Communities and Local Government

Community, opportunity, prosperity

Annual Report 2008

Department for Communities and Local Government

Community, opportunity, prosperity

Annual Report 2008

Presented to Parliament by the
Secretary of State for Communities and Local Government
by Command of Her Majesty
May 2008

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This document is part of a series of Departmental Reports which, along with the Main Estimates 2008-09, the document Public Expenditure Statistical Analyses 2008 and the Supplementary Budgetary Information 2008-09, present the Government's expenditure plans for 2008-09, and comparative outturn data for prior years.

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Foreword

Over the past year, this Department and our partners have achieved significant progress in many areas. A new framework for local government – giving councils more space to respond to and work with local people – are in place. With the Housing green paper and the Planning Bill we have set out practical plans to support not just the new homes Britain desperately needs, but also the green power sources, schools, hospitals and transport links that must go with them, in a way that respects our natural environment, and that gives people a meaningful say in the future of the places they live. We continue to create the conditions for every individual to achieve their potential – by reforming social housing to provide a better service to the four million households who rely on it, and by helping not just renew buildings, but also rekindle a sense of purpose in our most deprived neighbourhoods.

The past 12 months have also brought significant challenges. In last summer's floods, local government, the emergency services and a whole host of charities and community groups excelled, bringing comfort and practical help to people in need. We have continued to support communities and citizens to respond to the challenges of changing demographics, building and maintaining cohesion, and delivering effective public services which respond to how people live their lives.

As we look ahead to the next 12 months, this Department has a busy agenda. We will be publishing a landmark white paper to pass greater power direct to local communities, shaping public services around their needs and opening doors for everyone who wants to be an active citizen. We will continue to make the planning system both more efficient and user-friendly. We will support the delivery of the new green homes Britain needs, including in trailblazing eco-towns. We will step up our work for a more inclusive society by enabling better dialogue between faiths, by supporting people who stand up to violent extremists, and by ensuring that no-one is held back because of their race or belief. And we will continue to strive to bring prosperity to deprived areas.

Success or failure will make a difference to the lives of every individual, family and community in the country. That is why I am determined to do my utmost to seize the opportunities, and I know the Department shares my determination.

The Rt Hon Hazel Blears MP
Secretary of State for Communities and Local Government

Introduction

This has been another busy and productive year for the Department in which we have seen important progress in our key policy goals set in the 2004 Spending Review. The 2007 Comprehensive Spending Review has confirmed our role as a key delivery department, leading the Government's work on housing supply and on cohesive, empowered and active communities.

We have continued to invest in the skills and leadership of our people, and have responded positively to the challenges set down by our Capability Review. We believe we are well placed for further progress.

Peter Housden
Permanent Secretary
Communities and Local Government

About Communities and Local Government

This is the second Annual Report for Communities and Local Government. Our Department was created on 5 May 2006, and we take a strategic lead across Government on:

- increasing long-term housing supply and affordability, and tackling homelessness
- cohesive, empowered and active communities and citizens
- strong and accountable local government and leadership
- better local services and environment
- regeneration and investment in our towns, cities, regions and neighbourhoods
- resilience and the Fire and Rescue Service

Under Machinery of Government changes in July 2007, the lead role on equality transferred to the new Government Equalities Office (GEO). We have retained the lead on faith and race.

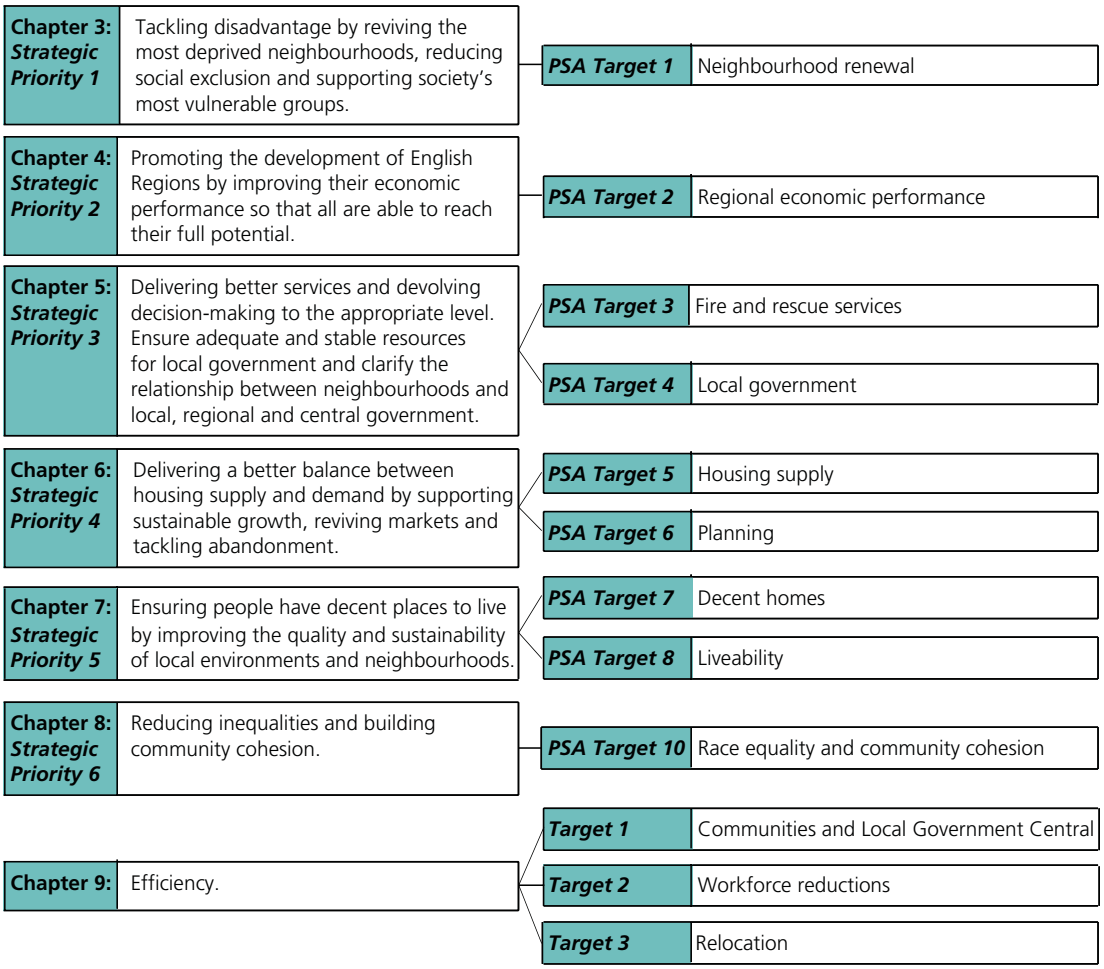
Structure of this report

Chapter 1 outlines our governance and structure. Chapter 2 sets out the strategic context in which we operate, particularly through our two new Public Service Agreements (PSAs) and the six Departmental Strategic Objectives (DSOs) set under the Comprehensive Spending Review 2007 (CSR07).

Chapters 3-9 look back at our performance in 2007-08 across our six strategic priorities, and nine PSA targets[1] and across our three efficiency targets. In total, we are on course on two PSA targets; we report slippage on five and not met for two. We are on course or ahead to achieve all three efficiency and relocation targets. Our overall performance on the PSA targets is summarised in Annex A.

The diagram below relates our strategic priorities under SR04 with our SR04 PSAs and indicates the relevant chapters of this report.

1 Responsibility for PSA 9 on Gender Equality moved to the new Government Equalities Office in July 2007.



Chapter 10 sets out in more detail how the Department managed its financial, staff and other resources in 2007-08. The core expenditure tables are listed at Annex B, our new DSO indicators at Annex C and details of our Executive Agencies and Public Bodies are given at Annex D. Annex E summarises recommendations made by the Public Accounts Committee in 2007-08 and the Department's responses. A glossary of acronyms and abbreviations is included at Annex F. Annex G sets out the methodology adopted for apportioning departmental budgets across our nine PSA targets.

Measuring success

Our headline PSA ratings follow the definitions of success set out in the relevant technical notes (as summarised in the report for each individual PSA). In general, this means that slippage against one or more sub-targets translates into a rating of slippage overall, regardless of whether the majority of sub-targets are marked as on course, for example:

- For PSA 1 (neighbourhood renewal), we have made significant progress in improving the most deprived areas in England and are ahead of or on target for five of the six sub-targets. However, while we have made significant progress on the sixth

(education), we are below the target we set and must therefore report an overall position of slippage

- For PSA 3 (fire), we have made major progress in cutting fire deaths and deliberate fires. However, the PSA contains a third target based on how far away authorities are from the national average on fire deaths which, as is explained further in Chapter 5, is no longer a robust indicator of performance – but nonetheless one which we must take into account and which therefore means we must record an overall position of slippage

How we have assessed our performance

In Chapters 3-9 we have assessed progress against our PSAs, efficiency targets and underlying indicators and reported on them using the following standard terms as set out in Her Majesty's Treasury (HMT) 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 are not yet available

Where we are reporting a final assessment against a target we have used the following standard terms from HMT 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 – explanation should be given and reference made to any subsequent targets covering the same area

We also report on the underlying data systems and estimated spend in 2005-06, 2006-07 and 2007-08.

1 Our governance and structure

Our Ministerial Team

The Rt Hon Hazel Blears MP
Secretary of State for
Communities and Local Government

The Rt Hon Caroline Flint MP
Minister for Housing and Planning
attending Cabinet

John Healey MP
Minister for
Local Government

Parmjit Dhanda MP
Parliamentary Under
Secretary of State

Iain Wright MP
Parliamentary Under
Secretary of State

Baroness Andrews OBE
Parliamentary Under
Secretary of State

Our Board

1.1 The Departmental Board supports the Permanent Secretary in providing strategic advice to Ministers, 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

Chris Wormald
Director General,
Local Government
and Regeneration

Susan Scholefield
Director General,
Cohesion and Resilience

Hunada Nouss
Director General,
Finance and Corporate
Services

Joe Montgomery
Director General,
Regions and Communities

Mike Falvey
Director General,
Human Resources and
Business Change

Christina Bienkowska
Director,
Strategy and Performance

Non-executive Members[2]

Peter Doyle
Chair,
Church Urban Fund

Jane Todd
Regional Director,
Government Office
East Midlands[3]
(Until January 2008)

Sarah Weir
UK Cultural Olympiad
Launch Executive,
London Organising
Committee of the
Olympic Games

Sir Bob Kerslake
Chief Executive,
Sheffield City Council[4]
(Until December 2007)

2 We are in the process of recruiting additional non-executives, and expect to confirm appointments shortly.
3 Now Consultant Chief Executive of Nottingham City Council.
4 Now Chief Executive-designate of the Homes and Communities Agency.

1.2 The Board has four sub-Committees which support it on key aspects of Departmental business.

Delivery Sub-Committee

1.3 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 provide additional support and resolve problems which may threaten progress.

1.4 The Committee meets fortnightly to assess progress against and risks to Departmental top-tier programmes and to carry out detailed scrutiny of specific key programmes, such as mission critical projects. Membership of the DSC consists of a range of Directors General, Directors and non-executive Board members with experience in policy and programme delivery.

Investment Board

1.5 The Investment Board is chaired by the Director General for Finance and Corporate Services. It plays a key role in approving business cases for all significant new programmes and appraising any subsequent proposed new financial investment that (i) have a whole life cost of over £20m and/or (ii) are novel or contentious and/or (iii) carry a high level of risk and/or (iv) are mission critical. It also reviews programmes referred to it by the Departmental 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 family and the Department's responsibilities for Government Offices.

1.7 In line with Treasury guidance, the Audit and Risk Committee is chaired by a non-executive member of the Departmental Board (Peter Doyle) and supported by three independent external members (Janet Pope, Sue Nelson and Martin Evans[5]).

5 Martin Evans joined the Committee in May 2007.

1.8 The Permanent Secretary, Director General of Finance and Corporate Services, 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 Departmental Board for approval.

1.9 In order to discharge its duties, the Committee met five times in the 2007-08 financial year. Its work has included:

- giving its assurance on the Department's Annual Accounts and Statement on Internal Control (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 special request of the Accounting Officer and Cabinet Office.

Contingencies Planning Committee

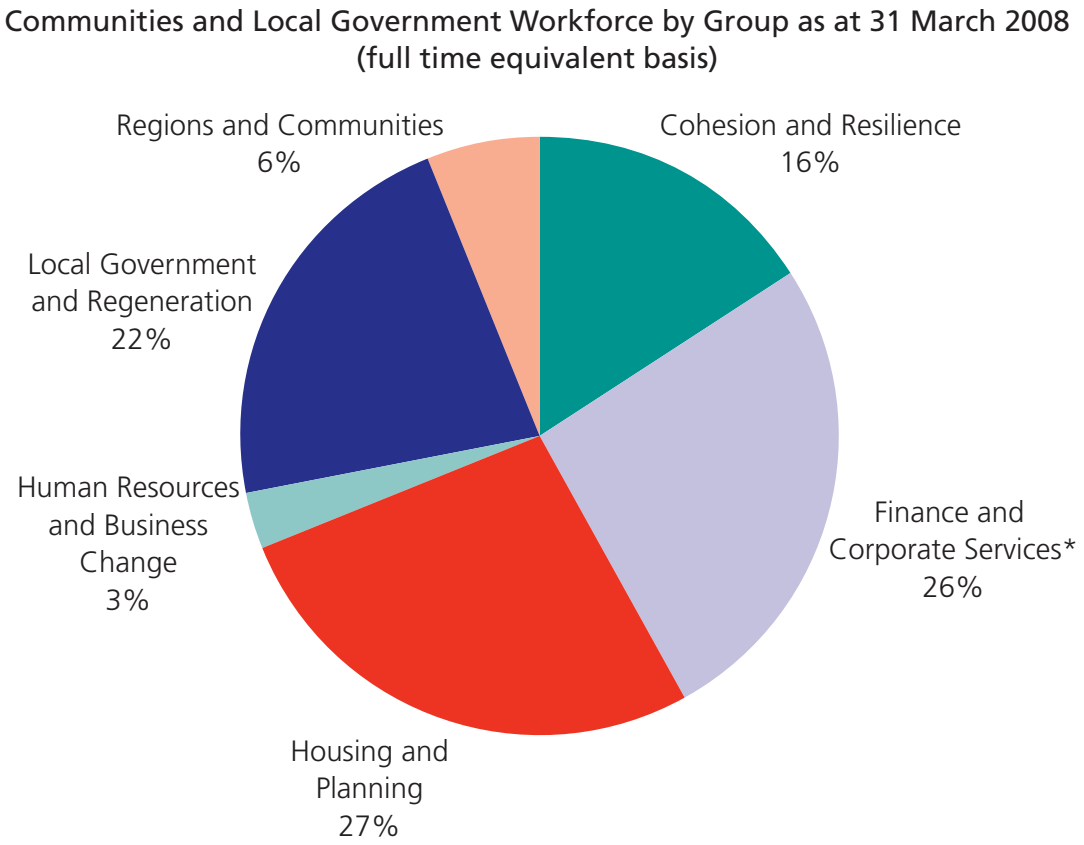
1.11 The Contingencies Planning Committee was established in June 2007 and is chaired by the Director General for Cohesion and Resilience. The Committee advises and assures the Board and Ministers on the Department's overall state of preparedness to respond to and recover from emergencies and to continue with its essential business in the face of any serious disruption to our staff or infrastructure. The Committee usually meets quarterly and at any times of emergency.

Organisational Structure

1.12 The Department employs 2,124[6] staff (excluding Government Offices) and is organised into Director General-led Groups. Figure 1 illustrates the distribution of staff across these Groups.

6 As at end March 2008 (includes staff on fixed term or casual appointments, staff on loan or secondment and staff on paid leave). In addition to this 2,124 staff there are 67 staff who are due to transfer to the Government Equalities Office.

Figure 1.1: Percentage of staff by group



*For the purposes of this chart Strategy and Performance Directorate staff have been included within Finance and Corporate Services.

1.13 Over the year, we have restructured the Department to reflect our changing delivery priorities. This has included revised Group structures, the establishment of the new DSC (as referred to earlier in this chapter) and new programme boards responsible for overseeing our key programmes.

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; housing reform; home buying and selling reform (including Home Information Packs); establishment of the new Homes and Communities Agency and the new social housing regulator; Supporting People; tackling homelessness; building regulations; design; and championing environmental and sustainable development issues in our policy work across the department. ■ The Group led on the delivery of PSAs 5, 6 and 7 under SR04 and is responsible for the new PSA 20 (Housing Supply and Affordability) and related DSO 2 (Housing) and DSO 5 (Planning) under CSR07. **Chair, Cross-Departmental Board on PSA 20 and Internal Housing Supply Delivery Board** ■ 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. **Chair, Homes and Communities Agency/the Office for Tenants and Social Landlords Programme Board** ■ Responsible for ensuring the successful establishment of a new housing and regeneration agency and a new social housing regulator.

Board member	Responsibilities
Chris Wormald	**Director General, Local Government and Regeneration Group** ■ Leads on local government reform, performance and finance; community empowerment and local democracy; economic development including implementation of the Sub-National Review (SNR); regeneration and promoting work; quality of place; departmental communications; and the Ministerial group. ■ The Group led on delivery of PSAs 2, 4 and 8 under SR04 and is responsible for the new DSO 1 (Local Government and Empowerment) and DSO 3 (Economic performance and regeneration) under CSR07. It also contributes to the new PSA 21 (Cohesive, empowered and active communities).
	Chair, Community Empowerment Programme Board ■ Responsible for driving progress, managing risks and resolving issues which threaten or delay delivery of the community empowerment programme.
	Chair, Local Government Reform Programme Board ■ Responsible for ensuring that the desired outcomes of the local government white paper are delivered and managing cross programme risks, dependencies, communications and stakeholders.
	Chair, Economic Development and Regeneration Programme Board ■ Responsible for managing progress on economic development and promoting work including the effective delivery of the SNR reforms and for ensuring that the transition is well managed across government.
Joe Montgomery	**Director General, Regions and Communities Group** ■ Leads on regeneration of the Thames Gateway and capturing legacy benefits of hosting the Olympic Games in 2012; the nine regional Government Offices (GOs) which act as Whitehall in the regions; transformation of the GO network; and support for regional ministers.
	Chair, Thames Gateway Programme Board ■ Responsible for managing progress against the Thames Gateway Delivery Plan ensuring alignment of Thames Gateway Programme with other Departmental Strategic Objectives, managing risks and steering wider stakeholder engagement.
	Chair, Government Office Transformation Board ■ Responsible for overseeing delivery progress on the Government Office Transformation Programme.

