

Department for Communities and Local Government: Annual Report 2009

Cm 7598

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CORRECTION

Core Table 6: Staffing - on page 217-218 is incorrect. The table below contains the amended figures.

Annex C – Table 6: Staffing (1)

	2007-08 Actual ⁽²⁾	2008-09 Actual ⁽³⁾	2009-10 Planned
Communities and Local Government			
Permanent staff	2046	2025	2041
Fixed Term Appointments	226	241	180
Total	2272	2266	2221 ⁽⁴⁾
Communities staff in the Government Offices			
Permanent staff	634	595	604
Fixed Term Appointments	33	12	0
Total	667	607	604 ⁽⁵⁾
Planning Inspectorate			
Permanent staff	759	740	747
Fixed Term Appointments	0	0	0
Total	759	740	747
QEII Conference Centre			
Permanent staff	48	46	46
Fixed term Appointments	3	4	3
Total	51	50	49
The Fire Service College			
Permanent staff	249	229	223
Fixed term Appointments	4	2	4
Total	253	231	227
Total Department	4002 ⁽⁶⁾	3894 ⁽⁶⁾	3848 ⁽⁶⁾

1. Figures for executive NDPBs not included
2. As 31 March 2008
3. As 31 March 2009
4. The 2009-10 planned figures are based on current knowledge of exits across the main Department after 31 March 2009 in order to achieve the desired post April 2010 staffing allocations
5. The 2009-10 planned figures are based on current knowledge of exits across the GO Network after 31 March 2009 in order for the Network to achieve the desired post April 2010 staffing allocations under the Resource Allocation Model
6. Includes staff on inward loans and secondments, staff on paid maternity leave, staff on paid outward loans and secondment, staff who are on long-term sick and staff on unpaid special leave

October 2009

LONDON: The Stationery Office



Annual Report **2009**

Community, opportunity, prosperity





Department for Communities
and Local Government

Annual Report 2009

Presented to Parliament by the Secretary of State for Communities and
Local Government by Command of Her Majesty

July 2009

CM 7598

£34.55

This is part of a series of departmental reports which, along with the Main Estimates 2009-10, the document Public Expenditure: Statistical Analyses 2009, and the Supply Estimates 2009-10: Supplementary Budgetary Information, present the Government's outturn and planned expenditure for 2009-10 and 2010-11

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Foreword



Here at Communities and Local Government we are working to build a stronger fairer future for Britain. We exist to help shape strong communities, based on shared values, fair rules, and strong representative democracy.

Over the past year, our priority has been to make sure that families, businesses and communities get the help they need in tough times. We have introduced new support for people at risk of repossession and greater help for first time buyers struggling to get onto the property ladder. We have helped councils affected by the collapse of Icelandic banks, and worked to minimise the impact on local services and residents. Through the

Future Jobs Fund, we are creating 150,000 new jobs, and our investment in new homes is helping to create employment in construction, while ensuring that much needed homes get built. It has also been very encouraging to see councils themselves responding to the downturn: helping families and businesses with advice and support, short-term loans and new partnerships. Alongside this, we have also continued our longer-term work to strengthen local government and communities, from using Local Area Agreements to countering violent extremism to continuing to reduce deaths caused by fire.

Our focus must now shift to preparing for recovery; building a strong and prosperous future and communities which thrive, united by the positive values they share, rooted in a sense of decency and fairness. Building Britain's Future, published in June 2009, sets out the bold reforms necessary to forge a new model of economic growth, restore trust and accountability to the political system and modernise our public services and national infrastructure. We must work to restore trust and confidence in local democracy, as part of a broader effort to rebuild confidence in political institutions. We must start with citizens, and their rights to elect a strong and effective council. We must acknowledge that, despite major successes over the past 12 years, there are still communities which have been left behind: where there are disproportionately high levels of anti-social behaviour, long term dependence on benefits and families which struggle, where opportunities are limited and people who play by the rules feel that their voice is not heard. We will support communities by promising values which strengthen and unite them and challenge those who undermine and divide them. We need to listen to those who feel they are missing out, and make sure that public services are delivered in a transparent and fair way. We will focus on increasing the power that citizens have to shape their communities and the services they use, through more personalised budgets, minimum level rights and entitlements and the ability to elect a powerful but fully accountable local council. And we must continue to make sure that public services deliver

the best possible value for money: guaranteeing that every pound of taxpayers' money will work as hard as the taxpayer had to work to earn it.

I am confident that, with the foundations we have laid over the past decade, the action over recent months, and the energy and commitment throughout local authorities, we will be able to rise to these challenges, building a better future for communities throughout Britain.



The Rt Hon John Denham MP

Secretary of State for Communities and Local Government

**We are ambitious
and creative**

**We act openly
and as one
department**

**We give people
the chance to
shine**

**We give people
a voice**

Introduction



This has been an exceptionally busy and productive year for the Department. The downturn has brought challenges for citizens, families and communities across the country and we have played a full part in the Government's response, particularly in housing and in supporting local partnerships to deliver real help now and to enable communities to come through stronger.

We have also continued to improve our performance and capacity. On the basis of a clear set of values, we seek to secure excellence in policy and delivery, to engage powerfully with stakeholders, and – as resources become tighter – to develop our flexibility and resilience as an organisation, and promote efficiency and value for money across our delivery networks.

We have an important role in delivery at the heart of government and are fundamental to its engagement with people and places. We are proud of our achievements in 2008-09 and look forward with confidence to serving the public, our Ministers and Parliament in the year ahead.

A handwritten signature in black ink that reads "Peter Housden". The signature is written in a cursive, flowing style.

Peter Housden

Permanent Secretary

Communities and Local Government

About Communities and Local Government



This is the third annual report for Communities and Local Government. The Department was created on 5 May 2006. Our vision is to create places where people want to live, work and raise a family. The Department takes a strategic lead across government on:

- increasing long-term housing supply, affordability and environmental performance, tackling homelessness, and reducing repossessions
- cohesive, empowered and active communities and citizens
- strong and accountable local government delivering high quality local services
- regeneration and investment in our towns, cities, regions and neighbourhoods
- ensuring an effective and efficient land-use planning system
- the Fire and Rescue Service and regional resilience

The structure of this report

After the opening chapter, which sets out how the Department is structured, Chapter 2 presents the strategic context within which the Department operates, including our two public service agreements (PSA) and six departmental strategic objectives (DSO) which we began reporting against from April 2008, as well as outlining some of our challenges and achievements for 2008-09.

Chapters 3-9 look back at our performance in 2008-09 across our six DSOs, the two PSAs on which we lead and our value for money and relocation targets. In total, we are reporting 'some progress' for PSA 20, 'not yet assessed' for PSA 21, 'some progress' for DSOs 1, 2, 4 and 6, 'not yet assessed' for DSO 3, and 'no progress' for DSO 5. Our overall performance on the PSAs and DSOs is also summarised in Annex A.

In line with HM Treasury guidance our 2008 *Autumn performance report* was the final report on PSAs which had an end date later than 2008 but were subsumed within our CSR07 PSAs and DSOs. Where SR04 PSAs ended in 2008 we will continue reporting until we can make a final assessment. Annex B reflects the progress made on all residual indicators from our SR04 PSAs, as well as noting the 2008 *Autumn performance report* position for those indicators that we are no longer reporting on.

How we have assessed our performance

In Chapters 3-9 we have assessed overall progress against our DSOs and reported on them using the following standard terms as set out in HM Treasury guidance:

- *strong progress*: where more than 50 per cent of indicators have improved
- *some progress*: where 50 per cent or fewer indicators have improved
- *no progress*: where no indicators have improved
- *not yet assessed*: where 50 per cent or more of the indicators are yet to have even first time data produced on progress

In accordance with HM Treasury guidance, individual indicators are not assessed in the way set out for summary assessments. Rather we make clear whether we have improved against the relevant baseline or target. We also report on the underlying data systems and estimated spend in 2008-09.

Chapter 1

Governance and structure



Our ministerial team¹



The Rt Hon John Denham MP
Secretary of State for Communities
and Local Government



The Rt Hon John Healey MP
Minister for Housing and Planning,
attending Cabinet



The Rt Hon Rosie Winterton MP
Minister for Local Government and Regional
Minister for Yorkshire and Humber²



Shahid Malik MP
Parliamentary Under
Secretary of State



Ian Austin MP
Parliamentary Under
Secretary of State



Lord McKenzie
Parliamentary Under
Secretary of State³

- 1 This Ministerial team was established on the 8 June 2009 replacing the previous team of Hazel Blears, Margaret Beckett, John Healey (then as Minister for Local Government), Iain Wright, Sadiq Khan and Baroness Andrews. Sarah McCarthy-Fry was Parliamentary Under Secretary of State in Communities and Local Government from Monday 8 June to Thursday 18 June 2009 before moving on to HM Treasury. An announcement has yet to be made about Sarah McCarthy-Fry's successor.
- 2 Also Minister for Regional Economic Coordination at the Department for Business, Innovation and Skills.
- 3 Joint appointment with the Department for Work and Pensions.

Our Board

1.1 The Departmental Board supports the Permanent Secretary in securing the effective performance of the Department, and ensuring high standards of corporate governance.



Peter Housden
Permanent Secretary



Richard McCarthy
Director General
Housing and Planning



Joe Montgomery
Director General
Regions and Communities



Hunada Nousse
Director General
Finance and Corporate Services



Mike Falvey
Director General
*Human Resources and
Business Change*



Lindsay Bell
Acting Director General
*Local Government and
Regeneration (Since February
2009)⁴*



David Rossington
Acting Director General
*Communities
(Since September 2008)⁵*



Christina Bienkowska
Director
Strategy and Performance

Non-executive Members⁶



Sarah Weir
Head of Arts and Cultural
Strategy
*Olympic Delivery Authority
design and planning team*



Rob Vincent
Chief Executive
*Kirklees Council
(Since June 2008)*



Debbie Hewitt
Portfolio Company Director
(Since October 2008)



Dame Jo Williams
Chair
*Prison Reform Trust
(Since September 2008)*



Cindy Butts
*Metropolitan Police Authority
(Since April 2009)*



Stephen Hay
Chief Operating Officer
Monitor
(Since April 2009)

⁴ Prior to February 2009, Chris Wormald was Director General, Local Government and Regeneration. Irene Lucas will take up post as the new Director General, Local Government and Regeneration in September 2009.

⁵ Prior to September 2008, Susan Scholefield was Director General, Cohesion and Resilience. David Prout will take up post as the new Director General, Communities in September 2009.

⁶ Peter Doyle was a non-executive member of the board until November 2008 as was Polly Cochrane from June 2008 to January 2009.

- 1.2** The day-to-day business of the Department is overseen by a management board – the Board Executive – consisting of the Permanent Secretary, the six Directors General, the Director of Strategy and Performance, and the following Directors:
- Andrew Campbell, Director, Local Government Policy and Performance
 - Fred Croft, Acting Director, Legal Services
 - Graham Duncan, Acting Director, Local Government Finance
 - George Eykyn, Director, Communications
 - Bernadette Kelly, Executive Director, Housing
- 1.3** The Board has five sub-committees dealing with key aspects of Departmental business.

Delivery sub-committee

- 1.4** The delivery sub-committee (DSC) was established in June 2007 and is chaired by the Permanent Secretary. It is responsible for scrutinising and ensuring the successful delivery of the Department's key, high risk delivery programmes, intervening where necessary to resolve problems which may threaten progress. Membership of the DSC consists of directors general and directors with experience in policy and programme delivery.

Investment sub-committee

- 1.5** The investment sub-committee is chaired by the Director General for Finance and Corporate Services. It plays a key role in approving the business case for all significant new programmes and appraising any subsequent proposed new financial investment that (a) have a whole life cost of over £20m and/or (b) are novel or contentious and/or (c) carry a high level of risk and/or (d) are mission critical. It also reviews programmes referred to it by the main Board.

Audit and risk committee

- 1.6** The audit and risk committee meets quarterly (and on other occasions as necessary) to assess the adequacy of the Department's risk management, audit arrangements, financial reporting and internal controls. Its remit extends across the whole of the Department. Its focus is on the Department itself but the committee also maintains an interest in the wider Communities and Local Government group and the Department's responsibilities for the Government Offices in the regions.
- 1.7** In line with HM Treasury guidance, the audit and risk committee is chaired by a non-executive member of the main Board. Peter Doyle held this position until November 2008, and the committee is now chaired by Stephen Hay (with Janet Pope, an existing independent member of the audit and risk committee, having acted as chair in the interim period). The committee's permanent membership is completed by two further independent external members: Sue Nelson and Martin Evans.

- 1.8** The Permanent Secretary, Director General for Finance and Corporate Service Delivery, Director of Strategy and Performance, Head of Internal Audit Services and representatives of the National Audit Office (NAO) also attend in an *ex officio* capacity. As a committee of the Board, and responsible to it, the audit and risk committee makes recommendations to the main Board for approval.
- 1.9** In order to discharge its duties, the committee met four times in the 2008-09 financial year. Its work included:
- giving its assurance on the Department's annual accounts and statement on internal controls (SIC)
 - reviewing and providing advice to the accounting officer on the corporate governance arrangements of the Department, including the management of risk
 - considering and providing feedback on the forward plans, progress and findings of both internal and external auditors, including on major audit work and fraud
- 1.10** The committee has also considered the Department's systems and processes for ensuring data security, at the request of the accounting officer and Cabinet Office.

Contingencies planning committee

- 1.11** The contingencies planning committee was established in June 2007 and is chaired by the Director General for Communities. The committee advises and assures the Board and Ministers on the Department's overall state of preparedness to cope with emergencies and to continue with its essential business in the face of any serious disruption to our staff or infrastructure. The committee meets quarterly and at any times of emergency.

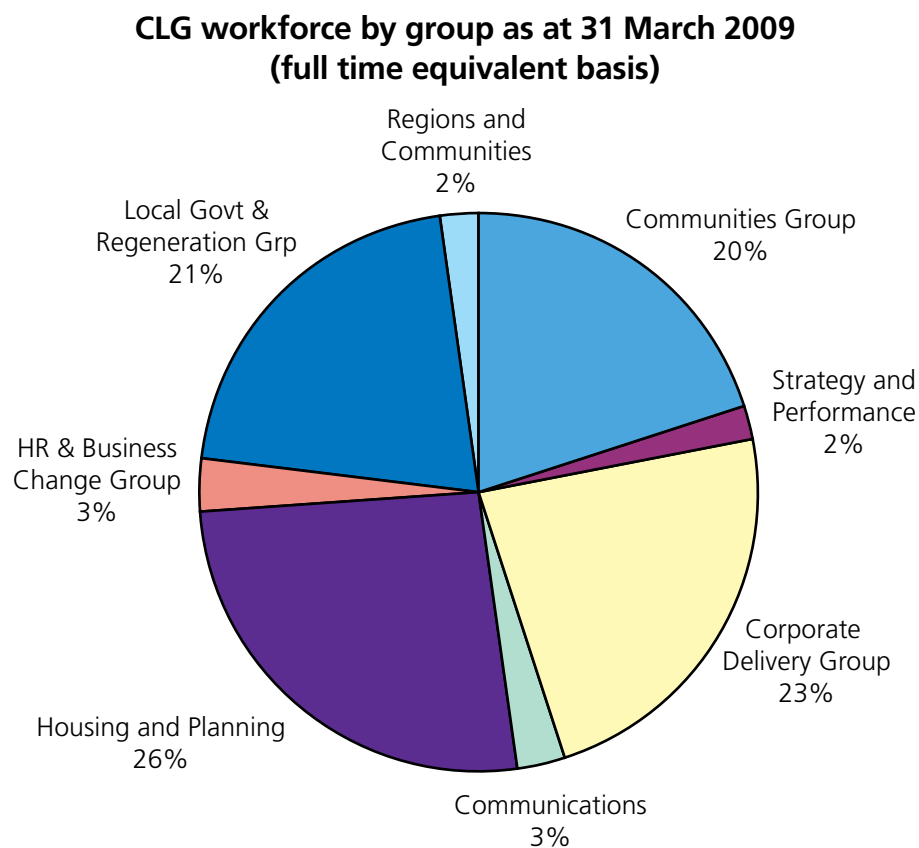
Organisational development sub-committee

- 1.12** The organisational development sub-committee was established in April 2009 and is chaired by the Permanent Secretary. The committee monitors overall departmental capacity and capability, and addresses specific organisational development needs in line with Board priorities. In addition the committee will oversee preparation for Capability Reviews and ensure effective communication of organisational development priorities, activities and progress within the Department.

Organisational structure

1.13 The Department employs 2,207⁷ staff in its central functions (excluding Government Offices) and is primarily organised into director general-led groups. Figure 1 below illustrates the distribution of staff across these groups.

Figure 1: Percentage of staff by group



1.14 Over the year, some groups have been internally restructured in response to the Department's changing priorities and the need to continue to deliver effectively in changing economic and housing market conditions. This includes the former Cohesion and Resilience Group becoming Communities Group (with minor consequential changes in director general portfolios) and moving some functions to the newly established Homes and Communities Agency (as detailed in Chapter 4). We have created a special projects unit, reporting directly to the Permanent Secretary, and our communications directorate now also reports directly to the Permanent Secretary. However, the overall structure of the Department has remained unchanged.

7 As at end March 2009 (includes staff on fixed term or casual appointments, staff on inward loan or inward secondment and staff on paid leave and unpaid leave). Also includes 67 staff who are due to transfer to the Government Equalities Office.

Board member

Responsibilities

Richard McCarthy

Director General,
Housing and Planning
Group

Leads on housing supply and delivery, affordable housing and the decent homes programme; planning reform and performance; home buying and selling reform (including home information packs); sponsorship of the Homes and Communities Agency and Tenant Services Authority; supporting people; tackling homelessness; building regulations; design; and championing environmental and sustainable development issues in our policy work across the Department.

The group is responsible for PSA 20 (Housing supply and affordability) and related DSO2 (Housing) and DSO5 (Planning) under CSR07

Chair, Cross Departmental Board on PSA 20 and Internal Housing Supply Delivery Board (Housing Markets)

- Responsible for driving improvements to housing affordability and reducing the use of temporary accommodation for homeless households by increasing housing supply and related infrastructure support.

Chair, Planning Programme Board

- Provides strategic oversight of performance against DSO 5. Responsible for planning policy and delivery across all of the Department's responsibilities.

Board member**Responsibilities****Lindsay Bell**

Acting Director General,
Local Government and
Regeneration Group

Leads on local government reform, performance and finance; implementation of the Sub-National Review (SNR); economic performance and regeneration; and Ministerial Group.

The group has lead responsibility for DSO1 (Local government and empowerment) and DSO3 (Economic performance and regeneration). It also contributes to PSA 21 (Cohesive, empowered and active communities).

Chair, Local Government Programme Board

- Responsible for ensuring that the desired outcomes of the 2006 local government white paper Strong, prosperous communities are delivered and managing cross programme risks, dependencies, communications and stakeholders.

Chair, Economic Development and Regeneration Programme Board

- Responsible for our work on economic development, regeneration and worklessness, including delivery of the reforms contained within the Review of Sub-National Economic Development (the SNR); and DSO3.

Board member	Responsibilities
Joe Montgomery Director General, Regions and Communities Group	<p>Leads on the Government Office network; support for regional ministers and regional select committees; the regeneration of the Thames Gateway; and the Department's contribution to the legacy aspects of the 2012 Olympics.</p> <p>Chair, Government Office Network Board</p> <ul style="list-style-type: none">• Responsible for providing strategic leadership to the Government Office network to determine the allocation of resources and through oversight of structure, organisation and accountability, to ensure propriety, efficiency and effectiveness. <p>Chair, Government Office Network Sponsorship Board</p> <ul style="list-style-type: none">• Responsible for determining the priorities and resourcing for the Government Office Network on behalf of the sponsor departments and government, and for providing collective oversight, scrutiny and accountability. <p>Chair, Thames Gateway Programme Board</p> <ul style="list-style-type: none">• Responsible for managing progress against the Thames Gateway Delivery Plan ensuring alignment of Thames Gateway programme with other government and departmental strategic objectives, managing risks, assessing progress against Department and Homes and Communities Agency expenditure and the associated outputs and outcomes, ensuring the programme delivers identified contributions to the Olympics legacy programme, and steering wider stakeholder engagement.

Board member**Responsibilities****David Rossington**

Acting Director General,
Communities Group

Leads on local democracy, empowerment and community cohesion; tackling prejudice and extremism; delivering race equality; the Fire and Rescue Service; national and regional resilience and the Department's role in post-incident recovery; European policies and programmes; and the Department's cross-cutting interests in migration.

The group is responsible for PSA 21 (Cohesive, empowered and active communities), DSO4 (Cohesive, active and resilient to extremism) and DSO6 (Fire and Rescue Service). It also contributes to DSO1 (Local government and empowerment).

Chair, Cross Departmental Board on PSA 21

- Responsible for overseeing delivery of PSA 21 to build more cohesive, empowered and active communities and overseeing progress on all of its supporting indicators.

Chair, Cohesion and Migration Programme Board

- Drives progress and oversees delivery in response to the Commission on Integration and Cohesion, and on the transitional effects of migration.

Chair, Preventing Violent Extremism Programme Board

- Provides strategic oversight and assurance to the Department and the wider cross-government governance structure on delivery of this programme.

Chair, Fire and Rescue Service and Resilience Programme Board

- Provides strategic direction for the development and delivery of the Department's policies in respect of fire and resilience.

Chair, Community Empowerment Programme Board

- Responsible for driving progress, managing risks and resolving issues which threaten or delay delivery of the community empowerment programme.

Board member	Responsibilities
Hunada Nouss Director General, Finance and Corporate Services Group	<p>Leads on legal, financial and analytical advice, including the Office of the Chief Scientist; workplace environment; and IT, knowledge management and data quality.</p> <p>Chair, Group Corporate Services Programme Board</p> <ul style="list-style-type: none">• Responsible for ensuring a more integrated approach to corporate service delivery across the wider Communities and Local Government group. Provides strategic oversight and monitors progress of the corporate change programme. <p>Chair, Olympics Delivery Board</p> <ul style="list-style-type: none">• Responsible for driving progress and managing risks around our financial contribution to the Olympics budget. Supports the creation of a sustainable Olympics legacy. <p>Chair, European Regional Development Fund (ERDF) Programme Board</p> <ul style="list-style-type: none">• Responsible for ensuring strategic financial risk management of all ERDF programmes in England.

Board member	Responsibilities
Mike Falvey Director General, Human Resources and Business Change Group	<p>Leads on supporting the Department as a 'people business', ensuring that we have people with the right leadership, skills, and values to deliver our objectives, underpinned by strong performance management. Works on a number of Whitehall work streams including championing workforce change and as a sponsor on the HR leader's council.</p>

In addition, the following areas report directly to the Permanent Secretary:

Christina Bienkowska – Director, Strategy and Performance:

Supports ministers and the Board across strategic / policy challenges, performance and delivery, corporate governance and better regulation.

Stephen Aldridge – Director, Special Projects Unit⁸:

Supports ministers and the Board on specific strategy projects.

George Eykyn – Director, Communications:

Leads on external communications, including news media and press office, campaigns and marketing, digital and internal communications.

8 The Special Projects Unit was created in March 2009.

Chapter 2

Our strategy



2.1 Our vision is to create places where people want to live, work and raise a family. Our commitment to this vision underpins our values as an organisation. We seek to be ambitious and creative, act openly as one department, and give people a voice and the chance to shine.

2.2 We are the lead Department for two of the Government's Public Service Agreements (PSAs):

- to increase long term housing supply and affordability (PSA 20)
- to build more cohesive, empowered and active communities (PSA 21)

We also make a major contribution to delivering other key priorities where other Departments are in the lead. Examples of this include our work to support regional economic performance (PSA 7), maximise employment opportunities for all (PSA8), equalities (PSA 15), supporting socially excluded adults (PSA 16), ensuring a lasting Olympic legacy through regenerating East London (PSA 22), helping to reduce the risk from international terrorism through our work on Preventing Violent Extremism (PSA 26) and combating climate change (PSA 27). In addition, through our oversight of the local government system, we help to make sure national and local priorities are delivered.

2.3 Our Departmental Strategic Objectives (DSOs) set out what we aim to achieve over the three years from 1 April 2008⁹ and give a framework for measuring the progress we make. Our DSOs are:

1. to support local government that empowers individuals and communities and delivers high quality services efficiently (DSO 1)
2. to improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy (DSO 2)
3. to build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation (DSO 3)
4. to develop communities that are cohesive, active and resilient to extremism (DSO 4)
5. to provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change (DSO 5)
6. ensuring safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies (DSO 6)

9 The period covered by the 2007 Comprehensive Spending Review (CSR07).

Real Help Now: responding to the economic downturn

2.4 Our 2008 Annual Report set out our plans and priorities for 2008-09. Since then, the impacts of the economic downturn have led to a refocusing of activities across Government to ensure that citizens, councils and communities receive real help and are well placed to come through stronger into the upturn. We have reprofiled our planned expenditure, with over £1.5bn of investment brought forward from 2010-11 to support housing and regeneration activity (supplemented by an additional £500m of new investment announced in the 2009 Budget). Alongside this, we have also looked across all of our policy areas to ensure that we, together with our local and national delivery partners, are responding effectively to the changed economic circumstances. We have taken a leading role in developing and promoting the *Real Help Now*¹⁰ campaign, which has set out the support and advice available to families and to business both at the national and regional level.

2.5 The Government has also taken practical steps to ensure that homeowners who are concerned about the risk of repossession have access to advice and information, in particular through additional funding to the National Debtline and to the Citizens Advice Bureau. With the Ministry of Justice, we have also extended Court Desk coverage across England to ensure free legal and financial advice to people facing a repossession hearing. We have provided wider support for householders to support the supply of private sector and affordable housing through a range of measures designed to reduce the threat of repossession and to support construction, jobs and skills. As is set out more fully in Chapter 4, our key responses have been:

- Strengthening protection against repossessions through the courts by issuing a new mortgage pre-action protocol with the Ministry of Justice in November 2008
- Establishing the Homeowner Mortgage Support Scheme. Working with lenders, this will provide help to households who suffer a significant reduction in income as a result of the downturn to defer some of their mortgage interests payments for up to two years. The scheme was launched with the first lenders on 21 April 2009, with more scheduled to offer the scheme or comparable arrangements to their customers
- Putting in place a Mortgage Rescue Scheme to help up to 6,000 vulnerable households. This scheme is delivered by local authorities and rollout began in January 2009. Since then, on average more than 1000 households each month have come forward and, as of the end of May 2009, over 200 households had benefited from action to stop the immediate threat of repossession, with a further 295 being assessed for support. In addition, the Support for Mortgage Interest scheme (SMI), delivered through the Department for Work and Pensions and Jobcentre Plus, helps out-of-work households with mortgage payments. In 2007–08 over 200,000 households benefited from support through SMI.

- Supporting housing supply and jobs in the construction industry by both bringing forward spending from future years and through additional investment, as follows:
 - The November 2008 Pre-Budget Report brought forward £775m, including £200m for regeneration and housing growth, £250m for the Decent Homes programmes to fund improvements and improve energy efficiency in 25,000 council homes, £175m for major repairs to council housing stock and £150m to bring forward delivery of up to 2000 social rented homes. With the HCA and RDAs, we are in the process of agreeing which regeneration schemes will receive assistance through the money brought forward
 - The 2009 Budget announced £500m of new funding to support housebuilding, including a £400m Kickstart housing delivery programme and £100m for local authorities to deliver new social housing at high energy efficiency standards
 - *Building Britain's Future*¹¹ (BBF) announced additional investment of £1.5bn in affordable housing over 2009-11 to deliver 20,000 additional energy efficient, affordable homes to rent or buy. This includes expanding the Kickstart, affordable housing and local authority building programmes, together with investment in development of public sector land owned by the Homes and Communities Agency. The package will also enable the delivery of 10,000 private sector homes and create an estimated 45,000 additional jobs in the construction and related industries over the full three-year construction period. BBF announced a significantly enhanced role for local government in the delivery of new homes for their communities, with the first significant increase in funding for council house building since the 1980s, combined with proposals for radical reform of the Housing Revenue Account and new freedoms for local authorities to set local allocations policies.
- Helping both first time buyers and the housebuilding industry by supporting the purchase of new homes. Our new Homebuy Direct scheme, announced in September 2008, allocated £300m to enable some 10,000 first time buyers to purchase their first home through the provision of shared equity, improving access to housing finance for first time buyers
- Setting up the National Clearing House, to buy unsold stock from housebuilders for affordable homes. Provisional figures indicate that the HCA allocated £350m in 2008-09 for 9,600 homes

2.6 We have also provided real help to councils, communities and business, including:

- Supporting the 125 English local authorities, with investments of around £929.2m, affected by the collapse of the Icelandic banks in October 2008. We worked closely with the Local Government Association and the Improvement and Development Agency to minimise the impact on services, which included laying regulations to enable authorities to postpone any possible budgetary impact. Local authorities hope to recover a large proportion from the estates

of the insolvent banks. The collapse of the banks does not change our belief in the prudential framework for local government finance, but we are working with local government and other stakeholders to refine investment guidance in the light of the Audit Commission's March 2009 report *Risk and Return*¹² and the Communities and Local Government Select Committee's Inquiry into local government investments¹³

- Giving businesses the flexibility to defer payment of 60 per cent of this year's increase in their business rates, alongside changes to Small Business Rate Relief and to Empty Property Rates to support business in the light of the downturn
- Leading work across government to analyse the spatial impacts of the downturn, drawing on the latest data and on local knowledge and experience. We also led a cross-Government rapid review of how Local Strategic Partnerships (LSPs) have responded to the impact of the recession. This was carried out by the new Local Analysis and Delivery Unit.
- Commissioning Professor Michael Parkinson to assess the impact of the credit crunch on the commercial property sector, the housing market and the regeneration sector
- Working with the Department for Work and Pensions to deliver the Future Jobs Fund to create 150,000 new jobs for those in greatest need, particularly young people and those in areas of high unemployment. The fund opened in May 2009 and the first jobs will come on stream in the autumn

Strengthening local democracy

- 2.7** Our approach to local government is based on the principle that power derives from the people. Citizens have the right to influence the shape both of the services they receive and their local area. This may be through personalised services, through influencing local services or through lobbying their council. It is also a key right to elect a strong local council able to exercise leadership and shape their area.
- 2.8** Our October 2006 local government white paper, *Strong and Prosperous Communities*¹⁴, set out a platform for greater local devolution as a basis for more effective decision making. This has been translated into significant action, including placing the new Local Area Agreements (LAAs) on a statutory basis. Over 2008-09 we continued to manage and refresh these agreements, in particular looking at how local partnerships have been able to respond locally to the impacts of the downturn.
- 2.9** In 2008, we built on this through our white paper, *Communities in control: real people, real power*¹⁵, which set out our commitment to shift power, influence and responsibility into the hands of communities and individual citizens. We are now taking forward a range of initiatives to deliver on this commitment, including:

12 www.audit-commission.gov.uk/nationalstudies/localgov/Pages/riskandreturn.aspx

13 www.publications.parliament.uk/pa/cm200809/cmselect/cmcomloc/164/164i.pdf

14 www.communities.gov.uk/publications/localgovernment/strongprosperous

15 www.communities.gov.uk/publications/communities/communitiesincontrol

- Provisions in the Local Democracy, Economic Development and Construction Bill (currently before Parliament) to introduce new duties on local authorities to promote democratic understanding and to respond to petitions, together with provisions to improve overview and scrutiny of councils
- Pilot schemes to promote greater involvement on transferring underused assets to community organisations, giving citizens greater say in local spending decisions and encouraging young people's interest in democracy
- The Communitybuilders programme to provide advice and funds to strengthen the resilience of community and anchor organisations
- The Empowerment Fund to provide financial support to national third sector organisations to help turn empowerment proposals into reality

2.10 As announced in the Prime Minister's June 2009 statement on constitutional renewal, we are building on these reforms through further work to strengthen the engagement of citizens in the democratic life of their own communities. In July 2009 the Department will issue a consultation on strengthening local democracy. Key themes are:

- powers and functions with which local government might develop its role, including:
 - Strengthening the local authority role to lead and coordinate services in their area – and building on the concept of “total place” enhanced scrutiny of the expenditure, impact and strategies of local service providers
 - Whether there are barriers to using existing powers and whether there are other powers which councils should have
 - Ensuring councils have the right powers and responsibilities to help address climate change
- how to ensure clear and accountable leadership at the sub-regional level
- how best to develop the relationship between central and local government

2.11 The Comprehensive Performance Assessment (CPA) has continued to drive improvements in local government performance. For the third year running, no single tier or county council achieved a 0 star rating, while the most recent results show a further increase (to 62) in the number of top-performing 4 star authorities. From 1 April 2009, the new Comprehensive Area Assessment (CAA) framework replaced CPA, with a stronger focus on local partnership and on local views and perspectives. The first CAA reports are expected by the end of the year.

2.12 Local authorities need to ensure that every pound of taxpayers' money will work as hard as the taxpayer had to work to earn it. Following the expected reporting of £1.6bn cumulative efficiency savings for 2008-09, greater savings are required in future years to help maintain local public services during the economic downturn. The *Final Report* of the Operational Efficiency Programme¹⁶ (OEP) published on

16 www.hm-treasury.gov.uk/d/oep_final_report_210409_pu728.pdf

21 April 2009 set out the findings of Sir Michael Bichard's local incentives and empowerment workstrand. The 2009 *Budget*¹⁷ confirmed that as a first step the Government will launch the 'Total Place' initiative looking at public spending and local leadership in 13 local areas. This will identify how a 'whole area' approach to local public services can lead to service improvements and efficiency savings – better services at lower cost – through collaboration and local leadership. We will continue to work with local government to secure further efficiencies and even greater value for money, as set out in both the OEP and in the National Improvement and Efficiency Strategy¹⁸.

- 2.13** As announced in the 2009 Budget, two new pathfinder city-regions – for Greater Manchester and Leeds – will pilot new powers for local authorities to work together to help drive economic growth and prosperity. We are working with the pilot areas to agree new strategy-setting powers over adult skills funding and new joint investment boards with Regional Development Agencies, the Homes and Communities Agency and other partners to coordinate and align investment; and the piloting of new employment programmes. These proposals will form the heart of new City Region Agreements, being prepared for sign-off in summer 2009.
- 2.14** Following consultation on the Sub-National Review (SNR) in March 2008, the current Local Democracy, Economic Development and Construction Bill takes forward provisions on a single regional strategy for each English region outside London, a duty on local authorities to undertake economic assessments of their areas, and creating the opportunity for local authorities to form statutory bodies across sub-regions. Alongside this, we have set out how we will take forward our new framework for regeneration, *Transforming Places Changing Lives*¹⁹, to improve co-ordination and prioritisation of regeneration investment in the right places in a way which responds to the changed economic and market conditions. We have also continued to lead regeneration of the Thames Gateway and the Government's work to ensure that the 2012 Olympics deliver a lasting legacy through the transformation of East London.
- 2.15** Through the Working Neighbourhoods Fund (WNF), we are providing £1.5bn between 2008-09 and 2010-11 to 61 local authorities (as well as 22 additional transitional authorities) covering some of the most deprived neighbourhoods in England, to help tackle worklessness on a community wide basis. Councillor Stephen Houghton's review of the role of local authorities and partners in tackling worklessness found that WNF areas have been successful in reducing out of work benefit claimants at a faster rate than other areas, and we are building on this success through the new Future Jobs Fund.
- 2.16** In addition to responding to the issues arising from the collapse of the Icelandic banks, we have taken a range of further actions to ensure the stability of the local government finance system. Through Business Rate Supplements Act, we have

17 www.hm-treasury.gov.uk/bud_bud09_repindex.htm

18 www.communities.gov.uk/publications/localgovernment/efficiency

19 www.communities.gov.uk/documents/citiesandregions/pdf/1227732.pdf

introduced a discretionary power for various local authorities to levy a supplement on business rates and to retain the proceeds to fund additional projects aimed at the economic development of their area. We have also maintained our commitment to protect council tax payers from excessive increases, with the average Band D increase for 2009-10 limited to 3.0 per cent.

Increasing and improving housing

2.17 Housing is a critical component of both our long term strategy to build sustainable communities and our immediate offer of real help to families under pressure from the recession. We are committed to boosting housing supply in the long term in line with our targets, while ensuring that new homes meet tough quality standards. This is particularly challenging in the current economic climate, but as we tackle the short-term priorities, we are also working to ensure that the sector emerges stronger from the downturn.

2.18 Our focus in 2008-09 has increasingly been on mitigating the impacts of the downturn. The reduction in the availability of credit, and the end of the sustained growth in the housing market led to increasing difficulties for homeowners and the construction industry. In response, we have focused on measures across four priority areas:

- Maintaining housing provision of support for construction, jobs and skills in the sector
- Providing real help now for homeowners experiencing difficulties with their mortgage and for those in need of a social rented home
- Providing support for first time buyers, mortgage lenders and the wider housing market
- Supporting our long-term goals on supply, recovery from the downturn and sustainability

Our key activities for the first two priorities were set out earlier in this Chapter, and those for the second two are set out below.

2.19 We have acted to deal with the problems surrounding demand for home ownership created by the difficulties in accessing the mortgage market. In addition to the suite of existing shared equity and shared ownership products that make up the Government's HomeBuy programme, we have developed a new Rent to HomeBuy scheme (enabling people to rent first/buy later) and Homebuy Direct, a shared equity scheme launched in partnership with developers to help first time buyers purchase a share of a newly-built home. Alongside this, we have worked closely with HM Treasury and BERR²⁰ on the lending commitments of participating banks.

2.20 Alongside our response to the current market conditions, we remain committed to achieving the increase in housing that our country needs and to the building of greener and better homes. We continue to press ahead with measures to put in

20 Now the Department for Business, Innovation and Skills

place the conditions which will facilitate recovery, enable long-term growth and create energy efficient homes including:

- Establishing our new Homes and Communities Agency (HCA), which brings delivery of housing and regeneration in England together into one agency, and Tenant Services Authority – both four months ahead of schedule
- Supporting councils to build new social housing, including through the additional £100m investment announced in April 2009 and significant further investment pledged through *Building Britain's Future*
- Ensuring that regional and local plans reflect and provide for our long term housing needs
- Continuing to deliver our eco-towns programme, which aims to both increase housing supply and improve design and sustainability of new developments
- Consulting on a definition of zero carbon, in line with our commitment that all new homes will be zero carbon from 2016²¹
- Continuing to lead work to release surplus public sector land for housebuilding

2.21 We will also act to match our new investment in social housing with reforms that deliver value for money to the taxpayer and recognise the rights and responsibilities of those in social housing. There is a perception that allocations policies for social housing are unfair, inflexible and act as a barrier to people being able to move when they need to. While preserving security of tenure, we will pursue reforms to tackle these problems through:

- Changing the current rules for allocating council and other social housing, enabling local authorities to give more priority to local people and those who have spent a long time on the waiting list
- Expanding Choice Based Lettings to help residents move nationwide and offering support to tenants who need to move to take up the offer of a new job
- Launching an autumn crackdown on fraud within the social housing sector, freeing up homes for those in need
- Consulting on reforming the council housing finance system and allowing local authorities to keep all the proceeds from their own council house sale and council rents

2.22 We continue to make strong progress on our long-term commitments to tackle homelessness and to deliver decent homes in the social sector. Local authorities remain on track to meet the target of halving the number of people in temporary accommodation by 2010, while our new strategy, *No one left out*²², signals our intention to end rough sleeping by 2012. Alongside this, latest figures show that 18 per cent of social housing stock was reported as non-decent as at 1 April 2008 (down from 26 per cent in 2006).

21 www.communities.gov.uk/publications/planningandbuilding/building-a-greener

22 www.communities.gov.uk/publications/housing/roughsleepingstrategy

- 2.23** We are taking forward implementation of the Planning Act 2008 which provides for the establishment of a new independent body – the Infrastructure Planning Commission (IPC) – to administer a single consent regime for nationally significant infrastructure projects. We appointed Sir Michael Pitt as Chair designate of the IPC on 1 May 2009, and are making good progress on the other senior appointments including two deputy chairs, three commissioners and the chief executive of the new organisation. The IPC is due to be formally established in autumn 2009 and to start receiving applications in 2010. We have also published two sets of draft regulations for consultation on National Policy Statements and application procedures, and will publish a third, dealing with examination procedures, shortly.
- 2.24** In response to the Killian/Pretty Review of the planning applications system²³ commissioned jointly with the Department for Business Enterprise and Regulatory Reform²⁴, we are cutting red tape within the planning system to support a competitive and diverse housebuilding sector and deliver savings of up to £300m a year. This includes reducing the number of small scale developments needing planning permission, a more effective and efficient planning application system, better information for applicants, more and better local authority capacity and streamlined national policy. We are also developing regulations and guidance to implement the Community Infrastructure Levy which will allow local authorities to raise funding for infrastructure to support development, streamlining the current Section 106 process.
- 2.25** The spatial planning system and building standards will jointly ensure that new development is located in the right places, and designed and built to minimise exposure to flooding, water scarcity and overheating, reflecting the challenges of a changing climate. For existing housing stock and other buildings, we are encouraging owners to take timely action to improve the resilience of their buildings to climate change.

Cohesive and resilient communities

- 2.26** The Department's Citizenship Survey suggests that 83 per cent of people nationally believe that in their local area communities people from different backgrounds get on well together²⁵. This reflects continued progress towards our vision of strong communities that have shared values, fair rules and strong representative democracy. Strong community bonds are fostered when local people can see that playing by the rules is recognised and rewarded. We will challenge those who undermine those bonds by addressing concerns of unfairness, tackling intolerance and discrimination, and supporting the rule of law and democracy.
- 2.27** In 2008-09 we have supported local authorities to help increase cohesion, including those related to rapid inward migration. We have piloted Specialist Cohesion Teams in Barnsley and Breckland as a way of supporting local areas

23 www.communities.gov.uk/publications/planningandbuilding/killianprettyfinal

24 Now the Department for Business, Innovation and Skills.

25 www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809

facing specific cohesion challenges. Alongside this, we have continued to integrate cohesion into all of our policy areas, including by supporting housing associations to promote local cohesion and improving the extent to which the Fire and Rescue Service reflects the demographic make-up of their local communities.

- 2.28** The Department has played a central role within the cross government PREVENT strategy, putting communities at the centre of the response to violent extremism. We have concentrated on building local capacity and leadership, building our relationships with Muslim communities and supporting faith leaders and institutions. This has included providing funding and guidance for local authorities and their delivery partners, and establishing the Young Muslims Advisory Group and the National Muslim Women's Advisory Group to empower Muslim women and young opinion formers. We have also worked to enhance the role of mosques and Muslim faith leaders to improve theological understanding and reduce vulnerable individuals' risk of exposure to extremist messages.
- 2.29** We have made considerable progress in ensuring that communities continue to be protected by a strong, efficient and effective Fire and Rescue Service. This report goes to press following the tragic fire in Lakanal House, Camberwell, on 3 July 2009. However, provisional 2007-08 data shows that the number of primary fires stands at 225.6 per 100,000 of the population. This is 11 per cent lower than in 2006-07. Fatalities due to primary fires stand 1 per cent higher in 2007-08 than in the previous year, at 0.73 per 100,000 of the population. However, since 2001 there has been an overall fall in the number of deaths recorded in accidental fires in the home from 321 to 193. Provisional data for non-fatal casualties stands at 11.3 per 100,000, which is 10 per cent lower than in 2006-07.
- 2.30** We have invested significantly in the Fire and Resilience Programme to provide the Fire and Rescue Service with the tools it needs to meet modern challenges including an increased terrorist threat and the risks posed by major incidents such as flooding. The Programme comprises the Firelink project to enhance the resilience of the communications network through a single digital wide area radio system; FiReControl which will establish a resilient network of nine Regional Control Centres to replace the current 46 stand-alone control rooms; and the New Dimension project which has provided highly specialised, world class equipment, such as high volume pumps.
- 2.31** We have also continued to develop the resilience of Government in emergency situations, as seen in the response by Government Offices' Regional Resilience Teams to the heavy snow in the winter, and their brokering of a solution to the potential difficulties over stocks of salt held by local authorities.
- 2.32** Government Offices (GOs) have also been working to support Regional Ministers and the successful introduction of Regional Select and Grand Committees. GOs have also supported the first Cabinet meetings outside London since 1921, providing assistance with the meeting arrangements and arranging visits and

public meetings. Four Cabinet meetings have been held in the regions to date, in Birmingham, Liverpool, Leeds and Southampton.

- 2.33** Following a steady worsening of economic, social and health care problems in Zimbabwe, the Government put in place a scheme to enable older and vulnerable British people to come to the United Kingdom if they chose. Communities and Local Government was identified as the appropriate department to lead this work because of our responsibilities for local government and housing and our experience in co-ordinating the recovery from the 2007 floods. The scheme was launched in February 2009 and is available to British people aged 70 and over, and younger people who have particular health and social care support needs and are permanent residents in Zimbabwe.
- 2.34** More recently, the Department has played a central role in coordinating the Government's response to the global outbreak of swine flu. Since the outbreak was confirmed by the World Health Organisation, we have been working closely with the Cabinet Office Contingencies Secretariat, Department of Health and other government departments and agencies to ensure that the central response is well prepared. We have been liaising closely with the Local Government Association to ensure local authority issues are adequately addressed.

Building our capacity

- 2.35** In December 2008, the Cabinet Office published the latest Capability Review of the Department. The Review team commended the significant progress we have made in defining a vision for the Department and developing the capability of our Board and our Senior Civil Service. The successful negotiation of the Local Area Agreements was noted as demonstrating improvement in our ability to engage effectively with stakeholders. They also noted the "improvements in processes, governance and management information that support delivery"²⁶ and the improved capability in the delivery chain brought about by the investment in the Government Office Network and the creation of the Homes and Communities Agency and Tenant Services Authority.
- 2.36** The Review team confirmed that there were no longer any areas in need of "urgent development" but challenged us to go further in building capability throughout the Department. They also saw scope for the Department to articulate its priorities more clearly, building an overarching strategy to underpin our engagement with stakeholders. The team also challenged the Department to better match resources to priorities.
- 2.37** We have responded to these challenges, and will continue to pursue improvement. We are targeting four priority areas:
- living our values

26 Communities and Local Government Capability Review Report 2008, p. 9
http://beta.civilservice.gov.uk/Assets/clg-progress_tcm6-6184_tcm6-6585.pdf

- achieving excellence in policy and delivery
- creating a flexible, resilient and efficient organisation
- maximising our impact with staff and stakeholders

Living our values

2.38 In May 2008, we launched *Making It Happen*, to embed the Departmental values developed with our staff:

- We are ambitious and creative
- We act openly and as one department
- We give people the chance to shine
- We give people a voice

2.39 Each Directorate has developed and implemented an action plan to embed the Department's values in its work. These have provided a basis for monitoring performance, with our 2009 values survey allowing us to identify progress against the original 2008 baseline both across the Department – where the results show a like for like improvement against all indicators – and in individual areas. In addition, the Board has published its own values action plan, and has committed to quarterly reports to allow staff to hold it to account for its own progress.

2.40 Going forward, we will celebrate success through our *Making It Happen* awards while continuing to support directors and teams to make progress in their own areas and to ensure that our working processes and practices also reflect and embed our values.

Achieving excellence in policy and delivery

2.41 We have continued to strengthen our skills and capabilities on policy and delivery. The governance of the Department has been strengthened, both through the appointment of six senior non-executives drawn from across the third and private sectors and local government, and through the role of the Delivery Sub-Committee which continues to be responsible for scrutinising and ensuring the successful delivery of the Department's key, high risk delivery programmes. We have also implemented a tailored programme and project management (PPM) training package, and are on track to have trained 50 per cent of staff from Executive Officer to Director level by March 2010, including all key project and programme managers.

- 2.42** We have continued to embed evidence and analysis throughout the Department. Our work on the spatial impacts of the recession and our new Local Analysis and Delivery Unit, provide a strong platform for ensuring our policies and programmes reflect and address the new challenges arising from the downturn. We have also continued to build skills and awareness across policy teams, including by increasing co-location of policy and analytical teams. Our Special Projects Unit, led by Stephen Aldridge, provides a new dedicated resource to consider long-term challenges, while our flexible analyst pool enhances our ability to respond to new demands and priorities.
- 2.43** We have continued to improve the quality and transparency of our policy assessments through a further strengthening of our impact assessment process, driven by the new Chief Economist sign-off process and accompanied by focused training to strengthen assessment of equality impacts. We have also demonstrated our commitment to the principles of Better Regulation through our dedication to the Government's Code of Practice for public consultations and through our continued improvement in stakeholder engagement, confirmed by the results in our 2008 Stakeholder Survey.

Creating a flexible, resilient and efficient organisation

- 2.44** We have adopted a quarterly business planning review process to improve the match of our resources and capacity to our changing priorities. This has enabled us to increase the flexible deployment of our staff and to move our resources to high pressure and high priority areas – for example, quickly creating new teams to support work on Icelandic banks and to deliver the Homeowner Mortgage Support Scheme.
- 2.45** We have begun a programme of business change to develop a new operating model for the Department, to maximise efficiency and effectiveness, increase flexibility and embed our values. As part of this programme, we will ensure that we have effective processes for business planning and prioritisation of work, based on a clear understanding of the needs of local citizens and communities. We will also ensure that our staff work effectively with our delivery partners and stakeholder and have the skills and support they need to meet the challenges ahead. Early steps in this change programme include piloting lean techniques to help us develop new ways of continuously improving the way we work.
- 2.46** We continue to strengthen performance management throughout the Department. We have reviewed our competence frameworks to ensure that they accurately reflect our values and behaviours. We have also introduced a range of new learning and development opportunities to facilitate the continued development of performance management skills throughout the organisation. These include development workshops for managers and the introduction of a new 360 degree feedback tool to improve assessment and awareness of managers' performance against the values and key leadership and management competences.

2.47 We believe that our responsibility as a good employer to ensure the well-being of our staff is key to our success as an organisation. This responsibility extends through our health and well-being strategy and focus on effective line management. Building on the publication of our Departmental guidance on bullying and harassment in September 2007, we have since relaunched a Harassment Contact Officers network, reissued staff counsellor publicity leaflets and trained a number of staff as mediators to help prevent the escalation of workplace disputes.

2.48 We are bringing all central London staff together in a single headquarters building, to deliver significant efficiency and sustainability benefits. The SpaceFlex programme in particular is creating a working environment that enables open, flexible and collaborative working.

Maximising our impact with staff and stakeholders

2.49 Our December 2008 stakeholder survey showed good progress in this area, with the Local Area Agreement process and the Leadership Coalition stakeholder forum were highlighted as good examples of the Department's increasing influence in Whitehall and how we are able to work well with stakeholders.

2.50 Together with our new Homes and Communities Agency, we have worked closely with housebuilders, lenders and other key agencies to develop interventions which respond to the impacts of the housing market downturn and to ensure these new schemes are delivered effectively. This includes our successful work with the banking sector to deliver the new Homeowner Mortgage Support Scheme, with major lenders either due to participate or to offer a comparable scheme.

2.51 Our reach across government continues to grow, in particular through LAA and MAA negotiations which have secured high-profile engagement in other departments to deliver challenging targets for localities and regions in their highest priority areas. We continue collaborative cross-government work to deliver PSAs 20 and 21 and we are active participants on the boards for other PSAs where we make a major contribution. Many of our key achievements set out in this report have been based on strong partnership working arrangements, including:

- devising and implementing our response to the housing difficulties during the downturn (HM Treasury)
- tackling worklessness through the Working Neighbourhood Fund and the new Future Jobs Fund (DWP)
- tackling violent extremism and considering the impacts of migration on our communities (Home Office)
- responding to the emergency situation in Zimbabwe (FCO, DWP), and in the UK, to the swine flu outbreak (DH)

- 2.52** Building on this, we are currently undertaking a comprehensive review of our approach to communication strategy and stakeholder engagement across all of our policy areas, to ensure that we improve our impact and relationships with stakeholders. The stakeholder survey also indicated areas where we could do better, particularly on concerns about 'silo' working and confirmed stakeholders' desire to be involved more consistently in the early development of policy. Stakeholder engagement is a key part of our PPM training programme and we are ensuring that it plays a core role in the Department's learning and development strategy.
- 2.53** We are also working to strengthen and enhance our internal communications capability, with 2008 staff survey results indicating good progress with an increase in the extent to which staff agree that 'the Department keeps me informed'. Our key focus has been on the Departmental values, with staff closely engaged in both their creation and the ongoing work to embed them across the organisation. Alongside this, the Bright Ideas campaign saw over 660 responses from staff with proposals which would make a difference for communities in the downturn or for our working environment. The Department also continues to work with Cabinet Office on the pathfinder employee engagement programme with Grade 6 and 7 staff, ahead of roll-out across the civil service.

Chapter 3

DSO 1 Local government



DSO 1: to support local government that empowers individuals and communities and delivers high quality services efficiently

- 3.1** Our approach to local government is based on the principle that power derives from the people. Citizens have the right to influence the shape both of the services they receive and their local area. This may be through personalised services, through influencing local services or through lobbying their council. It is also a key right to elect a strong local council able to exercise leadership and shape their area.
- 3.2** Our 2006 local government white paper *Strong and Prosperous Communities*²⁷ set out the strategic policy framework to enable effective local services and to create better places, through new relationships and better governance. The Local Government and Public Involvement in Health Act 2007 implemented this framework including placing Local Area Agreements (LAAs) on a statutory basis. LAAs bring together national and local priorities by allowing local authorities and their delivery partners to agree a set of local targets, chosen from within a National Indicator Set, which address the most important areas for improvement in a locality. LAAs were signed off in June 2008 and the early indications are that they are serving localities positively. Emerging evidence indicates that LAAs are strengthening local partnerships, for example with the new statutory duty to cooperate for local partners helping to deepen commitment to local priorities across organisations. The stronger partnership working brought about through the new LAAs has been evident in the way local areas have developed local responses to the recession and preparing for the upturn. We are also working with other departments and the local sector on a review of the National Indicator Set.
- 3.3** The 2007 Act also enabled the creation in April 2009 of nine new unitary councils²⁸ which are well on track to deliver annual savings of over £100m. We are also due to receive the advice of the Boundary Committee in respect of possible alternative local government structures for Devon, Norfolk and Suffolk.
- 3.4** The white paper *Communities in control: real people, real power*²⁹, published in July 2008, set out proposals to put empowered individuals and communities at the heart of truly local governance. The Local Democracy, Economic Development and Construction Bill³⁰, introduced into Parliament in December 2008, takes

27 www.communities.gov.uk/publications/localgovernment/strongprosperous

28 Bedford Borough, Central Bedfordshire, Cheshire East, Cheshire West and Chester, Cornwall, Durham County, Northumberland, Shropshire and Wiltshire.

29 www.communities.gov.uk/publications/communities/communitiesincontrol

30 www.communities.gov.uk/communities/communityempowerment/localdemocracybill/

forward key elements of the white paper including: introducing a duty on local authorities to respond to petitions; further strengthening overview and scrutiny in local authorities; and introducing a duty on local authorities to promote democratic understanding.

