head.

The key to measuring this PSA target accurately is to capture as wide a range of economic activities occurring within the regions as possible. GVA (by definition) encapsulates a very diverse range of outputs. To improve and develop regional estimates, the Office for National Statistics (ONS) is involved in an ongoing quality assurance process of the input data used to calculate estimates of regional GVA.

Data from new surveys (being taken forward in 2006 by NAO in line with Allsopp Review recommendations) will enable longer-term development of an output measure of regional GVA as opposed to the currently published GVA estimates that are calculated using the income approach. In order to provide a regional presence, the RDAs have agreed to work with ONS to deliver a full regional statistical presence by March 2007. Regional offices will quality-assure regional GVAs.

***Strategic Priority Three: Delivering better services, by devolving decision-making to the most effective level – regional, local or neighbourhood: Promoting high-quality, customer-focused local services and ensuring the availability to local government of adequate, stable resources. Clarifying the roles and functions of local government, its relationship with central and regional government and the arrangements for neighbourhood engagement, in the context of a shared strategy for local government.***

**PSA 3 – SR2004 PSA target**

**By 2010, reduce the number of accidental fire-related deaths in the home by 20% and the number of deliberate fires by 10%**

**(also contributes to Strategic Priorities 1 and 5)**

**Milestones**

Tackling the problem at source:

Apr 06 – Housing Health and Safety Rating System implemented

Apr 06 – Statutory licensing for Houses in Multiple Occupation (HMOs) implemented

Estimated date – Oct. 06 – Regulatory Reform Order comes into force and accompanying guides published. Revised Approved Document B in force.

April 07 – Revised Approved Document B in force.

Changing behaviour:

Sept 05 – National Community Fire Safety Centre (NCFSC) major TV fire safety awareness campaign.

Oct 05 – Targeted campaign to raise awareness of fire safety messages with the South Asian and Muslim communities during Diwali and Eid Ul Fitr

Jan/Feb 06 – Second burst of TV fire safety advertising; targeted campaign to raise awareness of fire safety messages with the Chinese community during Chinese New Year.

Apr 06 – e-fire portal goes live

Effective response/prevention:

Nov 05 – Launch of FRS Learning & Development Strategy

Jan 06 – Home Fire Risk Check (HFRC): review of progress against trajectory to achieve 1.25m HFRCs by 2008. Target for 2005/06 is 400,000 households to be visited – FRA figures to end Jan 06 suggest 393,000 visits achieved so far and 417,000 alarms fitted.

March 06 – Implementation of the National Strategy for Children and Young People.

Apr 06 – Integrated Risk Management Planning (IRMP) Year 3 plans in place following consultation

Improving Performance:

March 06 – Follow-up performance framework for CPA consultation commences.

April 2006 – 2006/08 National Framework to be given statutory effect subject to Parliamentary approval.

### Performance Indicator

- Reduction in number of accidental fire-related deaths in the home;
- No local fire and rescue authority having a fatality rate, from accidental fires in the home, more than 1.25 times the national average.
- Reduction in number of deliberate fires.

### Progress

#### On course.

Progress towards the target of reducing the number of accidental deaths in dwelling fires has continued; latest provisional figures show that there were 219 deaths in the 12 months to 30 June 2005, compared with 277 in the previous 12 months, a fall of 21%. Deliberate primary fires have fallen again in the latest year, 69,990 being recorded in the 12 months to 30 June 2005 – a fall of 20% compared to the previous year. This is 26% better than the 2010 PSA target of 94,000.

The latest fire statistics were released on 28 February. The fall in deliberate fires has been mainly due to the 21% fall in deliberate road vehicle fires (down to 42,600). A number of factors are behind the decrease – an improved vehicle licensing regime; the success of vehicle removal schemes, many of which have been funded by the Arson Control Forum; and recent increases in the price of scrap metal, which has increased the value of end-of-life vehicles, making them less likely to be abandoned.

‘Real time’ Fire Of Special Interest (FOSI) figures (see below) collected on a monthly basis indicate that domestic fire-related deaths are continuing to fall. The challenge now is to ensure that these indications are consolidated into definite trends.

Analysis of the average number of accidental deaths in dwelling fires over the past five financial years (2000/01 to 2004/05) against the floor target shows that 6 out of 47 services had a fatality rate greater than 1.25 the national average



(5.6 deaths per million population (pmp), i.e. 7.0 deaths pmp. Consideration is being given to how best to engage with the 6 FRSs to discuss causes and how to improve their particular figures.

### Quality of data systems

The official statistics on fires and deaths are National Statistics.

Since April 2004, deaths in fires have been reported to ODPM from Fire & Rescue Services in England as Fires of Special Interest (FOSIs). However, we are aware that there is substantial under-reporting of fatality FOSIs to ODPM/DCLG, and a FRS Circular was issued in April 2005 to encourage reporting of every fatality.

Despite the under-reporting, it is very useful to have 'real time' data rather than to wait the statutory year-and-a-day for official confirmed figures.

Consideration is now being given to capturing information about stakeholder work which contributes towards the PSA3 target

### Civil Resilience

The Civil Resilience Directorate and Fire and Rescue Service Directorate took forward this work until the end of 2005 when the directorates were merged to create the Fire and Resilience Directorate (FRD). Resilience means ensuring that the country is well prepared to detect, prevent and respond to major emergencies, including terrorist attacks.

### Key Work Streams Resilience Policy

#### Milestones

- To have developed guidance for disposal of rubble and other debris from a catastrophic incident by Spring 2005

#### Performance Indicator

Performance is measured against delivery of programme milestones. In particular:

- Completion of the guidance for disposal of rubble and other debris from a catastrophic incident

#### Progress

FRD and its predecessors have ensured that the Department is fully involved in the Government's resilience agenda.

<p>Guidance on the disposal of rubble was delivered in October 2005 following extensive consultation with key stakeholders.</p>
<p><b>Quality of Data</b></p> <p>Data are drawn from programme management activity and ongoing monitoring against programme milestones.</p>
<p><b>Key Work Streams</b> <b>New Dimension – Phase II</b></p>
<p><b>Milestones</b></p> <ul style="list-style-type: none"> <li>● To enhance the resilience capability of the UK fire and rescue service by delivering fully operational urban search and rescue equipment and training by March 2007.</li> <li>● To roll-out dis-robe and re-robe modules to enhance mass decontamination capability by May 2006</li> <li>● To deliver 18 initial sets of Detection, Identification and Monitoring (DIM) equipment by December 2005</li> <li>● To provide 50 high volume pumps and associated equipment by April 2006</li> <li>● To work with West Yorkshire Fire and Rescue Authority to establish a fully operational interim National Co-ordination Centre (NCC) responsible for co-ordinating cross regional and national deployment of New Dimension equipment by May 2006</li> <li>● To undertake a comprehensive water safety programme for fire and rescue service with training delivered by May 2006</li> </ul>
<p><b>Performance Indicator</b></p> <p>Performance is measured against the delivery of programme milestones:</p> <ul style="list-style-type: none"> <li>● Delivery of enhanced urban search and rescue capability into service</li> <li>● Acquisition and roll-out of dis-robe and re-robe modules into service</li> <li>● Continuing roll out of high volume pumping equipment into service</li> <li>● Detection, Identification and Monitoring training and equipment delivered to all 18 teams</li> <li>● Interim NCC operational</li> <li>● Completion of water safety training to the fire and rescue service</li> </ul>
<p><b>Progress</b></p> <p>Targets on urban search and rescue were met with enhanced equipment and training delivered throughout the regions.</p>

Acquisition and roll-out of dis-robe and re-robe is progressing according to plan  
26 initial high volume pumps are now in service and all 18 Detection, Identification and Monitoring teams have received basic detection capability.  
Grant funding for the interim NCC was secured in November 2005 and action is proceeding towards achievement of full operational status  
Water safety training is being delivered to the fire and rescue service

### Quality of Data

Data are drawn from programme management information. Equipment numbers are taken from procurement data.

### Key Work Streams

#### Firelink

#### Milestones

- Contract signature March 2006.
- Start construction of network infrastructure (Phase A) in Region 1 (England) September 2006;
- Acceptance of Phase A works for Region 1 (England) July 2007;
- Start roll-out of system (Phase B) in Region 1 July 2007; and
- Complete Phase B works for Region 1 March 2008.

#### Progress

##### On course.

Firelink involves the procurement of a national wide area radio system with planned completion by 2009. The project also includes operational continuity of existing systems until replacement by Firelink.

Firelink will replace the wide area radio systems currently operated by the FRS in England with a single digital network, providing capabilities for national roaming and inter-operability both between brigades and with the other blue light emergency services. The competition to select a supplier was carried out under the EU negotiated procedure and, whilst behind the original schedule, has now been completed. The procurement process has sought to find the most economically advantageous tender whilst taking into account critical technical, project management and commercial aspects of the bids plus whole life costs. It is planned to have the new system in place and operational in England by 2009.

Two strong potential suppliers competed for the *Firelink* contract, with contract award made on 29 March 2006.

<p><b>Quality of Data</b></p> <p>Data are drawn from programme management information. No formal quantitative data are gathered for the programme at present.</p>
<p><b>Key Work Streams</b> <b>Regional Resilience</b></p>
<p><b>Milestones</b></p> <ul style="list-style-type: none"> <li>● To complete the second iteration of the regional risk assessments by February 2006.</li> <li>● To agree protocols for response with lead Government departments and government offices.</li> <li>● All Regional Resilience Forums to agree priorities for work by September 2005.</li> <li>● To complete the 2nd iteration of the National Capabilities survey, to survey emergency preparedness among local responders.</li> <li>● To complete drafting and agreement of generic regional response plans in all regions.</li> </ul>
<p><b>Performance Indicator</b></p> <p>Indicators are drawn against delivery of the milestones.</p>
<p><b>Progress</b></p> <p>Regional risk assessment completed in January 2006.</p> <p>The Regional Response manual has been drafted and is due to be formally issued in early summer 2006. Response protocols have been agreed with lead Government departments.</p> <p>The survey was issued in January 2006. Initial analysis will be completed by July 2006.</p> <p>Generic regional response plans have been drafted and are due to be agreed by Regional Resilience Forums (RRFs) in all regions shortly.</p> <p><b>Quality of Data</b></p> <p>Data are reported against programme milestones from programme management information. No formal quantitative measures are in place at present.</p>

#### **PSA 4 – SR2004 PSA target**

**By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities.**

**(also contributes to Strategic Priorities 4 and 5)**

#### **Milestone**

- Publication by Audit Commission of the new CPA 2005 framework for single-tier and county councils in October 2005
- Revised target and technical note published in December 2005
- Consultation launched by Audit Commission on the framework for CPA for district councils in September 2005
- First CPA results using 2005 framework published December 2005
- Target and measures to be reviewed by March 2006 following first results under new framework, to ensure they remain robust, ambitious and achievable
- Publication of mid-year efficiency assessments for 2005/06 in January 2006
- Publication by Audit Commission of CPA framework for district councils in July 2006

#### **Performance Indicator**

- Net change in number of authorities with CPA categories from the baseline year in three groupings: “0\* and 1\*\*”, “2\*” and “3\* and 4\*\*”
- Change in direction of travel for individual local authorities
- Change in average annual score of the CPA Use of Resources block, from the baseline year (of 2005)
- Progress against efficiency target for local government of £6.45 billion by 2007-08.

Success will be judged against three broad criteria: overall performance, as measured through the net change in the number of authorities in CPA categories from the baseline year of 2005; underlying direction of travel, measured through the new direction-of-travel statements; and efficiency/use of resources, measured by tracking the annual improvement in use of resources scores and the local government efficiency target. Detailed performance indicators are set out in the Technical Note published on the DCLG web site<sup>1</sup>. Details of the efficiency target are set out in the ODPM Efficiency Technical Note published in January 2005<sup>2</sup>.

## Progress

### On course.

### Effectiveness

Audit Commission published the 2005 framework for single tier and county councils, *CPA – the harder test*, on 14 October.<sup>3</sup>

The first CPA categorisations, use of resource assessments and direction of travel statements against the new framework were published in December 2005<sup>4</sup>. The results showed that:

- 70% of councils are improving strongly or improving well
- 69% of councils achieved a 3 or 4 star performance (the top two categories)

10 of the councils whose results were announced in December 2005 had the new-style corporate assessment/Joint Area Review. The next tranche of councils undertaking this were due to be reported on in March 2006.

The CPA 2005 results will form the baseline against which performance improvement to March 2008 will be measured.

### Use of Resources

The results published in December suggest that three councils performed below minimum requirements (scoring 1), 96% of councils delivered at or above minimum requirements (scoring 2 or 3), and three councils performed well above minimum requirements (scoring 4).

### Efficiency

The efficiency target for local government is at least £6.45 billion by 2007-08.

Efficiencies from schools, police, fire authorities and councils contribute to this target, of which councils' required contribution is £3.0 billion by 2007-08 (£1.0 billion by the end of 2005-06).

Councils are on track to achieve gains of around £1.9bn by the end of 2005-06 against their £1.0bn element of the efficiency target.

The efficiency gains reported against the local government target will also be reported by other Departments against the service areas for which they hold policy responsibility. However, when considered against the overall public sector efficiency gains target of £21.5bn, they are only scored once. The relationship between the targets is shown below.

2 Efficiency Technical Note at [http://www.communities.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_032805.pdf](http://www.communities.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_032805.pdf)

3 CPA – the harder test available on Audit Commission website at <http://www.audit-commission.gov.uk/CPA/Downloads/Oct05CPATheHarderTest.pdf>

4 CPA – The Harder Test – Scores and analysis of performance in single tier and county councils 2005 available on the Audit Commission web site at: <http://www.audit-commission.gov.uk/Products/NATIONAL-REPORT/E7D1DAAD-9FE0-4322-93CF-373DB1D78676/cpascores2005.pdf>

## RELATIONSHIP OF EFFICIENCY TARGETS

**£6.45bn Local Government Target**      *Local services elements of departmental targets contributing to the £21bn Government Target*

**Schools Target** ↔ **Department for Education and Skills Target**

(Includes council gains in children's services & non-school education services and gains from Schools)

**Councils Target** ↔



**Department of Health Target**

(Includes council gains in adult social services)



**Department of Culture, Media & Sport Target**

(Includes council gains in culture and sport)



**Dept. for Environment, Food and Rural Affairs Target**

(Includes council gains in environmental services)



**Department for Transport & Highways Agency Target**

(Includes council gains in public transport & highways)



**DCLG: Council Crosscutting Workstreams Target**

(Entirely council gains in crosscutting workstreams: corporate & transactional services, procurement and productive time)



**DCLG: Council Social Housing Target**

(Entirely council gains in social housing)



**DCLG: Central Target**

(Includes council gains in Supporting People & Homelessness and gains from Fire Authorities)

**Fire Target** ↔

**Police Target** ↔ **Home Office Target**

(Includes gains from Police Authorities)



***Gains achieved by local government and also contributing to departmental targets are reported twice, but counted (towards the £21bn) once.***

### Quality of data systems

The Audit Commission has an extensive database of CPA scores and analysis for each authority accessible through its website. It will continue to publish national reports summarising the CPA categories of all councils once a year and individual score cards for each council setting out in more detail the various elements that contribute to the council's overall category. However, the change in methodology means that scores and data relating to the 2005 framework will not be directly comparable with previous analysis.

Annual Efficiency Statements are submitted using the Electronic Service Delivery Toolkit, which is already embedded in authorities for submitting their Implementing Electronic Government (IEG) Statements. The data are signed off by Leaders, Chief Executives and Finance Directors, who must confirm that robust processes are in place. Those Statements are subject to review, first by Departments, then by external auditors. A cross-government (central and local) Measurement Taskforce is supporting councils by tackling technical issues.

### SR2002 PSA Target – PSA 4 Part 3

Assisting local government to achieve 100% capability in electronic delivery of priority services by 2005, in ways that customers use

### Milestones

Priority services to be e-enabled by end-March 2006 in ways customers will use

### Performance Indicator

Authorities' progress in collectively achieving 100% e-enablement of priority services.

Success was measured collectively, as recorded in local authorities' returns for BVPI 157 (covering interactions with the public capable of electronic service delivery). It was also measured individually, as they report progress in delivering priority services electronically and achieving increased take up in their Implementing e-Government statements (IEGs).

### Progress

#### Achieved.

Implementing Electronic Government (IEG) returns in December show that the average local authority is now 97% e-enabled based upon returns from all authorities in England. The residual 3% is accounted for by legal or operational barriers to e-enablement, allowed within the definition of Best Value Performance Indicator 157. Local authorities also identify £1.1 billion efficiency gains from investment in Local e-Government from 2004/05 to 2007/08.



ODPM negotiated a transfer of ownership of 23 of the 24 National Project products to host Local Authorities. The remaining Project is due to migrate shortly. We have also launched the second phase of the Government connect programme, which will be developing single sign on/accreditation and secure government to government transactions. This will remove a major barrier to the take-up of e-government and e-transactions.

#### **Quality of data systems**

Best Value Performance Indicators provide robust, externally-audited and quality assured data. IEG reports are prepared by Local Authorities and submitted on-line. The resulting data are also cross-checked by DCLG against independent data from the Society of Information Technology Management.

**Strategic Priority Four: Delivering a better balance between supply and demand by supporting sustainable growth, reviving markets and tackling abandonment**

**PSA 5 – SR2004 PSA target**

Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions whilst protecting valuable countryside around our towns, cities and in the green belt, and the sustainability of towns and cities.

(also contributes to Strategic Priorities 2 and 5)

**Milestones**

**Low Demand:** Reduction in the long term levels of vacant dwellings in the North West, North East and Yorkshire and The Humber.

**High Demand:** Annual levels of new housing in London and the East of England and South East regions to reach planning (RPG9) levels by 2006/7 and shortfalls from previous years to be recouped by 2011/12.

**Homelessness:** To reduce the upward trend in homelessness by 2007 and to halve the number of households living in temporary accommodation by 2010.

**Performance Indicator**

**Low demand**

- reduction in long-term rate of vacant dwellings as a percentage of the overall regional stock in a) North West and North East regions, and b) Yorkshire and Humber region
- reduction in number of local authorities where house prices are significantly lower than comparable national levels

**High demand**

- reduction in statutory homeless households with children in temporary accommodation
- lower quartile prices to lower quartile earnings
- net additions to dwelling stock in the south East, East and London regions

**Progress**

**On course.**

This is a complex objective involving a diverse range of workstreams across the regions tailored to reflect their specific circumstances. Whilst it is too early to make an assessment across all elements of the target, good progress is being made.