Board member	Responsibilities
Susan Scholefield	**Director General, Cohesion and Resilience Group** ■ Leads on 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 led on the delivery of PSAs 1, 3 and 10 under SR04 and is responsible for the new PSA 21 (Cohesive, empowered and active communities), DSO 4 (Cohesive, active and resilient to extremism) and DSO 6 (Fire and Rescue Service) under CSR07.
	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 Programme Board ■ Drives progress and oversees delivery in response to the Commission on Integration and Cohesion.
	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, Migration Programme Board ■ Responsible for coordination of the Department's interests in migration.
Hunada Nouss	**Director General, Finance and Corporate Services Group** ■ Leads on legal, financial and analytical advice, including the Office of the Chief Scientist; workplace environment; and IT and knowledge management.
	Chair, Group Corporate Services Programme Board ■ 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 services change programme.
	Chair, Olympics Delivery Board ■ Responsible for driving progress and managing risks around our financial contribution to the Olympic budget. Supports the creation of a sustainable Olympics legacy.
	Chair, European Regional Development Fund (ERDF) Programme Board ■ 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** ■ Leads on human resources and organisational change.
Christina Bienkowska	**Director, Strategy and Performance** ■ Supports Ministers and the Board across strategic/policy challenges, performance and delivery, and corporate governance.

2 Our strategy

Our new Strategic Objectives

2.1 Communities and Local Government aims to create vibrant, diverse and attractive places with strong local economies where people want to live, work and raise their families.

2.2 We are the lead Department for two of the Government's priorities:

- 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 – including through our work to support regional economic performance (PSA 7), to support socially excluded adults (PSA 16), to ensure a lasting Olympic legacy through regenerating East London (PSA 22), and the contribution of our Preventing Violent Extremism work to reducing the risk from international terrorism (PSA 26). In addition, through our oversight of the local government system, we help to make sure national priorities are translated into local delivery on the ground.

2.3 Each Department also set and published new Departmental Strategic Objectives (DSOs). Our new objectives, which apply from 1 April 2008 onwards, are:

- to support **local government** that empowers individuals and communities and delivers high quality services efficiently (DSO 1)
- 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)
- to build prosperous communities by improving the **economic performance** of cities, sub-regions and local areas, promoting **regeneration** and **tackling deprivation** (DSO 3)
- to develop communities that are **cohesive, active and resilient to extremism** (DSO 4)
- 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)
- ensuring safer communities by providing the framework for the **Fire and Rescue Service** and other agencies to prevent and respond to emergencies (DSO 6)

2.4 Going forward, these DSOs will provide the basis for us to measure and report our performance to Parliament and the public. The detailed indicators for our DSOs[7] were published in March 2008 and can be found at Annex C.

Strong councils and empowered communities

2.5 Elected local government is a fundamental part of our national infrastructure. It provides leadership for local communities, ensures democratic accountability for key public services and facilitates effective partnership working at the local level. Our job is to provide the incentives, resources, powers and freedoms that councils need to work effectively.

2.6 We have already seen major improvements in local government performance[8]. For the second year running, no single tier or county council has been rated as 0*[9], and authorities have continued to show both improvements overall (as measured by Direction of Travel) and in how they use their resources. Local government is also on course to deliver £8.2bn efficiency gains between April 2004 and March 2008 – a substantial achievement and in excess of the challenging target we set for them.

2.7 We are continuing to strengthen local government through the radical, devolutionary programme set out in the 2006 white paper, *Strong and Prosperous Communities*[10]. The Local Government and Public Involvement in Health Act, which received Royal Assent in October 2007, brought forward measures to empower local communities and improve service delivery by:

- devolving more powers from central to local government
- increasing transparency and accountability
- reducing bureaucracy
- giving local authorities more room to respond to local need

2.8 Alongside this, we will take forward the measures introduced in the Sustainable Communities Act to enable local communities to make suggestions for government action to promote the sustainability of their area through their council. The Act also requires the Secretary of State to make arrangements for the production of local spending reports to provide information about public expenditure in relation to a particular area. We will consult on arrangements for implementing these provisions in summer 2008.

7 www.communities.gov.uk/corporate/about/howwework/publicserviceagreements/departmentalstrategicobjectives/
8 As measured by PSA 4: Local Government (see Chapter 5)
9 As measured through Comprehensive Performance Assessment (CPA)
10 www.communities.gov.uk/publications/localgovernment/strongprosperous

2.9 A *Central-Local Concordat*[11] between the Government and the Local Government Association (LGA) was published in December 2007. For the first time, this sets out a framework of principles for central and local government to follow in serving the public. This consolidates the devolutionary gains secured over the past years, and signals our shared ambition to continue progress. Key principles set out in the Concordat include:

- powers are best exercised at the lowest effective and practical level
- councils will conduct a growing share of government business
- central government will remove the obstacles to local government

In addition, we invited local government to offer their proposals for restructuring in order to improve service delivery. In March 2008, Parliamentary approval was given for seven areas to become unitary authorities[12].

2.10 Significant progress had been made in introducing the new local government performance framework set out in the white paper. Through the publication in October 2007 of the new National Indicator Set (NIS)[13], we successfully met our challenging commitment to reduce the number of performance indicators for local government from around 1,200 to fewer than 200. Working closely with central and local partners, we have designed and piloted the new Local Area Agreement (LAA) framework for local delivery of key national priorities and are on course to successfully conclude negotiations of individual LAAs for all top-tier local authority areas by the end of June 2008. This will be supported by the new Comprehensive Area Assessment (CAA), currently being developed by the Audit Commission and its partner inspectorates, and by the *National Improvement and Efficiency Strategy (NIES)*[14] published in December 2007. These measures all enable local government to set local priorities and deliver services responsive to the needs of their residents.

2.11 We have given councils certainty and stability through the first ever three-year financial settlement for local government, and published individual allocations for all local authorities covering over 99 per cent of funding (by value) of those specific grants capable of being announced in advance. Local authorities will also now have a stronger role in promoting local economic development, and we intend to bring forward a new power to introduce local supplements on business rates.

11 www.communities.gov.uk/publications/localgovernment/centrallocalconcordat
12 Bedfordshire, Cheshire, Cornwall, County Durham, Northumberland, Shropshire and Wiltshire
13 www.communities.gov.uk/publications/localgovernment/nationalindicator
14 www.communities.gov.uk/publications/localgovernment/efficiency

2.12 We are also committed to reforming regional governance. The *Review of Sub-National Economic Development and Regeneration*[15], published in June 2007, set out how the Government will support and strengthen regional economic performance through streamlining the regional tier and ensuring decisions are made at the right spatial level. In March 2008, we published with the Department for Business, Enterprise and Regulatory Reform (BERR) *Prosperous Places: Taking Forward the Review of Sub-National Economic Development and Regeneration*[16], which set out our proposals for implementing the conclusions. The Government intends to bring forward legislation to achieve this at the earliest opportunity. This will build on the work already done to improve regional economic performance[17].

2.13 We are committed to ensuring communities have a strong voice and real choice in deciding local service priorities and provision. Our *Action Plan for Community Empowerment: Building on Success*[18], published in October 2007, set out a range of measures, including participatory budgeting, asset transfer and the new community call for action. In 2007, the Department launched 22 participatory budgeting pilots to test ways of giving citizens a direct say in how money is spent in their area. In addition, *Representing the Future*[19], the Councillors Commission's review of the incentives and barriers to serving on councils, was published in December 2007. We are now working on our response to the Commission's recommendations and will set out proposals in our Empowerment white paper.

2.14 In March 2008, our discussion document *Unlocking the Talent of our Communities*[20] set out our intention to take this further forward and explore how we can give people more power over their lives through:

- encouraging active citizenship, reviving civic society and local democracy
- improving local public services
- promoting work and enterprise
- strengthening local accountability

We are currently engaging with stakeholders and communities through regional events, expert panels hosted by the Secretary of State for Communities and Local Government, online discussion forums, e-newsletters and *The Community Power Pack*[21] (an online resource aimed at community groups). We have also taken the opportunity to pilot a wiki on this topic. We are using the

15 www.hm-treasury.gov.uk/spending_review/spend_csr07/reviews/subnational_econ_review.cfm
16 www.berr.gov.uk/files/file45468.pdf
17 As measured by PSA 2: Regional Economic Performance (see Chapter 4)
18 www.communities.gov.uk/publications/communities/communityempowermentactionplan
19 www.communities.gov.uk/councillorscommission/publications/representingthefuture/
20 www.communities.gov.uk/publications/communities/unlockingtalent
21 www.communities.gov.uk/publications/communities/powerpack

information we collect from stakeholders to help us develop an Empowerment white paper which will be published by the summer.

2.15 Since 2001, our neighbourhood renewal programmes have delivered significant improvements for the most deprived places. These places have seen improved outcomes across the local environment, opportunity and quality of life and, while education outcomes have not improved as quickly as we had targeted, this is still a major achievement overall[22]. We have also seen improvements in the quality of public spaces and the built environment, but with public satisfaction increasing by less than we had targeted[23].

2.16 Going forward, we will publish a Regeneration Framework alongside our Empowerment white paper, with a sharper focus on how this can locally tackle and reduce worklessness. It will complement the £1.5bn Working Neighbourhoods Fund[24], which will enable around 65 authority areas in greatest need to develop local solutions to promoting employment.

2.17 We also continue to support improved life chances for society's most vulnerable people. Our sustained investment and work with local authorities and the third sector has maintained progress in tackling rough sleeping and homelessness. Homelessness acceptances are at their lowest level for 20 years, while we remain on track to halve the numbers in temporary accommodation by 2010. Through our Places of Change[25] programme, we are investing a further £70m to improve hostels and day services so that they help rough sleepers gain the skills and confidence to move into independent living. We are also working in partnership with the Home Office (HO), Department of Health (DH) and Department for Work and Pensions (DWP) to test ways to improve local services and outcomes for adults facing chronic exclusion.

Increasing and improving housing

2.18 Housing is one of the Government's highest priorities. We believe that everyone deserves a place they can be proud to call home, at a price they can afford. For several decades, the supply of housing has not kept up with demand, and many families have not been able to get a foot on the housing ladder. Addressing this is at the heart of the new PSA 20: Increase long-term housing supply and affordability, on which we lead for Government.

22 As measured by PSA 1: Neighbourhood Renewal (see Chapter 3)
23 As measured by PSA 8: Liveability (see Chapter 7)
24 www.communities.gov.uk/publications/communities/workingneighbourhoods
25 www.communities.gov.uk/publications/housing/placeschange

2.19 In summer 2007, the Prime Minister announced plans for three million new homes by 2020. Our Housing green paper *Homes for the Future: More Affordable, More Sustainable*[26], published in July 2007, set out our ambitions in more detail, including:

- a new ambition to increase the supply of new homes to 240,000 additional homes per annum by 2016. This replaces the previous ambition of 200,000 per annum, set out in the *Government Response to Kate Barker's Review of Housing Supply: the Supporting Analysis*[27]. Good progress continues to be made, with net supply approaching 200,000 dwellings in 2006-07 and we are on track to achieve our housing commitments set out in the previous Spending Review[28]
- a commitment to deliver at least 70,000 affordable homes per annum by 2010-11, including at least 45,000 social rented homes

2.20 Our Growth Points programme will continue to support delivery, with the potential for over 430,000 new homes by 2016. We have opened up the programme to additional local authorities, including areas in the north, and will announce the successful applicants in the summer. We have also set out plans for up to 10 'eco-towns', free-standing developments of between 5,000 and 20,000 homes to tackle the twin challenges of climate change and the housing shortage. In April 2008, we published a shortlist of potential locations for eco-towns in our *Living a Greener Future*[29] consultation paper and are now embarking on an intensive programme of assessment, scrutiny and consultation on the individual locations.

2.21 Through the Housing and Regeneration Bill, we are setting up the Homes and Communities Agency (HCA) in order to bring together responsibility for public sector land and money to deliver public sector homes. It will combine the functions of English Partnerships, the Housing Corporation, the Academy for Sustainable Communities and some housing and regeneration delivery roles from the Department. The HCA will help ensure an increasing supply of affordable housing in thriving mixed communities. It will also invest in the regeneration and revitalisation of existing communities. Sir Bob Kerslake has been appointed as the Chief Executive-designate and the process to appoint the Chair is under way.

2.22 Regeneration remains a major priority for the Government. Our *Thames Gateway Delivery Plan*[30], published in November 2007, sets out our ambition to deliver 160,000 new houses and 225,000 jobs, as well as plans for the Gateway to be an

26 www.communities.gov.uk/publications/housing/homesforfuture
27 www.communities.gov.uk/housing/housingsupply/housingsupplystrategy/housingsupplypublications/barkerreview/
28 As measured by PSA 5: Housing Supply (see Chapter 6)
29 www.communities.gov.uk/publications/housing/ecotownsgreenerfuture
30 www.communities.gov.uk/publications/thamesgateway/deliveryplan

exemplar eco-region. We also lead for Government in ensuring that the 2012 Olympics deliver a lasting legacy through transformation of East London.

2.23 The existing housing stock is a major source of UK carbon emissions, and as part of our overall efforts to tackle climate change improving the quality and sustainability of our housing is essential. From 2016, all new homes will be built to a zero carbon standard. The *Code for Sustainable Homes*[31] measures how sustainable new homes are, including their carbon emissions, and from 1 May 2008 ratings against this code have become mandatory. Significant progress has been made towards the target of making all social housing decent, and we are looking to achieve at least 95 per cent by 2010[32].

2.24 Housing also plays an important part in supporting opportunity. Building on the findings of Professor Martin Cave's review of social housing regulation[33], we have announced the creation of a new Office for Tenants and Social Landlords, with powers to ensure tenants have a stronger say and right of redress over how their homes are managed, and a National Tenant Voice (NTV) that will provide expert advice and a voice for tenants at the national level. Our Empowerment white paper work will look further at how social housing tenants can be given more choice and voice.

2.25 In response to the conclusions of Professor John Hills' review, *Ends and Means: The Future Roles of Social Housing in England*[34], we are taking forward action to address worklessness, improve mobility and choice, and tackle overcrowding. We are also looking at how social housing can provide the right connections to work and opportunity. A review of council housing finance will consider how we can establish a sustainable long term system for financing council housing, and we have asked Julie Rugg and David Rhodes of York University to conduct a review of the private rented sector to improve our understanding and consider its future role.

2.26 The introduction of Home Information Packs[35] (HIPs) was postponed in May 2007 following a judicial review and concerns about the availability of Domestic Energy Assessors. A phased introduction from 1 August 2007 has gone smoothly and complete roll-out was secured in December 2007. Early indications are that the systems and processes for producing HIPs are in place and working well with over 452,000 produced by end March 2008. We are already seeing positive

31 www.communities.gov.uk/planningandbuilding/buildingregulations/legislation/englandwales/codesustainable/
32 As measured by PSA 7: Housing (see Chapter 7)
33 www.communities.gov.uk/publications/housing/everytenantmatters
34 http://sticerd.lse.ac.uk/dps/case/cr/CASEreport34.pdf
35 www.communities.gov.uk/housing/buyingselling/homeinformation/

benefits from HIPs through reductions in costs to consumers of property searches. Set against that, it is clear that some consumers are not seeing the HIP and therefore not getting their full benefit. We will continue to work with stakeholders to enhance and further improve the HIP so consumers get the information they want at the right time.

2.27 An effective planning system is essential to delivering the homes we need within sustainable communities. We have made good progress on the speed of handling planning applications, use of brownfield land and revitalising town centres[36]. However, there has been slower progress than anticipated on the adoption of the new Local Development Frameworks and we will continue to take forward work to address this. While there has been an increase in the level of green belt nationally, we have also not met our challenging ambition to ensure an increase or no net change in each region due to slight increases in four regions.

2.28 The *Planning for a Sustainable Future: White Paper*[37], published in May 2007, set out our proposals for improving the speed, responsiveness and efficiency of the planning system, in response to the recommendations from the earlier reports by Kate Barker[38] and Rod Eddington[39]. The white paper proposals included the introduction of a new Infrastructure Planning Commission (IPC), with responsibility for decisions on nationally significant infrastructure cases and backed by Government National Policy Statements. Legislation to take this forward forms part of the Planning Bill currently before Parliament.

2.29 Other measures outlined in the white paper include changes to make local plan making more flexible, to extend the range of developments which do not require a separate planning application, and the introduction of Planning Performance Agreements to improve efficiency in decision-making on large projects. Implementation of the Sub-National Review (SNR) will lead to combined regional housing, spatial and economic development strategies, developed by the Regional Development Agencies (RDAs) in partnerships with local authorities so that plans for homes and for jobs are closely aligned. In March 2008, we commissioned Joanna Killian (Chief Executive, Essex County Council) and David Pretty (former Group Chief Executive of Barratt Developments PLC) to carry out an independent review of the end-to-end process for seeking planning permission, to identify scope for removing delays and reducing unnecessary burdens.

36 As measured by PSA 6: Planning (see Chapter 6)
37 www.communities.gov.uk/publications/planningandbuilding/planningsustainablefuture
38 www.hm-treasury.gov.uk/media/3/A/barker_finalreport051206.pdf
39 www.dft.gov.uk/about/strategy/transportstrategy/eddingtonstudy

Cohesive and resilient communities

2.30 Building strong and cohesive communities is a key priority for Government. Delivering this is at the core of the new PSA 21: Build more cohesive, empowered and active communities, on which we lead for Government. It is also a central part of our work – not just through work on cohesion, race equality and preventing extremism – but through our wider work on housing, regeneration and strong local government.

2.31 As is set out in Chapter 8, we have not achieved our SR04 targets to reduce race inequalities and build community cohesion, but have made important achievements across the wider policy area. In February 2008, we published our response[40] to the Commission on Integration and Cohesion's report *Our Shared Future*[41]. We will be working through the year to deliver on the Commission's key recommendations, and have already:

- published guidance for local authorities on provision of translation only where it is necessary and acts as a stepping stone to speaking English[42]
- worked with the Department for Innovation, Universities and Skills (DIUS) to hold Citizens' Juries examining how targeted provision of teaching English for Speakers of Other Languages (ESOL) can help build cohesion
- opened consultation on a strategy to increase levels of inter faith dialogue and social action within local communities
- announced a £50m targeted investment over the next three years to promote community cohesion and support local authorities in preventing and managing community tensions.

2.32 Our response also highlighted the importance of managing the integration of new migrants into communities. Immigration continues to have significant benefits for the country as a whole, and for individual communities, through access to skills, labour, new ideas and new cultures. However, the transition can be challenging for some communities particularly where the pace of demographic change has been rapid and where there has been little or no history of inward migration. We have a key role in supporting communities to manage these impacts. Through our Migration Impacts Forum, co-chaired by our and Home Office Ministers, we continue to review best practice and evidence and to ensure support for local authorities and communities.

40 www.communities.gov.uk/publications/communities/governmentresponsecoic
41 www.integrationandcohesion.org.uk/Our_final_report.aspx
42 www.communities.gov.uk/publications/communities/translationguidance

2.33 Strong national and local cohesion also requires a community-based response to violent extremism. We will continue to take forward the work set out in *Preventing Violent Extremism – Winning Hearts and Minds*[43], and have already:

- developed the capacity of faith and civic leaders to confront extremism through the Community Leadership Fund and through continuous professional development for faith leaders
- established the National Muslim Women's Advisory Group, to strengthen the representation of Muslim women at the national level and to act as role models for the local level
- rolled out a pathfinder fund to support local authority work in engaging with key local partners and stakeholders.