- 3.5** *Communities in control* set out the Government's commitment to increasing the number of people engaged in the running and ownership of local services and assets. To achieve this, we have continued to work towards the vision set out by Barry Quirk in his 2007 Review *Making Assets Work*³¹ that in 2020 a proportion of all public assets in every locality are in the ownership or management of community organisations. We have continued funding the Development Trusts Association to support local authorities and their partners in 50 demonstration areas to develop asset transfer strategies and make progress on specific asset transfers, with a further 22 areas for 2009-10. In July 2008 we published a guide on *Managing risks in Asset Transfer*³². To ensure ongoing progress, we have also established an independent Asset Transfer Unit offering an England-wide information, advice and referral service³³.
- 3.6** As announced in the Prime Minister's June 2009 statement on constitutional renewal, we are building on these reforms through further work to strengthen the engagement of citizens in the democratic life of their own communities. The most recent Citizenship Survey data suggest that many local authorities still have some way to go to ensure local people have a meaningful say about local policies and services. On average, only 39 per cent of the population feel they can influence decisions in their local area. In addition, while the Citizenship Survey shows that 81 per cent of the population were satisfied with their area as a place to live, evidence from the Place Survey shows satisfaction is lower with council services – with only 45 per cent very or fairly satisfied with how their council runs things. Satisfaction levels varied for different services. For most services relating to the environment (refuse collection, doorstep recycling and local tips and waste recycling centres) satisfaction levels were 70 per cent or more, whereas, with the exception of libraries (69 per cent), satisfaction levels were below 50 per cent for sports, leisure and cultural services that councils provide .
- 3.7** In July 2009 we will issue a consultation paper on strengthening local democracy. Key themes are:
- powers and functions with which local government might develop its role, including:
 - strengthening the local authority role to lead and coordinate services in their area – and building on the concept of “total place” enhanced scrutiny of the expenditure, impact and strategies of local service providers

31 www.communities.gov.uk/documents/communities/pdf/321083.pdf

32 www.communities.gov.uk/documents/communities/pdf/869103.pdf

33 <http://atu.org.uk/>

- whether there are barriers to using existing powers and whether there are other powers which councils should have
- ensuring councils have the right powers and responsibilities to help address climate change
- how to ensure clear and accountable leadership at the sub-regional level
- how best to develop the relationship between central and local government

3.8 Other progress in implementing this strategic policy framework over the last 12 months has included:

- publication of final *Creating Strong, Safe and Prosperous Communities* guidance in July 2008³⁴
- publication of a strategy in September 2008 providing an overview of the support and advice available to councils and their partners to facilitate participatory budgeting³⁵, which give local people a direct say over budgets such as regeneration grants and delegated ward budgets as well as community policing and local authority services
- publication in June 2009 of the findings of the independent review of redress for council services³⁶, accompanied by support for a pilot programme to test and further develop a practitioners' toolkit
- a pilot programme of Take Part local pathfinders to help people participate in their areas through wider take-up of lay governance roles (such as councillors, magistrates or school governors) and greater involvement in local decision-making processes
- establishing the Communitybuilders programme to provide funding to support community anchor organisations and the Empowerment Fund to support national organisations to turn key empowerment proposals into action
- development of a Social Enterprise Strategy for the Department supported by ongoing work to improve opportunities for social enterprises and Small and Medium Enterprises to tender for contracts across the Departmental Group

3.9 A statutory consultation began on 30 March 2008 on changes to the Accounts and Audit Regulations 2003, to bring the reporting requirements of public bodies broadly in line with those required in central Government and the private sector. For the most senior employees, this would include disclosure of salary, bonuses, additional payments, compensation or ex gratia payments, benefits in kind and pensions. The new requirements would apply to public bodies' annual accounts from 2009-10 onwards.

34 www.communities.gov.uk/publications/localgovernment/strongsafeprosperous

35 www.communities.gov.uk/documents/communities/pdf/966572.pdf

36 www.communities.gov.uk/publications/communities/gettingitrightreport

- 3.10** The Sustainable Communities Act 2007 provides a channel for local people to ask central government, via their local authority, to take action to promote the sustainability of their local area. In October 2008 the Secretary of State invited proposals for change from local authorities, with a deadline for submissions via the Local Government Association of 31 July 2009. In April 2009, we also published the first Local Spending Reports, required under the Act and setting out information on expenditure by public bodies in each local area.
- 3.11** Councils throughout England continued to significantly improve their overall performance in 2008, the final year in which councils were measured using the Comprehensive Performance Assessment (CPA) framework. The results showed that:
- For the third year running, no single tier or county council received a 0 star rating
 - 35 top tier authorities were “improving strongly”, up from 26 in 2006-07, and 87 were “improving well” in 2007-08 compared to 88 in 2006-07. Overall in 2007-08, 122 out of 150 top tier councils were either “improving strongly” or “improving well” – up from 114 in 2006-07 – and 62 upper tier authorities scored 4 stars, more than in any other year of CPA reporting
 - Four councils (Doncaster, Haringey, Milton Keynes and Surrey) each dropped from 3 stars in 2007 to 1 star. The key factor was poor performance in relation to children and young people’s services
 - Six councils (Cornwall and Thurrock, in addition to the four 1 star councils) received a “not improving adequately” Direction of Travel result. (For Doncaster, this was the second consecutive year the council received this assessment.)
- 3.12** This was the fourth and final year of the Audit Commission’s “Harder Test” CPA framework for single tier and county councils. From 1 April 2009, CPA has been replaced by the new Comprehensive Area Assessment (CAA), which builds on the previous framework while both reflecting the importance of local partnership for delivery and taking more account of local views and perspectives. The first CAA reports are expected by the end of the year, with a particular focus on measures being taken locally to mitigate the impacts of the recession.
- 3.13** Councils have continued to deliver improvements in value for money, with £1.6bn cumulative efficiency savings expected to be reported for 2008-09, releasing resources that have been used further to improve services or to hold down council tax. However, greater savings are required in future years to help maintain local public services during the economic downturn. CSR07 set a target for councils to achieve at least 3 per cent per annum. Authorities are working to go further than that and scope to increase the level of efficiencies to at least 4 per cent in 2010-11 has been identified. By the end of March 2011, £5.5bn savings should have been achieved.

- 3.14** The Government is providing significant investment to support local authorities to achieve continued efficiency gains, including £185m for the Regional Improvement and Efficiency Partnerships (RIEPs) and the £115m capital Efficiency and Transformation Fund, along with funding for the Improvement and Development Agency. In their first year, RIEPs have helped councils to deliver over £100m of efficiencies and supported 36 councils facing particular difficulties.
- 3.15** As noted in Chapter 2, local authorities have been directly affected by the problems affecting Icelandic banks. The Government acted to protect the public from potential service cuts or council tax increases in 2009-10, and Communities and Local Government worked with the Local Government Association and the Improvement and Development Agency to minimise the impact on services. Efforts continue to recover the money and local authorities hope to recover a large proportion from the estates of the insolvent banks.
- 3.16** The then Local Government Minister minimised the medium-term impact by laying regulations before Parliament on 26 February 2009. Without this help, councils would have to make immediate provision for possible losses in their 2009-10 revenue budgets – with potentially serious impacts on council tax or services. This regulation was widely welcomed.
- 3.17** It is for authorities to decide for themselves how much to invest and where. Government sets the financial framework, and individual local authorities take responsibility for their own financial decisions. The Communities and Local Government Select Committee's Inquiry into local government investments³⁷ concluded that the framework for investments is broadly the right one and that it would be inappropriate to seek to restrict councils' investment options, but also made clear that councils needed further support in making investment decisions. The Audit Commission report *Risk and Return*³⁸ also found that our investment guidance appeared to work well, but said that it was important that the guidance was as clear as possible. Officials are working with the Audit Commission, CIPFA and the local government associations to assess how the framework might be refined in the light of the two reports.
- 3.18** At a higher level, the Government's priority has been to do everything that we can to help all UK creditors get back the money which they had deposited in the banks. The Chancellor of the Exchequer acted quickly to freeze the UK assets of Landsbanki and, on 13 October, the Bank of England provided a short term loan of up to £100m to the UK branch of Landsbanki to help ensure the Landsbanki UK branch could continue to operate to provide vital commercial finance facilities for UK business. The loan has since been paid back. The UK Government successfully reached agreement on 5 June with the Icelandic authorities on a process to ensure the UK is refunded for the compensation the UK Government provided on behalf of the Icelandic Depositors and Investors Guarantee Fund (DIGF) to Icesave retail depositors

37 www.publications.parliament.uk/pa/cm200809/cmselect/cmcomloc/164/164i.pdf

38 www.audit-commission.gov.uk/nationalstudies/localgov/Pages/riskandreturn.aspx

with the UK branch of Landsbanki, following the collapse of Landsbanki in October 2008. Following the agreement, the Treasury lifted the freezing order with effect from 15 June, because it considered that it was no longer the case that action to the detriment of the UK economy – which rendered it appropriate to continue the freezing order – was likely to be taken. The Government continues to work with the Icelandic authorities to ensure fair treatment for UK depositors and creditors.

Local government finance

- 3.19** A sound and stable local government finance system is critical to the success of the reforms outlined above and the drive towards better local services.
- 3.20** Parliament approved the second year of the three-year settlement for local government on 4 February 2009. Allocations of formula grant, Area Based Grant and all those specific grants capable of being announced in advance (for example where they do not reimburse expenditure incurred by councils) were published for all authorities for each of the remaining two years of the three-year settlement.
- 3.21** The settlement for local government confirmed greater freedom for local authorities by reducing the amount of ring-fenced funding and the number of specific grants. The Government plans to move £5.7bn by 2010-11 into general grants which are not ring-fenced, allowing councils to spend money on the issues that matter most to local people. The overall amount of ring-fenced funding (excluding schools) over the CSR07 period will reduce from 11.2 per cent in 2008-09 to 8.0 per cent in 2010-11. The number of specific revenue grants (not including Area Based Grant) for 2009-10 is 47 and for 2010-11 is 46, compared to the 83 specific revenue grants that were provided in 2007-08.
- 3.22** The Business Rate Supplements Act³⁹ was introduced to Parliament in December 2008, following the proposals set out in our 2006 white paper⁴⁰, and gained Royal Assent in June 2009. The Act introduces a new discretionary power for upper tier authorities and the Greater London Authority to levy a supplement on the business rates and to use the proceeds to fund additional projects aimed at the economic development of their area. The Government's approach provides proper safeguards for the interests of businesses through:
- a requirement that the proceeds are spent on economic development
 - statutory consultation of business on all supplement proposals
 - a ballot of liable businesses if the supplement will support more than a third of total costs of the proposed economic development project
 - an exemption for all properties with a rateable value of £50,000 or less, and
 - a national total upper limit on supplements of 2 pence in the pound in any one area

39 www.publications.parliament.uk/pa/cm200809/cmbills/002/2009002.pdf

40 www.communities.gov.uk/documents/localgovernment/pdf/152456.pdf

We aim to have in place all the legislation required to enable the proposals to take effect from April 2010. During 2009, the Valuation Office Agency will also undertake a revaluation on all non-domestic properties in England ready for the introduction of a new rating list in April 2010 on which payment of business rates will be based.

3.23 In addition, the Government announced that:

- the exemption threshold for Empty Property Rates would increase to a rateable value of £15,000 for 2009-10⁴¹
- the Small Business Rate Relief scheme would be amended. This will ensure that eligible ratepayers who occupy a new property that comes on the ratings list after 1 April receive relief from the date of occupation and no longer have to wait until the following financial year⁴²
- all business ratepayers will be able to defer payment of 60 per cent of the annual RPI increase in their 2009-10 rates bill. Ratepayers affected by the end of transitional arrangements for the 2005 revaluation period will also be able to defer 60 per cent of the consequent increase in their bill. We intend to make regulations by the end of July⁴³

3.24 On 26 September 2008, £455m of equal pay capitalisation directions were issued to 34 authorities in England. Capitalisation gives local authorities greater financial flexibility to make one-off back-payments to thousands of staff, and deliver pay equality throughout their workforce. On 3 March 2009 it was announced that there would be a further round of capitalisation for equal pay available in 2009-10. These directions built on the support the Government has made available in previous years, and took the total amount of capitalisation offered to councils since 2006-07 to more than £1bn.

3.25 Keeping council tax under control remains a priority and the Government made clear to all local authorities its clear expectation that the average council tax increase in England should be substantially below five per cent in 2009-10. The subsequent average increase of 3.0 per cent in Band D council tax for 2009-10 was the lowest increase for 15 years, and the average increase per dwelling of 2.6 per cent was the lowest increase since council tax was introduced in 1993. Capping action is being taken against the police authorities of Surrey and Derbyshire in 2009-10. The Government remains prepared to use its capping powers to protect council taxpayers from excessive increases in future years, including requiring authorities to rebill if necessary.

41 www.hm-treasury.gov.uk/d/pbr08_completereport_1721.pdf

42 www.hm-treasury.gov.uk/d/pbr08_completereport_1721.pdf

43 www.hm-treasury.gov.uk/d/pbr08_completereport_1721.pdf

- 3.26** New cost sharing arrangements for the Local Government Pension Scheme were introduced from 4 April 2009 to apply in England and Wales, in order to maintain the scheme's affordability to members, sponsoring employers and taxpayers. Alongside this, and in advance of the Scheme's triennial valuation exercise on 31 March 2010, we are identifying measures to meet future cost pressures, most recently influenced by the impact of recent worldwide stock market turbulence and the effects of improving future Scheme member longevity. Consultations have concluded on steps to consolidate the Scheme's investment regulations (which set in place the prudential framework within which scheme pension funds must be managed and invested).
- 3.27** The Department is also responsible for the regulatory framework governing the provision of pensions for firefighters in England. The 2009 actuarial valuation is due to be completed shortly and will examine the viability and sustainability of the 1992 and 2006 firefighters' pension schemes. The outcome will allow a review to be undertaken about the future balance of costs between scheme members and scheme employers and how these relate to the level of benefits.

Supporting good information around local delivery

- 3.28** A Local Analysis and Delivery Unit (LADU) has been established within the Department to support analysis of the impact of place on policy and delivery. LADU provides information about trends in performance across the National Indicator Set looking at place characteristics. The unit also carries out projects to understand how cross-cutting issues are delivered in partnerships, how place influences their work, the barriers to delivery and the role of the local performance framework in supporting the achievement of better outcomes.
- 3.29** We have developed a data interchange hub to hold and share the most up to date information on the National Indicator Set and related Local Area Agreement targets. In addition, we have developed the Places Analysis Tool⁴⁴: a publicly available, interactive tool to look at this data, which sets out progress over time, performance against indicators targeted in LAAs, and comparisons between different authorities nationally, regionally and (for certain places) within Local Strategic Partnerships.
- 3.30** The development of local capacity to use information to deliver better services and outcomes is being supported by continuing work with the Office for National Statistics around local data sets held on the Neighbourhood Statistics (NeSS) website⁴⁵. We are also exploring the opportunities for a more efficient and automatic exchange of information between data repositories such as Neighbourhood Statistics, the Data Interchange Hub, and these local repositories. The NeSS Data Exchange Service was launched by ONS in January 2009 to facilitate automated data exchange between NeSS and local databases.

44 www.pat.communities.gov.uk/pat/

45 www.neighbourhood.statistics.gov.uk/dissemination/

Local government resources

- 3.31** The Department manages the Local Government Departmental Expenditure Limit (LG DEL). This is separate from the Communities and Local Government Main Programmes Departmental Expenditure Limit (Main DEL) – see Chapter 10. Coverage of LG DEL is set out in Table 3 of this Chapter.
- 3.32** Over the course of the financial year 2008-09 the Department paid some £23.409bn of Revenue Support Grant and Redistributed National Non-Domestic Rates to local authorities accurately and safely, all of the money paid on time. It also managed LG DEL effectively. The provisional outturn for 2008-09 is close to budget, with a forecast variance of 0.5 per cent. The accounts for 2007-08, including the national non-domestic rates (NNDR) white paper account, were signed off with a clean audit certificate. The 2008-09 NNDR white paper account has been signed by the Accounting Officer and sent to the National Audit Office.
- 3.33** The tables below set out expenditure on local government programmes from 2007-08 to 2008-09, and planned expenditure for 2009-10, in greater detail.

Table 1: Local Government DEL 2007-08 (£m)

Budget	Outturn	Difference	Variance
22,945	22,783	162	0.7 per cent

Table 2: NNDR White Paper Account 2007-08 (£m)

Collected	Distributed
18,925	18,953* ¹

Notes:

*1 Of the £18,953m distributed in 2007–08, £18,500m related to 2007–08 and scored in DEL, and £453m related to prior year adjustments and scored in AME.

Table 3: Resource DEL Budget (£m)

Programme	2007-08 Outturn	2008-09 Provisional Outturn	2009-10 Plans
Revenue Support Grant	3,163	2,909	4,547
Redistributed National Non-Domestic Rates	18,500	20,500	19,500
Neighbourhood Renewal Fund (NRF)	0 ^{*1}	0	0
Private Finance Initiative Revenue Support	594	678	853
Service Transformation ^{*2}	137	226	278
Other LG Programmes ^{*3}	357	334	418
Total Resource Budget	22,751	24,647	25,596

Notes:

*1 Includes Best Value Intervention, Capacity Building, Local Government Efficiency and Local Government Public Service Agreements Performance Fund (LPSA).

*2 Includes Valuation Office Agency, Emergency Financial Assistance to Local Authorities, Best Value Inspection, Mapping Consequences of Boundary Reviews, Local Government Research, Local Government Publicity, NNDR Collection Costs, Invest to Save Budget, Standards Board for England, Valuation Tribunal Service and Local Authority Business Growth Incentives.

Table 4: Capital DEL Budget (£m)

Programme	2007-08 Outturn	2008-09 Provisional Outturn	2009-10 Plans
Local Government Public Service Agreements	24	94	48
Local Government Efficiency	0	32	50
Other LG Programmes ^{*1}	8	3	8
Total Capital Budget	32	129	106

Notes:

*1 Includes Valuation Tribunal Service, Invest to Save Budget, and Standards Board for England and Local Government On Line.

Progress against DSO 1 indicators

DSO Target 1: Local Government – Better Local Services

Definition:

To support local government that empowers individuals and communities and delivers high quality services efficiently

Indicators:

1.1 Overall satisfaction with the local area

- Statistically Significant Increase (SSI) against the baseline in overall satisfaction.

1.2 Percentage of people who feel they can influence decisions in their locality

- Statistically Significant Increase (SSI) in majority of the 85 LAs with NI4 and no Statistically Significant Decrease (SSD) nationally.

1.3 Narrow gaps in civic participation for three disadvantaged groups – black and minority ethnic groups, disabled and young people

- Statistically Significant reductions in the participation gaps for all three targeted equality groups (ethnic minorities, disabled people and young people) without reducing the mean level of participation.

1.4 Measure of the Audit Commission Direction of Travel assessments

- No single or top tier council to have a 'not improving adequately' score, and an increase in the proportion of councils improving well or strongly.

1.5 Measure of the Audit Commission Use of Resources assessments

- No single or top tier council to receive a score of 1 (out of 4) and for an increase in the proportion of councils receiving a score of 3 or 4.

1.6 Average percentage increase in Band D Council Tax

- The average council tax increase in England to be substantially below 5 per cent

1.7 Value for money

- Councils to achieve at least 3 per cent cash releasing value for money savings per annum.

2008-09 spend:

£1m (DEL)

Overall progress:

Some progress

Overall Assessment

Some progress – improvement against three out of seven indicators⁴⁶.

DSO 1.1 – Overall satisfaction with the local area

3.34 Measure of success: Statistically Significant Increase (SSI) against the baseline in overall satisfaction.

3.35 Latest data: Not yet assessed. The baseline financial year will be 2008-09. Although the whole year figure using data from the Citizenship Survey will not be available until July 2009, the results for April to December 2008 showed that 81 per cent of people were satisfied with their local area as a place in which to live. Progress will be monitored quarterly using the Citizenship Survey.

3.36 Next update: Annual 2008-09 Citizenship Survey data available in July 2009, then monitored quarterly.

DSO 1.2 – The percentage of people who feel they can influence decisions in their locality

3.37 Measure of success: no Statistically Significant Decrease (SSD) nationally.

3.38 Latest data: baseline set at 38 per cent (2007-08). Although we do not yet have a full year's worth of data sufficient to assess progress, the latest Citizenship Survey results for April to December 2008 are 39 per cent (no Statistically Significant movement).

3.39 Next update: 2008-09 data – Q1 to Q4 Citizenship Survey in July 2009.

DSO 1.3 – Narrow gaps in civic participation for three disadvantaged groups – black and minority ethnic groups, disabled people and young people (16-25 year olds) without reducing the mean level of participation.

3.40 This indicator has been revised, in line with a revision to the PSA 15.3 indicator, to focus on reducing gaps in participation for three equality groups – ethnic minorities, disabled people and young people (16-25 year olds) – while continuing to monitor against other groups such as women, and without reducing the overall mean level of participation. The Government Equalities Office leads on PSA 15.

3.41 Measure of success: The revised target will be met fully if there are statistically significant reductions in the participation gaps for all three targeted equality groups (ethnic minorities, disabled people and young people), and partly met if there are significant reductions in one or two of the gaps – provided there is no reduction in the overall mean level of civic participation.

3.42 Latest data: In the baseline year (2007-08) the gaps in civic involvement were: 8 percentage points for young people (16-25); 5 percentage points for disabled

⁴⁶ Indicators 1.5, 1.6 and 1.7.

people; and 10 percentage points for ethnic minorities. Although we do not yet have a full year's worth of data sufficient to assess progress, the latest available monitoring data, the first three quarters of Citizenship Survey data to December 2008, show a statistically significant reduction in the gap for disabled people (the gap is now 1 percentage point) but there have been no statistically significant changes for the other two groups.

3.43 Next update: 2008-09 data – annual in July 2009.

DSO 1.4 – Measure of the Audit Commission Direction of Travel assessments (part of the Comprehensive Performance Assessment, CPA)

3.44 Measure of success: The target is for no single or top tier council to have a 'not improving adequately/not improving' score, and for an increase in the percentage of councils improving well or strongly.

3.45 The baseline figure is 2006-07 performance (reported in CPA 2007). In that year one single tier council (Doncaster) had a "not improving adequately" score. When the results were published, Doncaster was one of 10 councils whose Direction of Travel results were subject to review. The baseline therefore assumed that no council was "not improving adequately".

3.46 Latest data: The CPA results for 2007-08 were published by the Audit Commission on 5 March 2009⁴⁷. The performance results are summarised above and show some improvement on the second part of the target but not on the first.

3.47 Next update: This indicator will not be measured in this way in future, since 2007-08 was the final year for which CPA was carried out. There will not be a separate direction of travel judgement in the new Comprehensive Area Assessment (CAA), and the Department has already stated that we will be developing new targets to replace the existing definitions and measures in both this and indicator 1.5, and appropriate baselines from the first CAA reports expected by the end of the year.

DSO 1.5 – Measure of the Audit Commission Use of Resources assessment (part of the Comprehensive Performance Assessment, CPA)

3.48 Measure of success: The target is for no single or top tier council to receive a score of 1 (out of 4) and for an increase in the proportion of councils receiving a score of 3 or 4. The baseline data are taken from the Audit Commission's Use of Resources judgements for 2006-07 (reported in CPA 2007)⁴⁸. For that year one council received the lowest score of 1 ("inadequate performance") and 67 per cent and 18 per cent received scores of 3 or 4 respectively ("performing well" or "strongly"): 85 per cent in total.

47 www.audit-commission.gov.uk/SiteCollectionDocuments/AnnualReports/2009/05032009CPATheHarderTestREP.pdf, as in Annex D.

48 Source: CPA scores published by The Audit Commission, February 2008 www.audit-commission.gov.uk/SiteCollectionDocuments/Downloads/CPA2007_Scores.xls

3.49 Latest data: In 2008 no single or top tier council received a score of 1 – below minimum requirements for their use of resources. In 2007, Liverpool was the only top tier authority to score 1 for use of resources; for 2008, Liverpool scored 2 out of 4 (adequate performance) on this judgement. 14 councils performed at minimum requirements (adequate performance, scoring 2), 103 (69 per cent) performed consistently above minimum requirements (performing well – a score of 3) and 33 (22 per cent) performed well above minimum requirements (performing strongly, with a score of 4). This means that 91 per cent of councils were assessed as performing well or performing strongly for use of resources in 2007-08, compared to 85 per cent in the baseline year of 2006-07. There has therefore been an improvement on this indicator.

3.50 Next update: This indicator will not be measured in this way in future, since 2007-08 was the final year for which CPA was carried out. The Use of Resources judgement in the new Comprehensive Area Assessment (CAA) will not be measuring the same things in the same way as the CPA approach. The Department has already stated that we will be developing new targets to replace the existing definitions and measures in both this and indicator 1.4, and appropriate baselines from the first CAA reports, which are expected by the end of the year.

DSO 1.6 – Average percentage increase in B and D council tax

3.51 Keeping council tax under control remains a priority. The Government has made clear that it expected the average council tax increase in England to be substantially below 5 per cent, and that it would not hesitate to use its capping powers as necessary to protect council tax payers from excessive increases. Figures released on 26 March 2009⁴⁹ showed that the average B and D council tax increase for 2009-10 is 3.0 per cent⁵⁰, and as such this indicator is on track.

DSO 1.7 – Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year

3.52 This represents the level of direct financial savings achieved without deterioration in service quality. The target is for councils to achieve at least 3 per cent per annum over the whole of the CSR07 period, plus an additional 1 per cent on top of that in 2010-11 (equivalent to £5.5bn). Progress is monitored using data submitted twice-yearly by councils as National Indicator 179 (NI179):

- a forecast for position at the end of the financial year submitted in October
- an outturn for the financial year just ended submitted in July.

49 www.communities.gov.uk/publications/corporate/statistics/counciltax200910

50 The average Band D council tax set by local authorities in England for 2009-10 is £1,414 compared with £1,373 in 2008-09. This equates to an average increase between 2008-09 and 2009-10 of 3.0 per cent.

- 3.53** In October 2008, the Department received the first forecast NI179 data from councils. There was subsequently some revision to the forecasts during the consultation on efficiency information to be included with council tax bills for 2009-10. Based on the data submitted at that time, £1.619bn net ongoing cash-releasing vfm gains are forecast to have been achieved by the end of March 2009: this is above the £1.5bn gains considered necessary for 2008-09 in order to achieve the full £5.5bn target by the end of the CSR07 period. Outturn data will be received from councils by 24 July 2009. This figure includes £0.556bn gains achieved during SR04, but carried forward by councils under the terms agreed with HM Treasury (and deleted from the amount recorded as achieved during SR04 to avoid double counting)⁵¹.
- 3.54** The Local Government Value for Money Delivery Plan identified procurement as a significant source of savings in CSR07. In 2008, the Department commissioned a report to recommend ways of strengthening the support for councils in this area. Bill Roots, former Chief Executive of Westminster City Council, undertook the review, and his report was published in February 2009⁵². The Department is now working with local government to implement the review's recommendations. The 2009 *Budget* confirmed the launch of the 'Total Place' initiative, as recommended by Sir Michael Bichard as part of HM Treasury's Operational Efficiency Programme. This will look at public spending and local leadership in 13 local areas and help identify how collaboration and prioritisation can lead to greater value for money. It is expected that the outputs of both these workstreams will contribute to additional efficiencies in 2009-10 and 2010-11.

Data quality – DSO 1

- 3.55** The National Audit Office (NAO) concluded in its review of the Department's DSO and PSA data systems that the indicators selected for DSO 1 are consistent with the scope of the DSO and afford a reasonable view of progress. More details of NAO's work are given in Annex D.
- 3.56** The Citizenship Survey provides data for indicators 1.1, 1.2 and 1.3, which are defined and measured nationally only. In addition, the Place Survey has provided local data for 2008 for indicator 1.2, which forms the local element of PSA 21 indicator 4: this is discussed further in Chapter 6⁵³.
- 3.57** The first year of measurement against indicators 1.4 and 1.5 is from the CPA 2008 results published on 5 March 2009 and relates to data for the year 2007-08 against the baseline of the CPA 2007 results drawn from 2006-07 data. We will revise these indicators and set a new baseline and profile following the replacement of CPA by Comprehensive Area Assessment from 1 April 2009.

51 This figure is slightly reduced from that reported in the Autumn Performance Report following further advice from councils about the value of gains sustained from SR04.

52 www.communities.gov.uk/publications/localgovernment/rootsreview

53 The Place Survey also provides local data on the same definition as DSO 1.1 (overall satisfaction with the local area), but this measure at a local level is neither a DSO nor a PSA indicator.

- 3.58** There will be no direct read-across between what is measured under the two systems (for instance, although use of resources judgements for local authorities will continue under CAA, the focus and methodology for these assessments has changed and is much broader and more outcome focused compared to CPA, to reflect the overall approach of the new performance framework.
- 3.59** Figures for indicator 1.6 are taken from budget requirement returns which are required by law to be submitted by each local authority shortly after it has set its budget.
- 3.60** Indicator 1.7 relates to councils' National Indicator 179 return. The assurance of data reported by councils through NI179 has both internal and external elements. The principal means of scrutinising the calculations for NI179 should be a council's own internal audit procedure. We also request that the Leader, Chief Executive and Chief Financial Officer for the council should see, certify, and approve the NI179 outturn calculation.
- 3.61** Our guidance recommends that councils should consider obtaining third party assurance and that the data trail should be auditable. In addition, under the arrangements for the Use of Resources assessment, auditors appointed by the Audit Commission will be looking for evidence that a council has "a sound understanding of its costs and performance and achieve[s] efficiencies in its activities" and that its financial reporting is "timely, reliable and... meet[s] the needs of internal users, stakeholders and local people". In judging performance against these Key Lines of Enquiry, auditors will consider the adequacy of a council's arrangements to identify, measure, and report vfm gains.
- 3.62** The NAO recommended that the Department needed to put processes in place to ensure that the data submitted by local authorities for indicator 1.7 are accurate. It has suggested that the Department introduce a sample review process of the data, selecting submissions based on risk and ensuring that the information has been calculated in accordance with the guidance.
- 3.63** The Department has considered this, but is of the view that it is covered by the work of the Audit Commission to provide assurance through the Use of Resources (UoR) work as part of the Comprehensive Area Assessment (CAA) and that to undertake further verification separately would duplicate their work at considerable cost to provide no greater benefit. The NAO will consider, in its follow up review later in the year, the extent to which the new CAA assessments, the first of which are due to be available in late November 2009, address the accuracy of value for money figures reported by local authorities.

Chapter 4

DSO 2 Housing



DSO 2: to improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy

Responding to housing demand

- 4.1** We want everyone to have access to a decent home at a price they can afford, in a place where they want to live and work. Good quality, affordable housing enables stable and secure family lives – improving our social, environmental and economic well-being. It also helps create better communities that can attract investment and skilled workers. It is therefore important that we continue to take the right collective strategic housing decisions.
- 4.2** Whilst we have achieved a great deal through investment in housing over the last decade, demand for housing continues to out-strip supply in England. Increasing longevity combined with a sharp rise in the number of people living alone has contributed to the increased demand for housing. In England, it is projected that the number of households will grow by an average of 252,000 per year to 2031⁵⁴.
- 4.3** To meet these pressures a step-change in the rate of housebuilding is needed. That is why the Government has set a target to deliver 240,000 additional homes per year by 2016 in order to bring greater stability and affordability to the housing market. The economic downturn has had a severe impact on housing starts and completions and will make achievement of our overall housing supply target challenging.

Responding to current market conditions

- 4.4** 2008-09 has been dominated by the difficult economic circumstances resulting from turbulence in the global financial markets. The collapse in securitisation since August 2007 following revelations of the scale of losses in the US sub-prime market has led to significant, and possibly unprecedented, credit rationing by financial institutions. We have seen a sharp change in housing market conditions from a sustained period of growth and house price rises to one in which people are finding it harder to find a suitable mortgage. As a result, some homeowners are worried about losing their homes and new housebuilding construction activity is falling.

54 These figures are from 2006-based household projections for England, published on 11th March 2009 www.communities.gov.uk/publications/corporate/statistics/2031households0309

- 4.5** In the coming months conditions will remain extremely difficult. House prices have been falling since the third quarter in 2007 and many commentators are forecasting further falls. However, despite the challenge, the Government remains committed to its current housing targets in order to provide the homes our country needs over the longer term.
- 4.6** The Department responded positively to these economic challenges by taking extensive and flexible action using our existing resources to bring forward over £1.5bn of housing and regeneration expenditure while maintaining our long-term goals of supply. Significant measures to respond to the conditions were announced in May, September, November (at the Pre-Budget Report) and December 2008, in the 2009 Budget and in June 2009's *Building Britain's Future*. The focus of these measures has been on four priorities:
- Maintaining housing provision and support for construction, jobs and skills
 - Real help for homeowners experiencing difficulties with their mortgage and those in need of a social rented home
 - Support for first time buyers, mortgage lending and the wider housing market
 - Supporting long term goals, recovery and sustainability
- 4.7** The Budget included a commitment to report at the 2009 Pre Budget Report on progress on our strategy to support a timely and effective housing supply response through the recovery, in order to maximise the delivery of high quality, energy efficiency homes, supporting our long term housing supply and environmental objectives.

Maintaining housing provision and supporting jobs and skills

- 4.8** Housing starts and completions are significantly down compared to the previous financial year, with important implications for the provision of both private sector and affordable housing. We know from previous downturns that a reduction in the sector's capacity means a slower increase in activity when the economy picks up. The Government has taken action to support capacity in the construction sector through schemes including the LSC/ ConstructionSkills/ DIUS⁵⁵ apprentice matching service, the "National Skills Academies for Construction", making Train to Gain more widely accessible, and by direct Government funding of some 7,000 new apprentices in the construction sector. The Homes and Communities Agency (HCA) is also deploying its resources in support of this strategy to maintain activity and skills in the sector.
- 4.9** We earmarked a minimum £200m of the Homes and Communities Affordable Housing Programme 2008-09 budget for the purchase of unsold developer stock and the HCA set up the National Clearing House to facilitate sales of larger schemes in May 2008. Provisional figures indicate that the HCA allocated £350m in 2008-09 for 9,600 homes, comfortably exceeding our initial estimates.

55 Now the Department for Business, Innovation and Skills.

- 4.10** In addition, we have also brought forward from 2010-11:
- £350m to deliver 4,000 social rented homes
 - £250m to fund improvements and improve energy efficiency in 25,000 council homes
 - £175m for major repairs to council housing stock
 - £100m and £80m respectively for the Regional Development Agencies and HCA to support key regeneration and housing infrastructure projects⁵⁶
- 4.11** The 2009 Budget announced a further £400m housing development stimulus delivering up to an additional 9,000 homes through the Kickstart programme which is aimed at helping to restart stalled construction activity across the country, together with £100m to enable local authorities to deliver new social housing over the next two years and help deliver up to 900 more homes.
- 4.12** *Building Britain's Future* announced additional expenditure on affordable housing of £1.5bn over 2009-11:
- Expand the local authority social housebuilding programme to deliver an additional 3,000 new council social rented houses
 - Expand the existing affordable housing programme to enable housing associations to deliver up to an additional 12,500 homes
 - Expand the Kickstart programme, with the aim of delivering an additional 13,000 homes (of which 4,000 will be affordable)
 - Invest in the development of public sector land owned by the Homes and Communities Agency to deliver an additional 1,250 units (of which 500 will be affordable)
- 4.13** In total, over 13,000 of 20,000 additional affordable homes are intended for social rent, the balance being homes for low-cost home ownership.
- 4.14** Taken together, our support and investment will help to maintain the supply of both affordable and private sector housing, retain key skills in industry and maintain jobs and employment. The package announced in *Building Britain's Future* will create an estimated 45,000 additional jobs in the construction and related industries over the three-year construction period.

Real help for homeowners and the vulnerable

- 4.15** Action to prevent repossessions has become a growing priority for the Department in the last 12 months, in response to concerns over the rising numbers of repossessions. Council of Mortgage Lenders data shows that repossessions in 2008 totalled 40,000 in the UK, a 54 per cent rise on the previous year. In the first quarter of 2009 there were 12,800 repossessions compared with 8,500 in the same quarter last year, an increase of 51 per cent. Although the 2008 figure

⁵⁶ For further details see paragraph 5.6.

equates to only 0.34 per cent of all mortgages the increase is cause for concern. It is important to remember that some repossessions are a normal part of the housing market functioning and not all repossessions can or should be avoided. In 1998-99 for example, levels were around 30,000 per year.

- 4.16** We recognise that for those affected repossession is a major trauma that can affect people's relationships, health, well-being and quality of life. That is why we have put in place a comprehensive package of support to help prevent repossessions and giving people options to stay in their homes. Households that talk to their lender as soon as possible and seek advice on the range of support available should have a good chance of avoiding the threat of repossession. We are also working to further strengthen the evidence base and strategy to underpin our work on preventing repossessions.
- 4.17** We have put in place a £285m Mortgage Rescue Scheme to support up to 6,000 of the most vulnerable⁵⁷ homeowners facing repossession to remain in their home. Around 80 local authorities 'fast tracked' the scheme on a voluntary basis before Christmas, and the scheme has been rolled out to local authorities in England since 16 January 2009. Formal monitoring arrangements have been put in place with every participating local authority. According to the latest figures published on 30 June 2009⁵⁸, on average more than 1000 households each month have come forward and received free guidance on what support may be best for their circumstances since the launch of the scheme. As of the end of May 2009, over 200 households had benefited from action to stop the immediate threat of repossession through the scheme, with a further 295 households being assessed for this form of support.
- 4.18** Alongside this, the Support for Mortgage Interest scheme provides assistance with mortgage payments for out of work households. Households can now receive support for interest where the capital owed is up to £200,000 (twice as much as before), and we have shortened the waiting period so that households can now claim 13 weeks after claiming benefits. This came into effect from 5 January 2009 and households can apply through their Jobcentre. DWP estimates that the changes will prevent up to a further 10,000 repossessions over two years.
- 4.19** In April, we also launched Homeowner Mortgage Support⁵⁹, a new scheme aimed at helping households who suffer a significant but temporary reduction in income as a result of the downturn and who have been working with their lenders to try and find a solution to enable them to stay in their homes. The scheme was launched with the first lenders on 21 April 2009, with more due to offer the scheme as soon as possible or to offer comparable arrangements to their customers. This is not a payment holiday, as households will have to pay back the money eventually. However, the scheme offers households valuable breathing

57 Families with dependant children, or those containing elderly, ill or disabled people who can no longer afford their repayments and who would be legally entitled to homelessness assistance if repossessed.

58 www.communities.gov.uk/publications/corporate/statistics/mortgagerescuestatistics

59 www.communities.gov.uk/housing/buyingselling/mortgagesupportscheme/

space to get their finances back on track without the fear of losing their home. All lenders offering HMS will have the backing of a Government financial guarantee that will protect the lender if the customer ultimately defaults on the mortgage⁶⁰.

- 4.20** Government has continued to put funding into Court Desks to ensure fuller coverage across England. In 2008-09 Communities and Local Government worked with the Legal Services Commission to identify gaps in coverage and directly funded 40 Court Desks which provide free legal and financial advice to anyone facing a repossession hearing and make a significant difference in helping to avoid immediate repossession). We have subsequently has doubled the extra funding to £1.5m for free, on-the-spot, legal advice in courts, and now have universal coverage across England. The Department has agreed to continue funding these desks and is providing grant funding to up to 80 local authorities in 2009-10 to commission a local court desk service, drawing in expertise from local or neighbouring agencies such as Citizens Advice Bureaux and Shelter, or local law partnerships who already provide this service in other Courts. More funding has been made available by the Department for Business, Enterprise and Regulatory Reform⁶¹ for National Debtline and the Citizens Advice Bureau to help consumers with money problems, including £5.85m additional investment to March 2011 in telephone advice and £10m to March 2010 to expand face-to-face debt advice capacity.
- 4.21** We have worked with the Ministry of Justice to develop the Mortgage Pre-Action Protocol⁶². The protocol was introduced in November 2008 and sets out clear guidance from the judiciary on what steps the courts expect lenders to take before bringing a repossession claim. This will help lenders treat their customers more fairly, and ensures that they have exhausted every option available to them, making repossessions a last resort.
- 4.22** In addition, a £20m Repossession Prevention Fund was announced in the 2009 Budget to enable local authorities to extend small loans to families at risk of homelessness through repossession or eviction. This will be administered by local authorities and will enable them to provide small loans to homeowners or tenants facing repossession. These loans could be used to pay off mortgage arrears or secured charges where high interest rates are causing them to be unaffordable for the homeowner.

60 Lenders offering HMS include Lloyds Banking Group (including HBOS), Northern Rock, the Royal Bank of Scotland (including NatWest and Ulster Bank), Bradford and Bingley, Cumberland Building Society and the National Australia Bank Group (which includes Clydesdale and Yorkshire Bank). A number of other banks, building societies and specialist lenders will offer HMS as soon as possible: Bank of Ireland (which includes Bristol and West), GMAC, GE Money, Kensington Mortgages and Standard Life Bank, and the Post Office. Barclays (including First Plus), HSBC, Nationwide and Santander (including Abbey and Alliance and Leicester) will be offering comparable arrangements to their customers while opting not to take up the Government guarantee.

61 Now the Department for Business, Innovation and Skills.

62 www.civiljusticecouncil.gov.uk/files/Mortgage_Pre-Action_protocol_21_Oct.pdf

Support for first time buyers, mortgage lending and the wider housing market

- 4.23** To deal with demand and to reflect the current market conditions, we have developed a new Rent to HomeBuy scheme, enabling people to rent first / buy later; and Homebuy Direct, a shared equity scheme providing eligible households with an equity loan of up to 30 per cent to help purchase a newly-built home. This is in addition to the existing shared ownership and shared equity products which were already available. (Alongside this, both the £400m package to restart stalled construction activity announced as part of the 2009 Budget and the proposals announced in *Building Britain's Future* include money for additional HomeBuy Direct and other affordable homes.)
- 4.24** As part of the conditions for entry to the Asset Protection Scheme, Lloyds Banking Group and RBS agreed in February to increase lending by their UK banking operations in 2009 and 2010, with separate targets for corporate and mortgage lending. The Department was a party to the lending agreements with HM Treasury and BERR⁶³, and is working with the other departments to ensure delivery of the additional lending committed to under the agreements on commercial terms (for RBS a total of £25bn over 12 months including £9bn mortgage lending, and for Lloyds a total of £14bn over the same period, including £3bn mortgage lending).

Supporting long term goals, recovery and sustainability

- 4.25** The Department is committed to achieving a long-term increase in housing supply and to ensuring that we build greener and better homes. Alongside responding to the downturn, we are therefore continuing to put in place the conditions which will facilitate recovery, enable long-term growth and create energy efficient homes.
- 4.26** *Building a Greener Future: Policy Statement*⁶⁴ (published in July 2007) announced that all new homes will be zero carbon from 2016. As part of a £1.4bn package to stimulate the low-carbon economy announced at Budget 2009, £105m has been allocated to reduce emissions from housing (£84m for cavity wall insulation and £21m for innovative district heat schemes).
- 4.27** We will continue to ensure that surplus public sector land is released for housebuilding, and that the resultant development supports training and skills, including apprenticeships. *Building Britain's Future* announced plans to accelerate development of affordable housing on surplus public sector land. We are putting in place Regional Spatial Strategies that include stretching housing targets, and are working with local authorities to increase the pace of delivery for Local Development Frameworks. The Housing and Planning Delivery Grant will incentivise local authorities to identify a sufficient supply of land for housing, and we will continue to use the Local Government Performance Framework to set stretching targets on housing delivery in priority areas. We are also supporting housebuilding

63 Now the Department for Business, Innovation and Skills.

64 www.communities.gov.uk/publications/planningandbuilding/building-a-greener

by making the planning system more effective and responsive, including through our response to the Killian/Pretty Review.

Fair rules for social housing

4.28 As announced in *Building Britain's Future*, we intend to support our investment in social housing with reforms that deliver value for money for the taxpayer and recognise the rights and responsibilities of those in social housing. There is a perception that allocations policies for social housing are unfair, inflexible and act as a barrier to people being able to move when they need to.

4.29 While preserving security of tenure we will pursue reforms to tackle these problems, through the following actions:

- Changing the current rules for allocating council and other social housing, enabling local authorities to give more priority to local people and those who have spent a long time on a waiting list
- Expanding Choice Based Lettings (CBL) to help tenants move nationwide, and offering support to tenants who need to move to take up the offer of a new job. As of April 2008, 47 per cent of local authorities in England offered an existing CBL scheme, with a further 49 per cent planning to do so in the future. Through our Regional Choice Fund, we are also supporting councils and housing associations to develop or extend sub-regional CBL schemes, with £1m allocated to five new consortia in December 2008 and a new (fifth) round of RCF opened in March 2009
- Launching an autumn crackdown on fraud within the social housing sector, freeing up homes for those in need
- Taking forward our work on reform the council housing finance system, as set out more fully later in this Chapter

Tackling homelessness and ending rough sleeping

4.30 We recognise that temporary accommodation lacks the certainty that people need to get on with their lives and that there is more to do to help people who need settled homes. That is why a target was set in 2005 to halve the number of households in temporary accommodation to 50,500 by 2010 (from a baseline figure of 101,000 in December 2004). Local authorities are on track to meet the target, with over half having already achieved it. In addition since 2003 the number of people who have been accepted as owed a main duty under the homelessness legislation each quarter has fallen by 67 per cent, and use of temporary accommodation is just over one third lower than the same date in 2004. Our repossession prevention work builds on our track record on homelessness prevention, with action focused on early intervention to help keep people in their homes. This has contributed to declining number of homelessness acceptances as a result of mortgage repossession – down from 4 per cent to 3 per cent in the most recent quarterly statistics.

4.31 Significant progress has been made in reducing rough sleeping. The Government's commitment to reduce rough sleeping by two-thirds from its 1998 levels was met early (in 2001) and has been sustained to date. Ten years on from our first strategy, we are determined to make further progress. The Government's new rough sleeping strategy, *No one left out: communities ending rough sleeping*⁶⁵ was launched on 18 November 2008 and signals our intent to end rough sleeping by 2012. Under the strategy the Department wants people to get the help they need, so no one has to sleep rough. Services will act to prevent rough sleeping or to bring people in as quickly as possible. People who have slept rough will be supported to improve their health, consider employment options and rebuild their lives. The £80m Places of Change programme which runs from 2008-09 to 2010-11 will further help tackle rough sleeping by improving hostels, including ending dormitory provision.

Decent Homes programme

- 4.32** The Government recognises that the delivery of decent homes has been achieved through excellent cooperation between local authorities and housing associations as well as the substantial investment supported by Government. The latest figures reported by landlords show that 18 per cent of their stock was non decent as at 1 April 2008, compared with 26 per cent in 2006.
- 4.33** In 2007-08, we have installed, replaced or carried out major repairs to 700,00 kitchens, 525,000 bathrooms and over one m central heating systems in council homes. We have re-wired 740,000 council homes to ensure that they meet fire and safety requirements. Local authorities have also installed new (doubled glazed) windows in more than one m council houses and 820,000 homes have had improvements to their insulation.
- 4.34** The social sector decent homes programme has delivered much more than improvements to the housing stock. The programme has also driven up performance; delivered efficiencies with procurement consortia; improved energy efficiency; created training and job opportunities; empowered tenants, improved access and social inclusiveness; and improved the environment and security of estates.
- 4.35** It is important that once homes have been made decent they can be sustained in this condition. That is one of the reasons why we have undertaken a joint Review of the Council Housing Finance System with HM Treasury with the aim of creating a sustainable, long term system that is consistent with wider housing policy. More information about the review is set out later in this Chapter.
- 4.36** Responsibility for delivery on decent homes and the Arms Length Management Organisations (ALMO), transfer and Private Finance Initiative (PFI) programmes transferred to the Homes and Communities Agency on 1 December 2008. 23 ALMOs have now completed their decent homes spending programmes and 33 are receiving funding to enable them to make their homes decent. There are still

65 www.communities.gov.uk/publications/housing/roughsleepingstrategy

13 ALMOs who have yet to gain 2 stars at Audit Commission inspection which will enable them to access their funding for decent homes. All are currently scheduled for inspection by no later than January 2010. ALMOs can receive considerable support prior to and post inspection including: National Federation of ALMOs Mentor Support Network, bought in Audit Commission advice and support or external consultancy support, and this Department's performance improvement funding. We are currently considering what other measures might be necessary.

The Housing and Regeneration Act

- 4.37** The Housing and Regeneration Act received Royal Assent on 22 July 2008. The Act creates the Homes and Communities Agency and the Tenant Services Authority, which were both launched four months ahead of schedule on 1 December 2008.
- 4.38** The Act also contains measures to improve the way housing services are delivered, many of which have since been commenced. These include ones to create a level playing field for members of the armed forces applying for local authority housing, and additional powers for councils to tackle anti-social tenants via Family Intervention Projects.

The Homes and Communities Agency

- 4.39** The Homes and Communities Agency (HCA)⁶⁶ is the largest regeneration and development agency in Europe with a budget of over £15bn across the current spending period. Sir Bob Kerslake was appointed as Chief Executive and Robert Napier as Chairman.
- 4.40** The HCA brings delivery of housing and regeneration in England together into one agency. It combines the functions of English Partnerships, the investment arm of the Housing Corporation (both subsequently abolished) and the former Academy for Sustainable Communities. It has also taken over responsibility for programmes previously delivered from within the Department including Housing Market Renewal, Growth Areas, Growth Points, Decent Homes and Thames Gateway.
- 4.41** The HCA plays a critical part in delivering the Government's housing and regeneration programmes. During 2008-09, the Agency (and its predecessors) delivered some 50,000 new affordable homes across England and hits its target to invest £3.9bn through its national programmes. Its preliminary end-of-year results suggest that the Agency has exceeded several of its targets, including completion of rental properties, reclamation of brownfield land and creation of employment floorspace.
- 4.42** The Agency's primary focus in the current conditions is to support the wider response to the downturn (including supporting development on the ground where practicable and good value for money) and to lay the foundations for future market recovery and activity. The HCA is therefore leading work on the delivery

of the housing stimulus package announced in Budget 2009. This supports the Agency's long-term goals:

- To contribute to the delivery of housing growth
- To secure the delivery of new affordable housing and ensure existing social rented stock is made decent
- To accelerate the regeneration of under-performing areas and the renewal of deteriorating estates, and
- To ensure high standards of design and to embed sustainability, with a legacy of skills, knowledge and capacity.

The Tenant Services Authority

4.43 The Tenant Services Authority (TSA)⁶⁷ is the new, independent regulator of social housing and has taken on the regulatory responsibilities of the former Housing Corporation. Its principal aim is to put the interests of tenants at the heart of regulation, to ensure that social landlords deliver a better management service for tenants and to actively engage them in management. The TSA will champion tenant's needs and aspirations from housing, promote choice for tenants and providers, and challenge providers to meet or exceed standards. It will also help support new supply of social housing, and will ensure continued viability of the housing association sector.

4.44 Anthony Mayer was appointed as Chair and Peter Marsh as Chief Executive when TSA was set up in December 2008. TSA has started the process of setting a new standards framework for services to tenants. The first step in this was the National Conversation with tenants and landlords to determine their priorities (Jan-March 2009). TSA is currently (June 2009) consulting on the shape of the regulatory framework, and a formal consultation on standards will follow in autumn 2009. Following Ian Cole's review⁶⁸, published in September 2008, we are taking through regulations to extend the role of the TSA to also cover council housing from April 2010.

Review of council housing finance

4.45 The joint Communities and Local Government/HM Treasury Review of Council Housing Finance was launched in March 2008, with the aim of developing a long-term sustainable solution to financing council housing which is fair to both tenant and taxpayer. Terms of Reference for the Review can be found on the Department's website⁶⁹.

4.46 Following the review, the Minister for Housing announced on 30 June 2009 that the Department intended to consult on reform of council housing finance. The

67 www.tenantservicesauthority.org/

68 www.communities.gov.uk/documents/housing/pdf/thecolereport

69 www.communities.gov.uk/housing/decenthomes/councilhousingfinance/housingfinancereview/

document, which we expect to publish later in July, will set out proposals for a devolved system of responsibility and funding which would:

- provide more flexibility and transparency in the operation of the council housing finance system
- devolve control from central to local government and, in return, increase local responsibility and accountability for long term planning, asset management and meeting the housing needs of local people
- remove the need to redistribute revenue nationally, while continuing to ensure all councils have sufficient resources. Instead, councils would finance their own activities from rents, in exchange for a one-off redistribution of housing debt

Private rented sector review

- 4.47** In January 2008, Ministers commissioned Dr Julie Rugg and David Rhodes of the University of York to carry out an independent review⁷⁰ of the private rented sector, with the key aims of improving policy understanding of the sector; providing evidence of the barriers that exist to ensuring the sector consistently offers a fit for purpose product; the role it has into the future; and the actions that could be taken to influence and support that role. The review complemented previous reviews by Professor John Hills⁷¹ and Professor Martin Cave⁷² and included consideration of the role of the private sector in providing a home for those who might also be seeking social housing.
- 4.48** The final review report, published on 23 October 2008, has been widely welcomed and identifies several overarching themes, in particular, the need to improve the professionalism of the sector and to increase knowledge and understanding of sub-markets. Within this framework, it also proposed:
- a revised and improved regulatory framework including a national register for all private landlords and full independently-led regulation for letting and managing agents
 - measures to improve professionalism and encourage growth in the sector, including a package of fiscal proposals and a culture change in local authorities' engagement with landlords
 - better coordination of initiatives to procure and sustain private sector tenancies for those in housing need
- 4.49** The Government's response to the review, *The private rented sector: professionalism and quality*, was published on 13 May 2009⁷³. The response accepts most of the Rugg Report's recommendations, and focuses on improving standards and professionalism in the sector.

70 www.york.ac.uk/inst/chp/Projects/PRSreview.htm

71 <http://sticerd.lse.ac.uk/case/news.asp#SocialHousing>

72 www.communities.gov.uk/documents/housing/pdf/320365.pdf

73 www.communities.gov.uk/documents/housing/pdf/1229922.pdf

Home Information Packs

- 4.50** Following the final roll-out of Home Information Packs (HIPs) on 14 December 2007, activity has focussed on finalising the regulatory framework and strengthening the benefits HIPs offer to consumers. We have continued to strengthen stakeholder engagement through the Stakeholder Panel, which has considered how to improve the home buying and selling process for consumers, including making HIPs more effective.
- 4.51** Following work with industry and consumer representatives, we made a number of changes to improve the quality and consumer content of the HIP that came in to effect in April 2009. These included simplifying requirements for leasehold properties and the inclusion of a new Property Information Questionnaire, following the public consultation exercise during summer 2008⁷⁴.
- 4.52** We also introduced the new Local Authority (Charges for Property Searches) Regulations 2008 following two consultation exercises and guidance which sets out how local authorities should charge for access to property searches data. A summary of consultation responses is available on the Department's website⁷⁵. Ministers also announced the removal from 6 April 2009 of the temporary first day marketing exemption and the use of insurance in personal searches to cover gaps in information.
- 4.53** Following the disappointing take-up of the Home Condition Report since the introduction of HIPs, the then Minister for Housing and Planning announced on 8 December 2008 the establishment of a working group of consumer and industry representatives to look at further options for making sure that consumers have appropriate information about a property's condition⁷⁶. This will build on the work carried out by the Stakeholder Panel to develop market-led models that can be delivered by existing practitioners, including Home Inspectors. Industry and consumer representatives are also represented on a working group established to look at options to make property searches simpler and easier to understand for consumers.
- 4.54** Industry feedback indicates that the 'basic' HIP that must now be available before marketing begins takes 3-5 working days to obtain and that the cost of a HIP is on average £200-£300 (excluding VAT). We will continue to keep HIPs under review in light of market conditions. An evaluation of the HIPs programme is currently planned for 2010 by updating *The HIPs Baseline Research Report*⁷⁷, published in January 2007. We will keep the timing of this evaluation under review in order that it should take place after the housing market has returned to more normal conditions and to enable the identification of the impacts of HIPs separately from wider housing market effects.