## High Demand

- In the 12 months to the end September 2005, housing completions totalled 154,900 for the whole of England, a 1% increase on the previous 12 months.
- ODPM made good progress in embedding growth proposals within regional planning guidance.
- Delivery of the Thames Gateway is under way and the programme is on course to meet its target. The Government's delivery strategy for the area, *Creating Sustainable Communities: Delivering the Thames Gateway* was published in March 05. A Strategic Framework will be published in summer 2006.
- In the newer Growth Areas, housing delivery is generally at or above target and delivery vehicles, where established, are managing capital programmes on site infrastructure and community facilities. Around £400m DCLG funding has now been allocated, of which nearly £370 million is in support of 195 local infrastructure-related capital projects across the newer Growth Areas.
- Around 25 transport schemes across the four Growth Areas will be supported by the £200m Community Infrastructure Fund, which is within DfT's budget but jointly administered by DCLG.
- The Department is currently working with local partners who are keen to pursue large scale and sustainable growth outside the four Growth Areas. Through the New Growth Points initiative, DCLG will provide £40m (in 07/08) for an initial round of pilot projects to help new growth points overcome local infrastructure problems, unlock sites for new housing and improve the environment. Subject to a successful consultation with local areas that are bidding for New Growth Points status and funding, we will pool this funding as part of the Economic Development and Enterprise block of Local Area Agreements.
- The Government's response to the Barker Review on Housing Supply was published in December 2005. The Government has set a target of increasing the supply of new housing to 200,000 units per annum by 2016. The Government is also taking forward a cross cutting review to co-ordinate delivery of infrastructure which will feed into CSR07.
- The number of families and vulnerable households becoming homeless during 2005 fell by 28% compared with 2004, to the lowest annual level seen since 1985.
- In early 2005 ODPM set a new ambitious target to halve the number of households in temporary accommodation by 2010.

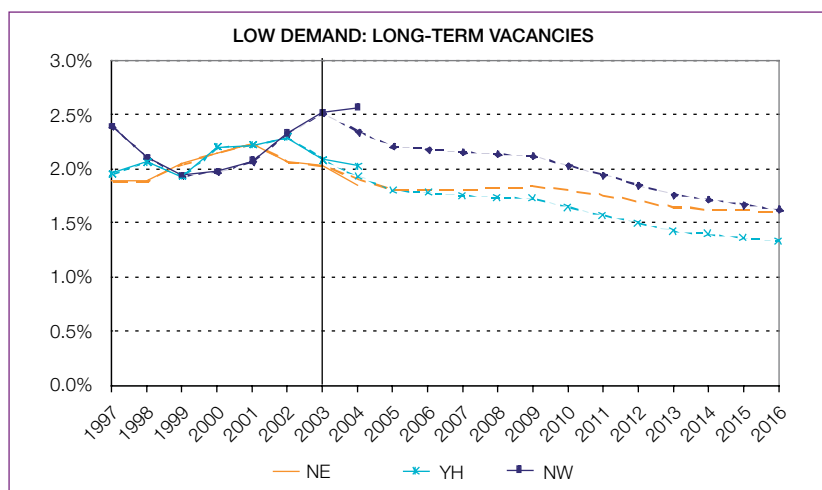
- The Bed and Breakfast target has been sustained, eliminating the long-term use of Bed and Breakfast hotel accommodation for families with children. The number of people sleeping rough has fallen to 459, the lowest level ever recorded and a 75% reduction on the figure for 1998.
- ODPM set the Housing Corporation a two year target of delivering 62,950 social rented and low-cost home ownership units from April 2004 to March 2006. Up to December 2005 the Housing Corporation had delivered over 78% of the two-year target (49,237 units).
- Within that overall total, ODPM set the goal of assisting 10,456 key workers through the Key Worker Living scheme. Up to December 2005 9,869 Key Worker Living units had been completed.

#### **Low Demand**

- The market renewal pathfinders have in place strategies to overcome low demand and abandonment and have updated these to reflect market conditions and intelligence.
- The pathfinders are working with a range of stakeholders including the Commission for Architecture and the Built Environment, English Heritage, RSLs, local authorities and other regeneration schemes across their areas.
- In changing markets, pathfinders are broadly delivering agreed outputs, with some refocusing to reflect markets. By end-September 2005 they had refurbished over 17,078 homes (around twice the agreed figure), built almost 7,788 new homes and demolished just over 4,488.
- DCLG have not yet concluded discussions with all pathfinders about their programmes for the next two years. However, the Department expect they will continue to refurbish and repair around three times as many homes as will be replaced.
- Pathfinders recognise that housing market renewal is not just about housing. They are therefore working hard to bring together employment, education and leisure services to their areas in order to re-create sustainable communities.
- ODPM also announced £65m for intervention in other areas suffering from low demand, namely West Yorkshire, Tees Valley and West Cumbria.

### Indicator 1 – Long Term Vacancies

Numbers of regional long-term vacant dwellings as a percentage of the overall regional stock for the North West, North East and Yorkshire and Humber



Work on this indicator clearly identifies the North East, North West and Yorkshire and The Humber regions as the most affected by long-term vacancies. Areas most acutely affected by low demand are being tackled through implementing tailored solutions to the particular problems affecting the area.

The targets and associated trajectories set out below reflect the 2004 Spending Review settlement, which made available continued funding for existing Market Renewal Pathfinders and limited funds in 2006/7 and 2007/8 for non-pathfinder activity.

As the trajectory shows, the North West is the only one of the regions where relative vacancy rates are currently increasing, although at a reduced rate.

Vacancy rates in the North-East and Yorkshire and the Humber continue to reduce, and DCLG aims to ensure that the situation in these regions does not deteriorate. The target for both regions is that long-term vacancies should be less than 20% above the average by 2008.

These targets reflect the expectation that, taken with the expected changes due to underlying economic cycles, activity in these Pathfinder projects should have some impact on long term vacancies in these regions.

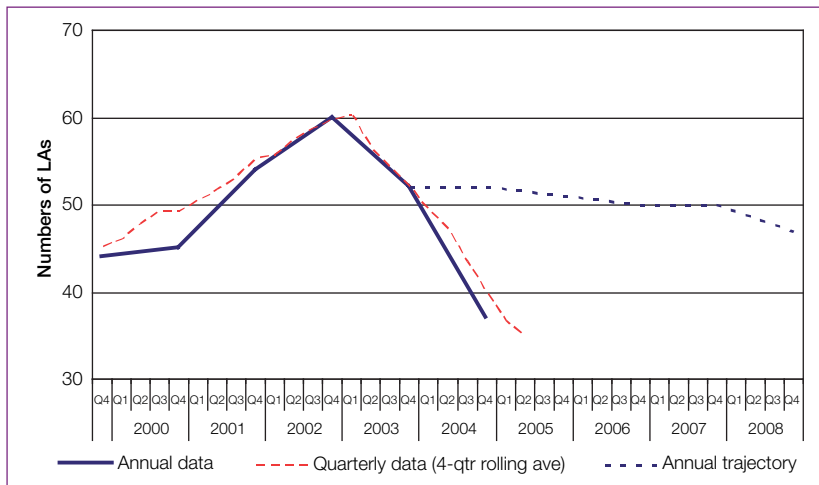
### Indicator 2 – Local authorities where house prices are substantially less than average

Again, this indicator is focused on low-demand areas. The ability to keep on this trajectory will, in part, be influenced by overall economic and housing market conditions, and the extent to which general geographic disparities in the

housing market narrow over time. There is evidence, however, of some impact from the Pathfinder projects that are active in at least 18 of the 60 authorities that had low house prices in 2002.

The current target is to achieve a gradual reduction to 47 local authorities by 2008, which is currently being exceeded. DCLG is considering the appropriateness of this target in the context of CSR07.

**Number of local authorities falling within Indicator 2**



**Indicator 3 – Statutory homeless families with children in temporary accommodation**

The use of temporary accommodation for statutory homeless households is heavily concentrated in the higher-demand regions. In particular, while London accounts for a quarter of all homelessness acceptances in England, 60% of all households in temporary accommodation are in London. Policies concentrate on tackling the causes of homelessness to prevent it more effectively, and increasing the availability of social housing and other settled housing options to homeless households.

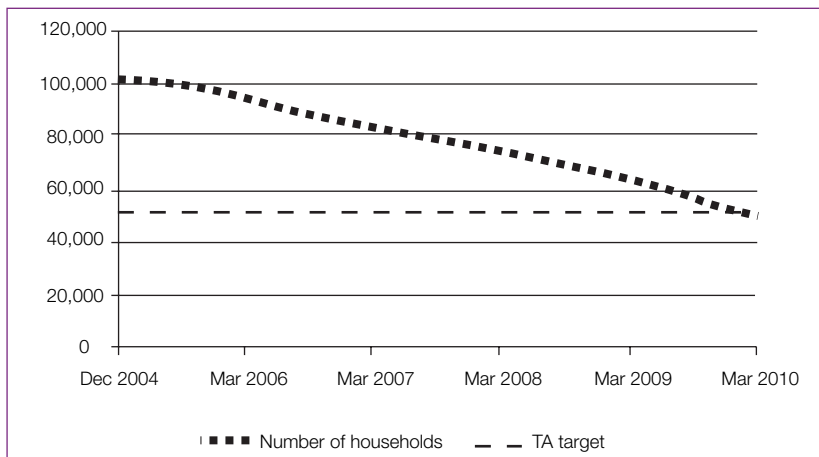
For the purposes of PSA5, ODPM measured the number of families with children in temporary accommodation.

After a number of years of continuing rises in the numbers using temporary accommodation, the numbers are starting to level off. This reflects the impact of new homelessness strategies and prevention work. DCLG expects this improvement to continue over the next 12 months.

The increased investment in prevention services and increased social housing investment through SR04 should see the number of households in temporary accommodation halved by 2010. This new target is set out in *Homes for All* and goes further than the SR04 commitment.

The trajectory below, which is based on these plans, illustrates future progress against the 2010 target that DCLG expects to make in reducing the use of temporary accommodation, based on local authorities' own predictions of future reductions.

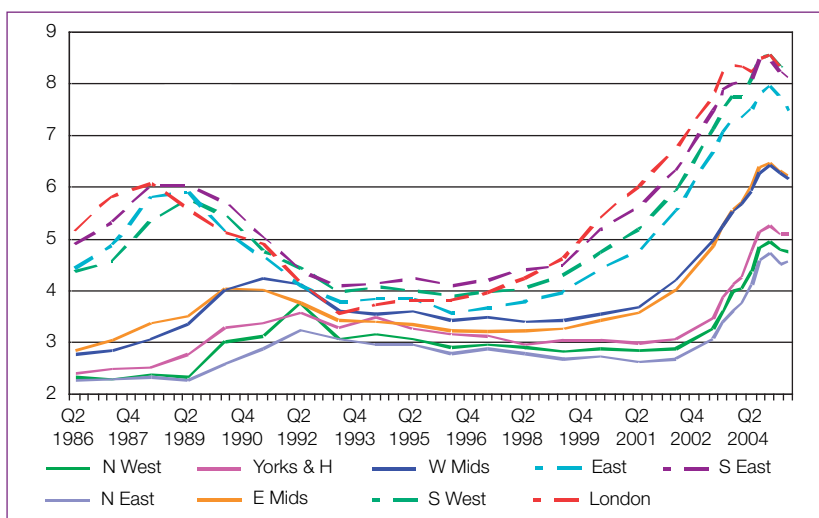
**Temporary accommodation trajectory – based on predictions by LAs**



**Indicator 4 – Lower-Quartile House Prices vs. Lower-Quartile Earnings in High Demand Areas**

The main lever for reducing and stabilising the price/income ratio at the lower quartile in high-demand areas will be the provision of increased numbers of new homes. DCLG will achieve this through the delivery of existing Regional Planning Guidance targets and the measures set out in the Government's response to the Barker Review of Housing Supply and the additional housing provision in the four growth areas.

**Ratio of lower quartile house prices to earnings in high demand regions**



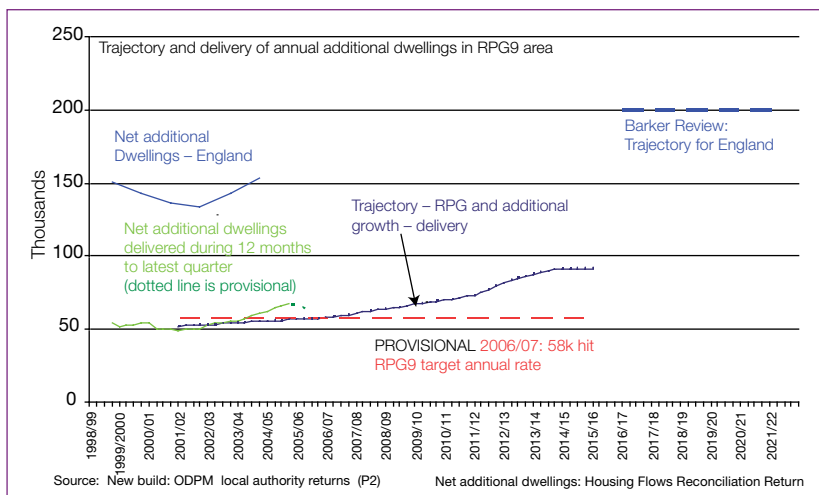
The ratio had been rising steadily for a number of years, but more recently a modest fall has been seen, especially in London, the South East, the East of England and the South West. This is due to short-term fluctuations in house prices and the economy.

DCLG expects a continued downturn in the ratio from 2006-8 as the additional homes provided under the Communities Plan start to enter the market. However, the ability to make improvements to this ratio will be heavily influenced by overall economic and housing market conditions.

**Indicator 5 – Net additions to the dwelling stock in the South East, London and the East (wider South East)**

The global target is to provide about 1.1 million new homes within the wider South East.

**Housing Delivery in the RPG9 Area: Trajectory and Achieved Rate**



There has been a steady increase in the supply of new housing in recent years which has helped to make up the shortfall at the start of the RPG9 period. However, recent figures show a levelling off in new housing supply which reflects the recent cooling off of the housing market.

**In the light of the Barker Review of Housing Supply, DCLG will be moving from an RPG 9 trajectory to one for the whole of England.**

**Quality of data systems**

Data for the above indicators are drawn from a wide range of sources. All are subject to quality assessments carried out by DCLG’s team of statisticians and researchers, who also collate the data to reflect the indicators. The data are subject to periodic scrutiny by external specialists in the relevant fields and, where possible, data are also validated against those provided by other sources.



The key data sources are listed below against each indicator:

**Indicator 1** – Statistical returns accompanying local authorities' housing investment strategies, plus annual regulatory statistical returns provided by housing associations.

**Indicator 2** – Land Registry for average (mean) sale prices.

**Indicator 3** – Quarterly local authority returns. Data on homeless households with children have been collected only since January 2002.

**Indicator 4** – Land Registry for sale prices. New Earnings Survey for earnings data.

**Indicator 5** – Quarterly returns from local authorities adjusted to take account of conversions and demolitions in line with local authorities' annual net addition returns to the Regional Planning Bodies and the ODPM (Housing Flow Returns). From November 2005, housing flow returns data have been jointly collected by ODPM/DCLG and the Regional Planning Bodies.

#### **PSA 6 – SR2004 PSA target**

**The planning system to deliver sustainable development outcomes at national, regional and local levels through efficient and high-quality planning and development management processes, including through achievement of best value standards for planning by 2008.**

**(also contributes to Strategic Priorities 2 and 3)**

#### **Performance Indicator**

- Number of net additional dwellings provided, whether by completions or conversions, as required in Regional Spatial Strategies and Local Development Frameworks, to balance supply and demand.
- Percentage of new housing development on previously-developed ('brownfield') land, or created through the conversion of existing buildings
- Density of new housing development in each region
- Area of designated green belt land in each region
- Proportion of retail development going into towns
- Achievement by Local Planning Authorities of relevant Best Value targets for handling planning applications
- ODPM/DCLG performance in meeting targets for First Secretary of State (FSS) planning casework
- Achievement by Local Planning Authorities of milestones set out in their local development schemes for preparation of Local Development Documents
- E-planning capability by Local Planning Authorities.

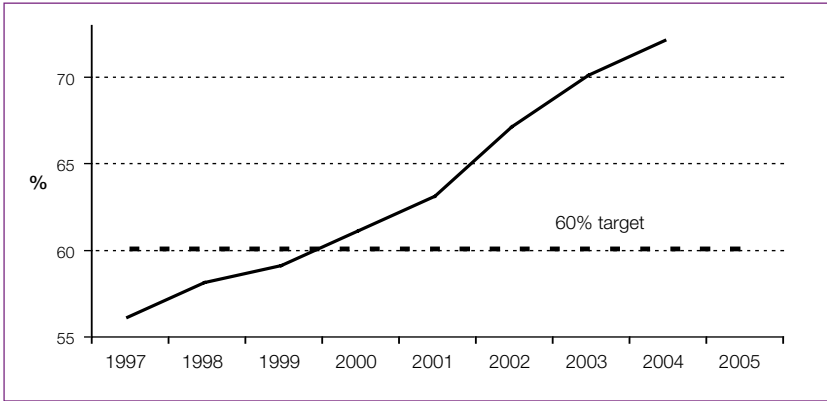
**Progress**

**On course.**

Indicator 1: *Housing Delivery*

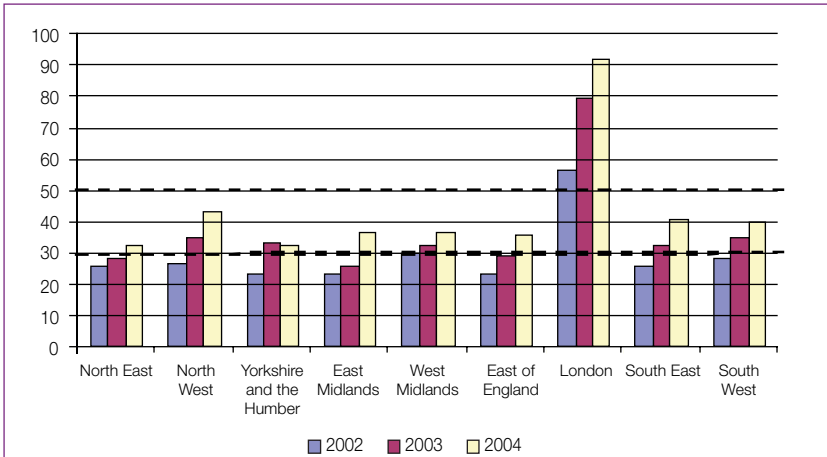
As a result of the Barker Review, monitoring of net additional dwellings in England in order to balance supply and demand now falls within PSA5.

Indicator 2: *Percentage of housing development on previously developed land or created through conversions*



The target of 60% of all new housing development to be built on previously developed land, or provided through conversion of existing building, has been achieved or exceeded for the last five years. In 2004, 72% of new dwellings were built on previously developed land, including conversions.

Indicator 3: *Average density of new housing development in each region*



For the purposes of PSA 6 a target of 30 dwellings per hectare (dph) has been set for all regions except London, where the target is 50dph. In 2004, for the first time, all regions met the PSA 6 target. In 2004, overall new dwellings were built at an average density of 40 dwellings per hectare.