2.34 Overall government responsibility for work on equalities transferred to the new Government Equalities Office in July 2007. However, we remain responsible for action to improve race equality. Our December 2007 response[44] to the *REACH Report*[45] set out the Government's commitment to action to improve the aspirations and attainment of young Black males, including through:

- improving the visibility of Black male role models by creating a national role model programme and supporting local Black role-modelling and mentoring organisations
- working with Department for Children, Schools and Families (DCSF) to assist in the creation of better links between schools and Black families
- working with Office for Standards in Education (Ofsted) to improve the way it reports on race equality in schools
- encouraging Black-led third sector organisations to create consortia to share resource and expertise and looking at what Government can do to support consortia.

2.35 Communities also need our support to be resilient to events. The work of the Fire and Rescue Service (FRS) has contributed significantly to a continuing reduction in accidental fire-related deaths – now at their lowest level since 1959 – and in the number of deliberate fires[46]. It was also fundamental to the successful response to the summer 2007 floods, where the new high volume pumps were deployed to help tackle the problems faced by communities in affected areas. We led a cross-government programme to support the worst affected communities in recovering

43 www.communities.gov.uk/publications/communities/preventingviolentextremism
44 www.communities.gov.uk/publications/communities/reachresponse
45 www.communities.gov.uk/publications/communities/reachreport
46 As measured by PSA 3: Fire (see Chapter 5)

from the effects of the floods – including successfully paying out under a new Flood Recovery Grant[47] scheme within a week of it being first announced by the Prime Minister.

Transforming our capability

2.36 Last year, we set out our response to the 2006 Capability Review of the Department. As has been confirmed by the Cabinet Office 2007 one-year stocktake, we have made progress in each of these areas and are using the actions identified in the review as a driver for ongoing change and improvement. We are continuing to focus on building our capabilities, through an ongoing programme of business change, and look forward to the next full review of the Department in December 2008.

Lead and enthuse partners in creating successful communities and services

2.37 We have continued to engage all our stakeholders and partners to work with us in delivering our vision for places and communities. The stocktake notes that 'our work on the local government agenda has been a particular, very visible success, and has proved to Whitehall and wider stakeholders that we can lead and work well across boundaries'.

2.38 We are now extending our profile across government. Key actions include:

- leading work across and on behalf of government to implement the new local government performance framework. This included successfully negotiating across Whitehall to reduce the overall number of local government performance indicators and leading government's work to negotiate Local Area Agreements, with support from 27 senior champions across 10 government departments who are leading final discussions in the most challenging or highest priority areas
- establishing cross-government governance arrangements to ensure a joint approach to delivering the two PSAs – 20 and 21 – which we lead. We are also active participants on the boards for other PSAs where we make a major contribution to delivery
- working in partnership across most of our key achievements and programmes, as set out in this report, including:
  - implementing the Sub-National Review (with the Department for Business, Enterprise and Regulatory Reform (BERR) and HMT)

47 www.communities.gov.uk/fire/resilienceresponse/floodrecovery/financialassistance/

- tackling worklessness through the Working Neighbourhood Fund (with DWP)
- bringing forward legislation to improve planning for major infrastructure projects (with the Department for Transport (DfT), BERR and Defra)
- tackling violent extremism and considering the impacts of migration on our communities (with Home Office)
- securing an Olympic regeneration legacy which transforms the heart of East London (with the Department for Culture, Media and Sport)
- responding and recovering from the floods of summer 2007 (with Defra, BERR, DCSF and others).

2.39 Detailed feedback indicates that key stakeholders are already reporting progress since the Capability Review. Our partners in the public, private and voluntary sectors think the Department is getting better at involving them in the development of policy and in engaging with them when we announce new or changed policies. Alongside this, we continue to work closely with councils, communities, citizens, charities and voluntary organisations and other key stakeholders on the delivery of our key programmes and policies – for example, through maintaining effective working relationships with the Regional Development Agencies, local authorities, developers, employers and wider stakeholders who are part of delivering our commitments in the Thames Gateway. We will continue to emphasise early and positive engagement with stakeholders in the development of policy and are encouraging staff at all levels, and across all areas, to have a stronger understanding of stakeholder interests outside their own policy area.

Base policy making and delivery consistently on evidence

2.40 We have had a sustained focus throughout the year on improving our knowledge base and ensuring we use evidence and analysis more rigorously across the Department. We have increased the number of economist posts in the Department, put all of the Department's senior staff through analytical training, and set up three Expert Panels of academics, consultants and practitioners to provide additional analytical resource and challenge. We have run a series of whole Department events and awareness sessions, including an 'Analysis for All' day and a series of high-profile speakers. We have also run a 'Working with Ministers' programme that emphasises the importance of the evidence base for policy making.

2.41 The success to date of the programme has been recognised by the Cabinet Office as best practice within government, and we will be taking part in a number of learning events to share our experience with other departments.

Sharpen our delivery focus and ensure we have strong performance management systems and skills

2.42 We have strengthened our focus on delivery. We have streamlined and strengthened our corporate governance structures to ensure clear accountability for delivery, in particular by revising director general portfolios to ensure personal accountability for key priorities and establishing a new Delivery Sub-Committee (DSC) to the Board, chaired by the Permanent Secretary, to scrutinise progress on our key programmes. This is underpinned by new Programme Boards to drive delivery and manage risk on these key programmes, and by a new Delivery Unit to provide expert challenge and support for DSC and the Programme Boards. Our new arrangements were communicated to staff in November 2007.

2.43 Alongside this, we have focused on ensuring effective performance management for both the two cross-government PSAs on which we lead and our wider set of DSO indicators. This will be scrutinised by monthly performance reporting to the Board, as well as by Programme Boards and the DSC. We will also provide targeted project and programme mangement and risk management training for staff in key delivery roles and senior managers.

Manage our people effectively and ensure we have the critical skills we need

2.44 As set out more fully in Chapter 10, we have continued to invest in supporting and developing our staff. We have implemented a programme to improve human resource (HR) capability, processes and our approach to people management. Key leadership roles have been filled by specialist staff and HR business partners have been appointed to work closely with line managers. We have rolled out workshops for staff on coaching, mentoring, performance management and programme management, and held workshops across all grades to understand issues around 'speak up and challenge' and bullying and harassment. We have developed Departmental values, with input from over half our staff. We have also held successful awaydays for all grades below the senior civil service (SCS), asking them what they would change if they were Permanent Secretary for the day, and we are acting on their feedback.

3 Tackling disadvantage

SR04 Strategic Priority 1:

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

3.1 The Department and the Government as a whole have a long-standing commitment to tackling disadvantage by reviving the most deprived neighbourhoods, reducing social exclusion and supporting society's most vulnerable groups.

3.2 Our 2001 *A New Commitment to Neighbourhood Renewal*[48] set out clear goals to improve outcomes in the most deprived areas and to reduce the gap with the rest of the country in line with our commitment that within 10 to 20 years no-one should be seriously disadvantaged by where they live. Significant progress has been made since 2001, including a 2.3 per cent reduction in the gap between worklessness rates in the worst wards and the England average and sustained progress in reducing the number of non-decent social sector dwellings in neighbourhood renewal areas. Going forward, the delivery strategy for the new PSA 18 (led by the Department of Health) contains a commitment to reducing the mortality rate by 2010 for heart disease, stroke and related diseases by at least 40 per cent, with a reduction in the inequalities gap by at least 40 per cent; and the DWP-led PSA 8 includes an indicator of the narrowing of the gap between the employment rates of those living in the most deprived local authority wards and the overall rate.

3.3 The updated Index of Multiple Deprivation (IMD)[49], published in December 2007, shows some improvement in the levels of deprivation since 2004, but the level of improvement is not the same in all local authority areas or regions. The North East region has shown the greatest overall improvement but continues to have some of the highest levels of deprivation in the country. Within regions the picture is also mixed, with each region containing Lower Super Output Areas (LSOAs - the neighbourhood level units which form the geographical basis for measuring deprivation) which are in the most deprived 10 per cent and the least deprived 10 per cent nationally. The IMD shows that while there has been some success in improving some of our most deprived areas, concentrated pockets of deprivation remain in some parts of the country.

3.4 Going forward, our regeneration and renewal activities, together with our broader community empowerment work, will seek to promote work, opportunity and enterprise. Within this, tackling disadvantaged neighbourhoods will continue to be

48 www.neighbourhood.gov.uk/displaypagedoc.asp?id=85
49 www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07/

important for national as well as personal prosperity. In line with the approach set out in the Sub-National Review (SNR), we will take a more focused approach to a smaller group of deprived neighbourhoods, with more focus on the economic drivers of deprivation and better integration of neighbourhood renewal and wider regional and sub-regional investment and regeneration. Other elements of the SNR will be reflected in our new Regeneration Framework, due to be published later in 2008.

The Neighbourhood Renewal and Working Neighbourhoods Funds

3.5 The Neighbourhood Renewal Fund (NRF), worth £525m in 2007-08, supported 86 of England's most deprived local authorities to create and deliver community strategies which focus on improving services in their most deprived communities. From 2007-08, NRF operated through Local Area Agreements (LAAs), with areas required to demonstrate commitment to narrowing the gap between the most deprived areas/groups and the rest through setting relevant targets in their LAA.

3.6 For the future, our ambition to establish a greater focus on promoting work and enterprise is reflected in the development of the new Working Neighbourhoods Fund (WNF). This new fund, launched in December 2007 and worth £1.5bn over the next three years, is part of a concerted drive with DWP to get people off welfare and into training and work. The fund focuses on the most deprived areas and supports local authorities and their communities in their efforts to tackle worklessness and other elements of deprivation. The un-ringfenced nature of the WNF will allow local authorities in around 65 targeted areas to develop better links between economic, social and physical regeneration, and between their programmes to deal with the worst neighbourhoods and the wider sub-regional economic opportunities. All LAAs in WNF areas are targeting the reduction of worklessness in their areas, using the new funds to stimulate innovative local joint action and community empowerment to support local jobs and enterprise. We have also set aside £50m to reward those communities that make progress in turning around long-term unemployment and in increasing the level of skills and enterprise.

The Local Enterprise Growth Initiative (LEGI)

3.7 LEGI is a 10-year programme to release the productivity and economic potential of our most deprived local areas and their inhabitants through enterprise and investment. Two competitive bidding rounds were held, with funding awarded to 10 bids in February 2006, and another 10 in December 2006. £50m of funding was awarded in 2006-07 and £100m in 2007-08, and a total of £300m allocated for the three years covered by CSR07.

3.8 LEGI areas have made considerable progress in establishing their programmes and delivering early results. Headlines from the longer-standing (Round 1) areas include:

- 320 new business start-ups in St Helens. LEGI funding has helped St Helens become one of only 11 areas in the country to boost its start-up rate by over 50 per cent in 2006
- 151 new start-ups in Bradford with 400 people currently being assisted, with over 50 per cent of all new start-ups in the 20 per cent most deprived Super Output Areas.

Safer and Stronger Communities Fund

3.9 The Department contributed £127.9m to the Safer and Stronger Communities Fund (SSCF) in 2007-08. SSCF, which now forms part of an unringfenced Area Based Grant, provides additional resources for neighbourhood-based initiatives in the most deprived parts of the country, including establishment of neighbourhood management schemes. It has also contributed to the work of the Cleaner Safer Greener Communities Programme (as set out in Chapter 7).

3.10 The independent national evaluation of the Neighbourhood Management Pathfinders (NMP) shows that these schemes can help to improve levels of resident satisfaction with the local area and with key local services. A 2007 survey of households in areas covered by the Round 2 Neighbourhood Management Pathfinders showed that between 2004 and 2007:

- satisfaction with the area as a place to live increased from 77 per cent to 79 per cent of households, with no change in comparator areas
- satisfaction with local police services rose from 45 per cent to 52 per cent, with only a two percentage point increase in comparator areas
- there has been a two percentage point increase in the proportion of residents satisfied with street cleaning compared to a one percentage point decrease in comparator areas
- there have been reductions in the percentage of residents who think the following are problems:
  - car crime (11 percentage point reduction compared to a six percentage point reduction in comparator areas)
  - vandalism and graffiti (nine percentage point reduction compared to a four percentage point reduction in comparator areas)
  - racial harassment (two percentage point reduction compared to no change in comparator areas)

New Deal for Communities

3.11 The New Deal for Communities (NDC) is a key programme in the Government's strategy to tackle multiple deprivation in our most deprived neighbourhoods, and will receive over £480m of government funding over the remaining three years of the 10-year NDC programme. Between 1999 and 2006 NDC areas have demonstrated progress for people who live in these areas. Across the NDC areas residents are much more positive about changes occurring to their local environment: 71 per cent are now happy with their area as a place to live, compared to 60 per cent in 2002; and 57 per cent of residents think the NDC has improved the area. The proportion of residents perceiving serious problems with vandalism and graffiti has fallen from 33 per cent in 2002 to 18 per cent in 2006. The recorded burglary rate (per thousand properties) has fallen by 30 per cent between 2001 and 2005. Other outcomes include an increase from 26 per cent to 37 per cent in the number of children gaining five or more A*–C GCSEs.

3.12 As we approach the end of the programme, our priority will be to ensure that local NDC activities are mainstreamed and their benefits are sustained into the long term. We continue to support NDCs in the development of their local sustainability plans, through the provision of guidance and sharing good practice. We are reviewing the arrangements for managing the NDC programme, focusing on efficient delivery in remaining years, supporting NDCs to sustain improvement beyond government funding and into the long term, and learning the lessons of NDCs and building them into future policy and delivery.

Mixed Communities and the New Communities Fund

3.13 We continue to support locally led and managed demonstration projects to test and capture learning on a mixed communities approach combining social, economic and physical regeneration to deprived estates and areas. This is supported by our New Communities Fund, announced in December 2007, to support councils and local partners to help transform their most deprived areas and estates, with a particular focus on economic renewal and action to address worklessness.

Coastal towns

3.14 The Department's First Response[50] to the Communities and Local Government Committee Report on Coastal Towns[51] was published in May 2007 and a Second Response[52] was published in November 2007. This sets out how Government will support coastal towns in the context of the Sub-National Review. This includes setting up a cross-departmental working group on coastal towns, which will promote cross-government approaches and action on the cross-cutting issues affecting coastal towns. The Department is also supporting the South East England Development Agency (SEEDA) in setting up an RDA-led Coastal Areas Network to explore solutions on sustainable development and regeneration.

Alternatives to casino-led regeneration

3.15 Local authorities have been keen to explore the potential for casinos to achieve regeneration, but there has been uncertainty about the scale of potential benefits and concern about the social risks of casino-led regeneration. Thus, when in July 2007 the House of Lords rejected the decision of the Secretary of State for Culture, Media and Sport to accept the Casino Advisory Panel's recommendation that Manchester should be granted the licence for a regional casino, the Prime Minister asked Communities and Local Government to undertake a review into whether deprived areas can be equally well served by other forms of regeneration.

3.16 *A Review of the Alternative Approaches to Regional Casino-led Regeneration*[53] was published on 25 February 2008. It highlighted the difficulty in establishing a robust evidence base for the regeneration benefits of regional casinos, the uncertainties about the scale of potential job creation, and the economic and social costs associated with casino-led regeneration. It did, however, recognise that the unique nature of a regional casino, especially in terms of inward investment, would make it difficult to match in terms of regeneration by any one alternative.

3.17 Following the decision of the Secretary of State for Culture, Media and Sport to delay a decision on a regional casino until after the small and large casinos have been evaluated, we established a Ministerial Group to work with Manchester City Council and its partners to coordinate an alternative approach to regeneration in line with the findings of the review. Its aim is to help generate an equivalent number of jobs to those that a regional casino could have delivered and to foster greater long-term growth that benefits the people of East Manchester.

50 www.official-documents.gov.uk/document/cm71/7126/7126.pdf
51 www.publications.parliament.uk/pa/cm200607/cmselect/cmcomloc/351/351.pdf
52 www.publications.parliament.uk/pa/cm200708/cmselect/cmcomloc/69/69.pdf
53 www.communities.gov.uk/publications/citiesandregions/casireviewalternatives

Promoting opportunity in social housing

3.18 Social housing has a crucial role as a safety net for the most vulnerable. That is not going to change, but it should not be only a safety net. It should also provide a platform for people to get on with their lives, and improve their skills and prospects.

3.19 Professor Hills' review found that almost 55 per cent of social households are without work, representing about half of workless households. Many of these people would like to work, but may face real challenges and barriers. The housing sector has been responding to this challenge, with a range of well established initiatives to support tenants into work. The Department, working with the Housing Corporation and the Chartered Institute of Housing, will support such initiatives by producing a good practice guide for housing providers. The Department will also be piloting integrated housing and job advice in the coming year, within enhanced housing options services.

3.20 The Minister for Housing and Planning has also launched a debate about whether there is more we could do to make sure people are getting the support and opportunities they need to move into work. To support this, we have set up two stakeholder groups to feed into policy development in this area, where we continue to work closely with the Department for Work and Pensions.

Support for vulnerable households

3.21 The homelessness legislation provides a strong safety net for people who are homeless or at risk of homelessness, but our aim is to help people avoid the trauma and uncertainty of homelessness altogether by supporting them to access alternative accommodation or address the root causes of their homelessness. Significant investment in local authority and voluntary sector homelessness prevention services over the last six years continues to be very effective. The latest figures for the period October to December 2007[54] show that homelessness acceptances in England are down by 12 per cent compared to the same period in 2006 and by over 45 per cent since 2004, and are now at their lowest level for twenty years.

3.22 Most households who are accepted as homeless, but cannot immediately be allocated a settled home, are placed in temporary accommodation. Our success in preventing homelessness is helping us to address the backlog in temporary accommodation, where numbers have fallen to below 80,000 for the first time since 2001, well on the way to meeting the target of 50,500 by 2010.

54 Statistical Release: Statutory Homelessness: 4th Quarter 2007, England

Supporting People programme

3.23 In 2007-08, we allocated over £1,696m to the 150 top-tier authorities through the Supporting People programme to fund housing related support. Local authorities determine how they focus their Supporting People funding, and commission services based on the needs and priorities identified in their five-year Supporting People strategies. As of September 2007 authorities were using the funding to support over one million people, including 840,000 older people, 36,000 people with mental health problems and 18,000 young people. In 2006-07 local authorities spent £931.5m of their overall Supporting People grant on services for socially excluded groups, including £42.5m on people with drug or alcohol problems, £299.8m on homelessness and rough sleeping, and £61.6m on domestic violence. In December 2007, we committed to invest a further £4.9bn through the programme across the next three years, with detailed allocations announced as part of the overall local government funding settlement.