74 Improving Consumer Content of HIPs – A summary of responses
www.communities.gov.uk/archived/publications/housing/improvingconsumerinformation

75 www.communities.gov.uk/publications/housing/reponseslapropertysearches

76 www.communities.gov.uk/statements/corporate/homebuyingandselling

77 www.communities.gov.uk/publications/housing/hipbaselineresearch

Growth Areas and Growth Points

- 4.55** To help tackle the widening gap between the demand for housing and its supply, the Sustainable Communities Plan 2003 identified four Growth Areas in the wider South East, which had the capacity to deliver accelerated housing growth.⁷⁸ This is complemented by the Growth Points initiative which provides support to local authorities and partnerships outside the Growth Areas aiming to deliver sustainable housing growth, with 29 initial locations announced in October 2006. A further 21 locations were announced in July 2008⁷⁹ including areas in the north of England for the first time.
- 4.56** Local authorities received £227m of support through the new Growth Fund in 2008-09 to support the delivery of infrastructure in the Growth Areas and the Growth Points (with £833m invested over the whole of the CSR07 period). The funding is unringfenced giving local authorities and their partnerships flexibility to prioritise how this funding is spent at the local level.
- 4.57** In response to levels of housing in the East of England Spatial Strategy, Growth Fund support was extended to Chelmsford, St Edmundsbury, Welwyn Hatfield, St Albans and Dacorum, and following consultation Croydon became a London Opportunity Borough. Overall, the Growth Areas and Growth Points have the potential to deliver 1.5m new homes by 2016.
- 4.58** The Growth Fund is further complemented by the Community Infrastructure Fund (CIF) a joint fund with the Department for Transport providing £300m in 2008-09 to 2010-11 to support transport projects that unlock housing growth. £100m of CIF has been allocated to support 13 schemes specified in the Thames Gateway Delivery Plan. 2008-09 saw the Growth Areas, Growth Points and shortlisted eco-towns invited to bid for the remaining £200m of CIF. Funding for 29 successful first round schemes was announced in March 2009⁸⁰ with a further 26 second round schemes invited to submit full business cases to be considered for the remaining funding.

Housing Market Renewal

- 4.59** Housing Market Renewal (HMR) is a programme to rebuild housing markets and communities in 11 areas of the North and Midlands where demand for housing was relatively weak and which have seen a significant decline in population, dereliction, poor services and poor social conditions as a result. The latest returns from Pathfinders show that by March 2009 this programme has been responsible for refurbishment and improvement of 59,000 homes, 16,100 demolitions and the construction of 3,700 new properties. For 2008-09, total outturn by the Pathfinder group as a whole has exceeded the targets negotiated with the Department and the HCA. In addition the Pathfinders have developed wider social and economic regeneration roles.

78 Ashford, London-Stansted-Cambridge-Peterborough, Milton Keynes – South Midlands, and the Thames Gateway.

79 www.communities.gov.uk/news/corporate/895020

80 www.communities.gov.uk/news/corporate/1187483

4.60 During 2008 the Audit Commission published results from 2008-09 Pathfinder performance reviews. All were judged as “performing strongly” or “performing well”, both in the overall assessment and in terms of delivery and impact. Updated business plans were submitted to the Department in autumn 2008 which outlined the continuing work programme of new build, refurbishment, demolition and acquisition as well as noting responses to the current market downturn.

Eco-towns

- 4.61** Eco-towns are new settlements which will both contribute to increasing housing supply and, through innovation on design and sustainability, contribute to the ongoing challenge of climate change. In July 2008 we set out proposals for tough green standards for new housing in a progress report on eco-towns, and in November we launched the second stage of the eco-towns consultation programme to ask local authorities, stakeholders and communities about the locations for eco-towns and the standards they should meet. This consultation closed on 30 April 2009.
- 4.62** Of the locations currently being considered, proposals range in size from 5,000 to 15,000 homes. A minimum of 30 per cent of the additional housing units will be affordable. A financial viability study of the eco-towns programme prepared with input from external advisors for the Department was published in March 2009.⁸¹
- 4.63** There has been some opposition to the proposals for eco-towns, mainly with respect to potential locations. Our work with the Town and Country Planning Association has brought together key stakeholders in helping to develop a series of worksheets to support those taking eco-towns forward. Since summer 2008 we have undertaken a comprehensive programme of engagement through roadshows, public consultation, online digital activity and stakeholder events.
- 4.64** Although the Sustainability Appraisal (SA) which accompanies the draft Eco-towns Planning Policy Statement (PPS) identified only one location in the top ‘A’ category, it also showed that most of the sites being considered had the potential to be suitable. Final decisions on the PPS and individual locations will be informed by our consultation and further assessment work. Individual schemes will then need to submit planning applications, which will be for local authorities to determine through the local planning process.
- 4.65** The initial timetable for taking the policy forward has been delayed a little in the light of legal challenge, on which the High Court ruled in our favour on every ground. An application for permission to appeal was refused by the Court of Appeal on the basis that the appeal had no reasonable prospects of success.
- 4.66** There has been a good level of response to the recent consultation from a combination of stakeholders and individuals. We are now analysing and considering the results of the consultation, together with further assessment work,

81 www.communities.gov.uk/documents/housing/pdf/1165892.pdf

to enable Ministers to make an announcement on the final eco-towns PPS, and the list of locations with the potential to be an eco-town, later this year. Our aim is to facilitate and support the first phase of a number of exemplar projects in the next few years and to have up to 10 eco-towns under development by 2020.

Housing condition and environmental performance

Energy Performance of Buildings Directive

4.67 We successfully implemented the Energy Performance of Buildings Directive (EPBD) on a phased basis between August 2007 and October 2008. The purpose of the Directive is to tackle climate change by reducing the amount of carbon produced by our buildings across the residential and non residential sectors. Its key components are:

- A valid energy performance certificate (EPC) is required whenever a building is sold, constructed or rented out. The EPC shows the energy efficiency of a property and includes recommendations on how it can be improved
- A display energy certificate (DEC), which shows the actual energy performance, must be produced every year for large public buildings. The DEC is required to be clearly displayed at all times in a prominent place clearly visible to the public, and must be accompanied by an Advisory Report that lists cost effective measures to improve the energy rating of the building
- New air conditioning installations and those above 250 kW needed to have been inspected by January 2009. By January 2011 this will have been extended to systems above 12 kW. The air conditioning report shows the energy performance of the air conditioning system and includes recommendations on how it can be improved

4.68 We have commissioned research to evaluate the implementation of the EPBD. As part of this work, the extent to which energy performance certificates have influenced the behaviour of buyers when choosing homes will be considered. We are also considering the implications of a draft revision to the Directive, published by the European Commission in November 2008.

Towards low and zero carbon development

4.69 In July 2007, the Government announced that all new homes will be zero carbon from 2016. As steps towards achieving this target, carbon emission standards for new homes are to be improved by 25 per cent in 2010 and 44 per cent in 2013 (in both cases compared to 2006 regulations). In his 2008 Budget statement, the Chancellor signalled the Government's ambition for all new non-domestic buildings to be zero carbon from 2019, and for all new public sector non-domestic buildings to be zero carbon from 2018.

- 4.70** We consulted from December 2008 on the definition of zero carbon⁸². The consultation made proposals about how the zero carbon standard can be achieved through a combination of energy efficiency, use of on-site low and zero carbon energy or directly connected heat sources, and a menu of (mainly offsite) allowable solutions to mitigate the remaining carbon emissions. The results of the consultation will inform a future statement on the definition of zero carbon homes.
- 4.71** On 18 June 2009, we launched a consultation on changes to Parts L and F of the Building Regulations aimed at delivering the next step towards zero carbon⁸³. The consultation seeks views on a 25 per cent improvement in energy efficiency requirements for all new homes, a 25 per cent improvement in aggregate for new non-domestic buildings, tightening the standards for replacement building systems and elements (such as boilers), and seeks views on whether to remove the current exemption from Part L for conservatories. It also proposes changes to ensure adequate ventilation in increasingly airtight new buildings. The consultation will close on 17 September and new Regulations and guidance are expected to be published by March 2010, to come into effect in October 2010.

Heat and Energy Saving Strategy

- 4.72** On 12 February 2009, this Department and the Department for Energy and Climate Change launched the Heat and Energy Saving Strategy (HESS)⁸⁴ – the Government’s long-term plan that sets out a route map for all UK homes to be near zero carbon emissions by 2050. Improvements to existing energy efficiency schemes were also announced, through the Community Energy Saving Programme (CESP) and the Carbon Emissions Reduction Target (CERT) Uplift consultations. The plan includes proposals for improving the quality and availability of information and advice, new finance packages and options for the delivery of energy efficient and low carbon improvements. The consultations closed in May 2009, and the responses are currently being analysed. A summary will be published later this year alongside the Government’s response.

Code for Sustainable Homes

- 4.73** The Code for Sustainable Homes was published on 13 December 2006⁸⁵ and provides a single national standard to guide industry in the design and construction of sustainable new homes. Some aspects of the Code anticipate the future direction of regulation over time and allow industry to prepare for future changes. There are no plans to make building to the Code mandatory (except for Government funded homes).

82 www.communities.gov.uk/publications/planningandbuilding/zerocarbondefinition

83 www.communities.gov.uk/publications/planningandbuilding/partlf2010consultation

84 www.communities.gov.uk/publications/planningandbuilding/heatenergysavingstrategy

85 www.communities.gov.uk/planningandbuilding/buildingregulations/legislation/codesustainable/

- 4.74** As of the end of June 2009 there are:
- 335 official Code homes which have completed Post Construction Certificates (i.e. homes that are either being lived in or ready to live in)
 - 2,911 homes which have achieved a design stage certificate (these homes are in the process of being planned / built)
 - Over 200,000 registered homes on over 3,000 developments
- 4.75** We are currently undertaking a review of the Code, in light of the changes to the zero carbon definition and to Part L of the Building Regulations. On 13 May 2009 we published changes to building regulations to deliver improvements in the water efficiency of new homes by requiring that they are designed to deliver an average water consumption of 125 litres per person per day (an improvement of approximately 15-20 per cent on current average usage). The changes are due to come into effect on 1 October 2009.

The Future of Building Control: Implementation Plan

- 4.76** Our strategy to make all new homes zero carbon by 2016 is dependent on people complying with building regulations but we recognise concerns that the building control system is not working as efficiently as it could be. We consulted in March 2008 on changes to reform and to modernise the system⁸⁶. There was strong support for these proposals, and we will set out the way forward in due course.

Housing and support which meets people's needs

Lifetime homes, lifetime neighbourhoods

- 4.77** *Delivering Lifetime Homes, Lifetime Neighbourhoods*⁸⁷, published in December 2008, sets out the progress that has been made against the commitments made in the earlier (February 2008) strategy for housing in an ageing society⁸⁸. £35m is being invested over 2009-11 to support :
- A significant expansion of handyperson services
 - A new dedicated housing advice and information service called 'First Stop'⁸⁹, providing expert advice for older people
 - A pilot programme of innovative housing-related support services

Housing-related support

- 4.78** The Supporting People programme funds housing related support services and assists around 1 million people at any one time. Interim figures for 2008-09

86 www.communities.gov.uk/publications/planningandbuilding/futurebuildingcontrol

87 www.communities.gov.uk/publications/housing/housingageingsociety

88 www.communities.gov.uk/publications/housing/lifetimehomesneighbourhoods

89 www.firststopcareadvice.org.uk

suggest that housing-related support services funded through the programme achieved the following outcomes:

- 29,000 people participated in their chosen training and/or education activities
- 56,900 people maintained their accommodation and avoided eviction
- 41,400 people established contact with their family and friends, and 40,900 with external services
- 22,400 were able to manage their substance misuse
- 7,600 people gained paid employment

4.79 From April 2009, Supporting People has been allocated to councils as a non-ringfenced named grant, paid separately to but with the same financial flexibility as Area Based Grant. Supporting People will be included in Area Based Grant from 2010. This removal of the ringfence provides councils with the opportunity to develop new and innovative ways to support vulnerable people in a range of different situations.

4.80 A package of measures is being developed to support the sector during this period of change. This includes a new financial modelling tool that will provide evidence at a local level on the financial benefits of investment in housing support. Councils' performance in delivering housing support will also be measured through the new Comprehensive Area Assessment, and through National Indicators 141 and 142.

Giving people a voice

Tenant empowerment and National Tenant Voice

4.81 Effective engagement of tenants in the management of their homes is a key component of good housing management. Our ambition is:

- to ensure that all social housing tenants have the confidence, skills and power to engage on housing and housing-related neighbourhood issues in ways that are right for them
- for all social landlords to understand the needs of their tenants and the neighbourhoods in which they live, and for them to offer tenants support and a full range of opportunities to influence service delivery and policies

4.82 In October 2008 we introduced new right to manage regulations for local authority tenants, simplifying the process and introducing an independent assessment of competence for prospective tenant management organisations. We also introduced and promoted voluntary tenant management for all social housing tenants, and for the first time made Tenant Empowerment Programme grant available to support housing association tenants exploring and developing tenant management. We are also establishing a National Tenant Voice (NTV) to ensure tenants have a voice and expertise at national level.

PSA 20

PSA 20: Increase long term housing supply and affordability

PSA overview

The recent economic downturn has resulted in significant and well publicised difficulties for the housing market. The Government is responding to the short-term market conditions by introducing measures to provide extra help for first time buyers, homeowners facing difficulties, and keeping housing supply (especially affordable housing supply) as high as possible. However, the underlying challenges of high demand for housing, lack of supply and consequent problems of affordability remain and could worsen when the upturn comes. We remain focused on achieving a better balance between housing supply and demand through increasing the supply of housing (both market and affordable) over the longer term.

Overall assessment

Some progress. Improvement against 4 out of 6 indicators ⁹⁰. Performance has been better on indicators where our impact is more direct and the wider conditions less influential.

In 2007-08, 207,500 net additional homes were provided which represented a 59 per cent increase on 2001-02 and the highest level of provision since 1977. However the significantly changed financial and economic environment has made achievement of the overall housing supply and affordability targets extremely challenging. Decisive action has been taken to address the consequences of a rapidly falling housing market with measures to improve credit conditions, restore confidence, maintain capability and support those worse affected. There is an increased impetus to ensure that the right measures are in place to enable the market to come back more strongly when the upturn comes.

Data statement

PSA 20 is measured by six indicators. The first five are DSO indicators 2.1, 2.2, 2.3, 2.4 and 2.5 and the sixth is indicator 5.2.

Progress made on the indicators is set out below.

Indicator 1 – Number of net additional homes provided.

Baseline – 185,000 net additional homes in 2005-06 with a target to increase the number of net additional homes provided per annum to 240,000 by 2016. Annual housing supply in England in 2007-08 reached 207,500 net additional homes but new build completions in the 12 months ending March 2009 were 20 per cent lower than completions in the financial year 2007-08.

90 Indicators 1,2,3 and 4.

Indicator 2 – Trends in affordability.

Measured using the ratio of lower quartile house prices to lower quartile earnings (housing affordability). Baseline – 7.25 in 2007. In Q1 2009 this had moved to 6.26 (provisional figure)

Indicator 3 – Number of affordable homes delivered

Baseline – 44,923 affordable homes in 2005-06 (including 23,411 social homes) with a target to increase the number of gross affordable homes provided per annum to 70,000 by 2010-11 including 45,000 social homes. In 2007-08 53,729 were provided of which 29,366 were social homes.

Indicator 4 – Number of households living in temporary accommodation

Baseline of 101,000 in Q4 2004 with a target to halve the number of households in temporary accommodation to 50,500 households by 2010. At Q4 2008-09 the figure was 64,000.

Indicator 5 – Average energy efficiency of new homes

The baseline has yet to be set. This indicator measures improvements in the energy performance of new homes against a 2006 baseline. It uses new build Energy Performance Certificate data to measure progress. Data are currently being validated.

Indicator 6 – Local Planning Authorities to have adopted the necessary Development Plan Documents, in accordance with milestones set out in their Local Development Schemes, to bring forward sufficient developable land for housing in line with PPS3

Baseline – at October 2007 no authority had an up to date Local Development Framework. The target is that by March 2011, 80 per cent of local planning authorities will have adopted the necessary Development Plan Documents, in accordance with their agreed Local Development Scheme. At February 2009 nearly 10 per cent of LDFs were in place.

Progress against DSO 2 indicators

DSO 2

Definition:

to improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy

Indicators:

- 1.1 **Number of net additional homes provided**
 - Increase the number of net additional homes provided per year to 240,000 by 2016
- 1.2 **Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability)**
 - Considered to be met if the ratio remains no more than 10 per cent above the baseline level.
- 1.3 **Number of affordable homes delivered (gross)**
 - Increase the number of gross affordable homes provided per year to 70,000 by 2010-11 including 45,000 social homes.
- 1.4 **Number of households living in temporary accommodation**
 - Halve the number of households in temporary accommodation to 50,500 households by 2010.
- 1.5 **Average energy rating for new homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)**
 - Measure of success to be defined when the baseline is available.
- 1.6 **Average energy ratings for all homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)**
 - Seeking an increase in the average SAP rating for all homes.
- 1.7 **Percentage of non-decent homes in the social sector**
 - Success will be shown by a reduction in the percentage of non-decent homes
- 1.8 **Percentage of vulnerable households in decent homes in the private sector**
 - To increase the percentage of vulnerable households living in decent homes in the private housing sector.
- 1.9 **Number of children in poor housing (Non-Decent, Overcrowded or Temporary Accommodation)**
 - Seeking a reduction.

- 2.10 Percentage of vulnerable people who are supported to maintain independent living
 - Seeking an increase in the percentage.
- 2.11 Percentage of vulnerable people achieving independent living
 - Seeking an increase in the percentage.
- 2.12 Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence
 - Seeking a positive increase in the percentage.
- 2.13 Care leavers in suitable accommodation
 - Seeking a positive increase in the percentage.
- 2.14 Adults receiving secondary mental health services in settled accommodation
 - Seeking a positive increase in the percentage.
- 2.15 Adults with learning disabilities in settled accommodation
 - Seeking a positive increase in the percentage.
- 2.16 Local authority tenants' satisfaction with services
 - Seeking to maintain current levels of satisfaction.
- 2.17 Proportion of householders aged 65+ who are satisfied with their home and their neighbourhood
 - Seeking to maintain current levels of satisfaction.

2008-09 spend:
£7,543m (DEL)

Overall progress:
Some progress

Progress against DSO 2 indicators

Overall assessment

Some progress – improvement against 8 out of 17 indicators⁹¹.

4.83 Departmental Strategic Objective 2 consists of seventeen indicators broadly divided into three sub-sets:

- the first sub-set replicates five of the six PSA 20 indicators to support our work on increasing housing supply, affordability and environmental performance
- the second sub-set underpins our work on ensuring that the condition of new and existing homes is improving to support the most vulnerable people, and includes indicators gauging tenant satisfaction with landlord services and the

91 Indicators 2.1, 2.2, 2.3, 2.4, 2.6, 2.7, 2.8 and 2.16.

proportion of people aged 65 and over who are satisfied with their home and neighbourhood

- the last sub-set underpins work on enabling the most vulnerable people to access or maintain settled accommodation, and includes four indicators (2.12-2.15) which feed into the cross-government PSA 16 – Increase the proportion of socially excluded adults in settled accommodation and employment, education or training

DSO 2.1 – Number of net additional homes provided

4.84 Measure of success: To increase the number of net additional homes provided per year to 240,000 by 2016, from the 2005-06 baseline of 186,600 net additional dwellings.

4.85 Latest data: Annual housing supply in England reached 207,500 net additional dwellings in financial year 2007-08; this was a 4 per cent increase on the 199,000 net additional homes supplied in the previous year, and the highest annual level of net housing supply in the last thirty years.

4.86 Seven out of the nine English regions experienced an increase in the number of net additional dwellings supplied in the 2007-08 financial year, with the East Midlands and the West Midlands experiencing falls of 7 per cent and 3 per cent respectively. The North West saw the largest annual increase (15 per cent) followed by the South West (9 per cent). However, in the current economic conditions the delivery of new supply is challenging. House building completions, which are the major component of net additions, were 20 per cent lower in 2008-09 than in 2007-08.

4.87 Next update: Data for 2008-09 will be available in February 2010.

DSO 2.2 – Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability)

4.88 Measure of success: The ratio to remain no more than 10 per cent above the baseline housing affordability ratio which was 7.25 for 2007⁹².

4.89 Latest data: The lower quartile house price to lower quartile earnings ratio has been falling since Q3 2007 due to falling house prices and was provisionally 6.26 in Q1 2009. However this is a short term trend caused by deterioration in housing market conditions. With household formation projected to increase to an annual average of 252,000 there is still a long-term affordability issue that only new supply can address.

4.90 Next update: The next quarterly data (for Q2 2009) will be available in September 2009.

92 As published in Live Table 576 at: www.communities.gov.uk/documents/housing/xls/152924.xls

DSO 2.3 – Number of affordable homes delivered (gross)

- 4.91 Measure of success:** To increase the number of gross affordable homes provided to 70,000 per year by 2010-11 (including 45,000 social homes), from the 2005-06 baseline figure of 45,980 affordable homes (including 24,120 social homes).
- 4.92 Latest data:** In 2007-08, a total of 53,730 additional affordable homes were supplied in England, of which 29,370 were for social rent.
- 4.93 Next update:** Data for 2008-09 are expected to be available in December 2009.

DSO 2.4 – Number of households living in temporary accommodation

- 4.94 Measure of success:** To halve the number of households in temporary accommodation to 50,500 by 2010, from the baseline of 101,000 at the end of December 2004.
- 4.95 Latest data:** Since the end of 2005, the number of households in temporary accommodation has fallen for fourteen consecutive quarters, reaching 64,000 by 31 March 2009. This number is 17 per cent lower than the same date in 2008, and one third lower than the same date in 2004, the year in which it peaked. As of 31 March 2009, more than 50 per cent of local authorities had met the 2010 target. London remains a challenge, accounting for three quarters (47,780) of the overall numbers in temporary accommodation on the same date. The Homelessness Action Team (a joint partnership between Communities and Local Government and the TSA) are working closely with London authorities on their temporary accommodation action plans. It is on target to meet the 2010 target.
- 4.96 Next update:** The next quarterly statistical release will be on 10 September 2009 (for quarter ending 30 June 2009).

DSO 2.5 – Average energy rating for new homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)

- 4.97 Measure of success:** To be defined when the baseline is available. Baseline to be set in summer 2009.
- 4.98 Latest data:** Not yet assessed. Energy efficiency is assessed through an index based on the costs of space and water heating, ventilation and lighting for the home and is expressed through a Standard Assessment Procedure (SAP) scale of 1 (highly inefficient) to 100 (highly efficient with 100 representing zero energy cost).
- 4.99** The Department expects SAP ratings to improve over time to reflect the minimum standards for energy efficiency set out in Part L of the Building Regulations which are being strengthened to support the programme for zero carbon homes described earlier in this Chapter, and this will be the basis for assessing progress. The first milestone will be changes in 2010 which will lead to an improvement in 25 per cent over the current (Part L 2006) standard, although there will be there will be a lead

in time before all new homes will be built to that standard. The SAP methodology is being updated to accompany these changes which may also affect ratings.

4.100 Next update: To follow establishment of the baseline in summer 2009.

DSO 2.6 Average energy ratings for all homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)

4.101 Measure of success: To increase the average energy efficiency (SAP) rating for all homes over the spending period, from the 2006 baseline of 48.7 SAP points.

4.102 Latest data: The 2007 English House Condition Survey Headline Report (published in January 2009) reported that in 2007 this average had improved to 49.8 SAP points. Since 1996 the average energy efficiency rating has steadily improved by more than seven SAP points (from 42.1 in 1996 to 49.8 in 2007). Average SAP ratings for social housing (both Registered Social Landlord and local authority stock) were higher (59.5 and 56.2 respectively) than for owner occupied and private rented dwellings (both averaged 48.1). The average SAP ratings for RSL and local authority stock both fall within an Energy Performance Certificate (EPC) Band D, while those for the private sectors correspond to EPC Band E.

4.103 Next update: The full report of the 2007 English House Condition Survey will be published in summer 2009.

DSO 2.7 – Percentage of non-decent homes in the social sector

4.104 Measure of success: To reduce the percentage of non decent homes reported by Registered Social Landlords (RSLs) and local authorities, from the baseline of 21.8 per cent as at 1 April 2007.

4.105 Latest data: The latest figures reported by landlords show that 18 per cent of their stock was non decent as at 1 April 2008, compared with the baseline.

4.106 Next update: Landlord data for 2008-09 will be published in November or December 2009.

DSO 2.8 – Percentage of vulnerable households in decent homes in the private sector

4.107 Measure of success: To increase the percentage of vulnerable households in private sector decent homes, from the baseline of 59 per cent in 2006.

4.108 Latest data: The 2007 English House Condition Survey Headline Report estimated that 61 per cent of private sector vulnerable households were living in decent homes in 2007, an increase of two percentage points from the baseline. This baseline is based on the updated definition of decent homes introduced in 2006 when the Housing Health and Safety Rating System replaced the Fitness standard as the statutory assessment tool for minimum housing standards.

4.109 Next update: The full report of the 2007 English House Condition Survey will be published in summer 2009.

DSO 2.9 – Number of children in poor housing (non-decent, overcrowded or temporary accommodation)

4.110 Measure of success: To reduce the number of children living in poor housing. The provisional baseline for April 2006 was two m children.

4.111 Latest data: Not yet assessed. Provisional figures for April 2007 indicate that the number of children in poor housing was unchanged at two m. DSO 2.9 is a composite indicator based on three components: children in non-decent homes, those in temporary accommodation (under homelessness legislation) and those in overcrowded accommodation. A slight decline in the number of children in temporary accommodation and the number in non-decent housing was offset by a rise in the number of children in overcrowded conditions.

4.112 Next update: Final confirmation of the baseline figure and progress will be possible when the first English Housing Survey figures become available in January 2010.

DSO 2.10 – Percentage of vulnerable people who are supported to maintain independent living

DSO 2.11 – Percentage of vulnerable people achieving independent living

4.113 Measure of success: The measurement of success for DSO 2.10 and 2.11 is to increase the percentage of vulnerable people who are supported to maintain or achieving independent living. Both indicators are calculated using performance data reported quarterly by upper tier authorities on their housing-related support services (currently funded through the Supporting People programme), and give the percentage of vulnerable people in these services that are supported to either maintain or achieve independent living.

4.114 Latest data: Indicator 2.10 focuses on long term services, and monitors the percentage of vulnerable people in such services that are supported to maintain independent living. The 2007-08 data have been validated, and the baseline figure set at 98.24 per cent.

4.115 Latest data: Indicator 2.11 focuses on short term services, and gives the percentage of vulnerable people leaving such services to achieve independent living. The 2007-08 data have been validated, and the baseline figure set at 65.3 per cent.

4.116 Both baselines are weighted averages of performance over the year as reported by authorities, whose figures are published quarterly on the Department's Supporting People website⁹³.

4.117 Next update: Although data are reported quarterly by upper tier authorities, it needs to be validated. The Department is currently looking to tender to contract out the validation.

Socially excluded adults Public Service Agreement (PSA 16)

4.118 PSA 16 (led by Cabinet Office) aims to increase the proportion of socially excluded adults in settled accommodation and employment, education or training. It focuses on four at-risk groups, who may be negotiating a difficult transition point. While these groups are particularly vulnerable during this transition period, they are also in contact with services that could and should make a difference in preventing persistent exclusion.

4.119 The client groups are:

- care leavers at age 19
- adult offenders under probation supervision
- adults receiving secondary mental health services
- adults with moderate to severe learning disabilities

The following four indicators feed into the settled accommodation strand of PSA 16. The measure of success for each of these will be a positive increase in the percentage of these clients in settled accommodation.

DSO 2.12 – Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence

4.120 The 2006-07 baseline figure for offenders under probation supervision in settled and suitable accommodation was 77 per cent. Data for 2007-08 and for the first six months of the PSA period (April to September 2008) show that this percentage has remained the same.

DSO 2.13 – Care leavers in suitable accommodation

4.121 Progress since the PSA was established is not yet assessed. The 2007-08 baseline figure for care leavers in suitable accommodation was 88 per cent. The first annual data report will be available in September 2009.

DSO 2.14 – Adults receiving secondary mental health services in settled accommodation

4.122 Not yet assessed. This is a new indicator for 2008-09. The first data report is expected July 2009.

DSO 2.15 – Adults with learning disabilities in settled accommodation

4.123 Not yet assessed. This is a new indicator for 2008-09. The first annual data report will be available September 2009. This will cover the 2008-09 financial year.

DSO 2.16 – Local authority tenants' satisfaction with services

- 4.124 Measure of success:** The target for 2009-10 is 71.0 per cent. The baseline is a 3-year average of 68.3 per cent based on the proportion of local authority tenants who were satisfied with the overall service provided by their landlord over the three year period 2004-05 to 2006-07.
- 4.125 Latest data:** The figure for 2007-08 is 70.6 per cent. This is an increase of 2.3 percentage points on the baseline.
- 4.126 Next update:** The next annual figures (for 2008-09) will be available in January 2010.

DSO 2.17 – Proportion of householders aged 65+ who are satisfied with their home and their neighbourhood

- 4.127** Not yet assessed. The baseline data for 2007-08 was 87.4 per cent. The level of satisfaction has been consistently above 85 per cent for the whole of the past decade and the target is to maintain current levels of satisfaction. This indicator feeds into PSA 17 [*To tackle poverty and promote greater independence and wellbeing in later life*] which is led by the Department for Work and Pensions.

Data quality – DSO2 (and PSA 20)

- 4.128** The NAO concluded, in its review of the Department's DSO and PSA data systems that the indicators selected for DSO 2 are consistent with the scope of this DSO and afford a reasonable view of progress. They came to the same conclusions for the indicators used for PSA 20 (DSO 2 indicators 1 to 5 and DSO 5 indicator 2). More details of NAO's work are given in Annex D.
- 4.129** For indicator 2.1, data on net housing supply in the North East, North West and Yorkshire and the Humber are submitted to us by individual local authorities via the Housing Flows Reconciliation (HFR) form. Data on net housing supply in the other six English regions are collected on joint Regional Planning Body and Communities and Local Government returns (also known as 'joint returns').
- 4.130** The aim of the 'joint returns' is to provide one set of consistent data on housing supply, to serve the needs of central, regional and local government, thus avoiding duplication and reducing burden on data suppliers.
- 4.131** Figures for data collected via the HFR include imputation for a small number of missing returns. In 2007-08, a 98 per cent local authority response rate was achieved. The 'joint return' net housing supply figures are as reported by the Regional Planning Bodies.
- 4.132** The HFR return requires local authorities to submit a full break down of housing flows by tenure over the previous year; this includes figures for new house building, conversions, demolitions, changes of use and transfers between tenures. The Regional Planning Body 'joint returns' do not contain the same depth of information

on housing flows as collected directly from local authorities through the HFR form. As a minimum, 'joint returns' are required to contain information on opening stock as at 1 April and closing stock as at 31 March for each local authority in the region. The NAO observed that there are no formal written procedures for some aspects of the process of calculating the indicator, such as the imputation of figures where a local authority has not provided housing flows return data to its regional assembly, and that the Department has not sought to verify the quality controls operated by regional assemblies. On the former point, returns to regional assemblies tend to have a 100 per cent response rate in practice, and instructions on validating and imputing data on the housing flows return in general are in place. On the latter point, the Department is content that regional assemblies' own use of their data necessitates proper controls being in place.

- 4.133** For indicator 2.2, the Land Registry is the source for lower quartile property price transactions and the Annual Survey of Hours and Earnings (ASHE) is the source for lower quartile work based average earnings.
- 4.134** As average earnings data are available once a year, a quarterly series is calculated using the movement in the average earnings index to enable the indicator to be monitored on a quarterly basis. This assumes that the earnings growth across the UK does not vary across regions. The ASHE data are at April each year, so the lower-quartile house price over Q1 and Q2 is used in comparison to obtain a comparable time period. The rolling 2-quarterly lower quartile is used for the other quarters similarly. Property prices below £1,000 and above £20m are not included in the calculation of the lower quartile.
- 4.135** The NAO has noted that the Department has yet to document a formal risk assessment for its arrangements for data collection, processing and analysis for this indicator. Although no formal risk assessment is made about the impact of likely errors in the data systems that contribute to the indicator, it is implicit in the processes used to produce it. For example, the indicator's numerator is based on the Regulated Mortgage Survey (RMS) database of house prices on completion of house purchase. The data, based on individual properties, are processed to produce an average house price. An algorithm in the automated processing system identifies outliers, which could be data errors. These are then excluded from the average house price calculation. The monthly RMS file typically contains 50,000 records so a sizeable number of incorrect records would need to be included to significantly affect the average house prices.
- 4.136** Most of the data on affordable housing supply for indicator 2.3 are provided by the HCA's Information Management System which is linked to payment of grant under the National Affordable Housing Programme. This therefore provides a robust and accurate measurement of the delivery of affordable housing. Data from this system are supplemented by analysis of validated data sources to ensure there is full capture of affordable supply whilst avoiding double counting. The NAO has expressed concern that formal written procedures are not in place for all the data streams in respect of the editing of data, and that the Department

does not carry out its own validation checks on the data submitted by local authorities. In response, the Department has noted that only about 5 per cent of the figures included in this indicator are collected using an administrative system where some imputation is needed, and the figures are also used in an information management system that is used in the calculation of grant payments by the Department, thus creating a strong incentive for achieving a high level of accuracy.

- 4.137** The Department has robust arrangements in place to collect, process, analyse and report the data in respect of indicator 2.4. It is measured through Communities and Local Government's quarterly P1E form, submitted by local authorities. All returns undergo thorough validation, and late returns are pursued to ensure that overall response is as complete and accurate as possible. Over recent quarters, the response has ranged between 98 per cent and 100 per cent, and estimates are made for any missing data. Anomalous data are highlighted and verified by contacting the local authority. Local authorities also provide details of any data checks they undertake, and the majority reported their own validation of the temporary accommodation figure. The results are published quarterly.
- 4.138** The data system supporting this indicator 2.5 is based on data collected in the energy performance certificates (EPC) register. The Department has commissioned an external provider to collate the information and provide us with specified data reports so that we can assess how best to calculate and report the indicator. As EPCs have been required for all new homes only since April 2008, the baseline for this indicator will be set using data from the year beginning on 1 April 2008. Further work is being undertaken to ensure that the data in the EPC register is robust and properly validated in order that the indicator can be monitored and reported in a consistent and accurate way.
- 4.139** Indicator 2.6 is measured through the English House Condition Survey (EHCS) to 2008 and the English Housing Survey from 2009.
- 4.140** Indicator 2.7 is measured through local authority Business Plan Statistical Appendix returns and the Regulatory Statistical Returns from Registered Social Landlords.
- 4.141** Indicator 2.8 is measured through the EHCS to 2008 and the English Housing Survey from 2009.
- 4.142** Data for indicator 2.9 are collected through the Survey of English Housing, EHCS and the P1E returns. These data sets have been in place for some time and are considered to be robust. In April 2008, the two surveys were merged into the new English Housing Survey, so from 2008-09 onwards the data are derived from this new survey.
- 4.143** Performance data for indicators 2.10 and 2.11 are reported quarterly by upper tier authorities on their housing-related support services (currently funded through the Supporting People programme). These are National Indicators so all authorities are required to submit these data, which will inform assessment by the Audit Commission as part of the CAA. Top tier authorities have been reporting

performance information for their Supporting People services for a number of years, and the reported data are published each quarter on the Department's Supporting People website. Collection of performance information has always included a number of automated and manual quality validations. However, more rigorous validation, including time series analysis, has now been introduced, and the Department is preparing formal notes for the validation and processing of data, which is carried out by a contractor. Data coverage has also increased over time, and the inclusion of one or both of the corresponding National Indicators in two thirds of authorities' Local Area Agreements has helped to improve both coverage and the quality of reported data. Baseline figures do not include estimation of data for missing services.

- 4.144** Indicators 2.12 to 2.15 are also in PSA 16. Indicator 2.12 is measured through Offender Assessment System (OASys) assessment data. While OASys is in general use, it is currently not required for all offenders and is often reserved for higher-risk offenders or offenders with certain offence types or sentence lengths. The rate of completion or termination reviews is also low. Indicator 2.13 is measured through the SSDA 903 return to DCSF. These data are published annually. The SSDA903 is an annual statistical return completed by local authorities with social services responsibilities for looked after children in England and is therefore a robust administrative data set. Indicator 2.14 is measured through the annually reported Mental Health Minimum Data Set. This is a new indicator: its quality will be assessed on receipt of the first data, although there are some concerns over the possible lack of comparability of data due to a change in the recording process. Indicator 2.15 is measured through annually-reported Key Statistics 1, although data collected started only in October 2008 and so it is too early to draw conclusions on whether the system operates effectively.
- 4.145** The data source for indicators 2.16 and 2.17 was the Survey of English Housing (SEH) until March 2008. The SEH was an authoritative government survey, with a nationally representative sample of around 19,000 private households in England interviewed each year – of which the sample of local authority tenants was about 2,000 per annum. From April 2008 the data source is the new English Housing Survey. Details of it are given in Annex D.

Chapter 5

DSO 3 Building prosperous communities



DSO 3: to build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation

- 5.1** Our regions, cities and sub-regions are essential parts of the national economy, but also contain some of our most deprived neighbourhoods and disadvantaged people. Our work on economic development and regeneration focuses on supporting the economic potential of our most deprived areas, stimulating growth, tackling worklessness and closing the gap between our most and least well-connected places.
- 5.2** The Department's work has a strong link to PSA 7 – the regional economic performance (REP) PSA – to which we are a contributory department. PSA 7, led by the Department for Business, Innovation and Skills (BIS), aims to improve the overall economic performance of each of the English regions and reduce the gap in economic growth rates between regions, and carries forward the SR04 period PSA 2. We also contribute to PSA 8, led by the Department for Work and Pensions, which focuses on the overall employment rate of Great Britain.

Review of sub-national economic development and regeneration

- 5.3** In March 2008 the Government issued a consultation on implementing the proposals arising from the Review of Sub-National Economic Development and Regeneration (SNR). The Government's response to the consultation was published in November 2008⁹⁴ and was followed by the introduction of the Local Democracy, Economic Development and Construction Bill⁹⁵ in December 2008 to take forward three central policies: the introduction of a single regional strategy for each English region outside London; a duty on local authorities to undertake economic assessments of their areas; and creating the opportunity for local authorities to form statutory bodies across sub-regions.
- 5.4** The Review also recognised the potential role for targeted regeneration in improving outcomes in deprived areas. The SNR recommended a more consistent framework to help improve prioritisation and co-ordination – and to tighten the focus of investment on barriers, economic growth and economic inclusion. In July 2008, we published the consultation document *Transforming Places Changing*

94 www.communities.gov.uk/citiesandregions/thesubnationalreview/takingforwardsnr/

95 <http://services.parliament.uk/bills/2008-09/localdemocracyeconomicdevelopmentandconstruction.html>

*Lives: a framework for regeneration*⁹⁶, and in May 2009 a final document which took responses into account⁹⁷. The framework is designed to improve the co-ordination and prioritisation of regeneration investment and focus our efforts on tackling underlying economic challenges.

Impact of the downturn

- 5.5** In May 2008 the then Minister of State for Local Government asked Professor Michael Parkinson to assess the impact of the credit crunch on the commercial property sector, the housing market and the regeneration sector. The report, *The Credit Crunch and Regeneration: impact and implications*⁹⁸, published in January 2009, concluded that long term regeneration activity must be sustained and that deprived areas will need continued support through the downturn. The Government welcomed the report and will continue to take action.
- 5.6** We are working closely with the Homes and Communities Agency (HCA) and the Regional Development Agencies (RDAs) to ensure at risk investment in regeneration continues to be supported wherever practicable. To assist in this process, the Chancellor announced in the 2008 Pre-Budget Report that the HCA and RDAs could bring forward up to £180m of capital expenditure (£80m and £100m respectively) from 2010-11 to 2009-10 to assist such schemes. The HCA and the RDAs, working in conjunction with ourselves and BIS, have agreed indicative regional allocations for this additional resource and have begun delivery of assistance to priority projects.
- 5.7** We are also supporting town centre managers and local partners to sustain and improve our high streets and town centres during the downturn. In April 2009, we published the guide *Looking after our town centres*⁹⁹ which provides practical help and advice showing how, even in tough times, we can ensure that our town centres reach their full potential. It sets out the steps that the Government is taking to encourage positive action, particularly in enabling temporary use of vacant shops and we have already implemented provisions in the Planning Act 2008 making it easier for local planning authorities to use Local Development Orders which, amongst other things, may allow for changes of use in high streets and town centres.

Multi-Area Agreements and City-Regions

- 5.8** Multi-area agreements (MAAs) are agreements between two or more county or unitary local authorities, their partners (including district councils) and Government to achieve collective targets to improve economic prosperity in their local area, in return for action by Government to remove barriers to growth and increase freedom for local authorities. MAAs span the natural borders of labour, housing

96 www.communities.gov.uk/publications/citiesandregions/transformingplaces

97 www.communities.gov.uk/documents/citiesandregions/pdf/1227732.pdf

98 www.communities.gov.uk/publications/citiesandregions/creditcrunchregeneration

99 www.communities.gov.uk/publications/planningandbuilding/towncentres

and supply markets and bring together key partners to address linked challenges, for example on transport and planning, and employment and skills.

- 5.9** The first seven MAAs were signed on 14 July 2008 and a further three MAAs were signed by the Prime Minister on 12 January 2009. A third wave is currently working towards sign-off in summer 2009.
- 5.10** Examples of initiatives being taken by MAAs are:
- Work in Greater Manchester on Integrating Employment and Skills including skills screening for all new benefit claimants and the introduction of individual Skills Accounts. This brings together local authorities and Jobcentre Plus in a way that reduces duplication and provides a more effective and joined-up service targeted at those furthest from the labour market
 - In Tees Valley and South Yorkshire, Government agreed that the partnership could carry unspent housing market renewal funding over into 2009-10. In Tees Valley this has allowed them to accelerate development and to acquire additional housing stock in Middlesbrough at competitive prices
- 5.11** We are also working with the two new city-region pilots announced in the 2009 Budget – Greater Manchester and Leeds – to prepare new City Region Agreements for sign-off in summer 2009.

Tackling worklessness

- 5.12** Through the Working Neighbourhoods Fund (WNF) we are providing £1.5bn between 2008-09 and 2010-11 to provide funding to some of the most deprived neighbourhoods in England to help tackle worklessness on a community wide basis. In early 2008, 66 areas were announced as eligible for WNF. After issues were raised about the selection criteria, and a subsequent consultation process, a revised set of eligible areas was announced in February 2009¹⁰⁰. Four local authorities (Brent, Camden, Westminster and West Somerset) were no longer eligible, and two new authorities (Lewisham and Enfield) became eligible. In April 2009, six authorities were merged into two unitary authorities (Blyth Valley and Wansbeck became Northumberland Council and Derwentside, Easington, Sedgefield and Wear Valley merged to become Durham County Council). As a consequence there are now 61 WNF areas. Transitional arrangements were put in place for those which lost funding, and for the former Neighbourhood Renewal Fund areas that were subsequently not eligible for WNF.
- 5.13** We are currently assessing how WNF is being used to tackle worklessness and how partnerships and governance arrangements have developed. The study will report in late 2009, and will also make recommendations for an evaluation framework.

100 www.communities.gov.uk/documents/communities/pdf/1138329.pdf

5.14 As part of our commitment to maximising Local Strategic Partnerships' effectiveness in meeting worklessness targets, the Department and DWP jointly commissioned a panel led by Cllr Stephen Houghton to examine the role of local authorities and their partners¹⁰¹. Cllr Houghton reported that Working Neighbourhoods Fund areas have been successful at reducing out of work benefit claimants at a faster rate than other areas, thereby closing the gap between these areas and the rest of England. WNF areas have accounted for 71 per cent of the reduction in incapacity benefit (IB) claimants in England since 2004, which has reduced the IB claimant rate gap between WNF and non WNF areas by over 1 percentage point.¹⁰²

5.15 The key recommendations in the report were:

- Every council should conduct an assessment of local unemployment by the middle of this year, evaluating claimant trends and assessing the impact of the downturn on the most vulnerable groups in their local areas who may be disproportionately affected and need innovative forms of support
- Councils should substantially increase the number of apprenticeship places available in local government and should be proactive with their suppliers in encouraging them to offer expanded numbers of apprenticeships and work experience opportunities
- Councils could support the government's response to the downturn by offering more apprenticeship places, and also explore opportunities with their suppliers
- A new Challenge Fund should be established to boost local enterprise, provide extra support for employers and long-term benefits claimants to get real help in building up new skills for the future, and increase opportunities for temporary employment
- The Working Neighbourhoods Fund should be allocated to councils on a five-year funding cycle and remain unringfenced so councils can use it to tackle unemployment as they see best

5.16 The Government's response, *Stepping up to the challenge*¹⁰³, was published on 13 May 2009 and set out details of the Future Jobs Fund announced in the 2009 Budget. The Fund provides £1bn for local partners to create 150,000 jobs for young people and other disadvantaged groups. This builds directly on the Review's recommendation for additional resources for local partners to create jobs and deal with the impact of the recession. CLG is working with DWP (as the lead Department), councils and third sector organisations on developing the fund, and the first jobs are expected to come on stream in the autumn. The response also set out plans to create a National Worklessness Forum and to introduce a new requirement for all upper tier local authorities to produce a worklessness assessment as part of their wider economic assessment duty.

101 www.communities.gov.uk/communities/neighbourhoodrenewal/houghtonreview/

102 Source: Independent Report, Tackling Worklessness: A Review of the contribution and role of local authorities and partnerships – Final Report, 2 March 2009, p 10-11

103 www.communities.gov.uk/documents/communities/pdf/1231077.pdf

- 5.17** By the time we published the final response to the Houghton Review considerable work on the recommendation was already underway – and not only on the Future Jobs Fund development. In January 2009 we worked with the LGA on their pledge to create another 7,500 apprenticeship places in local government. This pledge supports the Prime Ministerial commitment to create 35,000 more apprenticeship places by 2010. CLG are were also involved in promoting guidance on *'Promoting Skills through Public Procurement'* and working with RIEPS and the IDeA on capacity building in tackling worklessness.
- 5.18** We are also working with DWP on a project to share information between Jobcentre Plus and local authority staff, with a view to improving coordinated action to address worklessness. This is part of a wider set of actions to highlight the opportunities (and risks) to Local Strategic Partnership partners in more effective sharing of information, including publishing front line guidance on sharing of personal data.

Local Enterprise Growth Initiative

- 5.19** The Local Enterprise Growth Initiative (LEGI) invested £103m in 2008-09 to stimulate enterprise growth through twenty local programmes. Each programme has a different mix of activity, including advice to people in deprived areas about their enterprise options, support for growing companies and enterprise education bringing young people into contact with local companies. Overall, progress is satisfactory and in March 2009 we commissioned a national evaluation to capture evidence about achievements to date.

New Deal for Communities

- 5.20** The New Deal for Communities (NDC) is a key programme for tackling disadvantage in the most deprived neighbourhoods in the country. NDCs are inclusive local partnerships, which develop and deliver local regeneration strategies to tackle the priority needs of their neighbourhoods by improving services, increasing community capacity and improving outcomes. In 2008-09, the Department provided £230m to 39 NDC partnerships to support them to achieve these aims. NDCs will be supported by over £250m of further government funding over the remaining two years of the ten year NDC programme, 2009-10 and 2010-11.
- 5.21** A review of programme-wide evidence published in 2008¹⁰⁴ demonstrated the significant progress made, including increases in resident satisfaction, improvements in educational outcomes, and cleaner and safer local neighbourhoods. Further evaluation reports with updated evidence on the progress made in NDC areas are due to be published in summer 2009.
- 5.22** As we approach the end of the programme the priority is to ensure that the benefits and improvements made can be sustained into the long term. In December 2008 we published guidance on drawing up succession strategies¹⁰⁵, which NDCs will submit

104 http://extra.shu.ac.uk/ndc/downloads/general/NDC_synthesis_programme_wide_ev_06-07.pdf

105 www.communities.gov.uk/publications/communities/ndcsuccessionstrategies

to the Department for approval in 2009-10. We are continuing to manage the overall programme, providing challenge and support and learning key lessons from the NDCs so they can be built into future policy and delivery.

Supporting deprived neighbourhoods

- 5.23** The Department contributed £52m in 2008-09 to local areas as part of our ongoing support for neighbourhood-based initiatives in the most deprived parts of the country. The funding forms part of Area Based Grant and is allocated to areas facing particular deprivation issues where approaches like neighbourhood management can be particularly valuable.
- 5.24** In October 2008 the Department published the final evaluation report on the Neighbourhood Management Pathfinders, which provided evidence on the impact that neighbourhood-based approaches can have on residents' satisfaction with their local area and services¹⁰⁶. The report highlights particular improvements in crime and the environment, and recognises the positive influence that many pathfinders have had on wider services. For example, between 2004 and 2007, resident satisfaction with the police service rose by 7 per cent in Round 2 Pathfinder areas, compared with a 2 per cent rise in comparator areas.

New Communities Fund

- 5.25** The New Communities Fund (NCF) was announced in January 2009 in the New Opportunities white paper¹⁰⁷. The Fund will be delivered by the Homes and Communities Agency and will support 10 pilot authorities to work with their communities, local and regional partners to better link their most difficult estates with broader strategies for economic growth and regeneration. In the short term, the pilots will also aim to identify opportunities for immediate improvements to the estates.

Improving public toilet provision

- 5.26** In October the Communities and Local Government Select Committee published their inquiry into public toilet provision. The Committee recognised and welcomed the Department's work in this area, and strongly supported the ideas outlined in the Strategic Guide *Improving Public Access to Better Quality Toilets*¹⁰⁸ published in March 2008. The Guide highlighted the positive impacts that good public toilets have on places and local authorities' responsibilities. The Strategic Guide was followed up by the publication in November 2008 of detailed supplementary guidance *Improving Public Access to Toilets – Guidance on Community Toilet Schemes and SatLav*¹⁰⁹, which provides step-by-step advice on setting up two initiatives highlighted in the Strategic Guide.

106 www.communities.gov.uk/publications/communities/neighbourhoodmanagement

107 www.hmg.gov.uk/newopportunities/download.aspx

108 www.communities.gov.uk/publications/localgovernment/publicaccesstoilets

109 www.communities.gov.uk/publications/localgovernment/guidancetoiletschemes

European Regional Development Fund (ERDF)

5.27 The Department manages¹¹⁰ all European Regional Development Fund (ERDF) programmes in England. The ERDF is a funding programme which helps stimulate economic development and regeneration in the least prosperous regions of the European Union. ERDF has made a real difference in the least prosperous parts of England, helping businesses grow and develop, creating new jobs, building infrastructure, and supporting innovation. Our focus now is to maximise the substantially increased resources that are available for the 2007-13 programmes. Through these programmes a total of €3.2bn (approximately £2.8bn at today's exchange rate) is being invested across England.

1997-99 Programmes

5.28 The 1997-99 programmes spent £1.27bn to the end of 2001 and were closed in 2003. As required by the programme regulations, the European Commission (EC) audited a sample of the programmes in all Member States. In England, post-closure audits were conducted in the North East and North West and these initially identified a significant level of error in the administration of these programmes.

5.29 The irregularities that gave rise to the financial corrections confirmed by the European Commission included some failures to apply properly the relevant procurement directives; insufficient supporting documentation to justify the inclusion of certain project expenditure; and examples of insufficient documentation to support the amounts or method of apportionment used in calculating overheads. There was no suggestion of fraud or impropriety.

5.30 Following extensive follow up work by the Government Offices concerned and the presentation of evidence and detailed legal argument the final corrections were reduced to €26m, less than 20 per cent of the amount originally proposed by the EC. The corrections were forecast and have been budgeted for in the Department's accounts. Funding was found by a mixture of slippage, unallocated budgets and windfall receipts on a number of programmes, without loss of planned outputs. Funds are not being taken from other projects or agreed work streams, nor will there be any impact on the projects themselves.

2000-06 Programmes

5.31 The 2000-06 ERDF programmes comprise 20 programmes with a total allocation of €5.7bn. These programmes have enabled a wide range of projects to benefit communities across the country. Spending finished at the end of 2008 and we are working to complete the closure of these programmes. We cannot determine the final spend on these programmes until all expenditure claims have been processed which will not be until well into 2009, and in some cases 2010.

110 The Department holds three formal roles in respect of the ERDF programmes – as Managing Authority, Certifying Authority and Audit Authority. For the 2007-13 programmes, the Managing Authority function is split between the Department and the relevant Regional Development Authority.

2007-13 Programmes

- 5.32** We are now focusing on maximising the resources available to us in the 2007-13 programme round which is now underway. Worth €3.2bn, there are ten programmes: one Competitiveness and Employment programme in each English region and one Convergence programme in Cornwall and the Isles of Scilly. Convergence programmes aim to improve the conditions for growth and development in the least-developed regions where the economy is lagging behind the rest of the EU. All of these programmes are managed by Regional Development Agencies (RDAs) and complement their regional economic strategies. The UK is also involved with nine international programmes with access to part of the €1.3bn allocated to these programmes.
- 5.33** The new programmes have been designed to meet current needs and we are working collaboratively with RDAs to maximise match funding for the new programmes. We are also working to identify gaps and share best practice.
- 5.34** In response to the current economic conditions, the Commission has made some changes to the EC Regulations for the Structural Funds programmes to ease access and reduce the cost of administration. These flexibilities will further help these programmes target worklessness, support small and medium enterprises and fund high-tech business investment, among other priorities identified for each region. This is crucial if we are to create and safeguard job opportunities in the current conditions and ensure their long term sustainability. Although the Euro value of the programmes remains the same, as projects are paid in Sterling, changes in the exchange rate mean that an additional £144m will be available to these programmes over 2009-10 for project activity.

Thames Gateway and the Olympics

- 5.35** The Thames Gateway and Olympics Legacy Programme is led by the Department on behalf of Government to facilitate the economic growth of the region and, in so doing, to support the continued growth of London and the wider South East. On 1 December 2008, responsibility for operational delivery of the Thames Gateway programme transferred to the Homes and Communities Agency.
- 5.36** The 2007 Thames Gateway Delivery Plan¹¹¹ set out an ambition of creating at least 225,000 new jobs and 160,000 new homes in the Gateway between 2001 and 2016. Good progress has been made to date, with the latest available data indicating that 69,000 jobs had been created by 2007 and 54,900 new homes (including conversions) provided by 2008-09. However, while the HCA has identified that more than enough land is available to meet the housing target, we expect the economic and housing market downturn to slow the delivery of both jobs and housing in the short-term.