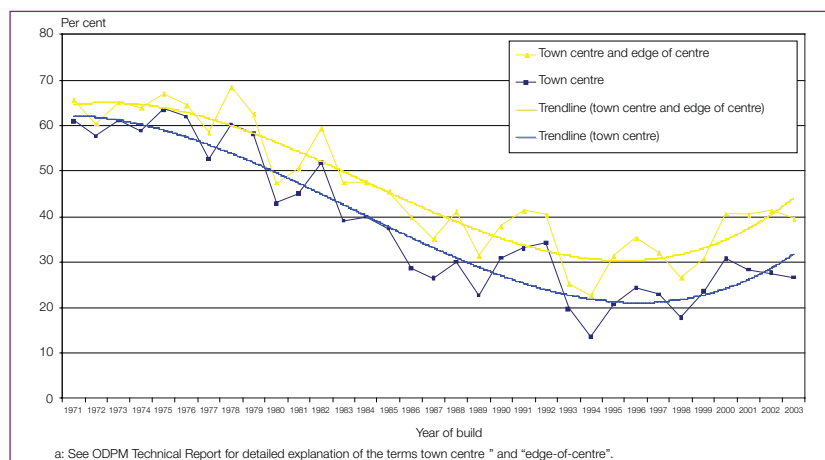
Indicator 4: **Net change in area of green belt in each region**

Green belt by Region: Hectares (000's)

	1997	2004
<b>North East</b>	53.4	71.9
<b>North West</b>	255.8	260.6
<b>Yorkshire and the Humber</b>	261.4	262.6
<b>East Midlands</b>	79.7	79.5
<b>West Midlands</b>	269.2	269.5
<b>East Anglia</b>	26.7	26.8
<b>London/wider South East</b>	600.3	601.4
<b>South West</b>	105.9	106.0

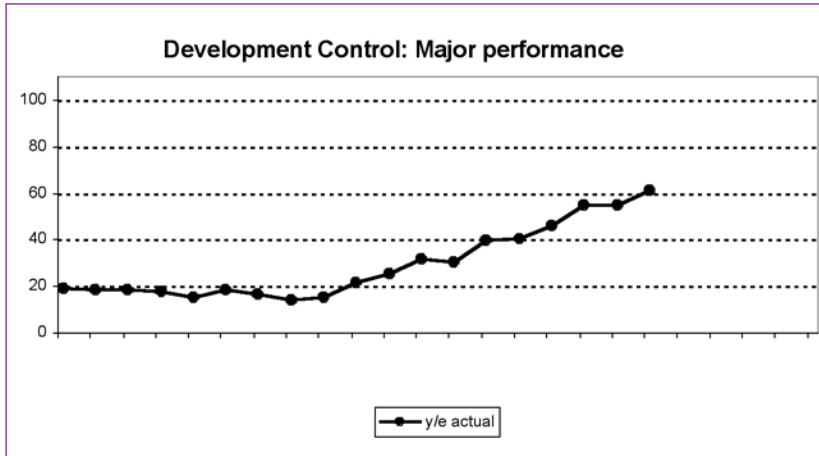
The target is that there should be an increase or no net change in the area of designated green belt land in each region over the period 2003-07. Between 2003 and 2004 there was a net increase of 6,800 hectares in the area of English Green belt, with the next update of green belt data due in November 2006.

Indicator 5: **Town Centre Regeneration**

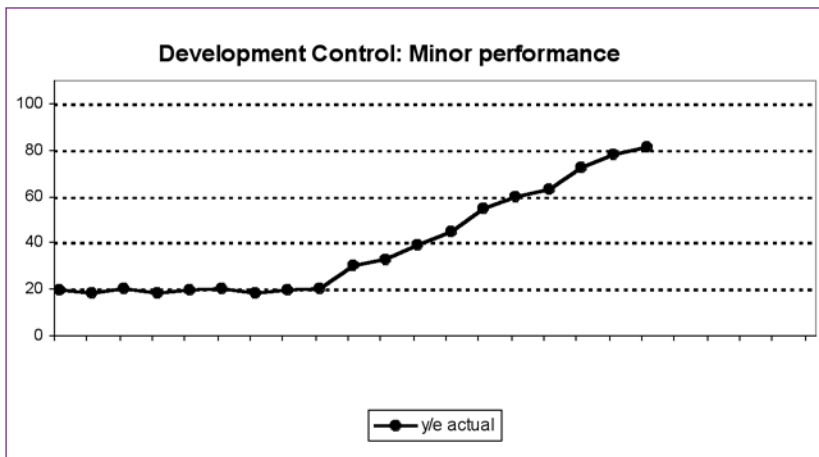


The target is that there should be a year-on-year increase in the proportion of retail development going into towns over the period 2004-08. Publication of initial analysis of town centre statistics for 1971-2003 suggests that, since the mid-1990s there has been an upward trend in the proportion of development in or near town centres. Updated analysis, including 2004 data, are due in summer 2006.

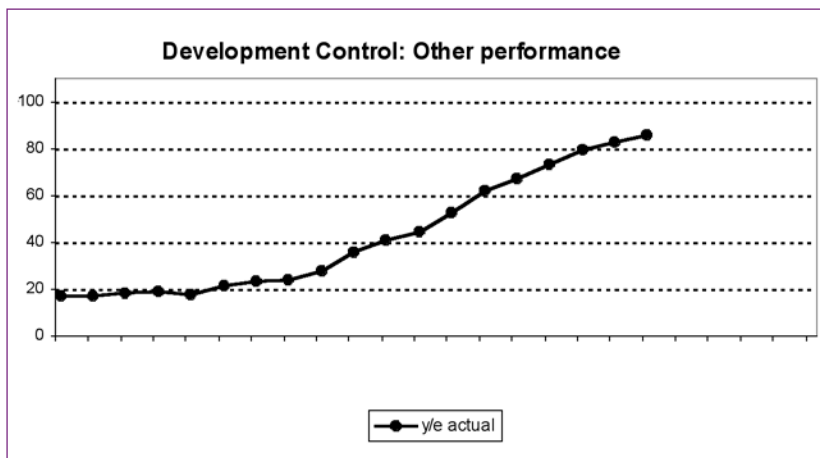
Indicator 6: *Development Control*



In the year ending December 2005, 61% of English local planning authorities were meeting the Best Value target that 60% of major planning applications are to be determined within 13 weeks.



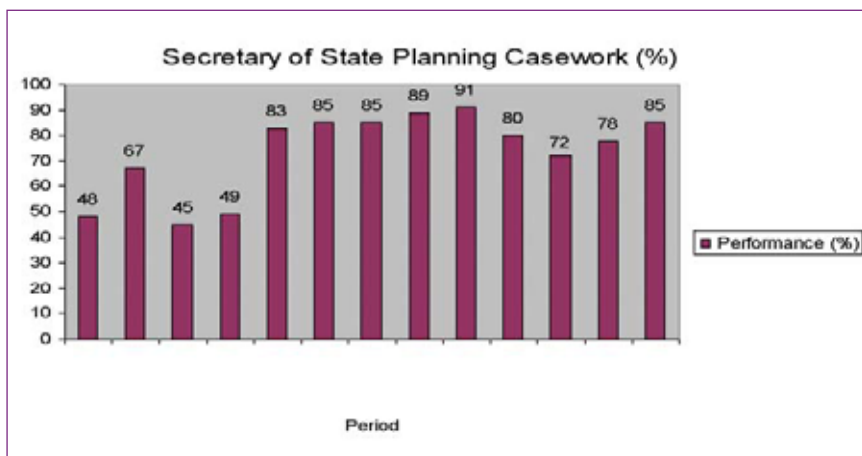
In the year ending December 2005, 81% of local planning authorities were meeting the Best Value target that 65% of minor planning applications are to be determined within 8 weeks.



In the year ending December 2005, 85% of local planning authorities were meeting the Best Value target that 80% of other planning applications are to be determined within 8 weeks.

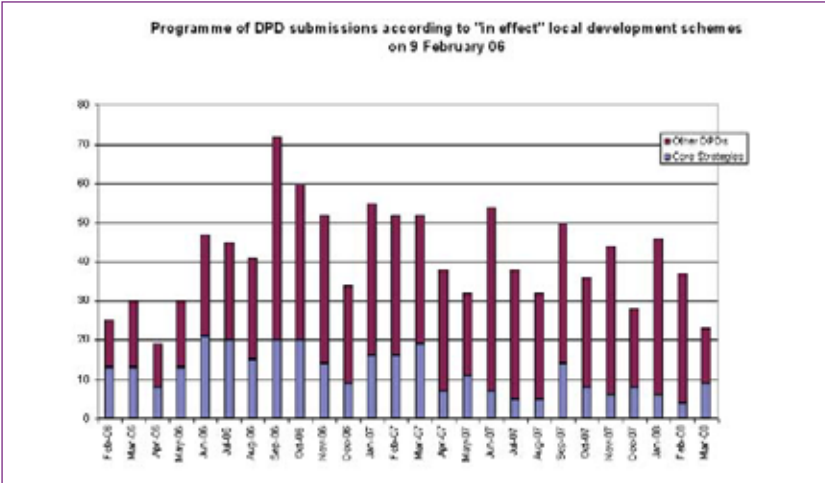
These figures represent continued progress towards 100% of local planning authorities achieving the Best Value targets by 31 March 2007.

Indicator 7: **ODPM Casework**



The target is that, from April 2004, 80% of all Ministerial planning cases are to be decided within 16 weeks from close of inquiry and, from April 2005, 100% of cases are also to be decided within statutory timetables. For 2005/06, 78% of decisions were issued within 16 weeks. This is mainly due to a large number of complex cases which, by their nature, typically require longer than 16 weeks from close of Inquiry to decide. All cases decided under the statutory timetabling regime were done so within the statutory target dates.

Indicator 8: *Local Development Frameworks*



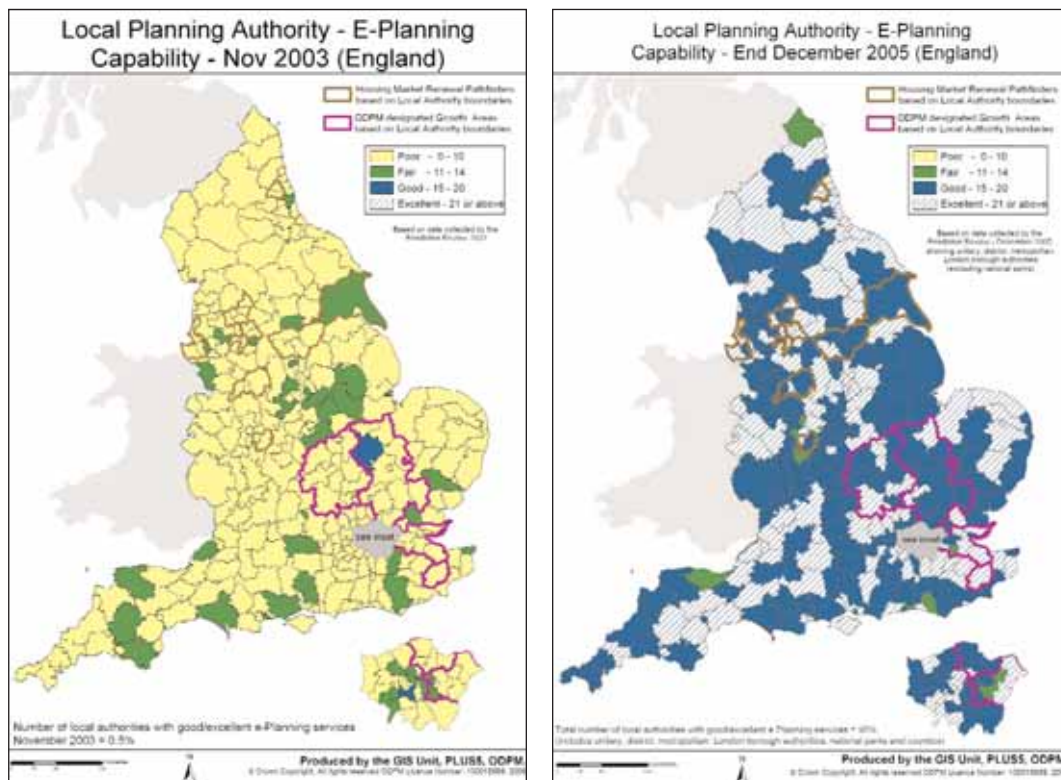
All first round local development schemes were submitted in March 2005 and some have already been revised. A central database captures the information from Local Development Schemes on the milestones for the production of local development documents.

Local authorities are currently considering revisions to their local development schemes in light of reporting on their progress in their first annual monitoring reports which were submitted at the end of December 2005. This information will be monitored and DCLG and Government Offices will continue to work closely with authorities to enable them to bring their local development documents forward on time and also to the right quality.

Local authorities have made good progress in delivering Statements of Community Involvement (SCIs) and by the end of the year more than 75% of authorities are expected to have an adopted SCI.

Indicator 9: **E-planning**

Target is that 80% of local authorities to have “good” or “excellent” e-planning services in place by March 2006.



The target has been met – by December 2005:

- 95% of authorities are now “good” or “excellent” compared with 0.5% in November 2003
- Only 5% remain as “fair” or “poor”.

**Quality of data systems**

Data for the above indicators are drawn from a wide range of sources. All are subject to quality assessments carried out by DCLG’s team of statisticians and researchers, who also collate the data to reflect the indicators. The data are subject to periodic scrutiny by external specialists in the relevant fields and, where possible, data are also validated against that provided by other sources.

**Indicator 2**

Land Use Change Statistics (percentage of housing on previously developed land) and Housing Statistics (conversions). Information on land use change is provided by Ordnance Survey as part of its map-updating process. The data are validated on receipt by DCLG, and assessments of quality have been made by

external research contractors, most recently in a report published in October 2004, which covered both percentages of housing on previously-developed land and the density of new housing development.

**Indicator 3**

Land Use Change Statistics (density of new housing in dwellings per hectare).  
Comments on the source and its quality as for Indicator 2.

**Indicator 4**

Annual national surveys based on digitised maps to monitor the overall designation through the planning system.

**Indicator 5**

The initial analysis of the broad location of retail development in relation to town centres in the period 1971-2003 is based on updated data which have been analysed as part of DCLG's Town Centre Statistics Project. The analysis uses the most comprehensive retail floor-space dataset available, which is supplied by the Valuation Office Agency (VOA), in combination with DCLG's model for identifying and defining Areas of Town Centre Activity (ATCA). Although comprehensive, the analysis does have limitations and the results are provisional at this stage, pending further work to refine the model.

**Indicator 6**

Statistics of planning applications received and decided by district systems planning authorities have been collected on a quarterly basis since April 1979, on the PS1 and PS2 General Development Control statistical returns. Prior to April 1986, these returns covered applications and decisions under section 29 of the Town and Country Planning Act 1971 (since replaced by section 70 of the consolidated Town and Country Planning Act 1990).

Since then, data collection has been extended to cover other types of application requiring permission from local authorities, including listed building consents, conservation area consents and consent to display advertisements. This reflects the wider range of planning casework handled by district planning authorities. From April 1997, data have also been collected on receipt of Environmental Statements with planning applications, on the use of delegated powers, and on applications which the authority decided to advertise as departures from the Development Plan.



District planning authorities are sent the quarterly information bulletin, together with more detailed figures for individual authorities in their respective Government Office region. These provide a set of yardsticks against which authorities can judge their own figures.

The start and end dates to be used in measuring performance against targets are clearly defined in the guidance notes issued to local authorities. However, there has been evidence that some authorities have not been applying the rules correctly. If auditors qualify an authority on its BVPI109 returns on this account, 10% of its Planning Delivery Grant (PDG) on development control performance is withheld. If the authority resubmits returns on the correct basis, the full grant allocation is paid out. If they fail to resubmit correct returns, a further 40% of their PDG is withheld.

In late 2004, every planning authority was given the opportunity to resubmit performance data according to the guidance and many have done so. If DCLG or the Audit Commission find further evidence of local authorities providing returns on the incorrect basis, they will be penalised in terms of their PDG allocations, unless they submit revised returns on the correct basis. The effects of this are to raise the overall quality of the PS1 and PS2 returns.

#### **Indicator 7**

A National Audit Office report confirmed that the data system for ODPM casework is fit for the purpose of measuring and reporting Secretary of State casework performance against the PSA 6 and statutory targets.

#### **Indicator 8**

A central database captures the information from Local Development Schemes on the milestones for the production of local development documents; this is closely monitored by Government Offices, the Planning Inspectorate, and DCLG.

#### **Indicator 9**

BVPI 205 currently includes a measure of e-planning capability achieved by a Local Planning Authority. Capability is self-assessed by LPAs against four levels and based on an agreed set of criteria (the Pendleton criteria) with a March 2006 target. DCLG is developing a success measure for future years based on similar criteria. Performance will be assessed annually, using the BV 205 reporting process (or agreed alternative) and complemented by an independent survey.

***Strategic Priority Five: Ensuring people have decent places to live by improving the quality and sustainability of local environments and neighbourhoods, reviving brownfield land and improving the quality of housing.***

**PSA 7 – SR 2004 PSA Target**

By 2010, bring all social housing into decent condition, with most of this improvement taking place in deprived areas and, for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition.

(also contributes to Strategic Priority 1)

**Milestone**

In the social sector since 2001

- by 2006, a reduction of between 45-50%
- by 2008, a reduction of between 65-70%

In the private sector – by 2006-07, to ensure the proportion of vulnerable private sector households in decent homes is more than 65%, and is more than 70% by 2010

**Performance Indicators**

**The reduction in the number of non-decent social sector dwellings**

Progress towards and attainment of this target will be assessed nationally each year using two combined and overlapping surveys from the English House Condition Survey (EHCS). Monitoring locally will be assessed through progress reported both by social landlords (including through local authority (LA) best value performance indicators and registered social landlord (RSL) regulatory returns).

**The proportion of vulnerable groups living in decent private sector homes.**

Progress is assessed nationally using surveys from the annual EHCS.

**Progress**

**Social sector**

**Slippage** – The baseline for the target is the 1.6 million non-decent homes that existed in the social sector in 2001. Of these, 1.17 million were owned by LAs and 470,000 by RSLs. The milestone requires a reduction of between 45% and 50% over the 2001 baseline by April 2006. The EHCS data show that at April 2004 the number of non-decents had reduced by 395,000 (24%).

Local authority and RSL data show that at April 2005 ODPM had achieved an estimated reduction of 32%. Projecting this data forward to 2006, we now

expect to see a reduction of 41% in the number of non decent properties, below the milestone range of 45%-50%.

However there are clear reasons why figures are below trajectory.

Research indicates that just over half of social landlords are implementing decent homes through 'elemental' programmes. This means that works will not count towards the target until the entire property is made decent. This introduces a significant lag in the reduction in the number of non-decent homes.

Decent Homes investment programmes are also coming on stream slower than previously anticipated. Since the ALMO programme's inception, cumulative spend is over £250 million behind the original trajectory. This has resulted from ALMOs generally taking longer to get established than they initially anticipated. A number of ALMOs have also taken longer than anticipated to achieve the necessary two-star rating. However, once up and running further slippage has been minimal, and ALMOs typically keep to their agreed expenditure profiles.

The Sustainable Communities Plan announced that all stock-owning LAs would need to have completed a stock options appraisal for Government sign-off by July 2005. Of the 196 Local Authorities which required OA signoff, all bar three have had their Options Appraisals signed off, or have submitted them for sign-off.

Registered Social Landlords report that plans are already in place for most of their stock to ensure they will meet the decent homes target by 2010.

The EHCS indicates that we are on course to meet our target in deprived areas, with most of the reduction to April 2004 having taken place in these areas.

### **Private Sector**

**Ahead** – The private sector element of the decent homes target was introduced at the Spending Review 2002. Progress is monitored from the 2001 baseline position established by the EHCS, which estimated 57% (1.5 million) vulnerable households lived in decent homes.