3.24 In June 2007 we published *Independence and Opportunity: Our Strategy For Supporting People*[55] which set out our strategic priorities for the programme. Our key focus will be on keeping service users at the heart of the programme by, for example, exploring the inclusion of housing support in the choice-led personal funding streams including piloting of Individual Budgets. We are working with national third sector organisations to develop and support capacity in the sector and delivering the programme in the new local government landscape through for example supporting Government offices in the negotiation of LAAs which include the Supporting People indicators in the National Indicator Set (NI 141[56] and NI 142[57]) and testing the impact of delivering Supporting People funding through Area Based Grant. We are seeking to increase efficiency and reducing bureaucracy by developing resource packs for authorities to help them engage with national and regional improvement and capacity building programmes and to encourage joint commissioning models.

Support for socially excluded adults

3.25 Rough sleeping is the most visible manifestation of social exclusion. Our significant achievement in reducing and sustaining rough sleeping at more than two-thirds below the 1998 baseline of 1,850 is widely recognised. The estimate for 2007 showed 498 people sleeping rough on any single night – a 73 per cent reduction on the original baseline. The Government is committed to sustaining the reductions

55 www.spkweb.org.uk/NR/rdonlyres/4E92E1E2-B5EF-42B4-AD0C-FE5B68C4330B/12855/bm07024supportingpeoplestrategy.pdf
56 NI 141: Percentage of vulnerable people achieving independent living.
57 NI 142: Percentage of vulnerable people who are supported to maintain independent living.

in rough sleeping and to further reducing numbers, particularly in London. We are now developing an updated Rough Sleeping Strategy that builds on our success and seeks to drive down rough sleeping to as close to zero as possible.

3.26 Improvements to hostels and day services, to ensure they support more rough sleepers to live independently, are critical to our success. In March 2008, we announced 69 projects with £70m capital funding under the Places of Change programme. Places of Change builds on the success of the £90m Hostels Capital Improvement Programme (HCIP). Hostels and homeless services which have received HCIP funding have already achieved a 60 per cent increase in clients moving on successfully from hostels into training, further education, employment, or independent living, and a 14 per cent reduction in exclusions or abandonment.

3.27 We are also leading delivery of the settled accommodation element of the new cross-government PSA 16 which aims to increase the proportion of socially excluded adults in settled accommodation and employment, education or training. The Department is working closely with the relevant policy departments responsible for the client groups focused on in PSA 16 (care leavers at 19, adult offenders under probation supervision, adults in contact with secondary mental health services, and adults with moderate to severe learning disabilities), to establish and achieve appropriate delivery plans to increase the numbers in settled accommodation.

3.28 The £6m cross-government Adults facing Chronic Exclusion (ACE) programme, which is delivered in partnership with the Home Office, Department of Health and Department for Work and Pensions (with each department contributing £1.5m to the costs of the programme) will be key to informing policy development in relation to PSA 16. The ACE programme is funding 12 pilots across England over three years to test ways to improve outcomes for adults with chaotic lives and multiple needs by changing local service provision for example by acting as a mediator between a range of services and someone with complex needs.

Support for older people

3.29 We are supporting older people to live independently and in February 2008 we published *Lifetime Homes, Lifetime Neighbourhoods*, *A National Strategy For Housing In An Ageing Society*[58]. This sets out an aspiration to build all housing to Lifetime Homes Standards by 2013, new funding for rapid repairs and minor adaptations, new funding for specialised housing, and improved information and advice.

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

3.30 We have also announced increased funding for the Disabled Facilities Grant programme, with funding rising to £146m for 2008-09, and to £166m by 2010. Alongside this, we have also announced improvements to the programme, including raising the limit on grants to individuals, speeding up the application process by passporting people in receipt of certain benefits, and disregarding some benefits as income to lessen the impact of means testing on people who are working but on a low income.

SR04 PSA Target 1: Neighbourhood Renewal

Definition:

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.

Performance Indicators:

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.

Health: On course

- To substantially reduce cardiovascular disease related mortality rates for people under-75 in deprived areas so that the absolute gap between the national average and the average for deprived areas is reduced by 40 per cent between the baseline (1995-97) and target period (2009-11). This relates to the Department of Health's SR04 PSA 1 target to substantially reduce mortality rates by 2010 from heart disease, stroke and related illnesses.

Education: Slippage

- 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' SR04 PSA 7 target to raise standards in English, maths, ICT and science in secondary education.

Crime: On course

- To reduce the average rate of crime reduction in the local authority districts in receipt of NRF which are also high crime areas, by a greater percentage than the rate of crime reduction in the non-high crime areas, between the baseline year 2003-04 and 2007-08. This relates to the Home Office's SR04 PSA 1 target on crime reduction.

Worklessness: On course

- By 2007-08, a one percentage point improvement in the overall employment rate for those living in the local authority wards with the worst labour market position that are also located within local authority districts in receipt of NRF, and a one percentage point reduction in the difference between their employment rate and the overall employment rate for Great Britain. This indicator relates to the Department for Work and Pensions' SR04 PSA 4 target on full employment.

Housing: On course

- 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 this Department's broader SR04 PSA 7 on Decent Homes.

Liveability: Ahead

- 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 SR04 PSA 8 target on cleaner, safer and greener public space.

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress:
£2,327m	£2,343m	£2,969m	Slippage

Progress

3.31 The definition of success for PSA 1 turns on the delivery of floor targets by relevant government departments in six key outcome areas. Four out of the six indicators are currently assessed as being 'on course' and one target is reported as ahead. While progress is being made in the remaining indicator (education), latest figures indicate that this will not be met by 2008, as originally planned. We have therefore to report slippage towards the overall target, but there is measurable improvement towards narrowing the gap in all six key outcome areas.

3.32 **Health:** The inequality gap has reduced from a baseline absolute gap of 37.5 premature deaths per 100,000 populations in 1995-97 to 25.6 premature deaths per 100,000 populations in 2004-06. Therefore compared with the baseline year of 1995-97, the gap in mortality rates from cardio-vascular disease for people aged under 75 in the NRF/Spearhead[59] cross-over areas has decreased by 31.7 per cent by 2004-06 and is on course to meet the required target reduction of at least 40 per cent by 2009-11. Due to the data lag final reporting will not be possible until 2012.

3.33 The Department has worked with the Department of Health (DH) to include objectives for reducing health inequalities as one of the top National Health Service (NHS) priorities for 2006-07, and again for 2007-08, putting the issue at the heart of NHS performance. This work will continue to be driven through the CSR07 period. The delivery strategy of PSA 18 contains a focus on the biggest killers (including cardiovascular disease) in areas where inequalities exist – this includes a commitment to reducing the mortality rate by 2010 for heart disease, stroke and related diseases by at least 40 per cent in people under 75, with a reduction in the inequalities gap by at least 40 per cent. The work on gap narrowing in health inequalities, focusing on spearhead/IMD crossover areas, will also continue to be taken forward by our new DSO 3.

59 The Spearhead Group comprises those areas that had the worst health and deprivation indicators in 1995-97

3.34 **Education:** The Key Stage 3 (KS3) target was always the most stretching and aspirational of all the PSA 1 targets as it had the furthest distance to travel. 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 50.6 per cent, from 399 to 197. We anticipate continuing progress but that it will take longer than the 2008 deadline to achieve the target. We are therefore reporting slippage on this target. Final data for this indicator will not be available until April 2009.

3.35 Beyond the specific target we set ourselves there is further evidence of progress towards achieving the overall ambition of PSA 1. The gap at KS3 between NRF areas and England has narrowed by six percentage points since 2002-03. 2006-07 data show 91 per cent of England's schools achieved the KS3 target compared with 84 per cent in NRF areas. The data for 2006-07 indicate that the number of schools achieving the KS3 target continues to increase, both nationally and in NRF areas.

3.36 **Crime:** Crime rates continue to be reduced more quickly in the Neighbourhood Renewal Fund areas (as defined by the old 2004 Index of Multiple Deprivation) that are also high crime areas compared with the rest of England since the baseline year 2003-04. Between the baseline and March 2007 the total number of recorded British Crime Survey (BCS) comparator crimes has fallen by 15 per cent in the Neighbourhood Renewal Fund areas that are also high crime areas, compared with a reduction of 8 per cent in all other areas. We are therefore reporting this target as on course. Final data will be available for this indicator after May 2008.

3.37 **Worklessness:** In our *2007 Autumn Performance Report*[60] we set out that between April 2005 and April 2007 there was a 1.6 percentage point improvement in the employment rate of the 446 local authority wards to which the target applies. Over the same period, the gap between the employment rate in those wards and the overall employment rate for England was reduced by 2.3 percentage points, from 17.2 per cent to 14.9 per cent.

3.38 We now have two further data points (July and October 2007) but it would be inappropriate to compare these new data directly with the baseline (April 2005) because employment data are subject to large seasonal variations. (For example employment rates tend to increase in summer to coincide with student holidays and the end of the academic year.) Two further data points (January and April 2008) are required before a final assessment can be made. Accepting this, we are still confident in reporting this target as on course.

60 www.communities.gov.uk/publications/corporate/autumnperformance2007

3.39 For the future, we have worked with the Government Office network to identify the worst performing neighbourhoods across England and to secure the appropriate prioritisation of employment outcomes in these areas over the CSR07 period. The Departmental focus on worklessness in the most deprived areas will continue to be driven by our DSO 3 employment rate indicator and the CSR07 PSA 8 which has a deprived area focused employment indicator. In addition, from April 2008 Jobcentre Plus and the Learning and Skills Council (LSC) will share responsibility for delivering the targets that areas set themselves within the new Local Performance Framework.

3.40 **Housing:** We have met our interim 2006 milestone and are on course to achieve our overall target of achieving more than 50 per cent of our overall improvement on decent homes in identified deprived areas. 66 per cent of the overall improvement in the number of non-decent social sector dwellings took place in the local authority districts in receipt of NRF that are also within the most deprived 112 local authority districts. Our overall decent homes programme is described in more detail in Chapter 7.

3.41 From April 2006 the Housing Health and Safety Rating System (HHSRS) replaced the Fitness standard as the statutory component of the Decent Homes standard (that is, as one of the four component criteria a home must meet in order to be decent). This change means that estimates of non-decent homes using the updated definition (incorporating the HHSRS) can not be compared with 2001 baseline (for which figures are only available using the original definition that incorporates the Fitness standard). Therefore further PSA 1 assessment of decent homes progress in deprived areas will be based on a revised 2006 baseline position.

3.42 **Liveability:** Data for 2006-07 reports show we are ahead of our target; with a 24 percentage point fall in NRF areas with unacceptable levels of litter and detritus since the baseline 2003-04 and a 19 percentage point fall nationally. Work to drive this improvement was coordinated through the Communities and Local Government chaired Cleaner Safer Greener Advisory Board and achieved through the continued close partnership working between Communities and Local Government and Defra. We have also supported performance improvement through our 'How to' innovation and good practice programme by encouraging effective take-up and use of new and existing powers and tools, for example the Clean Neighbourhoods and Environment Act 2005. Data for 2007-08 should be available by the end of 2008. From April 2008 best value performance indicators will be replaced by the new national indicators for local authorities and partners.

3.43 The PSA 1 Liveability indicator relates to the cleaner places indicator for our PSA 8 target on Liveability. This recognises that deprived neighbourhoods often have poorer environmental quality than other areas. Progress on our overall Liveability target is described in more detail in Chapter 7.

Quality of data systems

3.44 We rely on published data sets from the Office for National Statistics (ONS) and other Government departments to track progress on floor targets. These data sets are then used to provide individual NRF area analysis on Floor Targets Interactive (FTI). FTI enables users to examine performance at the national, regional, local authority and neighbourhood levels. It also allows users to interrogate the data to produce a range of analyses and illustrative maps. The recent National Audit Office (NAO) *Fourth Validation Compendium Report* (Volume 1[61] and Volume 2[62]) on the quality of data systems underlying the SR04 PSAs gave the PSA 1 data systems a green (disclosure) rating, which means the data system is appropriate for the target and the Department has explained fully the limitations that cannot be cost effectively controlled. In addition, the NAO regards FTI as an example of good practice allowing public access to the data underpinning floor targets and improves the transparency of Government reporting.

3.45 As part of the development of the new National Indicator Set (NIS) and LAA framework we are also working with other government departments to provide a single place where up-to-date NIS data can be made available to anyone with a legitimate interest in it (the cross-government and LSP Data Interchange Hub)[63]. We are scoping future developments of this approach to deliver more data at lower spatial levels and make this available earlier, to drive performance and ensure a common and detailed local evidence base, supported by shared interchange data standards.

61 www.nao.org.uk/publications/nao_reports/07-08/070822i.pdf
62 www.nao.org.uk/publications/nao_reports/07-08/070822ii.pdf
63 The Hub does not contain data which can be attributed to any individual.

4 Regional economic performance

SR04 Strategic Priority 2:

Promoting the development of English regions by improving their economic performance so that all are able to reach their full potential.

4.1 Communities and Local Government aims to create vibrant, diverse and attractive places with strong local economies where people want to live and work. We are working across government to maximise the economic performance of all regions and to narrow disparities in growth rates by tackling market and coordination failures in employment and in the five drivers of productivity – skills, investment, innovation, enterprise and competition. We are also providing the tools and powers, and through the Government Offices, practical support on the ground, to enable regions and cities to compete better on the international stage.

4.2 The Department for Business, Enterprise and Regulatory Reform (BERR) took on lead responsibility for the regional economic performance (REP) PSA in April 2008. However, we continue to make a significant contribution to supporting the regional economic performance delivery agreement and provide the majority of the Regional Development Agencies' (RDA) programme funding.

4.3 With BERR, we are jointly leading implementation of the Sub-National Review. The reforms proposed by the Review will support regional economic performance by enabling the Government, regions and local areas to work together to put in place the right conditions for increased prosperity in all parts of the country; and ensuring that economic policy decisions are taken at the right spatial level and that decision makers have a clearer remit and the right tools and incentives.

4.4 In March 2008 we and BERR published a consultation paper setting out our proposals to implement key elements of the Sub-National Review through reforms which would:

- streamline the regional tier, introducing single regional strategies and giving Regional Development Agencies (RDAs) lead responsibility for regional spatial planning
- strengthen the local authority role in economic development, including a new statutory duty to assess local economic conditions
- support collaboration by local authorities across economic areas.

These reforms will require primary legislation which, subject to the consultation, the Government intends to introduce when Parliamentary time allows.

4.5 Cities have a key role as drivers of regional growth. Our policies aim to strengthen the ability of cities to make the best use of their assets so they can fulfil their potential. We coordinated the passage of the Greater London Authority Act, which received Royal Assent on 23 October 2007. The Act builds on the success of the Greater London Authority (GLA) since its creation in 2000 and gives the Mayor of London new lead roles in housing and tackling climate change, strengthened powers over planning and waste, and new powers in health and culture. These new responsibilities are complemented by an enhanced role for the London Assembly.

4.6 If cities are to reach their full potential, neighbouring local authorities need to work together effectively. The Department is working with key city-regions and sub-regions on the development and negotiation of multi-area agreements (MAAs), the first of which will be signed in June 2008. MAAs bring together local authorities and sub-regional and regional partners to deliver improved economic performance. Building on MAAs, the reforms set out in the Sub-National Review will lead to stronger and more visible sub-regional leadership.

4.7 The Department contributed £1.6bn to the RDAs in 2007-08 (around 70 per cent of the RDAs' programme budgets). Investment by the RDAs in 2007-08 in business innovation, encouraging enterprise, building the skills base and regenerating town centres and communities has played a key role in contributing to regional economic performance. Examples include:

- the South East of England Development Agency invested £38m, alongside £10m from the European Union (EU) and £15m from English Partnerships, to form the Hastings and Bexhill Task Force. Physical regeneration is underway, including an £85m rebuild of the Station Plaza. Deprivation levels have already fallen, crime has dropped, wages have risen and businesses are being opened faster than others are closing – an indicator of early improvement
- with support from Yorkshire Forward, Sheffield hosted the 2007 Indian Film Academy Awards in June – Bollywood's equivalent of the Oscars. The awards were part of a four day academy weekend, ending in the ceremony itself, which was broadcast to a potential audience of over 500 million in 110 countries. Initial estimates suggest that direct visitor spend for the weekend alone was an additional £8m, with extra benefits in terms of business investment expected through future years. The RDA expects the event will act as a catalyst to access new markets and help to form stronger business and cultural links between Yorkshire and India

- Teesside's new Institute of Digital Innovation is being supported with £5m investment from One North East and the European Regional Development Fund to capitalise on the Tees Valley's potential to generate and sustain a fast-growing digital media and digital technologies sector. It has already led to 50 new companies in the region

4.8 The Government Office network plays a key role in supporting regional activities and performance, as well as that of councils and other stakeholders in their region. This has included working with government departments and their regional and local partners to agree LAA targets that will help deliver improvements in services and promote the ambition and future success of an area. Since June 2007 Government Offices have provided support for their Regional Ministers, and will play an important role in supporting the new Parliamentary scrutiny of regional institutions currently being considered by the House Modernisation Committee.

4.9 We are taking forward a transformation programme to enable Government Offices to become more strategic and influential organisations. This includes a strengthening of their network approach, with Government Offices working more consistently with efficient, effective shared back office services. These changes have enabled a streamlined organisation with a 33 per cent reduction in headcount by the end of 2008 and a new mix of staff focused less on administration and more on policy, place and influencing skills.

4.10 The Department is the managing authority for the European Regional Development Fund (ERDF) grant allocated to the English regions. The purpose of ERDF is to reduce economic disparities between both member states and regions in the European Union (EU), through the creation of jobs and increased economic growth. The 2000-06 round of programmes will, by the end of 2008, have spent close to €5.18bn and have helped fund over 5,500 projects in the English regions.

4.11 In April 2007, the European Commission suspended payments to 2000-06 round ERDF programmes in six of the nine English regions pending clarification that the programmes had been managed in accordance with the relevant regulations. Following detailed audit work, the Department was able to satisfy the Commission that the majority of the programmes had been managed correctly and the suspensions were lifted. However, the Commission had residual concerns, over the North West Objective 2 and Urban programmes, leading to the imposition of a financial correction of €25m. The monies will be deducted from claims already made to the Commission and will have no adverse impact on grant recipients in the North West. We and the regions are continuing to work closely with the Commission to clear any outstanding issues and to ensure successful closure of the 2000-06 round of ERDF programmes.

4.12 Following a sample audit of 1997-99 programmes, the European Commission has proposed additional financial corrections in respect of that earlier programme. The Department is considering the Commission's findings.

4.13 England will receive around €3.2bn under the new 2007-13 ERDF programmes. The majority of the funds will be distributed through nine Regional Competitiveness and Employment programmes, one in each region, and managed by the Regional Development Agencies.