111 www.communities.gov.uk/publications/thamesgateway/deliveryplan

- 5.37** In September 2008, the three Greater South East RDAs published an Economic Development Investment Plan (EDIP¹¹²). This sets out the framework for allocation of the joint Communities and Local Government – RDA £200m Strategic Economic Investment Fund to maximise the economic potential of the Thames Gateway.
- 5.38** The Department and Sir Terry Farrell published the Parklands Vision¹¹³ in September 2008 on improving the Thames Gateway’s green and open spaces. Government took this further in November 2008 by publishing its prospectus for making the Thames Gateway an eco-region¹¹⁴. This sits alongside a Skills Framework¹¹⁵ to enhance training and development opportunities for local residents and also aims to attract new residents, so that both have the skills required by local employers to support economic growth.
- 5.39** Communities and Local Government is the primary departmental funder of the London 2012 Olympic Games, contributing £2.8bn of the overall funding package of £9.3bn. The Department is committed to creating a sustainable legacy from the London 2012 Olympic Games and leads on the Government promise to ‘transform the heart of East London’.
- 5.40** The London Development Agency (LDA) is developing the Legacy Masterplan Framework (LMF) which forms the basis of future development and change in the Olympic Park site in the 20-30 year period following the London 2012 Olympic Games. The LMF is being developed through ongoing engagement with local communities, groups and stakeholders. Formal consultation on the LMF preferred option was carried out from February to March 2009, and a final version is due to be published in autumn 2009¹¹⁶.
- 5.41** The LMF forms part of the wider regeneration strategy for the area: the Strategic Regeneration Framework (SRF). The SRF is a single, comprehensive and integrated regeneration strategy which sets out the social, economic and physical aspects of regeneration and aims to reduce the socio-economic gap between East London and the rest of the capital. To complement the SRF, the five host boroughs (the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets, Waltham Forest) are also developing an Olympic Legacy MAA.
- 5.42** The Olympic Park legacy company, formally established in May, is responsible for the Park in legacy. The company will be fully operational in autumn 2009. This Department, the Department for Culture, Media and Sport and the Greater London Authority are founding members.

112 www.lda.gov.uk/upload/doc/Thames_Gateway_Economic_Development_Investment_Plan.doc

113 www.communities.gov.uk/publications/thamesgateway/parklandsvision

114 www.communities.gov.uk/publications/thamesgateway/ecoregion

115 www.communities.gov.uk/publications/thamesgateway/skillsframework

116 Further information is available at www.legacynow.co.uk

Coastal towns

- 5.43** In February 2008, a cross-government working group on coastal towns, led by the Department, was established to understand the challenges and opportunities facing coastal towns. This involves looking at worklessness, employment, skills, and housing issues and how best to strengthen the economies of coastal towns. This work is being taken forward in partnership with an RDA-led Coastal Towns Network.
- 5.44** *England's Seaside Towns: A 'benchmarking study'*¹¹⁷ was published by the Department in November 2008. It highlights the social and economic variation between seaside towns and underlines the limitations in applying a "one size fits all" approach to the regeneration of these places. The findings are a useful source of data for the local authorities covered in the report in evidencing their strengths and weaknesses, and informing local priorities.

Digital inclusion

- 5.45** During 2008-09, we were responsible for supporting the then Digital Inclusion Minister (the Secretary of State for Wales) in developing a cross-government Digital Inclusion Strategy. Consultation on the strategy began on 24 October 2008¹¹⁸ and the summary of consultation responses was published on 27 April 2009¹¹⁹. On 16 June 2009, the Minister for Communications (at the Department for Business, Innovation and Skills (BIS)) published the *Digital Britain* report, which also announced the appointment of a Champion for Digital Inclusion and an Expert Task Force together with other measures to increase the awareness of the benefits of digital technology and the provision of related training. Responsibility for digital inclusion has now passed to BIS.

Government Office Network

- 5.46** The Government Office Network plays a key role in coordinating regional activities and performance, working with councils, business and regional bodies.
- 5.47** A key strand of work to improve economic performance is bringing together authorities and other partners to engage jointly at a level which has the maximum impact on the economy. In 2008-09 Government Offices have been instrumental in negotiating and supporting multi-area agreements, sub-regional partnerships (including the city region pilots) and helping regions prepare for the new arrangements set out in the Local Democracy, Economic Development and Construction Bill. Government Offices also work closely with CLG colleagues and Regional Efficiency and Improvement Partnerships to support under-performing local authorities.

117 www.communities.gov.uk/publications/citiesandregions/englishseasidetowns

118 www.communities.gov.uk/publications/communities/deliveringdigitalinclusion

119 www.communities.gov.uk/publications/communities/digitalinclusionresponses

- 5.48** Government Offices have had a key role in coordinating regional resilience capacity in 2008-09. This included flooding in the North East and the response to severe winter weather.
- 5.49** Following the successful pilot of Civil Service in the West Midlands – an initiative to improve the profile of the civil service in the region – Government Offices are working with departments to roll out Civil Service in the English Regions. The West Midlands pilot began in 2007 and is ongoing, East Midlands, North West and South West Regions completed launch events this year.
- 5.50** Government Offices have also been working to help ensure the smooth introduction of Regional Select and Grand Committees. Government Offices are taking the lead role in responding to the 8 Regional Select Committees that have been established and are now active, by liaising closely with Departments and regional partners to ensure that Government responses reflect Departmental policy and regional variations.
- 5.51** The Government Office Network Sponsorship Board (GONSB) was set up in early 2009 as part of the new governance arrangements for GOs. It supports the Whitehall departments who fund and commission work from the network to steer its progress. The GONSB agreed in February 2009 that from 2009-10 the GO Network's running cost funds will be consolidated in a single ring-fenced pot within the Department's DEL. These funds become this Department's responsibility, acting for all Departments with a GO interest and leading funding negotiations on behalf of all users of the Network.

Progress against DSO 3 indicators

DSO Target 3: Economic performance and regeneration

Definition:

to build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation.

Indicators:

- 3.1 Plan for improving the physical, economic and social infrastructure of East London developed and agreed with key local authorities and regeneration agencies, and pre Games elements implemented by 2011**
- Key milestones for 2009 include: publication of the Legacy Masterplan Framework addressing the key opportunities presented by London 2012; establishing the Special Purpose Vehicle to manage the Olympic Park in legacy; sign off of the Olympic Legacy MAA; publication of the Strategic Regeneration Framework (SRF).
- 3.2 Previously developed land that has been vacant or derelict for more than 5 years (in deprived areas)**
- To reduce the proportion of vacant and derelict land in the 24 priority areas by a greater rate than in England, between the baseline and 2011.

- 3.3 Ratio of 15th percentile house prices in each Pathfinder Region and their corresponding Government Office Region**
- To narrow the gap between house prices in the Pathfinder region and the GOR to be shown by an increase in the ratio between the baseline.
- 3.4 Overall general satisfaction with the local area (in deprived areas)**
- An increase in overall satisfaction with the local area in WNF areas between the baseline and 2010-11.
- 3.5 Percentage change in average weekly earnings in Primary Urban Areas**
- Maintaining or increasing the number of Primary Urban Areas (PUAs) showing an increase greater than the average for England in the percentage change in mean weekly earnings between the baseline and 2010-11.
- 3.6 New business registration rate in deprived areas**
- A narrowing of the gap between the new business registration rate in areas in receipt of WNF and/or Local Enterprise and Growth Initiative (LEGI) funding and the level in the rest of England between the baseline and 2010.
- 3.7 Overall employment rate (working age) at neighbourhood level (in deprived areas)**
- A narrowing of the gap in the working age employment rate in the most deprived neighbourhoods within WNF authorities compared to the rest of England, between the baseline and 2010-11.
- 3.8 Percentage change in the employment rate in Primary Urban Areas**
- Maintaining or increasing the number of Primary Urban Areas (PUAs) showing an increase above the average for England in the percentage change in the employment rate.
- 3.9 Performance against key indicators to narrow the gap on crime, anti-social behaviour, health and education within deprived areas**
- Success against this indicator will be demonstrated by progress towards all four sub targets.

2008-09 spend:
£2,241m (DEL)

Overall progress:
Not yet assessed.

Progress against DSO 3 indicators

Overall assessment

Not yet assessed – improvement against 2 out of 9 indicators¹²⁰ and 7 indicators not yet assessed.

¹²⁰ Indicators 3.1 and 3.3.

DSO 3.1 – Plan for improving the physical, economic and social infrastructure of East London developed and agreed with key Local Authorities and regeneration agencies, and pre Games elements implemented by 2011

5.52 Measure of success: success for this indicator is set out in the Government's delivery agreement for PSA 22¹²¹ – Deliver a successful Olympic Games and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport.

5.53 Latest update: see table below.

Milestones	Planned Date	Status
A joint vision for the areas to be regenerated is agreed (1st stage of the LMF)	Dec – 07	Achieved
Draft LMF completed	Sep – 08	Achieved
Post 2012 Olympic Park Management – structure agreed	Dec – 08	Achieved
LMF submitted by LDA for public consultation	March – 09	Achieved
SRF publication of first iteration by Five Host Boroughs	Summer – 09	On track
MAA: formal sign off by Ministers and Mayor	Summer – 09	On track
Publication of LMF by the LDA	October – 09	On track
Olympic Park Legacy company (the SPV) full set up in place	September – 09	On track
Housing complete in Olympic Village mode	September – 11	On track

5.54 Next update: progress is on-going.

DSO 3.2 – Previously developed land that has been vacant or derelict for more than 5 years (in deprived areas)

5.55 Measure of success: the indicator measures the proportion of developed land that has been vacant or derelict for more than five years in Working Neighbourhood Fund (WNF)¹²² areas that are also Home and Communities Agency Local Brownfield Strategy areas (24 local authorities in total) and in the rest of England. The data source is the National Land Use Database of Previously Developed Land (NLUD-PDL). Success will have been achieved if the proportion of vacant and derelict land in the 24 areas is reduced by a greater rate than in England, between the 2008 baseline and 2011. The baseline has been changed to 2008 to better reflect the start of the CSR period.

5.56 Latest data: not yet assessed. Awaiting 2008 baseline information (to be published in October 2009).

121 www.hm-treasury.gov.uk/d/pbr_csr07_psa22.pdf

122 Working Neighbourhood Fund areas as agreed at end January 2008 available on www.communities.gov.uk/communities/neighbourhoodrenewal/workingneighbourhoodsfund

5.57 Next update: data for 2008 are expected to be reported in October 2009.

DSO 3.3 – Ratio of 15th percentile house prices in each Pathfinder Region and their corresponding Government Office Region

5.58 Measure of success: this indicator is the average of the ratios of the nine Pathfinder areas' 15th percentile house price for the Pathfinder region and the 15th percentile house price for the corresponding Government Office Region (GOR). Success means narrowing the gap between house prices in the Pathfinder region and the GOR and will be shown by an increase in the ratio.

5.59 Latest data: the reporting period of the indicator is a rolling four quarter average. In the Q1 2005 baseline the house prices in the pathfinder regions had a ratio of 0.63:1 of the prices in the corresponding Government Office Regions. In Q1 2009 (provisional) 15th percentile house prices in the pathfinders were on average 0.74 times the corresponding region's 15th percentile house price. This is down on the 0.76 times seen in the previous quarter and is the lowest since Q2 2007.

5.60 Next update: final data for Q1 2009 will be available in September 2009.

DSO 3.4 – Overall general satisfaction with the local area (in deprived areas)

5.61 Measure of success: success against this indicator will be demonstrated by an increase in the overall satisfaction with the local area in WNF areas between 2008-09 and 2010-11.

5.62 Latest data: not yet assessed. It is intended to measure indicator 3.4 using data from the Place Survey. Headline results from the survey were published on 23 June 2009 and a baseline value for indicator 3.4 for 2008-09 will be available later in 2009.

5.63 Next update: the Department will be reviewing the results of the first Place Survey, including drawing on the views of local government and survey experts. The intention is for the survey to be repeated in autumn 2010.

DSO 3.5 – Percentage change in average weekly earnings in Primary Urban Areas

5.64 Measure of success: success against this indicator will be demonstrated by maintaining or increasing the number of Primary Urban Areas (PUAs)¹²³, out of a total of 56, showing an increase above the average for England in the percentage change in mean weekly earnings¹²⁴ compared to the baseline.

123 A detailed description of Primary Urban Areas is available at www.socd.communities.gov.uk/socd

124 Source: the Annual Survey of Hours and Earnings (ASHE) provided by ONS.

5.65 Latest data: the baseline value for percentage change in the average weekly earnings between April 2007 and April 2008 was published in November 2008 and shows that 24 Primary Urban Areas (out of 56) had an increase in average weekly earnings above the increase for England.

5.66 Next update: data on average weekly earnings are due to be published in November 2009 after which time it will be possible to determine how many PUAs exceeded the change in earnings for England between 2008 and 2009 and how this compares to the number in the baseline period.

DSO 3.6 – New business registration rate in deprived areas

5.67 Measure of success: success against this indicator will be demonstrated by a narrowing of the gap between the new business registration rate in areas in receipt of WNF and/or Local Enterprise and Growth Initiative (LEGI) funding and the level in the rest of England between 2007 and 2010. Reporting of the final data point, for 2010, is expected in early 2012.

5.68 Latest data: not yet assessed. The baseline value for 2007 was published in February 2009 and showed a gap of 13.5 new business registrations (per 10,000 population aged 16 years+) between WNF and/or LEGI areas and the rest of England¹²⁵.

5.69 Next update: the next data, for 2008, will be available in early 2010.

DSO 3.7 – Overall employment rate (working age) at neighbourhood level (in deprived areas)

5.70 Measure of success: success against this indicator will be demonstrated by a narrowing of the gap in the working age employment rate in the most deprived neighbourhoods¹²⁶ within WNF authorities compared to the rest of England. This will be measured between the baseline period of April 2007 to March 2008 and April 2010 to March 2011 as reported by the Annual Population Survey (APS).

5.71 Latest data: no progress. The baseline value for April 2007 to March 2008 was published in November 2008 and was 19.8 percentage points (+/-1.0 percentage point confidence interval), which is the gap between the working age employment rate in deprived neighbourhoods (56.6 per cent, +/-1.0 percentage points) and the working age employment rate in the rest of England (76.4 per cent, +/-0.3 percentage points). The latest value for October 2007 to September 2008 was 19.8 percentage points (+/- 0.9 percentage point confidence interval) with the working age employment rate in deprived neighbourhoods being 56.4 per cent (+/- 0.9

125 In 2007, new business registrations in WNF and/or LEGI areas were 54.8 (per 10,000 adult population), and 68.3 (per 10,000 adult population) in the rest of England. See: http://stats.berr.gov.uk/ed/national_indicators/index.htm

126 Deprived neighbourhoods are the Lower Super Output Areas which rank within the 10 per cent most deprived according to the overall Indices of Multiple Deprivation 2007 or the Indices of Deprivation Employment Domain 2007, available at: www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation

percentage points) and the working age employment rate in the rest of England 76.2 per cent (+/-0.3 percentage points). This is not a statistically significant difference, hence no progress has been reported.

5.72 Next update: the next update, for January 2008 to December 2008, will be available in September 2009.

DSO 3.8 – Percentage change in the employment rate in Primary Urban Areas

5.73 Measure of success: success against this indicator will be demonstrated by maintaining or increasing the number of Primary Urban Areas (PUAs), out of a total of 56, showing an increase above the average for England in the percentage change in the employment rate.

5.74 Latest data: not yet assessed. The baseline values for percentage change in the employment rate between 2006-07 and 2007-08 were published in November 2008 and showed 24 PUAs (out of 56) had an increase in the employment rate above the increase for England.

5.75 Next update: the employment rate for 2008-09 is due to be published in October 2009 after which time it will be possible to determine how many PUAs exceeded the change in the employment rate for England between 2007-08 and 2008-09 and how this compares to the number in the baseline period.

DSO 3.9 – Performance against key indicators to narrow the gap on crime, anti-social behaviour, health and education within deprived areas

5.76 Latest data: not yet assessed. Progress made against one of the sub-indicators¹²⁷. Success against this indicator will be demonstrated by progress towards all four sub targets:

(i) Serious Acquisitive Crime¹²⁸

5.77 Measure of success: success against this measure will be achieved if, for the 15 WNF areas with a level of serious acquisitive crime higher than a 2007-08 benchmark, either:

- i. the level of crime has fallen to less than the 2007-08 baseline benchmark level (as defined through the Analysis of Policing and Community Safety (APACS)) by the end of the CSR PSA period (2010-11)
- ii. where the achievement of the benchmark is not likely to be possible within the CSR period, the area has met or exceeded an agreed target that is on a trajectory towards the benchmark at the end of the CSR period

127 3.9ii, 2005-07 data released in December 2008, see compendium indicators, directly standardised mortality rates (all ages), at www.nchod.nhs.uk/

128 Serious Acquisitive Crime is defined as the total of the following categories: Burglary in a dwelling (class 28 and class 29, aggravated burglary in a dwelling), Robbery (class 34A, robbery of business property and class 34B, robbery of personal property), Theft or unauthorised taking of a motor vehicle class 48 and class 37/2, aggravated vehicle taking, Theft from a vehicle (class 45).

5.78 Latest data: all areas must show progress, from each area's individual baseline values (15 in total)¹²⁹. For individual 2007-08 baseline values, see footnote below.

5.79 Next update: data measuring progress in 3.9i from the baseline will be available in July 2009.

(ii) Life expectancy at birth (monitored using all-age all-cause mortality (AAACM) as a proxy at local level)

5.80 Measure of success: success in this area will be attained if, by 2011, there is a positive direction of travel in average life expectancy at birth across all WNF/Spearhead¹³⁰ cross-over areas for males and females, and that local all-age all-cause mortality targets are met in all of those cross-over Spearhead and WNF areas where such a target has been negotiated between local areas and Government Offices as part of the Local Area Agreement.

5.81 Latest data: the baseline is 1995-97, where Life Expectancy in WNF/Spearhead crossover areas was: 72.6 years (Males) and 78.2 years (Females). In 2005-07, life expectancy in WNF/Spearhead cross-over areas was 75.3 (Males) and 80.1 (Females)¹³¹.

5.82 Next update: the next data, for 2006-08, will be available in December 2009.

(iii) Narrowing the gap in education outcomes across deprived areas

5.83 Measure of success: schools in Working Neighbourhoods Fund (WNF) areas improving their attainment at KS4 at a faster rate than similar schools located in the rest of England, between the baseline and 2010-11¹³²

5.84 Latest data: awaiting data for 2007-08 from DCSF.

5.85 Next update: the baseline, for 2007-08, will be available in summer 2009.

(iv) Perceptions of anti-social behaviour

5.86 Measure of success: success in this indicator will be attained if, by 2010-11, there is a positive direction of travel in perceptions of anti-social behaviour in the average performance of WNF areas also identified as having high levels of anti-social behaviour.

129 The 15 WNF priority areas in DSO3.9(i) are: Burnley, Doncaster, Greenwich, Haringey, Islington, Manchester, Middlesbrough, Newham, North East Lincolnshire, Nottingham, Oldham, Rochdale, Salford, Sandwell, Waltham Forest. Baseline values for 2007-08 each individual area can be found at: www.homeoffice.gov.uk/rds/crimeew0708.html.

130 The Spearhead group are the target group for the Department of Health's PSA target on inequalities in life expectancy.

131 The baseline figures have been slightly revised since the 2008 Autumn Report, due to improvements in statistical checking.

132 Attainment at KS4 is defined as the proportion of pupils in schools achieving 5 or more A*- C grades at GCSE and equivalent (including GCSEs in English and Maths).

- 5.87 Latest data:** not yet assessed. It is intended to measure indicator 3.9 (iv) using data from the Place Survey. Headline results from the survey were published on 23 June 2009 and a baseline value for indicator 3.9 (iv) for 2008-09 will be available later in 2009.
- 5.88 Next update:** the Department will be further reviewing the results of the first Place Survey, including drawing on the views of local government and survey experts. The intention is for the survey to be repeated in autumn 2010.

Data quality – DSO3

- 5.89** The NAO concluded, in its review of the Department's DSO and PSA data systems that the indicators selected for DSO 3 afford a reasonable view of progress, but that the Department should also develop robust mechanisms for monitoring performance in respect of its role in challenging and supporting other Departments in the area of indicator 9. More details of NAO's work are given in Annex D.
- 5.90** A number of different data systems owned by several government departments are used to measure progress against these indicators. These include our own Department, the Office for National Statistics, the Department for Business, Innovation and Skills, the Department for Children, Schools and Families, Home Office and the Department of Health.

Physical regeneration

- 5.91** Indicator 3.1 is measured in relation to the milestones set out in the measurement annex¹³³.
- 5.92** Indicator 3.2 is based on data from the National Land Use Database of Previously-Developed Land (NLUD-PDL) with English Partnerships as the data provider. The survey is voluntary so some local authorities may not respond in any given year (despite this, a 93 per cent response rate in 2007 was achieved). For those authorities that do not respond, the information from the previous return is used. The information underlying this indicator is subject to possible variation. In particular, local authorities are not expected to have knowledge of every suitable site in their area. Over time, sites become available and others are developed so move in and out of the database. This could possibly have a large effect on the indicator for an individual authority in a particular year.
- 5.93** Indicator 3.3 is measured through housing transactions data as provided by HM Land Registry. Land Registry data include all residential sales that take place at market value. House price transactions are matched to Pathfinder areas using postcode information. A small number of Land Registry transactions do not have postcode information so these records are not matched. The 15th percentile house price of the pathfinder areas and regions are then calculated and the ratio between the pathfinder and corresponding region is produced for each pathfinder area. For

133 www.communities.gov.uk/documents/corporate/pdf/928748.pdf

the headline rates the Department uses the four-quarterly moving average of the quarterly ratios for each pathfinder. The simple average of these ratios across all nine pathfinder areas is used to calculate the England ratio.

Economic regeneration

- 5.94** Indicator 3.5 draws on data from the Annual Survey of Hours and Earnings (ASHE) provided by the ONS. The individual PUA figures are available from the State of the Cities Database¹³⁴ or the underlying figures can be accessed via the NOMIS website¹³⁵. The sample size of the 2007 survey was reduced, with ASHE results for 2007 based on approximately 142,000 returns, down from 175,000 in 2006. Reductions were targeted on those industries that exhibited the least variation in their earnings patterns. The reduction in the sample has taken the ASHE sample size back to where it was in the 1980s, but the survey design and the process for weighting the results to population totals has been improved and we have introduced routine reporting of appropriate measures of statistical quality. ONS have no plans to reduce the size of the survey in the future. NAO has expressed concern that the figures are not adjusted for regional wage inflation. The Department recognises that there are likely to be differences in the inflation of wages across the PUAs and England. However, as there are no deflators available, it takes the view that the correct response is to include this as a caveat when interpreting figures. Some PUAs will have wage inflation below the national level, and others above the national level. This may not necessarily equate to a balancing out of figures, but there will be some netting-out effects.
- 5.95** Indicator 3.6 draws on data from the Inter-departmental Business Register and mid-year resident population 16 years+ estimates supplied by the ONS are used to assess the level of new business start-ups. These data cover new businesses registering for VAT or PAYE. They do not therefore, by definition, include some businesses, such as sole traders with a relatively low turnover that do not register for either. The statistics underlying indicators 3.7 and 3.8 are collected by the ONS using the Annual Population Survey. Indicator 3.7 is based on lower-level super output areas, for which employment rates have been published as 'experimental' statistics, meaning that they do not currently meet all of ONS's quality standards. PUA figures for indicator 3.8 are available from the State of the Cities Database or the underlying statistics can be accessed at ONS' NOMIS website.

Social regeneration

- 5.96** Indicator 3.9(i) is based on police-recorded crime data from the Home Office.

134 www.socd.communities.gov.uk/SOCD

135 www.nomisweb.co.uk/default.asp

5.97 Indicators 3.4 and 3.9 (iv) are intended to be measured using data from the Place Survey. The Department reviewed the data from the survey to assess the extent to which they met the required quality standards. This work was used to inform the decision to publish headline figures on 23 June 2009, and further data, including figures for indicators 3.4 and 3.9 (iv), are due to be published later in 2009. More details about the Place Survey are given in Annex D.

Health

5.98 Indicator 3.9(ii) is a measure of life expectancy at birth. It is monitored using all-age all-cause mortality as a proxy at local level, based on mortality statistics provided by the National Centre of Health Outcomes Development to ONS.

Education

5.99 Indicator 3.9 (iii) is a measure of educational attainment at KS4 in deprived areas. It is monitored using key stage 4 achievement and attainment tables compiled by the Department for Children, Schools and Families.

Overall measurement of indicator 3.9

5.100 The NAO has expressed concern that the Department has not established a mechanism for assessing its progress on its commitment to challenge and support other Government department if gaps on any of the four sub-indicators are widening. The Department is challenging and delivering the gap-narrowing element of this DSO by:

- working through existing cross-government boards including high level PSA and DSO Boards to input into policy development and implementation
- working via the Government network to influence local frontline delivery
- monitoring take up of indicators at the LAA refresh along with progress against targets and ongoing CAA and providing early feedback to lead our discussions with other departments
- encouraging a holistic approach to regeneration, recognising links between crime, education, health and worklessness – supporting other departments in problem-solving through the Local Performance Framework by ensuring that Whitehall policy leads engage other government department leads with the issues holding up delivery and work with them to unlock them

In addition, the Department is actively measuring and monitoring the gap using the indicator data sources.

Chapter 6

DSO 4 Cohesive, active and empowered communities



DSO 4: to develop communities that are cohesive, active and resilient to extremism

- 6.1** Communities and Local Government leads the Government's work to build communities that are cohesive, active and resilient to extremism. That means supporting communities:
- that focus on what they have in common, not what is different, and have a shared sense of belonging
 - that recognise the benefits of diversity rather than fearing it
 - where there are strong and positive relationships between individuals where individuals are enabled to live active and fulfilled lives, and where violent extremism and violent extremists are isolated and rejected.
- 6.2** Strong communities have shared values, fair rules and strong representative democracy. There are therefore strong links to other areas of the Department's business – for example, from our investment in housing and regeneration, to our work on fair rules for social housing and on local democratic renewal, to new approaches to community engagement, empowerment and tackling race inequalities. The Department's lead in the relationship between central Government and local authorities is directly relevant, given the importance of local delivery to this set of policy initiatives. The breadth of engagement with localities on such issues means that the Department also works very closely with partners across Whitehall – covering for example education, employment, crime and disorder, citizenship, health and social security, and the third sector.
- 6.3** We are firmly committed to underpinning our policies with robust analysis and evidence. To this end we carry out the Citizenship Survey on an ongoing basis to provide up to date evidence on some of our key policy areas including, cohesion, race equality, faith, empowerment and volunteering. The survey is also used to monitor progress on our DSO and PSA indicators and we have reported key headline data from this survey on a quarterly basis¹³⁶.

Building community cohesion

- 6.4** Data from the Citizenship Survey continue to demonstrate that the great majority of people get on well together. Against this positive national background, the Department's work on community cohesion this year has focused on

¹³⁶ www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809

supporting local areas who are trying to improve levels of local cohesion. This will be increasingly important and will remain our focus in the year ahead as the community impacts of the economic downturn begin to be felt. Community cohesion at a local level is measured using data from the Place Survey, published on 23 June 2009.

6.5 Our work here forms a principal part of the Department's contribution to PSA 21. The achievement of this PSA will be driven in part by local delivery against the two cohesion indicators in the National Indicator set – NI1 (the indicator of whether people from different backgrounds get on well together) and NI2 (the indicator of a local sense of belonging). Over 90 local areas have taken up these indicators for their Local Area Agreements – 85 areas have picked up indicator 1 and 7 have picked up indicator 2.

6.6 To support local delivery against these indicators, this year we have:

- allocated £34m over 3 years to local authorities through Area Based Grant to help them address cohesion challenges (including those related to rapid and substantial inward migration)
- brought together guidance for local areas under the single banner of our Cohesion Delivery Framework. This will provide local practitioners with flexible, up to date, organised guidance covering a wide range of cohesion issues to enable them to deliver tailored responses. We published an overview document in July 2008 and two further guidance documents in January 2009 on how to promote meaningful interaction and build a sense of local belonging¹³⁷
- piloted Specialist Cohesion Teams in Barnsley and Breckland as a way of supporting local areas facing specific cohesion challenges. The evaluation of these pilots is now underway
- published guidance for local authorities on community cohesion contingency planning and tension monitoring in May 2008¹³⁸
- published *Face to Face and Side by Side: A framework for partnership in our multi-faith society*¹³⁹. The framework aims to facilitate inter faith dialogue which builds understanding and increases the level of collaborative social action involving different faith communities and wider civil society. Alongside the strategy we announced £7.5m of funding to help implement the strategy, including a £4m grant programme, Faiths in Action, to support local interfaith projects

6.7 We continue to support a number of projects aimed at preventing hate crime before it happens. We are currently supporting the Muslim Cultural Heritage Centre project which brings together young people from different faith and cultural backgrounds. The project plays an important role in engaging Muslim youth with other faith groups in London – this is part of the work the Department is taking forward to tackle Islamophobia and anti-Semitism. We continue to drive

137 www.communities.gov.uk/archived/publications/communities/cohesiondeliveryframework

138 www.communities.gov.uk/publications/communities/cohesionplanning

139 www.communities.gov.uk/publications/communities/interfaithdialogue

delivery of the Government's work to tackle anti-Semitism by ensuring that all departments meet their key commitments made in the Government's 2008 One Year On Progress Report¹⁴⁰. This includes the development of an action plan to tackle hate crime including anti-Semitism on the internet; publishing research on anti-Semitic discourse; commissioning the Society of Editors to develop guidance on on-line blogs; and supporting the fight against anti-Semitism on a global basis by part-funding an international conference to tackle anti-Semitism.

6.8 We have broadened and deepened our engagement with Muslim communities. This includes:

- building the capacity of key partners to have a national impact through the Community Leadership Fund - £0.8m in 2007-08 funding 24 projects, and £5.1m in 2008-09 to 2010-11 funding 55 projects
- establishing the Young Muslims Advisory Group to provide a platform for young Muslim opinion formers to engage with ministers and their peers on PREVENT issues
- continuing to work with the National Muslim Women's Advisory Group to empower Muslim women to find their voice and increase their participation in civic, economic and social life. The group has established three priorities to address this: raising the profile of Muslim women role models across communities; increasing the civic participation of Muslim women, and improving the theological understanding of Muslim women in society

6.9 We are working to deliver a number of projects that will strengthen the role of mosques and Muslim faith leaders in improving theological understanding amongst vulnerable Muslims and reducing their risk of exposure to extremist messages. We have:

- commissioned a review into how Muslim Faith Leaders in the UK are currently trained
- sponsored the Faith and Social Cohesion Unit in the Charity Commission to encourage mosques to register as charities and improve governance standards. We have also supported the independent Mosques and Imams National Advisory Board to develop, consult on, and then implement core standards for mosques
- helped to strengthen young people's understanding of their faith by supporting the Radical Middle Way roadshows and working with the Department for Children, Schools and Families to deliver Islam and Citizenship classes for mosque evening schools
- commissioned Cambridge University to work with other UK universities to facilitate an academic debate to contextualise Islam in twenty-first Century Britain

140 www.communities.gov.uk/publications/communities/progressreport

- 6.10** The Department is leading work to deliver a step-change in local partnerships' capabilities to tackle violent extremism. In 2008-09, we have:
- Allocated £12m to local authorities through Area Based Grant to help them deliver the government's PREVENT strategy on countering violent extremism
 - embedded PREVENT work in the local government performance framework which every local authority will have to report against, demonstrating that it is core business in the sector. 18 local authorities selected National Indicator 35 "Building Resilience to Violent Extremism" as a priority improvement target with 6 further areas selecting it as a local target – this represents a good spread across our key regions (London, Midlands, North West and West Yorkshire)
 - published guidance jointly with the Home Office and other central Government partners on local action planning and delivery of the PREVENT agenda
 - established the Local Delivery Advisory Group to bring together experts from across the fields of local government, policing, education, housing and the third sector to advise the Secretary of State for Communities and Local Government and the Home Secretary on the development and delivery of the PREVENT agenda

Managing the Impacts of Migration

- 6.11** When people feel that population change is leaving them competing for jobs or access to services, the upsides of migration become less apparent and can raise fears and concerns. The Department has a key role in supporting local authorities and other partners in managing these local impacts and helping migrants integrate into the community.
- 6.12** Our key achievements in 2008-09 have been:
- producing the cross-government plans *Managing the Impacts of Migration: A Cross Government Approach*¹⁴¹, and *Managing the Impacts of Migration: Improvements and Innovations*¹⁴²
 - delivering with the Home Office the Migration Impacts Forum¹⁴³ (MIF), a group bringing together front-line practitioners with Ministers to provide evidence on the impact of migration on public services and communities and examples of how they are being managed. Now the MIF nears the end of its cycle we are working with the Home Office to examine its future to build on its work and further strengthen the Government's analytical capacity on migration issues
 - supporting the delivery of the peer mentoring programme with the Improvement and Development Agency, which has created a range of best practice resources¹⁴⁴ that local authorities can draw upon including a pool of 25 local authority peers and 12 online case studies

141 www.communities.gov.uk/publications/communities/migrationimpact

142 www.communities.gov.uk/publications/communities/migrationimpactupdate

143 www.communities.gov.uk/communities/racecohesionfaith/asylumandimmigration/migration-forum/

144 Migration Excellence Programme resources www.idea.gov.uk/migration

- developing the evidence base on trends, drivers and impacts of migration, including commissioning research into the impact of the economic downturn on migration, and continuing to develop our evidence base on the economic impact of migration at the sub-national level
- ensuring progress and supporting the Office for National Statistics (ONS) in a cross government programme to improve key population and migration statistics, especially at local level. This includes setting up a Ministerial group, jointly chaired by this Department and the Home Office, which supports the National Statistician to make progress and ensure active involvement in the programme board of senior officials across government, and local government representation. A package of improvements has been announced by ONS, and improved statistics will be available in 2010 in time to inform key funding decisions, including the next three-year local government finance settlement

6.13 With the Home Office, we have also established the Migration Impacts Fund, a fund paid for by migrants that contributes towards the impact of migration on public services. Through the Migration Impacts Fund we are making £35m available in 2009-10 and, subject to a review in the autumn of the economic position and the migrant fees being received, a similar amount in 2010-11. The Fund will help alleviate pressures on public services and support projects that are fair to the whole community. Key themes include fairness in employment, housing services, children and young people, English language lessons funded by migrants through the Fund, community safety and health.

Tackling race inequalities

6.14 As the overall lead on race equality, the Department has led the work to raise aspirations and attainment of young Black men through the REACH report and role modelling scheme. We have commissioned research to ensure that the development of the role modelling scheme for Black boys and young men is informed by analysis and evaluation. The Department works with a wide range of stakeholders to provide a strategic focus on tackling race inequalities.

6.15 Since 2005, this work has been driven by the Government Race Equality and Community Cohesion Strategy – *Improving Opportunity, Strengthening Society*¹⁴⁵. The original strategy contained over a hundred commitments from across government, aimed at addressing outcome gaps in the key areas of education, employment, health, housing and criminal justice. The third and final report of the strategy was published in February 2009¹⁴⁶ and showed excellent progress in areas such as education, including GCSE attainment, employment rates and decent housing. For example, the proportion of Pakistani/Bangladeshi people in low income households has decreased from 64 per cent in 1994-95 to 1996-97 to 50 per cent in 2004-05 to 2006-07. Despite this, there are significant challenges remaining – in criminal justice and, despite good progress, employment where the

145 www.homeoffice.gov.uk/documents/race_improving_opport.pdf

146 www.communities.gov.uk/publications/communities/raceequalitythirdreport

gap in employment rates between people from minority ethnic groups and the overall population is still almost 13 percentage points. There are also considerable differences in progress between different ethnic groups, with a particular concern for the life chances for Gypsies and Travellers.

- 6.16** *Improving Opportunity, Strengthening Society* was supported by the programme Connecting Communities Plus. Funding of £18m was available over three years (April 2006 – March 2009). The programme had four themes:
- Improving the experiences of people from black and minority ethnic backgrounds in relation to access and outcomes from public services – education, employment, health, housing and the criminal justice system
 - Increasing the confidence of people from black and minority ethnic backgrounds that public services are delivered in a fair and equitable way
 - Tackling racism and extremism
 - Bringing together communities from different races and faiths, and promoting a shared sense of belonging (community cohesion)
- 6.17** On 24 February 2009 the Tackling Race Inequalities Fund (TRIF) was announced for third sector organisations operating across England or one of its regions, working to tackle race inequalities. The closing date for applications was 27 May 2009.
- 6.18** We are revising and refreshing our strategy to reflect the progress made so far and the changing landscape of equalities since 2005 (including the new Equality and Human Rights Commission, the Government Equalities Office and the Equalities Bill). In February 2009 we published *Tackling Race Inequalities: A discussion document*¹⁴⁷ which will inform the debate we are having on our future approach. We held a series of listening events across the nine English regions to engage stakeholders from the public, private and third sectors in this debate. The closing date for responses to the consultation was 18 May.

Gypsies and Travellers

- 6.19** The Government's policies on Gypsies and Travellers are aimed at tackling the issue of unauthorised sites which can cause significant local community tensions between the settled community and Gypsies and Travellers and improving the life chances of Gypsy and Traveller communities. This has focused on increasing the number of authorised pitches, and ensuring that appropriate enforcement powers are available to tackle unauthorised sites.

6.20 During 2008-09 we have

- made available £21.5m from the Gypsy and Traveller Site Grant to deliver at least 120 additional pitches and support refurbishment work to 32 sites
- transferred management of the grant (from 2009-10) to the Homes and Communities Agency to enable site provision to be considered in the context of the Agency's single conversation with its housing delivery partners
- issued guidance on the best practice for the design of Gypsy and Traveller sites to ensure that site provision best meets the needs of the occupiers

6.21 Since 2008-09, local authorities have been required to monitor the outcomes from applications for planning permission for Gypsy and Traveller sites. We will use this information, together with data on planning appeals, and the progress in developing Regional Spatial Strategies and Local Development Frameworks to monitor the progress being made to deliver more appropriate authorised sites.

Equality and diversity

Delivering our equalities duties

6.22 We aim to promote equality and diversity in all we do and to further this we are implementing a strategic programme for mainstreaming equalities across all our work, projects, planning and business processes. This includes: a programme of equality impact assessment training focused on key project and programme managers; reviewing internal business processes to ensure they include consideration of equalities issues; and an improved equalities impact assessment tool. We have also established a network of Equality Champions to support knowledge sharing across the Department.

6.23 From 2009 onwards, we will produce a single equalities progress report (covering race, disability and gender). Progress reports against our current equalities schemes, including the first first Secretary of State's report on disability¹⁴⁸, can be found on our Departmental website. An updated race equality scheme is also under preparation, for publication in the summer.

148 www.communities.gov.uk/documents/communities/pdf/1114602.pdf

PSA 21

PSA 21: Build more cohesive, empowered and active communities

PSA overview

Working with national, regional and local partners, including the third sector, we are delivering a programme of support and guidance, funding and interventions to help build communities that people want to live in and raise their families in. The PSA brings together three associated and reinforcing agendas from across Government:

- helping people get along together in a way that maximises the benefits of diversity while respecting difference
- where people are empowered to make a difference both to their lives and to the communities and wider environment in which they live
- where people are helped to live active and fulfilled lives

Communities and Local Government is responsible for monitoring and reporting on overall progress, with two indicators led by the Office of the Third Sector in the Cabinet Office and Department for Culture, Media and Sport. In addition a number of other government departments contribute to delivery.

Overall assessment

Not yet assessed – progress not yet assessed on five of six indicators. (Progress has been made at the national level on indicators 1, 3 and 4 but we are not able to report on progress against the local element for these indicators and are therefore not able to make an overall assessment.) Indicator 2, which is measured at the national level only, has been assessed and shows no progress.

Data statement

PSA 21 is measured by six indicators, four of which are led by this Department. The first three are DSO indicators 4.1, 4.2 and 4.3 and the fourth is DSO indicator 1.2.

Three of the PSA indicators include both national and local success measures: indicators 1 (getting on well), 2 (belonging) and 4 (influencing decisions). Thus in addition to the national aim of no overall decline in DSO indicators 4.1, 4.3 and 1.2, this PSA also aims for an improvement in the majority of local areas which adopt the relevant National Indicators (NIs) as part of their Local Area Agreement (LAA). The local baselines for these elements were measured by the Place Survey in 2008 and published in June 2009.

Progress on the indicators is set out below.

Indicator 1 – The percentage of people who believe people from different backgrounds get on well together in the local area

The national baseline for this indicator at 2007-08 is 82 per cent. Success at the national level over the spending period means no overall decline in the baseline. Data

from the Citizenship Survey April-December 2008 show no statistically significant movement from the baseline (83 per cent). The local baselines for this indicator for local authorities selecting NI1 in their LAA vary between 49 percent and 88 percent.

Indicator 2 – The percentage of people who have meaningful interaction with people from different backgrounds

The baseline for this indicator at 2007-08 is 80 per cent. Success at the national level over the spending period means an increase over the spending period. Data from the Citizenship Survey April-December 2008 show no statistically significant movement from the baseline (81 per cent).

Indicator 3 – The percentage of people who feel they belong to their neighbourhood

The national baseline for this indicator at 2007-08 is 75 per cent. Success over the spending period means no overall decline in the baseline. Data from the Citizenship Survey April-December 2008 show no statistically significant movement from the baseline (77 per cent). The local baselines for this indicator for local authorities selecting NI2 in their LAA vary between 55 per cent and 64 per cent.

Indicator 4 – The percentage of people who feel they can influence decisions in their locality.

The national baseline for this indicator at 2007-08 is 38 per cent. Success at the national level over the spending period means no overall decline in the baseline. Data from the Citizenship Survey April-December 2008 show no statistically significant movement from the baseline (39 per cent). The local baselines for local authorities selecting NI4 in their LAA vary between 21 per cent and 40 per cent.

Indicator 5 – A thriving third sector (composite metric)

Success means an increase in the composite index of two components: regular formal volunteering, which is measured by the Citizenship Survey, and the number of full-time equivalent employees in the third sector, measured by the Annual Population Survey. The baseline for the composite (averaged) index – and its two component indices – is 100, by definition. The base level for the volunteering component is 27 per cent for 2007-08. The base level for the employment component is approximately 464,000 full-time equivalents.

Data from the Citizenship Survey April to December 2008 show no statistically significant movement from the baseline for volunteering (26 per cent). Data from the Annual Population Survey October 2007 to September 2008 show no statistically significant increase from the base level of FTEs (approximately 489,000). Complete data for calculating the composite index for the 2008-09 period will be available in September/October 2009.

Indicator 6 – The percentage of people who participate in culture or sport

Participation is defined as taking part in two or more different cultural or sport sectors, at the frequency required for each sector. The interim baseline for this indicator, based on six months of data from the Taking Part survey (April to October 2008), is 67 per cent. The final baseline will be published in summer 2009.

Success for the indicator means a statistically significant increase in participation.

Progress against DSO 4 indicators

DSO target 4: cohesive, active and empowered communities

Definition:

To develop communities that are cohesive, active and resilient to extremism

Indicators:

- 4.1 **Percentage of people who believe people from different backgrounds get on well together in their local area**
 - No statistically significant decrease from the baseline.
- 4.2 **Percentage of people who have meaningful interactions with people from different backgrounds**
 - A statistically significant increase from the baseline.
- 4.3 **Percentage of people who feel that they belong to their neighbourhood**
 - No statistically significant decrease from the baseline.
- 4.4 **Extent to which domestic communities, particularly Muslim communities, reject and condemn violent extremism**
 - We are continuing to explore ways to measure our intended outcomes and to ensure data quality standards are met.
- 4.5 **Percentage of people who feel that racial or religious harassment is a problem in their local area**
 - A statistically significant decrease from the baseline.

2008-09 spend:

£33m (DEL)

Overall progress:

Some progress

Overall assessment

Some progress – improvement against two out of five indicators¹⁴⁹.

149 Indicators 4.1 (getting on well) and 4.3 (belonging).

DSO 4.1 – The percentage of people who believe people from different backgrounds get on well together in their local area

6.24 Measure of success: Success over the spending period means no overall decline in the baseline. The baseline for this indicator at 2007-08 is 82 per cent.

6.25 Latest data: Data from the Citizenship Survey April-December 2008 show no statistically significant movement from the baseline (83 per cent).

6.26 Next update: July 2009.

DSO 4.2 – The percentage of people who have meaningful interactions¹⁵⁰ with people from different backgrounds

6.27 Measure of success: Success for the indicator means an increase over the spending period. The baseline for this indicator at 2007-08 is 80 per cent.

6.28 Latest data: The Citizenship Survey April-December 2008 data show no statistically significant movement from the baseline (81 per cent).

6.29 Next update: July 2009.

DSO 4.3 – The percentage of people who feel that they belong to their neighbourhood.

6.30 Measure of success: Success over the spending period means no overall decline in the baseline. The baseline for this indicator at 2007-08 is 75 per cent.

6.31 Latest data: Data from the Citizenship Survey April-December 2008 show no statistically significant movement from the baseline (77 per cent).

6.32 Next update: July 2009.

DSO 4.4 – The extent to which domestic communities, particularly domestic Muslim communities, reject and condemn violent extremism.

6.33 Progress not yet assessed. We are continuing to explore ways to measure our intended outcomes and to ensure data quality standards are met.

DSO 4.5 – The percentage of people who feel that racial or religious harassment is a problem in their local area.

6.34 Measure of success: Success for the indicator means a decrease over the spending period. The baseline for this indicator at 2007-08 is nine per cent.

¹⁵⁰ Defined as mixing socially (mixing with people on a personal level by having informal conversations with them) at least once a month with people from different ethnic or religious backgrounds either at work, at a place of education, through a leisure activity, at a place of worship, at the shops or through volunteering. It excludes situations where interaction with people is solely for work or business, or just to buy something.

6.35 Latest data: The Citizenship Survey April-December 2008 shows no statistically significant movement from the baseline (10 per cent).

6.36 Next update: July 2009.

Data quality – DSO 4 (and PSA 21)

6.37 The NAO concluded, in its review of the Department's DSO and PSA data systems that the indicators selected for DSO 4 are consistent with the scope of the DSO and afford a reasonable view of progress. They came to the same conclusions for the indicators used for PSA 21. More details of NAO's work are given in Annex D.

6.38 A number of different data systems owned by several government departments are used to measure progress against these indicators. Indicators 4.1, 4.2, 4.3, 4.5 and the volunteering component of PSA 21 indicator 5 are measured through the Citizenship Survey. For PSA 21, there is also a local element corresponding to each of DSOs 1.2, 4.1 and 4.3. These are National Indicators 4, 1 and 2 respectively which are being measured through the Place Survey. The Department reviewed the data from the Place Survey to assess the extent to which they met the required quality standards. This work was used to inform the decision to publish headline figures on 23 June 2009, including the local elements for PSA 21. Although national data from the corresponding questions for DSOs 1.2, 4.1 and 4.3 are available from both the Citizenship Survey and the Place Survey, each survey has been designed for a different purpose, with the Citizenship Survey being the intended source of national data, and the Place Survey the intended source of local data, but with aggregated figures being provided to enable local authorities to compare themselves with others. The means of collecting data also differ between the two surveys, with the Citizenship Survey being carried out using face-to-face interviews, and the Place Survey using a postal questionnaire.

6.39 More details about the Citizenship Survey and Place Survey, which underpin a number of the Department's indicators, are set out in Annex D.

6.40 PSA 21 Indicator 5 is based on the Citizenship Survey together with the Annual Population Survey. Details of both surveys are given in Annex D.

6.41 PSA 21 indicator 6 is measured using the Taking Part Survey. Taking Part provides quality assured data on engagement in culture, leisure and sport. The survey has run continuously since its launch in 2005¹⁵¹. It has an adult sample of 14,000 in the baseline and final assessment year. In the middle tracking year the sample will be reduced to 6,000 to provide top-line data only. Final baseline data will be available in summer 2009, with an interim baseline estimated for the six months from April to September 2008. First progress on the baseline will be available in summer 2010. Interim assessment in the final year will be available in spring 2011 with final assessment data published in summer 2011.

151 Details are at www.culture.gov.uk/reference_library/research_and_statistics/4828.aspx

Chapter 7 DSO 5 Planning



DSO 5: to provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change

- 7.1** The purpose of the planning system is to ensure that land is used in a way which achieves the right balance of environmental, social, and economic objectives. The core underpinning principle of the planning system is to support sustainable development.
- 7.2** The key priorities for Government on planning in 2008-09 have been:
- introducing a new single planning regime for nationally significant infrastructure as provided for in the Planning Act 2008
 - making planning more efficient and effective
 - ensuring planning supports housing development and promotes place-shaping
 - strengthening the regional tier
 - supporting adaptation to climate change
 - managing planning casework efficiently and effectively
- 7.3** Activities to support these priorities are set out below. Over the course of the year, there was an increasing focus on re-prioritising these activities to address the current economic climate and help create conditions for economic recovery.

Planning Act 2008

- 7.4** The Planning Act, which received Royal Assent on 26 November 2008, provides for a more efficient, transparent and accessible planning system for nationally significant infrastructure projects, aimed at protecting our prosperity and quality of life, and safeguarding the environment.
- 7.5** The Act provides for the establishment of a new independent body – the Infrastructure Planning Commission (IPC) – to administer a single consent regime for major infrastructure projects. The new system will streamline planning and improve public consultation, with National Policy Statements providing an effective policy framework for the IPC's decision making.

- 7.6** The suite of National Policy Statements (NPSs) being delivered will integrate environmental, social, and economic objectives and provide clarity on the need for infrastructure. The NPSs will be prepared with the objective of contributing to the achievement of sustainable development including, in particular, the desirability of mitigating and adapting to climate change.
- 7.7** The Act also includes provision enabling regulations to establish a Community Infrastructure Levy (CIL). CIL will be a new charge which local authorities in England and Wales will be empowered, but not required, to charge on most types of new development. The proceeds of the levy will be spent on local and sub-regional infrastructure to support the development of the area. CIL charges will be based on formulae which relate the size of the charge to the size and character of the development paying it.
- 7.8** CIL Regulations will be made in April 2010, timing which recognises the current economic circumstances but ensures local authorities and developers will be in a position to prepare for recovery with more certainty. CIL will improve predictability and certainty for developers as to what they will be asked to contribute towards the cost of infrastructure; will increase fairness by broadening the range of developments asked to contribute; will allow the cumulative impact of small developments to be better addressed; and will enable important sub-regional infrastructure to be funded.
- 7.9** The Act also enabled us to back our planning policies on climate change with statutory duties on regional and local plans to take action on climate change. Ensuring that planning continues to support the move towards a low-carbon economy and helps shape places resilient to climate change will be a priority in 2009-10.
- 7.10** We have made significant progress implementing the Planning Act. We published a consultation document on statutory consultees for NPSs¹⁵² in January and a second consultation package on the pre-application consultation and application procedures for Nationally Significant Infrastructure Projects¹⁵³ in March. We have also published the route map to implementation of the IPC¹⁵⁴. On 1 May 2009 Sir Michael Pitt was formally appointed as Chair designate of the IPC, initially to lead work setting up the IPC so that it can be formally established in Bristol in the autumn and be able to start receiving applications in 2010. We are making good progress on the other senior appointments, including two deputy chairs, three commissioners and the chief executive of the new organisation.

152 www.communities.gov.uk/publications/planningandbuilding/consultationstatutoryconsultees

153 www.communities.gov.uk/archived/publications/planningandbuilding/consultationpreapplication

154 www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/reformplanningsystem/planningbill/

Planning system reform

- 7.11** The Killian/Pretty Review of the Planning Applications System¹⁵⁵, that we commissioned jointly with the Department for Business Enterprise and Regulatory Reform¹⁵⁶, was published on 24 November 2008. The reviewers made seventeen detailed recommendations for improvement of the planning application process from end to end. On 5 March 2009 the Government published its response¹⁵⁷, which set out a comprehensive and ambitious programme to take forward the recommendations. The first tranche of detailed proposals, including expansion of permitted development for business and other non residential uses and simplification of the information requirements for applicants, are being prepared for consultation. As we set out in our response to the review, when there is a need to change a particular policy we will take the opportunity to streamline the relevant Planning Policy Statement (PPS) at the same time.
- 7.12** Regional Spatial Strategies (RSSs) and Local Development Frameworks (LDFs) have an important role in ensuring the Government's objectives on housing growth and identifying land for housing supply, and other priorities such as economic recovery and tackling climate change are delivered. In June 2008 revised regulations and policy on LDFs were published which were designed to streamline the preparation process. Progress on Core Strategy preparation has been slow but we anticipate that these reforms will have an impact going forward. In addition we are working with the Government Offices, Planning Inspectorate and Planning Advisory Service to provide additional support to local authorities to improve capacity for the delivery of these local plans. By this summer all regions with the exception of the South West, and West Midlands (who chose to take a phased approach) will have a revised RSS in place and overall housing numbers have increased significantly. More remains to be done to reach the 2016 target and further reviews will take place in the context of the move to the single regional strategy. The Local Democracy, Economic Development and Construction Bill, introduced to Parliament in December, includes provisions to introduce the single regional strategy, combining Regional Spatial Strategies with Regional Economic Strategies. Responsibility for their preparation would rest jointly with Regional Development Agencies and Local Authorities' Leaders Boards.
- 7.13** Matthew Taylor MP conducted an independent review of the housing and economic issues that our rural communities face. His comprehensive and authoritative report *Living Working Countryside*¹⁵⁸ published in July 2008 contained many practical recommendations. The Government response¹⁵⁹ was published in March and set out how we will take forward the recommendations to support strong, diverse, and dynamic rural communities. Much of these proposals require subtle but important changes in approach by Government,

155 www.communities.gov.uk/publications/planningandbuilding/killianprettyfinal

156 Now the Department for Business, Innovation and Skills.

157 www.communities.gov.uk/publications/planningandbuilding/killianprettyresponse

158 www.communities.gov.uk/publications/planningandbuilding/livingworkingcountryside

159 www.communities.gov.uk/publications/planningandbuilding/responsematthewtaylor

rural planning authorities and other agencies to get the balance right between protection and development in the countryside. To underline the important role rural areas can play in delivering economic prosperity, and in line with Mr Taylor's recommendations, a new single policy statement was published for consultation in May combining existing planning guidance aimed at delivering sustainable economic development in urban and rural areas and town centres.

- 7.14** We continued to support Ministers on called-in planning applications and on planning appeals recovered for decision by the Secretary of State. Eighty-two cases were handled during 2008-09, of which seventy-seven were subject to statutory targets. Seventy-three of those were processed within the target deadline, with four delayed beyond the target date.

Progress against DSO 5 indicators

DSO Target 5: Planning

Definition:

to provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change

Indicators:

5.1 Housing provision in Regional Spatial Strategies:

- That seven of eight current Regional Spatial Strategy (RSSs) reviews are completed by 2008-09. The Government is working with partners to determine timetables for further reviews to meet the housing target for 2016.

5.2 Local Planning Authorities bring forward developable land for housing:

- By March 2011, 80 per cent of all local planning authorities' necessary Development Plan Documents to be adopted in accordance with their agreed Local Development Scheme.

5.3 Supply of ready to develop housing sites:

- By 1 April 2010, 90 per cent of local planning authorities to have identified a five year supply of deliverable sites for housing.

5.4 Local Planning Authorities to manage development effectively:

- 80 per cent of major applications nationally to be processed within 13 weeks by 2011.

5.5 Improving the appeals process in the planning system:

- 80 per cent of fast tracked householder appeals determined within eight weeks, decision/report issued according to bespoke timetable in all cases, and 80 per cent of remaining s78 appeals processed end to end within six months.