The English House Condition Survey reported that this percentage had risen to 65.5% by end-April 2004. ODPM therefore already achieved the 2006 milestone.

### Quality of data systems

The concept of a decent home was introduced in 2001, with the final systems definition being agreed in March 2002. Both LAs and RSLs have had to refine their information and database systems in order to accommodate the definition, to record numbers of dwellings falling below this standard and track progress in the reduction of non-decent homes. There is therefore no data at LA or RSL level before 2001. But national estimates can be constructed from the EHCS.

Data from LAs and RSLs are improving as they adjust their data collection and processing mechanisms to report on decent homes. The data provided by LAs each year now show a revised baseline, gross reduction in non-decent dwellings, decent dwellings, numbers prevented from becoming non-decent, numbers becoming non-decent, targets set for reduction, and nature and cost of works needed to deliver.

RSLs report on the number of non-decent dwellings annually. The Housing Corporation, along with the National Housing Federation, have completed a programme of work to examine the extent of the problem in the RSL sector and to provide advice and good practice guidance on assessing, monitoring and ultimately achieving decent homes.

The data provided by the LAs and RSLs show broad consistency with the estimates from the English House Condition Survey. The EHCS is conducted annually, and acts as an independent check on the change in the numbers of non-decent stock each year, using the combined data from the last two years.

Data on private sector renewal have been revised to ensure LAs can provide detailed evidence of activity across a broad spectrum of support and in respect of targeting vulnerable households. The development and implementation of local authority strategies are being monitored and evaluated through ongoing research. Guidance was issued to local authorities in October 2003 on ways of monitoring their own progress in providing decent homes for vulnerable households.

### **PSA 8 – SR2004 PSA target**

**Lead the delivery of cleaner, safer, greener public spaces and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008.**

**(also contributes to Strategic Priority 1)**

#### **Milestone**

- Reduce the proportion of local authority districts nationally judged to have unacceptable levels of litter & detritus from 23% to 20%, and from 33% to 29% for LAs in receipt of NRF
- Reduce from 310,000 to 300,000 nationally, and from 138,000 to 133,000 in NRF areas, the number of abandoned vehicles removed by LAs
- Increase from 114 to 139 LAs nationally, and from 40 to 43 LAs in receipt of NRF the number that achieve at least one Green Flag Award winning park of green space
- Use revised CPA 2005 methodology to determine benchmark against which to achieve improvement in performance of environmental services
- Reduce from 16% to 15.5% nationally, and from 21% to 20.5% in NRF areas the number of households living in a poor quality environment
- Increase from 64% to 65% nationally, and from 60% to 62% in NRF areas households identifying no problem with six 'liveability' factors

#### **Performance Indicator**

**Cleaner places** – Local authority performance in street cleansing as measured by Best Value Performance Indicator (BVPI) 199(a) – litter & detritus

**Safer streets** – Local authority removal of abandoned vehicles as measured by WasteDataFlow system

**Quality of parks and green spaces** – Green Flag Award, managed on behalf of DCLG by the Civic Trust, which acts as a proxy for a national standard in parks and green space quality

**Local environmental services** – Local Authority Environmental Services Block (ESB) 'score' as assessed by the Audit Commission's Comprehensive Performance Assessment (CPA)

**Improving quality of neighbourhoods** – Households experiencing one or more of 16 liveability factors contributing to a poor quality environment as measured by the English Housing Condition Survey (EHCS)

**Public satisfaction with parks and open space** – Resident satisfaction with local parks and open spaces as measured by three yearly user satisfaction survey of local services BVPI 119(e)

**Household satisfaction with local area** – Household perceptions of six liveability issues in their area as measured by the Survey of English Housing (SEH).

**Progress**

**On course**

Good progress has been made against the suite of indicators during the first year of the PSA target.

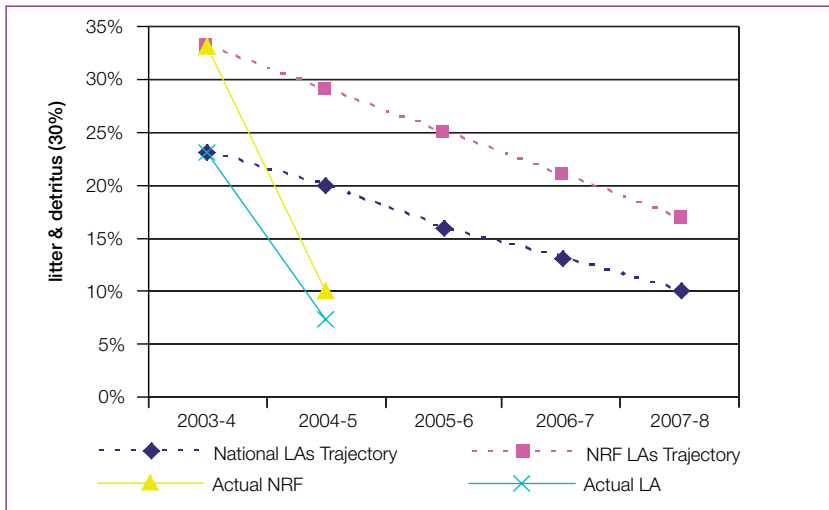
The Department is currently achieving the overall targets for improving the cleanliness of streets and seeing a reduction in the numbers of abandoned vehicles that local authorities are removing. The Department is hitting the milestones to increase the number of local authority areas with a Green Flag Award winning park or green space and reduce the number of households living in a poor quality environment.

Publication of the Audit Commission 2005 CPA has provided a baseline for measuring local authority Environmental Services Block (ESB) ‘scores’ – currently less than 10% are assessed as ‘poor’ for ESB in line with the target

Provisional Survey of English Housing data (April – Sept 05) show an increase in households which regard litter, noise and vandalism and hooliganism as problems in their area, resulting in the milestone being missed. The reported increase is against the recent trend; final full year data for 2005/06 will establish whether a new trend is emerging.

**1. Cleaner Streets**

The trajectory for this indicator is set against 2003-04 audited data for BVPI 199(a) which reported that 23% of local authorities nationally and 33% of local authorities in receipt of NRF have unacceptable levels of litter in excess of the national benchmark (30% of sites classed as being unacceptable).



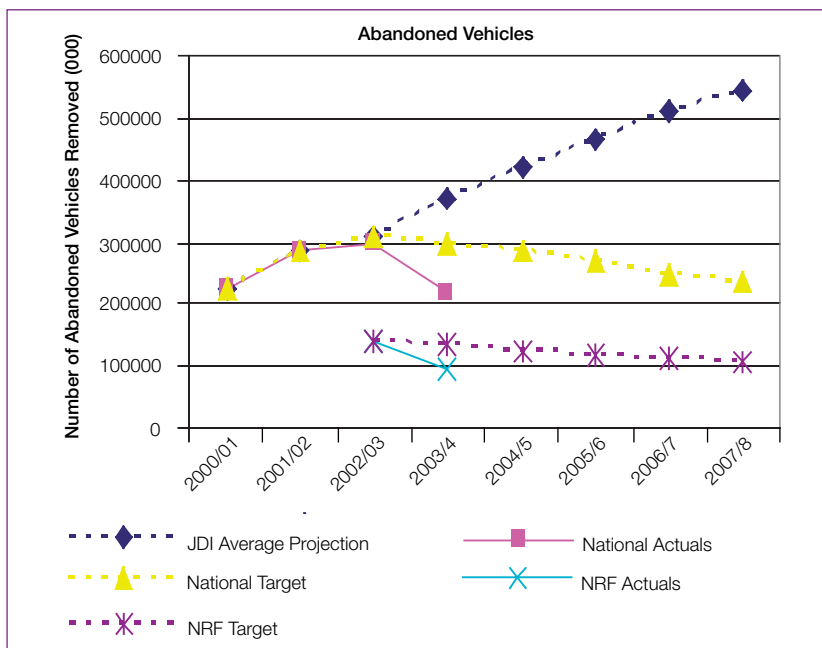
BV199 (a) 2004-05 data shows that ODPM achieved the overall target, with the percentage of local authorities with unacceptable levels of litter and detritus falling from 23% to 8% nationally, and from 33% to 10% for LAs in receipt of NRF.

ODPM continued to work closely with DEFRA using the 'How to' good practice programme to support roll-out of new powers under the Clean Neighbourhoods and Environment Act 2005. Under the 2005 Act, local authorities have a range of powers, including extension of offences covered by Fixed Penalty Notices, that will help tackle littering, graffiti, fly-tipping and other factors that create poor quality local environments.

Building on improvements in making places cleaner will remain a priority and DCLG will consider further what degree of challenge should be set for the remainder of the target period.

## 2. Fewer Abandoned Vehicles

The Waste Management Data Survey for 2003-04 reports that ODPM achieved the overall 25% required reduction in abandoned vehicles removed by local authorities nationally, and in local authorities in receipt of NRF.



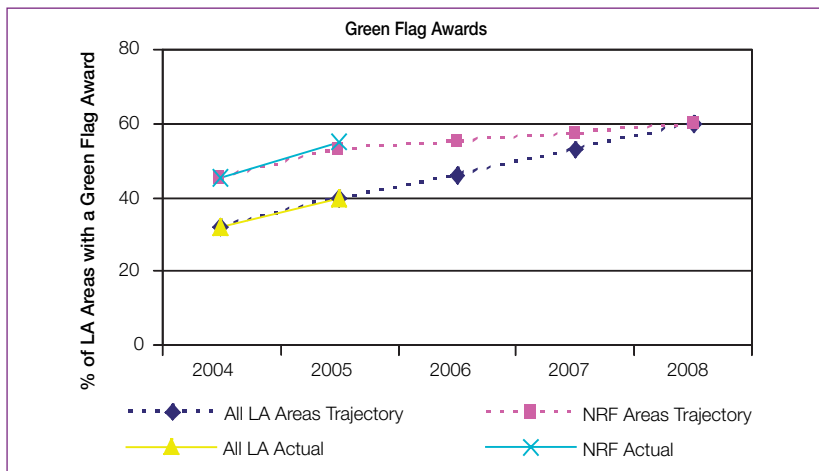
The rise in global scrap metal prices, together with the implementation of actions set out in the Cleaner Safer Greener Communities National Nuisance Vehicle Strategy, co-ordinated by ODPM, were effective in removing underlying causes for vehicles being abandoned.

Data from the WasteDataFlow survey for 2004-05 will enable DCLG to establish whether improvements have been sustained and the need to review the degree of challenge for the remainder of the target period.

Looking forward, the ongoing delivery of the National Nuisance Vehicle Strategy will continue to lead action across departments. For example, DVLA aims to reduce the size of the vehicle underclass by increasing the accuracy of the National Vehicle Record, and DTI implementation of the End of Life Vehicle (Producer Responsibility) Regulations 2005 (ELV). The ELV regulations ensure that vehicle manufacturers establish convenient networks of Automatic Treatment Facilities operational in 2006. These will offer free take-back facilities from January 2007.

### 3. Quality parks and green spaces

The 2005 Green Flag Award scheme shows progress in line with target trajectory, with 141 (40%) of local authorities nationally and 48 (55%) of local authority areas in receipt of NRF having at least one Green Flag Award-winning park or green space. Overall, the number of Green Flag Award winning spaces in England stands at 309, an increase of 26%.



Green Flag Award Scheme is a voluntary scheme managed by the Civic Trust, which provides feedback and data on the operation of the scheme, including to local authorities who fail to achieve the award and others expressing an interest.

Over the next 12 months DCLG will continue to support local authority and community practitioners to meet the Green Flag Award Standard by providing advice and good practice through the Scheme, DCLG's 'How To' programme, CABE Space advisory work and promoting the Scheme through Groundwork and VCS partners. Local Area Agreements will also provide local opportunities for funding and delivery of better quality parks.



#### 4. Local environmental services

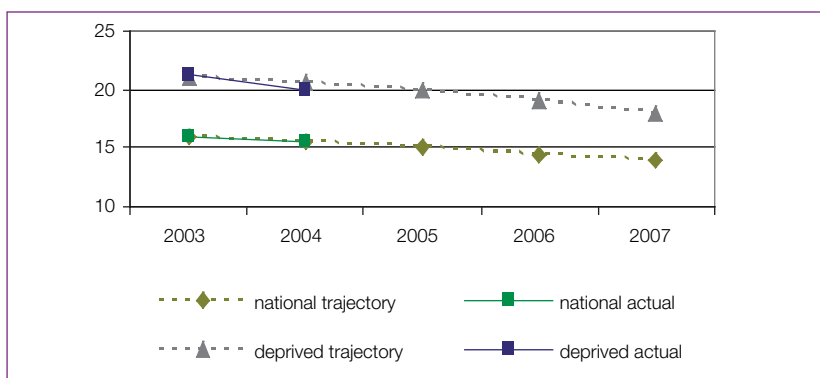
Audit Commission has published its 2005 CPA assessment for single and upper tier authorities. Results show that less than 10% have a CPA score below '2' for ESB services. This means we are currently achieving our target.

As with the first year of this indicator, DCLG will continue to use available levers to increase the priority local authorities attach to creating high-quality cleaner, safer, greener places and the effective service delivery required to maintain them. For example:

- encouraging local authorities and Local Strategic Partnerships to ensure local priorities for improving and sustaining quality of public space are met by the development of Sustainable Community Strategies;
- promoting the flexibility available through the Safer, Stronger, Communities Fund (SSCF) and Local Area Agreements (LAAs) as tools to provide innovative and effective solutions to meet local priorities for cleaner, safer, greener communities; and
- supporting local authorities and other practitioners through the 'How To' programme to take-up and use new and existing powers and tools and to align with DEFRA and LGA good practice regimes

#### 5. Improving the quality of neighbourhoods

The 2004 English House Condition Survey data indicates the Department is on track to meet our target to reduce the proportion of households living in poor quality environments nationally and in deprived areas. In 2004 15.4% (3.2m) of households lived in poor quality environments nationally while 20% (1.7m) of households in deprived areas lived with such problems.

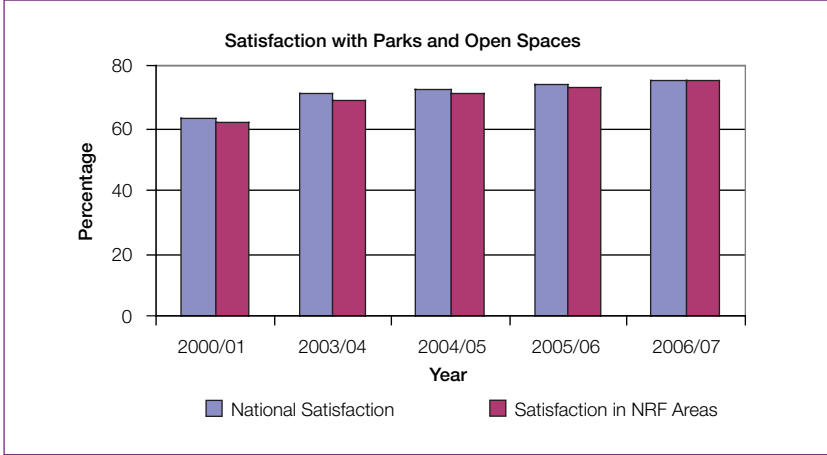


DCLG is improving the quality of neighbourhoods through programmes to renew and regenerate the physical fabric of existing communities and plan for growth in new settlements. And work to build respect will protect these investments and ensure that improvements in quality are sustained over the long term by action to promote and support social behaviour.

Effective management and maintenance play a crucial role in the quality of streets and residential areas and will be driven by the commitment to improve the effectiveness of local authority environmental services covered elsewhere in the PSA target. In addition, delivery of the Gershon efficiency targets will increase the efficiency and effectiveness of social housing management.

**6. Public satisfaction with local parks and open spaces**

This indicator tracks public satisfaction with local parks and open spaces measured as part of the three-yearly resident satisfaction survey with local authority services. The trajectory is set against the baseline data from 2003/04, which reported that 71% of residents nationally and 69% in the local authority districts in receipt of NRF were satisfied with local parks and open spaces – increases of eight percentage points nationally and seven percentage points in NRF districts since 2000/01.



Progress against the target will be judged against the 2006/07 three-yearly resident satisfaction survey due to report in July 2007. As yet there are no comparable data available with which to assess progress of this indicator.

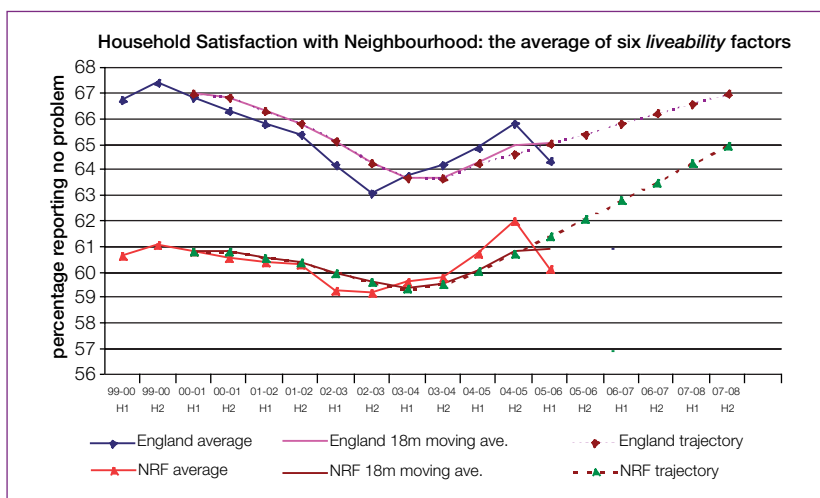
In addition to the commitment to improve management and maintenance of parks and green spaces, the strategy is to engage people and communities in their design, creation and use. DCLG is working with a range of delivery partners to promote and facilitate community-led regeneration, but also to increase social useage through the provision of facilities and activities (formal and informal) that meet the needs of all members of the community.

Over the next 12 months DCLG will continue to support our strategy through the 'How To' programme and activity to engage the public in using and improving their green spaces.

## 7. Household satisfaction with local area

This indicator tracks the aggregate of household attitudes to six liveability factors measured within the Survey of English Housing (SEH) – vandalism and hooliganism, graffiti, dog mess, litter and rubbish, noise and traffic.

Provisional SEH data for 2005/06 (H1) shows an increase in households regarding vandalism & hooliganism, noise and traffic as a problem in their area which is a variance with the recent trend. As a consequence, the milestone for the 12 month average for national and deprived areas was missed.



The strategy over the past 12 months has involved targeting key workstreams that have a direct link to improving the quality of neighbourhoods and that can provide physical evidence of change and create a positive atmosphere that action is taking place. For example, programmes to regenerate and renew existing communities and plan for growth are key levers that are bringing about this transformation and giving people decent places to live.

Key to the continued success is the strategy to engage those communities in improving their local areas. DCLG is working closely with the Home Office to build cohesion and pride and remove mistrust and misunderstanding by encouraging a change in behaviour and build respect in communities.

### Quality of data systems

**Indicator 1 BV199 (a)** – statutory indicator measures the proportion of relevant land and highways (expressed as a percentage) with assessed litter and detritus that falls below an acceptable level. Data provided annually.

**Indicator 2 – WasteDataFlow**, which replaced the annual Municipal Waste Management Survey (MWMS) in 2004. It will allow annual returns.