4.14 We also contribute to regional economic performance through our wider planning and housing agenda. Our planning reforms will provide greater certainty of decision making and a renewed focus on economic performance, while our work to increase housing supply will help to improve labour mobility. We will be undertaking further analysis to better understand how housing (in particular tenure, prices, supply and housing support) impacts on regional economic performance.

SR04 PSA Target 2: Regional Economic Performance

Definition:

To make sustainable improvements in the economic performance of all the English regions by 2008, and over the long-term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006.

This target is jointly owned with Business Enterprise and Regulatory Reform (BERR) and HM Treasury. The REP PSA is led by BERR in the CSR07 period. Communities and Local Government, HMT, DIUS, DWP, DfT and Defra all contribute to its delivery along with regional partners.

Performance Indicators:

Improving trend rate of GVA growth in all regions: Slippage

- To make sustainable improvements in economic performance as measured by the trend rate of growth for Gross Value Added (GVA) per head for all regions, measured over the period 2003-08, compared with the average growth between 1990 and 2002.

Closing the gap between regions: On course

- To reduce the persistent gap in growth rates between regions as measured by a reduction over the period 2003-12, compared with the baseline (1990–2002) in the absolute gap between the average trend growth rate in the three regions that currently have above average GVA per head (London, the South East and East) and the average trend rate for the other six regions.

The SR04 Technical Note set out that both parts of the PSA are achieved when there is improved performance in every region and a narrowing in growth gaps between the regions.

2005-06 spend:	2006-07 spend:	2007-08 spend	Overall progress:
£1,275m	£1,367m	£1,382m	Slippage

Progress

4.15 Measurement of progress in meeting the Regional Economic Performance PSA is undertaken by tracking performance in GVA[64] per head trend growth in each region. Supporting indicators on employment and the five drivers of productivity are also used to assess progress and inform action on the target.

4.16 Historically, GVA per head has been higher and has, over the long run, grown faster in London, the South East and East of England (Greater South East – GSE), than in the economies of the other six English regions, known collectively as the North, Midlands and South West (NMW). Reducing the persistent disparities remains a significant challenge.

4.17 Latest available GVA data for 2006 were published in 2007. Performance relative to the baseline (1990-2002) has been mixed. Between 2002 and 2006 the North East, East Midlands, London and South West have all seen stronger growth, while the North West held its position. The South East, East of England, West Midlands and Yorkshire and Humber have individually seen weaker growth. The first part of the target will be met if all English regions achieve a higher rate of growth than they achieved in the baseline period but, with only two more reporting years to go, there is a clear risk that the first part of the Regional Economic Performance target will not be met. Since the levels of growth that would be required by the South East and East regions would be particularly difficult to meet, our assessment of the performance against the first part of the Regional Economic Performance target, and therefore for the PSA as a whole, is slippage.

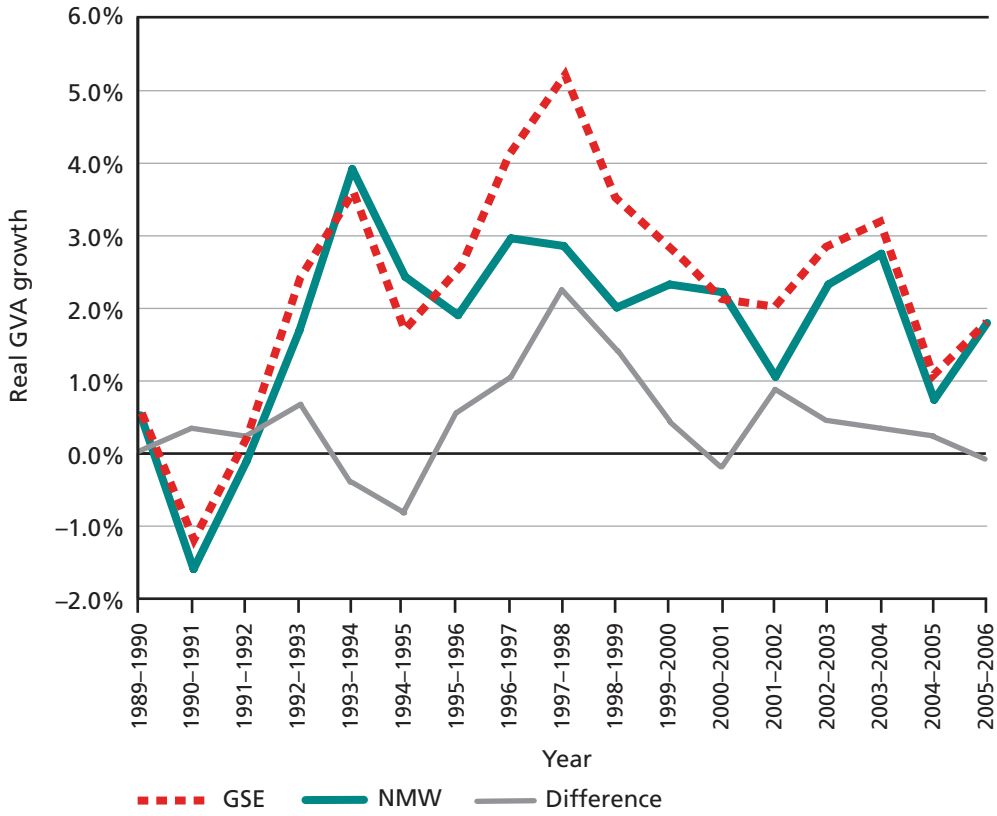
4.18 Evidence shows a continuing narrowing of regional growth gaps. The gap in growth rates between GSE and NMW has decreased from 0.6 percentage points over the baseline period to 0.3 over the period 2002-06. This demonstrates convergence in the average growth rates of regions in the current economic cycle. The chart shows GVA growth rates for the Greater South East and the North, Midlands and West, and the difference between these growth rates.

4.19 A full assessment on performance can only be made once the current economic cycle is complete.[65]

64 GVA – Gross Value Added is the difference between the output and intermediate consumption for any given sector/industry, ie the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

65 If the timing of the economic cycle is such that the Government cannot produce an estimate of regional trend growth rates over the period 2002–12 the Government will explain why.

Figure 4.1: Real GVA per head growth rates, 2006 prices (adjusted by ONS GVA National Price Deflator)



4.20 The Regional Economic Performance PSA was reconfirmed as PSA 7 in the October 2007 Comprehensive Spending Review.

Quality of data systems

4.21 The key to measuring the Regional Economic Performance target accurately is to capture as wide a range of economic activities occurring within the regions as possible. GVA, by definition, encapsulates a very diverse range of outputs. The NAO *Fourth Validation Compendium Report* on the quality of data systems underlying the SR04 PSAs highlighted that the data specification for this PSA target was relevant and well defined but that the methodology to produce real growth rates by region was still under development. To improve and develop regional estimates, the Office of National Statistics (ONS) is involved in an ongoing quality assurance process of the input data used to calculate estimates of regional GVA. Data from new surveys will enable longer-term development of an output measure of regional GVA as opposed to the currently published GVA estimates that are calculated using the income approach.

4.22 ONS now has a regional presence in all the RDAs, which act to quality-assure regional GVA statistics. Work is proceeding to strengthen regional GVA data, including production of a set of regional deflators by December 2009. We will discuss with ONS how we can best use these data once they are produced. In addition to GVA, over 20 supporting indicators on employment and the five drivers of productivity are used to assess progress and to inform action needed in support of the target. The latest information for all the PSA indicators is published on the BERR website[66].

66 http://stats.berr.gov.uk/reppsa2/

5 Better local services

SR04 Strategic Priority 3:

Delivering better services and devolving decision making to the appropriate level. Ensuring adequate and stable resources for local government and clarifying the relationship between neighbourhoods and local, regional and central government.

5.1 Better local services are at the heart of the Government's commitment to greater devolution as a basis for more effective decision making. Our 2006 local government white paper *Strong and Prosperous Communities* set out the strategic policy framework for how local government will continue to lead and deliver improvements, and signalled a new stage of public sector reform. Its principal aims were to enable effective local services and to create better places, through new relationships and better governance.

5.2 Good progress has been made in implementing the white paper over the last 12 months, including:

- introduction and enactment of the Local Government and Public Involvement in Health Act 2007
- implementation of the new Local Performance Framework, including publication of the streamlined National Indicator Set and negotiation of Local Area Agreements for all council areas
- the implementation of nine proposals for unitary status, with restructuring orders for seven council areas agreed by Parliament during February/March 2008 with the two remaining proposals to be implemented towards the end of the year
- publication of the National Improvement and Efficiency Strategy (NIES)
- publication of a Central-Local Concordat with the Local Government Association (LGA) in December 2007, in line with the commitment in the *Governance of Britain Green Paper*[67]
- launch of the *Action Plan for Community Empowerment: Building on Success* in October 2007, to be followed by a white paper in summer 2008

5.3 Councils throughout England continued to significantly improve their overall performance in 2007-08, the third year in which councils faced the 'harder test'

67 www.justice.gov.uk/publications/governanceofbritain.htm

of the Comprehensive Performance Assessment (CPA) framework. For the second year running, no single tier or county council achieved a 0* rating. Twenty-nine such councils improved on their performance in 2006 by at least one star rating, including two councils that moved up two categories. One hundred and twenty three (83 per cent) of upper-tier councils are now in the highest CPA categories, having achieved a 3* or 4* rating, which represents a further three per cent improvement on 2006 performance. Most councils not only achieved a high standard in their administration but were also judged to be improving their services, with more than three-quarters rated as improving well or strongly. But 14 councils dropped a star category and 13 councils remain in the 2* CPA category for the third year in a row.

5.4 Local government is expected to have delivered more than £8.2bn efficiency gains over the period 2004–05 to 2007-08, well ahead of the target for £6.45bn. About half of these gains have been made by councils, releasing valuable resources that have been used to further improve services or hold down council tax. The NIES underlines the Department's commitment to work hand-in-hand with local government to secure still greater value for money.

Local government finance

5.5 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.

5.6 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 5.1 in this Chapter.

5.7 Over the course of the financial year 2007-08 the Department paid some £22.663bn of Revenue Support Grant and Redistributed National Non-Domestic Rates to local authorities accurately and safely, with 98.2 per cent of the money paid on time. It also managed LG DEL effectively. We anticipate that expenditure will be close to budget, with a forecast variance of 0.7 per cent. The accounts for 2006-07, including the national non-domestic rates (NNDR) White Paper Account, were signed off with a 'clean' audit certificate.

5.8 The tables below set out expenditure on local government programmes from 2005-06 to 2007-08, and planned expenditure for 2008-09, in greater detail.

Table 5.1: Local Government DEL 2006-07 (£m)

Budget	Outturn	Difference	Variance
22,831	22,774	57	0.3%

Table 5.2: NNDR White Paper Account 2006-07 (£m)

Collected	Distributed
18,577	18,207[1]

Note:
[1] Of the £18,207m distributed in 2006–07, £17,500m related to 2006–07 and scored in DEL, and £707m related to prior year adjustments and scored in Annually Managed Expenditure (AME).

Table 5.3: Resource DEL Budget (£m)

Programme	2005-06 Outturn	2006-07 Outturn	2007-08 Provisional Outturn	2008-09 Plans
Revenue Support Grant	26,726	3,443[1]	3,163	2,909
Redistributed National Non-Domestic Rates	18,000	17,500	18,500	20,500
Neighbourhood Renewal Fund (NRF)	525	525	0[2]	0
Private Finance Initiative Revenue Support	416	513	595	677
Service Transformation[3]	207[4]	233	155	266
Other LG Programmes[5]	370	337	356	353
Total Resource Budget	**46,244**	**22,551**	**22,769**	**24,705**

Notes:
1 The reduction between 2005-06 and 2006-07 occurred because funding for schools was transferred out of Formula Grant in 2006-07, to a separate specific grant entitled 'the Dedicated Schools Grant'. This specific grant is contained within the Department for Children, families and Skills' DEL and is not part of LG DEL.
2 NRF transferred from LG DEL to Main DEL in 2007-08.
3 Includes Best Value Intervention, Capacity Building, Local Government Efficiency and Local Government Public Service Agreements Performance Fund (LPSA).
4 LPSA introduced in 2005-06.
5 Includes 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 and Valuation Tribunal Service.

Table 5.4: Capital DEL Budget (£m)

Programme	2005-06 Outturn	2006-07 Outturn	2007-08 Provisional Outturn	2008-09 Plans
Local Government On Line	139	27	7	6
Local Government Public Service Agreements	176	195	9	48
Local Government Efficiency	0	0	0	30
Other LG Programmes*	1	2	2	3
Total Capital Budget	**316**	**224**	**18**	**87**

Note: * Includes Valuation Tribunal Service, Invest to Save Budget and Standards Board for England.

5.9 The spending plans for local government over the next three years (2008-09 to 2010-11) were set out in the Comprehensive Spending Review 2007, following close work with other government departments and local government to identify spending pressures and the ways they could be managed. The spending plans provided for an annual average one per cent real terms increase in core grant on a like for like basis (Revenue Support Grant and National Non-Domestic Rates including support for Private Finance Initiative projects). Together with specific grants from departments and Area Based Grant, the overall increase in government grant increased by an annual average of 1.5 per cent in real terms over the CSR07 period.

Table 5.5: Plans for local government (£m)

Programme	2008-09	2009-10	2010-11
RSG/NNDR	23,409	24,054	24,675

5.10 During 2007-08 the Department introduced the first three-year settlement for local government. The Government was able to provide individual three-year allocations of over 99 per cent of funding (by value) for those grants capable of being announced in advance. The introduction of the new Area Based Grant for 2008-09 onwards saw the number of specific revenue grants for the next three years fall from 83 to 47. This delivered increased flexibility for local authorities to decide their spending priorities.

5.11 Keeping council tax under control remained a priority, and the CSR07 announcement on local government funding included a clear expectation that the average council tax increase in England in 2008-09 should be substantially below five per cent, with Government prepared to use capping powers as necessary to protect council tax payers from excessive increases. Figures released on 27 March

2008[68] showed that the average Band D council tax increase for 2008-09 is four per cent, the lowest for 14 years and the second lowest ever.

5.12 As part of the Comprehensive Spending Review, the Government announced an enhanced role on economic development for local government, supported by proposals (set out in *Business Rate Supplements: A White Paper*[69]) for a power for upper tier councils to introduce local supplements on business rates. The Government's approach will provide proper safeguards for the interests of business through:

- a requirement that proceeds should be spent on economic development
- either a vote requiring a majority of properties and rateable value if the supplement will fund more than a third of the overall costs of the project, or statutory consultation where the supplement will fund a lower proportion
- a national limit of two pence in the pound
- an exemption for all properties with a rateable value of £50,000 or less.

5.13 We will now engage with stakeholders on the details of the scheme – such as the way in which projects will be costed, and the way in which the economic impact will be assessed. Our intention, subject to Parliament, is to put in place the necessary statutory and administrative framework to enable supplements to start in 2010.

5.14 We have also brought the Rating (Empty Properties) Act 2007 into operation, with effect from 1 April 2008. The key provisions increase the non-domestic empty property rate from 50 per cent to 100 per cent of the occupied liability for non-industrial properties and from zero per cent to 100 per cent for industrial properties following a three or six month exemption period respectively. The Act also provides a zero rate for charities, community amateur sports clubs and companies in administration. We expect the new rates to increase revenues to the non-domestic pool by £900-950m.

5.15 On 28 September 2007, £500m of equal pay capitalisation directions were issued to 46 authorities in England, giving them greater flexibility to meet equal pay obligations and to speed up progress on delivering equal pay. The flexibility enabled councils to make one-off back-payments to about a hundred thousand employees, mostly women. This additional flexibility was welcomed by the LGA and the trades unions, and in February 2008 the Department announced that there would be a further equal pay capitalisation round in 2008-09.

68 www.local.communities.gov.uk/finance/ctax/ctax089.htm
69 www.hm-treasury.gov.uk./media/B/9/pbr_csr07_businessrate266.pdf

5.16 During 2007-08, the Department concluded a major reform of the local government pension scheme as it applies in England and Wales. The reforms include revisions to the benefit structure, stabilising the costs for employers and increasing the contribution levels of higher-paid employees, and will better reflect the needs of employers and workforce while not increasing the cost to taxpayers. A mechanism is being developed to share new cost pressures between employers and scheme members, to be in place by 31 March 2009.

Fire and Rescue Service and Resilience

5.17 The Fire and Rescue Service (FRS) has played a key role in delivering the lowest level of accidental fire deaths since 1959. The FRS also contributes significantly to the wider community, working with partners to tackle issues as diverse as youth crime, the safety of vulnerable older and young people, smoking, poor quality housing, drug and alcohol use and reducing road traffic collisions.

5.18 In November 2007, four firefighters in the Warwickshire Fire and Rescue Service lost their lives. Fortunately, such tragic events are rare, but we will ensure that any lessons learned from the investigations being conducted by the police and Health and Safety Executive are available to the Service as a whole.

5.19 We have invested significantly in the Fire and Resilience programme, which is providing the Service with the resilience needed to meet the challenges of an increased terrorist threat and the risks posed by major incidents such as last year's flooding. The programme comprises the New Dimension programme to provide equipment and training, Firelink to provide a single digital wide area radio system and FiReControl which will create a network of nine integrated and fully networked Regional Control Centres (RCC). The New Dimension programme will be completed shortly and Firelink radios will have been installed in all appliances by mid-2009. We expect the first RCCs to go live in October 2009 with roll-out completed by the end of 2011. We have also established a new Chief Fire and Rescue Adviser's Unit, led by Sir Ken Knight.

5.20 New Dimension equipment such as high volume pumps has already been used by the Service in responding to the widespread flooding which affected England during June and July 2007. Regional Resilience Teams, based in the Government Offices, also played a major role in the summer floods, as well as in responding to the foot and mouth, blue tongue and avian influenza outbreaks that occurred during the year.

5.21 Following the summer floods, the Department supported Ministers in leading and coordinating the overall government contribution to flood recovery. This has included funding to local authorities through the Flood Recovery Grant and through the Bellwin Scheme and financial support to individuals, businesses and other organisations in the flood affected areas. The Government has also secured an additional €162m from the European Union Solidarity Fund to help deal with the costs of damage caused by floods in England, Northern Ireland and Wales.

5.22 Sir Ken Knight's report on the FRS's response to the floods, *Facing the Challenge*[70], was published on 17 March 2008. The report praised the Service's response but concluded that more could be done to further improve its effectiveness. This work will contribute to Sir Michael Pitt's review of the floods, the final report of which is due to be published in the summer.

5.23 Other key fire and resilience activities during 2007-08 included:

- development of the Fire and Rescue Service National framework for 2008-11 and the national FRS equality and diversity strategy (both due to be launched in May 2008)
- consultation on a Centre of Excellence for the Fire and Rescue Service
- launch in January 2008 of a high profile media campaign to promote the importance of smoke alarm ownership and the need to maintain the devices regularly, including a focus on raising awareness with groups most at risk from fire
- promoting the case for developing an appropriate EC technical standard for fire-safer cigarettes, with EC plans endorsed by all EU member states in November 2007.