5.6 Reduction in planning applications subject to appeal:

- A reduction in the percentage by the end of the CSR period.

5.7 Net change in the area of Green Belt:

- Sustain the level of Green Belt land nationally, measured by region, over the CSR period.

5.8 Quality of housing sites (or phases of sites):

- In 2010-11 30 per cent of all completed housing sites (or phases of sites) to be classified as 'good' or 'very good' and less than 15 per cent classified as poor.

2008-09 spend:
£196m (DEL)

Overall progress:
No Progress

Overall assessment

No progress.

DSO 5.1 – Annual housing provision in Regional Spatial Strategies to reflect the target of 240,000 new homes a year by 2016

7.15 Measure of success: The target was for 7 out of 8 Regional Spatial Strategies (RSSs) to be in place by the end of 2008-09.

7.16 Latest data: While this target has not been achieved, the RSSs have been under review and significant progress has been made. Over the course of 2008-09 five full revisions of RSSs were completed and the revised RSS published. These were for the North East, Yorkshire and the Humber, East of England, North West, and East Midlands. Consultations on the Secretary of State's proposed changes were conducted on RSSs for the South East, which was published on 6 May 2009, and the South West where the final document will be published in due course. The West Midlands RSS review has been scheduled on a slower timetable and a draft plan has been consulted on but the final version is not due to be published until 2010. The London Plan is published by the Mayor and was finalised in 2004; a further revision is underway.

7.17 These revisions will result in a substantial increase in planned housing numbers. Prior to this set of revisions the overall housebuilding target for England was 150,000 houses per year. The current estimated target for new housing in revised and emerging RSSs is 210,000 per year. The Government is working with partners to determine a region by region approach to further reviews to meet in full the target for 2016 as well as the move to the Single Regional Strategy.

7.18 Next update: Ongoing.

DSO 5.2 – Local Planning Authorities to have adopted the necessary Development Plan Documents, in accordance with milestones set out in their Local Development Schemes to bring forward sufficient developable land for housing in line with PPS3

7.19 Measure of success: The target is that 80 per cent of all local planning authorities' (LPAs) necessary Development Plan Documents (DPDs) are adopted in accordance with their agreed Local Development Scheme by March 2011.

7.20 Latest data: As at 1 April 2009, 10 per cent of necessary DPDs had been adopted. According to Local Authority plans a significant number are due to be adopted over the next two years although we are aware of slippage and achieving the 80 per cent target will be very challenging.

7.21 Next update: Ongoing.

DSO 5.3: Supply of ready to develop housing sites

7.22 Measure of success: The target is for 90 per cent of local planning authorities to have identified a five year supply of deliverable sites for housing by 1 April 2010.

7.23 Latest data: Initial information provided by authorities indicates that 90 per cent of them considered that they had a five year supply of deliverable sites as at 1 April 2007. Research on local authority data made it clear that many had not taken the deliverability of housing sites fully into account and we have now issued best practice guidance to authorities.

7.24 Next update: Local Authorities will provide revised data by July 2009 to support Housing Planning and Delivery Grant allocations.

DSO 5.4: All LPAs to manage development effectively in accordance with the relevant Development Plan Document, and within acceptable timescales

7.25 Measure of success: The target is for 80 per cent of major applications¹⁶⁰ nationally to be processed within 13 weeks, by 2011. The 2007-08 baseline was 71 per cent.

7.26 Latest data: In the period January to March 2009, 71 per cent of major applications nationally were processed within 13 weeks.

7.27 Both the Killian/Pretty Review and the National Audit Office report *Planning for Homes* recommended changing this target because the 13 weeks only represent a small part of the overall planning process and it ran the risk of distorting behaviour. We have accepted the need to revise it and are working closely with stakeholders

160 Major applications include residential developments for 10 or more dwellings and other developments for which the floor space is 1 hectare (1,000 square metres) or more.

on options for measuring performance in a more holistic way. Our aim is to have a new approach in place in time for the next revision of the local authority performance framework, which will take effect from April 2011.

7.28 Next update: Quarterly (September 2009).

DSO 5.5: Improving the appeals process in the planning system – making it proportionate, customer focused, efficient and well resourced

7.29 Measure of success: 80 per cent of fast tracked householder appeals determined within eight weeks, decision/report issued according to bespoke timetable in all cases, and 80 per cent of remaining s78 appeals processed end to end within six months.

7.30 Achievement of the targets relies on commencement of the measures contained in the Planning Act which gives the Planning Inspectorate the legislative powers to streamline the planning appeals process. The Planning Inspectorate have therefore measured their performance in 2008-09 against their ministerial targets from 2007-08¹⁶¹. End of year figures indicate that they have improved significantly upon last year achieving all three Ministerial targets for planning casework, not only at year end but also as an average for the whole year. The Planning Inspectorate have developed procedures to measure performance against the DSO targets from 2009-10.

7.31 Latest data: As indicators 5.5.1 and 5.5.2 have yet to be assessed, this indicator overall is not yet assessed.

Indicator 5.5.1 – 80 per cent of fast tracked householder appeals to be determined within eight weeks

7.32 A pilot exercise of fast tracked cases indicates, based on a small sample, that eight weeks will be possible subject to the formal commencement of the relevant provisions in the Planning Act.

Indicator 5.5.2 – Issue Decisions/Reports in accordance with bespoke timetable in all cases

7.33 The criteria for bespoke casework has now been finalised and will be applied to all call-in casework and any s78 inquiry lasting 8 days or longer.

Indicator 5.5.3 – 80 per cent of remaining s78 appeals to be processed end to end within 6 months

7.34 During 2008-09 the Planning Inspectorate determined 11,750 (79 per cent) of non-householder cases within 26 weeks.

7.35 Next update: Quarterly.

161 www.planning-inspectorate.gov.uk/pins/appeals/planning_appeals/verification_table/verification_index.htm.

DSO 5.6: Reduction by the end of the CSR period in the overall percentage of planning applications that are subject to appeal

7.36 Measure of success: A reduction in the percentage by the end of the CSR period.

7.37 Latest data: The 2006-07 baseline figure was that 3.6 per cent of applications were subject to appeal. In the year ending March 2009 the percentage had increased to 4.3 per cent. Since the year ending, there has continued to be an increase in the percentage of applications subject to appeal.

7.38 Next update: Quarterly (September 2009).

DSO 5.7: Net change in the area of green belt

7.39 Measure of success: The measure of success is to sustain the level of green belt land nationally, measured by region, over the CSR period.

7.40 Latest data: The latest estimate at 31 March 2009 of the area of green belt was 1,638,840 hectares. This represents a net increase of 3,170 hectares on the 31 December 2007 baseline estimate of 1,635,670 hectares. Most of this difference is due to improved measurement through digital mapping by local authorities which resulted in a net increase of 3,340 hectares. This, however, is offset by a net loss of 170 hectares resulting from reported green belt boundary changes in local plans which is mostly due to specific changes in one particular local authority, South Cambridgeshire, in which land has been redesignated for residential development at two sites on the edge of Cambridge and for which the local planning authority reports it plans to include public open space and a Country Park on an adjacent site.

7.41 Next update: Annual (March 2010).

DSO 5.8: Quality of housing sites (or phases of sites)

7.42 Measure of success: This indicator aims to measure the quality of development coming through the planning system. The target for this indicator is that 30 per cent of all completed housing sites (or phases of sites) be classified as 'good' or 'very good' and less than 15 per cent classified as poor by 2010-11.

7.43 Latest data: The baseline, based on the Housing Audit published by CABE in 2007, is 18 per cent rated 'good' or 'very good' and 29 per cent rated 'poor'. Updates to the baseline information will be available on an annual basis, drawing on annual reports produced each December by local authorities. Due to the timing of Annual Monitoring Report guidance no comprehensive data was available from the 2008 reports.

7.44 Next update: Annual – Following December 2009 Reports.

Data quality – DSO 5

- 7.45** The NAO concluded, in its review of the Department's DSO and PSA data systems that the indicators selected for DSO 5 afford a reasonable view of progress, but involve no explicit consideration of the infrastructure delivery, economic development and climate change referred to in the DSO beyond the extent to which these may be addressed within individual authorities' planning activities. More details of NAO's work are given in Annex D.
- 7.46** For indicator 5.1 the RSS Programme Database hosted by Communities and Local Government and updated by Government Offices, tracks the progress of the delivery of full and partial reviews of RSSs. The Department monitors the planned housing numbers set out in each stage of RSS development as a complementary leading indicator on planned housing supply.
- 7.47** For indicator 5.2, a central database captures the information from Local Development Schemes (LDS) produced by local authorities on the milestones for the production of Local Development Plan documents; this is closely monitored by Government Offices, the Planning Inspectorate, and Communities and Local Government. The NAO has identified some discrepancies between the DSO indicator and the corresponding indicator in PSA 20, including the targets and associated definitions, and has recommended that a risk assessment of arrangements for data collection processing and analysis be carried out, and that formal documentation be produced to set out how the indicator is calculated. The Department is continuing to take steps in liaison with HM Treasury to resolve the discrepancies, and intends to carry out the risk assessment and produce the required written procedures as soon as possible.
- 7.48** For indicator 5.3, the Department has carried out a random check of 55 local authorities to establish the robustness of the figure and to draw out best practice. The next update of the figure will be provided following an analysis of the Annual Monitoring Reports submitted in December 2008. The NAO has expressed concern at inconsistencies within the 1 April 2007 baseline figure and that figures on the availability of land for 1 April 2008 are not available, despite the published measurement annex stating that performance will be measured annually. It has also expressed concern that a risk assessment has not been carried out of the arrangements for data collection, processing and analysis, and that the Department does not communicate to local planning authorities its expectations of data quality, or ensure that the calculation of the indicator is independently reviewed in-house. The Department has always recognised that figures for the five years from 1 April 2008 would not be available, and the source of the baseline data was not designed as a statistical monitoring return. It was an interim way of measuring progress in advance of the new measure being added to the set of Annual Monitoring Core Indicators. The Department is continuing to work with regional and local authorities to seek better data collection in reporting on 2008/09 and future years.

- 7.49** Development control statistics for indicator 5.4 are collated on a quarterly basis from local planning authorities in England using the PSF and CPS1/2 General Development Control returns. Both the PSF and CPS1/2 returns submitted by local planning authorities undergo thorough validation and checks. Inconsistent data highlighted during validation checks are verified by contacting the local authority. Where a response rate of 100 per cent is not achieved, estimates are used in order to obtain national and regional figures. From April 2007, an indication on the level of quality assurance undertaken by the local authority is recorded as part of the final sign off for these returns. The NAO has expressed concern that the Department does not have mechanisms in place to seek further assurances if a local planning authority has not itself sought to verify the data submitted, and that a recent data quality review for data stream used for the indicator did not consider the appropriateness of using these data for determining performance against this indicator. The Department considers that the data source, as a National Statistic, is subject to a recognised and adequate level of verification processes, and that the quality review took place only as part of the process of assessing the quality of National Statistics, with other issues therefore being outside its scope.
- 7.50** Statistics for indicator 5.5 are based on data collected as an integral part of the processing of appeals, on the Planning Casework Service database. New fields have been added to this system to record the additional data required for performance measurement. The same source is used to publish data for local planning authority (LPA) verification on a quarterly basis. Regular manual data quality checks are performed on key data fields to identify missing or inaccurate data so it can be corrected, and IAS also quality assure performance against the Inspectorate's targets at the end of each year. The NAO has expressed concern that the Planning Inspectorate, when transferring data from the Planning Casework Service to its Business Intelligence System, does not undertake control procedures to ensure that all appeal cases have transferred correctly. It has also recommended that the Department considers whether the three separate aspects of appeals performance measured by the indicator should be combined into a composite measure to determine overall performance against the indicator, rather than being reported separately. The Planning Inspectorate will look into the feasibility of improving the control procedures when transferring data. The Department and the Planning Inspectorate have considered whether the three separate aspects of appeals performance measured by the indicator should be combined into a composite measure. They have concluded that it is unclear how the three distinctive elements could be combined, without jeopardising the transparent reporting of progress on each element.
- 7.51** The data used to underpin indicator 5.6 are taken from the local authority quarterly PS1 and PS2 General Development Control returns, details of which are set out above as for indicator 5.4. The data from the Planning Inspectorate used for this measure are subject to the controls set out above for indicator 5.5. Indicator 5.6 is derived using data from the same sources as indicator 5.4 (for its denominator, the number of planning applications) and as indicator 5.5 (for

its numerator, the number of planning appeals), and the concerns expressed by the NAO on those indicators, and the Department's and Planning Inspectorate's responses to them, apply to this indicator too.

- 7.52** For indicator 5.7, the Department originally captured its own Green Belt data from local authority paper records. In 2007, it was concluded that a more cost effective approach would be for the Department to build and maintain a new Green Belt dataset from the increasingly available local authority digital map data. This would also improve the quality of the data. In 2008 local authorities were invited to review their published Green Belt estimates for 2007 and provide estimates of Green Belt land as at 31 March 2009. The data were collected via Interform – the Department's housing and planning electronic data collection system. Local authorities were asked to provide an explanation where there was an increase (or decrease) of more than 10 hectares between the 2007 published estimates and those at 31 March 2009. Most of the reported changes between 2007 and 31 March 2009 were due to better area measurement using digital mapping technology. The Department also makes further checks by comparing the Green Belt area figure reported by the local authority with that calculated from the Green Belt digital boundary file (also submitted via Interform). Where the difference between the reported Green Belt area and the accompanying digital boundary file is more than plus or minus 10 hectares local authorities were approached to check and explain the discrepancy.
- 7.53** Progress against indicator 5.8 will draw on information reported by local authorities, as yet unverified by Communities and Local Government, in Annual Monitoring Reports. Due to the timing of initial Annual Monitoring Report guidance no comprehensive data were available from the 2008 reports. We have set up a training programme for local authorities with the Commission for the Build Environment (CABE) to ensure the robustness of the data in the light of these initial annual reports.

Chapter 8

DSO 6 Safer communities



DSO 6: To ensure safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies

- 8.1** As part of the Department's drive to help create safer communities, we are working with the Fire and Rescue Service (FRS) to reduce deaths and injuries from fire, and to promote fire prevention activity particularly amongst our most vulnerable groups. In 2007, there were 193 deaths recorded in accidental fires in dwellings in England – a fall of well over 100 in the six years from the 2001 figure of 321. Notwithstanding such tragic events as the fire in Lakanal House, Camberwell, on 3 July 2009, we are making good progress in tackling the worst effects of fire, with a dramatic reduction in fire related deaths in recent years, but progress must be maintained. To assist us in driving forward this work we are working closely with the FRS and other key stakeholders to deliver continuous improvement in the Service, ensuring that it is equipped and skilled to meet the challenges of the 21st century.
- 8.2** The fire at Buncefield oil depot in Hertfordshire in December 2005 emphasised the need to ensure the UK's preparedness, including that of the FRS, to deal with major incidents. The risks posed by natural disasters, such as the floods in summer 2007, and terrorist incidents, such as the London bombings on 7 July 2005, have also put our emergency services to the test. However, they were able to respond quickly and effectively, thanks in part to the new capabilities that we have helped to develop.
- 8.3** Our work which enables us to detect, prevent and respond to such emergencies is known as resilience, and we work closely with the FRS to ensure they are equipped, trained and fully prepared to respond to these types of incidents. Additionally we work with other government departments, notably the Cabinet Office's Civil Contingencies Secretariat, to contribute to the Government's wider resilience agenda. Regional Resilience Teams, based in the Government Offices, augment the central role of the Department in contributing to the Cabinet Office-led response to the largest emergencies.
- 8.4** In early February, we witnessed the worst snowfall in 18 years. The central Government response was triggered with the Regional Resilience Teams (RRTs) taking a leading role in managing local partners and cascading information. While the Department for Transport led the response, Communities and Local Government as the sponsor Department for GOs was involved in daily communication with the RRTs to ensure a clear understanding of local and regional

issues. We worked closely with DfT and the Highways Agency to agree the prioritisation of salt and grit deliveries to local highways authorities.

- 8.5** Since the swine flu outbreak was confirmed by the World Health Organisation, the Department has been working closely with Cabinet Office Contingencies Secretariat, Department of Health and other government departments and agencies to ensure that the central response is well prepared. The RRTs have worked with their Regional Fora to ensure that local authorities and emergency services have business continuity plans in place to maintain essential services. At a national level, we have worked closely with the Local Government Association to ensure local authority issues are addressed. In addition we have been considering the effect of a pandemic on the Fire and Rescue Service and multi-faith communities, and have provided briefing and guidance to the Chief Fire Officers Association and the Faith Communities Consultative Council to review their business continuity plans and arrangements.

Principal activities over the last year

- 8.6** In May 2008, we published the *Fire and Rescue Service National Framework for 2008-11*¹⁶², which set out the Government's priorities and objectives for the FRS under four themes:
- prevention, protection and response
 - resilience
 - diversity and workforce
 - governance and improvement

Prevention, protection and response

- 8.7** Most fires in the home are preventable. Community fire safety is about providing basic information to the householder and wider community to help them alter their behaviour and think more about fire safety. It is particularly important that: people have working smoke alarms installed in their homes and that they test them regularly; that they safely dispose of smoking materials; and that they take extra care when cooking, especially with fat and grill pans.
- 8.8** The Department continues with the high profile national media Fire Kills campaigns, the latest of which recruited Julie Walters to front a TV campaign promoting smoke alarm maintenance. Our tracking research from this campaign has shown that awareness amongst the general public increased as a result and is now higher than when we first ran smoke alarm maintenance campaigns in 2003. Most significantly, 80 per cent of households in England now own smoke alarms. Those without alarms are often in groups which are also most at risk from fire and it is these groups which we are now targeting. The campaign won an award in the Engagement and Involvement category of the 2008 Civil Service Diversity and Equality Awards.

162 www.communities.gov.uk/publications/fire/nationalframework200811

- 8.9** Between 2004 and 2008, we invested £25m in grants to Fire and Rescue Authorities (FRAs) to fund Home Risk Fire Check (HRFC) activity. Independent evaluation of the HFRC and the Fire Prevention grant (published in March 2009¹⁶³) found that the HFRC initiative was responsible for 57 per cent of the fall in accidental dwelling fire deaths. The research also indicated that the HFRC grant was associated with 13,670 fewer fires and 888 fewer non-fatal casualties. In financial terms, that evaluation estimated the benefits of the HFRC grant programme as between £926m to £1,943m.
- 8.10** A snapshot evaluation of the Regulatory Reform (Fire Safety) Order 2005, also published at the end of March 2009, showed that this legislation is settling in well.¹⁶⁴ The evaluation highlighted that the enforcers, and the majority of those responsible for fire safety in non-domestic buildings, thought that the risk assessment approach was the right one. We have continued to raise awareness of the requirements of the legislation, particularly among small and medium sized businesses. For example, we have responded positively, through the provision of tailored information, to the needs of the small accommodation providers segment of the tourist industry.
- 8.11** Research into fire response times and the factors influencing them, published on 26 February 2009¹⁶⁵, found that over a 10-year period (1996–2006) increased traffic levels were the main factor influencing increasing FRS response times. However, the report noted that longer response times were not in themselves an indication of increased risk to life and/or property. The report suggested various strategies which Fire and Rescue Authorities can employ to reduce the effect of traffic on response times. These findings have been drawn to the attention of FRAs so they can take account of such matters as part of their Integrated Risk Management Planning considerations. The Practitioners Forum, which provides Ministers with strategic advice on relevant issues from a professional fire and rescue perspective, is setting up a task group to look at all the factors affecting response times and to consider how to address them.
- 8.12** We have also commissioned research to analyse the impact of external economic (and other) factors, on the work of the FRS and on key Fire and Rescue outcomes. Evidence gathered to date suggests that predicted economic, social and climate changes may lead to an increase in fire incidents, and in particular the number of primary and deliberate fires. The research suggests that ongoing FRS prevention work and other positive factors (such as the introduction of the Regulatory Reform Order, better regulation for end of life vehicles, the work of Local Strategic Partnerships and focus through Local Area Agreements) will help to manage some of these pressures, and further work is underway to identify what further steps and interventions we should take.

163 www.communities.gov.uk/publications/fire/homefireriskcheckgrant

164 www.communities.gov.uk/publications/fire/regulatoryreformorder

165 www.communities.gov.uk/publications/fire/frsresponsetimes

8.13 There has been good progress on the production of new and updated operational guidance for the FRS, covering areas such as hazardous materials, incident management and performance management. In addition we published a suite of policy guidance in August 2008 capturing and providing a good practice on a number of themed areas within the scope of Integrated Risk Management Planning (IRMP), including road safety, community safety, equality and diversity, environmental strategies, heritage and wildfire.

Resilience

8.14 We have invested significantly in the Fire and Resilience Programme, which is providing the FRS with the resilience it needs to meet the challenges of an increased terrorist threat and the risks posed by major incidents such as flooding. The Programme comprises the Firelink project to enhance the resilience of the communications network through a single digital wide area radio system; FiReControl which will establish a resilient network of nine Regional Control Centres (RCCs) to replace the current 46 stand-alone control rooms; and the New Dimension project which has provided highly specialised, world class equipment. The Firelink project is working towards completion, and the installation of a voice radio system into the last English FRS vehicle fleet is scheduled to be completed in 2009.

8.15 There has also been good progress on the FiReControl project over the last year, including completion of eight out of nine RCC buildings; the FRAs coming together in eight regions to establish local authority controlled companies to run the RCCs in future; and infrastructure completion in the first three buildings planned to go live (South West, East Midlands and North East). Key milestones will continue to be passed in the year ahead including: the completion of all remaining fire station surveys; the roll-out of the Data Capture Migration Toolkit 2 to the FRAs; the commencement of the roll-out of the Mobile Data Terminals to between six and 10 FRAs; and completion of the final RCC building in London by end February 2010.

8.16 FiReControl is a complex project which requires significant change in the Fire and Rescue Service as well as the development of a new IT system and other infrastructure. The project has undergone a number of reviews and as a result has been rescheduled.

8.17 Key deliverables for the FiReControl project over the next year will include: the completion of all remaining fire station surveys; roll-out of the Data Capture Migration Toolkit 2 to the FRAs and the commencement of the roll-out of the Mobile Data Terminals to between six and ten FRAs; and completion of the final RCC building in London by end February 2010.

8.18 New Dimension equipment such as high volume pumps have already been used by the FRS in responding to the widespread flooding which affected England during June and July 2007, and in several localised incidents since. We aim to complete the New Dimension programme in 2009-10 following consultation and agreement with FRAs on the planned transfer of ownership of assets. We have

also undertaken an evaluation of the economic benefits of the New Dimension programme, aimed at understanding the impact they have made on the ground and informing our future policies.

- 8.19** On 12 March 2009, the Public Accounts Committee (PAC) published its report on the New Dimension programme. The Report recommended that the Department should: continue to evaluate New Dimension capabilities in the light of any changing national risk; strengthen programme and project management and financial controls; implement performance indicators when contracting with consultants; undertake audits of fire firefighter New Dimension skills and performance; and improve planning and practice for major national incidents. The Department is already taking action broadly in line with recommendations and published its response on 20 May 2009¹⁶⁶.
- 8.20** The Government's response¹⁶⁷ to Sir Michael Pitt's report on *Learning the Lessons of the 2007 Floods*, was published in December 2008 and committed to ensuring that the national flood rescue capability is enhanced through multi-agency responders including the FRS, the Royal National Lifeboat Institution and other relevant agencies. This work is being led by Defra with significant contribution from the Department and the Chief Fire Officers Association. Government has also continued to work with affected local authorities to ensure that those families still out of their homes are provided with support. Approximately 17,000 households were displaced by the floods. As at 27 March 2009, 352 of the worst affected households remained displaced.

Diversity and workforce

- 8.21** We have provided significant support to the FRS to improve their performance on equality and diversity. In May 2008 the Department launched the *FRS Equality and Diversity Strategy*¹⁶⁸ at our first national FRS Equality and Diversity Conference "Making the Difference". Ministers also announced that £5m would be made available over the CSR07 period to support centrally developed equality and diversity initiatives.

¹⁶⁶ The report's recommendations and the Department's response are available at Annex F.

¹⁶⁷ www.defra.gov.uk/environ/fcd/floods07/Govtresptopitt.pdf

¹⁶⁸ www.communities.gov.uk/publications/fire/equalitydiversitystrategy

8.22 To support the implementation of the Strategy, and in particular improvements in the workforce diversity of the FRS we:

- established a national stakeholder group – the National Equality and Diversity Delivery Partnership (NEDDP) – to provide strategic direction and support to the FRS on implementing the Strategy
- ran the 2008 FRS Equality and Diversity Awards and initiated the 2009 Awards process. 53 applications were received for the 2009 Awards round (an increase from 40 in each of the previous two years)
- published the first *Fire and Rescue Service Equality and Diversity Report*¹⁶⁹ in March 2009. As well as providing an overview of FRS performance on equality and diversity the report also published for the first time:
 - a National Action Plan outlining the actions key stakeholders will undertake over the coming year to support the implementation of the Strategy
 - local minority ethnic and female recruitment targets for each FRA developed through a consultative process supported and facilitated by the Department

8.23 Work also began, in partnership with key FRS stakeholders, on the development of three key initiatives:

- a three-year programme to raise awareness among currently under represented groups of a career in the FRS. The first element of the programme focuses on girls aged between 14 and 16 and aims to dispel misconceptions that being a firefighter is a male occupation
- a pilot high potential leadership programme which will offer talented individuals an accelerated route to middle management and the opportunity to go on to become the future leaders of the FRS
- a toolkit to support FRS in developing contacts with their local business community to encourage them to release staff to work on the retained duty system. The toolkit will help the Service to tackle ongoing staff shortages in rural and semi rural areas and raise awareness of this opportunity for flexible employment among currently under represented groups

Governance and improvement

8.24 We have worked closely with the Audit Commission as it develops the performance assessment framework for the FRS. The Department has worked directly with authorities classified by the Audit Commission as “Poor” or “Weak” and three of these authorities successfully applied for re-categorisation during the course of this year. The latest Audit Commission classifications are set out later in this Chapter.

8.25 We have also consulted key stakeholders on the next National Procurement Strategy for the FRS. This follows a review by the Department of the first National Procurement Strategy and of Firebuy Ltd. A revised National Strategy

169 www.communities.gov.uk/publications/fire/fsc132009

will be published during the course of 2009-10. We have concluded that there is a continuing need to drive FRS procurement efficiency at a national level and that a national procurement body represents the best way to deliver fire-specific procurement. We propose that in future Firebuy's functions should be carried out within a larger organisation which will also be responsible for the management of the service contracts for the Fire and Resilience Programme. Views on this and other proposals for long-term management of the Programme are being invited in a consultation paper. A revised National Procurement Strategy for the FRS will be published in the summer of 2009.

- 8.26** In July it was announced that FRAs would benefit from a further Private Finance Initiative (PFI) round of around £130m in PFI credits to support major projects. FRAs were invited to put forward proposals and three new projects have been chosen to go forward to the next stage (Staffordshire and Stoke, Surrey and North East FRAs – Durham and Darlington, Cleveland and Northumberland). This will bring the level of PFI credit funding for the FRS to approximately £0.5bn since the inception of the PFI programme for the Service. Ministers also announced decisions on a distribution formula for a new capital funding programme of £34m and £44m in 2009-10 and 2010-11 respectively. The capital grant is not ring-fenced but is intended to assist FRAs with their Asset Management Plans and to improve their estate.
- 8.27** FRAs continue to make progress in the delivery of efficiency savings. Projected efficiency savings for individual FRAs for 2008-09 were published on 2009-10 council tax bills. These totalled approximately £35m.

Progress against DSO 6 indicators

DSO Target 6: To ensure safer communities – Fire and Rescue Service

Definition: To ensure safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies.

Indicators:

6.1 (1) Numbers of primary fires and related fatalities and non-fatal and casualties, excluding precautionary checks; and (2) numbers of deliberate

6.2: primary and secondary fires submitted through incident reports.

- Success will be shown by reductions in the numbers of primary fires, fatalities and injuries; and in the number of primary and secondary deliberate fires

6.3: Improvement in the national picture of Fire and Rescue Service performance reflected in Audit Commission assessment outcomes. This will be demonstrated by improved aggregate scores in published Use of Resources and Direction of Travel assessments for Fire and Rescue Authorities (FRAs) in England.

- Success will be shown by the Commission reporting continued improvement overall and a narrowing of the current gap between the number of FRAs (in England) receiving the top two and bottom two assessment scores.

6.4 Delivery of a co-ordinated Fire and Resilience programme achieving planned milestones and deliverables for the New Dimension, FiReControl and Firelink projects

- The target is to remain on track to complete the programme by 2012

2008-09 spend:
£332m (DEL)

Overall progress:
Some Progress

Overall assessment

Some progress – improvement against 2 out of 4 indicators¹⁷⁰.

DSO 6.1: Number of primary fires and related fatalities and non-fatal casualties, excluding precautionary¹⁷¹ checks

8.28 Measure of success: Success against indicator 6.1 will be shown by continued reductions in the numbers of primary fires, fatalities and injuries.

¹⁷⁰ Indicators 6.2 and 6.3. Indicators 6.1 and 6.4 also show elements of progress.

¹⁷¹ Those evacuating from a building fire are frequently recommended to have a precautionary medical check even though they show no signs of any injury.

8.29 Data collected nationally from fire and rescue services and incident reports. This indicator is in three parts:

- Number of primary fires per 100,000 of the population – provisional 2007-08 data stand at 225.6 primary fires per 100,000 population. This is 11 per cent lower than in 2006-07. (2008-09 data are not yet available because of the legacy, paper-based collection system – this has now been replaced with an electronic system which will improve data quality and timeliness in the future.)
- Number of fatalities due to primary fires per 100,000 of the population – provisional 2007-08 data stand at 0.73 fatalities due to fires per 100,000 population. This is 1 per cent higher than in 2006-07
- Number of non-fatal casualties (excluding precautionary checks) per 100,000 of the population – provisional 2007-08 data stand at 11.3 non-fatal casualties due to fires per 100,000 population. This is 10 per cent lower than in 2006-07.

DSO 6.2: Number of deliberate primary and secondary fires submitted through incident reports

8.30 Measure of success: Success against indicator 6.2 will be shown by continued reductions in the number of primary and secondary deliberate fires.

8.31 Latest data: Data collected nationally from Fire and Rescue Authorities and incident reports. This indicator is in two parts:

- Number of deliberate primary fires per 100,000 of the population – provisional 2007-08 data stands at 97.0 deliberate primary fires per 100,000 population. This is 15 per cent lower than in 2006-07
- Number of deliberate secondary fires per 100,000 of the population – provisional figure 2007-08 data stands at 267.4 deliberate secondary fires per 100,000 population. This is 14 per cent lower than in 2006-07

8.32 Next update: the next update for DSO 6.1 and 6.2 indicators will come from provisional data for 2008-09 which will be available in December 2009.

DSO 6.3: Improvement in the national picture of Fire and Rescue Service performance reflected in Audit Commission assessment outcomes.

8.33 Measure of success: Success will be evidenced by the Commission reporting continued improvement overall and a narrowing of the current gap between the number of Fire and Rescue Authorities (in England) receiving the top two and bottom two assessment scores

8.34 The Audit Commission reviews the performance of each FRA using its performance assessment framework for the Fire and Rescue Service. The Commission's 2008 performance assessment judgements were published in February 2009. This is the first assessment of progress since introduction of DSO6 (April 2008).

8.35 Latest data:

*Direction of travel*¹⁷²

- 5 FRAs (11 per cent) received the highest marking, the same number as in 2007 assessments.
- 32 FRAs (71 per cent) assessed as improving well – up from 23 in 2007 assessments.
- 7 FRAs (15.5 per cent) were assessed as improving only adequately compared with 18 in 2007 assessments.
- Only one received a 'no improvement' since the 2007 assessment. No authority received the equivalent assessment in 2007.

Use of Resources

- 6 FRAs (13 per cent) achieved the highest assessment – up from 4 in 2007.
- 33 FRAs (73 per cent) achieved the second highest assessment – down from 37 in 2007.
- 6 FRAs (13 per cent) received the same assessment as in 2007 of adequate performance
- As in 2007, no FRA received an inadequate performance assessment.

8.36 Achievement against measure of success – the balance between the number of FRAs achieving the top two and bottom two scores for Use of Resources scores remained static, however the number of FRAs achieving the top two scores for Direction of Travel increased significantly from 28 (2007) to 37 (2008), with only 1 FRA showing no improvement from 2007. Overall outcomes therefore show some progress against this indicator.

8.37 Next update: From 1 April 2009, Comprehensive Area Assessment (CAA) has replaced the Comprehensive Performance Assessment (CPA). CPA focused on services provided by individual authorities. CAA will look at the collective impact of public services in an area delivered by councils and their partners including the private and voluntary sectors. It is expected to provide first assessments under this new framework by the end of 2009 which will provide the next update for assessment of DSO indicator 6.3. The Department is discussing with the Audit Commission how best to make comparisons between FRA CPA scores and their future CAA scores for the purposes of DSO indicator 6.3.

DSO 6.4: Delivery of a co-ordinated Fire and Resilience Programme.

8.38 Measure of success: Success will be demonstrated by achieving planned milestones and deliverables for New Dimension, FiReControl and Firelink projects.

172 The number of authority assessments varies between 2007 and 2008 because Warwickshire FRA was not subject to a full assessment due to an ongoing incident investigation in 2008 and as a consequence of the merger of Devon and Somerset FRAs into a single authority.

8.39 Latest data: Progress has been made against this indicator. With the exception of the Enhanced Command Support Vehicles, New Dimension equipment is now fully operational, enabling FRAs to deal with major national incidents, including natural disasters and acts of terrorism. The final step will be to transfer ownership of the assets from the Department to the authorities and this is planned for October 2009, subject to FRA views. Firelink is in the process of converting the FRS vehicle fleet to operate on a new voice radio system. This is due to be completed in England in 2009. Changes have been made to the timing of key milestones within the FiReControl project, which is currently due to complete in 2012.

8.40 Next update: Project progress is subject to ongoing monitoring and will be reported in the Department's Autumn Performance Report.

Fire and resilience programme – key programme milestones to March 2012

Project:	Milestone Target: March 2009	Status:	Milestone Target: March 2010	Milestone Target: March 2011	Milestone Target: March 2012
1.0 New Dimension	Award contract to prime contractor	Completed			
	Settle long term funding for New Dimension	Completed			
	Assurance function Established	Completed			
	Transfer of New Dimension assets to FRSS	Due to be completed by October 2009			
2.0 Firelink	Phase A – Network infrastructure completed in nine regions	Due to be completed by July 2009			
	Phase B – Operational roll-out of radios in appliances in one region completed and eight in progress	Completed in one region	Phase B – Operational roll-out of radios in appliances in nine regions completed		
3.0 FiReControl	Completion of Regional Control Centre (RCC) buildings in eight regions (four this year)	Completed in eight regions	Completion of RCC buildings in nine regions		
	Hardware installation in three RCC buildings completed	Completed in three regions		Hardware installation in nine RCC buildings completed	
				RCCs fully operational in four regions	RCCs fully operational in remaining five regions

Data quality – DSO 6

- 8.41** The NAO concluded, in its review of the Department's DSO and PSA data systems that the indicators selected for DSO 6 afford a reasonable view of progress, but that their scope is limited in that they:
- do not consider the 'other agencies' referred to in the DSO except to the extent that these agencies may be involved in the fire and resilience programme referred to indicator 4
 - focus exclusively on emergencies to which the Fire and Rescue Service would respond, rather than other types of emergency (such as medical emergencies) that may also impact on community safety
- 8.42** More details of NAO's work are given in Annex D.
- 8.43** All data for DSO indicators 6.1 and 6.2 are provisional. The latest data available for both indicators is for 2007-08. Provisional data for 2008-09 will be available in December 2009.
- 8.44** Until the end of September 2007, all data on fires and fire-related deaths were taken from fire incident report forms (FDR1 (94) and FDR3 (95)) completed by FRAs. The NAO Fourth Validation Compendium Report on the quality of data systems underlying the SR04 PSAs concluded that the paper-based data system was fully relevant and suitable, though ageing.
- 8.45** The new Incident Recording System implemented in April 2009 will improve the quality of data systems and reduce the data processing time, enabling statistics to be provided more quickly.
- 8.46** The NAO noted that the Department has no specific arrangements with individual fire and rescue services (or more general guidance) setting out the required standards of data quality. Work has started on quality assurance of data and this will include the development of standards, and a quality assurance best practice guide for FRSs will be delivered by September 2009.
- 8.47** The NAO observed that the outcome of the review of the calculation of each indicator that is carried out by the lead analyst for both indicators is not recorded. Records setting out the outcome of the reviews of the calculation of the indicators by the lead analyst will be stored in a way that facilitates easy verification.
- 8.48** The NAO expressed concern that the Department has not undertaken a risk assessment of its arrangement for data collection, processing and analysis for indicators 6.1 and 6.2. Although a formal risk assessment has not been undertaken, the data source used for both indicators is a National Statistic and so is subject to a recognised level of verification processes. Enhancements to documentation were delivered in spring 2009, and this will be maintained.

- 8.49** As stated above, the first year of measurement against indicator 6.3 is from the CPA, with assessments under the CAA framework being expected to be available by the end of the 2009. The Department is discussing with the Audit Commission how best to make comparisons between FRAs' CPA scores and their future CAA scores for the purposes of DSO indicator 6.3.
- 8.50** Indicator 6.4 is measured using information included in highlight reports to the Fire and Rescue and Resilience Programme Board.

Chapter 9

Value for money



- 9.1** Communities and Local Government is committed to delivering value for money (vfm) and continuous improvement. The Department has a good track record delivering efficiency savings. Going forward, we aim to build on this success by continuing to deliver more from the resources available to us; by making best use of our assets; and by developing more efficient and effective ways of delivering our outputs and outcomes.
- 9.2** Comprehensive Spending Review 2007 (CSR07) set the Department a target to achieve £887m vfm gains by March 2011. We have plans in place to embed and build on our efficiency record and have identified opportunities to deliver vfm savings in the years ahead, to support delivery of the Government's priorities. Our plans for delivering vfm gains within the CSR07 period are detailed in Section 1 below.
- 9.3** The Department also has a target to relocate posts out of London and the South East of England (in response to the recommendations made by Sir Michael Lyons in his review of public sector relocation¹⁷³). Progress against this target is detailed in Section 2 below.

Section 1: CSR07 Value for money target

Definition:

To achieve £887m value for money gains by March 2011.

Overall progress:

Review currently in progress (see details below).

- 9.4** The Chief Secretary to HM Treasury launched the Operational Efficiency Programme on 3 July 2008. This programme forms a key part of the Government's drive to achieve greater efficiency savings across public spending. The findings of the year-long programme were published by HM Treasury on 21 April 2009¹⁷⁴. It concluded that there is scope for £15bn per annum of efficiency savings across the public sector by 2013-14 in back office and ICT, collaborative procurement and estates. The Department is fully engaged with the programme, with a view to contributing to these efficiency savings.

173 www.hm-treasury.gov.uk/lyonsreview

174 www.hm-treasury.gov.uk/d/oep_final_report_210409_pu728.pdf

- 9.5** During CSR07, Communities and Local Government identified ways to deliver further value for money savings worth £887m by 2010-11. This included:
- £734m through the supply of new affordable housing
 - £110m from the Fire and Rescue Service
 - £43m by reducing the cost of running the Department
- 9.6** Details of our plans within each of these initiatives are set out below. A description of our vfm programme, including how each initiative measures gains and quality, and monitors progress can be found in the Department's vfm delivery agreement published on our website¹⁷⁵.
- 9.7** All savings achieved on these programmes are available to be recycled, enabling improvement in key front line services. They are also sustainable (the result of considered change embedded in departmental business process); and reported net of investment and ongoing cost. We are not carrying forward any savings delivered in the 2004 Spending Review period (i.e. 2005-06 to 2007-08).

New Affordable Housing Supply – target to achieve £734m vfm gains by March 2011

- 9.8** The Department is aiming to achieve vfm savings within the New Affordable Housing Supply initiative by developing a competitive mixed economy of providers, seeking to maximise the private finance contribution and optimising the balance between planning gain and social housing grant. However, progress on delivery of affordable housing has been affected by the downturn in the housing market. We have had discussions with HM Treasury and are currently reviewing the impact of the changed market conditions on the new affordable housing value for money target. We will report to Treasury on progress in summer 2009¹⁷⁶.

Fire and Rescue Services – target to achieve £110m vfm gains by March 2011

- 9.9** Fire and Rescue Services vfm gains are being achieved by rolling forward the modernisation agenda in the Fire and Rescue Service. This includes actions such as the revision of shift patterns and crewing arrangements to release resources for reinvestment in Fire and Rescue Authorities (FRAs) to improve services and strengthen performance, reducing accidental fire deaths and deliberate fires.
- 9.10** As detailed in Chapter 8, from March 2009 efficiency savings delivered by FRAs will be published on council tax bills, providing further incentive and encouragement for FRAs to maintain progress against the national target of £110m vfm gains by the end of the CSR07 period.

175 www.communities.gov.uk/documents/corporate/pdf/668563.pdf

176 www.hm-treasury.gov.uk/d/vfm_2009update_pu787_230409.pdf

- 9.11** FRAs continue to report efficiency gains via Annual Efficiency Statements (AESs). Forward look AESs received in July 2008 indicated that FRAs are forecasting efficiency gains of approximately £35m for 2008-09 against an overall 2011 target of £110m. Full 2008-09 data for the Fire and Rescue Service will be available in mid July 2009 and will be set out in the 2009 Autumn Performance Report.

Administration – target to achieve £43m vfm gains by March 2011

- 9.12** The Department aims to deliver £43m vfm gains by March 2011 through specific programmes and developing a strategy to share corporate services across the wider Communities and Local Government group (i.e. Government Offices and Arms Length Bodies). The Department will implement further efficiencies on all administration budgets across the Department as well as through corporate projects to reduce overhead, such as the plan to rationalise and reduce the size of the London estate, which involves Communities and Local Government moving into a single London building – Eland House – by autumn 2009.
- 9.13** The key measurement of admin vfm gains will be to compare actual spend against our baseline (our 2007-08 outturn of £278m). The Department now has budgets in place which will help ensure that we achieve our target and monitor whether we are on track using our Integrated Performance Reporting system. We have strengthened our business planning process which has moved from a budgeting process to a rigorous review of priorities. The administration vfm initiative has delivered some savings over 2008-09. However, these savings have been offset against investment costs and therefore will not contribute to our overall vfm target.

Assurance and reporting

- 9.14** Most savings delivered in each of our three vfm initiatives are reported annually in arrears and data within each are available at different times of the year. The annual nature of our programme means that we do not yet have full vfm data for the first year of the programme. Details of our 2008-09 achievements will be provided in the 2009 Autumn Performance Report.
- 9.15** Our Internal Audit team have undertaken a systems audit to provide the programme with assurance that the data systems for measuring and reporting vfm gains are sufficiently robust. Findings of the review were positive. The audit concluded that the processes and systems in place, particularly control, governance and risk management arrangements to capture Communities and Local Government vfm savings, are satisfactory and accord with available guidance.

Further vfm savings

- 9.16** The £887m package of savings identified during the CSR07 period detailed above is a stretching and ambitious target, particularly given the changed housing market and broader economic conditions. However, the Department recognises that it is important that new opportunities to drive value for money are constantly sought

and is therefore engaged with the Operational Efficiency Programme and the Public Value Programme set up by Government to explore whether there is scope for additional value for money savings, including through learning from private sector best practice.

- 9.17** Following the early findings of these programmes, and a range of other work, Communities and Local Government has identified further reforms, which will deliver vfm savings in 2010-11 worth £100m in addition to the CSR07 target. Details of these savings have been published within the 2009 Value for Money Update document on the Cabinet Office website¹⁷⁷.

Section 2: Relocation target

Definition:

To relocate 240 Full Time Equivalent posts out of London and the greater South East by 2010.

Overall progress:

On course.

- 9.18** We have reported to date relocation of 220 posts at Quarter 4 2008-09 (end March 2009). These posts have been relocated as a result of new policy work being devolved to the Government Offices and some NDPB posts being moved out of London HQs, including English Partnerships, the Housing Corporation (both now the Homes and Communities Agency), the Audit Commission and the Standards Board for England. Locations include Leeds, Birmingham, Manchester, Nottingham, Newcastle and Bristol.


Plans

- 9.19** On current plans we expect to meet our target to relocate 240 posts out of London and the South East by 2010. The Department is committed to continually reviewing the location of existing activities and also the location of any new work for opportunities for locating posts out of London and the South East.

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Chapter 10 Managing our resources





We are ambitious
and creative

We act openly
and as one
department

We give people
the chance to
shine

We give people
a voice

Financial management

10.1 Making best use of our resources is an essential part of how we operate. Strong financial management is essential to securing best value for the public money we distribute and spend, and is even more important in the current economic conditions. We are responding in a number of ways, including a new drive on fiscal discipline; our work to ensure an efficient and effective future business model for the Department; actively engaging with the emerging HM Treasury value for money (VFM) and Operational Efficiency Programme (OEP) agenda; and benchmarking the performance of corporate services across our Government Offices and Arms' Length Bodies. We set out in this chapter how we are using our resources in the CSR07 period to deliver our objectives.

CSR settlement

10.2 The Comprehensive Spending Review (CSR) 2007 settlement set the departmental expenditure limits (DEL) for 2008-09 to 2010-11:

Table 5: DEL expenditure limits

£m	2008-09	2009-10	2010-11
Total Expenditure	11,314	11,825	12,155
Resource Expenditure	4,339	4,488	4,631
Of which			
Administration Costs	281	274	267
Capital Expenditure	6,975	7,337	7,524

Resource expenditure covers the costs of the Department's programmes and the administration costs that relate specifically to the running of the Department. Capital expenditure relates to investment in assets whether by the Department or elsewhere in the public sector.

Support for the housing market and Pre-Budget reports fiscal stimulus

10.3 As set out in Chapter 2, the Department made a series of interventions in 2008-09 to support the housing sector in response to the economic downturn.

- In September 2008, Ministers announced a £1bn package of measures to support the housing market in England, largely by bringing forward capital expenditure from 2010-11 to 2008-09 and 2009-10.

Table 6: September housing package

Support for the housing market – September Housing Package (£m)

Expenditure	2008-09	2009-10	2010-11	Total
Support for Mortgage Interest	0	40	55	95
Total Resource	0	40	55	95
Mortgage Rescue	50	100	55	205
HomeBuy Direct	50	250	0	300
Social Rented Housing	100	300	0	400
Total Capital	200	650	55	905
Total Capital and Resource	200	690	110	1,000

Funding	2008-09	2009-10	2010-11	Total
Regional Development Agencies	0	-25	-275	-300
Other Capital	0	0	-300	-300
Social Rented Housing	0	0	-400	-400
Total Capital	0	-25	-975	-1,000

- In the Pre Budget Report 2008, Ministers announced further plans to bring forward £775m of housing and regeneration spending to support the construction industry in 2008-09 and 2009-10.

Table 7: Pre-Budget Report

Pre-Budget Report (£m)

Programme	2008-09	2009-10	2010-11
Decent Homes	130	120	-250
Social Rented Housing	0	150	-150
Regeneration – Community Infrastructure Fund	20	0	0
Homes and Communities Agency Regeneration Programmes	0	80	-100
Regional Development Agencies	0	100	-100
Major Repairs Allowance (AME)	0	175	-175
TOTAL	150	625	-775

- In the Budget Report, the Stalled Sites Fund will support Gap Equity, HomeBuy Direct, social housing, and intermediate housing. Housing environment package comprises of social housing cavity wall insulation (£55/29m in 2009-10/10-11) and District heating (£21/0m); and £50m borrowing cover is available to supplement local authority funding for social housing.

Table 8: Budget Report**Budget Report (£m)**

Programme	2009-10	2010-11
Stalled Sites Fund	320	80
Local Authority fund social housing	15	35
Mortgage Rescue Scheme	40	40
Repossessions Prevention Fund (resource)	20	0
Housing environment package	76	29
TOTAL	471	184

Notes

£200m of funding for affordable housing has been re-profiled from 2009-10 to 2010-11 to smooth investment over both financial years. This was agreed following the 2009 Budget to allow a more even distribution of funding between years whilst retaining a sizeable fiscal stimulus in 2009-10.

Table 9: Revised overall budgets

The table below shows the revised overall budget for 2008-09 and planned expenditure for 2009-11 after taking into account the changes made for the housing package as announced in September 2008 and the budget reports adjustments (see tables above).

£m	2008-09	2009-10	2010-11
Total Expenditure	11,707	13,168	10,807
Resource Expenditure	4,380	4,545	4,459
Of which			
Administration Costs	291	273	266
Capital Expenditure	7,327	8,623	6,348

Notes

Figures reflect Machinery of Government changes; £30.6m for the Restoration Fund for flood recovery; £9.8m to ensure budget neutrality over CSR period for the Homes and Communities Agency and reductions of £100m for efficiency savings and £35m for council rents. They also exclude £40m in 2009-10 and £40m in 2010-11 capital for the Mortgage Rescue Scheme and £20m in 2009-10 for Repossessions Prevention Fund pending receipt of these amounts under End of Year Flexibility rules.

The figures do not reflect changes that will be made to support the £1.5bn Housing Pledge announced in Building Britain's Future on 29 June 2009. Funding will be drawn from reprioritising CLG funded programmes and through access to anticipated underspends from other Government Departments. Full details will be announced to parliament in due course.

Expenditure against main Departmental Strategic Objectives

10.4 Our vision is to create places where people want to live, work and raise a family. Six Departmental Strategic Objectives have been developed, establishing the framework for delivering this aim in the current Spending Review period. Table 10 below shows how the Department is directing its resources to achieve these objectives.

10.5 The relationship between the new Departmental Strategic Objectives and the former Public Service Agreement targets was set out in the Annual Report 2008, table 10.4¹⁷⁸.

Table 10: Spending against main Departmental Strategic Objectives

Departmental Strategic Objectives		2007-08 Actual £m Re-stated as CSR07	2008-09 Forecast Outturn £m CSR07	2009-10 Plans £m CSR07
1	To support local government that empowers individuals and communities and delivers high quality services efficiently	771	1	2
2	To improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy	6,795	7,543	8,965
3	To build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation	1,930	2,241	2,467
4	To develop communities that are cohesive, active and resilient to extremism	28	33	98
5	To provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change	177	196	273
6	Ensuring safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies	264	332	314
Other expenditure		328	1,052	1,049
TOTAL		10,293	11,398	13,168

Figures include administration costs

178 www.communities.gov.uk/documents/corporate/pdf/05.pdf p.139

Notes on forecast spending in 2008-09

1. **Supporting local government:** This includes spending on Capacity Building and Efficiency Improvement in Housing (formerly named Efficiency Improvement in Local Government) (£1m). This programme is in the wrong DSO category and it is better placed in DSO2. We will amend this at the next Supplementary Estimates. The drop in spend from £771m (resource and capital) in 2007-08 relates to Local Area Agreements (LAA) because the programme (which was a pooling of many different types of grants paid in one monthly amount to each local authority) ceased in March 2008 and was replaced by the Area Based Grant (ABG) in April 2008, on a non-ringfenced basis and now included in the Other Expenditure line.
2. **Improving the supply and quality of housing:** This includes the majority spending on Homes and Communities Agency (£3,904m), Supporting People (£1,690m), Arms Length Management Organisations (£896m), Local Authority Supported Capital Expenditure (£272m) and Regional Housing Pot (£347m).
3. **Building prosperous communities, promoting regeneration and tackling deprivation:** This includes spending on Regional Development Agencies (£1,554m), New Deal for Communities (£234m), the London Olympics 2012 (£357m)¹⁷⁹, Local Enterprise and Growth Initiative (£24m), and Regional Monitoring and Digital Inclusion (£10m).
4. **Developing communities that are cohesive, active and resilient to extremism:** This includes spending on Community Policy for Cohesion and Faiths, Research and Race Equality and Diversity (£16m) Community Empowerment (£12m) and Tackling Extremism (£5m).
5. **Providing a more efficient and transparent planning system:** This includes spending on Housing and Planning Delivery Grant (£101m), E-Planning (£10m) and Implementing Planning Reform (£15m).
6. **Ensuring safer communities:** This includes spending on Fire and Rescue Services Improvement (£11m), Fire Credit Approvals (£62m), New Dimension (£52m – resource), Control Rooms (£123m – resource and capital) and Firelink (£41m – resource).
7. **Other Expenditure:** This includes a majority of spending on Area Based Grant (£645m), European Regional Development Fund (ERDF) (£102m) and the Administration Costs of the central Department and the Government Offices (£265m). The ERDF expenditure is recorded here as it is used by the nine English regions to fund a range of activities that contribute toward the achievement of the Department's DSOs. All of these projects are delivered by local authorities.

Resource budget

- 10.6** The Department's forecast outturn for resource spending in 2008-09 was £4,008m, compared with £3,945m in 2007-08 and £3,334m in 2006-07 (restating figures following Machinery of Government changes). This excludes spending on administration, details of which are set out below. The main spending was on the Supporting People programme, Area Based Grant, Homes and Communities Agency and support for RDAs.

179 To enable the Olympics Development Agency to progress with the construction of the Olympic Park, venues and associated facilities such as the Olympic Village

Table 11: Main Programmes Resource Spending 2006-07 to 2010-11

Programme	2006-07 Actual £m	2007-08 Actual £m	2008-09 Forecast Outturn £m	2009-10 Plans £m	2010-11 Plans £m
Supporting People	1,733	1,739	1,690	1,676	15* ¹
Area Based Grant	0	0	645	674	2,240
Local Area Agreements	49	701	0* ²	0	0
Regional Development Agencies	603	600	589	575	561
Homes and Communities Agency	0	0* ²	244	281	281
English Partnerships	121	99	0* ³	0	0
Housing Corporation	50	52	0* ³	0	0
New Deal for Communities	153	136	107	87	43
Homelessness and Housing Reform	71	73	76	78	103
Housing and Planning Delivery Grant	97	86	68	135	200
New Dimension	48	53	52	51	51
Planning Inspectorate (PINS)	50	46	50	47	46
Firelink	9	20	41	60	26
Control Rooms	16	28	39	56	46
Thames Gateway and Other Growth Areas (inc eco towns)	23	33	32	32	33
Implementing Planning Reform	8	8	15	53	52
Other Programmes	303	271	360	466	495
Total Resource	3,334	3,945	4,008	4,271	4,192

Figures exclude Administration costs.

Notes

1. In 2010-11 Supporting People programme forms part of the Area Based Grant.
2. The drop in spend from £701m in 2007-08 to zero in 2008-09 for Local Area Agreements (LAA) is because the programme (which was a pooling of many different types of grants paid in one monthly amount to each Local Authority) ceased in March 2008 and was replaced by the commencement of the Area Based Grant (ABG) in April 2008, on a non-ringfenced basis.
3. Forecast outturn is zero for the Housing Corporation and English Partnerships in 2008-09 because although they were in operation until December 2008 merger accounting rules dictate that the Homes and Communities Agency is deemed to have been in existence for the entire financial year meaning that the accounts of the two organisations are subsumed into those of the new organisation.