**Indicator 3 – Green Flag Award Scheme** managed by the Civic Trust, which provides data on applicants and winners. Data available annually.

**Indicator 4 – Local Authority Environment Services Block**, as determined by the Audit Commission through its Comprehensive Performance Assessment (CPA). Full revised CPA methodology, including District Council CPA, will be published in 2006. Data available annually

**Indicator 5 – English House Condition Survey (EHCS)** assesses 16 ‘liveability’ problems including graffiti, litter and rubbish, on-street parking, vandalism, gardens and landscaping. Since April 2002 the EHCS has been undertaken on a continuous basis and results will now be available annually.

**Indicator 6 – BV119 (e)** – BV119 measures satisfaction with leisure and cultural services and part (e) measures satisfaction with parks and open spaces. Data available every 3 years.

**Indicator 7 – The Survey of English Housing (SEH)** measures how satisfied households are with their local environment. Households surveyed are asked whether or not they consider a range of issues (vandalism & hooliganism, graffiti, dog mess, litter and rubbish, noise and traffic) to be a problem in their local area. Data available every 6 months.

# Annex: Core tables

# B

## B1 – Total Public Spending for ODPM

**Table 1: Total public spending**

£000s

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Estimated Outturn	2006-07 Plans	2007-08 Plans
<b>Consumption of resources:</b>								
Housing Supply and Demand	423,581	232,826	351,103	141,918	287,200	186,005	320,599	351,228
Decent Places to Live	488,978	402,696	285,457	256,966	113,674	264,804	231,763	188,264
Tackling Disadvantage	68,651	159,714	309,303	2,192,335	2,210,617	2,092,109	2,114,122	2,171,121
Better Services	3,739	10,810	88,797	61,851	118,467	105,263	277,600	337,501
Development of English Regions	398,151	467,586	570,191	556,652	544,503	558,022	614,651	611,125
Admin	178,925	174,663	117,714	179,809	195,364	187,436	197,812	196,387
Government Office Administration	70,741	104,141	110,674	133,841	141,412	138,741	101,570	101,650
European Structural Funds – Net	–	–	–	–	–	2	–	–
European Structural Funds – ODPM	887	2,452	900	2,749	2,024	2,070	2,001	2,001
Ordnance Survey	–	–	–	2,850	1,296	-1,831	-20	-20
Queen Elizabeth II Conference Centre Executive Agency	-747	-819	-183	-1,474	-1,000	-2,195	-1,409	-1,409
Local and Regional Government	35,330,845	37,419,299	37,564,231	41,218,871	43,776,636	46,724,347	23,212,270 <sup>1</sup>	23,710,500
<b>Total resource budget</b>	<b>36,963,751</b>	<b>38,973,368</b>	<b>39,398,187</b>	<b>44,746,368</b>	<b>47,390,193</b>	<b>50,254,773</b>	<b>27,070,959</b>	<b>27,668,348</b>
<i>of which:</i>								
Resource DEL	36,453,575	38,120,725	38,987,196	44,233,649	46,846,932	49,485,777	26,003,560	26,988,337
<b>Capital spending:</b>								
Housing Supply and Demand	833,341	825,129	1,065,354	2,084,229	2,458,895	2,764,605	2,720,085	3,081,342
Decent Places to Live	1,966,657	810,777	968,256	1,263,817	1,388,707	1,683,477	1,631,323	1,677,682
Tackling Disadvantage	94,831	122,121	170,805	231,586	252,790	268,117	308,554	240,686
Better Services	33,520	56,813	47,839	138,161	95,151	89,598	98,296	133,296
Development of English Regions	407,844	641,917	754,031	982,369	928,186	941,582	940,652	1,013,809
Admin	9,252	8,189	6,723	11,103	5,880	7,405	21,064	21,064
Government Office Administration	2,863	947	1,143	2,118	4,893	2,585	2,860	2,860
European Structural Funds – Net	–	–	–	–	–	–	2	1
European Structural Funds – ODPM	6,119	29,680	38,079	1	–	2	1	1
Queen Elizabeth II Conference Centre Executive Agency	-82	-82	-113	-82	-82	-82	-82	-82
Local and Regional Government	55,544	133,797	257,692	339,303	256,822	230,345	248,751	248,751
<b>Total capital budget</b>	<b>3,409,889</b>	<b>2,629,288</b>	<b>3,309,809</b>	<b>5,052,605</b>	<b>5,391,242</b>	<b>5,987,634</b>	<b>5,971,506</b>	<b>6,419,410</b>
<i>of which:</i>								
Capital DEL	3,409,889	2,579,288	3,254,302	4,927,255	5,391,242	5,987,634	5,971,506	6,419,410
<b>Total public spending†</b>	<b>40,373,640</b>	<b>41,602,656</b>	<b>42,707,996</b>	<b>49,798,973</b>	<b>52,781,435</b>	<b>56,242,407</b>	<b>33,042,465</b>	<b>34,087,758</b>
† Total public spending calculated as the total of the resource budget plus the capital budget, less depreciation								
<b>Spending by local authorities on functions relevant to the department</b>								
<b>Current spending</b>	<b>5,563,168</b>	<b>5,958,359</b>	<b>6,233,869</b>	<b>8,029,246</b>	<b>8,715,642</b>	–	–	–
<i>of which:</i>								
financed by grants from budgets above	35,250,506	37,372,180	37,651,399	43,187,098	45,842,754	48,629,759	–	–
<b>Capital spending</b>	<b>755,427</b>	<b>1,360,316</b>	<b>720,347</b>	<b>639,436</b>	<b>2,276,973</b>	–	–	–
<i>of which:</i>								
financed by grants from budgets above	2,326,704	1,359,040	1,626,548	2,171,088	2,618,106	2,741,228	–	–

1. A transfer of £26.5 billion was made to DfES for Dedicated Schools Grant.

## B2 – Resource Budget for ODPM

Table 2: Resource budget

£000s

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Estimated Outturn	2006-07 Plans	2007-08 Plans
<b>Housing Supply and Demand</b>	<b>423,581</b>	<b>232,826</b>	<b>351,103</b>	<b>141,918</b>	<b>287,200</b>	<b>186,005</b>	<b>320,599</b>	<b>351,228</b>
<i>of which:</i>								
Housing Supply and Demand	423,581	232,826	351,103	141,918	287,200	186,005	320,599	351,228
Decent Places to Live	488,978	402,696	285,457	256,966	113,674	264,804	231,763	188,264
<i>of which:</i>								
<b>Decent Places to Live</b>	<b>488,978</b>	<b>402,696</b>	<b>285,457</b>	<b>256,966</b>	<b>113,674</b>	<b>264,804</b>	<b>231,763</b>	<b>188,264</b>
<b>Tackling Disadvantage</b>	<b>68,651</b>	<b>159,714</b>	<b>309,303</b>	<b>2,192,335</b>	<b>2,210,617</b>	<b>2,092,109</b>	<b>2,114,122</b>	<b>2,171,121</b>
<i>of which:</i>								
Tackling Disadvantage	68,651	159,714	309,303	2,192,335	2,210,617	2,092,109	2,114,122	2,171,121
<b>Better Services</b>	<b>3,739</b>	<b>10,810</b>	<b>88,797</b>	<b>61,851</b>	<b>118,467</b>	<b>105,263</b>	<b>277,600</b>	<b>337,501</b>
<i>of which:</i>								
Better Services	3,739	10,810	88,797	61,851	118,467	105,263	277,600 <sup>1</sup>	337,501
<b>Development of English Regions</b>	<b>398,151</b>	<b>467,586</b>	<b>570,191</b>	<b>556,652</b>	<b>544,503</b>	<b>558,022</b>	<b>614,651</b>	<b>611,125</b>
<i>of which:</i>								
Development of English Regions	398,151	467,586	570,191	556,652	544,503	558,022	614,651	611,125
<b>Admin</b>	<b>178,925</b>	<b>174,663</b>	<b>117,714</b>	<b>179,809</b>	<b>195,364</b>	<b>187,436</b>	<b>197,812</b>	<b>196,387</b>
<i>of which:</i>								
Central Admin	178,925	174,663	117,714	179,809	195,364	187,436	197,812	196,387
<b>Government Office Administration</b>	<b>70,741</b>	<b>104,141</b>	<b>110,674</b>	<b>133,841</b>	<b>141,412</b>	<b>138,741</b>	<b>101,570</b>	<b>101,650</b>
<i>of which:</i>								
Government Office Administration	70,741	104,141	110,674	133,841	141,412	138,741	101,570	101,650
<b>European Structural Funds – Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>
<i>of which:</i>								
European Structural Funds – Net	-	-	-	-	-	2	-	-
<b>European Structural Funds – ODPM</b>	<b>887</b>	<b>2,452</b>	<b>900</b>	<b>2,749</b>	<b>2,024</b>	<b>2,070</b>	<b>2,001</b>	<b>2,001</b>
<i>of which:</i>								
European Structural Funds – ODPM	887	2,452	900	2,749	2,024	2,070	2,001	2,001
<b>Ordnance Survey</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,850</b>	<b>1,296</b>	<b>-1,831</b>	<b>-20</b>	<b>-20</b>
<i>of which:</i>								
Ordnance Survey	-	-	-	2,850	1,296	-1,831	-20	-20
<b>Queen Elizabeth II Conference Centre Executive Agency</b>	<b>-747</b>	<b>-819</b>	<b>-183</b>	<b>-1,474</b>	<b>-1,000</b>	<b>-2,195</b>	<b>-1,409</b>	<b>-1,409</b>
<i>of which:</i>								
Queen Elizabeth II Conference Centre Executive Agency	-747	-819	-183	-1,474	-1,000	-2,195	-1,409	-1,409
<b>Local and Regional Government</b>	<b>35,330,845</b>	<b>37,419,299</b>	<b>37,564,231</b>	<b>41,218,871</b>	<b>43,776,636</b>	<b>46,724,347</b>	<b>23,212,270</b>	<b>23,710,500</b>
<i>of which:</i>								
Local and Regional Government	35,330,845	37,419,299	37,564,231	41,218,871	43,776,636	46,724,347	23,212,270	23,710,500
<b>Total resource budget</b>	<b>36,963,751</b>	<b>38,973,368</b>	<b>39,398,187</b>	<b>44,746,368</b>	<b>47,390,193</b>	<b>50,254,773</b>	<b>27,070,959</b>	<b>27,668,348</b>

1. A transfer of £148 million was made from local government to cover Fire Superannuation Costs.

## B3 – Capital Budget for ODPM

Table 3: Capital budget

£000s

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Estimated Outturn	2006-07 Plans	2007-08 Plans
<b>Housing Supply and Demand</b>	<b>833,341</b>	<b>825,129</b>	<b>1,065,354</b>	<b>2,084,229</b>	<b>2,458,895</b>	<b>2,764,605</b>	<b>2,720,085</b>	<b>3,081,342</b>
<i>of which:</i>								
Housing Supply and Demand	833,341	825,129	1,065,354	2,084,229	2,458,895	2,764,605	2,720,085	3,081,342
<b>Decent Places to Live</b>	<b>1,966,657</b>	<b>810,777</b>	<b>968,256</b>	<b>1,263,817</b>	<b>1,388,707</b>	<b>1,683,477</b>	<b>1,631,323</b>	<b>1,677,682</b>
<i>of which:</i>								
Decent Places to Live	1,966,657	810,777	968,256	1,263,817	1,388,707	1,683,477	1,631,323	1,677,682
<b>Tackling Disadvantage</b>	<b>94,831</b>	<b>122,121</b>	<b>170,805</b>	<b>231,586</b>	<b>252,790</b>	<b>268,117</b>	<b>308,554</b>	<b>240,686</b>
<i>of which:</i>								
Tackling Disadvantage	94,831	122,121	170,805	231,586	252,790	268,117	308,554	240,686
<b>Better Services</b>	<b>33,520</b>	<b>56,813</b>	<b>47,839</b>	<b>138,161</b>	<b>95,151</b>	<b>89,598</b>	<b>98,296</b>	<b>133,296</b>
<i>of which:</i>								
Better Services	33,520	56,813	47,839	138,161	95,151	89,598	98,296	133,296
<b>Development of English Regions</b>	<b>407,844</b>	<b>641,917</b>	<b>754,031</b>	<b>982,369</b>	<b>928,186</b>	<b>941,582</b>	<b>940,652</b>	<b>1,013,809</b>
<i>of which:</i>								
Development of English Regions	407,844	641,917	754,031	982,369	928,186	941,582	940,652	1,013,809
<b>Admin</b>	<b>9,252</b>	<b>8,189</b>	<b>6,723</b>	<b>11,103</b>	<b>5,880</b>	<b>7,405</b>	<b>21,064</b>	<b>21,064</b>
<i>of which:</i>								
Central Admin	9,252	8,189	6,723	11,103	5,880	7,405	21,064	21,064
<b>Government Office Administration</b>	<b>2,863</b>	<b>947</b>	<b>1,143</b>	<b>2,118</b>	<b>4,893</b>	<b>2,585</b>	<b>2,860</b>	<b>2,860</b>
<i>of which:</i>								
Government Office Administration	2,863	947	1,143	2,118	4,893	2,585	2,860	2,860
<b>European Structural Funds – Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>
<i>of which:</i>								
European Structural Funds – Net	-	-	-	-	-	-	2	1
<b>European Structural Funds – ODPM</b>	<b>6,119</b>	<b>29,680</b>	<b>38,079</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>1</b>
<i>of which:</i>								
European Structural Funds – ODPM	6,119	29,680	38,079	1	-	2	1	1
<b>Queen Elizabeth II Conference Centre Executive Agency</b>	<b>-82</b>	<b>-82</b>	<b>-113</b>	<b>-82</b>	<b>-82</b>	<b>-82</b>	<b>-82</b>	<b>-82</b>
<i>of which:</i>								
Queen Elizabeth II Conference Centre Executive Agency	-82	-82	-113	-82	-82	-82	-82	-82
<b>Local and Regional Government</b>	<b>55,544</b>	<b>133,797</b>	<b>257,692</b>	<b>339,303</b>	<b>256,822</b>	<b>230,345</b>	<b>248,751</b>	<b>248,751</b>
<i>of which:</i>								
Local and Regional Government	55,544	133,797	257,692	339,303	256,822	230,345	248,751	248,751
<b>Total capital budget</b>	<b>3,409,889</b>	<b>2,629,288</b>	<b>3,309,809</b>	<b>5,052,605</b>	<b>5,391,242</b>	<b>5,987,634</b>	<b>5,971,506</b>	<b>6,419,410</b>

## B4 – Capital employed

Table 4: ODPM capital employed

£000s

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Outturn	2005/06 Forecast	2006/07 Projected	2007/08 Projected
<b>Assets on balance sheet at end of year:</b>								
Fixed assets								
Intangible Fixed Assets		49	57	361	427	909	742	568
Tangible Fixed Assets								
of which								
Land and Buildings								
Plant and machinery		26,696	29,088	26,748	28,001	30,639	32,327	33,226
Vehicles		3,597	3,872	40,113	37,580	37,931	35,157	24,084
IT		0	10,757	23,736	41,726	51,260	53,096	49,237
Other		16,665	17,940	23,163	31,631	48,348	56,735	75,933
		6,751	7,268	30,482	23,582	50,887	43,501	39,592
		24,729	24,627	46,591	46,312	46,310	45,501	44,872
Creditors (< 1 year)		2,378,391	1,284,082	974,089	2,505,775	2,468,228	2,468,127	2,468,218
Creditors (> 1 year)		-3,302,113	-1,398,375	-1,186,186	-2,770,859	-1,906,593	-1,902,304	-1,901,394
Provisions		0	-2	-8,868	0	0	0	0
<b>Capital employed within main department</b>		<b>-331,452</b>	<b>-41,479</b>	<b>-56,668</b>	<b>-32,454</b>	<b>-20,068</b>	<b>-18,001</b>	<b>-18,000</b>
<b>NDPB net assets</b>		<b>-176,886</b>	<b>-62,165</b>	<b>-86,439</b>	<b>-88,278</b>	<b>807,832</b>	<b>814,880</b>	<b>816,337</b>
<b>Total capital employed in departmental group</b>	<b>706,162</b>	<b>725,658</b>	<b>641,024</b>	<b>752,758</b>	<b>935,234</b>	<b>1,438,443</b>	<b>1,570,778</b>	<b>1,615,865</b>
		<b>-451,228</b>	<b>578,859</b>	<b>666,319</b>	<b>846,956</b>	<b>2,246,276</b>	<b>2,385,658</b>	<b>2,432,202</b>

## Notes:

1. Prior to the creation of ODPM, the first audited figures were produced as comparatives (2001-02 Outturn) during the preparation of ODPM's first set of audited accounts (2002-03 Outturn). 2000-01 audited figures are available only for the NDPBs already in existence before ODPM's formation.
2. Years 2001-02 to 2003-04 exclude figures for The Rent Service, which was transferred to the Department for Work and Pensions on 1 April 2004.



## B5 – Administration costs for the ODPM

Table 5: Administration costs for the ODPM/DCLG

£000s

Year end for financial year	1999/00 outturn	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans	2007/08 plans
Administration expenditure									
Paybill	125,729	126,153	109,542	148,688	174,202	192,749	212,905	177,187	174,275
Other	46,177	105,151	155,880	91,637	139,880	153,681	126,719	139,249	140,236
<b>Total Administration Expenditure</b>	<b>171,906</b>	<b>231,304</b>	<b>265,422</b>	<b>240,325</b>	<b>314,082</b>	<b>346,430</b>	<b>339,624</b>	<b>316,436</b>	<b>314,511</b>
Administration Income	-3,899	-4,387	-8,043	-14,590	-24,726	-33,712	-34,598	-29,655	-29,655
<b>Total Administration Budget</b>	<b>168,007</b>	<b>226,947</b>	<b>225,379</b>	<b>225,735</b>	<b>289,356</b>	<b>312,718</b>	<b>305,026</b>	<b>286,781</b>	<b>284,856</b>
Analysis by activity									
Central administration	88,729	145,208	141,206	113,239	152,190	168,570	163,810	182,586	180,581
Government Offices (1)	66,049	70,495	104,141	110,674	133,841	141,412	138,741	101,570	101,650
PSA services: central	11,116	9,320	9,700	-113	1,297	300	-478	0	0
Rent Assessment panels	2,133	1,924	2,332	1,935	2,028	2,436	2,953	2,625	2,625
<b>Total Administration Budget</b>	<b>168,027</b>	<b>226,947</b>	<b>257,379</b>	<b>225,735</b>	<b>289,356</b>	<b>312,718</b>	<b>305,026</b>	<b>286,781</b>	<b>284,856</b>

(1) The plans for the Government Offices do not include PES transfers from sponsor Departments which have been agreed in principle but not yet undertaken. These transfers would increase the GO baseline to approximately £140 million.

(2) Total administration costs reflect significant changes to the cost of capital.