70 www.communities.gov.uk/publications/fire/floodingreview

SR04 PSA Target 3: Fire and Rescue Services

Definition:

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.

Performance Indicators:

The underlying indicators are numbers of accidental fire-related deaths and numbers of deliberate fires.

The required progress is expressed as one main and two sub-targets:

Main target: On course

- To reduce by 20 per cent the average number of accidental fire-related deaths in the home per year over the eleven year period to 31 March 2010, compared with an average of 349 per year over the five year period to 31 March 1999. This is equivalent to an average of no more than 279 accidental fire-related deaths in the home per year over the eleven year period.

Sub-target 1: Slippage

- To ensure that no local fire and rescue authority has an average annual fatality rate from accidental fires in the home that is more than 1.25 times the national annual average over the five years from 1 April 2005 to 31 March 2010.

Sub-target 2: Ahead

- By 31 March 2010, to reduce the number of deliberate primary fires by 10 per cent (equivalent to no more than 94,050 deliberate primary fires in England during 2009-10, compared with 104,500 during 2001-02).

The headline target will be fully met if all three of the component targets are achieved; partly met if only the main target and sub-target 2 are achieved; and not met if either the main target or sub-target 2 is not achieved.

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress
£168m	£177m	£258m	Slippage

Progress

5.24 We are on course to meet the main target and ahead on sub-target 2 but as there is slippage against sub-target 1 we are reporting slippage on the overall target.

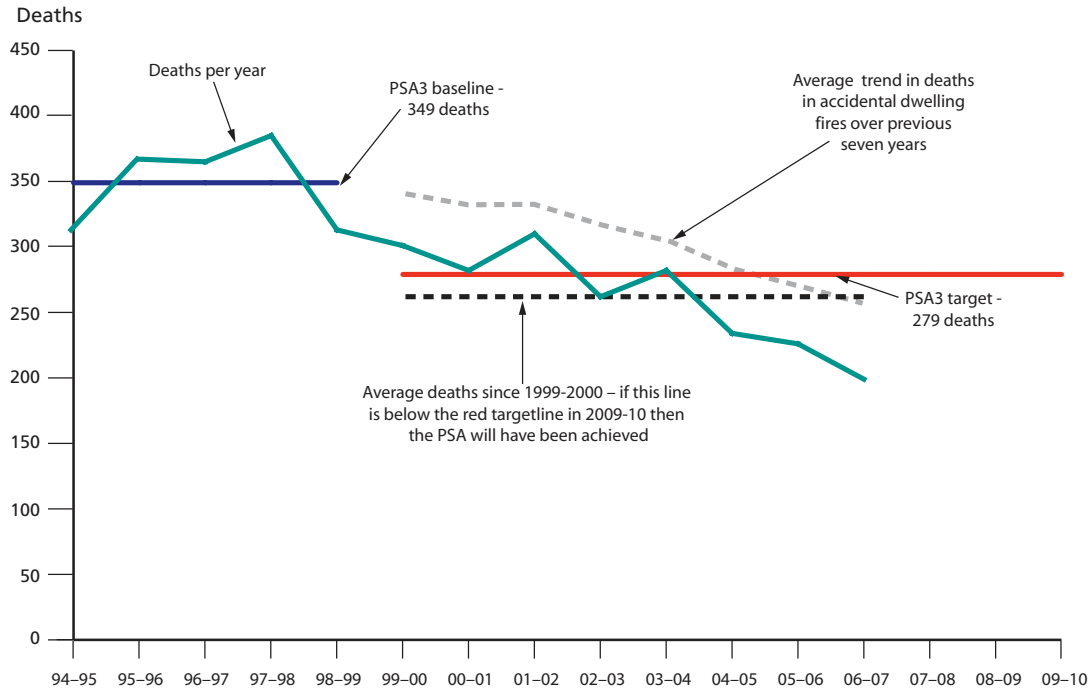
Main target

5.25 As shown above, a key target for the Service was to reduce the number of accidental dwelling fire deaths recorded in England by 20 per cent averaged over the 11-year period to 31 March 2010 (this equates to an average of no more than 279 fatalities per year across the period). The most recent financial year for which data are available (2006-07) records 199 accidental dwelling fire deaths during that period. This brings the annual average since April 2000 to 256 – 23 fewer than the 2010 target. This target therefore remains on course to be achieved as illustrated by Figure 5.1.

Sub-target 1

5.26 The related floor target requires that by 2010 no Fire and Rescue Authority has a fatality rate from accidental fires in the home more than 1.25 times the national average. In the five years to the end of March 2007, eight out of 47 authorities had an average fatality rate which exceeded this target. Our performance against this target is therefore reported as slippage.

Figure 5.1: Accidental fire-related deaths in the home



5.27 However, this indicator is no longer a robust measure of performance. As we continue to succeed in reducing the overall number of fire deaths, the national average also continues to go down and is currently at 4.23 deaths per year (based on 2006-07 data). This means one fatal incident can be sufficient to put an FRA far enough away from the average for them to fail on this sub-target.

5.28 Going forward the new national indicators (NI 49[71] and NI 33[72] within the overall National Indicator Set for local government and its partners) continue to measure performance on accidental fire deaths and deliberate fires. This will allow us to track progress on the targets to 2010; but these indicators look more broadly at incidents, deaths and injuries, so should provide a more comprehensive picture of FRS performance.

71 NI 49: Number of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks.
72 NI 33: Arson incidents.

Sub-target 2

5.29 57,900 deliberate primary fires were recorded during 2006-07 (the most recent financial year for which data are available). This is 38 per cent below the 2010 target of 94,050, and represents a reduction of 10 per cent on the number recorded in the previous year. The reduction is primarily due to a 14 per cent fall in deliberate road vehicle fires (which make up around 60 per cent of all deliberate primary fires). Progress on this target is therefore ahead.

5.30 A number of factors have contributed to this decrease, including: an improved vehicle licensing scheme; recent increases in the price of scrap metal; and the success of vehicle removal schemes, many of which have been funded by the Arson Control Forum, a government-funded stakeholder body.

Quality of data systems

5.31 Until the end of September 2007, all data on fires and fire-related deaths were taken from fire report forms (FDR1 (94)) completed by local Fire and Rescue Authorities. The official statistics on fires and fire deaths are recognised as National Statistics by the ONS. The recent 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. The new electronic data collection system should speed up the production of data, while aiming to maintain data quality. Measures have been put in place to address the risks involved in transferring the data from the paper-based system.

5.32 Following a review of the incident collection system, which records information about fires and other incidents attended by the Fire and Rescue Authorities, the roll-out of a new electronic Incident Reporting System (IRS) was launched at the end of September 2007. The IRS will improve the quality of data systems and reduce the data processing time, enabling statistics to be provided more quickly (at present it can take up to 13 months before a complete and fully finalised data set is available). Data on all special service incidents will be collected centrally, enabling fuller analysis of the work of fire authorities to be carried out, which will help to inform improved local planning to further decrease the risk to the public and businesses from fire and other hazards. All Fire and Rescue Authorities will be using the new system by April 2009. The two systems will run in parallel until that date.

SR04 PSA Target 4: Local government

Definition:

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

Performance Indicators:

The headline target has six component targets:

a) No authorities, including districts, rated poor in December 2004 to remain in the lowest CPA category on 31 March 2008: **On course**

b) By 31 March 2008, to achieve a 50 per cent decrease in the number of single tier and county 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 county councils in the lowest CPA categories and at least 130 in the top categories: **On course**

c) Improvement in district council performance as measured by CPA: it has been agreed with HM Treasury that it is difficult to set a quantifiable target for this: see under 'Progress', below: **Not yet assessed**

d) No single tier or county council to have a 'Not improving adequately/not improving' Direction of Travel Statement for two consecutive years: **On course**

e) Annual improvement in the aggregate Use of Resources score for authorities from 385 in 2005. (While the target relates solely to an absolute year-on-year improvement, our estimated trajectory was to 405 by 2008): **Ahead**

f) Leading and co-ordinating delivery of £6.45bn efficiency gains by 2007-08 from local services as a whole, (including £3bn from councils) and directly securing £1.38bn of that total. The trajectory for this target is to achieve £2.15bn in 2005-06, £4.30bn in 2006-07 and £6.45bn in 2007-08: **Ahead**

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)

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress:
£0m*	£0m*	£0m*	On course

* Main Programmes DEL only – see chapter 10

Progress

Overall performance

5.33 There have been significant improvements in local government performance as shown by improved CPA scores for both upper tier and district authorities. This is in the context of significant changes to the CPA system. Since the PSA 4 target was set, CPA the 'harder test' was introduced (2005) and the Audit Commission has moved away from automatic re-categorisation of all district authorities.

5.34 The 2007 CPA results for single tier and county councils were published by the Audit Commission on 7 February 2008 and we continue to see improved performance by local authorities across all CPA categories. In terms of component target a), for the second consecutive year, no single tier or county councils achieved the lowest possible CPA rating (0*). This component is therefore on course.

5.35 Since 2006 district councils have undergone a lighter touch CPA assessment, based on annual use of resources judgements, direction of travel information and a core set of performance indicators. Nine out of 238 district councils were rated 'poor' in 2004 and we have been working with these councils to improve their performance. Following the introduction of a new district assessment framework in 2006, the Audit Commission will re-categorise district councils where they request this and can demonstrate significant evidence of improvement – or where the Commission identifies evidence of significant deterioration. We have agreed with HM Treasury that this approach makes it difficult to develop a meaningful target for component c).

5.36 In terms of component target b) there are now no 0* single tier and county councils and only two councils have been judged to be 1*, compared with 5 in 2006. This means that the element of the target requiring a 50 per cent reduction in the number of single tier and county councils in the lowest categories has been met, and the overall component is on course. In 2006, 119 councils (80 per cent) achieved 3*or 4* performance and this year 123 single tier and county councils (83 per cent) are now in the highest CPA categories (3* and 4*).

5.37 Component target c) is affected by the new arrangements for district councils described at paragraph 5.35 above and is not yet assessed. Since the publication of the 2003-04 district CPA scores, the Audit Commission has carried out re-categorisation assessments for 30 district councils. Twenty-nine of these councils improved their CPA score as a result and one remained the same. Fifty-five per cent of districts are currently rated as good or excellent.

5.38 The last round of CPA annual performance assessments will be published at the beginning of 2009 and will provide final data for elements a) and b). From April 2009, Comprehensive Area Assessment (CAA) will replace Comprehensive Performance Assessment (CPA). This marks a significant change to the current assessment regime following the passing of the Local Government and Public Involvement in Health Act 2007. CPA focused on services provided by local authorities, with a focus on past performance. CAA will look at the public service outcomes delivered in an area by councils, either alone or with partners, including the private and voluntary sectors.

5.39 Going forward, DSO 1 (to support local government that empowers individuals and communities and delivers high quality services efficiently) includes two indicators based on CPA/CAA. These will measure the direction of travel for local authorities and the use of resources assessments.

Direction of travel

5.40 In the latest CPA results no single tier or county councils received a 'not improving adequately' direction of travel statement. The results illustrate a continued high level of improvement with 97 per cent of councils either 'improving strongly' or 'improving well'. Baseline figures for this are: 22 councils are improving strongly; 88 are improving well; 30 are improving adequately; 0 not improving adequately; and 10 are subject to review. This component is on course.

Use of resources/efficiency

5.41 Each single tier and county council receives an annual use of resources score from 1 (inadequate performance) to 4 (performing strongly). The target requires an annual improvement on that aggregate score. We estimated a trajectory of improvement from 385 in 2005 to 395 in 2006, and 405 in 2008.

5.42 In 2007, none of the 150 upper tier authorities performed below minimum requirements (scoring 1). Ninety per cent delivered at above minimum requirements (scoring 2 or 3) and 10 per cent performed well above minimum requirements (scoring 4). The aggregate score for use of resources is 429, which is ahead of the trajectory estimate for 2008.

5.43 By the end of December 2007, local government (councils, schools, police and fire authorities) had reported as achieved (since 1 April 2004) efficiency gains totalling £7.024bn – ahead of the £6.45bn target and achieving this before the end of the financial year.

5.44 This figure does not include gains achieved by councils and fire authorities during the period since April 2007 because these parts of local government have not been required to provide any efficiency data since their statements reporting the gains made in 2006-07. This reduction in reporting requirements was made in recognition of the fact that they exceeded their efficiency targets more than a year early.

5.45 When the new efficiencies forecast to be achieved by councils and fire authorities during 2007-08 are added in, local government is expected to have delivered more than £8.2bn efficiency gains by the end of this financial year (since 1 April 2004). Of this sum, £4.2bn is due to come from councils, and £2.1bn within the Department's areas of responsibility; both well in excess of the targets set (£3.0bn and £1.4bn respectively).

5.46 Councils also have a target to ensure that at least half of their efficiency gains are cashable, in other words they release cash resource for councils to reallocate according to their local priorities. Performance in this area is also well on track, with £3.3bn cashable gains forecast to be delivered by the end of 2007-08, which is in excess of the target for councils' total efficiency gains.

5.47 Due to time lags in the reporting of efficiency gains achieved by local government in 2007-08, the final position on this indicator should be available in November 2008, though the elements contributed by councils and fire authorities are expected to be publicly available earlier.

5.48 Table 5.6 sets out the value of ongoing efficiency gains achieved or forecast to be achieved (since 1 April 2004) by the end of each financial year in the 2004 Spending Review period, alongside the targets for each year.

Table 5.6: Local government efficiency gains (£bn)

	2004-05	2005-06		2006-07		2007-08	
	Actual[c]	Target	Actual	Target	Actual	Target	Forecast[d]
(1) Whole of local government [a]	1.145	2.150	3.375	4.300	6.283	6.450	8.200
(2) Element of (1) secured by councils	0.760	1.004	1.931	2.008	3.064	3.012	4.165
(3) Element of (1) secured in Department's areas of responsibility [b]	0.416	0.198	1.009	0.714	1.572	1.379	2.068

Notes:

(a) Includes gains from councils, schools, police and fire authorities. Due to lags in reporting schools' gains, the figures in this row do not represent the full achievement of local government in each year.

(b) Includes fire authorities' gains and those from councils in relation to social housing, Supporting People, homelessness, and cross-cutting activities in corporate services, procurement, productive time and transactions.

(c) No targets were set for the value of efficiency gains to be achieved in 2004-05.

(d) The forecast figures are based on expectations for new gains in 2007-08 reported by councils and fire authorities, plus the gains reported as achieved by schools and police authorities by the end of December 2007. Final data on gains achieved in 2007-08 will not be available until Autumn 2008.

Quality of data systems

5.49 Comprehensive Performance Assessments (CPA) measure how well councils are delivering services for local people and communities. They distil a complex set of judgements relating to council services, corporate effectiveness, overall direction of travel and their use of resources – into a single performance rating.

5.50 In October 2005, the Audit Commission revised its assessment methodology for single tier and county councils to make CPA a harder test, with more emphasis on outcomes for local people and value for money. CPA scores and data relating to the 2005 framework are therefore not directly comparable with previous analysis. National reports summarising the CPA categories of single tier and county councils are published annually on the Audit Commission website[73], together with individual score cards for each council, which set out the various elements that contribute to its overall category. Corporate assessments that inform CPA categories are being undertaken for each single tier and county council on a programme over three years to the end of 2008-09. Quarterly updates of CPA are published to take account of revised corporate assessments.

5.51 The NAO's *Fourth Validation Compendium Report* on the quality of data systems underlying the SR04 PSAs considered the CPA and local authority Annual Efficiency Statements to be relevant and clearly defined, and the CPA data in

73 www.audit-commission.gov.uk/index.asp

particular to be an area of good practice. However, it also pointed to the lack of discussion of efficiency gains in the police, schools and fire services.

Efficiency data

5.52 Data on efficiency gains are drawn from three sources: Annual Efficiency Statements submitted by councils and fire authorities to the Department; annual plans submitted by police authorities to the Home Office; and returns submitted by schools to the Department of Children, Schools and Families (DCSF).

5.53 To provide assurance that local authorities' efficiency statements are robust, they must be signed off by the Leader of the Council, the Chief Executive and the Chief Finance Officer and they must report at least one quality crosscheck for every service sector or work stream making an efficiency gain, to provide evidence that the actions have not led to a cut in services. These statements are all published on the Department's website[74].

5.54 Councils' efficiency statements are subject to review – first by government departments, after which authorities may make revisions in the light of feedback, and then by auditors appointed by the Audit Commission. If the auditor's report raises concerns about a council's processes for producing its efficiency statement – or inconsistencies between its statement and information obtained through other audit work – the council would be required to prepare a new statement for review by independent consultants. Any council whose statement was still found to be unsatisfactory would be treated as having made zero efficiency gains.

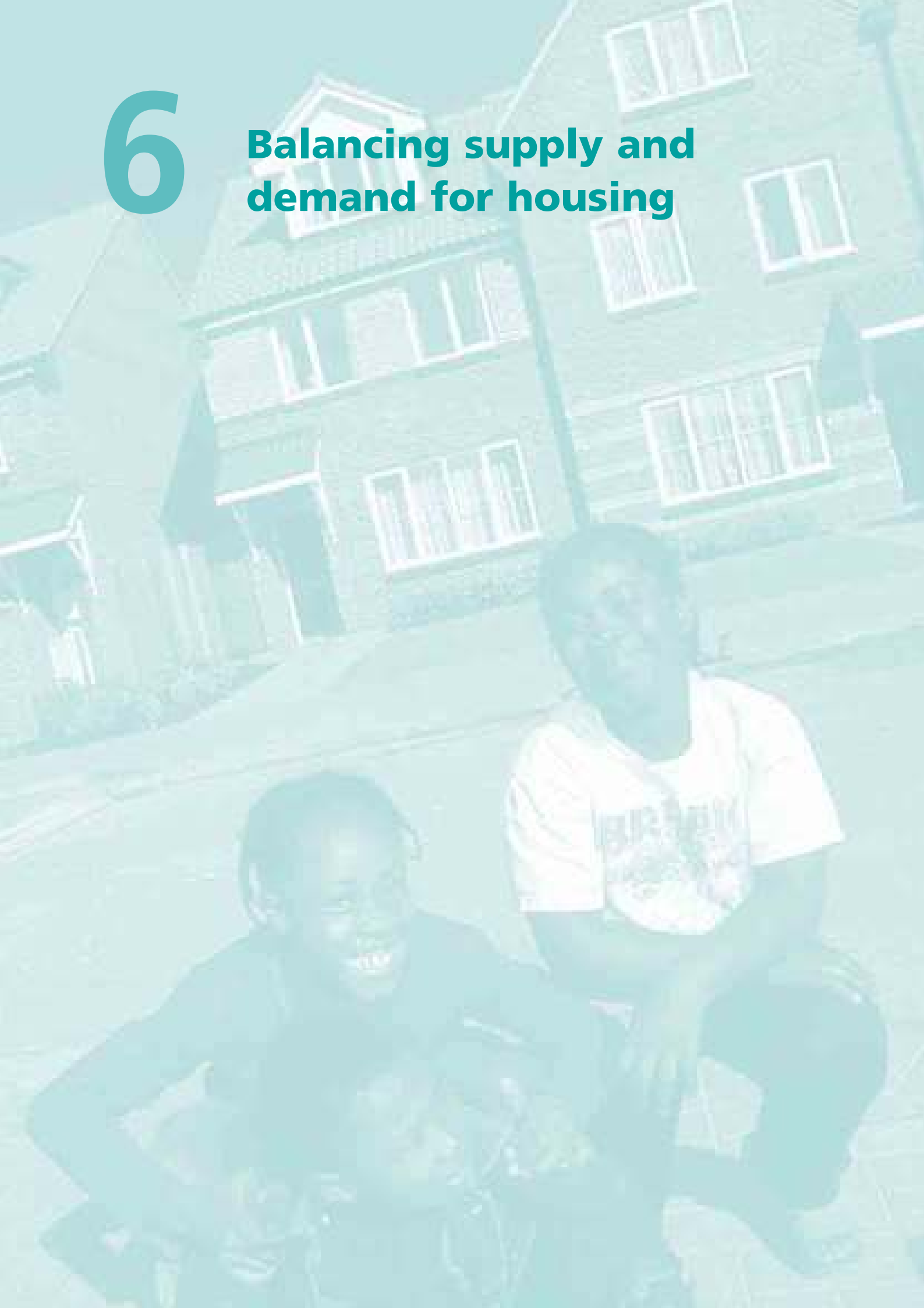
5.55 The process for assuring the data on fire authorities' efficiency gains is similar to that for councils. The processes for assuring data on efficiency gains made by schools and police authorities are described in the annual reports published by the DCSF and the Home Office respectively.