Capital budget

10.7 The Department's forecast outturn for capital spending in 2008-09 was £7,125m, compared with £6,070m in 2007-08 and £5,431m in 2006-07. This included direct capital expenditure (e.g. the acquisition of assets) as well as capital grants to local authorities and the private sector. The main areas of spending were the Homes and Communities Agency, Arms Length Management Organisations (ALMOs), and support for RDAs.

Table 12: Main Programmes Capital Spending 2006-07 to 2010-11

Programme	2006-07 Actual £m	2007-08 Actual £m	2008-09 Forecast Outturn £m	2009-10 Plans £m	2010-11 Plans £m
Homes and Communities Agency	0	0	3,660	4,937	3,688
Housing Corporation	1,920	2,005	0	0	0
English Partnerships	158	199	0	0	0
Housing Market Renewal Fund	283	372	0	0	0
Gap Funding	30	80	0	0	0
RDA and LDA	961	989	965	916	543
Arms Length Management Organisations	782	926	896	896	509
London Olympics 2012	0	0	357	552	425
Regional Housing Pots	388	437	347	422	377
Local Authority Supported Capital Expenditure	341	312	272	269	259
Disabled Facilities Grant	118	137	149	158	169
New Deal for Communities	102	118	127	92	22
Thames Gateway and Other Growth Areas (inc New Growth Points and Eco-Towns)	194	280	88	103	116
Fire Credit Approvals	58	58	62	69	71
Housing and Planning Delivery Grant	31	27	33	0* ¹	0
Other Programmes	65	130	169	209	169
Total Capital	5,431	6,070	7,125	8,623	6,348

*Figures exclude Administration costs

Notes

1. The above figures take account (for all years) of machinery of government changes i.e. are all stated based on present functional responsibilities. The Homes and Communities Agency (vested in December 2008) took on the capital investment functions of the Housing Corporation and English Partnerships and, in addition, inherited a number of housing and regeneration programmes from Communities and Local Government (including the Housing Market Renewal Fund and Gap Funding). Under merger accounting rules, the HCA is deemed to have been in existence for the whole financial year.
2. The Housing and Planning Delivery Grant has zero budget for 2009-11 as it no longer contains a capital element following a change in its strategic emphasis.

Administration budget

10.8 In common with other departments, the Department's administration budget is set to decline over the CSR07 period by 5 per cent per annum in real terms. The estimated outturn for net administration costs for 2008-09 is £265m, of which £17m is non-cash accounting charges. The total figure includes £114m expenditure by the Government Offices (GOs) for the regions. This compares with final outturn of £278m in 2007-08, of which £119m was expenditure by the GOs. More information can be found in Table 5 at Annex C.

Consultancy spending

10.9 Our procurement strategy for consultants continues to adhere fully to the Office for Government Commerce's (OGC) framework contracts (Catalist). During 2008-09, we have continued to implement the OGC Consultancy Value Program and achieved progress against performance benchmarks established by the National Audit Office.

10.10 Our work to improve commercial management capability has started to yield additional benefits and savings. Improved information and analysis, together with a focus on our most significant contractual relationships, has enabled us to improve cost and risk management. Alongside this, a new cross-functional category team will support the sharing of best practice and further performance improvement going forward. The procurement function is now proactively engaged and adding commercial value at an earlier stage on key projects.

10.11 Human resources approval is required for all staff substitutes or interim appointments. Finance Director and Permanent Secretary or Ministerial approval is required for all non-competitive procurements of any external professional service with a likely value in excess of £50,000, as well as competitive procurements of external professional services with a likely value in excess of £250,000.

10.12 The figures reported in table 13 below show a £7.5m increase in consultancy and professional services spend compared to that reported for 2007-08. Significant contributors to the total cost include: £1.9m to support the delivery of the Homeowners Mortgage Support scheme; and £8.5m to support the FiReControl project.

Table 13: 2008-09 Provisional outturn spending on consultancy, professional services, and agency staff**2008-09 : Consultancy / Professional Services (£m)**

	Administration Expenditure	E Planning / E Business expenditure	Programme Expenditure
Central Department	8.6	2.1	28.1
Planning Inspectorate	0	0	1.1
QEII Conference Centre	0	0	0
Fire Service College	0	0	0.5
Ordnance Survey	0	0	0.9
Government Offices	3.2	0	0
Total	11.8	2.1	30.8

2008-09 : Agency Staff / Staff Substitution / Interim Management (£m)

	Administration Expenditure	E Planning / E Business Expenditure	Programme Expenditure
Central Department	6.2	1.9	14.2
Planning Inspectorate	0	0	2.6
QEII Conference Centre	0	0	0
Fire Service College	0	0	0.3
Ordnance Survey	0	0	6.2
Government Offices	3.9	0	0
Total	10.1	1.9	23.3

Procurement Capability Review

10.13 Following publication of the OGC Procurement Capability Review findings in 2007, we have worked to address the specific areas shown as requiring improvement. An annual stocktake review by OGC in November 2008 concluded that we have made positive and encouraging progress, though there is still work to do. Key achievements since the 2007 Review included:

- the adoption of the Department's Commercial Strategy which defines the way the entire department will procure goods and services
- the appointment of a new Head of Procurement
- increased collaborative procurement and benchmarking across our arms length bodies
- adoption of a category management approach starting with IT, estates, consulting/research and travel

- greater levels of visibility
- engagement with major programmes and enhanced insight into our management information trends, savings and supplier performance.

10.14 The procurement function is now proactively engaged and adding commercial value at an earlier stage on key projects.

Departmental approach to asset management

10.15 The main aim of the Department's asset management is to ensure that appropriate fixed assets are held to meet departmental objectives. All assets are treated in accordance with the following consistent underlying principles:

- ensure assets are retained in the public sector only where it is effective and efficient to do so
- actively explore the scope for securing greater value from assets, including through innovative techniques, information technology, sharing of assets, outsourcing and public private partnerships
- maintain the Department's asset base in the condition necessary to meet its objectives
- maintain, either directly or through bodies sponsored by the Department, firm management of assets, including strategies for disposing of assets that are not needed for delivering services
- continue to investigate incentives, such as hard charging, to achieve better utilisation of assets

10.16 One example of our approach is our central London headquarters estates strategy where, over the last two years, we have vacated three of the five buildings (we lease our headquarters buildings). As mentioned in Chapter 9, we will consolidate into a single building by the autumn of 2009.

10.17 As part of the 2007 Comprehensive Spending Review, the Department was required to produce an asset management strategy document which was published on our website¹⁸⁰ in March 2009.

Human resources

10.18 Our approach to staff management is underpinned by the four Departmental values we developed with our staff and launched in May 2008:

- We are ambitious and creative
- We act openly, and as one department
- We give people the chance to shine
- We give people a voice

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- 10.19** During 2007-08 we have extended our talent management and succession planning to cover staff in the management tiers immediately below the senior civil service, to help us ensure that we have the talent pipeline which we need to meet future challenges. This year also saw the launch of our Pairing for Performance programme. This is a form of reverse mentoring with upward feedback being given by more junior staff to the senior civil service staff members involved. We also completed the first programme of internally qualified professional coaches. This provides a valuable resource to the Department in supporting staff who require one to one coaching without the need to bring in external coaches.
- 10.20** We have continued to deliver two day programme and project management (PPM) training for SEOs to Deputy Director level, the second tranche of which finished in March 2009. Since November we have also been delivering a one day PPM Fundamentals Course for EOs to Grade 7. The next tranche of both of these programmes will commence in July 2009 with the overall objective of 50 per cent of the Department at EO-Deputy Director level having completed this training by the end of 2009.
- 10.21** We have invested in a range of learning and development opportunities. These have included workshops for managers and staff looking to improve their basic management skills, a performance management process e-learning module and the implementation of an enhanced 360 degree feedback tool. Our HR specialists continue to work with colleagues to educate them on how to deal effectively with and minimise grievances and disputes over performance.
- 10.22** We were commended by the Government Skills Peer Panels for our work on the Skills Pledge which formed part of our Skills Strategy. We are committed to ensuring 95 per cent of our workforce are qualified to at least NVQ Level 2 by 2011. A Volunteering Strategy was launched in the autumn and this was supported by a Volunteering Fair in June 2009.
- 10.23** Each of these activities is reflected in our new Learning and Development strategy which sets out a stronger and more strategic training offer. The new strategy will offer a wider and more flexible range of support, providing a more equitable range of opportunities across all grades designed to build leadership and management skills throughout the Department and to meet skills and knowledge gaps.
- 10.24** In autumn 2007 and again in February 2009 our Grade 6 and 7 management cadre took part in a pilot employee engagement survey. The aim of the survey, which will be repeated across the whole civil service in autumn 2009, is to allow departments to measure employee opinion consistently and to understand and act on key drivers of employee engagement. In 2009, we performed better than the survey average on 46 of the 68 questions; and, out of 40 comparable questions, 28 showed a statistically significant improvement between 2007 and 2009. 84 per cent of respondents to the 2009 survey agreed that they were treated with fairness and respect, 69 per cent that their performance was evaluated fairly and 85 per cent that their line manager was open to their ideas and suggestions for change.

In all cases, these results showed the highest level of positive staff responses to these questions in the 11 civil service organisations taking part. Additionally, there was a 19 points increase, to 56 per cent, in those who felt it was safe to speak up and challenge the way things were done in the Department. However, only 21 per cent of those responding to the 2009 survey agreed that change was well managed in the Department and 56 per cent felt that the Department was too lenient with poor performers. Our results from the 2009 survey have been aggregated into an overall employee engagement index of 45 per cent, which is 2 per cent lower than the average employee engagement for all the departments taking part in the survey. Nonetheless, this is a significant improvement on the 2007 survey.

- 10.25** We are seeking continuous improvement in staff engagement. To develop a culture where people have the freedom and confidence to speak up and be heard, we improved the transparency of our decision-making through events enabling staff to 'Meet the Board'. Local 'Making it happen' Action Plans have provided a focus for addressing barriers to living our values within Directorates and Teams, while the Board has published its own values action plan against which a cross-grade group of staff will hold the Board to account.
- 10.26** We had been keen to measure the impact of Making it happen and two surveys have been run to look specifically at how we are living our values. The first survey took place in August and September last year. In the second survey, in April this year, staff satisfaction with each of the values had increased and there was a statistically significant improvement for 11 out of the 18 indicators. In autumn 2008, we undertook a short staff survey to gauge progress on key measures of staff engagement and satisfaction. Overall, the results were encouraging. 78 per cent agreed that "My line manager is open to my ideas and suggestions for change" compared to 75 per cent in 2007. 50 per cent agreed that "I am proud to work for the Department" compared to 44 per cent in 2007. However, the survey also highlighted performance management, change management and openness to challenge as areas for the Department to continue to address.
- 10.27** We are committed to improving staff health and wellbeing, improving management information on sickness absence, better managing absence when it does occur and promoting healthy living. In autumn 2008, in partnership with the Health and Safety Executive, we undertook a health and wellbeing survey to identify areas where we needed to improve our approach to wellbeing and to identify potential causes of stress. The results were compared against the HSE's benchmark organisations. The Department compared favourably in relation to staff feeling in control of their work (rated better than average) and in change being well managed within teams (rated in or near the top 20 per cent). However, there was room for improvement in relation to staff feeling they had too many demands placed upon them (rated below average), and around managers providing support to staff including giving encouragement at work (rated in the bottom 20 per cent). We are addressing these issues as we move our wellbeing agenda forward.

- 10.28** While we have been encouraged by survey scores on the extent to which staff feel they are treated with fairness and respect, we are not complacent. We have relaunched the Harassment Contact Officers Network, providing a confidential support mechanism for staff who may wish to discuss matters on an informal basis to explore how they may wish to tackle a particular situation. Our staff counsellors have also reissued their publicity leaflets to let staff know that there are trained counsellors available to offer support. We have introduced databases for both our HR Advisers and staff counsellors so that we can track and report on individual and aggregate instances of inappropriate behaviour. Further, HR have trained a number of staff as mediators who will be important in helping to prevent the escalation of workplace disputes, including those relating to allegations of bullying and harassment.
- 10.29** We have been active in pursuing our policy of promoting equality and diversity in the Department. We ran an Equalities Month in November, which raised awareness amongst staff of the Department's work and commitment to equalities, whilst also raising our profile across Government. Following the success of Equalities Month in November, diversity data completion rates on our internal systems have increased to 82 per cent, a figure we are keen to build on.
- 10.30** We have been taking steps to deliver a more streamlined service to our staff. Slimmed down human resources teams have been realigned to focus on the development of HR strategies and policies to support business change. We have built capacity for succession planning and strategic resourcing and these teams are also providing corporate services such as recruitment at the most senior level and management of our fast stream. Alongside this we have introduced a career transition centre to help equip and redeploy staff whose jobs have disappeared through restructuring within the Department. We have also restructured our HR Helpline which is supported by new technology which will allow us to track individual queries and identify areas for service improvement.

Recruitment

- 10.31** The table below sets out a breakdown of recruitment by type of appointment and diversity. Vacancies are usually advertised to existing staff in the Department first. 36 per cent of vacancies were subsequently advertised across the civil service, while 11.2 per cent of vacancies were openly advertised nationally. In addition, specific recruitment exercises were conducted for Private Office support staff and for Deputy Directors.

Table 14: Recruitment by grade

Grade	Non-civil servants	Fixed term appointments	Permanent	Casual	Women	Black and minority ethnic	Disabled
Pay band EM1	0	0	0	0	0	0	0
Pay band 2	1	0	20	3	15	5	0
Pay band 3	0	12	33	5	30	8	1
Pay band 4	0	4	70	6	41	13	6
Pay band 5	0	0	37	1	15	7	1
Pay band 6	0	4	57	2	33	5	1
Pay band 7	0	1	13	0	6	0	1
SCS	0	3	19	0	4	1	3
Totals	1	24	249	17	144	39	13

Notes:

1. Refers to staff recruited from 1 January to 31 December 2008. Excludes staff transferred in with transfer of functions, secondments and loans. Figures are based on full time equivalents and may not sum exactly due to rounding.
2. Casual staff are employed for short periods of up to 12 months to fill a particular vacancy or to undertake a particular piece of work.
3. Ethnicity and disability information is provided voluntarily and was available for around 60 per cent of recruits at the time of joining the Department.

10.32 The table below gives instances where the civil service recruitment code was not used. These were predominantly secondments where staff with particular expertise were brought into the Department for specific periods of time to assist delivery or seconded out to gain critical skills required by the Department.

Table 15: Exceptions to the Civil Service Recruitment Code

Category	Number
Casual appointment extended over 12 months	2
Recurrent short-term appointments	0
Short-term appointments where highly specialised skills requested	0
Conversion of short-term appointments to permanency (or extended beyond publicised period)	0
Inward secondments	42
Outward secondments	40
Extension of secondments	0
Re-appointments of former civil servants	9
Transfer of staff with work	0
Transfer of staff from other public services without work	0
Surplus acceptable staff	0
Disabled candidates	0
Exceptions reserved for the Commissioners	0

10.33 There are 137 SCS staff (including the Permanent Secretary). The table below refers to staff who are currently on our payroll excluding staff on unpaid leave. 5 SCS staff are not paid by the Department and are therefore not included in the table. Pay bands are from SCS PB1 (Deputy Director) to SCS PB3 (Director General) and pay ranges from £57,300 to £174,633 with an average of £80,084.

Table 16: SCS Salaries

Salary band	Number
£55-60,000	17
£60-65,000	20
£65-70,000	20
£70-75,000	21
£75-80,000	7
£80-85,000	8
£85-90,000	7
£90-95,000	5
£95-100,000	4
£100,000+	23
Total	132¹⁷⁸

Notes:

Based on head count (not FTE) as at 31 March 2009, not including the Permanent Secretary.

Table 17: Number of SCS by payband

SCS by pay band	Number
SCSPB1	104
SCSPB1A	1
SCSPB2	27
SCSPB3	4
Permanent Secretary	1
Total	137

Note:

Based on head count (not FTE) as at 31 March 2009. Includes staff on paid leave, inward secondment, inward loan and outward secondment. Excludes staff on unpaid leave and outward loan.

181 5 staff have no salary recorded as they are not paid from the Department's pay roll. These consist of inward secondees and staff on loan who have not transferred onto our payroll. Includes staff on paid maternity leave. Excludes staff on unpaid leave and outward loan.

Communications staff

10.34 As at 31 March 2009, there were 76 staff (74.6 full-time equivalents) employed within the Communications Directorate of which 20 are press officers. Details of departmental communicators are published in the White Book, available from Central Office of Information and updated quarterly. In addition, some communication tasks are carried out within policy teams.

Analytical staff

10.35 As at 31 March 2009, the Department had 176 analyst posts (8 per cent of Departmental head count). This included 54 statisticians and statistical officers, 51 social researchers, 44 economists, 18 physical scientists and engineers, 4 operational researchers and 5 geographers.

Occupational Health and Safety

10.36 Health and safety management responsibilities are discharged via the health and safety team in the working environment division. There is also a Health and Safety Committee that meets at least twice yearly.

10.37 A health and safety policy for Communities and Local Government was issued on 12 June 2006. The Department has achieved and retained certification to OHSAS18001 Health and Safety Management System, which will ensure that the health and safety policy is both implemented and audited. In addition it has introduced twice yearly health and safety forums for all staff involved in health and safety matters, including staff from HQ areas, the agencies and the Government Office Network.

10.38 During the 2008-09 there have been 8 accidents or incidents that are reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. In total there were 47 accidents: 32 accidents to staff; 14 to contracted staff and 1 to a visitor. In addition, 4 accidents happened to staff out of the office, 7 near misses were reported and 7 people were taken ill.

Analysis and research

10.39 As set out in Chapter 2, we have continued to embed evidence and analysis throughout the Department. Analytical activity across the department is overseen by three key governance and delivery groups:

- **Evidence Strategy Group (ESG):** Headed by the Director General for Corporate Services, ESG coordinates and scrutinises in-house analysis and external research across the department. Reporting to the Board Executive it sets the strategic direction and priorities for analytical work and takes decisions on resources and research programmes.

- **Analyst Quartet:** Headed by the Chief Analyst, the Quartet supports the ESG by dealing directly with day-to-day issues. The Quartet comprises the four heads of analytical professions and raises any issues which require input from senior policy colleagues to the ESG.
- **Heads of Analytical Units:** Heads of units meet regularly to draw on each other's experience and expertise, discuss key issues and share success across the analytical community. They act as a sounding board for initial proposals to the Analyst Quartet.

10.40 We have continued to build on our progress in 2007-08 with further improvements to our analytical capability, including the establishment of a flexible analyst pool and a Spatial Analysis Unit. In September 2008 the Department held its first Analysis and Delivery Week, attracting over 500 participants. The events involved a number of well-attended seminars and workshops organised around delivery of our Departmental Strategic Objectives and an awards ceremony hosted by the Permanent Secretary to recognise the successful use of analysis and delivery in policy teams. We plan to hold a further month in autumn 2009.

Research programmes

10.41 The following table sets out total research spend in 2008-09 by DSO

DSO	OutTurn £,000	% Split
DSO 1	£1,460	6.1%
DSO 2	£13,071	54.5%
DSO 3	£1,673	7.0%
DSO 4	£3,321	13.9%
DSO 5	£648	2.7%
DSO 6	£3,110	13.0%
Cross-Cutting	£683	2.8%
Total	£23,967 ¹⁸²	100.0%

10.42 Notable new projects in 2008-09 included:

- **Participatory budgeting** – evaluation to inform future policy on empowerment
- **Fire and Resilience;** studies on response times and on Integrated Risk Management Planning
- **Citizen information** – to support the empowerment agenda by providing clear guidance on national and international good practice
- **2009-10 Citizenship Survey** – commissioning and development of survey
- **Flood performance of buildings** – investigating effects of flooding on structure of buildings, their services and drainage systems

¹⁸² Figure rounded up. Exact figure is £23,966,914.

- **Cumulative impacts of regulation of house building** – to assess the impact of requirements/regulations on the viability of residential development
- **Migration** – drivers of international migration to the UK and the regions

10.43 A Research Gateway was introduced in April 2008 to scrutinise all new research proposals over £100,000. The Gateway helps achieve value for money and provides challenge and scrutiny across research programmes.

10.44 We invite our key external stakeholders to research and statistics seminars so that our findings are communicated widely. The online Research Database holds information on all research programmes and their associated projects, live or commissioned on or after 1 November 2002. The information includes details such as aims, objectives, costs, and responsible officer for all projects. As projects progress it includes more details about progress and data on the results and evaluations of completed projects¹⁸³.

Better regulation

10.45 In the current conditions, it is essential that we continue to apply better regulation principles throughout our activities and ensure that we balance the benefits of new measures with the costs (and in particular those to business). Throughout the year, we have continued to review the impacts of new measures, and have delayed introduction – including for Community Infrastructure Levy and some changes to building regulations – where a change of timing would reduce the impact on business without significant detriment to the benefits.

Impact assessments

10.46 The Chief Economist sign off process of impact assessments is now fully embedded within the Department. This ensures that Impact Assessments do not go for ministerial signature until the Chief Economist has considered them. Together with the increased support from the Better Regulation Unit and analysts in the policy development process, this has helped to drive a further improvement in the overall quality of our impact assessments.

10.47 We have also continued in our training sessions for staff on aspects of the impact assessment process, with around 100 staff having undergone training this year. This has included targeted training for project teams, which has helped them to build impact assessment into their project plans from the outset.

Post Implementation Review

10.48 The Department is committed to Post Implementation Review to check whether new policies are having the desired impact, and enable changes to be made where necessary. For example, we commissioned an independent evaluation of the impact that the Regulatory Reform (Fire Safety) Order 2005 has had on 'responsible

¹⁸³ Information held on the Research Database can be found at: www.rmd.communities.gov.uk/

persons' (mainly businesses and premises owners) as well as on the Fire and Rescue Service and the fire industry. This was a snapshot evaluation of how the Order is bedding in after 18 months with these sectors, and was published in March 2009¹⁸⁴.

- 10.49** The evaluation found that larger enterprises both recognised and welcomed the shift in responsibility for fire safety, seeing it as a logical extension of the duty of care they perform in other safety related areas. However awareness of the legislative change – and more importantly, the compliance duty – appeared to remain patchy among smaller businesses, and we will be working with stakeholders to address this over the coming year. The evaluation will form the basis for a longer term full evaluation of the impact of the Order, within the next 3-5 years.

Common Commencement Dates

- 10.50** The Department committed itself to the Common Commencement Date initiative from the beginning of 2006. Under this, regulation impacting on business will normally come into force on either 6 April or 1 October. We have continued to provide annual statements detailing intended coming into force dates for all forthcoming new and amended regulation which directly affects business, with updates each autumn. The most recent statement was published in January 2009¹⁸⁵.

Consultation¹⁸⁶

- 10.51** During 2008 Communities and Local Government issued 43 public consultations, all of which lasted for 12 weeks or more and were compliant with the Government's Code of Practice on Consultation. In addition we issued a further 11 technical consultations with local authorities, Fire and Rescue Authorities or local planning authorities. We have also adopted the revised Government Code of Practice on Consultation¹⁸⁷, published in November 2008.

184 www.communities.gov.uk/publications/fire/regulatoryreformorder

185 www.communities.gov.uk/publications/corporate/regulations2009

186 Details of consultations are for the calendar year. This maintains consistency with previous year's reports which were aligned with the Cabinet Offices' own annual assessment of consultation performance.

187 www.berr.gov.uk/files/file47158.pdf

Best practice example – Mobile Homes Act consultation¹⁸⁸

Section 318 of the Housing and Regeneration Act 2008 removed the exclusion of local authority Gypsy and Traveller sites from the Mobile Homes Act 1983.

During the passage of the Bill through Parliament the Gypsy and Traveller Unit sent out letters to residents on local authority Gypsy and Traveller sites, site managers and local authority Chief Executives telling them about the proposals in the Bill and inviting them to a series of consultation events to explain the Mobile Homes Act.

The events, held in Cambridge, London, Manchester, Nottingham, Bristol, Guildford and Bradford during the winter of 2007-08, were attended by local authorities and Gypsies and Travellers and their representative organisations. Concerns were raised at these events about the impact some of the provisions in the Mobile Homes Act could have on local authority Gypsy and Traveller sites.

Feedback from the events informed the consultation: *Implementing the Mobile Homes Act on local authority Gypsy and Traveller sites* which proposed some amendments to the Mobile Homes Act for local authority Gypsy and Traveller sites. The consultation was published in September 2008 and sent out to all local authorities in England and 25 Gypsy and Traveller stakeholder groups; it was also made available as an audio version and put on the Communities of Practice website Gypsy and Traveller Knowledge Network. Copies were taken out direct to Gypsy and Traveller sites by members of the Regional Implementation Team and made available at the Unit's regular stakeholder meetings.

Simplification and Administrative Burdens Reductions

- 10.52** The Administrative Burdens Measurement Exercise estimated that, as at May 2005, the Department placed an administrative burden on business, charities and the voluntary sector of £2.5bn per annum. We have committed to reducing this burden by 25 per cent (£621m) by May 2010.
- 10.53** In December 2008 we published a simplification plan update¹⁸⁹ showing the latest progress towards our 25 per cent target. This reported that, based on current information, we are projected to deliver savings of 26 per cent against target, and have already achieved indicative savings of £369m (15 per cent). The key initiatives to deliver these savings are set out below.
- 10.54 New Competent Persons Schemes:** Over 1.2m pieces of electrical work a year are now certified by "competent persons" rather than having to go through building control inspection, saving around £110 per check. Together with other new Schemes which have been introduced, this is delivering annual savings of £136m against the administrative burdens baseline.

188 www.communities.gov.uk/archived/publications/housing/implementingmobilehomesact

189 www.communities.gov.uk/publications/corporate/simplificationplan2008

- 10.55 Delivering Electronic Capability and Increased Consistency in the Planning System:** A number of reforms have been introduced to e-enable the planning system and improve consistency, making applying for planning consent much simpler in many cases. This is projected to save businesses nearly £119m annually by May 2010, with over £50m per annum saved by October 2008.
- 10.56 Householder Developments Consents Review:** Introduced in October 2008, this has removed the need to apply for planning permission for certain minor householder developments including many extensions and loft conversions. Around 80,000 applications a year will be removed from the system, and business is expected to save nearly £68m annually by May 2010. It will also save householders money and free up local planning authority resources.
- 10.57 Repeal of Section XI of the Housing Act 1985:** This was repealed and replaced by a licensing scheme for Houses in Multiple Occupation (HMOs), under the Housing Act 2004. Although the new scheme is more onerous for those it applies to, it is better targeted and affects far fewer HMO managers. Repeal of Section XI saved £207m against the baseline, although this is partially offset by £87m costs from the new regulations.
- 10.58 Killian/Pretty Review:** As set out in Chapter 7, this end to end review of the planning application reported in November 2008. The review estimated that, if implemented, its recommendations could yield savings for applicants of around £150m per year, with savings for local planning authorities and the wider economy of a further £140m. In response to the recommendations the Government has set out an ambitious programme of measures in March 2009 to improve the planning application process, and we expect £52.5m administrative savings to business by the May 2010 target date.
- 10.59 Public and third sector:** The Simplification Plan sets out details of initiatives which could save the public sector around £250m annually by May 2010 (including an estimated £100m saving from unitary restructuring). The Simplification Plan¹⁹⁰ also lists 56 datastreams that were removed from 1 April 2008, thereby reducing the local authority reporting burden. The Department has also been working with the Local Better Regulation Office (LBRO) to improve the local authority regulatory services system, including its forthcoming guidance on using regulation to support businesses to address the challenges of the current economic climate.
- 10.60** We have taken forward our commitment in the *Communities in control* white paper to deliver funding programmes for the third sector. In particular, the Empowerment Fund will support national third sector organisations and the Communitybuilders programme will invest directly in community led organisations. The Department has also contributed to the on-going refresh of the Compact – an agreement signed in 1998 between the Government and the Voluntary and Community Sector that commits each to work in partnership with the other and to improve their relationship for mutual advantage and community gain.

190 www.communities.gov.uk/publications/corporate/simplificationplan2008

10.61 Legislative reform orders: On 30 October 2008 the Legislative Reform (Local Authority Consent Requirements) (England and Wales) Order 2008 came into force. This amends four regimes which, at present, require local authorities in England and Wales to gain formal consent from the relevant Secretary of State, the Welsh Assembly Government, or in one case, the Attorney General. As a result, local authorities in England and Wales will benefit from greater freedoms and faster, more efficient and less bureaucratic processes, and central Government will benefit through a reduction in case work.

Working with independent regulators

10.62 As set out in Chapter 4, we set up a new social housing regulator, the Tenant Services Authority (TSA), in December 2008. The TSA is a successor to the Housing Corporation and is dedicated to raising the standard of housing services across the social housing domain by putting tenants first, working closely with tenants and landlords to deliver a more consumer focused service. The Authority will take a risk-based approach to regulation, and will aim to reduce burdens on high performing landlords.

Sustainable development

Action plan

10.63 The Department's contributions to sustainable development are:

- championing social aspects of sustainable development – tackling deprivation, building social cohesion, empowering communities to act together on the issues they face
- ensuring that people have access to housing that is affordable and of good quality and managing the environmental consequences of housing development
- using the planning system and our urban regeneration programmes to give people access to the services, surroundings and amenities that serve sustainable communities
- helping local authorities – and regions, sub-regions and cities too – to respond to the needs of local people and to the economic, social and environmental circumstances of a rapidly changing world
- acting as a vital partner in tackling climate change – principally through the built environment and local government

10.64 The Department is currently preparing its Progress Report on the actions set out in its Sustainable Development Action Plan (SDAP) 2007-08¹⁹¹ for publication in summer 2009. In parallel, we are also preparing an updated Action Plan for 2009-11. This will take into account feedback from the Sustainable Development

191 www.communities.gov.uk/publications/corporate/sustainabledevelopment2007-08

Commission on the 2007-08 SDAP and will set out the specific actions to be undertaken across our policies, operations and wider working practices.

Sustainable operations and procurement

- 10.65** The Sustainable Development Commission has ranked the Department second in a league table of all Government departments for its performance against the Sustainable Operations targets, for the second consecutive year, with a score of 97 per cent.
- 10.66** The Department's main building – Eland House – received an E rating for its Display Energy Certificate (DEC), based on 2008-09 energy data. This represents an improvement on the previous F rating, which was based on 2007-08 data. The Department reduced carbon emissions in Eland House by 6 per cent in 2008-09 compared to 2007-08, in addition to the 24 per cent reduction in the previous year. Our Energy Efficiency Action Plan sets out the actions we will take to reduce our emissions further.
- 10.67** During 2008-09, we also published a Sustainable Procurement Strategy setting out how we will support sustainability through our procurement¹⁹².

Communications

Public information

- 10.68** Our principal public information activities during 2008-09 were as follows¹⁹³:
- Running the *Real Help for Homeowners Now* campaign, as part of the cross-governmental Real Help Now campaign, to encourage homeowners with financial difficulties to speak to their lender as soon as possible, and to promote the direct assistance government is making available to those most at risk. Press, radio and digital advertising ran between 16 February 2009 and 31 March 2009. There were over 39,500 unique visitors during the campaign, with an average Click Through Rate¹⁹⁴ of 5.36 per cent, far outstripping the current COI average of 3.63 per cent. The overall spend on *Real Help for Homeowners Now* was £1.06m.
 - Promoting HomeBuy schemes to help people with home ownership, including re-branding the HomeBuy concept to ensure it is presented clearly and consistently, and improving public information available online. Digital search activity ran from 23 February 2009 to 31 March 2009 and there have been 41,050 visitors to Directgov page during this period. The overall spend on HomeBuy was £306,000.

192 <https://communities.bravosolution.co.uk/>

193 Full cost breakdowns will be published on the Department's website www.communities.gov.uk in summer 2009.

194 The rate of people who chose the Real Help for Homeowners Now campaign from a list of house-repossession information options provided by a Google's search facility

- Continuing the Department's long-running *Fire Kills* fire safety campaign, including further broadcasts of the 'Pull your finger out' television commercial which ran in September-October 2008 and December 2008-January 2009. Research shows that overall public awareness the campaign rose from 79 per cent to 91 per cent in the same period. Alongside this, the Department also targeted Black and Minority Ethnic audiences considered at high risk of accidental fire, for which the Department won the 'Engagement and Involvement' award at the Civil Service Equality and Diversity awards. The overall spend on the *Fire Kills* campaign was £3.73m.
- Preparatory work (in advance of campaigns in 2009-10) to support the Fire and Rescue Service equality and diversity strategy and to engage employers over the recruitment and retention of Retained Duty System firefighters. The overall spend was £414,000.
- Communications activity to support the eco-towns programme, including providing public information on the proposals and encouraging citizens and other interested parties to participate in the consultation process. In particular the Department ran informational advertising in local press to coincide with a series of roadshow events (held between 6 November 2008 and 3 March 2009) in the vicinity of proposed locations, and created a new online microsite to encourage people to offer their views and participate in the full consultation. The overall spend on eco-towns communications was £1.05m.
- Informing the public – in particular homebuyers, sellers, landlords, tenants and estate agents – of the provisions of the Energy Performance in Buildings Directive (EPBD), and promoting the financial and carbon emissions reductions (as part of the cross-governmental ACT ON CO₂ campaign) that can be achieved following an energy performance certificate being issued for a domestic property. Press, radio and digital advertising ran from 2 June 2008 to 31 March 2009, with 281,378 visitors to the Directgov EPC page. Research showed that more than half of respondents claimed to have taken action as a result of seeing or hearing the advertising. The Department won the 'Best Press Advertising' award at the 2008 Green Awards for this campaign. The overall spend on EPBD communications was £4.03m.
- Promoting the advice and information available to homebuyers, in particular measures to enhance the information provided through home information packs by ending the first day marketing exemption and including the new property information questionnaire. Additional work made sellers and estate agents aware of the legal requirements placed on them under these changes. Press advertising ran in national, trade and regional media between 17 February 2009 and 30 March 2009. Digital display, email and search activity ran during the period 2 March to 3 April 2009. The homeselling and homebuying Directgov website landing pages attracted 18,382 and 125,466 visitors respectively during advertising activity. 20,695 visited the Businesslink website landing page for property professionals during the same period. The overall spend to publicise these changes was £1.48m.

- Conducting research on the provisions of the Code for Sustainable Homes with stakeholders in the construction industry, to improve the technical guide so that it better matches information with user need. The spend on this activity was £44,800.
- Providing communication support for the REACH programme to increase the aspiration and attainment of young Black boys and men, including press advertising to recruit role models, event management and public relations. 20 role models have been successfully recruited to engage with young black audiences across England. The overall spend on REACH was £248,000.
- Branding activity to support the Department's community empowerment activity, including a scheme brand for the Communitybuilders programme. The overall spend on community empowerment was £208,000.
- Advertising in the Greater Manchester area to trial promoting the uptake of online council services on waste and recycling. Research showed an average increase of 4 per cent in council website traffic and average decrease in telephone calls of 6 per cent between October and November. Prompted awareness of the campaign material was 56 per cent. The overall spend was £203,000.

10.69 The Communications Directorate also ran a corporate events programme at a cost of £233,000. Attendance at public facing events to increase knowledge of our key policies included the Homebuilding and Renovation Show in Birmingham, Empowerment in Action in London, Fire and Rescue Service conference in Liverpool, Northern Regeneration exhibition in Manchester, Ecobuild in London and the LGA Annual Fire and Rescue Service conference in Coventry. Stakeholder-facing events included Chartered Institute of Housing conference in Harrogate, LGA annual conference in Bournemouth and Royal Town and Planning Institute in London.

Media relations

10.70 The Department has continued to use the full range of media channels to explain and promote its aims and policies. We have also increased our active engagement with the regional and black and minority ethnic media as well as online news providers to reach new and previously harder to reach audiences.

10.71 Key areas of media activity and interest during the year have included the Department's response to the downturn in the housing market and wider economy; the launch of the eco-towns programme; the drive to devolve more powers to local and sub-regional partnerships; and the renewed focus on citizen empowerment as part of the effort to put communities in control of the issues that affect them.

Stakeholder engagement

- 10.72** As set out in Chapter 2, we are continuing to develop our stakeholder engagement skills and practices in response to the findings of the 2008 Stakeholder Survey. This researched the views of 23 chairs and chief executives of local authorities, government departments and campaigning groups. Stakeholders cited the Department's continued drive to build understanding and improve use of robust evidence as proof of our improvement in the last year. Examples of best practice such as the Local Area Agreement (LAA) process and the Leadership Coalition stakeholder forum were highlighted as helping increase the Department's influence in Whitehall and cementing positive working relationships with local authorities.
- 10.73** Through internal consultancy, training, and sharing information internally, we are encouraging officials to involve stakeholders earlier in the development of policy that is strategic and focused on implementation, and to share knowledge so that stakeholders feel more consistently that they are dealing with one department.

Digital and print channels

- 10.74** Over the last year the Department enhanced its work on social media, using channels such as YouTube, Flickr and Twitter to reach a wider audience and encourage awareness and debate. The online communications campaign for the *Communities in control* white paper in July 2008 set a benchmark through its use of video, blogs and a forum.
- 10.75** The corporate intranet was re-launched on the Department's web platform in April 2008. The new site incorporates a range of social media tools to stimulate cross-departmental collaboration, including blogs, forums, webchats and a wiki. For example, the Department's internal wellbeing campaign made sustained and successful use of blogging to engage staff.
- 10.76** In line with the Government's web rationalisation agenda, the Department closed 13 websites between April 2008 and March 2009. We have closed 36 websites since 2005, with a further six due to close by September 2009.
- 10.77** The Department has engaged closely with Directgov and Businesslink on web convergence plans. Major convergence projects include the Home Information Packs and Energy Performance Certificate content.
- 10.78** Info4local.gov.uk continues to be a popular conduit for the latest information from central government to local authorities. With more than 42,000 subscribers to its twice-daily email alert, our latest survey showed that users continue to trust and value the service.
- 10.79** Our centralised print-buying operation has delivered savings and operating efficiencies of £268,000 (23 per cent) on a total spend of £1.15m. Publications sales and royalty revenue is £95,000 plus £15,000 consultancy income for contract work.

Internal communication

- 10.80** Following a concerted effort to engage staff more closely, 2008 staff survey results show that 66 per cent of staff agreed that “the Department keeps me informed” against a Whitehall benchmark of 58 per cent. This contrasts with 51 per cent of staff agreeing with the same statement in 2007.
- 10.81** A key focus for internal communications has been activity to launch and promote the Departmental values. In addition, we ran a 4-week internal communication campaign during February and March 2009 to engage staff and encourage them to contribute ideas. This generated over 660 responses from teams and individuals. Ideas were assessed by a cross-grade panel of staff, with over 50 per cent being recommended for further development.

Legal services

- 10.82** The Legal Directorate supports delivery across all of the Department’s objectives. It provides legal advice on housing, planning, regeneration and local government, building control, fire and resilience, employment law, freedom of information, human rights and European law. It drafts all secondary legislation made by the Secretary of State. In the last year the team has also delivered substantial primary legislation in the Planning Act, the Housing and Regeneration Act and the Business Rate Supplements Act, and is working on the Local Democracy, Economic Development and Empowerment Bill currently before Parliament. It has also provided the legal mechanisms for establishing new schemes, including the Homeowners Mortgage Support Scheme and new bodies, including the Homes and Communities Agency and the Infrastructure Planning Commission.

Parliamentary Ombudsman

- 10.83** An Ombudsman report in December 2007 cited an error by the Government Office for the East Midlands in a planning case in 1996 as a contributory factor in the closure of the Thurmaston branch of the Midlands Co-operative Society. The Ombudsman set out guidelines for the basis of compensation to be paid. Subsequent negotiations between Communities and Local Government led to the resolution of the case with an agreed settlement between the Department and the Co-operative Society.

Complaints

- 10.84** The Department’s Complaints Officer received three complaints in 2008-09, none of which were upheld, either wholly or partially. Our procedures and target times for dealing with complaints can be found on our website¹⁹⁵. All complaints in 2008-09 were resolved on time.

¹⁹⁵ The Department’s complaints procedure can be found at www.communities.gov.uk/corporate/foi/

Information assurance

Data security

10.85 The Department takes data security very seriously and worked hard with the Cabinet Office over 2008-09 to report on the personal data we manage and our data handling protocols. As reported in Chapter 1, the Audit and Risk Committee has considered the Department's systems and processes for securing data security. We have met the Cabinet Office minimum requirements for data handling and we have not had to report any breaches to the Information Commissioner during 2008-09.

10.86 The following steps have been taken to support and ensure data security:

- A Communities and Local Government Code of Conduct for Handling Personal Data is in place. This is designed to ensure that all staff (including temporary staff and contractors) understand the governance structure and comply with the rules for handling personal data. Ongoing awareness campaigns ensure this code is understood throughout the organisation
- Any third parties that handle our sensitive data comply with our protocols and code of conduct
- Information asset owners (normally at Director level) have been designated for each data set containing personal data. The asset owner (with advice from the central security team) takes ownership of the overall activity for his/her dataset, covering areas such as special handling responsibilities for staff with system administration rights and additional overview measures where we use external services. We have four main datasets where personal data is held – HR, finance, physical offsite (paper) record store and the Supporting People programme.
- An Information Risk Policy and Information Risk Assessment are in place and kept up to date
- A departmental Information Charter has been published on our website¹⁹⁶.
- A whistle blowing safety net is in place to ensure that incidents or issues can be promptly reported
- Key staff have undergone specialist training and more detailed data handling training has already started to roll out in 2008-09, due to complete for all staff by end September 2009

196 www.communities.gov.uk/corporate/about/howwework/personalinformationcharter/

Data handling – local government guidelines

10.87 Following initial discussions between the Department, the Local Government Association (LGA) and the Cabinet Office, the LGA published in November 2008 *Data handling guidelines for local government*¹⁹⁷ endorsed by the Cabinet Secretary and Information Commissioner. These guidelines complement the Cabinet Office Central Government Data Handling Guidelines.

197 www.idea.gov.uk/idk/core/page.do?pagelId=9040133

Annex A

CSR07 DSO and PSA targets

The 2007 Comprehensive Spending Review set out our Departmental Strategic Objectives for 2008-11. These represent the range of the Department's business and reflect the contributions that Communities and Local Government makes to the PSA set, both for those the Department leads on and those which are led by other government departments. These, together with their associated indicators are set out below.

The supporting indicators will be kept under review to ensure they continue to provide the Department and our partners with the right information to assess progress.

DSO1: To support local government that empowers individuals and communities and delivers high quality services efficiently.

Overall summary: Some progress – improvement against indicators 1.5, 1.6 and 1.7.

- 1.1 Overall satisfaction with the local area.
- 1.2 Percentage of people who feel that they can influence decisions in their locality.
- 1.3 Narrow gaps in civic participation for three disadvantaged groups – black and minority ethnic groups, disabled and young people.
- 1.4 Measure of the Audit Commission Direction of Travel assessments.
- 1.5 Measure of the Audit Commission Use of Resources assessment.
- 1.6 Average percentage increase in Band D council tax.
- 1.7 Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year.

DSO2: To improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy.

Overall summary: Some progress – improvement against 2.1, 2.2, 2.3, 2.4, 2.6, 2.7, 2.8 and 2.16.

- 2.1 Number of net additional homes provided.
- 2.2 Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability).
- 2.3 Number of affordable homes delivered (gross).
- 2.4 Number of households living in temporary accommodation.
- 2.5 Average energy rating for new homes (SAP – standard assessment procedure for the energy rating of dwellings).
- 2.6 Average energy ratings for all homes (SAP – standard assessment procedure for the energy rating of dwellings).
- 2.7 Percentage of non-decent homes in the social sector.

- 2.8 Percentage of vulnerable households in decent houses in the private sector.
- 2.9 Number of children in poor housing (non-decent, overcrowded or temporary accommodation).
- 2.10 Percentage of vulnerable people who are supported to maintain independent living.
- 2.11 Percentage of vulnerable people achieving independent living.
- 2.12 Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence.
- 2.13 Care leavers in suitable accommodation.
- 2.14 Adults receiving secondary mental health services in settled accommodation.
- 2.15 Adults with learning disabilities in settled accommodation.
- 2.16 Local authority tenants' satisfaction with services.
- 2.17 Proportion of householders aged 65+ who are satisfied with their home and their neighbourhood.

DSO3: To build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation.

Overall summary: Not yet assessed – improvement against indicators 3.1 and 3.3.

- 3.1 Plan for improving the physical, economic and social infrastructure of East London developed and agreed with key local authorities and regeneration agencies, and pre Games elements implemented by 2011.
- 3.2 Previously developed land that has been vacant or derelict for more than five years (in deprived areas).
- 3.3 Ratio of 15th percentile house prices in each pathfinder region and their corresponding Government Office region.
- 3.4 Overall general satisfaction with the local area (in deprived areas).
- 3.5 Percentage change in average weekly earnings in primary urban areas
- 3.6 New business registration rate in deprived areas.
- 3.7 Overall employment rate (working age) at neighbourhood level (in deprived areas).
- 3.8 Percentage change in the employment rate in primary urban areas.
- 3.9 Performance against key indicators to narrow the gap on crime, anti-social behaviour, health and education within deprived areas.

DSO4: To develop communities that are cohesive, active and resilient to extremism.

Overall summary: Some progress – improvement against indicators 4.1 and 4.3.

- 4.1 Percentage of people who believe people from different backgrounds get on well together in their local area.
- 4.2 Percentage of people who have meaningful interactions with people from different backgrounds.

- 4.3 Percentage of people who feel that they belong to their neighbourhood.
- 4.4 The extent to which domestic communities, particularly Muslim communities, reject and condemn violent extremism.
- 4.5 Percentage of people who feel that racial or religious harassment is a problem in their local area.

DSO5: To provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change¹.

Overall summary: No progress.

- 5.1 Annual housing provision in RSSs to reflect the target of 240,000 new homes a year by 2016.
- 5.2 Local planning authorities to have adopted the necessary development plan documents, in accordance with milestones set out in their local development schemes to bring forward sufficient developable land for housing in line with PPS3.
- 5.3 Supply of ready to develop housing sites.
- 5.4 All LPAs to manage development effectively in accordance with the relevant Development Plan Document, and within acceptable timescales.
- 5.5 Improving the appeals process in the planning system – making it proportionate, customer focused, efficient and well resourced.
- 5.6 Reduction by the end of the CSR period in the overall percentage of planning applications that are subject to appeal.
- 5.7 Net change in the area of green belt.
- 5.8 Quality of housing sites (or phases of sites).

DSO6: To ensure safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies.

Overall summary: Some progress – improvement against indicators 6.2 and 6.3.

- 6.1 Numbers of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks.
- 6.2 Numbers of deliberate primary and secondary fires submitted through incident reports.
- 6.3 Improvement in the national picture of Fire and Rescue Service performance reflected in Audit Commission assessment outcomes. This will be demonstrated by improved aggregate scores in published in Use of Resources and Direction of Travel assessments for Fire and Rescue Authorities in England.

1 We intend to further shape DSO 5 by developing indicators which cover users perception of the planning process and the quality of design.

- 6.4** Delivery of a co-ordinated Fire and Resilience programme achieving planned milestones and deliverables for the New Dimension, FiReControl and Firelink projects.

CSR07 PSAs

PSA 20: Increase long term housing supply and affordability

Overall summary: Some progress – improvement against 4 out of 6 indicators. These are DSO indicators 2.1, 2.2, 2.3 and 2.4.

- 1** Number of net additional homes provided.
- 2** Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability).
- 3** Number of affordable homes delivered (gross).
- 4** Number of households living in temporary accommodation.
- 5** Average energy rating for new homes (SAP – standard assessment procedure for the energy rating of dwellings).
- 6** Local planning authorities to have adopted the necessary development plan documents, in accordance with milestones set out in their local development schemes to bring forward sufficient developable land for housing in line with PPS3.

PSA 21: Build more cohesive, empowered and active communities

Overall summary: Not yet assessed – progress not yet assessed on 5 of 6 indicators. Progress made on 3 of the 6 indicators at national level (21.1, 21.3 and 21.4 but we are not yet able to report on the local element for these indicators and are therefore not able to make an overall assessment).

- 1** Percentage of people who believe people from different backgrounds get on well together in their local area (national and local success measures).
- 2** Percentage of people who have meaningful interactions with people from different backgrounds.
- 3** Percentage of people who feel that they belong to their neighbourhood (national and local success measures).
- 4** Percentage of people who feel they can influence decisions in their locality (national and local success measures).
- 5** A thriving third sector.
- 6** The percentage of people who participate in culture or sport.

Annex B

SR04 PSA targets

In line with HM Treasury guidance our *2008 Autumn performance report*² was the final report on PSAs which had an end date later than 2008 but were subsumed in some way within our CSR07 PSAs and departmental strategic objectives (DSOs). Where SR04 PSAs end in 2008 we will continue reporting until we can make a final assessment.

The tables below provide information on each of the SR04 PSA indicators where we have new information or a change in position since the *2008 Autumn performance report*. We have also summarised the position of the other indicators that was finalised within the *2008 Autumn performance report*.

We have assessed progress against our SR04 PSAs and underlying indicators and reported on them using the following standard terms as set out in HM Treasury guidance:

- **met early:** where there is no possibility of subsequent slippage during the lifetime of the target
- **ahead:** if progress is exceeding plans and expectations
- **on course:** progress in line with plans and expectations
- **slippage:** where progress is slower than expected, for example by reference to criteria set out in a target's technical note
- **not yet assessed:** for example, new target for which data is not yet available

Where we are reporting a final assessment against a target we have used the following standard terms from HM Treasury guidance:

- **met:** target achieved by the target date
- **met-ongoing:** for older open-ended targets where the target level has been met and little would be achieved by continuing to report the same information indefinitely (in using this term it should be made clear that a final assessment is being given)
- **partly met:** where a target has two or more distinct elements, and some – but not all – have been achieved by the target date
- **not met:** where a target was not met or met late
- **not known:** where it was not possible to assess progress against the target during its lifetime or subsequently

Copies of the technical notes for our SR04 PSAs, published in January 2005, can be found on the Communities and Local Government website³.

2 www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

3 www.communities.gov.uk/corporate/about/howwework/publicserviceagreements/publicserviceagreements200508/

SR04 PSA target 1: neighbourhood renewal: partly met

Description

To 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 1 relies upon the delivery of floor targets by relevant government departments in six key outcome areas. These are summarised below with a headline indication of progress. The target will have been successfully met if the required progress is achieved against all the indicators.

Progress

The 2008 *Autumn performance report* outlined our final position on three of these indicators – two as ‘met’ and one ‘on course’⁴. The table below provides information on the progress being made in relation to the remaining three indicators. Based on both sets of information our overall position for this indicator is ‘partly met’.

Indicator	Progress	What happens next?
<p>Education: To raise standards in secondary education so that, by 2008, in all schools located in local authority districts in receipt of NRF, at least 50 per cent of pupils achieve level 5 or above in each of English, maths and science (referred to as Key Stage 3 target). This relates to the Department for Children, Schools and Families’ PSA 7 target to raise standards in English, maths, ICT and science in secondary education.</p>	<p>Not Known. The Key Stage 3 (KS3) target was always the most stretching and aspirational of all the PSA 1 targets. Significant progress has been made towards achieving the target. Between 2002-03 and 2006-07 the number of schools in NRF areas failing to reach the target fell by 50.1 per cent, from 399 to 197.</p> <p>Following the announcement on the future of KS3 testing by DCSF, a decision was made by DCSF not to proceed with collating and publishing Key Stage 3 performance tables at school-level for 2008 (or subsequent years), as to do so would place a disproportionate burden on secondary schools. Therefore the final position for this indicator cannot be assessed.</p>	<p>As a final position has been reported for this indicator there will be no further updates in future public reports. We will continue to monitor education outcomes in the most deprived areas through DSO3.9iii, measuring attainment at KS4 level.</p>

Indicator	Progress	What happens next?
<p>Housing: By 2010, bring all social housing into decent condition, with most of this improvement taking place in deprived areas that are in receipt of NRF and are also within the 112 most deprived local authority districts. This indicator relates to the Department's broader PSA 7 on Decent Homes.</p>	<p>On course. This target requires that a) the reduction in the number of non-decent social sector dwellings recorded in the 2006 English House Condition Survey (EHCS) is more than 50 per cent of the total reduction since 2001; and, b) the reduction in the number of non-decent social sector dwellings recorded in the 2008 EHCS is more than 50 per cent of the total reduction since 2001.</p> <p>The 2006 EHCS Headline Report estimated that 67 per cent of the reduction in non decent social housing took place in these deprived districts, and therefore the 2006 target was met. With the updating of the Decent Homes definition in 2006 (to include the statutory Health and Safety Rating System), estimates of non-decency for 2007 and 2008 will not be comparable with those for the 2001 baseline, but with the new 2006 baseline.</p> <p>The EHCS estimate of change in number of non-decent social sector homes between 2006 and 2007 is too small a base on which to make an assessment for this target. Progress will instead be assessed on results from the 2008 EHCS, to be published in 2010, i.e., the reduction in the number of non-decent social sector dwellings recorded in the 2008 EHCS to be more than 50 per cent of the total reduction since 2006.</p>	<p>Although this indicator continues beyond 2008, it is not continued within the new DSOs. Therefore we will continue to report progress against this indicator in future Annual Reports and Autumn Performance Reports.</p>
<p>Liveability</p> <p>By 2008 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 (baseline 2003-04 audited data reporting that 23 per cent of local authorities nationally and 33 per cent of local authorities in receipt of NRF have unacceptable levels of litter in excess of the national benchmark). This indicator relates to this Department's broader PSA 8 target on cleaner, safer and greener public space.</p>	<p>Met. BV199a data for 2007-8 shows that the proportion of local authorities with unacceptable levels of litter and detritus has fallen from 23 per cent to 1.5 per cent nationally (a fall of 21.5 percentage points) and from 33 per cent to 1.2 per cent in areas originally in receipt of NRF (a fall of 31.8 percentage points).</p>	<p>A final position has been reported for this indicator.</p>

SR04 PSA target 2: regional economic performance: not reporting further

As we noted in the 2008 *Autumn performance report* this target has been subsumed into CSR07 PSA 7 on which the Department for Business, Innovation and Skills will be reporting progress.

SR04 PSA target 3: Fire and Rescue Service: not reporting further

Description

By 2010, reduce the number of accidental fire-related deaths in the home by 20 per cent and the number of deliberate fires by 10 per cent. The underlying indicators are numbers of accidental fire-related deaths and numbers of deliberate fires.

Progress

The 2008 *Autumn performance report* outlined our final position on this PSA as 'slippage', with one indicator assessed as 'ahead', one 'on course' and the other as 'slippage'. This target has been subsumed into DS06 and as such we will not be reporting further on it as part of the SR04 PSA target set.

SR04 PSA target 4: local government: not met

Description

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

The three minimum indicators of success initially defined in the SR04 technical note are:

- no authorities, including districts rated poor in December 2004 to remain in the lowest category on 31 March 2008 (component target a)
- upward movement in improvement across each category of CPA rating (composite of component targets b and c)
- an annual improvement in aggregate Use of Resources scores for authorities (component target e)

Progress

The 2008 *Autumn performance report* outlined our final position on one of these indicators – component target f) was assessed as 'met'⁵. The table below provides information on the progress being made in relation to the remaining five indicators. Based on both sets of information our overall position for this indicator is 'not met'.