## B6 – ODPM staffing table

Table 6: ODPM staffing table<sup>1</sup>

Full Time Equivalents

	2004/05 (Actuals) <sup>2</sup>	2005/06 (Planned) <sup>3</sup>	2006/07 (Planned) <sup>3</sup>
<b>ODPM(C)/DCLG(C)</b>			
CS FTEs	2,292.00	2,474.60	2,336.80
Permanent Staff <sup>4</sup>	2279.61	2190.00	2004.00
Fixed Term Appointments	37.69	n/a	n/a
<b>Total</b>	<b>2317.30</b>	<b>2190.00</b>	<b>2004.00</b>
<b>ODPM/DCLG staff in Government Offices</b>			
Permanent Staff <sup>4</sup>	855.70	839.00	806.00
Fixed Term Appointments	39.00	22.00	22.00
<b>Total</b>	<b>894.70</b>	<b>861.00</b>	<b>828.00</b>
<b>Planning Inspectorate</b>			
Permanent Staff <sup>4</sup>	738.60	779.60	779.60
Fixed Term Appointments	49.44	24.44	24.44
<b>Total</b>	<b>788.04</b>	<b>804.04</b>	<b>804.04</b>
<b>QEII Conference Centre</b>			
Permanent Staff <sup>4</sup>	52.20	53.00	52.40
Fixed Term Appointments	0.00	0.00	0.00
<b>Total</b>	<b>52.20</b>	<b>53.00</b>	<b>52.40</b>
<b>The Fire Service College</b>			
Permanent Staff <sup>4</sup>	253.90	248.90	236.00
Fixed Term Appointments	2.00	0.00	0.00
<b>Total</b>	<b>255.90</b>	<b>248.90</b>	<b>236.00</b>
<b>Total ODPM/DCLG</b>	<b>4308.14</b>	<b>4156.94</b>	<b>3924.44</b>

## Notes:

1. Figures for Executive NDPBs not included. Reported figures on workforce reduction may be revised following the results of re-evaluating baseline data with OGC and ONS.
2. As at 31 March 2006.
3. Planned staffing levels for DCLG(C) do not take account of recent Machinery of Government changes. Planned staffing levels for GOs based on projections as at 30 September 2005. All other figures based on projections as at 31 March 2006.
4. Includes staff on inward loan & inward secondment and staff on paid maternity leave, paid outward loans & secondments and long term sick.

## B7 – Expenditure on Services

Table 7: Identifiable expenditure on services, by country and by region

£ million

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Plans	2005-06 Plans	2006-07 Plans	2007-08 Plans
North East	178.4	242.5	261.4	315.3	319.0	316.7	349.9	382.7
North West	427.6	428.7	516.2	591.7	599.7	628.8	880.6	954.1
Yorkshire and Humberside	247.2	312.0	357.5	416.0	440.5	457.3	458.2	492.7
East Midlands	142.7	137.7	202.8	250.1	267.8	262.4	289.0	309.2
West Midlands	253.1	291.3	367.2	412.4	382.9	396.7	438.6	470.2
Eastern	114.8	139.6	164.1	265.1	270.3	329.4	323.7	367.6
London	1009.0	829.8	878.9	1102.4	975.1	1145.3	1091.1	1194.5
South East	218.6	208.3	331.1	478.4	487.9	578.7	565.7	629.5
South West	155.5	177.1	216.7	299.4	248.5	258.1	280.8	307.5
<b>Total England</b>	<b>2746.9</b>	<b>2767.0</b>	<b>3295.8</b>	<b>4130.8</b>	<b>3991.7</b>	<b>4373.4</b>	<b>4677.4</b>	<b>5108.0</b>
Scotland	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0
Wales	0.2	0.0	4.6	1.2	2.4	1.9	1.6	1.6
Northern Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total UK identifiable expenditure</b>	<b>2747.1</b>	<b>2767.0</b>	<b>3300.4</b>	<b>4132.0</b>	<b>3995.3</b>	<b>4375.2</b>	<b>4679.1</b>	<b>5109.7</b>
Outside UK	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0
<b>Total identifiable expenditure</b>	<b>2747.2</b>	<b>2767.2</b>	<b>3300.5</b>	<b>4132.0</b>	<b>3995.3</b>	<b>4375.3</b>	<b>4679.1</b>	<b>5109.7</b>
Non-identifiable expenditure	338.9	341.0	353.0	473.7	488.0	549.8	473.7	490.4
<b>Total expenditure on services</b>	<b>3086.0</b>	<b>3108.2</b>	<b>3653.4</b>	<b>4605.7</b>	<b>4483.4</b>	<b>4925.0</b>	<b>5152.8</b>	<b>5600.1</b>

Table B8 – Expenditure on services per head

**Table 8: Identifiable expenditure on services, by country and region, per head** **£ per head**

	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Outturn	2004-05 Plans	2005-06 Plans	2006-07 Plans	2007-08 Plans
North East	70.2	95.5	103.0	124.2	125.3	125.1	138.3	151.5
North West	63.1	63.3	76.1	87.0	87.8	92.2	128.9	139.5
Yorkshire and Humberside	49.9	62.7	71.6	83.0	87.4	90.8	90.7	97.3
East Midlands	34.2	32.9	48.0	58.8	62.6	61.1	66.9	71.2
West Midlands	48.0	55.2	69.2	77.5	71.8	74.3	81.9	87.6
Eastern	21.4	25.8	30.3	48.5	49.2	59.5	58.1	65.5
London	139.4	113.3	119.2	149.2	131.3	153.2	145.1	157.9
South East	27.4	26.0	41.2	59.2	60.2	70.9	68.9	76.2
South West	31.6	35.8	43.6	59.9	49.3	51.0	55.1	59.9
<b>Total England</b>	<b>55.8</b>	<b>56.0</b>	<b>66.4</b>	<b>82.9</b>	<b>79.7</b>	<b>87.0</b>	<b>92.7</b>	<b>100.7</b>
Scotland	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Wales	0.1	0.0	1.6	0.4	0.8	0.6	0.5	0.6
Northern Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total UK identifiable expenditure</b>	<b>46.7</b>	<b>46.8</b>	<b>55.6</b>	<b>69.4</b>	<b>66.8</b>	<b>72.9</b>	<b>77.7</b>	<b>84.5</b>

## B9 – Identifiable expenditure on services, by function, country and region, for 2004/05

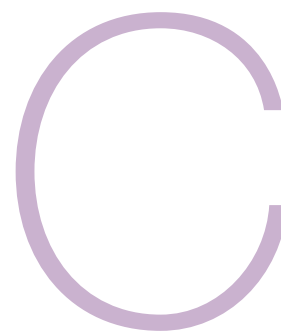
Table 9

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	England	Scotland	Wales	Northern Ireland	UK Identifiable expenditure	OUTSIDE UK	Total Identifiable expenditure	Not Identifiable	£ Millions	
<b>General public services</b>																			
Public and common services	21.1	26.6	20.8	17.9	22.5	20.2	27.8	23.9	20.5	201.3	1.2	0.7	0.0	203.2	0.0	203.2	452.7	655.9	
<b>Total General public services</b>	<b>21.1</b>	<b>26.6</b>	<b>20.8</b>	<b>17.9</b>	<b>22.5</b>	<b>20.2</b>	<b>27.8</b>	<b>23.9</b>	<b>20.5</b>	<b>201.3</b>	<b>1.2</b>	<b>0.7</b>	<b>0.0</b>	<b>203.2</b>	<b>0.0</b>	<b>203.2</b>	<b>452.7</b>	<b>655.9</b>	
<b>Defence</b>																			
Civil defence	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.2	1.6	0.0	0.0	0.0	1.6	0.0	1.6	30.0	31.6	
<b>Total Defence</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>1.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>	<b>0.0</b>	<b>1.6</b>	<b>30.0</b>	<b>31.6</b>	
<b>Public order and safety</b>																			
Fire	2.4	4.2	2.9	2.3	3.3	3.0	5.2	5.0	3.3	31.7	0.0	0.0	0.0	31.7	0.0	31.7	2.3	34.0	
<b>Total Public order and safety</b>	<b>2.4</b>	<b>4.2</b>	<b>2.9</b>	<b>2.3</b>	<b>3.3</b>	<b>3.0</b>	<b>5.2</b>	<b>5.0</b>	<b>3.3</b>	<b>31.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>31.7</b>	<b>0.0</b>	<b>31.7</b>	<b>2.3</b>	<b>34.0</b>	
<b>Enterprise and economic development</b>																			
Economic development and trade	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.1	0.0	0.7	0.0	0.0	0.0	0.7	0.0	0.7	3.0	3.6	
Regional policy	238.0	411.7	331.9	162.9	224.6	83.6	115.6	117.3	114.0	1,799.5	0.0	0.0	0.0	1,799.5	0.0	1,799.5	0.0	1,799.5	
<b>Total Enterprise and economic development</b>	<b>238.0</b>	<b>411.8</b>	<b>331.9</b>	<b>162.9</b>	<b>224.6</b>	<b>83.6</b>	<b>116.0</b>	<b>117.4</b>	<b>114.0</b>	<b>1,800.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,800.1</b>	<b>0.0</b>	<b>1,800.1</b>	<b>3.0</b>	<b>1,803.1</b>	
<b>Housing and Community amenities</b>																			
Local authority housing	4.6	9.3	6.0	3.8	5.9	2.5	27.1	3.6	2.3	65.1	0.0	0.0	0.0	65.1	0	65.1	0.0	65.1	
Other housing and community services	6.1	16.6	11.1	9.2	12.1	13.4	31.6	19.6	11.7	131.3	0.0	1.6	0.0	132.9	0.0	132.9	0.0	132.9	
Other social housing	45.5	127.2	66.4	69.9	112.4	143.8	748.9	311.2	91.9	1,717.3	0.0	0.0	0.0	1,717.3	0.0	1,717.3	0.0	1,717.3	
<b>Total Housing and Community amenities</b>	<b>56.2</b>	<b>153.1</b>	<b>83.5</b>	<b>82.9</b>	<b>130.5</b>	<b>159.7</b>	<b>807.6</b>	<b>334.4</b>	<b>105.9</b>	<b>1,913.8</b>	<b>0.0</b>	<b>1.6</b>	<b>0.0</b>	<b>1,915.4</b>	<b>0.0</b>	<b>1,915.4</b>	<b>0.0</b>	<b>1,915.4</b>	
<b>Social protection</b>																			
Housing benefits	0.0	0.0	0.0	0.0	0.0	1.1	0.8	4.1	0.4	6.4	0.0	0.0	0.0	6.4	0.0	6.4	0.0	6.4	
Personal social services	1.2	3.8	1.3	1.6	1.8	2.4	17.1	2.9	4.3	36.4	0.0	0.0	0.0	36.4	0.0	36.4	0.0	36.4	
Public sector occupational pensions	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.5	0.0	0.0	0.0	0.5	0.0	0.5	0.0	0.5	
<b>Total Social protection</b>	<b>1.2</b>	<b>3.9</b>	<b>1.3</b>	<b>1.6</b>	<b>1.9</b>	<b>3.5</b>	<b>18.3</b>	<b>7.0</b>	<b>4.7</b>	<b>43.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>43.3</b>	<b>0.0</b>	<b>43.3</b>	<b>0.0</b>	<b>43.3</b>	
<b>Total for: ODPM</b>	<b>319.0</b>	<b>599.7</b>	<b>440.5</b>	<b>267.8</b>	<b>382.9</b>	<b>270.3</b>	<b>975.1</b>	<b>487.9</b>	<b>248.5</b>	<b>3,991.7</b>	<b>1.2</b>	<b>2.4</b>	<b>0.0</b>	<b>3,995.3</b>	<b>0.0</b>	<b>3,995.3</b>	<b>488.0</b>	<b>4,483.4</b>	

### Footnotes/Explanatory Text to Tables B7-B9

- The spending data shown in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 7 of Public Expenditure Statistical Analyses (PESA) 2006. PESA contains more tables analysed by country and region, and also explains how the analysis was collected and the basis for allocating expenditure between countries and regions.
- The tables include the spending of the Department and its NDPBs on payments to private sector and subsidies to public corporations. They do not include capital finance to public corporations but do include public corporations' capital expenditure. They do not include payments to local authorities or local authorities' own expenditure.
- The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.
- The tables do not include depreciation, cost of capital charges or movements in provisions that are in DEL/AME. They do include salaries, procurement expenditure, capital expenditure and grants and subsidies paid to individuals and private sector enterprises.
- The figures were taken from the HM Treasury public spending database in December 2005 and the regional distributions were completed in January/February 2006. Therefore the tables may not show the latest position and are not consistent with other tables in the Department's report.
- Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the Department's area of responsibility, usually England, compare. So the analysis shows the regional outcome of spending decisions that have on the whole not been made primarily on a regional basis.
- The functional categories used are the standard United Nations Classifications of the Functions of Government (COFOG) categories. This is not the same as the strategic priorities used elsewhere in the report.

# Annex: Other tables



## C1 – ODPM Recruitment Statistics

Recruitment is carried out through fair and open competition in compliance with the Civil Service Commissioners' Recruitment Code. Advertisements appear on the Departmental website and appropriate publications

**Table C1: Recruitment statistics for the Office of the Deputy Prime Minister<sup>1</sup>**

Grade	Non-civil servants	Fixed term appointments	Permanent	Casual <sup>2</sup>	Females	Ethnic <sup>3</sup> minority	Disabled
Pay band EM1	–	–	–	–	–	–	–
Pay band EM3	–	–	–	–	–	–	–
Pay band 1	–	–	–	–	–	–	–
Pay band 2	–	2	2	10	8	2	–
Pay band 3	–	1	4	9	3	–	–
Pay band 4	–	–	4	5	3	1	–
Pay band 5	–	–	6	–	–	–	–
Pay band 6	–	–	1	4	3	–	–
Pay band 7	–	–	–	–	–	–	–
SCS	–	–	11	–	6	–	–
<b>Totals</b>	<b>–</b>	<b>3</b>	<b>28</b>	<b>28</b>	<b>23</b>	<b>3</b>	<b>–</b>

Notes:

1. For all staff recruited from 1 January 2005 to 31 December 2005.
2. Casual staff are employed for short periods of up to 12 months to fill a vacancy temporarily or undertake a particular piece of work.
3. This information was not disclosed by the majority of staff recruited.

## C2 – Exceptions to the Recruitment Code

**Table C2: Exceptions to the recruitment code for the Office of the Deputy Prime Minister**

Category	Number
Casual appointments extended over 12 months	6
Recurrent short-term appointments	–
Short-term appointments where highly specialised skills requested	–
Conversion of short term appointments to permanency (or extension beyond publicised period)	–
Inward secondments	98
Outward secondments	42
Extensions to secondments	–
Re-appointments of former civil servants	–
Transfers of staff with work	–
Transfers of staff from other public services without work	–
Surplus acceptable staff	–
Disabled candidates	–
Exceptions reserved for the Commissioners	–

## C3 – Distribution of senior civil service salaries in ODPM

Table C3: Distribution of SCS salaries in ODPM

£000	Staff numbers
45–50	0
50–55	10
55–60	31
60–65	21
65–70	18
70–75	17
75–80	16
80–85	10
85–90	10
90–95	9
95–100	10
100+	13

Source: PIMS

Notes:

- 8 staff have no salary recorded on PIMS and are not shown in the figures in the table. 2 are on loan to OGDs, 3 are on secondment from OGDs and 3 are GO London.
- Also includes staff on maternity leave and on loan to OGDs.

## C4 – Administration costs for larger NDPBs

Table C4: Administration costs for larger NDPBs<sup>1</sup>

(£ million)

NDPB	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans	2007/08 plans
<b>English Partnerships</b>								
Commission for the New Towns	16.7	18.4	15.9	18.8	15.9	24.3	24.3	24.3
Urban Regeneration Agency	11.7	11	13.8	17.6	16.7	17.3	17.3	17.3
<b>Housing Action Trusts</b>								
Castle Vale	3.8	3.9	3.4	3.4	4.9	0.2	–	–
Liverpool	3.9	3.8	3.9	3.4	3.7	3.4	–	–
North Hull <sup>2</sup>	–	–	–	–	–	–	–	–
Stonebridge	3.6	3.8	4.4	4.2	3.7	1.2	1.1	–
Tower Hamlets	1.4	1.5	1.8	1.2	1.3	–	–	–
Waltham Forest <sup>3</sup>	1.3	0.9	–	–	–	–	–	–
<b>HATs TOTAL</b>	<b>14.0</b>	<b>13.9</b>	<b>13.5</b>	<b>12.2</b>	<b>13.6</b>	<b>4.8</b>	<b>1.0</b>	<b>–</b>
Housing Corporation	30.6	34.1	37.9	39.8	38.9	37.1	38.5	36.7
Standards Board for England <sup>4</sup>	–	2.4	6.1	7.9	8.9	9.1	9.4	9.1

Notes:

- 'Larger' here means a body with at least 25 staff and which normally relies on grant-in-aid for 50 per cent of its income or trades mainly with Government departments.
- North Hull HAT ceased operating in March 1999.
- Waltham Forest HAT ceased operating in April 2002.
- Tower Hamlets HAT was formally dissolved at the end of June 2004.
- Standards Board for England began operating in March 2001. The figures refer to the amount of grant-in-aid paid to the Standards Board.

EP

02/03 outturn £104,798 (calculated from last year's Stewardship Report)

03/04 estimated outturn £143,167 (obtained from March 04 workbooks)

04/05 plans £ 437,947 (DEL limits)

05/06 plans £ 385,897 (DEL limits)

06/07 plans £ 357,797 (DEL limits)

07/08 plans £319,400 (DEL Allocations)



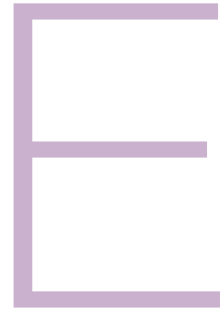
# Annex: ODPM Approach to Asset Management



The main aim of ODPM's asset management was to ensure that appropriate fixed assets were held to meet ODPM's objectives. All assets were treated in accordance with the following consistent underlying principles:

1. Ensure assets are retained in the public sector only where it is effective and efficient to do so;
2. Actively explore the scope for securing greater value from assets, including through innovative techniques, information technology, sharing of assets, outsourcing and public private partnerships;
3. Maintain ODPM's asset base in the condition necessary to meet its objectives;
4. Maintain, either directly or through bodies sponsored by ODPM, firm management of assets, including strategies for disposing of assets that are not needed for delivering services; and
5. Continue to investigate incentives, such as hard charging, to achieve better utilisation of assets.

# Annex: Departmental Investment Strategy



## What is the Departmental Investment Strategy?

ODPM published its Departmental Investment Strategy (DIS) for 2005-2008 in January 2005 (available at [www.communities.gov.uk/departamentalinvestmentstrategy](http://www.communities.gov.uk/departamentalinvestmentstrategy)).

The DIS sets out the Department's capital investment plans resulting from the 2004 Spending Review. It also outlines how the Department's existing assets are being utilised and managed, and the systems it employs to safeguard its investment and to ensure that its investment plans deliver the intended outcomes.

The DIS covers the period from 2005-06 to 2007-08. It deals with all planned capital investment funded from the Department's Departmental Expenditure Limits, including: direct capital investment by ODPM and its sponsored bodies; capital grants to local authorities, the private sector and other bodies; supported capital expenditure by local authorities; and capital investment supported through the Private Finance Initiative.

The DIS will be reviewed for the new Department.

## Summary of the Departmental Investment Strategy

Chapter One summarises the strategic context for ODPM's investment plans. It sets out what has been achieved through ODPM's investment since the 2002 DIS was published and summarises future investment plans and explains how they will contribute to delivering the Strategic Priorities.