5.56 From 2008-09, new efficiency gains achieved by councils, schools, police and fire authorities will be reported on separately. Fire authorities will continue to submit data through the annual efficiency statement process, while councils will report the total net value of ongoing cash-releasing value for money gains through National Indicator 179[75] (part of the National Indicator Set). The DCSF and the Home Office will be responsible for measuring gains from schools and police authorities respectively.

74 www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/

75 NI 179: Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008–09 financial year.

6 Balancing supply and demand for housing



SR04 Strategic Priority 4:

Delivering a better balance between housing supply and demand by supporting sustainable growth, reviving markets and tackling abandonment.

6.1 Homes are the building blocks of our communities. The Housing green paper: *Homes for the Future: More Affordable, More Sustainable*, published in July 2007, set out the progress that has been made on housing over the last 10 years, the housing challenges that the country continues to face and the Government's plans to address those challenges, including increasing housing supply to 240,000 additional homes per year by 2016 and delivering a total of three million additional homes by 2020.

6.2 More homes are needed to help this and future generations, including first-time buyers trying to get a foot on the housing ladder, or families needing more space – more homes overall, more social housing, more affordable homes and greener homes. And a responsive, efficient planning system is crucial to delivery of the homes and communities that this country urgently needs.

6.3 We have continued to make strong progress on housing supply, with latest figures showing that overall housing supply in England has risen to 199,200 net additions to the housing stock in 2006-07, up from a low point of around 135,000 in 2001-02. In the high demand area of London and the wider South East, supply increased to 74,100 in 2006-07, up from 71,000 in 2005-06.

6.4 Challenges remain: tighter global credit conditions and weaker house prices will continue to influence levels of house building, with housing starts likely to continue on a downward trend in the short term and feed through into net supply over coming months. In the longer term the drivers of housing demand remain strong – including long-run macro-stability and demographic growth, driven by an ageing population and a trend to smaller households.

Growth Areas, Growth Points and eco-towns

6.5 Combined with London, the four Growth Areas[76] – of which the Thames Gateway is the largest – have the potential to deliver around 650,000[77] new homes by 2016. The Growth Areas have been working to put in place the foundations for significant additional growth in sustainable locations and between 2001-02 and 2006-07 the Thames Gateway has delivered in excess of 42,000 new homes, while the three newer Growth Areas have delivered around 136,000 new homes.

6.6 In the three newer Growth Areas £400m has been allocated between 2006 and 2008 for capacity building, site infrastructure projects and wider community and public realm facilities. A further £200m has been invested through the Community Infrastructure Fund administered jointly with the Department for Transport (DfT), to create additional transport infrastructure in support of housing growth in these three Growth Areas and the Thames Gateway. Growth Area funding is also supporting Local Delivery Vehicles in most of the major locations of growth to help with the delivery of new homes and infrastructure. These range from informal local authority-led partnerships to Urban Development Corporations.

6.7 In addition to the Growth Areas, the 29 local authorities and partnerships named as Growth Points[78] in October 2006, have begun to deliver on their ambitions for growth. The Growth Points have the potential to deliver around 430,000 new homes by 2016 (100,000 more than previously planned levels). To support them, around £40m was allocated for 2007-08 for capacity building, early site infrastructure projects and essential growth-related studies into, for example, flood risk and water supply.

6.8 Building on the success of Growth Areas and Growth Points programmes, in July 2007 we expanded the Growth Points programme by inviting additional local authorities to bid to become part of the programme from 2008-09, opening the programme up to areas in the north of England for the first time. Announcements of the successful locations are expected to be made in the summer.

76 The 2003 Sustainable Communities Plan set out the Government's aim of achieving a step change to deliver successful, thriving and inclusive communities. As part of the Plan, four Growth Areas (Thames Gateway, Ashford, Milton Keynes/South Midlands and London-Stansted-Cambridge-Peterborough) were identified as the focus for policy-led growth with additional support from Government.

77 Collectively the Growth Areas are expected to deliver 200,000 additional homes above previous plans. Housing targets for individual local authorities in the Growth Areas are set through the planning system, including the Regional Spatial Strategy (RSS). As some RSSs are currently in draft form the level of additional housing to be delivered can fluctuate; the current total in draft RSSs provides for around 610,000 homes in total in the Growth Areas by 2016, 185,000 of which are additional.

78 Growth Points are designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing, through a partnership with the Government.

6.9 July 2007 also saw the invitation to local authorities and developers to propose locations for eco-towns. Eco-towns will be entirely new towns which are exemplar green developments of 5,000-20,000 homes. The objective is to have five schemes by 2016 and 10 schemes by 2020 delivering a total of up to 100,000 homes. They will be designed to meet the highest standards of sustainability, including low and zero carbon technologies and good public transport, and will lead the way in design, facilities and services, and community involvement. Over 50 expressions of interest were received, which were assessed across Government and a consultation was launched in April identifying proposed locations.

Thames Gateway and the Olympics

6.10 The Thames Gateway Delivery Plan launched by the Prime Minister in November 2007, builds on the vision set out in the Interim Plan in 2006 of the Gateway as a great place to invest, to live, to work and to visit. It sets out government commitments to advancing the regeneration of the Gateway and the specific funding contribution of £500m from the Department to a range of delivery programmes between 2008-09 and 2010-11.

6.11 Major achievements in the Thames Gateway in 2007 include granting planning permission for Europe's largest container port and logistics park at London Gateway (formerly Shellhaven), the opening of High Speed One with a new international passenger station at Ebbsfleet, and agreeing a package of infra-structure improvements to enable major housing and mixed-use schemes to progress in North Kent.

6.12 Between 2005 and 2008, £460m was invested by this Department for regeneration and provision of infrastructure in the Thames Gateway. Other government departments have built on this and provided key supporting infrastructure including £122m for Sure Start centres, £1bn for schools and £1.4bn for hospital provision.

6.13 Additionally, the three Greater South East RDAs will publish an Economic Development Investment Plan, setting out the role and actions they will take to maximise economic potential in the Thames Gateway. This will set the framework for allocation of a £275m Strategic Economic Investment Fund. We will also announce next steps in the delivery of the Thames Gateway Parklands programme and for taking forward the environmental aspects of the Delivery Plan – both constituent parts of the overall regeneration plan.

6.14 We announced in January 2008 that the new Homes and Communities Agency (HCA) will take over the Department's housing and regeneration delivery

functions in the Thames Gateway upon its establishment. This will include responsibility for implementing the Thames Gateway Delivery Plan.

6.15 We will also continue to support the planning and delivery of the 2012 Olympic and Paralympic Games. The redevelopment of Stratford town centre, Lower Lea Valley and the Olympic Park are crucial to the Thames Gateway Programme. The Department is a major funder of these projects and leads in securing the legacy commitment to transform the heart of East London. We are working with the Olympic Delivery Authority and Housing Corporation to secure delivery of affordable homes in the Olympic village after the Games, and with the London Development Agency and partners on the Legacy Masterplan Framework (a spatial plan for the use of the Olympic Park and surrounds in legacy which covers planning consents).

Affordable housing

6.16 Good progress has also been made on affordable housing. In 2007-08 we have helped around 24,000 low income households into home ownership. These included sales through our Social HomeBuy scheme – giving some social tenants the opportunity to buy a share in their own home – and sales through expanded Open Market HomeBuy, which reduces the need for grant funding through an innovative partnership with lenders. We have achieved the Spending Review 2004 target of delivering 75,000 social rented homes over three years.

6.17 In the Housing Green Paper of July 2007, the Government set out its commitment to delivering at least 70,000 affordable homes a year by 2010-11. This includes 45,000 social rented homes a year by 2010-11 – a 50 per cent increase on the 2007-08 target. It also includes 25,000 shared ownership and shared equity homes a year. The majority of these homes will be provided through the Affordable Housing Programme administered by the Housing Corporation.

6.18 In June 2007 we took forward one of the recommendations of the Shared Equity Task Force report and launched a Shared Equity Competition for new and existing lenders to develop more competitive and flexible Open Market HomeBuy products. As announced by the Chancellor in the 2008 Budget, from April 2008 two new equity loans will be available under the Government's shared equity Open Market HomeBuy scheme. The new loans – MyChoice HomeBuy and Ownhome – will improve affordability and flexibility for purchasers.

6.19 We have also committed to ensuring affordable housing in rural areas. Our target is to provide 10,300 homes in settlements with fewer than 3,000 inhabitants. Alongside this, the Prime Minister announced in September 2007 that Matthew Taylor, Liberal Democrat MP for Truro and St Austell, would be conducting an independent review to advise and assist government on planning and land use to support sustainable rural communities. The review will focus on the provision of land for rural businesses and delivery of affordable rural homes. This will report in July 2008.

Housing market renewal programme

6.20 Housing market renewal is a programme to rebuild housing markets and communities in parts of the North and the Midlands where demand for housing is relatively weak, and which have seen a significant decline in population, dereliction, poor services and poor social conditions as a result. Its objective is to renew failing or weak housing markets and reconnect them to regional markets. £1.2bn was invested between 2002-08 and the Government has committed a further £1.038bn to the programme over the period 2008-11.

6.21 Twelve housing market renewal areas are being funded to help turn neighbourhoods around, so that people want to live and work in these areas again, and to ensure that communities can remain together. To date, 40,000 properties have been refurbished, with just under 10,000 properties demolished and around 1,100 new properties built. The programme has encouraged greater cooperation between local authorities in tackling housing market failure and has created real confidence in areas where neglect had set in. Today, there is private sector commitment in many of the market renewal areas and, over the last three years, average prices for the lower quartile of properties across these areas have risen from around £40,000 to around £75,000. Importantly, this has brought prices much closer to regional averages.

The Housing and Regeneration Bill

6.22 Delivery will be supported by a range of measures within the Housing and Regeneration Bill, which was introduced into Parliament in November 2007[79]. Among other measures, the Bill:

- establishes the new Homes and Communities Agency and a new social housing regulator, the Office for Tenants and Social Landlords

79 www.communities.gov.uk/news/corporate/548622

- makes it easier for councils to build homes by allowing them to opt out of the Housing Revenue Account system
- gives local authority tenants a greater say in stock transfers
- provides councils with additional powers to tackle anti-social tenants
- improves security of tenure for Gypsies and Travellers on authorised local authority sites
- makes the provision of sustainability information mandatory for new homes.

6.23 The new Homes and Communities Agency (HCA) will, for the first time, bring together land and money to deliver new housing by merging the Housing Corporation and English Partnerships with key Departmental delivery programmes, such as the Thames Gateway and Decent Homes. The HCA will focus on delivering more new and affordable homes across all tenures, in mixed and sustainable communities. It will drive and invest in regeneration and the revitalisation of existing communities.

6.24 The new Office for Tenants and Social Landlords will ensure social housing tenants have clear service standards and involvement in the management of their homes. It aims to empower good housing associations by reducing bureaucracy and providing robust regulation of housing association finances and governance. We are working with stakeholders on how to extend the system to local authority landlords within two years of the regulator starting to operate, to provide consistent regulation across the whole social sector.

Private rented sector

6.25 The implementation of the package of measures relating to the private rented sector in the Housing Act 2004 was completed in 2007. This included measures on the management of Houses in Multiple Occupation and the introduction of statutory Tenancy Deposit Protection. The new Tenancy Deposit Protection arrangements require landlords to sign up to one of three Government-approved schemes when they take a deposit for a new assured shorthold tenancy. The new arrangements also include a free service to assist with the resolution of disputes, designed to make disagreements over the repayment of the deposit faster and cheaper to resolve. The latest figures for Tenancy Deposit Protection are almost one million deposits totalling £885m over the first 12 months at a rate of over 2,500 deposits per day.

6.26 While the Housing Act 2004 brought in regulation in relation to management and standards in the private rented sector, there are still a number of issues arising

from the current housing market, high demand for social housing, the emergence of the 'buy to let' landlord, demographic changes and an increasingly mobile society, which all impact on the sector. Julie Rugg and David Rhodes (of the Centre for Housing Policy at the University of York) have been commissioned to undertake an independent review of the private rented sector to look at 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, and will report in October 2008.

Home Information Packs

6.27 Home Information Packs (HIPs) have been introduced to improve transparency in the home buying and selling process by providing better information to consumers including Energy Performance Certificates (EPCs) enabling householders to cut fuel bills and reduce carbon emissions.

6.28 As stated in our 2007 Annual Report, our original intention had been to introduce HIPs for all residential properties from 1 June 2007. On 22 May 2007, Ministers announced that this was no longer practicable and revised arrangements were necessary. A key reason for the delay was a judicial review launched by the Royal Institute of Chartered Surveyors (RICS) and supported by other prominent industry members, which exacerbated uncertainty among domestic energy assessors leading to a shortfall in those completing their training and achieving accreditation.

6.29 As announced to Parliament on 11 June 2007, Ministers decided to take a phased approach to the introduction of HIPs, with set criteria for deciding the roll-out for each phase. The phased introduction of HIPs began with properties of four bedrooms or more from 1 August 2007, followed by three-bedroom properties on 10 September 2007 with roll-out to all remaining properties completed on 14 December 2007.

6.30 Throughout this period we used our early operations monitoring to ensure that the systems and processes for producing HIPs were in place and working. We also continued to consider the potential impact of HIPs on the wider housing market, asking Europe Economics in collaboration with Dr Peter Williams, to revisit earlier (November 2007) research in light of the wider problems in the housing market. They concluded that there were strong arguments to complete the roll-out of HIPs as planned[80].

80 www.communities.gov.uk/publications/housing/housingmarketanalysis

6.31 The smooth roll-out of HIPs and the evidence they are now bedding in indicates that the phased introduction was a sensible and pragmatic response. By the end of March 2008 over 452,000 HIPs had been produced.

6.32 Between November 2006 and April 2007 area trials were conducted in eight locations. Evidence from these trials helped inform policy ahead of launch and allowed us to test and refine the processes involved in producing a HIP. Research into these trials was concluded in December 2007 and the final findings[81] were published in March 2008. One of the key findings from the trials was that consumers were not asking to see HIPs and were not being proactively shown them. In order to tackle this, the Department has launched a communications campaign aimed at consumers and those seeking to purchase property and is working with stakeholders to ensure that consumers are being shown a HIP when they are entitled to one.

6.33 We are already seeing positive benefits from HIPs. For example, competition in the property searches market has lead to reductions in the costs to consumers. Over 80 local authorities now set lower searches fees, some by as much as £120. The introduction of HIPs is also acting as a catalyst for change and innovation within the home buying and selling industry with stakeholders actively developing proposals to build on the content of the HIP. To support continued progress the Department has strengthened stakeholder engagement in this area and has established a panel, chaired by the Minister for Housing and Planning, to consider wider home buying and selling issues.

Planning

6.34 Getting planning right is fundamental to the delivery of housing and to the Government's wider objectives in relation to sustainable development. Our white paper *Planning for a Sustainable Future* (published May 2007) brought forward a range of proposals to further improve the planning system and process, including a new single consent regime for planning for major infrastructure administered by an independent Infrastructure Planning Commission; reforms to local plan making and planning fees; changes to extend the scope of permitted development rights; and the introduction of Planning Performance Agreements. Key proposals from the white paper have been progressed through our Planning Bill, introduced in November 2007. This proposes the establishment of a new body of independent experts to determine applications in the context of the national priorities set by Government and Parliament. At the same time it will improve

81 www.communities.gov.uk/publications/housing/hipareatrials

public consultation and make it easier for communities to engage in decisions which affect them, as well as ensuring that planning takes account of climate change and supports sustainable development.

6.35 Regional spatial planning has a key role in ensuring that the Government's wider objectives, including in relation to housing growth, are delivered. The SNR set out a vision for reform of the current arrangements, including for Regional Development Agencies to work in partnership with local authorities to deliver single regional strategies which in turn deliver sustainable economic growth and development – including housing and other key infrastructure. Proposals for taking this forward are part of the SNR consultation document launched in March 2008.

6.36 In the transition period to the new single strategy, regional spatial strategies (RSS) will need to be reviewed, to establish how the Government's target of 240,000 new homes a year by 2016 will be achieved. The Department is therefore working closely with regional partners to ensure that revised RSSs are in place by 2011. The eight RSSs which cover England made steady progress towards full revision during 2007-08, and this will largely be completed during 2008-09. We have been liaising with the regional assemblies to draft project plans for partial reviews of RSSs to enable delivery of the Government's housing targets.

6.37 Local planning is also key to housing delivery, in particular by ensuring land is available for new housing. Provisional data suggest that, as at 1 April 2008, 64 per cent of local planning authorities consider that they have a five-year supply of deliverable sites in place. In 2008-09 we will work with remaining authorities to drive this figure higher. The Government has consulted on proposals to use Housing and Planning Delivery Grant (HPDG) to incentivise local authorities to identify land for housing development. Final allocation criteria for HPDG will be announced during 2008-09.

6.38 The Planning Bill also set out provisions to establish a Community Infrastructure Levy (CIL). We intend to give local authorities the power to charge a levy on new development to raise funds to support the provision of infrastructure necessary for the development of an area, which will in particular help to support housing growth. Subject to the Parliamentary timetable, the Government intends to consult on draft regulations in autumn 2008 with a view to finalising them by spring 2009.