5 www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

Indicator	Progress	What happens next?
a) No authorities, including districts, rated poor in December 2004 to remain in the lowest CPA category on 31 March 2008.	Not met. While the CPA scores received in March 2009 confirmed that no upper tier authority was in the lowest CPA category, as at 31 March 2008, one district council (Northampton) remains in the Poor category with no scheduled re-categorisation.	A final position has been reported for this indicator.
b) By 31 March 2008, to achieve a 50 per cent decrease in the number of single tier and top tier councils in the lowest CPA categories (0* and 1*) and a 25 per cent increase in the number in the top CPA categories (3* and 4*) compared with performance in 2005. This is equivalent to no more than five single tier or top tier councils in the lowest CPA categories and at least 130 in the top categories.	<p>Partly met. 10 single tier or top tier councils were in the lowest CPA categories in 2005. In the final CPA results, published in March 2009, four single tier or top tier authorities (Doncaster, Haringey, Milton Keynes and Surrey) were assessed as 1 star, representing a 60 per cent decrease. For the third consecutive year, no single tier or top tier councils achieved the lowest possible CPA rating (0 star).</p> <p>In CPA 2008, 80 per cent of top tier authorities (119 in total) were rated as 3 or 4 stars; 62 scored 4 stars, 57 scored 3 stars and 26 scored 2 stars. As with 2007, the Isles of Scilly are exempt from a star rating in 2008; the Audit Commission agreed this with Communities and Local Government based on the applicability of the methodology to the island's circumstances.</p>	A final position has been reported for this indicator.
c) Improvement in district council performance as measured by CPA.	Not known. The information that is available under CPA about district council performance indicates positive progress in qualitative terms. As stated in the 2008 Annual Report, it was agreed with HM Treasury that it was difficult to set a meaningful quantifiable target for this indicator as originally envisaged when the PSA was set. Given that the CPA framework was replaced by CAA on 1 April 2009 there are no further changes to CPA planned that would make it possible to devise such a meaningful quantifiable measure.	A final position has been reported for this indicator.
d) No single tier or county council to have a 'Not improving adequately/not improving' Direction of Travel statement for two consecutive years.	Not met. In 2008, 6 upper tier authorities received a "not improving adequately" direction of travel judgement (Cornwall, Doncaster, Haringey, Milton Keynes, Surrey and Thurrock). As this was the second consecutive year that Doncaster has received a "not improving adequately" judgement, the final report for this indicator is not met.	A final position has been reported for this indicator.

Indicator	Progress	What happens next?
e) Annual improvement in the aggregate Use of Resources score for authorities from 385 in 2005 ⁶ .	<p>Met. In 2008 no single-tier or county councils scored below minimum requirements for use of resources (scoring 1 out of 4). In 2007, Liverpool was the only upper tier authority to score 1 for use of resources – which is inadequate performance. For 2008, Liverpool scored 2 out of 4 (adequate performance) on its Use of Resources.</p> <p>The aggregate score for 2008 was 469, well above the target of 405 by 2008, compared to 453 in 2007. 14 councils performed at minimum requirements – adequate performance (scoring 2), 103 performed consistently above minimum requirements – performing well (scoring 3) and 33 performed well above minimum requirements – performing strongly (scoring 4).</p>	A final position has been reported for this indicator.

SR04 PSA target 5: housing supply: on course

Description

To 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. Although no overall measure of success for this PSA was set out in the SR04 technical note, we will consider the headline target to have been met if all three elements are met.

Progress

The 2008 *Autumn performance report* outlined our final position on three of these indicators – one 'ahead, one 'on course' and the other as 'not applicable'⁷. The table below provides information on the progress being made in relation to the remaining two indicators. Based on both sets of information our overall position for this indicator is 'on course'.

6 While the target relates solely to an absolute year-on-year improvement, our estimated trajectory was for an annual increase of 10 in the aggregate score – i.e to 405 by 2008.

7 www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

Indicator	Progress	What happens next?
<p>Low Demand. Reduction in the long-term rate of vacant dwellings to 1.65 per cent in the North West and North East regions and 1.35 per cent in the Yorkshire and Humber region by 2016.</p>	<p>On course. Since the baseline in 2003, the proportion of long term vacant properties has been coming down in the three low demand regions – from 2.03 per cent to 1.91 per cent in the North East, 2.52 per cent to 2.43 per cent in the North West and 2.08 per cent to 1.92 per cent in Yorkshire and the Humber between 2003 and 2008 respectively.</p>	<p>Although this indicator continues beyond 2008, it is not continued within the current DSOs. Therefore we will continue to report progress against this indicator in future Annual Reports and Autumn Performance Reports.</p>
<p>Low Demand. Reduction in the number of local authorities with 15th percentile prices that are less than 70 per cent of the national level to 47 by 2008.</p>	<p>Met. In Q4 2008 19 local authorities had 15th percentile house prices that were less than 70 per cent of the England 15th percentile house price. This is down from 58 local authorities in Q4 2002 and has exceeded the target of 47.</p>	<p>In the 2008 Autumn Performance Report we had stated that a final position for this indicator would be reported in autumn 2009. However, due to early receipt of data we are in a position to report the final position of this indicator now.</p> <p>Although this indicator will no longer be monitored we will continue to monitor house prices in low demand areas through DSO indicator 3.3.</p>

SR04 PSA target 6: planning: partly met

Description

That the planning system should 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.

The PSA 6 target is underpinned by a set of eight indicators covering a range of planning issues. Although no overall measure of success for this PSA was set out in the SR04 Technical Note, we will consider the headline target to have been met if all eight sub-targets are met.

Progress

The 2008 *Autumn performance report* outlined our final position on five of these indicators – one ‘met’ and four as ‘not met’⁸. The table below provides information on the progress being made in relation to the remaining three indicators. Based on both sets of information our overall position for this indicator is ‘partly met’.

8 www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

Indicator	Progress	What happens next?
<p>Percentage of housing development on previously-developed land or created through conversions: that 60 per cent of new housing development is built on previously-developed ('brownfield') land, or created through the conversion of existing buildings.</p>	<p>On course. The most recent estimate for 2008 indicates that 78 per cent of new dwellings were built on previously developed land, including conversions.</p>	<p>Provisional data for 2008 have been published at the end of May 2009. A provisional assessment against the indicator will be made in the next Autumn Performance Report. A final assessment will be made in 2010.</p>
<p>Average density of new housing development in each region: that new housing development in each region should avoid developments of less than 30 dwellings per hectare and encourage those between 30-50 dwellings per hectare.</p>	<p>On course. The initial England estimate for 2008 indicates that new dwellings were built on at an average density of 46 dwellings per hectare. The most recent regional estimates are for 2007, where all regions are exceeding the national indicative minimum density of 30 dwellings per hectare.</p>	<p>Provisional data for 2008 have been published at the end of May 2009. A provisional assessment against the indicator will be made in the next Autumn Performance Report. A final assessment will be made in 2010.</p>
<p>Town Centre Regeneration: that there should be a year-on-year increase in the proportion of retail development in town centres over the period 2004-08.</p>	<p>On course. Analysis using data as at 1 April 2007 shows that the trend in the proportion of retail development in town centres and edge-of-centre locations since the mid-1990s remains upwards, despite some year on year fluctuations. An update of the analysis using data as at 1st April 2008 will be available in summer 2009.</p>	<p>We will continue to report on this indicator in future public reports, however we will not be in a position to know whether we have achieved the target associated with this indicator until summer 2010, when the proportion of retail development in town centres during 2008 will become available, which will then be compared with developments during 2004.</p>

SR04 PSA target 7: housing: not reporting further

Description

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.

Although no overall measure of success for this PSA was set out in the SR04 technical note, we will consider the headline target to have been met if both the final social and private sector targets are met.

Progress

The 2008 *Autumn performance report* outlined our final position on this PSA as 'slippage', with one indicator assessed as 'ahead' and the other as 'slippage'⁹. This target has been subsumed into DS02 and as such we will not be reporting further on it as part of the SR04 PSA target set.

SR04 PSA target 8: liveability: partly met

Description

To 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.

This PSA is measured by progress against seven performance indicators which include sub-targets for improvements at national level and in areas in receipt of Neighbourhood Renewal Fund (NRF). This target will be deemed to be met if three of indicators a) – e) and one of either indicator f) and g) are achieved.

Progress

The 2008 *Autumn performance report* outlined our final position on two of these indicators, with one assessed as 'met' and the other was 'not met'¹⁰. The table below provides information on the progress being made in relation to the remaining five indicators. Based on both sets of information our overall position for this indicator is 'partly met'.¹¹

Indicator	Progress ¹¹	What happens next?
<p>Cleaner Places</p> <p>a. By 2008, to reduce the proportion of local authorities judged to have unacceptable levels of litter and detritus by 13 percentage points nationally and by 16 percentage points for local authorities in receipt of NRF.</p>	<p>Met. By 2007-08, BV199a data shows that the proportion of local authorities judged to have unacceptable levels of litter and detritus reduced by 21.5 percentage points nationally (from 23 per cent to 1.5 per cent) and by 31.8 percentage points in NRF areas (from 33 per cent to 1.2 per cent).</p>	<p>A final position has been reported for this indicator.</p>
<p>Safer Streets</p> <p>b. By 2008, to reduce the number of abandoned vehicles nationally by 25 per cent and within local authorities in receipt of NRF by 25 per cent.</p>	<p>Met. By 2007/8, the number of abandoned vehicles had declined to 48,479 nationally and 24,858 in NRF areas. This represents a reduction from 2002/3 baselines of 83 per cent nationally and 80 per cent in NRF areas.</p>	<p>A final position has been reported for this indicator.</p>

9 www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

10 www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

11 Where these indicators refer to NRF areas, final data have been calculated on the basis of the original 88 areas that received NRF from 2001-2006. This is to ensure consistency in assessing progress against baselines, which were also set for the original NRF areas.

Indicator	Progress ¹¹	What happens next?
<p>Local Environmental Services</p> <p>d. By 2008, at least 90 per cent of local authorities nationally, and 90 per cent of local authorities in receipt of NRF, and who receive a Comprehensive Performance Assessment for their Environment Services Block to achieve a score of 2 or better.</p>	<p>Met. The Audit Commission's 2008 CPA assessment report showed that there were no single tier or upper tier authorities scoring less than 2 for their Environment Services Block.</p>	<p>A final position has been reported for this indicator.</p>
<p>Improving the Quality of Neighbourhoods</p> <p>e. By 2008, to reduce the percentage of households living in poor quality environments by two percentage points nationally, and by three percentage points within the group of local authority areas in receipt of NRF.</p>	<p>Not met. Results from the 2007 English Households Condition Survey show that 15.0 per cent of households nationally and 18.7 per cent of households in NRF areas live in poor quality environments. Although we have not met the targeted reductions, final figures show that we have reduced the percentage of households in poor quality environments against the baseline figures of 15.9 per cent nationally and 21.2 per cent in NRF areas.</p>	<p>A final position has been reported for this indicator.</p>
<p>Household Satisfaction with quality of local area</p> <p>g. By 2008, to increase the percentage of households identifying no problem with six liveability factors (vandalism and hooliganism, graffiti, dog mess, litter and rubbish, noise, and traffic) where they live by three percentage points nationally and by five percentage points overall for households located within local authorities in receipt of NRF.</p>	<p>Not met. 2007-08 data from the Survey of English Housing shows that the average percentage of households identifying no problem with these six liveability factors was 65.5 per cent nationally and 61.1 per cent in NRF areas. This represents positive progress from the baseline of 63.7 per cent nationally and 59.5 per cent in NRF areas, but is below the targeted increase.</p>	<p>A final position has been reported for this indicator.</p>

SR04 PSA target 10: race equality and community cohesion: partly met

Description

To reduce race inequalities and build community cohesion.

To meet this PSA, a statistically significant improvement is needed on all three indicators.

Progress

The 2008 *Autumn performance report* outlined our final position on this PSA as 'partly met', with one indicator assessed as 'met', and the other two as 'not met'¹².

¹² www.communities.gov.uk/documents/corporate/pdf/1080017.pdf

Annex C

Core expenditure tables

Core tables 1, 2 and 3: total Departmental spending, resource budget and capital budget

Background

- C.1** Core table 1 shows total Departmental spending, which is the sum of the resource budget (including administration costs) and capital budget less depreciation (excluded so as to avoid double counting). Core tables 2 and 3 break this down between resource and capital budgets respectively. In each case, the tables include both DEL (Departmental expenditure limit) and AME (annually managed expenditure) elements for control purposes.
- C.2** DEL budgets are negotiated with Treasury via Spending Reviews (SRs) that cover three years. The most recent (CSR07) covers 2008-09 to 2010-11. DEL consolidates the resource and capital expenditure of the non-departmental public bodies (NDPBs) that the Department sponsors.
- C.3** AME budgets are usually demand led and not easily controllable by departments so are set following discussions with HM Treasury at the start of each year via the Parliamentary main estimate at the beginning of the year. They can be updated during the year through the winter and spring supplementary estimates subject to approval by Parliament.
- C.4** Most spending by Communities and Local Government is classified as DEL. The main items in AME are National Non Domestic Rate outturn adjustments, Housing Revenue Account Subsidy, grants to support fire superannuation costs, and impairments.
- C.5** Communities and Local Government, unusually for a central department, has two separate departmental expenditure limits (main programmes DEL and local government DEL), both of which include a resource and capital element. For the purposes of these tables the two DELs are added together.
- The Local Government DEL (around £25.7bn in 2009-10) includes Revenue Support Grant, National Non-Domestic Rates, and related grants to local authorities, which provide support to local authorities for a wide variety of services, such as police and social services, many of which are the overall responsibility of other government departments. This explains why the figures for grants to local authorities (which include all these amounts) at the bottom of core table 1, are higher than the figures for total spending by local authorities (which relate only to the amounts authorities spend on the Department's activities)

- The main programmes DEL (around £12.9bn in 2009-10) includes Departmental expenditure in support of Communities and Local Government's main objectives, including some grants to local authorities, and Departmental administration costs

C.6 The amount Parliament votes in Supply Estimates includes some, but not all DEL and AME, expenditure. It excludes the expenditure of NDPBs, although it includes the cash grant in aid required to support their expenditure (the two amounts are often broadly similar. There are also some items, such as approvals to local authority to borrow (supported capital expenditure), which score within the capital DEL but are not voted on by Parliament as they involve no movement of cash from the Department. So the overall amounts sought in Estimates do not match the sum of DEL and AME, although they are not dissimilar, apart from supported capital expenditure.

Comparisons with last year's report tables

- C.7** Since last year's report the following changes have been made to figures:
- last year's report figures related to the functions of the Department at the time it was published, in spring 2008. Since that time expenditure on English Partnerships, the Housing Corporation and a number of programmes formerly managed by the central Department has transferred to the newly created Homes and Communities Agency
 - the 2007-08 estimated outturn has been replaced by the final outturn. The 2008-09 plans have been replaced by estimated outturn; and the 2002-03 outturn figures have been removed

Comparisons between years within this year's report

- C.8** Generally when reclassification or machinery of government changes takes place, adjustments are made to all years to provide a comparable run of figures. Exceptions to this are:
- from 2003-04 onwards, the "improving the supply and the quality of housing" resource budget includes around £1.7bn for supporting people, which brought together funding from a number of other funding streams including some from other departments such as the Department for Work and Pensions
 - from 2006-07 onwards, the "Local and Regional Government" resource budget is around £23bn a year lower than in previous years, because schools funding is now provided by the Department for Children, Schools and Families (DCSF) through its Dedicated Schools Grant, rather than through the general local government revenue settlement
 - Government Office administration costs for future years do not yet include all departments' contributions
 - expenditure on grant payments through local area agreements (LAAs) ended in 2007-08. From 2008-09, resource funding previously channelled through LAAs

is generally channelled through area based grant. Capital funding is identified against the relevant DSO which it supports

Read across to other parts of the annual report, and to Main Estimates

C.9 The categories used in these tables are the departmental strategic objectives set for the CSR07 years, which are also used in the 2009-10 Main Estimates. While the same categories and mappings are used, note that Main Estimates cover a different expenditure boundary, and treat capital grants as resource (see B6 above).

C.10 Tables 7, 8 and 9 show data by United Nations Classification of Functions of Government categories (see the note relating to those tables.)

Annex C – Table 1: Total Departmental spending

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Resource budget								
Resource DEL								
Supporting local government	0.2	0.0	4.6	49.1	701.3	0.5	1.5	1.0
Improving the supply and quality of housing	2,092.1	2,138.0	2,006.0	2,091.1	2,089.5	2,118.9	2,193.6	571.1
Building prosperous communities, promoting regeneration and tackling deprivation	835.4	854.6	839.3	843.7	807.5	745.7	769.4	688.6
Developing communities that are cohesive, active and resilient to extremism	16.2	18.2	15.9	22.1	28.2	33.4	98.4	87.3
Providing a more efficient, effective and transparent planning system	91.8	145.6	181.7	161.1	146.8	162.3	261.5	324.8
Ensuring safer communities by providing the framework to prevent and respond to emergencies	59.9	111.7	95.7	98.5	131.3	182.6	194.8	145.1
Central Administration	156.7	172.0	171.2	170.0	168.2	163.4	189.6	193.4
Government Office Administration	133.8	141.4	138.7	137.8	122.3	125.4	105.9	101.3
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-41.3	-0.1	-	-
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	8.6	-	-

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
European Structural Funds- losses write offs and other expenditure not funded by the European Union	2.7	2.0	-2.2	44.7	61.8	88.1	10.3	27.0
Ordnance Survey	29.2	26.1	23.9	10.5	8.7	3.9	14.3	14.3
Queen Elizabeth II Conference Centre Executive Agency	-1.5	-1.0	-1.1	-1.2	-1.1	-3.9	-1.3	-1.3
Area Based Grant	-	-	-	-	-	645.0	674.5	2,239.9
Local and Regional Government	40,914.5	43,315.8	46,244.4	22,540.7	22,750.6	24,646.7	25,595.9	26,296.5
Departmental Unallocated Provision	-	-	-	-	-	-	32.3	66.6
Total resource budget DEL	44,331.2	46,924.3	49,718.0	26,168.3	26,973.8	28,920.4	30,140.8	30,755.5
<i>of which:</i> Near-cash	44,335.8	46,861.5	49,677.8	26,006.2	26,833.4	28,750.4	29,942.3	30,544.1
Resource AME								
Improving the supply and quality of housing	256.0	179.1	322.4	129.7	105.4	-79.4	305.7	-376.2
Ensuring safer communities by providing the framework to prevent and respond to emergencies	0	0	0	173.3	167.2	231.4	228.5	238.4
Local and Regional Government	304.4	460.9	524.3	1036.2	841.7	660.4	463.0	463.0
Total resource budget AME	560.9	639.9	846.8	1,339.3	1,114.3	812.4	997.2	325.2
<i>of which:</i> Near-cash	513.1	543.7	777.2	1,334.4	1,075.9	670.5	866.3	257.2
Total resource budget	44,892.0	47,564.3	50,564.8	27,507.6	28,088.1	29,732.9	31,138.0	31,080.7
<i>of which:</i> depreciation	68.3	133.5	102.6	28.3	68.4	176.3	180.8	133.0

Capital budget

Capital DEL

Supporting local government	-	-	-	33.8	69.8	-	-	-
Improving the supply and quality of housing	3,294.5	3,710.9	4,279.4	4,163.5	4,705.4	5,422.4	6,771.2	5,144.6
Building prosperous communities, promoting regeneration and tackling deprivation	1,145.1	1,125.7	1,117.8	1,103.5	1,122.1	1,495.0	1,697.5	1,032.0

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Developing communities that are cohesive, active and resilient to extremism	2.5	5.8	-	-	-	-	-	-
Providing a more efficient, effective and transparent planning system	3.5	36.0	45.0	34.5	30.1	33.7	11.5	7.3
Ensuring safer communities by providing the framework to prevent and respond to emergencies	138.2	95.3	77.8	79.9	132.9	149.8	118.7	140.4
Central Administration	11.1	5.9	7.3	10.7	8.2	6.9	21.1	21.1
Government Office Administration	2.1	4.9	3.6	5.7	1.8	3.6	2.9	2.9
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-	0.1	-	-
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	10.6	-	-
European Structural Funds – losses write offs and other expenditure not funded by the European Union	0.0	-	-	-	-	2.2	0.0	0.0
Queen Elizabeth II Conference Centre Executive Agency	-0.1	-0.1	-0.1	-	-	0.3	-0.1	-0.1
Local and Regional Government	214.0	256.8	315.8	223.3	32.1	128.5	106.1	92.1
Departmental Unallocated Provision	-	-	-	-	-	-	0.1	0.2
Total capital budget DEL	4,810.8	5,241.2	5,846.6	5,654.8	6,102.4	7,253.1	8,728.9	6,440.5
Capital AME								
Local and Regional Government	125.4	-	-	-	-	-	-	-
Total capital budget AME	125.4	-	-	-	-	-	-	-
Total capital budget	4,936.2	5,241.2	5,846.6	5,654.8	6,102.4	7,253.1	8,728.9	6,440.5
Total Departmental spending†								
Supporting local government	0.2	-0	4.6	82.9	771.0	0.5	1.5	1.0
Improving the supply and quality of housing	5,593.0	5,929.8	6,534.2	6,381.3	6,857.6	7,315.9	9,136.3	5,268.3

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Building prosperous communities, promoting regeneration and tackling deprivation	1,980.5	1,980.2	1,957.1	1,947.2	1,929.6	2,240.7	2,466.8	1,720.6
Developing communities that are cohesive, active and resilient to extremism	18.7	24.0	15.9	22.1	28.2	33.4	98.4	87.3
Providing a more efficient, effective and transparent planning system	93.6	179.9	223.3	191.3	172.9	191.6	265.9	324.8
Ensuring safer communities by providing the framework to prevent and respond to emergencies	188.2	183.1	158.0	340.1	418.9	549.0	522.1	498.4
Central Administration	163.6	171.7	170.1	173.8	169.9	161.7	203.8	208.7
Government Office Administration	134.0	144.1	141.4	141.7	121.9	127.4	107.4	103.0
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-41.3	0.1	-	-
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	19.1	-	-
European Structural Funds – losses write offs and other expenditure not funded by the European Union	2.8	2.0	-2.2	44.7	61.8	90.2	10.3	27.0
Ordnance Survey	29.2	26.1	23.9	10.5	8.7	3.9	14.3	14.3
Queen Elizabeth II Conference Centre Executive Agency	-1.6	-1.1	-1.2	-1.2	-1.1	-3.5	-1.4	-1.4
Area Based Grant	-	-	-	-	-	645.0	674.5	2,239.9
Local and Regional Government	41,557.7	44,032.1	47,083.9	23,799.5	23,623.7	25,434.8	26,164.0	26,851.6
Departmental Unallocated Provision	-	-	-	-	-	-	22.1	44.6
Total Departmental spending†	49,760.0	52,672.0	56,308.8	33,134.1	34,122.1	36,809.7	39,686.0	37,388.2
<i>of which:</i>								
Total DEL	49,121.9	52,128.7	55,533.3	31,794.8	33,045.8	36,139.2	38,819.9	37,131.0
Total AME	638.1	543.3	775.5	1,339.3	1,076.3	670.5	866.2	257.2

† Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Spending by local authorities on functions relevant to the Department

	£'m						2009-10	2010-11
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 Estimated Outturn	Plans	Plans
Current spending	6,517.2	7,016.7	7,123.8	7,108.9	7,003.6	7,905.7		
<i>of which:</i>								
financed by grants from budgets above	43,055.0	45,698.8	48,598.5	26,059.8	27,293.1	27,967.1		
Capital spending	1,228.2	1,935.7	2,185.7	2,290.8	2,943.5	3,749.0		
<i>of which:</i>								
financed by grants from budgets above††	1,899.6	2,319.3	2,898.6	2,579.3	2,820.6	2,732.3		

†† This includes loans written off by mutual consent that score within non-cash Resource Budgets and are not included in the capital support to local authorities line in Table 3.

Annex C – Table 2: Resource budget DEL and AME

	£'m						2009-10	2010-11
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 Estimated Outturn	Plans	Plans
Resource DEL								
Supporting local government	0.2	0.0	4.6	49.1	701.3	0.5	1.5	1.0
<i>of which:</i>								
Supporting local government	0.2	0.0	4.6	49.1	701.3	0.5	1.5	1.0
Improving the supply and quality of housing	2,092.1	2,138.0	2,006.0	2,091.1	2,089.5	2,118.9	2,193.6	571.1
<i>of which:</i>								
Improving the supply and quality of housing	2,092.1	2,138.0	2,006.0	2,091.1	2,089.5	2,118.9	2,193.6	571.1
Building prosperous communities, promoting regeneration and tackling deprivation	835.4	854.6	839.3	843.7	807.5	745.7	769.4	688.6
<i>of which:</i>								
Building prosperous communities, promoting regeneration and tackling deprivation	835.4	854.6	839.3	843.7	807.5	745.7	769.4	688.6

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Developing communities that are cohesive, active and resilient to extremism	16.2	18.2	15.9	22.1	28.2	33.4	98.4	87.3
<i>of which:</i>								
Developing communities that are cohesive, active and resilient to extremism	16.2	18.2	15.9	22.1	28.2	33.4	98.4	87.3
Providing a more efficient, effective and transparent planning system	91.8	145.6	181.7	161.1	146.8	162.3	261.5	324.8
<i>of which:</i>								
Providing a more efficient, effective and transparent planning system	91.8	145.6	181.7	161.1	146.8	162.3	261.5	324.8
Ensuring safer communities by providing the framework to prevent and respond to emergencies	59.9	111.7	95.7	98.5	131.3	182.6	194.8	145.1
<i>of which:</i>								
Ensuring safer communities by providing the framework to prevent and respond to emergencies	59.9	111.7	95.7	98.5	131.3	182.6	194.8	145.1
Central Administration	156.7	172.0	171.2	170.0	168.2	163.4	189.6	193.4
<i>of which:</i>								
Central Administration	156.7	172.0	171.2	170.0	168.2	163.4	189.6	193.4
Government Office Administration	133.8	141.4	138.7	137.8	122.3	125.4	105.9	101.3
<i>of which:</i>								
Government Office Administration	133.8	141.4	138.7	137.8	122.3	125.4	105.9	101.3
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-41.3	-0.1	-	-
<i>of which:</i>								
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-41.3	-0.1	-	-

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	8.6	-	-
<i>of which:</i>								
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	8.6	-	-
European Structural Funds-losses write offs and other expenditure not funded by the European Union	2.7	2.0	-2.2	44.7	61.8	88.1	10.3	27.0
<i>of which:</i>								
European Structural Funds-losses, write offs and other expenditure not funded by the European Union	2.7	2.0	-2.2	44.7	61.8	88.1	10.3	27.0
Ordnance Survey	29.2	26.1	23.9	10.5	8.7	3.9	14.3	14.3
<i>of which:</i>								
Ordnance Survey	29.2	26.1	23.9	10.5	8.7	3.9	14.3	14.3
Queen Elizabeth II Conference Centre Executive Agency	-1.5	-1.0	-1.1	-1.2	-1.1	-3.9	-1.3	-1.3
<i>of which:</i>								
Queen Elizabeth II Conference Centre Executive Agency	-1.5	-1.0	-1.1	-1.2	-1.1	-3.9	-1.3	-1.3
Area Based Grant	-	-	-	-	-	645.0	674.5	2,239.9
<i>of which:</i>								
Area Based Grant	-	-	-	-	-	645.0	674.5	2,239.9
Local and Regional Government	40,914.5	43,315.8	46,244.4	22,540.7	22,750.6	24,646.7	25,595.9	26,296.5
<i>of which:</i>								
Local and Regional Government	40,914.5	43,315.8	46,244.4	22,540.7	22,750.6	24,646.7	25,595.9	26,296.5
Departmental Unallocated Provision	-	-	-	-	-	-	32.3	66.6
<i>of which:</i>								
Departmental Unallocated Provision	-	-	-	-	-	-	32.3	66.6
Total resource budget DEL	44,331.2	46,924.3	49,718.0	26,168.3	26,973.8	28,920.4	30,140.8	30,755.5

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
<i>of which:</i>								
Near-cash	44,335.8	46,861.5	49,677.8	26,006.2	26,833.4	28,750.4	29,942.3	30,544.1
<i>of which:†</i>								
Pay	229.5	274.4	329.8	346.1	329.1	305.2		
Procurement	621.6	657.5	664.6	604.3	626.8	660.8	823.6	757.9
Current grants and subsidies to the private sector and abroad	143.4	160.6	111.6	97.3	48.0	163.9	39.3	75.8
Current grants to local authorities	42,750.6	45,220.4	48,063.2	24,857.1	26,284.3	27,076.1	28,256.9	28,866.2
Depreciation	20.1	36.8	31.4	28.3	30.4	34.4	49.8	65.0
Resource AME								
Improving the supply and quality of housing	256.0	179.1	322.4	129.7	105.4	-79.4	305.7	-376.2
<i>of which:</i>								
Improving the supply and quality of housing	256.0	179.1	322.4	129.7	105.4	-79.4	305.7	-376.2
Ensuring safer communities by providing the framework to prevent and respond to emergencies	0.5	0.0	0.1	173.3	167.2	231.4	228.5	238.4
<i>of which:</i>								
Ensuring safer communities by providing the framework to prevent and respond to emergencies	0.5	0.0	0.1	173.3	167.2	231.4	228.5	238.4
Local and Regional Government	304.4	460.9	524.3	1,036.2	841.7	660.4	463.0	463.0
<i>of which:</i>								
Local and Regional Government	304.4	460.9	524.3	1,036.2	841.7	660.4	463.0	463.0
Total resource budget AME	560.9	639.9	846.8	1,339.3	1,114.3	812.4	997.2	325.2

	£'m								
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	
<i>of which:</i>									
Near-cash	513.1	543.7	777.2	1,334.4	1,075.9	670.5	866.3	257.2	
<i>of which:†</i>									
Pay	-	-	-	-	-	-	-	-	-
Procurement	-	-	-	0.1	0.2	0.7	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local authorities	304.4	478.4	535.3	1,202.7	1,008.8	891.0	691.4	701.4	
Depreciation	48.1	96.7	71.2	-	38.0	141.9	131.0	68.0	
Total resource budget	44,892.0	47,564.3	50,564.8	27,507.6	28,088.1	29,732.9	31,138.0	31,080.7	

† The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but are not included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Annex C – Table 3: Capital Budget DEL and AME

	£'m								
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	
Capital DEL									
Supporting local government	-	-	-	33.8	69.8	-	-	-	
<i>of which:</i>									
Supporting local government	-	-	-	33.8	69.8	-	-	-	
Improving the supply and quality of housing	3,294.5	3,710.9	4,279.4	4,163.5	4,705.4	5,422.4	6,771.2	5,144.6	
<i>of which:</i>									
Improving the supply and quality of housing	3,294.5	3,710.9	4,279.4	4,163.5	4,705.4	5,422.4	6,771.2	5,144.6	
Building prosperous communities, promoting regeneration and tackling deprivation	1,145.1	1,125.7	1,117.8	1,103.5	1,122.1	1,495.0	1,697.5	1,032.0	
<i>of which:</i>									
Building prosperous communities, promoting regeneration and tackling deprivation	1,145.1	1,125.7	1,117.8	1,103.5	1,122.1	1,495.0	1,697.5	1,032.0	

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Developing communities that are cohesive, active and resilient to extremism	2.5	5.8	-	-	-	-	-	-
<i>of which:</i>								
Developing communities that are cohesive, active and resilient to extremism	2.5	5.8	-	-	-	-	-	-
Providing a more efficient, effective and transparent planning system	3.5	36.0	45.0	34.5	30.1	33.7	11.5	7.3
<i>of which:</i>								
Providing a more efficient, effective and transparent planning system	3.5	36.0	45.0	34.5	30.1	33.7	11.5	7.3
Ensuring safer communities by providing the framework to prevent and respond to emergencies	138.2	95.3	77.8	79.9	132.9	149.8	118.7	140.4
<i>of which:</i>								
Ensuring safer communities by providing the framework to prevent and respond to emergencies	138.2	95.3	77.8	79.9	132.9	149.8	118.7	140.4
Central Administration	11.1	5.9	7.3	10.7	8.2	6.9	21.1	21.1
<i>of which:</i>								
Central Administration	11.1	5.9	7.3	10.7	8.2	6.9	21.1	21.1
Government Office Administration	2.1	4.9	3.6	5.7	1.8	3.6	2.9	2.9
<i>of which:</i>								
Government Office Administration	2.1	4.9	3.6	5.7	1.8	3.6	2.9	2.9
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-	0.1	-	-
<i>of which:</i>								
European Structural Funds – Net (expenditure and income relating to old programmes)	-	-	-	-	-	0.1	-	-

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	10.6	-	-
<i>of which:</i>								
European Structural Funds – relating to 2007-13 programmes	-	-	-	-	-	10.6	-	-
European Structural Funds-losses write offs and other expenditure not funded by the European Union	0.0	-	-	-	-	2.2	0.0	0.0
<i>of which:</i>								
European Structural Funds-losses, write offs and other expenditure not funded by the European Union	0.0	-	-	-	-	2.2	0.0	0.0
Queen Elizabeth II Conference Centre Executive Agency	-0.1	-0.1	-0.1	-	-	0.3	-0.1	-0.1
<i>of which:</i>								
Queen Elizabeth II Conference Centre Executive Agency	-0.1	-0.1	-0.1	-	-	0.3	-0.1	-0.1
Local and Regional Government	214.0	256.8	315.8	223.3	32.1	128.5	106.1	92.1
<i>of which:</i>								
Local and Regional Government	214.0	256.8	315.8	223.3	32.1	128.5	106.1	92.1
Departmental Unallocated Provision	-	-	-	-	-	-	0.1	0.2
<i>of which:</i>								
Departmental Unallocated Provision	-	-	-	-	-	-	0.1	0.2
Total capital budget DEL	4,810.8	5,241.2	5,846.6	5,654.8	6,102.4	7,253.1	8,728.9	6,440.5
<i>of which:</i>								
Capital expenditure on fixed assets net of sales†	-20.9	128.4	241.6	-87.1	27.3	194.3	158.4	-32.5
Capital grants to the private sector and abroad	1,924.8	1,788.2	1,726.2	2,201.3	2,361.4	3,000.7	4,115.5	3,088.1
Net lending to private sector	16.3	9.5	-0.3	0.2	-0.2	5.0	-	5.0
Capital support to public corporations	63.3	51.3	18.8	6.5	2.8	0.3	1.9	-0.1
Capital support to local authorities††	1,774.2	2,319.3	2,898.6	2,579.3	2,820.6	2,732.3	2,844.8	2,371.3

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Capital AME								
Local and Regional Government	125.4	-	-	-	-	-	-	-
<i>of which:</i>								
Local and Regional Government	125.4	-	-	-	-	-	-	-
Total capital budget AME	125.4	-	-	-	-	-	-	-
Total capital budget	4,936.2	5,241.2	5,846.6	5,654.8	6,102.4	7,253.1	8,728.9	6,440.5
<i>of which:</i>								
Capital expenditure on fixed assets net of sales†	-20.9	128.4	241.6	-87.1	27.3	194.3	158.4	-32.5
Less depreciation†††	68.3	133.5	102.6	28.3	68.4	176.3	180.8	133.0
Net capital expenditure on tangible fixed assets	-89.2	-5.1	139.0	-115.4	-41.1	18.0	-22.4	-165.5

† Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

†† This does not include loans written off by mutual consent that score within non-cash Resource Budgets.

††† Included in Resource Budget.

Core table 4: Capital employed

Comparisons with last year's report table

C.11 Since last year's report the following changes have been made to the table: the 2007-08 estimated outturn has been replaced by the final outturn; the 2008-09 plan has been replaced by the projected outturn and the 2002-03 outturn has been removed.

Table categories and notes

C.12 Capital employed is the funding required by an organisation to set it up and continue its existence. Capital consists of funding invested in the organisation (shareholders' equity in private sector organisations) and loans to the organisation (either directly as money lent or indirectly as credit allowed in business activity e.g. time allowed to pay invoices).

C.13 The capital employed by an organisation is reported in the balance sheet of its financial statements. Capital in this table is based on UK Generally Accepted Accounting Practice. Next year the figures will be based on International Generally Accepted Accounting Practice. The balance sheet lists the organisation's assets and its liabilities:

- assets can be 'fixed assets' (providing benefit for more than one year after acquisition) or 'current assets' providing benefit within one year of acquisition. Examples of fixed assets are land and buildings. Examples of current assets are debtors (third parties who owe the organisation payments for purchases from it), and balances in bank and cash accounts
- fixed assets can be intangible (do not have physical form e.g. licences and intellectual property rights) or tangible (having physical form e.g. IT equipment, vehicles, plant and machinery)
- investments are fixed assets that represent funding provided to other organisations as equity (e.g. public dividend capital) or as loans
- creditors are third parties who are owed payment by the Department. Creditors are analysed between those having to be paid within one year, and those for whom payment will be after one year
- provisions are liabilities of uncertain amount or timing. A provision is recorded if a sufficiently reliable estimate can be made

C.14 Prior to the creation of Communities and Local Government in 2006-07 its main predecessor department was the former Office of the Deputy Prime Minister (ODPM). Main department figures for 2005-06 and prior years are those of the former ODPM which was created in 2002-03.

C.15 Year 2003-04 excludes figures for The Rent Service which was transferred to the Department for Work and Pensions on 1 April 2004. 2003-04 comparatives were restated in the 2004-05 audited accounts to reflect operational changes during the year that included the transfer of The Rent Service and the effect of machinery of government changes that occurred during the year.

C.16 Capital employed for entities arriving under machinery of government changes is not included until the year in which they join Communities and Local Government.

Annex C – Table 4: Department for Communities and Local Government Capital Employed

	£'m							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans
Assets on balance sheet at end of year:								
Fixed assets								
Intangible Fixed Assets	361	427	1,036	1,439	969	1,463	1,083	746
Tangible Fixed Assets	144,242	162,520	165,516	171,662	187,290	198,126	171,811	186,164
<i>of which:</i>								
Land and Buildings, owned, excluding dwellings	26,748	28,001	28,740	33,270	32,952	30,781	29,965	29,072
Plant and machinery, owned	40,113	37,580	26,269	26,071	20,545	12,816	6,383	6,062
Transport equipment, owned	23,736	41,726	51,243	47,440	52,206	57,662	24	24
Information technology, owned	23,163	31,631	28,293	29,529	36,677	47,481	106,340	127,274
Payments on account and assets under construction	29,365	23,259	30,739	35,190	44,369	46,788	25,060	19,616
Other, owned	1,117	323	232	162	541	2,599	4,040	4,116
Investments	46,591	46,312	45,888	45,859	44,798	44,670	44,223	43,781
Current Assets	974,089	2,505,775	1,121,186	1,008,320	1,189,788	374,976	385,288	395,883
Creditors (<1 year)	-1,186,186	-2,530,857	-1,534,588	-1,594,566	-2,562,133	-799,679	-740,181	-760,378
Creditors (>1 year)	-8,868	-240,002	-265,913	-263,045	-346,972	-496,428	-510,079	-524,107
Provisions	-56,668	-32,454	-21,211	-33,022	-107,201	-120,308	-96,697	-91,395
Capital employed within main department	-86,439	-88,278	-488,086	-663,353	-1,593,461	-797,180	-744,553	-749,305
Non Departmental Public Bodies' net assets	752,758	935,234	1,460,481	1,492,269	1,435,952	993,121	949,109	991,483
Total capital employed in departmental group	666,319	846,956	972,395	828,916	-157,509	195,942	204,556	242,179

Core tables 5 and 5a: administration costs

Comparisons with last year's report tables

C.17 Since last year's report the following changes have been made to figures:

- The 2007-08 estimated outturn has been replaced by the final outturn; the 2008-09 plans have been replaced by the estimated outturn; and the 2002-03 outturn figures have been removed

Comparisons between years within this year's report

C.18 The table below shows the split of the administration budget between near-cash (pay and non-pay) and non-cash (accounting charges).

C.19 The plans for the central department's administration for future years do not include any assumption for the credit on the cost of capital charge which the Department receives due to its working capital balances. Prior to the current spending review period the trend information to enable us to make an accurate assessment was not available. The information which was available suggested that the credit was likely to diminish significantly year on year.

Annex C – Table 5: administration costs

	£'m								
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn	Plans	Plans	
Administration Expenditure									
Paybill	176.1	191.3	217.7	215.1	195.1	190			
Other	139.2	153.6	125	131.2	131.5	120			
Total administration expenditure	315.3	344.9	342.7	346.3	326.5	310	302.7	295.9	
Administration income	-24.7	-33.7	-34.8	-53.1	-48.5	-44.7	-29.8	-29.8	
Total administration budget	290.6	311.2	308	293.2	278.1	265.3	272.9	266.2	
Analysis by activity									
Central Administration	156.7	169.8	169.3	158.4	158.6	151.8	167	164.9	
Government Office Administration	133.8	141.4	138.7	134.8	119.5	113.5	105.9	101.3	
Total administration budget	290.6	311.2	308	293.2	278.1	265.3	272.9	266.2	

Annex C – Table 5a: administration costs

	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Estimated Outturn	Plans	Plans
Near-Cash	351.5	332.6	327.3	291.1	284.5
Non-cash	-5.2	-6.1	-17.3	11.6	11.3
Receipts	-53.1	-48.4	-44.7	-29.8	-29.8
Total	293.2	278.1	265.3	272.9	266.2

C.20 Government Office administration costs for future years do not yet include all Departments' full contributions for baseline and additional in-year work (around £20.4m) which will not be the subject of interdepartmental transfers, as previously, but will be invoiced.

Core table 6: Staffing**Annex C – Table 6: Staffing (1)**

	2007-08	2008-09	2009-10
	Actual ²	Actual ³	Planned
Communities and Local Government			
Permanent staff	1,942	2,148	2,041
Fixed Term Appointments	59	59	56
Total	2,001	2,207	2,097 (4)
Communities staff in the Government Offices			
Permanent staff	634	595	604 (6)
Fixed Term Appointments	33	12	0 (6)
Total	667	607	604 (6)
Planning Inspectorate			
Permanent staff	759	740	747
Fixed Term Appointments	0	0	0
Total	759	740	747
QEII Conference Centre			
Permanent staff	48	46	46
Fixed Term Appointments	3	4	3
Total	51	50	49

	2007-08 Actual ²	2008-09 Actual ³	2009-10 Planned
The Fire Service College			
Permanent staff	249	229	223
Fixed Term Appointments	4	2	4
Total	253	231	227
Total Department	3,731(5)	3,835(5)	3,724(5)

1. Figures for executive NDPBs not included
2. As 31 March 2008
3. As at 31 March 2009
4. Figures based on a 5 per cent reduction target set by Cabinet Office.
5. Includes staff on inward loan and inward secondment and staff on paid maternity leave, paid outward loans and secondment, long-term sick and staff on unpaid leave
6. The 2009-10 planned figures are based on current knowledge of exits across the GO Network after 31 March 2009 in order for the Network to achieve the desired post April 2010 staffing allocations under the Resource Allocation Model

Core tables 7, 8 and 9: Expenditure on services by region

C.21 These tables show the estimated expenditure by Communities and Local Government by region. These tables are designed to be consistent with the presentation in *Public Expenditure Statistical Analyses 2009* rather than core tables 1, 2 and 3. They are some key differences between the two presentations:

Core Tables 1, 2 and 3	Core Tables 7, 8 and 9
Broken down by Departmental strategic objectives	Broken down by region and by the United Nations Classification of Functions of Government (COFOG)
Includes grants to local authorities	Excludes grants to local authorities
Includes non cash costs (depreciation, cost of capital, provisions)	Excludes non cash items
Includes capital payments to public corporations	Includes capital expenditure by public corporations
Data as at March 2009. 2009-10 figures consistent with Main Estimates	Data as at December 2008. 2009-10 not necessarily consistent with Main Estimates

C.22 Some important points to note are:

- Tables 7, 8 and 9 show analyses of the Department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of *Public Expenditure Statistical Analyses (PESA) 2009*. PESA explains how the data was collected and the basis for allocating expenditure between countries

and regions. The figures were taken from the HM Treasury public spending database in December 2008 and the regional distributions were completed in January and February 2009. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental report

- The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the department and its NDPBs, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure
- TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of PESA 2009
- 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
- Certain expenditure is considered to be 'non-identifiable' i.e. it is not considered capable of being analysed as being for the benefit of individual regions. It is shown in the tables as a total for the whole of the UK. Since last year's report, some items of expenditure have been reclassified from non identifiable to identifiable expenditure
- Expenditure on functions relates to the current Departmental responsibilities. Our primary focus has continued to be the large programmes that make up the bulk of the Department's spend. We now have the new Homes and Communities Agency and Tenant Services Authority set up. The method of allocation for the programmes within these areas has been kept in line with that used in the past before they were brought under the Homes and Communities Agency and the Tenant Services Authority
- Across government, most expenditure is not actually planned or allocated on a regional basis. Expenditure may, for instance, be allocated by looking at how all the projects across the Department's area of responsibility – usually England – compare; or it may be allocated on a demand led basis. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis
- Expenditure is allocated in these tables on the basis of the region benefiting from the expenditure, not on the location of the recipient of the payment
- Wherever possible, breakdowns for past years are based on actual records. But in some cases assumptions or estimates have had to have been made.

Future plans may be based on actual programmes, past trends or other data and are subject to change

- The functional analyses of spending in Table 9 are based on the United Nations Classification of the Functions of Government (COFOG), the international standard. The presentations of spending by function are consistent with those used in chapter 9 of PESA 2009. These are not the same as the strategic priorities shown elsewhere in the report

Table 7: Communities and Local Government identifiable expenditure on services, by country and region

	£'m							
	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Plans	2008-09 Plans	2009-10 Plans	2010-11 Plans
North East	397.8	377.5	363.5	364.1	378.3	363.2	419.8	246.2
North West	738.7	697.7	671.5	623.6	693.3	764.1	924.1	637.0
Yorkshire and The Humber	497.8	532.6	463.9	510.3	501.0	518.7	689.0	474.7
East Midlands	311.0	325.0	322.6	346.8	340.3	557.2	492.7	488.9
West Midlands	519.3	465.6	486.0	473.9	482.5	570.3	581.7	411.1
East	331.7	318.6	503.8	438.3	476.2	456.5	712.5	432.2
London	1,135.4	1,116.3	1,017.7	1,250.4	1,296.1	1,472.2	1,864.8	1,223.7
South East	658.7	580.4	738.7	571.0	618.2	825.6	1,018.4	777.7
South West	318.9	317.3	351.8	391.0	439.6	522.8	653.2	484.6
Total England	4,909.1	4,731.1	4,919.5	4,969.3	5,225.5	6,050.6	7,356.2	5,176.0
Scotland	2.4	4.6	5.8	2.8	2.3	5.0	5.6	4.6
Wales	4.4	5.2	6.0	5.2	4.2	6.0	6.1	5.3
Northern Ireland	-0.1	0.1	0.4	0.8	0.6	0.3	0.3	0.3
Total UK identifiable expenditure	4,915.7	4,741.0	4,931.7	4,978.1	5,232.5	6,062.0	7,368.2	5,186.2
Outside UK	0.2	0.7	3.2	2.5	4.0	2.3	2.4	2.1
Total identifiable expenditure	4,915.9	4,741.7	4,934.9	4,980.6	5,236.5	6,064.2	7,370.6	5,188.3
Non-identifiable expenditure	2.3	4.1	2.6	1.3	1.5	604.9	617.3	538.3
Total expenditure on services	4,918.2	4,745.8	4,937.5	4,981.9	5,238.0	6,669.1	7,987.9	5,726.6

Table 8: Communities and Local Government identifiable expenditure on services, by country and region, per head

	£ per head							
	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Plans	2008-09 Plans	2009-10 Plans	2010-11 Plans
North East	157	148	143	142	148	141	163	95
North West	109	102	98	91	101	111	133	91
Yorkshire and The Humber	99	105	91	99	97	99	131	89
East Midlands	73	76	75	79	77	125	110	108
West Midlands	98	87	91	88	90	105	107	75
East	61	58	91	78	84	80	123	74
London	154	151	136	166	172	193	243	158
South East	81	71	90	69	74	99	121	92
South West	64	63	69	76	85	100	124	91
Total England	98	94	97	98	102	118	142	99
Scotland	0	1	1	1	0	1	1	1
Wales	2	2	2	2	1	2	2	2
Northern Ireland	0	0	0	0	0	0	0	0
Total UK identifiable expenditure	83	79	82	82	86	99	119	83

Table 9: Communities and Local Government identifiable expenditure on services, by function, country and region, for 2007-08

	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East
COMMUNITIES AND LOCAL GOVERNMENT						
General public services						
Executive and legislative organs, financial and fiscal affairs, external affairs	33.0	71.1	55.2	41.5	58.2	52.2
Foreign economic aid	0.0	0.0	0.0	0.0	0.0	0.0
General services	1.8	4.9	3.7	3.2	3.9	4.1
R&D general public services	0.5	1.4	1.0	0.9	1.1	1.1
General public services n.e.c. ¹	0.0	0.0	0.0	0.0	0.0	0.0
Total general public services	35.3	77.5	60.0	45.6	63.2	57.5
Defence						
Civil defence	1.1	2.9	2.2	1.8	2.3	2.3
Total defence	1.1	2.9	2.2	1.8	2.3	2.3
Public order and safety						
Fire-protection services	4.8	12.9	9.6	8.5	10.0	10.6
Total public order and safety	4.8	12.9	9.6	8.5	10.0	10.6
Enterprise and economic development						
General economic, commercial and labour affairs	233.5	329.2	252.6	143.5	246.9	112.9
Economic affairs n.e.c. ¹	19.1	46.7	30.6	8.5	17.4	8.2
Total enterprise and economic development	252.7	375.9	283.2	152.1	264.3	121.1
Environment protection						
Protection of biodiversity and landscape	0.0	0.5	0.0	0.0	0.0	0.0
Environment protection n.e.c. ¹	0.0	0.0	0.0	0.0	0.0	0.0
Total environment protection	0.0	0.5	0.0	0.0	0.0	0.0
Housing and community amenities						
Housing development	59.6	182.9	111.3	103.5	116.0	249.3
<i>of which: local authority housing</i>	7.9	41.2	28.9	3.8	7.8	3.5
<i>of which: other social housing</i>	51.7	141.7	82.4	99.7	108.2	245.8
Community development	17.6	26.3	24.3	21.7	16.4	26.7
Housing and community amenities n.e.c. ¹	6.2	13.0	9.3	6.3	9.2	7.1
Total housing and community amenities	83.4	222.1	144.9	131.5	141.7	283.1
Social protection						
Old age	0.0	0.0	0.0	0.0	0.0	0.5
Social exclusion n.e.c. ¹	1.0	1.5	1.1	0.9	1.1	1.1
Total social protection	1.0	1.5	1.1	0.9	1.1	1.6
TOTAL COMMUNITIES AND LOCAL GOVERNMENT	378.3	693.3	501.0	340.3	482.5	476.2

1. n.e.c = not elsewhere classified

London	South East	South West	England	Scotland	Wales	Northern Ireland	UK Identifiable expenditure	OUTSIDE UK	Total Identifiable expenditure	Not Identifiable	£'s Millions Totals
96.2	72.9	51.2	531.5	0.0	0.0	0.0	531.6	0.0	531.6	0.1	531.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0	0.0	4.0
5.5	6.0	3.7	36.8	1.6	0.9	0.0	39.4	0.0	39.4	1.4	40.7
1.6	1.7	1.0	10.3	0.8	0.4	0.3	11.7	0.0	11.7	0.0	11.7
0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.2
103.3	80.5	55.9	578.7	2.4	1.4	0.3	582.8	4.0	586.9	1.5	588.3
3.2	3.5	2.1	21.2	0.0	0.0	0.0	21.2	0.0	21.2	0.0	21.2
3.2	3.5	2.1	21.2	0.0	0.0	0.0	21.2	0.0	21.2	0.0	21.2
15.0	15.9	9.6	96.9	-0.3	-0.1	0.3	96.7	0.0	96.7	0.0	96.7
15.0	15.9	9.6	96.9	-0.3	-0.1	0.3	96.7	0.0	96.7	0.0	96.7
0.5	138.0	132.2	1,589.4	0.0	0.0	0.0	1,589.4	0.0	1,589.4	0.0	1,589.4
4.4	3.7	5.4	144.2	0.0	0.0	0.0	144.2	0.0	144.2	0.0	144.2
4.9	141.7	137.6	1,733.5	0.0	0.0	0.0	1,733.5	0.0	1,733.5	0.0	1,733.5
0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.5	0.0	0.5	0.0	0.5
0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.6	0.0	0.6	0.0	0.6
1,108.7	377.1	212.8	2,521.3	0.0	0.0	0.0	2,521.3	0.0	2,521.3	0.0	2,521.3
46.5	4.5	3.0	147.1	0.0	0.0	0.0	147.1	0.0	147.1	0.0	147.1
1,062.3	372.6	209.9	2,374.3	0.0	0.0	0.0	2,374.3	0.0	2,374.3	0.0	2,374.3
22.8	-12.4	13.5	156.8	0.1	2.8	0.0	159.7	0.0	159.7	0.0	159.7
19.9	10.1	6.9	88.0	0.0	0.1	0.0	88.2	0.0	88.2	0.0	88.2
1,151.4	374.8	233.3	2,766.1	0.1	2.9	0.0	2,769.1	0.0	2,769.1	0.0	2,769.1
0.3	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0	1.0	0.0	1.0
18.1	1.8	1.1	27.5	0.0	0.0	0.0	27.5	0.0	27.5	0.0	27.5
18.4	1.8	1.1	28.5	0.0	0.0	0.0	28.5	0.0	28.5	0.0	28.5
1,296.1	618.2	439.6	5,225.5	2.2	4.2	0.6	5,232.5	4.0	5,236.6	1.5	5,238.0

Annex D: Data and surveys

Ensuring data quality

- D.1** Issues of data quality are considered on many levels within the Department. It has an Evidence Strategy Group, chaired by the Director General Finance and Corporate Services, which is responsible for the Department's overall strategy on data quality.
- D.2** The Director General Finance and Corporate Services has Board level responsibility for data quality. The Head of Profession for Statistics has day to day responsibility for data quality issues, with direct access and accountability to the Accounting Officer as required.
- D.3** The National Audit Office (NAO) reviewed the data systems for the Department's PSA and DSO indicators in late 2008 and early 2009. Its reports on PSA 20 and PSA 21 are at www.nao.org.uk/publications/0809/measuring_up_psa_validation.aspx
- D.4** NAO was satisfied with the governance and other arrangements in place to ensure data quality, although it raised specific points on individual indicators.
- D.5** NAO also observed that the Department had agreed measurement annexes for all of its indicators, setting out the definition of the indicator and the data sources to be used. It noted that the Department did not in all cases, however, have detailed written procedure notes in place, explaining how each indicator was to be calculated and how any outliers or missing data were to be addressed. NAO noted that some PSA indicators did not have clear targets, according to the information included in the relevant delivery agreements and measurement annexes. The Department has recently updated its DSO measurement annexes to reflect the latest information, and has work in hand to produce further written procedure notes as necessary.
- D.6** NAO's findings in relation to each PSA and DSO indicator are summarised in the data quality sections of Chapters 3 to 8.
- D.7** The Department has been taking the steps necessary to comply with the Statistics and Registration Service Act 2007. This includes ensuring that all official statistics are robust and are published in an orderly and pre-announced manner.