Chapter Two looks at the management of the Department's own assets and those of its sponsored bodies. It describes how the Department's existing asset base contributes to its Strategic Priorities and how its assets are managed (including the approach to asset maintenance, replacement and disposal).

Chapter Three provides more detail about the Department's future investment plans, setting out:

- specific outcomes to be delivered by investment plans;
- how they will contribute to Strategic Priorities, Public Service Agreement (PSA) targets and efficiency targets;
- longer-term funding arrangements;
- evidence underpinning the investment plans;
- key performance measures, in addition to Strategic Priorities and PSA targets; and
- information on major forthcoming contracts.

Chapter Four outlines systems and procedures used to ensure effective delivery of investment programmes.

## Future Investment Plans

ODPM planned to invest over £17 billion of capital expenditure between 2005-06 and 2007-08. Table 1 below sets out the level of investment which will be directed in support of each of the Strategic Priorities.

**Table 1: Summary of ODPM/DCLG Capital Investment<sup>6</sup> – 2005-06 to 2007-08**

<b>Planned Investment by Strategic Priority – ODPM DEL<sup>7</sup></b>			
	<b>2005-06</b>	<b>2006-07</b>	<b>£ million 2007-08</b>
Housing Supply and Demand	2,889	3,004	3,414
Decent Places to Live	1,453	1,403	1,366
Tackling Disadvantage	213	231	221
Better Services	149	174	137
Development of English Regions	1,104	1,147	1,200
Investment in central assets	20	20	20
<b>TOTAL INVESTMENT – ODPM DEL</b>	<b>5,828</b>	<b>5,977</b>	<b>6,356</b>
<b>Planned Investment by Strategic Priority – Local Government DEL<sup>8</sup></b>			
	<b>2005-06</b>	<b>2006-07</b>	<b>£ million 2007-08</b>
Better Services	349	249	249
<b>TOTAL INVESTMENT – LG DEL</b>	<b>349</b>	<b>249</b>	<b>249</b>

6 Note: For accounting purposes, the Government defines its own capital expenditure and capital to local authorities as "capital" expenditure, whereas capital grants to the private sector and related bodies are defined as "resource" expenditure.

7 ODPM is responsible for two Departmental Expenditure Limits (DELs): ODPM DEL and Local Government DEL. ODPM DEL covers the main programmes for which ODPM has lead responsibility.

8 Local Government DEL covers the Government's Revenue Support Grant for local authorities, and a number of local government-related programmes which cut across service boundaries.

In addition to direct capital investment, the Department will support Private Finance Initiative schemes undertaken by local authorities, to provide: housing; assets for the Fire and Rescue Service; and joint service centres, providing multi-agency, multi-service premises to offer more joined-up services.

**Table 2**

<b>Planned Investment through the Private Finance Initiative</b>			
	<b>2005-06</b>	<b>2006-07</b>	<b>£ million 2007-08</b>
Housing Supply and Demand/Decent Places to Live	360	610	610
Better Services	115	130	140
<b>Private Finance Initiative – Total</b>	<b>475</b>	<b>740</b>	<b>750</b>

The main highlights of the future investment plans are<sup>9</sup>:

### **A better balance between housing supply and demand**

- a £2 billion annual investment in new affordable housing, delivering an extra 10,000 homes annually by 2007-08 – a 50% increase
- helping over 80,000 people into home ownership by 2010, including a new First Time Buyers' Initiative to help an extra 15,000 people
- a capital investment of more than £640m in the Thames Gateway and other Growth Areas over the SR04 period, contributing to the delivery of 200,000 extra homes in London and the wider South East by 2016
- a new £200m Community Infrastructure Fund, held within DfT's budget but jointly administered by DCLG, to provide transport infrastructure in areas of housing development, complementing mainstream transport investment
- more than £1bn further investment in the Housing Market Renewal Fund, to support the nine Market Renewal Pathfinders and tackle other areas of low demand
- more than £850m for English Partnerships, to support its enhanced role in increasing the supply of affordable housing, reducing low demand and increasing private sector investment in housing and regeneration
- £100m capital investment in planning through the Planning Delivery Grant, with additional investment in e-planning
- expanded PFI programme, providing at least 6,000 new homes by 2008.

### **Decent places to live**

- more than £3.7bn for PFI schemes, Arms-Length Management Organisations and stock transfer schemes, to bring all social housing into a decent condition by 2010

9 Spending figures in this section are for the period 2005-06 to 2007-08, unless otherwise specified.

- setting up a network of local procurement consortia to enable social landlords to maximise efficiencies throughout the supply chain and reduce the cost of housing capital works – £33m between 2004-05 and 2007-08
- some £250m to invest in local environment services, to produce cleaner, greener and safer public spaces.

### **Tackling disadvantage**

- approximately three-quarters of the Department's overall budget will continue to contribute directly to tackling disadvantage
- over £300m capital investment in 39 deprived neighbourhoods in the SR04 period, through the New Deal for Communities programme – part of a £900m capital investment programme over 10 years
- investment to regenerate coalfield communities through the Coalfields Enterprise Fund and Coalfields Regeneration Trust
- £90m to improve the quality of hostel accommodation
- around £350m committed to the Disabled Facilities Grant to adapt housing for disabled people.

### **Delivering better services through strong, effective local government**

- greater financial freedom and discretion for local authorities through the new prudential capital finance system
- £233m annual investment in the Local PSA Pump-Priming Grant, to deliver real improvements across a variety of services
- PFI credits of £65m a year to support private sector investment in the Joint Service Centre programme – multi-agency and multi service centres to improve access to information and front-line services
- investment in the Fire and Rescue Service with a focus on prevention through a new single national digital radio system, much improved resilience and communications interoperability with other services, rationalisation of the 46 control rooms to nine regional centres and £25m investment in free smoke alarms for around 1.25m vulnerable households
- over £39m in 2005-06 for search and rescue resources and equipment ready for use in civil emergencies
- additional investment in the Fire and Rescue Authorities through supported capital expenditure and PFI credits of over £480m.

### Promoting the development of the English regions

- over £2.89 billion in capital projects through a contribution to the Regional Development Agencies, including on regional regeneration and regional inward investment
- capital investment through the European Regional Development Fund on ODPM priorities of over £525m, to stimulate economic development in the least prosperous regions.

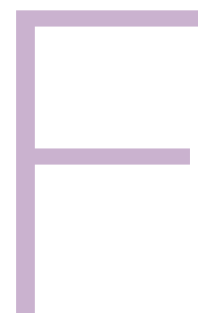
### Systems and Procedures

The systems and procedures used to ensure effective delivery of the investment programmes include performance and financial management; programme and project appraisal; formal resource allocation systems; implementation of a Corporate Procurement Strategy; two-way communications between the Department and industry; the application of the Gateway Review process to all acquisition-based mission-critical and high risk programmes and projects; programme and project management; risk management and evidence-based evaluations.

The ODPM Board prioritised strengthening these areas. This led to the following improvements:

- greater Board involvement in monitoring key programmes and projects, and in risk management
- a drive to improve programme and project management capacity across ODPM
- enhanced budgeting guidance for all staff
- improved forecasting, with significantly reduced underspending
- improved appraisal systems
- action to derive better results from procurement, including greater use of the Gateway Review process; and
- strengthened central sources of professional advice and more extensive training.

# Annex: ODPM SR04 Public Service Agreement Targets



## Previous SR02 target

## SR04 target

### PSA 1 – Neighbourhood renewal

Promote better policy integration nationally, regionally and locally; in particular to work with departments to help them meet their PSA floor targets for neighbourhood renewal and social inclusion.

### PSA 1 – Neighbourhood Renewal

Tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.

### PSA 2 – Regional economic performance

Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006.

### PSA 2 – Regional economic performance

Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006, (shared with the Department of trade and industry and HM Treasury).

### PSA 3 – Elected regional assemblies

Provide the opportunity by the end of this Parliament for a referendum on regional government in regions where there is a demand for it.

### PSA 3 – ERAs

See PSA2.

### PSA 4 – Local government performance

Improve delivery and value for money of local services by: introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities' scores; overall annual improvements in cost effectiveness of two per cent or more; assisting local government to achieve 100 per cent capability in electronic delivery of priority services by 2005, in ways that customers will use.

### PSA 4 – local government

By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities.

### PSA 5 – Housing markets

Achieve a better balance between housing availability and the demand for housing in all English regions while protecting valuable countryside around our towns, cities and in the greenbelt and the sustainability of existing towns and cities through specific measures to be set out in the Service Delivery Agreement (SDA).

### PSA 5 – Housing markets

Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities.

Previous SR02 target	SR04 target
<p><b>PSA 6 – Planning</b></p> <p>All local planning authorities to complete local development frameworks by 2006 and to perform at or above Best Value targets for development control by 2006 with interim milestones to be agreed in the Service Delivery Agreement. ODPM to deal with called-in cases and recovered appeals in accordance with statutory targets.</p>	<p><b>PSA 6 – Planning</b></p> <p>The planning system to deliver sustainable development outcomes at national, regional and local levels through efficient and high quality planning and development management processes, including through achievement of best value standards for planning by 2008.</p>
<p><b>PSA 7 – Decent homes</b></p> <p>By 2010, bring all social housing into decent condition with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.</p>	<p><b>PSA 7 Decent Homes</b></p> <p>By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition.</p>
<p><b>Fire SDA targets</b></p> <p>To reduce the number of accidental fire related deaths in the home by 20% averaged over the eleven year period to March 2010 compared with the average recorded in the five year period to March 1999 – with a floor element that no local authority fire brigade will have a fatality rate more than 1.25 times the national average by March 2010.</p> <p>To reduce by 10% the number of deliberate fires by 31 March 2010 from the 2001/02 baseline figure.</p>	<p><b>PSA 3 Fire</b></p> <p>By 2010, reduce the number of accidental fire-related deaths in the home by 20% and the number of deliberate fires by 10%.</p>
<p><b>Liveability</b></p> <p>N/applic</p>	<p><b>PSA8 Liveability</b></p> <p>Lead the delivery of cleaner, safer, greener public spaces, and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008.</p>



## ODPM strategic framework

High-Level Goals	PSAs	Strategic Priority
<p>1. Extending home ownership; quality and choice for those who rent; ensuring mixed, sustainable communities based on public and private investment</p>	<p>Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions whilst protecting valuable countryside around our towns, cities and in the green belt, and the sustainability of towns and cities. (PSA5)</p> <p>By 2010, bring all social housing into a decent condition, with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition. (PSA7)</p> <p>The planning system to deliver sustainable development outcomes at national, regional and local levels through efficiency and high-quality planning and development management processes, including through achievement of best value standards for planning by 2008. (PSA6)</p>	<p>Delivering a better balance between <b>housing supply and demand</b> by supporting sustainable growth, reviving markets and tackling abandonment. (SP4)</p> <p>Ensuring people have decent places to live by improving the quality and sustainability of local environments and neighbourhoods, reviving brownfield land, and improving the quality of housing. (SP5)</p>
<p>2. Towns and cities world class for their economic and social life; more power for neighbourhoods to decide things that matter to them</p>	<p>Make sustainable improvements in the economic performance of all the English regions by 2008, and over the long term reduce the persistent gap in growth areas between the regions, demonstrating progress by 2006 (shared with the Department of Trade and Industry and HM Treasury). (PSA2)</p> <p>Lead the delivery of cleaner, safer, greener public spaces, and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008. (PSA8)</p> <p>Tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010. (PSA1)</p>	<p>Ensuring people have <b>decent places to live</b> (SP5)</p>

	PSAs	Strategic Priority
<b>High-Level Goals</b>		
3. High quality public services for all, shaped by individuals and communities to meet their needs, delivering value for money and visible results	<p>By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities (PSA4)</p> <p>By 2010, reduce the number of accidental fire-related deaths in the home by 20% and the number of deliberate fires by 10% (PSA3)</p> <p>Planning (PSA6)</p>	<p><b>Delivering better services</b> by devolving decision-making to the most effective level – regional, local or neighbourhood: Promoting high quality, customer-focused local services and ensuring adequate stable resources are available to local government. Clarifying the roles and functions of local government, its relationship with central and regional government and the arrangements for neighbourhood engagement, in the context of a shared strategy for local government.</p> <p>(SP3)</p>
4. Communities – especially the most disadvantaged – connected to economic activity and social opportunity	<p>Social Exclusion and Neighbourhood Renewal (PSA1)</p> <p>Liveability (PSA8)</p> <p>Regional Economic (PSA2)</p>	<p><b>Tackling disadvantage</b> by reviving the most deprived neighbourhoods, reducing social exclusion and supporting society's most vulnerable groups. (SP1)</p>
5. Inclusive communities that are bound together by values of decency and mutual respect	<p>Liveability (PSA8)</p> <p>Neighbourhood Renewal (PSA1)</p>	<p>Tackling disadvantage (SP1)</p>
<b>Critical Projects</b>		
6. Improving regional arrangements to maximise the effectiveness of planning and investment at this level	<p>Regional Economic (PSA2)</p> <p>Planning (PSA6)</p>	<p>Promoting the <b>development of the English regions</b> by improving their economic performance, so that all are able to reach their full potential, and developing an effective framework for regional governance, taking account of the public's view of what is best for their area</p> <p>(SP2)</p>
7. Supporting robust local government finance; securing a strategic role for local government	<p>Local Government (PSA4)</p>	<p>Delivering Better services (SP3)</p>
8. Modernisation of the fire and rescue service	<p>Fire (PSA3)</p>	<p>Delivering Better services (SP3)</p>
9. Delivering the Thames Gateway programme as a cross-Government project	<p>Housing Markets (PSA5)</p> <p>Planning (PSA6)</p>	<p>Delivering Better Supply in Housing (SP4)</p>
<b>Cross-Government priorities</b>		
10. Managing ODPM's contribution to delivering the Olympics	<p>Regional Economic (PSA2)</p> <p>Housing Markets (PSA5)</p>	<p>English regions (SP2)</p>
11. Tackling disadvantage and social exclusion	<p>Social exclusion and neighbourhood renewal (PSA1)</p>	<p>Tackling disadvantage (SP1)</p>

# Annex: Public Accounts Committee Recommendations



## Public Accounts Committee recommendations

*Success in the Regions (DTI/ODPM):*

*NAO Report, 19 November 2003 (HC1268)*

*PAC Hearing, 10 May 2004*

*PAC 51st Report, 2 December 2004 (HC 592 2003-04)*

*Treasury Minute, 9 February 2005 (Cmnd 6458)*

Eight recommendations and conclusions emerged in the Committee's report (DTI led on the response to the Committee's Recommendations; those involving ODPM are summarised below):

- ODPM should take the lead in spelling out clearly the different roles, responsibilities and authority of RDAs, departments and any elected regional assembly.
- DTI and ODPM should pursue vigorously the 2004 Spending Review commitments about improving the regional integration of skills and transport funding streams with RDAs' activity.
- ODPM should further streamline the array of funding sources available to support regional development.
- DTI, ODPM and RDAs should expand their work in developing single application and monitoring arrangements where multiple funding sources persist.
- ODPM should adopt a presumption against establishing new organisations unless its policy objectives are not achievable through existing bodies.

## ODPM response

ODPM accepted all the recommendations and set out the structures and arrangements to address the issues. Since the report was published it should be noted that;

- Following the North East referendum the Deputy Prime Minister made a statement to Parliament on 8 November 2004 in which he made clear that the Government did not intend to introduce the legislation necessary to establish elected regional assemblies.
- The Spending Review 2004 announced measures to further strengthen the integration of funding adult's skills and workforce development at a regional level, through Government working with RDAs to establish Regional Skills Partnerships.
- Since the PAC Hearing, work involving Single Local Management Centres has helped provide evidence for the development of Local Area Agreements (LAAs). LAAs simplify arrangements for multiple funding streams allowing local areas more flexibility to fund local priorities. Following successful piloting, LAAs will be rolled out to all English local authorities by 2007.
- ODPM agreed with other government departments that, wherever possible, funding streams and outcomes (included in LAAs) will be monitored through streamlined arrangements as part of the drive for reduced bureaucracy. This includes encouraging RDAs to dovetail their arrangements with the streamlining of principles of the LAA, where possible. ODPM continues to promote single project appraisal for Urban Regeneration Companies.
- ODPM worked closely with a range of organisations (including English Partnerships, RDAs, Local Authorities, Housing Corporation, CABI and the Environment Agency) to ensure the delivery of its regeneration agenda. In response to the PAC's conclusion, ODPM justified the interplay of the varied organisations forwarding the Thames Gateway strategy, and emphasised the important role of the Urban Development Corporations. At the time of the PAC Hearing it was already ODPM's policy only to establish a new organisation where no other existing vehicle would serve. This has not changed.

## The Regeneration of the Millennium Dome and associated land.

*NAO Report, 12 January 2005 (HC178)*

*PAC Hearing, 17 January 2005*

*PAC 2nd Report, 22 September 2005 (HC 409 2005-06)*

*Treasury Minute, 16 November 2005 (Cmnd 6689)*

Six conclusions and recommendations emerged from the Committee's report.

- (i) There was confusion among potential bidders about how much land was on offer in the second competition for the sale of the Dome. In running competitions Departments should maintain openness and equality of information, which will avoid unnecessary risks to the bidders, maximise competitive tension, and optimise the likely outcome for the Exchequer.
- (ii) The Committee and its predecessors have consistently stressed the benefits of competitive tension when negotiating commercial deals with the private sector. It is difficult to be confident that the deal finally secured offered the best value for money that could have been achieved.
- (iii) English Partnerships and the Department were working within the policy set by Ministers and the Local Planning Authority to retain the Dome if a suitable use could be found. Recognising this constraint, English Partnerships might usefully have sought bids that showed how much bidders were willing to pay for the Dome itself, as opposed to the valuable land around and under it.
- (iv) In their evaluations of the value for money of the Meridian Delta offer, the Department and English Partnerships focused much attention on the potential risks to the deal, but were less specific about the various potential additional revenues that they had identified, such as from a possible casino in the Dome. Whilst Departments should be prudent by not overstating uncertain benefits in their investment appraisals, they should still attempt to quantify the likelihood and nature of such "upsides" so as to understand the project and maximise potential additional benefits to the taxpayer.
- (v) In deals as complex as that agreed for the Dome, estimating possible future profits will never be an exact science. So profit-sharing mechanisms, with their inherent scope for returns to be undervalued, are not the best way of achieving a fair return for the tax payer... public bodies ... should think in terms of taking a royalty, or a percentage of gross takings, instead of a profit figure. This approach would also be consistent with the principle of allocating business risks to the party best able to manage them.

- (vi) Monitoring the successful delivery of this regeneration programme will require a long term commitment from English Partnerships to ensure it has a sufficiently detailed understanding of the various constituent businesses. English Partnerships should benchmark the various business activities being undertaken by its profit share partners and watch that value does not leak away from the taxpayer.