Key surveys

- D.8** This section provides information on the four surveys that are the most widely-used sources of data for the Department's DSO and PSA indicators:
- the Annual Population Survey
 - the Citizenship Survey
 - the English Housing Survey
 - the Place Survey

- D.9** A wide range of statistics derived from administrative sources is also used, as well as statistics from some other surveys.
- D.10** Statistical significance is an important concept for sample-based surveys. A difference between two figures is said to be statistically significant if it can be attributed to something other than chance. In most cases, the Department follows the generally accepted view that, for a difference to be regarded as statistically significant, it must have no more than a 5 per cent probability of occurring by chance.
- D.11** 'National Statistic' is another important concept, applied to some sample-based surveys and a range of other published statistics to indicate that they have met a range of high standards relating to factors such as relevance, integrity, quality, accessibility, value for money and freedom from political influence.
- D.12** This section should be read in conjunction with section on datasets and sources below, which provides summary information on the data source for each of the Department's DSO and PSA indicators.

a) Annual Population Survey

- D.13** The Annual Population Survey (APS) is a National Statistic. It combines results from the Labour Force Survey (LFS) and the English, Welsh and Scottish Labour Force Survey boosts. The LFS itself is the main source of labour market information in this country. It is based on a systematic random sample design which makes it representative of the whole of Great Britain. Each quarter's LFS sample of 60,000 private households is made up of five waves, each of approximately 12,000 households¹³.
- D.14** APS datasets are produced quarterly with each dataset containing 12 months of data. There are approximately 170,000 households and 360,000 persons per dataset. More robust local area labour market estimates are available from the APS than from the main LFS.
- D.15** Further information and results can be found at: www.ons.gov.uk/about-statistics/user-guidance/lm-guide/sources/household/aps/index.html.

b) Citizenship Survey

- D.16** The Citizenship Survey is a large-scale nationally representative survey of adults in England and Wales, awarded National Statistics status in March 2008. The survey contributes to the evidence base for race, cohesion, equality and empowerment policy areas and is used to measure a number of Public Service Agreement (PSA) targets including PSA 21 (to build cohesive, active and empowered communities) and PSA 15 (to address disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief). The Citizenship

13 Households in each wave are interviewed in five successive quarters, such that in any one quarter, one wave will be receiving their first interview, one wave their second and so on, with one receiving their fifth and last interview.

Survey is also used to measure a number of departmental strategic objective (DSO) indicators including some within DSO 1 and DSO 4. The survey was carried out in 2001, 2003, 2005, 2007-08 and 2008-09. From April 2007, the survey adopted a continuous design, providing headline figures on a quarterly basis. The survey covers a representative core sample of 10,000 adults in England and Wales each year, as well as a minority ethnic boost sample of 5,000 adults. Questions cover issues including views about the local area, community cohesion, racial and religious prejudice and discrimination, values, interaction/mixing, political efficacy, civic engagement, volunteering and charitable giving.

- D.17** Further information and results can be found can be found at:
www.communities.gov.uk/corporate/researchandstatistics/statistics/subject/cohesionstatistics.

c) English Housing Survey

- D.18** The English Housing Survey (EHS) is a continuous national housing survey commissioned by Communities and Local Government. Launched in April 2008, it brought together the Survey of English Housing, which is a National Statistic and the English House Condition Survey into a single fieldwork operation. The survey covers all housing tenures.
- D.19** It has three component surveys: an initial household interview survey; a physical survey; and a market value survey. The interview survey is conducted with all householders in the sample (around 17,000 households per year). The physical survey involves a physical inspection by qualified surveyors of a sub-sample of around 8,000 properties per year. For these properties a (desk-based) market valuation is also undertaken. A periodic follow-up survey with private landlords is also undertaken to collect information on landlord experiences and attitudes, what type of landlord they are and why and how they became landlords.
- D.20** The survey is currently being conducted by the Office for National Statistics as part of their wider Continuous Population Survey. The physical survey is conducted by Miller Mitchell Burley Lane.
- D.21** The EHS is an essential source of information on changing housing attitudes and circumstances and the condition and energy performance of the housing stock. Results from the survey are used extensively across central government to monitor and inform a range of policy areas and DSOs including overcrowding, tenure trends, fuel poverty, decent homes, energy efficiency, climate change and housing inequalities. Results from the survey are used by a wide range of other users including local authorities, housing associations, landlords, academics, construction industry professionals, consultants and the general public.

D.22 Further information and results can be found can be found at:
www.communities.gov.uk/housing/housingresearch/housingsurveys

d) Place Survey

D.22 The Place Survey is a new survey of public perceptions, adapted in part from the Best Value User Satisfaction Survey previously run in 2000, 2003 and 2006. It is not currently a National Statistic.

D.23 The main purpose of the survey is to provide data for the National Indicator set for local government, although some additional questions were included on the questionnaires, and aggregated data for some questions are being used to inform the monitoring of DSO indicators and PSA targets.

D.24 The survey was conducted for the first time in autumn 2008. The Department reviewed the data from the survey to assess the extent to which they met the required quality standards. This work was used to inform the decision to publish headline figures on 23 June 2009. Looking ahead, further data are due to be published later in 2009, and the Department will be further reviewing the results of the first Place Survey, including drawing on the views of local government and survey experts. The intention is for the survey to be repeated in autumn 2010.

D.25 The survey was designed jointly by the Department and the Audit Commission and has been administered by individual local authorities. Further information and results can be found at: <http://www.communities.gov.uk/publications/corporatestatistics/placesurvey2008>

Datasets and sources

D.26 This section gives detailed information on the sources data used in the Department's DSO and PSA indicators. In addition, fuller details and about the measurement of the PSAs are set out on HM Treasury's website at www.hm-treasury.gov.uk/pbr_csr07_public_service_agreements.htm, and fuller details about the measurement of the DSOs can be found in the measurement documents on the Department's website at www.communities.gov.uk/corporate/about/howwework/publicserviceagreements/departmentalstrategicobjectives/

For each DSO and PSA indicator, information is given on the data source that is used, and a web-link is given to the most recent published data at the time of publication of this report, for indicators where data already exist.

Name of indicator	Source	Link to latest data at the time of publication
a) DSO indicators		
DSO 1: To support local government that empowers individuals and communities and delivers high quality services efficiently		
1.1 Overall satisfaction with the local area	Citizenship Survey	Figures (including baseline) not available until July 2009.
1.2 Percentage of people who feel that they can influence decisions in their locality	Citizenship Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
1.3 Narrow gaps in civic participation for three disadvantaged groups – BME groups, disabled people and Young People (16-25 year olds) without reducing the mean level of participation	Citizenship Survey	www.communities.gov.uk/documents/statistics/pdf/1208751.pdf – figures for BME and disabled groups on the DSO definition are at Table 3
1.4 Measure of the Audit Commission Direction of Travel assessments	Audit Commission Comprehensive Performance Assessment	Although this indicator is administrative in nature and not published as an official statistic, information is available at www.audit-commission.gov.uk/SiteCollectionDocuments/AnnualReports/2009/05032009CPATheHarderTestREP.pdf
1.5 Measure of the Audit Commission Use of Resources assessment	Audit Commission Comprehensive Performance Assessment	Although this indicator is administrative in nature and not published as an official statistic, information is available at www.audit-commission.gov.uk/SiteCollectionDocuments/AnnualReports/2009/05032009CPATheHarderTestREP.pdf
1.6 Average percentage increase in Band D council tax	Budget requirement returns from local authorities	www.local.communities.gov.uk/finance/ctax/ctax0910.pdf
1.7 Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year	NI 179 data from local authorities.	Although this indicator is administrative in nature and not published as an official statistic, information is available at: www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/

DSO 2: To improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy.

2.1	Number of net additional homes provided	Joint CLG/Regional assembly annual housing supply return; annual Housing Flows return	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/
2.2	Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability)	HM Land Registry market value house prices, ONS and Annual Survey of Hours and Earnings and ONS Average Earnings Index	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/
2.3	Number of affordable homes delivered (gross)	Homes and Communities Agency (HCA) information management system; HSSA and P2 returns from local authorities; return from HCA (formerly English Partnerships)	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/
2.4	Number of households living in temporary accommodation	P1E returns from local authorities	www.communities.gov.uk/publications/corporate/statistics/homelessnessq12009
2.5	Average energy rating for new homes (SAP – standard assessment procedure for the energy rating of dwellings)	Energy Performance Certificates Register	Figures (including baseline) not available until later in 2009.
2.6	Average energy ratings for all homes (SAP – standard assessment procedure for the energy rating of dwellings)	English Housing Survey from 2008 (and English House Condition Survey to 2007)	www.communities.gov.uk/publications/corporate/statistics/ehcs2007headlinereport
2.7	Percentage of non-decent homes in the social sector	Business Plan Statistical Annex (local authorities) and Regulatory Statistical Return (registered social landlords)	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/
2.8	Percentage of vulnerable households in decent houses in the private sector	English Housing Survey from 2008 (and English House Condition Survey to 2007)	www.communities.gov.uk/publications/corporate/statistics/ehcs2007headlinereport

2.9	Number of children in poor housing (non-decent, overcrowded or temporary accommodation)	English Housing Survey and P1E returns from local authorities (and English House Condition Survey and Survey of English Housing before 2008)	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/
2.10	Percentage of vulnerable people who are supported to maintain independent living	Supporting People Local System	www.spkweb.org.uk/Subjects/Statistics/Analysis+of+KPI+Data.htm
2.11	Percentage of vulnerable people achieving independent living	Supporting People Local System	www.spkweb.org.uk/Subjects/Statistics/Analysis+of+KPI+Data.htm
2.12	Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence	Ministry of Justice	Together with other data relating to PSA 16 details are on the Cabinet Office website at www.cabinetoffice.gov.uk/social_exclusion_task_force/psa/indicators_data.aspx
2.13	Care leavers in suitable accommodation	SSDA 903 returns from local authorities	As above, details at www.cabinetoffice.gov.uk/social_exclusion_task_force/psa/indicators_data.aspx
2.14	Adults receiving secondary mental health services in settled accommodation	Mental Health Minimum Data Set	Baseline figure expected July 2009.
2.15	Adults with learning disabilities in settled accommodation.	Key Statistics 1	Baseline figure expected September 2009.
2.16	Local authority tenants' satisfaction with services	English Housing Survey (and Survey of English Housing before 2008)	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/
2.17	The proportion of people aged 65 and over who are satisfied with their home and their neighbourhood	English Housing Survey (and Survey of English Housing before 2008)	Housing live tables at www.communities.gov.uk/housing/housingresearch/housingstatistics/livatables/

DSO 3: To build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation.

3.1	Plan for improving the physical, economic and social infrastructure of East London developed and agreed with key local authorities and regeneration agencies, and pre Games elements implemented by 2011	Progress on milestones	See Chapter 3. As this indicator is administrative in nature, figures are not published as official statistics.
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3.2	Previously developed land that has been vacant or derelict for more than 5 years (in deprived areas)	National Land Use Database of Previously-Developed Land	Baseline figure not available until October 2009
3.3	Ratio of 15th percentile house prices in each pathfinder region and their corresponding Government Office region	HM Land Registry market value house prices	Housing market and house prices live tables: www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housingmarket/livatables
3.4	Overall general satisfaction with the local area (in deprived areas)	Place Survey	Headline results from the survey were published on 23 June 2009. A baseline value for indicator 3.4 in 2008-09 will be available later in 2009.
3.5	Percentage change in average weekly earnings in primary urban areas	Annual Survey of Hours and Earnings	State of the Cities database: www.socd.communities.gov.uk/socd/
3.6	New business registration rate in deprived areas	Inter-departmental Business Register and mid-year population estimates	http://stats.berr.gov.uk/ed/national_indicators/index.htm
3.7	Overall employment rate (working age) at neighbourhood level (in deprived areas)	Annual Population Survey	http://communities.gov.uk/publications/corporate/statistics/dso3-7
3.8	Percentage change in the employment rate in primary urban areas	Annual Population Survey	State of the Cities database: www.socd.communities.gov.uk/socd/
3.9	Performance against key indicators to narrow the gap on crime, anti-social behaviour, health and education within deprived areas		
3.9 i)	Serious acquisitive crime	Serious acquisitive crime figures (Crime and Disorder Reduction Partnership – CDRP – level)	Figures supporting this indicator are expected to be available in July 2009. More generally, the latest annual figures for recorded crime at CDRP level (in 2007/08) are published by the Home Office at www.homeoffice.gov.uk/rds/crimeew0708.html
3.9 ii)	Life expectancy at birth	Calculated by ONS from mortality statistics and mid-year population estimates	www.communities.gov.uk/publications/corporate/statistics/dso3-9ii

3.9	iii) Key Stage 3 attainment	DCSF Key Stage 4 achievement and attainment tables	Data on Key Stage 4 in general accessible from www.dcsf.gov.uk/rsgateway
3.9	iv) Perception of anti-social Behaviour	Place Survey (and British Crime Survey for trend information)	Headline results from the Survey were published on 23 June 2009. A baseline value for indicator 3.9 iv) in 2008-09 will be available later in 2009.

DSO 4: To develop communities that are cohesive, active and resilient to extremism.

4.1	Percentage of people who believe people from different backgrounds get on well together in their local area	Citizenship Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
4.2	Percentage of people who have meaningful interactions with people from different backgrounds	Citizenship Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
4.3	Percentage of people who feel that they belong to their neighbourhood	Citizenship Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
4.4	The extent to which domestic communities, particularly domestic Muslim communities, reject and condemn violent extremism	We are continuing to explore ways to measure our intended outcomes and to ensure that data quality standards are met	Figures not yet available.
4.5	Percentage of people who feel that racial or religious harassment is a problem in their local area	Citizenship Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809

DSO 5: To provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change.

5.1	Annual housing provision in regional spatial strategies to reflect the target of 240,000 new homes a year by 2016	Government Office database	As this indicator is administrative in nature, figures are not published as official statistics.
5.2	Local planning authorities to have adopted the necessary development plan documents, in accordance with milestones set out in their local development schemes to bring forward sufficient developable land for housing in line with PPS3	Local Development Scheme data	As this indicator is administrative in nature, figures are not published as official statistics.

5.3	Supply of ready to develop housing sites	Ad-hoc survey in advance of Annual Monitoring Reports	As this indicator is administrative in nature, figures are not published as official statistics.
5.4	All LPAs to manage development effectively in accordance with the relevant development plan document, and within acceptable timescales	PS1 and PS2 returns from local authorities	www.communities.gov.uk/publications/corporate/statistics/planningapplicationsq42008
5.5	Improving the appeals process in the planning system – Making it proportionate, customer focussed, efficient and well resourced	Planning Inspectorate data	Figures will be available for 2009-10.
5.6	Reduction by the end of the CSR period in the overall percentage of planning applications that are subject to appeal	PS1 and PS2 returns from local authorities (planning applications) and Planning Inspectorate data (appeals)	Planning application figure from www.communities.gov.uk/publications/corporate/statistics/planningapplicationsq42008 and appeals figure from www.planning-inspectorate.gov.uk/pins/statistics/index.htm
5.7	Net change in the area of green belt	Local authority annual green belt return	www.communities.gov.uk/publications/corporate/statistics/lagreenbelt2008
5.8	Quality of housing sites (or phases of sites)	Annual monitoring reports from local authorities	www.cabe.org.uk/default.aspx?contentitemid=1727 (where baseline figures are on page 14 of the report).

DSO 6: Ensuring safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies.

6.1	Numbers of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks	Data from fire and rescue services and incident reports	www.communities.gov.uk/fire/researchandstatistics/firestatistics/firestatisticsmonitors/
6.2	Numbers of deliberate primary and secondary fires submitted through incident reports.	Data from fire and rescue services and incident reports	www.communities.gov.uk/fire/researchandstatistics/firestatistics/firestatisticsmonitors/

6.3 Improvement in the national picture of Fire and Rescue Service performance reflected in Audit Commission assessment outcomes. This will be demonstrated by improved aggregate scores in published Use of Resources and Direction of Travel assessments for Fire and Rescue Authorities in England.	Audit Commission Use of resources and Direction of Travel Assessments	Although this indicator is administrative in nature and not published as an official statistic, information is available at www.audit-commission.gov.uk/fire/rescue/audit/cpa/fpa/pages/firescores2008.aspx
6.4 Delivery of a co-ordinated Fire and Resilience programme achieving planned milestones and deliverables for the New Dimension, FiReControl and Firelink projects.	Progress on achieving planned milestones and deliverables	See Chapter 6. As this indicator is administrative in nature, figures are not published as official statistics.

b) PSA indicators (PSA 20 and PSA 21)

PSA 20:

Indicator 1: Number of net additional homes provided	See DSO 2.1
Indicator 2: Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability)	See DSO 2.2
Indicator 3: Number of affordable homes delivered (gross)	See DSO 2.3
Indicator 4: Number of households living in temporary accommodation	See DSO 2.4
Indicator 5: Average energy rating for new homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)	See DSO 2.5
Indicator 6: Local planning authorities to have adopted the necessary development plan documents, in accordance with milestones set out in their local development schemes to bring forward sufficient developable land for housing in line with PPS3	See DSO 5.2

PSA 21:

Indicator 1: Percentage of people who believe people from different backgrounds get on well together in their local area	See DSO 4.1 for national element; local element from Place Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
Indicator 2: Percentage of people who have meaningful interactions with people from different backgrounds	See DSO 4.2	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
Indicator 3: Percentage of people who feel that they belong to their neighbourhood	See DSO 4.3 for national element; local element from Place Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
Indicator 4: Percentage of people who feel that they can influence decisions in their locality	See DSO 1.2 for national element; local element from Place Survey	www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809
Indicator 5: A thriving third sector	Citizenship Survey and Annual Population Survey	Citizenship Survey at www.communities.gov.uk/publications/corporate/statistics/citizenshipsurveyq3200809 and Annual Population Survey at www.ons.gov.uk/about-statistics/user-guidance/lm-guide/sources/household/aps/index.html (no separate figures for third sector employment).
Indicator 6: the percentage of people who participate in culture or sport	Taking Part Survey	www.culture.gov.uk/reference_library/research_and_statistics/4872.aspx

Annex E

Executive agencies and public bodies

In 2007-08, the Department appointed external consultants to undertake a review of its sponsor relationships with its arm's-length bodies. The Department accepted the main conclusions of that review, and implemented a range of actions including where appropriate individual relationship workshops and reviews of Framework Documents. In July 2008, a seminar for the Chairs and Chief Executives of its arm's-length bodies was hosted by the then Secretary of State and the Permanent Secretary to reinforce the CLG-family closer working relationship message.

The Department is responsible for three executive agencies, Ordnance Survey, a number of executive, advisory and tribunal non-departmental public bodies (NDPBs) and public corporations and, through the Regional Co-ordination Unit (RCU), the efficient and effective operation of nine Government Offices. The executive agencies, executive NDPBs and public corporations produce their own detailed annual reports which are available from their websites.

Executive agencies and Ordnance Survey

Fire Service College

The Fire Service College is the central training establishment for the Fire and Rescue Service (FRS) and operates as a trading fund. It provides a wide range of safety critical specialist operational Incident Command and National Resilience training centred on its unique incident ground; and provides access to leadership development at all levels. In addition to its core FRS customers, the College provides training to other UK emergency services, public and private sector organisations and international FRSs. In December the College beat over 200 finalists from the private and public sector to be named winner in the "Providing Education and Training" category at the UK National Training Awards 2008.

Planning Inspectorate

The Planning Inspectorate's work includes the processing of planning and enforcement appeals as well as a wide range of other planning related casework. Its main achievement has been in maintaining a consistently high level of quality decisions (the ministerial target being 99 per cent error free) thus maintaining its reputation of being a source of impartial information and advice on planning related matters.

Queen Elizabeth II Conference Centre

The Queen Elizabeth II Conference Centre is a high-quality, purpose-built venue, specialising in events of 40 to 1,000 delegates, based in the heart of Westminster: it has trading fund status. It was announced in the Budget 2009 that the Centre will be disposed of by Government by 2012. It will continue to operate as a conference centre in the meantime.

Non-ministerial government department

Ordnance Survey

Ordnance Survey is Great Britain's national mapping agency with its headquarters in Southampton. It is a government department and executive agency in its own right, with trading fund status. It is responsible for creating and updating the master map of Great Britain, from which it produces and markets a wide range of digital map data and paper maps for business, leisure, educational and administrative use. Ordnance Survey's new business strategy was announced by the then Parliamentary Under-Secretary of State on 23 April 2009. This should make its data more accessible and provide greater innovation and stimulus for the Geographic Information sector.

Public corporations

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.

Audit Commission

The Audit Commission appoints auditors to local authorities and NHS bodies in England and carries out inspections of local authorities and registered social landlords. During 2008-09, it reported on the performance of local authorities in comprehensive performance assessment, which was replaced on 1 April 2009 by comprehensive area assessment.

Executive non-departmental public bodies

Community Development Foundation

The Community Development Foundation (CDF), a registered charity, is a leader in community development analysis and in strategies to empower people. It advises, supports and informs government on community development and community capacity building issues and also contributes to the delivery of key government policies for communities.

English Partnerships

Until December 2008, English Partnerships was the national regeneration agency with an aim to help the Government deliver and support high-quality sustainable growth. English Partnerships successfully delivered lasting benefits for local communities across the country by integrating housing growth and regeneration with the broader social economic revival and growth of some of England's towns and cities. From December 2008, the work of English Partnerships was enhanced by becoming part of the Homes and Communities Agency.

Firebuy

Firebuy was established in 2006 to deliver the National Procurement Strategy for the English Fire and Rescue Service. In addition Firebuy has also successfully completed the procurement process to let the Long Term Capability Management contract for New Dimension assets and is now managing that contract.

Homes and Communities Agency

The Homes and Communities Agency (HCA) was created on 1 December 2008 and is the Government's housing and regeneration delivery partner with an annual budget of around £5bn a year. It is currently responsible for delivering upon English Partnerships and the Housing Corporation's previous commitments as well as working with other stakeholders to develop new proposals.

Housing Corporation

Until December 2008, the Housing Corporation funded new affordable housing and regulated housing associations in England. It contributed to developing and implementing regional and national housing strategies, using public subsidy to procure affordable housing. In December 2008, its functions transferred to the Tenant Services Authority (TSA) and Homes and Communities Agency (HCA).

Housing Ombudsman Service

The Independent Housing Ombudsman Limited administers the Housing Ombudsman Service (HOS) which deals with complaints from tenants and residents of member landlords (such as registered social landlords) in respect of their occupation of property or the delivery of services to them or in the course of their dealings with the member landlord. The HOS has developed a new casework management system which has improved the Service's performance against its targets.

Leasehold Advisory Service

The work of the Leasehold Advisory Service (LEASE) includes providing free initial legal advice and information to leaseholders, landlords, professional advisers, managers and others on the law affecting residential leasehold and commonhold. It provides information and advice to Government on these subjects and runs a mediation service for resolving leasehold disputes. In 2008-09, LEASE successfully ran a number of leaseholder outreach events in England and Wales, as well as advice surgeries requested by some MPs for their constituents. LEASE contributed to other local authority and registered social landlord events, as well as the Communities and Local Government Home Information Pack working group and, as part of its work, has also dealt with 140 mediation applications and 28 mediation sessions.

London Thames Gateway Development Corporation

The Corporation has made good progress in using its land assembly and planning powers to begin to deliver on the key objectives in the completed regeneration frameworks for Lower Lea Valley and London Riverside. It has established strong partnerships with key agencies such as the Olympic Delivery Authority, British Waterways Board, the Housing Corporation

and English Partnerships, and the London Development Agency to help regenerate East London. The Corporation is well on its way to making sure around 40,000 more homes and 28,000 more jobs are created by 2016. A Quinquennial Review of the Corporation, to which we committed when it was established, will take place during 2009.

Standards Board for England

The Standards Board for England is one of the fundamental elements that underpins the conduct regime for local authority members. In 2008-09 its role changed to that of a strategic regulator for local authority Standards Committees, providing guidance, training and support as well as monitoring performance.

Tenant Services Authority

The Tenant Services Authority (TSA) is the new independent regulator for social housing, dedicated to raising the standard of social housing management services by putting tenants at the heart of regulation. From December 2008, the TSA assumed the Housing Corporation's responsibility for regulating housing associations. In 2009, it will consult on new performance standards for all social landlords (including local authorities) and the use of its new powers as set out in the Housing and Regeneration Act 2008.

Thurrock Thames Gateway Development Corporation

The Corporation was established to drive the regeneration of Thurrock. Through its planning and development powers it aims not only to deliver the Government's targets and aims for the regeneration of Thurrock, but also ensure that growth is carefully planned and managed. The Corporation has identified three primary tasks. First, to create the market conditions which will deliver on brownfield land the growth targets set for Thurrock. Second, to secure transformational change in pockets of social exclusion, particularly in Tilbury, Aveley and South Ockendon. Third, to ensure all Thurrock's communities are made more cohesive and sustainable. A Quinquennial Review of the Corporation, to which we committed when it was established, will take place during 2009.

Valuation Tribunals Service

The Valuation Tribunals Service provides 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

West Northamptonshire Development Corporation (WNDC) was established in 2004 to drive forward regeneration, improved infrastructure, investment and sustainable growth in the towns of Northampton, Daventry and Towcester in the Milton Keynes/South Midlands growth area. Following successful investment of £29.7m of Growth Area Funding in 2006-08, WNDC have secured a further £38.6m from the Growth Fund to invest in infrastructure in period 2008-11. A Quinquennial Review of the Corporation, to which we committed when it was established, will take place during 2009.

Advisory non-departmental public bodies

Advisory Panel for the Beacon Scheme

The Advisory Panel for the Beacon Scheme provides independent advice to ministers on the operation of the Beacon Scheme, which is designed to recognise and share best practice in local services. In March 2009 the tenth set of Beacon Awards were made at a ceremony attended by 700 delegates.

Advisory Panel on Standards for the Planning Inspectorate

The Advisory Panel on Standards (APOS) for the Planning Inspectorate advises 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 verifies the Inspectorate's handling of complaints and indicates in its Annual Report whether the Inspectorate's quality assurance, quality control and training systems are in place and functioning properly.

Building Regulations Advisory Committee

The Building Regulations Advisory Committee (BRAC), established by statute in 1962, is responsible for advising the Secretary of State on the making of building regulations, and other related matters in England and Wales. BRAC is also designated as a Scientific Advisory Committee. Its members are appointed on a voluntary independent basis to represent particular areas of expertise and experience of relevance to the building regulations. In practice, BRAC works closely with officials in the Department's sustainable buildings division providing valuable advice and views on a range of building-related matters.

National Community Forum

The National Community Forum (NCF) acts as a valuable sounding board for ministers and civil servants, providing a grass roots perspective on policies aimed at narrowing the gap between deprived areas and the rest of the country. The NCF published a report on the Sources of resentment, and perceptions of ethnic minorities among poor white people in England in January 2009.

National Housing and Planning Advice Unit

The National Housing and Planning Advice Unit provides independent advice on how to improve housing affordability in England. It makes recommendations to government on the housing supply ranges that should be tested in the planning system, and assisting regional planning bodies in devising their regional spatial strategies. This year the Unit's has published a series of research documents into facets of the affordability and housing supply problems, with its advice is becoming embedded in the planning system.

Tribunal non-departmental public bodies

Rent Assessment Panels

The Residential Property Tribunal Service RPTS is the umbrella organisation for the five regional Rent Assessment Panels which provide an independent, fair and accessible tribunal service in England for settling disputes involving private rented and leasehold property through committees and tribunals.

The committees and tribunals under the RPTS umbrella are quasi-judicial bodies, which means that government legislation has given them the powers to settle certain types of dispute which would otherwise have to be dealt with by the Courts. Rent Assessment Panels do not have the power to deal with all types of dispute about rents and leasehold matters. In addition, the Rent Assessment Panels, their committees or tribunals have no powers to become involved in disputes about commercial property.

Valuation Tribunals

See *Valuation Tribunal Service*

Other public bodies

The Commission for Local Administration in England (the Local Government Ombudsman Service)

The Commission for Local Administration in England (CLA) was established under the Local Government Act (1974). The Act provides for the appointment of Local Government Ombudsmen (Local Commissioners) who, together with the Parliamentary Commissioner for Administration, form the CLA. Each Local Commissioner is responsible for the investigation of complaints of injustice consequent upon maladministration by local authorities and other specified bodies.

Equality and Diversity in Public Appointments

Appointments to the Department's public bodies regulated by the Commission for Public Appointments' (OCPA) are made following the OCPA Code of Practice for Ministerial Appointments to Public Bodies. For those appointments not regulated by OCPA, the code is used as best practice.

Our ministers are committed to achieving greater diversity in public appointments and follow the seven principles that underpin the OCPA Code. Coming directly from recommendations by the Committee on Standards in Public Life (Nolan: First report, May 1995), they are the foundations of the public appointments process and are designed to ensure appointment on merit and a quality outcome.

Administration costs for larger NDPBs

In previous years we have published the administration costs for larger NDPBs in our Departmental Annual Report. These NDPBs included English Partnerships and the Housing Corporation which are no longer operational since the Homes and Communities Agency was established on 1 December 2008. Our Public Bodies 2008 report published on 31 March gives a comprehensive account of the public bodies sponsored by this Department: www.communities.gov.uk/publications/corporate/publicbodies2008. The next version of this report is due in winter 2009 and will incorporate information on other new NDPBs. Administration costs for the Homes and Communities Agency will be published in 2010, once it has been operational for a full year.

Annex F

Public Accounts Committee reports¹

Housing Market Renewal

NAO Report, 9 November 2007 (HC 20 2007-08)

Public Accounts Committee (PAC) Hearing, 19 November 2007

PAC 35th Report, 3 July 2008 (HC106 2007- 08)

Treasury Minutes, 16 October 2008 (Cmnd 7453)

The Housing Market Renewal (HMR) programme is the government response to severe housing market failures particularly targeted at parts of the North and Midlands. The programme was designed to look at housing markets more widely, bringing together groups of local authorities, with a 'pathfinder' acting as a delivery vehicle. The programme's objective is to revive housing markets and reconnect them with successful neighbouring areas through a combination of new and refurbished housing, allied to broader economic development strategies. A number of conclusions and recommendations emerged from the Committee's report:

- In transferring oversight of the programme to the new Homes and Communities Agency, the Department should require that pathfinders' physical regeneration plans align with broader plans to address the sustainability of neighbourhoods.
- The Department should provide greater certainty and clarity over future objectives, funding and governance of the programme, in order to foster confidence among local communities and developers.
- The Department should clarify how HMR is expected to align with regional housing strategies.
- The Department should enhance its performance management framework to draw on a wider range of socio-economic indicators already being developed by a number of individual pathfinders. These include indicators relating to, for example: residents' satisfaction, levels of crime and social disorder, residents' investment in properties, educational facilities and attainment, rates of employment and worklessness, and income rates.
- Pathfinders' intervention proposals should take account of the views of existing residents of an area's problems. Proposed interventions should be clearly explained to local communities, and community support reappraised regularly as plans develop and change.
- The Department should require pathfinders to monitor existing residents' housing options and demonstrate that those who wish to remain are offered appropriate options.

1. The Department is aware of the conclusions and recommendations made by the Public Accounts Committee in its report, *Planning for Homes: Speeding up planning applications for major housing developments in England* (33rd) HC 236, published on 2 July 2009, and will set out the Government's response to these in the Department's Annual Report for 2010.

- The Department should work with pathfinders, developers and private sector financial institutions to identify ways in which the affordability gap might be bridged, for example through encouraging shared ownership and equity loan schemes.
- The Department should explore with Treasury whether there is a case to utilise any scope within the European Union Value Added Tax Directive to apply a lower rate of Value Added Tax for the provision, construction, renovation and alteration of housing where part of a funded social policy.
- The Department should not approve demolition proposals that are not part of a wider study of landscape and townscape.

The Government's response was:

- In taking forward the Sub-National Review's proposal for the development of new regional strategies and the proposals contained in the July 2008 consultation *Transforming places; changing lives: a framework for regeneration*, the Department will expect the HCA to develop a range of integrated housing and regeneration programmes in partnership with local areas which support economic development and connect homes to job opportunities.
- The Department remains committed to supporting ongoing housing market renewal activity in contributing towards the regeneration and transformation of deprived areas. The announcement of an indicative amount of approximately £1 billion of funding over the three years 2008-11, signifies this long-term commitment and is intended to help Pathfinders, developers and communities plan ahead with greater certainty.
- Early work by the partnerships has helped to strengthen understanding of local housing markets, and through this, pathfinders have come to understand much more about the links with other programmes in their areas. HCA and regional and local partners will be able to develop the most appropriate strategies for different circumstances. This should be informed by indicative regional regeneration priority maps produced in 2009 as proposed in *Transforming places; changing lives: a framework for regeneration*.
- The Department has begun to consider a wider range of indicators as part of the assessment process informing annual funding allocations and agrees that it would now be appropriate to review the current set of performance measures to simplify these and reduce the overall number. The Department will work with pathfinders and the HCA set-up team over the coming months to agree a new meaningful but streamlined set of measures to monitor future performance.
- Since the start of the programme, pathfinders have made considerable progress in developing community engagement strategies and already have an extensive range of consultation, advisory and financial assistance mechanisms in place. Independent assessment of their performance in relation to community cohesion, consultation and support is carried out by the Audit Commission as part of the Department's established monitoring regime. Measures to consult and involve residents include public meetings, workshops, opinion surveys and newsletters. Residents are increasingly involved in master planning and design work, and in helping to bring forward and lead proposals for the redevelopment of their neighbourhoods.

- Pathfinders have worked hard to improve their strategies to support residents who may have to move as a result of redevelopment programmes. They provide a range of advice and support, including discussing options open to those who may have to move, which in some instances may include moving to new build within the redevelopment. A variety of financial assistance is also available, including a range of equity loan products and low cost home ownership initiatives aimed to help people purchase a home who would otherwise be unable to purchase a property outright on the open market.
- The Department expects pathfinders to continue to take these responsibilities to their communities very seriously, and, with HCA, will continue to support pathfinders as they look at new approaches to address problems of affordability.
- Policy on Value Added Tax is a matter for the Chancellor of the Exchequer, and there are currently no plans to make any amendments to the rules in this area.
- The Department and the pathfinders fully recognise the importance of heritage assets within the housing market renewal areas, and are keen to use these to lead regeneration wherever possible, as they have already done in many cases, for example in Nelson, Lancashire where the pathfinder redesigned an earlier local authority scheme to bring about a heritage-led regeneration. English Heritage's Model Brief provides guidance for pathfinders on the appropriate content of heritage appraisals.

New Dimension – Enhancing the Fire and rescue Services' capacity to respond to terrorist and other large-scale incidents

NAO Report, 31 October 2008 (HC 1050 2008-09)

PAC Hearing, 10 November 2008

PAC 10th Report, 12 March 2009 (HC 249 2008-09)

Treasury Minutes, 20 May 2009-05-19

The New Dimension programme ("the programme") was established by the Office of the Deputy Prime Minister (now the Department for Communities and Local Government – "the Department") following the terrorist attacks in the United States of America on 11 September 2001. Its aim was to enable Fire and Rescue Services to respond effectively to terrorist and other large-scale incidents such as flooding.

The programme has procured specialist vehicles and equipment, funded training for firefighters and provided other support. It has cost around £330m, with the procurement of vehicles and equipment now almost complete. The programme has enhanced the Fire Service's capacity to respond to terrorist and other large-scale emergency events, as demonstrated by its use in major incidents such as the Buncefield oil depot fire in December 2005 and the flooding in the summer of 2007.

The programme funded the training of around 10,000 firefighters in all new equipment types, mostly at the Fire Service College. The adequacy of current and future skills will be affected, however, by the extent to which trained firefighters have been moved to alternative duties, and whether training quality is benchmarked rigorously. Maintaining skills may be expensive and more demanding if potential large-scale incident threats

increase. New Dimension equipment has been used successfully at three large-scale incidents, but has yet to be tested to its limits.

The PAC Report identified eight conclusions and recommendations for the Department to consider. The conclusions, and the Department's response, are summarised below. A full transcript of the conclusions and response, are at The Stationery Office website:

www.official-documents.gov.uk/document/cm76/7622/7622.pdf

- The New Dimension Programme has enhanced national capacity within the Fire Service to respond to major incidents. The Department should re-evaluate periodically the assumptions behind the roll-out of the New Dimension equipment in the light of changing risks for national incidents and threats, and determine how any gaps in capability emerging can best be.
- Poor programme and project management led to delays, avoidable costs and weaknesses in contracting. Future large-scale procurements undertaken by the Department should embed from the outset sound programme management techniques, and project managers should be trained in the principles of contract tendering and negotiation, quality assurance and monitoring, and apply such techniques to individual projects within the programme.
- Weak financial controls enabled a £867,200 fraud to be perpetrated in the early years of the programme, and even after control was tightened, financial information available to inform and support programme managers was not adequate. The Department should support future major procurement programmes with staff who have appropriate experience and use detailed whole life costs.
- Consultants brought in by the Department at a cost of around £12m helped turn the project round, but weak oversight led to costs in excess of those contracted for and the expected skills transfer to Departmental staff took longer than expected. In the future, the Department's contracts should include mechanisms to enable regular objective monitoring of performance. Contract terms should be enforced or renegotiated if circumstances change.
- Capacity to respond effectively to major incidents is dependent on maintaining adequate numbers of firefighters trained to deploy the ND equipment, but the Department has no robust basis of obtaining assurance at a national level on the skills available. The Department's National Operational Assurance team should audit skill levels for all equipment types across all Fire and Rescue Services.
- Confusion exists within Fire and Rescue Services about where authority to deploy New Dimension equipment locally and nationally rests. The National Operational Assurance team should test understanding of the Chief Fire and rescue Advisers' new guidance within Fire and Rescue Services. The team should also evaluate operation of the guidance in practice at large scale command and control exercises. The Chief Fire and Rescue Adviser should be advised of any further changes or clarification which might be necessary.
- Mobilisation on New Dimension and other equipment nationally is dependent on the completeness and accuracy of equipment availability data held at the National Co-ordination Centre, but currently such data is not comprehensive. The National Co-ordination Centre should hold complete and accurate data on all New Dimension and other equipment, and its availability for deployment. Data checks should be undertaken periodically.

- Fire and Rescue Services have a statutory responsibility to plan for their response to catastrophic incidents. However, many plans are inadequate, especially for regional and national scale incidents, and there are too few large-scale practise exercises to test response and inform plan-making. Lessons learned from equipment deployment at real events and practice exercises are not disseminated systematically across all Fire and Rescue Services. The Department should put in place a strategy for national and regional scale multi-agency exercises, disseminate regional capability information and facilitate the sharing of best practice in incident planning and the lessons learned from actual events and exercises.

The Department's response

- The Department welcomes this recognition and in the light of any changing national risks, the assumptions behind New Dimension roll-out will need to be re-evaluated and we are already addressing this. The Department is confident from modelling already undertaken that the New Dimension capabilities are fit for purpose to respond to the risks society faces in the way they were intended to do.
- The Department accepts and recognises that there were early weaknesses in the programme management of New Dimension. The Department has done much to address this since 2005 and now has improved systems in place. For example, the lessons learnt on New Dimension were picked up by the Department's then emerging FiReControl project which put in place specialist resource covering programme management, and commercial and quality assurance competencies.
- The Department accepts that there was poor financial control and that financial information was not adequate in the early days of the programme resulting in a fraud against the Department. However, there have been many improvements made in this area, for example, controls are now in place covering the establishment of new users and payees on the financial accounting services system, and these together with a suite of pre and post payment checks, significantly reduce the risk of such a fraud happening again.
- The Department accepts that future consultancy contracts include performance indicators and specific work packages with clear deliverables and forecast timescales. This is an area where the Fire and Resilience Programme (encompassing Firelink and FireControl as well as New Dimension) has learned from past experience and now procures consultancy services with greater specificity about deliverables and timelines.
- The Department recognises that maintaining firefighter skills on New Dimension equipment is essential to ensure that these capabilities can continue to be delivered in the future. The Department fully funded all initial training for those operating the equipment and continues to provide funding of approximately £6m pa to ensure skills are maintained. The Department partly accepts the need to fully audit firefighter skills and has established an Assurance Body led by the Chief Fire Officers Association which will undertake this function. Ultimately however, firefighter skills are the responsibility of individual Fire and Rescue Authorities.
- The Department disagrees that there has been confusion over the arrangements for deploying New Dimension equipment, and in previous major incidents the arrangements have worked well. However the Department accepts the

recommendation that further guidance be issued and the Chief Fire and Rescue Adviser has recently promulgated further guidance in the form of a framework which identifies the roles and responsibilities of those involved in more detail.

- The Department accepts that initially there was some degree of under-reporting and some issues relating to the accuracy of mobilisation data held at the Fire and Rescue Service National Co-ordination Centre (FRSNCC). However, the experience of the Department is that the FRSNCC does now hold comprehensive data on New Dimension equipment and therefore rejects the statement that currently data is not comprehensive. The Department acknowledges that there may be an opportunity for a broader FRSNCC function in coordinating non-New Dimension equipment such as boats for wide spread flooding. This is being considered as one outcome option of the Pitt Review.
- The Department partially accepts that there is a need for a future exercise strategy but would disagree that there are not enough exercises involving New Dimension capabilities overall. The Fire and Rescue Service (FRS) have been involved in a number of FRS and major multi agency exercises to test its response to regional or national emergencies. The Chief Fire Officers Association-led New Dimension Assurance Body includes in its remit, consideration of exercises and is looking to put in place an exercise programme. A process of sharing best practice will be enhanced by the development of a centrally funded National Resilience Extranet.

Progress against previous Public Accounts Committee recommendations

In 2008 the Department undertook a quality assurance project looking back at past recommendations arising from PAC reports. Based on analysis of a sample of reports and subsequent actions arising, the Department was content that past recommendations had been taken forward as appropriate.

Annex G

Glossary of acronyms and abbreviations

ABG	Area based grant	CERT	Carbon Emissions Reduction Target
ALMOs	Arms length management organisations	CESP	Community Energy Saving Programme
AME	Annually managed expenditure	CIF	Community infrastructure fund
APACS	Analysis of Policing and Community Safety	CIL	Community infrastructure levy
APOS	Advisory Panel on Standards	CIPFA	Chartered Institute of Public Finance and Accountancy
APS	Annual Population Survey	CLA	Commission for Local Administration in England
ARB	Architects Registration Board	CLG	Department for Communities and Local Government
ASHE	Annual Survey of Hours and Earnings	COFOG	Classification of functions of government
BBF	Building Britain's Future	CPA	Comprehensive performance assessment
BERR	Department for Business, Enterprise and Regulatory Reform (now the Department for Business, Innovation and Skills)	CRA	Country and Regional Analyses
BIS	Department for Business, Innovation and Skills (formerly the Department for Business, Enterprise and Regulatory Reform)	CSR07	Comprehensive spending review 2007
BRAC	Building Regulations Advisory Committee	DCSF	Department for Children Schools and Families
CAA	Comprehensive area assessment	DEC	Display energy certificate
CABE	Commission for Architecture and the Built Environment (CABE is a Department for Culture, Media and Sport body co-funded by CLG)	DEFRA	Department for Environment Food and Rural Affairs
CBL	Choice Based Lettings	DEL	Departmental Expenditure Limit
CDF	Community development foundation	DfT	Department for Transport
		DH	Department for Health
		DIGF	Icelandic Depositors and Investors Guarantee Fund
		DSC	Delivery sub-committee
		DSO	Departmental strategic objectives

DWP	Department for Work and Pensions	KS4	Key stage 4 (the proportion of pupils in schools achieving five or more A*-C grades at GCSE and equivalent (including GCSEs in English and Maths))
EC	European Commission	LA	Local authority
EHCS	English House Condition Survey	LAA	Local area agreement
EPCs	Energy performance certificates	LADU	Local Analysis and Delivery Unit (within the Department)
EPBD	Energy Performance of Buildings Directive	LBRO	Local Better Regulation Office
ERDF	European Regional Development Fund	LDA	London Development Agency
ESG	Evidence Strategy Group (within the Department)	LDFs	Local development frameworks
EU	European Union	LEASE	Leasehold Advisory Service
FCO	Foreign and Commonwealth Office	LEGI	Local enterprise growth initiative
FRA_s	Fire and Rescue Authorities	LDS	Local development scheme
FRS	Fire and Rescue Service	LFS	Labour Force Survey
FRSNCC	Fire and Rescue Service National Co-ordination Centre	LG	Local government
FTE	Full time equivalent	LGA	Local Government Association
GONSB	Government Office Network Sponsorship Board	LG DEL	Local Government Departmental Expenditure Limit
GOR	Government Office Region	LMF	Legacy Masterplan Framework
GO_s	Government Offices	LPA	Local planning authority
HCA	Homes and Communities Agency	LPSA	Local Government Public Service Agreements Performance Fund
HESS	Heat and Energy Saving Strategy	LSP_s	Local strategic partnerships
HFR	Housing Flows Reconciliation	MAA	Multi-area agreement
HFRC	Home fire risk check	Main DEL	Communities and Local Government Main Programmes Departmental Expenditure Limit
HIP_s	Home information packs	MIF	Migration Impacts Forum
HMO_s	Houses in multiple occupations	NAO	National Audit Office
HMR	Housing Market Renewal	NAVCA	National Association for Voluntary and Community Action
HM Treasury	Her Majesty's Treasury	NCF	National Community Forum
HOS	Housing Ombudsman Service	NCF	New Communities Fund
HR	Human resources		
IPC	Infrastructure Planning Commission		

NDC	New Deal for Communities	RCF	Regional choice fund
NDPBs	Non-departmental public bodies	RCU	Regional Co-ordination Unit
NeSS	Neighbourhood Statistics	REP	Regional economic performance
NHS	National Health Service	RDA	Regional development agency
NI	National Indicator	RIEPs	Regional improvement and efficiency partnerships
NLUD-PDL	National Land Use Database of Previously-Developed Land	RPTS	Residential Property Tribunal Service
NNDR	National non-domestic rates	RRTs	Regional resilience teams
NTV	National Tenant Voice	RSLs	Registered social landlords
NRF	Neighbourhood Renewal Fund	RSSs	Regional spatial strategies
OASys	Offender Assessment System	SA	Sustainability Appraisal
OCA	Office of the Commissioner for Public Appointments	SAP	Standard assessment procedure
ODPM	Office of the Deputy Prime Minister	SCS	Senior civil service
OEP	Operational Efficiency Programme	SDAP	Sustainable development action plan
OGC	Office of Government Commerce	SEH	Survey of English Housing
OHSAS	Occupational Health and Safety Advisory Service	SIC	Statement on internal controls
ONS	Office for National Statistics	SMI	Support for Mortgage Interest scheme
PAC	Public Accounts Committee	SNR	Sub-National Review
PESA	Public Expenditure Statistical Analyses	SR04	Spending review 2004
PFI	Private finance initiative	SRF	Strategic Regeneration Framework
PINS	Planning Inspectorate	SSD	Statistically Significant Decrease
PPM	Programme and project management	SSI	Statistically Significant Increase
PPS	Planning policy statement	TRIF	Tackling Race Inequalities Fund
PREVENT	The PREVENT Strategy (“Stopping People Becoming or Supporting Terrorists and Violent Extremism, a Guide for Local Partners”)	UoR	Use of Resources
PSA	Public service agreement	VFM	Value for money
PUAs	Primary urban areas	WNDC	West Northamptonshire (Urban) Development Corporation
RCC	Regional control centres	WNF	Working neighbourhoods fund

Annex H

Methodology for presenting DSO expenditure

- H.1** Expenditure by the Department is incurred and accounted for against programmes or through non-departmental public bodies or agencies. Examples of programmes are Supporting People, the New Deal for Communities and Housing and Planning Delivery Grant. Our non-departmental public bodies include the newly created Homes and Communities Agency and Tenant Service Agency.
- H.2** For the current spending review period (2008 – 11), the Department has six departmental Strategic objectives (DSOs) and two public service agreements (PSAs). For the main part, the DSOs correspond to the Department's directorate structure (as defined in Chapter 1), and the amounts shown in Table 1 of Chapter 10 will reflect actual values.
- H.3** However, some Departmental objectives such as the European Regional Development Fund, and the Queen Elizabeth II Centre cross over several DSOs and estimates have been made to apportion the expense. [do we need to say more?] Often these programmes have supported several DSOs at the same time and a statistical apportionment has been necessary based on a judgement or an estimate of the proportion of the expenditure which has supported each objective
- H.3** The table below shows how former PSA targets have been mapped to the six DSOs

Annex H – Table 1: How expenditure against CSR07 relates to DSOs

CSR07 DSO	Main component programmes	Equivalent SR04 PSA
DSO 1 Supporting local government; falls within the local government DEL and is not shown in DSO breakdowns	Local government programmes. Falls within the Local Government DEL and is not shown in PSA breakdowns	PSA 4 Effectiveness and efficiency in local government
DSO 2 Housing supply, environmental performance and quality	Thames Gateway (part)	PSA 2 Regional economic performance
	Arms length management organisations, LA supported capital expenditure, Regional housing pot grant, disabled facilities grant (part)	PSA 7 Decent social housing
	Housing Corporation, Housing Market Renewal Fund, housing pot grant, Thames Gateway (part), growth areas, disabled facilities grant (part)	PSA 5 Housing supply and demand

CSR07 DSO	Main component programmes	Equivalent SR04 PSA
DSO 3 Economic performance and regeneration	Safer Stronger communities fund, outside of Local Area Agreements	PSA 8 Delivery of cleaner, safer, greener public spaces
	Local Area Agreements (part of spending, absorbed into Area Based grant)	PSA 8 Delivery of cleaner, safer, greener public spaces
	Supporting People, New Deal for Communities	PSA 1 tackling social exclusion
	Area Based Grant	PSA 1 tackling social exclusion
	Regional Development Agencies (majority of spend)	PSA 2 Regional economic performance
	HCA (ex-English Partnerships)	PSA 5 Housing supply and demand
DSO 4 Cohesive communities	Community cohesion	PSA 10 Reducing racial inequalities and building community cohesion
DSO 5 Planning	Housing & Planning Delivery Grant, Planning Inspectorate	PSA 6 Planning
DSO 6 Safer communities and fire services	Fire and resilience central programmes	PSA 3 Reducing fire deaths

H.4 Expenditure in Table 1 of Chapter 10 by programme has also been updated, with provisional outturn for 2007-08 replaced by the final outturn from the accounts; and plans for 2008-09 replaced by provisional outturn, which has affected the figures shown against each DSO objective and the totals.

Annex I

Useful addresses

Communities and Local Government

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Government Office for Yorkshire and the Humber (GOYH)

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 London SW1P 4HQ
 Telephone: 020 7828 1212
 Fax: 020 7976 6187
 Website: www.audit-commission.gov.uk

Executive non-departmental public bodies**Community Development Foundation**

Unit 5, Angel Gate
 320-326 City Road
 London EC1V 2PT
 Telephone: 020 7833 1772
 Fax: 020 7704 0313
 Website: www.cdf.org.uk

Firebuy

St. David's House
 2nd Floor
 70 Wray Park Road
 Reigate
 RH2 0EJ
 Tel: 01737 733 675
 E-mail: info@firebuy.gov.uk
 Website: www.firebuy.gov.uk

Homes and Communities Agency

110 Buckingham Palace Road
 London
 SW1W 9SA
 Tel: 0300 1234 500
 E-mail: mail@homesandcommunities.co.uk
 Website: www.homesandcommunities.co.uk

Independent Housing Ombudsman

Aldwych House
 81 Aldwych
 London WC2B 4HN
 Tel: 020 7421 3800
 Fax: 020 7831 1942
 E-mail: info@housing-ombudsman.org.uk
 Website: www.ihos.org.uk

Leasehold Advisory Service

2nd Floor
 31, Worship Street
 London EC2A 2DX
 Telephone: 020 7374 5380 (lo call 0845 345 1993)
 Fax: 020 7374 5380
 E-mail: info@lease-advice.org
 Website: www.lease-advice.org

London Thames Gateway Development Corporation

9th Floor, South Quay
 Plaza 3, 189 Marsh Wall
 London E14 9SH
 Telephone: 020 7517 4730
 Fax: 020 7517 4776
 Website: www.ltgdc.org.uk

Standards Board for England

4th Floor
 Griffin House
 40 Lever Street
 Manchester M1 1BB
 Tel: 0161 817 5300
 Fax: 0161 817 5499
 E-mail: enquiries@standardsboard.co.uk
 Website: www.standardsboard.gov.uk

Tenant Services Authority

Maple House
 149 Tottenham Court Road
 London W1T 7BN
 Tel: 0845 230 7000
 E-mail: enquiries@tsa.gsx.gov.uk
 Website: www.tenantservicesauthority.org

Thurrock Thames Gateway Development Corporation

Gateway House
 Stonehouse Lane,
 Purfleet
 Essex,
 RM19 1NX
 Telephone: 01708 895400
 Fax: 01708 895447
 Website: www.thurrock.tgdc.org.uk

Valuation Tribunal Service

2nd Floor
Black Lion House
45 Whitechapel Road
London E1 1DU
Telephone: 020 7426 3930
Fax: 020 7427 6598
E-mail: ce@vto.gsx.gov.uk
Website: www.valuation-tribunals.gov.uk

West Northamptonshire Development Corporation

1st Floor, The Saints
Box 355, Franklin's Gardens
Weedon Road
Northampton NN5 5WU
Telephone: 01604 586600
Fax: 01604 586648
Website: www.wndc.co.uk

Advisory Non-Departmental Public Bodies

Advisory Panel for the Beacon Scheme

c/o Zone 4/H6, Eland House
Bressenden Place
London SW1E 5DU
Tel: 020 7944 4093
Website: www.beacons.idea.gov.uk

Advisory Panel on Standards for the Planning Inspectorate

Room 4/10, Temple Quay House
2 The Square
Temple Quay
Bristol BS1 6PN
Telephone: 0117 372 8371
Fax: 0117 372 8128
E-mail: enquiries@planninginspectorate.gsi.gov.uk
Website: www.planning-inspectorate.gov.uk

Building Regulations Advisory Committee

c/o Sustainable Buildings Division
Communities and Local Government
Zone 2/F8, Eland House
Bressenden Place
London SW1E 5DU
Tel: 020 7944 5748
Fax: 020 7944 5719
E-mail: brac@communities.gsi.gov.uk
Website: www.communities.gov.uk/brac

National Community Forum

c/o Zone 2/J9, Eland House
Bressenden Place
London SW1E 5DU
Tel: 020 7944 6663
Website: www.communities.gov.uk/communities/communityempowerment/whatweare/ncf

National Housing and Planning Advice Unit

CB04, Ground Floor of Clerical Block
Segensworth Road
Titchfield
Fareham PO15 5RR
Tel: 023 9295 8152
Fax: 013 2984 3937
E-mail: enquiries@nhpau.gsi.gov.uk
Website: www.communities.gov.uk/nhpau

Tribunal non-departmental public bodies

Rent Assessment Panels under the umbrella of the Residential Property Tribunal Service

Residential Property Tribunal Service

10 Alfred Place
London WC1E 7LR
Tel: 020 7446 7740 or 020 7446 7898
Fax: 020 7580 5684
E-mail: rptscorporateunit@communities.gsi.gov.uk
Website: www.rpts.gov.uk

Valuation Tribunals

see Valuation Tribunal Service

Other public bodies

The Local Government Ombudsman

PO Box 4771

Coventry CV4 0EH

LGO Advice Team: 0300 061 0614

Fax: 024 7682 0001

Website: www.lgo.org.uk

Annex J

How to obtain Communities and Local Government publications

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