## ODPM response

- (i) ODPM accepted that the second competition for the sale of the Dome and associated land was run under unusual and complex circumstances. However, the sale process was conducted in a manner acceptable to the public and private sectors, learning and applying lessons from the first competition and subsequent market testing. The aim was to secure a deliverable outcome providing value for money and a sustainable use for the Dome and continued regeneration of the Greenwich Peninsula.
- (ii) ODPM was confident that excellent value for money was secured. This is because the deal combines:
- Value for money on EP's land, delivered over time to reflect market value when land is drawn down for development;
  - Marriage value created by the inclusion of Quintain's land and also the incorporation of land owned by Transport for London;
  - A leisure use for the Dome that makes best use of the transport links but does not overwhelm them; and
  - The strength of a major international consortium combining expertise in development and leisure operations.
- (iii) Ministers agreed early on that clarity should be provided to the Market that the Dome should stay: this was Ministers' policy and that of the local planning authority; this policy shaped the nature of the sale process. The previous sale process confirmed there was substantial interest in the land but only limited demand from leisure operators for the Dome itself. The advisory team was of the view that serious bidders were unlikely to participate in a high profile competition process, and that any new structured open competition to find a use for the Dome would be unlikely to achieve a successful outcome.

This information was considered alongside the need for there to be significant regeneration benefits from both the development of the land and the future use of the Dome: a comprehensive solution involving the Dome and the land was most likely to achieve this, by securing complementary uses that would ensure retention of the Dome while facilitating development of the other land. The successful bid, from Meridian Delta Limited and Anschutz Entertainment Group, scored highly against all the assessment criteria: it combines major international expertise and track records in development and leisure operations, and is set to deliver substantial regeneration benefits and value for money, as well as a world class future use for the Dome.

- (iv) ODPM and EP necessarily adopted a prudent approach to the value for money assessments, in order to limit the possibility of overstating potential benefits when looked at in the context of delivery risks – in the sense of both physical developments and forecast income streams.

The bid from Meridian Delta Limited and Anschutz Entertainment Group scored highly in value for money terms because of the mix and scale of development and the relatively low risk to delivery compared with other proposals. Potential additional revenues from a possible casino in the Dome were subject to known delivery risks, and therefore it would have been inconsistent with the overall approach to inflate artificially the value for money figures by putting a figure on such potential additional revenues.

Nevertheless, the contracts contain rights for EP to receive a payment for the hotel site and a share of profits from the arena, the entertainment area and potential casino above a priority return for the operator – an incentive designed to allow profitability and commercial success, which will in turn produce economic and public benefits. The contracts also give EP the right to receive 50% of development profits in the event that the Dome is demolished at or after 2018, until which time it must be retained as a condition of the contracts.

- (v) ODPM agrees that estimating possible future operating profits in complex deals can be uncertain. This is why potential profit figures were not included in the value for money assessments of the successful bid.

The forecast return in 2002 of £550million from the Meridian Delta consortium over the period of the deal is derived from a minimum land value payment to EP on each transfer of land, and development profit over 25 years. This is likely to be exceeded as the scheme unfolds. The payment for the hotel site and any potential profits from operation of the arena, the entertainment area and/or potential casino proposals, or from development following demolition of the Dome, will be additional.

The hotel site payment and the profit structure on the arena, entertainment area and potential casino elements reflect the commercial risks which the owners and operators of the facilities described are taking on, and the need to support their ability to generate a sufficient profit margin while ensuring that the public purse will benefit from a share of any greater profits that are made.

- (vi) ODPM accepts that, as is the norm in projects of this nature, there is a need for a long term public sector commitment. EP and its staff are very experienced in participating in long term regeneration and development joint ventures, and delivery of this deal – though large – is no different from many others in that respect. A dedicated EP team is working and will continue to work with Meridian Delta Ltd and the Anschutz Entertainment Group to bring forward the various individual development proposals which will deliver both the Government's objectives for a sustainable community and ensure that the taxpayer receives the financial returns set out in the legal documentation. The contractual arrangement between EP and its private sector partners provide for open book accounting such that EP can verify all items of expenditure and income. This will enable EP and/or its consultants to benchmark performance with similar business enterprises.

## Tackling Homelessness

*NAO Report, 23 February 2005 (HC286 2004-05)*

*PAC Hearing, 7 March 2005*

*PAC 13th Report, 22 November 2005 (HC 428-I 2004-05)*

*Treasury Minute, 16 February 2006 (Cmd 6743)*

### **Eight recommendations and conclusions emerged in the Committee's report:**

**As far back as 1991 the Committee called for improved information on homelessness but official statistics remain inadequate and there is a paucity of reliable data.** In developing strategies to help the homeless only 50% of local authorities considered the full range of homeless people in their areas. Working with local authorities and voluntary organisations the Department needs to undertake regular surveys of homeless households focusing on the underlying reasons why they became homeless and track over time the long term success of support provided to help them.

**Registered Social Landlords' responsibilities for accommodating homeless households may need to be clarified.** Local Authorities enter into agreements with Registered Social Landlords (housing associations) to provide social housing but some are reluctant to accommodate homeless households. The full extent of this problem is not known and ODPM needs to establish with Local Authorities how widespread it is. If necessary, formal agreements with Registered Social Landlords



need to be strengthened to make their responsibilities much clearer. Compliance with these agreements should be routinely monitored and communicated to ODPM.

**Reducing the number of families living in Bed and Breakfast accommodation from 6,700 in March 2002 to 28 families in March 2004 was a significant achievement, but some 20% of authorities consider that the quality of accommodation has not improved in recent years.** It is important that homeless households are not moved from one unsatisfactory form of accommodation to another. ODPM is strengthening the statutory standards that apply to temporary accommodation but local authorities are responsible for inspecting and enforcing them. ODPM needs to obtain better assurance on the quality of temporary accommodation by collecting more systematic intelligence on the frequency and results of inspections, and apply pressure for improvements by promoting the new powers of local authorities under the 2004 Housing Act.

**While temporary accommodation such as rented housing is better than bed and breakfast, it is only a short term solution, and the Government has a target to reduce the number of families living in this way from 100,000 to 50,000 by 2010.** Working with the Housing Corporation and local authorities, ODPM needs to promote more actively longer term innovative solutions that are proving successful. These include setting up on-line clearing houses to provide free quick access to private sector tenancies, rent deposit schemes to help families purchase their own home, loft conversion schemes to increase the capacity of existing accommodation and adjusting the eligibility requirements to be included on local authorities' main housing registers.

**Half of the 700 people housed in rough sleepers' hostels in one London Borough abandoned their accommodation or were evicted.** This pattern of repeat homelessness is not uncommon. Local authorities that have been most successful in tackling rough sleeping and rehabilitating more people back into normal life have put in place a range of integrated support which needs to be more widely replicated. This typically includes having sufficient move-on accommodation together with specialist units, out reach workers, support for welfare and mental health, skills training and help in finding employment.

**All 354 local authorities in England have produced strategies to tackle homelessness in their areas but only 40% have identified the resources needed to fund their strategy or considered the full range of funding opportunities.** 80% of local authorities consider that as a result the priority given to homelessness has increased and better support is now available but very few have set specific targets to monitor progress. Lack of measurable targets is likely to make it difficult to track progress in tackling homelessness locally.

**More priority needs to be given to preventing homelessness if more expensive remedial action is to be minimised in the future.** While over 80% of local authorities considered that the requirement to draw up strategies had led them to improve their approach to preventing homelessness, only 45% of voluntary and community sector organisations agreed. A key barrier to better prevention policies is a lack of definitive evidence about what works cost effectively in different local circumstances. ODPM has commissioned an evaluation of best practice, and the results need to be extensively disseminated including through a dedicated website for practitioners.

## ODPM Response

ODPM responded positively to the various conclusions and recommendations and welcomed the PAC's recognition that "the Directorate's target setting, supported by financial support and advice to local authorities, has helped to alleviate the worst consequences of homelessness".

ODPM agreed with the PAC that the Government's efforts should now be turned to:

- a) reducing the use of temporary accommodation.
  - That's why our Five Year Plan, *Homes for All*, announced a new target to halve the number of homeless households in temporary accommodation by 2010.
  - While the majority of households in temporary accommodation, around 84 per cent, live in good quality houses or self-contained flats, they do not have the security that a settled home brings.
- b) addressing the "revolving door" of hostel use
  - Our strategy also includes a £90 million programme of investment to improve hostels so that they help more former rough sleepers and other homeless people move successfully to independent living.

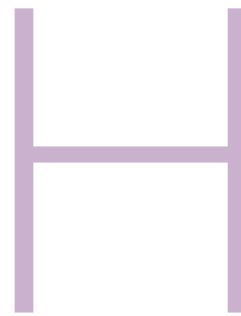
In addition to this:

- We are increasing investment in homelessness prevention, from £60 million in 2005/06 to £74 million in 2007/08, and will increase the supply of social rented housing by 50 per cent by 2008, providing 75,000 new homes over the next three years.
- In 2002, we brought in new legislation which requires every local authority in England to produce a strategy setting out how homelessness will be prevented, and new cases of homelessness have been falling since mid to late 2003 when the strategies were put in place.

- *Homes for All* also sets out plans to access more private rented sector homes, convert more temporary accommodation into secure tenancies, and give more social housing tenants an opportunity to own a long-term stake in their homes.

Taken together, these measures provide a comprehensive strategy to further reduce homelessness in England.

# Annex: Useful addresses



## **DCLG(C)**

### **Eland House**

Bressenden Place  
London SW1E 5DU  
Telephone: 020 7944 4400  
Fax: 020 7944 6589  
E-mail: [enquiryodpm@odpm.gsi.gov.uk](mailto:enquiryodpm@odpm.gsi.gov.uk)  
Website: [odpm.gov.uk](http://odpm.gov.uk)

### **Regional Co-ordination Unit**

2nd Floor  
Riverwalk House  
157–161 Millbank  
London SW1P 4RR  
Telephone: 020 7217 3595  
E-mail:  
[corporate.communications@rcu.gov.uk](mailto:corporate.communications@rcu.gov.uk)

### **Government Office for the East of England (GO-East)**

Eastbrook  
Shaftesbury Road  
Cambridge  
CB2 2DF  
Telephone: 01223 372500  
Fax: 01223 372501  
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Website: [gos.gov.uk/goeast](http://gos.gov.uk/goeast)

### **Government Office for the East Midlands (GOEM)**

The Belgrave Centre  
Stanley Place  
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Telephone: 0115 971 2759  
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Website: [gos.gov.uk/goem](http://gos.gov.uk/goem)

### **Government Office for London (GOL)**

Riverwalk House  
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### **Government Office for the North West (GONW)**

City Tower  
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Website: [gos.gov.uk/gonw](http://gos.gov.uk/gonw)

**Government Office for the North East  
(GONE)**

Citygate  
Gallowgate  
Newcastle upon Tyne NE1 4WH  
Telephone: 0191 201 3300  
Fax: 0191 202 3998  
E-mail: [generalenquiries.gone.gsi.gov.uk](mailto:generalenquiries.gone.gsi.gov.uk)  
Website: [gos.gov.uk/gone](http://gos.gov.uk/gone)

**Government Office for the South West  
(GOSW)**

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Website: [gos.gov.uk/gosw](http://gos.gov.uk/gosw)

**Government Office for the South East  
(GOSE)**

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E-mail: [info.gose@gsi.gov.uk](mailto:info.gose@gsi.gov.uk)  
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**Government Office for the West  
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Website: [gos.gov.uk/gowm](http://gos.gov.uk/gowm)

**Government Office for Yorkshire and  
the Humber (GOYH)**

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Telephone: 0113 280 0600  
Fax: 0113 283 6394  
E-mail: [yhenquiries@goyh.gsi.gov.uk](mailto:yhenquiries@goyh.gsi.gov.uk)  
Website: [gos.gov.uk/goyh](http://gos.gov.uk/goyh)

**Agencies**

**Fire Service College**

Moreton-in-Marsh  
Gloucestershire GL56 0RH  
Telephone: 01608 650 831  
Fax: 01608 651 788  
E-mail: [enquiries@fireservicecollege.ac.uk](mailto:enquiries@fireservicecollege.ac.uk)  
Website: [www.fireservicecollege.ac.uk](http://www.fireservicecollege.ac.uk)

**The Planning Inspectorate**

Registry/Scanning  
Room 3/01 Kite Wing  
Temple Quay House  
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Bristol BS1 6PN  
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Fax: 0117 372 8128  
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Website: [www.planning-inspectorate.gov.uk](http://www.planning-inspectorate.gov.uk)

**Queen Elizabeth II Conference Centre**

Broad Sanctuary  
Westminster  
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Fax: 020 7798 4200  
E-mail: [info@qeicc.co.uk](mailto:info@qeicc.co.uk)  
Website: [qeicc.co.uk](http://qeicc.co.uk)

### **Ordnance Survey**

Customer Service Centre  
Romsey Road  
Southampton  
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Fax: 023 8079 2615  
E-Mail:  
customerservices@ordnancesurvey.co.uk  
Website: www.ordnancesurvey.co.uk

### **Public Corporation**

Architects Registration Board  
8, Weymouth Street  
London  
W12 5BU  
Tel: 020 7580 5861  
Fax: 020 7436 5269  
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### **London Thames Gateway Development Corporation**

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Website: www.ltgdcc.org.uk

**Stonebridge Housing Action Trust**

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Tel: 020 8963 4900  
Fax: 020 8961 7564  
E-mail: [contact@stonebridgehat.org.uk](mailto:contact@stonebridgehat.org.uk)

**Independent Housing Ombudsman**

Norman House  
105-109 The Strand  
London WC2R 0AA  
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c/o Buildings Division  
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**Advisory Panel on Standards for the  
Planning Inspectorate**

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# Annex: How to obtain publications

## ODPM publications

Details of all publications issued by The Office of the Deputy Prime Minister, including those referred to in this report, can be found on our publications database:  
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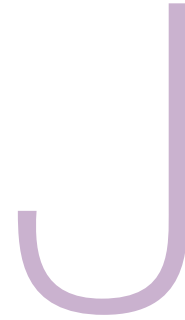
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# Annex: List of abbreviations and technical terms



<b>AEF</b>	Aggregate External Finance
<b>ALMOs</b>	Arm's Length Management Organisations
<b>AME</b>	Annually Managed Expenditure
<b>APOS</b>	Advisory Panel on Standards
<b>ARB</b>	Architects Registration Board
<b>B&amp;Bs</b>	Bed and Breakfasts
<b>BME</b>	Black and Minority Ethnic
<b>BRAC</b>	Building Regulations Advisory Committee
<b>BVPIs</b>	Best Value Performance Indicators
<b>CABE</b>	Commission for Architecture and the Built Environment
<b>CDRPs</b>	Crime and Disorder Reduction Partnerships
<b>CEN</b>	Community Empowerment Network
<b>CoE</b>	Centre of Excellence
<b>CPAs</b>	Comprehensive Performance Assessments
<b>CSR07</b>	Comprehensive Spending Review 2007
<b>DCA</b>	Department for Constitutional Affairs
<b>DCLG</b>	Department for Communities and Local Government
<b>DCMS</b>	Department for Culture, Media and Sport
<b>DEFRA</b>	Department for Environment Food and Rural Affairs
<b>DEL</b>	Departmental Expenditure Limit
<b>DfES</b>	Department for Education and Skills
<b>DfT</b>	Department for Transport
<b>DIS</b>	Departmental Investment Strategy
<b>DoC</b>	Directorate of Communication
<b>DPM</b>	Deputy Prime Minister
<b>DTI</b>	Department of Trade and Industry
<b>DVLA</b>	Driver and Vehicle Licensing Authority
<b>DWP</b>	Department for Work and Pensions
<b>EDU</b>	Equality and Diversity Unit
<b>EHCS</b>	English House Condition Survey

<b>EP</b>	English Partnerships
<b>ERDF</b>	European Regions Development Fund
<b>ESB</b>	(Local Authority) Environmental Services Block
<b>EU</b>	European Union
<b>Floor Target</b>	A series of targets that sets a minimum standard for disadvantaged groups or areas, or a narrowing of the gap between them and the rest of the country
<b>FRD</b>	Fire and Resilience Directorate
<b>FRS</b>	Fire and Rescue Service
<b>FSC</b>	Fire Service College
<b>GLA</b>	Greater London Authority
<b>GOs</b>	Government Offices
<b>GVA</b>	Gross Value Added
<b>HA</b>	Highways Agency
<b>HATs</b>	Housing Action Trusts
<b>HMO</b>	Houses with Multiple Occupation
<b>HMT</b>	Her Majesty's Treasury
<b>H &amp; S</b>	Health & Safety
<b>ICT</b>	Information and Communication Technology
<b>IDeA</b>	Improvement and Development Agency
<b>IEG</b>	Implementing Electronic Government
<b>IPDS</b>	Integrated Personnel Development System
<b>IRMP</b>	Integrated Risk Management Plans
<b>KS2</b>	Education Key Stage 2 (up to age 11)
<b>KS3</b>	Education Key Stage 3 (up to age 14)
<b>LAs</b>	Local Authorities
<b>LAA</b>	Local Area Agreement
<b>LDF</b>	Local Development Framework
<b>LG</b>	Local Government
<b>LGA</b>	Local Government Association
<b>LPA</b>	Local Planning Authority
<b>LPSA</b>	Local Public Service Agreement
<b>LSPs</b>	Local Strategic Partnerships
<b>LSVT</b>	Large Scale Voluntary Transfer
<b>NCC</b>	National Co-Ordination Centre
<b>NDC</b>	New Deal for Communities
<b>NDPBs</b>	Non-Departmental Public Bodies
<b>NHS</b>	National Health Service
<b>NMP</b>	National Management Pathfinder
<b>NRA</b>	Neighbourhood Renewal Advisor
<b>NRF</b>	Neighbourhood Renewal Fund
<b>NRU</b>	Neighbourhood Renewal Unit
<b>ODPM</b>	Office of the Deputy Prime Minister

<b>OFT</b>	Office of Fair Trading
<b>OGC</b>	Office of Government Commerce
<b>ONS</b>	Office for National Statistics
<b>PAC</b>	Public Accounts Committee
<b>PDG</b>	Planning Delivery Grant
<b>PFI</b>	Private Finance Initiative
<b>PI</b>	Performance Indicators
<b>PINS</b>	Planning Inspectorate
<b>PMF</b>	Performance Management Framework
<b>PSA</b>	Public Service Agreement
<b>QEII CC</b>	Queen Elizabeth II Conference Centre
<b>RCU</b>	Regional Co-ordination Unit
<b>RDA</b>	Regional Development Agency
<b>RDD</b>	Research and Development Division
<b>RIA</b>	Regulatory Impact Assessment
<b>RPG</b>	Regional Planning Guidance
<b>RRO</b>	Regulatory Reform Order
<b>RSLs</b>	Registered Social Landlords
<b>R &amp; D</b>	Research and Development
<b>SBE</b>	Standards Board for England
<b>SDA</b>	Service Delivery Agreement
<b>SEU</b>	Social Exclusion Unit
<b>SHI</b>	Starter Home Initiative
<b>SP</b>	Supporting People
<b>Spearhead Group</b>	Areas having worst health and deprivation indicators in 1995-97
<b>SR2002</b>	2002 Spending Review
<b>SR2004</b>	2004 Spending Review
<b>SSCF</b>	Safer Stronger Communities Fund
<b>UDC</b>	Urban Development Corporation
<b>VCS</b>	Voluntary and Community Sector
<b>VOA</b>	Valuation Office Agency
<b>VTS</b>	Valuation Tribunal Service





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