6.39 More broadly, we have continued to introduce significant improvements to the system to ensure a faster and more certain planning system. We have delivered:

- improved efficiency in the planning system:
  - 78 per cent of all local planning authorities were meeting all three development control targets (to process 60 per cent of major applications within 13 weeks, 65 per cent minor applications within eight weeks and 80 per cent of other applications within eight weeks) in the year ending December 2007 compared to 16 per cent in the same period four years ago
  - currently 83 per cent of all local authorities are meeting the 13-week target for major planning applications, compared to 27 per cent four years ago; this has been achieved despite a 14 per cent increase in the number of major applications decided over the same period
- customer centred e-planning: all local authorities are linked to the Planning Portal[82] which deals with electronic planning applications and planning content. It has more than 250,000 users and processes more than 10,000 online planning applications each month
- more efficient land use: three-quarters of new dwellings are being built on brownfield land compared to 56 per cent in 1997, exceeding the 60 per cent target set by the Government
- revitalised town centres: since the mid-1990s there has been an upward trend in the proportion of new development in and around town centres. In 1994 about 23 per cent of development was built in and around town centres – by 2004 this was up to 41 per cent
- amended secondary legislation on 6 April 2008 to remove the need to apply for planning permission for the installation of some microgeneration technologies, including solar panels, in connection with houses and flats.

6.40 Despite reforms there continue to be significant concerns among users of the planning system that the process of obtaining planning permission can be very lengthy and burdensome, especially for the most complex or difficult cases, including large housing developments or renewables projects. An independent review was announced in March 2008 to undertake a detailed examination of the end-to-end process for seeking planning permission. The aim is to clarify the evidence base, identify reasons for delay in development control, and make recommendations for dealing with these and reducing unnecessary burdens.

82 www.planningportal.gov.uk/

SR04 PSA Target 5: Housing supply

Definition:

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.

Performance Indicators:

Low Demand: On course
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

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

High Demand: On course
Annual levels of new housing in London and the East of England and South East regions to reach Regional Planning Guidance for the South East (RPG9) levels plus additional growth by 2006-07 and shortfalls from previous years to be recouped by 2011-12

Long-term trends in the ratio of lower quartile house prices to lower quartile earnings in all English regions.

Homelessness: Ahead
To reduce the number of statutory homeless households with children in temporary accommodation.

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress:
£2,904m	£3,081m	£3,375m	On course

Progress

Long-term vacancies

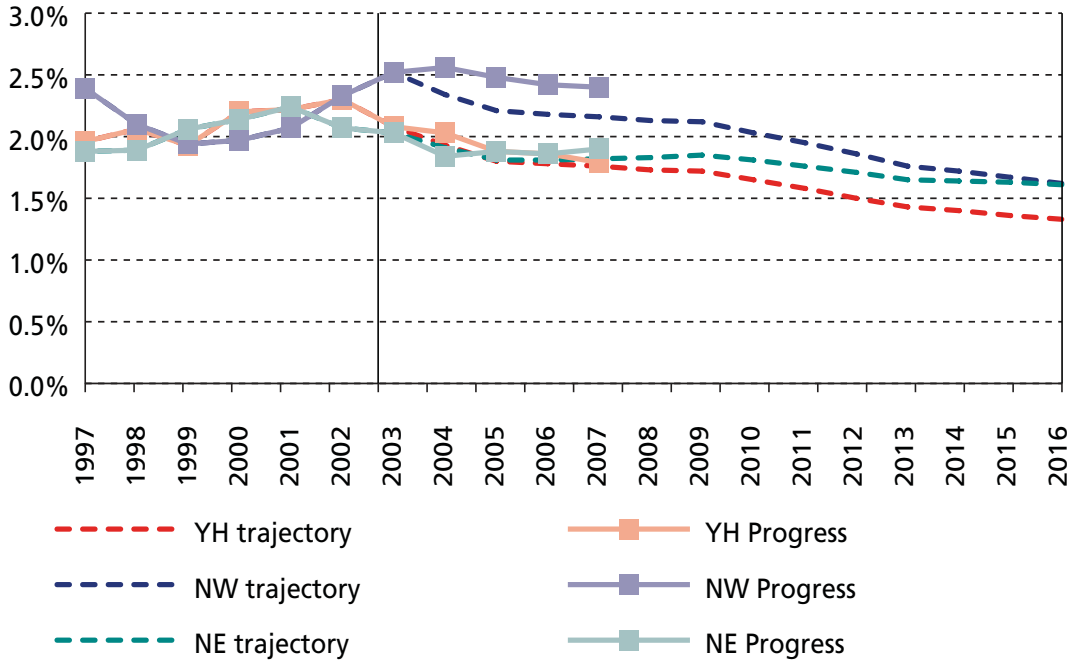
6.41 The North East, North West and Yorkshire and the Humber regions are the most affected by long-term vacancies. This indicator reflects the expectation that, taken with wider economic changes, the housing market renewal programme should have some impact on long-term vacancies in these regions.

6.42 Overall, since 2003 there has been a reduction in long-term vacancy rates in Yorkshire and the Humber and the North East, and they are broadly on trajectory. For a number of years up to 2003 vacancy rates in the North West were increasing and this trend continued into 2004. However, since 2004 there has been a marked

downturn in the vacancy rate trend for the North West, which has continued in respect of the latest 2007 data. Long term vacancy rates in pathfinder areas[83] are expected to fall as they continue with the next phase of their interventions. We will also be looking to focus future housing market renewal resources in areas of greatest need, which tend to have the highest vacancy rates.

6.43 This indicator is not being taken forward into the new DSO indicator set. Data are taken from local authority returns and relate to a snap shot of 1 April each year. Data for 1 April 2016 will not be available until autumn 2016.

Figure 6.1: Numbers of regional long-term vacant dwellings as a percentage of the overall regional stock for the North West, North East and Yorkshire and Humber



Local authorities where house prices are substantially less than average

6.44 This indicator measures the extent of relatively weak housing markets at local authority level. The target is currently being exceeded by a significant margin with just 20 local authorities falling under the threshold.

6.45 We are seeing some impact from the housing market renewal projects that are active in 19 of the 60 authorities that had very low house prices in 2002, as

83 The Housing Market Renewal pathfinders were identified in 2002 as nine areas with significant problems of weak housing markets. The nine pathfinders are: Birmingham/Sandwell; East Lancashire; Hull and East Riding; Manchester/Salford; Merseyside; Newcastle/Gateshead; North Staffordshire; Oldham/Rochdale and South Yorkshire. Three further areas were added to the programme in 2005 (Tees Valley, West Yorkshire and West Cumbria)

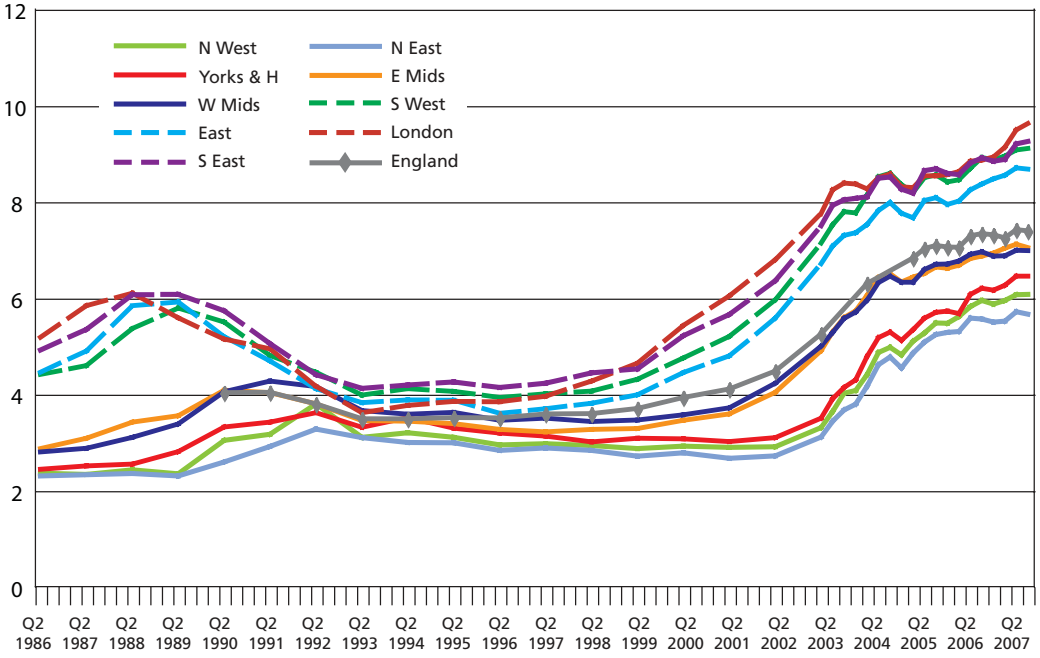
demonstrated by the fact that 12 of these 19 authorities are now above the threshold.

6.46 This indicator is not being taken forward into the new DSO indicator set. Data are taken from quarterly data supplied by the Land Registry.

Lower-quartile house prices vs. lower-quartile earnings in high demand areas

6.47 Our main lever for reducing and stabilising the price/income ratio at the lower quartile in high-demand areas is the provision of increased numbers of new homes. The ratio been rising steadily between 1998 and 2005 for England but has recently levelled out.

Figure 6.2: Ratio of lower quartile house prices to earnings



6.48 Government's plans for three million additional homes by 2020 are intended to address this long-term trend of worsening affordability. However, the ratio is also influenced by wider economic and housing market conditions. This indicator is being taken forward into the new DSO indicator.

Net additions to the dwelling stock in the South East, London and the East (wider South East)

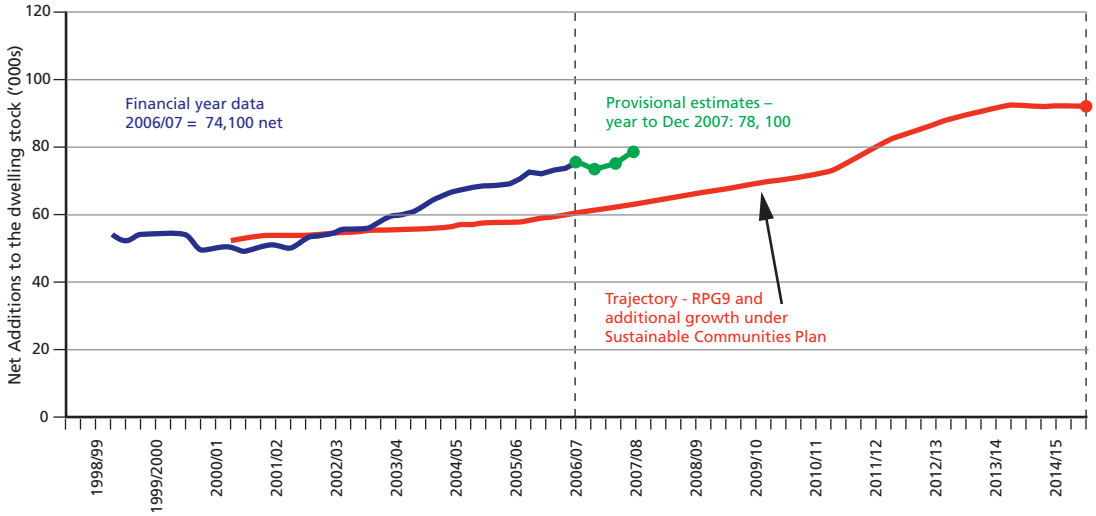
6.49 The 2003 *Sustainable Communities Plan*[84] set a target to provide about 1.1 million new homes within the wider South East. The trajectory assumes that we will reach regional planning guidance for the South East (RPG 9) delivery levels by 2007-08

84 www.communities.gov.uk/communities/sustainablecommunities/sustainablecommunities/

and have recouped previous shortfalls by 2011-12. Housing delivery in the RPG 9 area has steadily increased since 2001-02, and remains well above the trajectory.

6.50 RPG 9 levels of housing delivery were met by 2004 and progress since that date, including the latest data for 2006-07, shows that shortfalls from previous years have now been recouped. There is therefore no further need to report on this indicator – although the new indicator will measure national housing delivery, data will be publicly available at a regional level.

Figure 6.3: Housing delivery in the RPG9 area: trajectory and achieved delivery



Statutory homeless families with children in temporary accommodation

6.51 The current PSA 5 indicator measures the number of families with children in temporary accommodation provided under the homelessness legislation. In 2005 we also set a target to halve the number of all households in temporary accommodation by 2010 (from a total of just over 100,000 at the end of 2004). The number of households placed in temporary accommodation (both total households and families with children) has been falling since the fourth quarter of 2005 and is now below 80,000, of which just under 60,000 were families with children. This is well on the way to meeting the 2010 target, and reflects the impact of local authorities' strategic approach to homelessness and the continuing success of prevention activities.

6.52 The use of temporary accommodation for households owed the main homelessness duty is heavily concentrated in the higher-demand regions. In particular, London accounts for just over 70 per cent of all households in temporary accommodation. However, figures in London fell by over 1,000 last quarter due to concerted efforts by a Homelessness Action Team, which is jointly

funded by the Department and the Housing Corporation, working in partnership with London boroughs. This indicator is being taken forward into the new indicator set.

Quality of data systems

6.53 Data for the above indicators are drawn from a wide range of sources. All are subject to quality assessments carried out by the Department's team of analysts. Where possible, data are also validated against that provided by other sources. The key data sources are listed below against each indicator.

Long-term vacancies

6.54 Annual statistical return from local authorities: Housing Strategy Statistical Appendix and Business Plan Statistical Appendix. In order to address the concerns of NAO on the lack of information on the quality of the data provided by local authorities, from April 2007 an indication of the level of quality assurance undertaken by local authorities on the data contained in the Housing Strategy Statistical Appendix has formed part of the return.

Local authorities where house prices are substantially less than average

6.55 Land Registry for 15th percentile property price of transactions. Prices below £1,000 and above £20m are not included in the calculation of the 15th percentile.

Net additions to the dwelling stock in the South East, London and the East (wider South East)

6.56 Annual returns from local authorities on net supply and quarterly returns on new housebuilding. Between 2004-05 and 2006-07 the annual returns have been jointly collected with the Greater London Authority and the South East, South West and East Regional Assemblies. Provisional figures on net supply (as presented in Figure 6.3) are calculated by adjusting quarterly new build figures. In order to address the concerns of NAO on the lack of information on the quality of the data provided by local authorities, from April 2007 an indication of the level of quality assurance undertaken by local authorities on housebuilding and net additions statistics has been part of both the P2 and Housing Flows Reconciliation returns.

Lower-quartile house prices vs. lower-quartile earnings

6.57 Land Registry for lower quartile property price transactions. Annual Survey of Hours and Earnings (ASHE) for lower quartile work based average earnings. 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 region. 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.

Statutory homeless families with children in temporary accommodation

6.58 Data are provided through the quarterly local authority statistical return – P1E households dealt with under the provisions of the 1996 Housing Act. Specific data on the number of households with children in temporary accommodation have been collected since January 2002 only. In order to address the concerns of NAO on the lack of information on the quality of the data provided by local authorities, since April 2007 an indication of the level of quality assurance undertaken by local authorities on the data contained in the P1E has formed part of the return.

SR04 PSA Target 6: Planning

Definition:

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.

Performance Indicators:

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.

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: **On course**

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: **On course**

Net change in area of green belt in each region: that there should be an increase or no net change in the area of designated Green Belt land in each region over the period 2003-07: **Not met**

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: **On course**

Development control: that all Local Planning Authorities achieve the relevant Best Value targets for handling planning applications: **Not met**

Ministerial planning casework: that 100 per cent of Ministerial planning casework are decided within their statutory timetables: **Not met**

Local Development Frameworks: that Local Planning Authorities achieve the milestones set out in their local development schemes for preparation of Local Development Documents: **Slippage**

E-planning: that 80 per cent of local authorities have 'good' or 'excellent' e-planning services in place by March 2006: **Met**

Following the Barker Review of Housing Supply, monitoring of numbers of net additional dwellings in England in order to balance supply and demand falls within SR04 PSA 5.

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress:
£233m	£204m	£191m	Not met

Progress

Percentage of housing development on previously-developed land or created through conversions

6.59 The target of 60 per cent of all new housing development to be built on previously-developed land, or provided through conversion of existing buildings, has been achieved or exceeded every year since 2000. The most recent estimate for 2006 indicates that 75 per cent of new dwellings were built on previously-developed land, including conversions. Updated data for 2006 and provisional data for 2007 will become available at the end of May 2008. Progress on this sub-target is on course.

Average density of new housing development in each region

6.60 Planning Policy Guidance 3 (PPG3) policy was that local planning authorities should avoid developments that make inefficient use of land (those of fewer than 30 dwellings per hectare) and should encourage developments between 30-50 dwellings per hectare. In November 2006 the new *Planning Policy Statement 3: Housing*[85] (PPS3) introduced a revised approach to density policies, retaining the overall objective of making an efficient use of land, but giving local planning authorities more flexibility and the option of setting out a range or ranges of densities across the plan area. PPS3 retains 30 dwellings per hectare as an indicative national minimum, until local density policies are in place.

6.61 The most recent estimate for 2006 indicates that new dwellings were built at an average density of 41 dwellings per hectare; all regions are exceeding the national indicative minimum density of 30 dwellings per hectare. Updated data for 2006 and provisional data for 2007 will become available at the end of May 2008. Overall progress on this sub-target is on course.

Net change in area of green belt in each region

6.62 The target is that there should be an increase or no net change in the area of designated green belt land in each region over the period 2003-07. Taking into account the 47,300 hectares of green belt land which was designated as New Forest National Park in 2005, there has been a net national increase of 11,400 ha since 2003.

6.63 However, over the target period, whilst there was an increase in reported green belt land in England in four regions there was a slight decrease in four regions. Therefore, overall, the target has not been met.

85 www.communities.gov.uk/publications/planningandbuilding/pps3housing

Table 6.1: Green belt by region: hectares (000s)

Area of designated green belt land by region — **Thousand Hectares**

Region	2003	2004	2006	2007	Net change since 2003	Percentage change since 2003
North East	66.3	71.9	71.9	73.0	6.7	10.06
North West	260.6	260.6	260.3	260.3	-0.3	-0.12
Yorkshire and the Humber	262.6	262.6	264.9	264.5	1.8	0.69
East Midlands	79.5	79.5	78.9	79.0	-0.5	-0.65
West Midlands	269.1	269.5	269.3	268.8	-0.4	-0.14
East Anglia	26.7	26.8	26.3	26.3	-0.4	-1.57
London/wider South East	600.5	601.4	553.9*	554.2*	-46.2#	-7.70
South West	106.2	106.0	106.3	109.6	3.5	3.26
Actual Net Change	1,671.6	1,678.2	1,631.8	1,635.7	-35.9^	-2.15

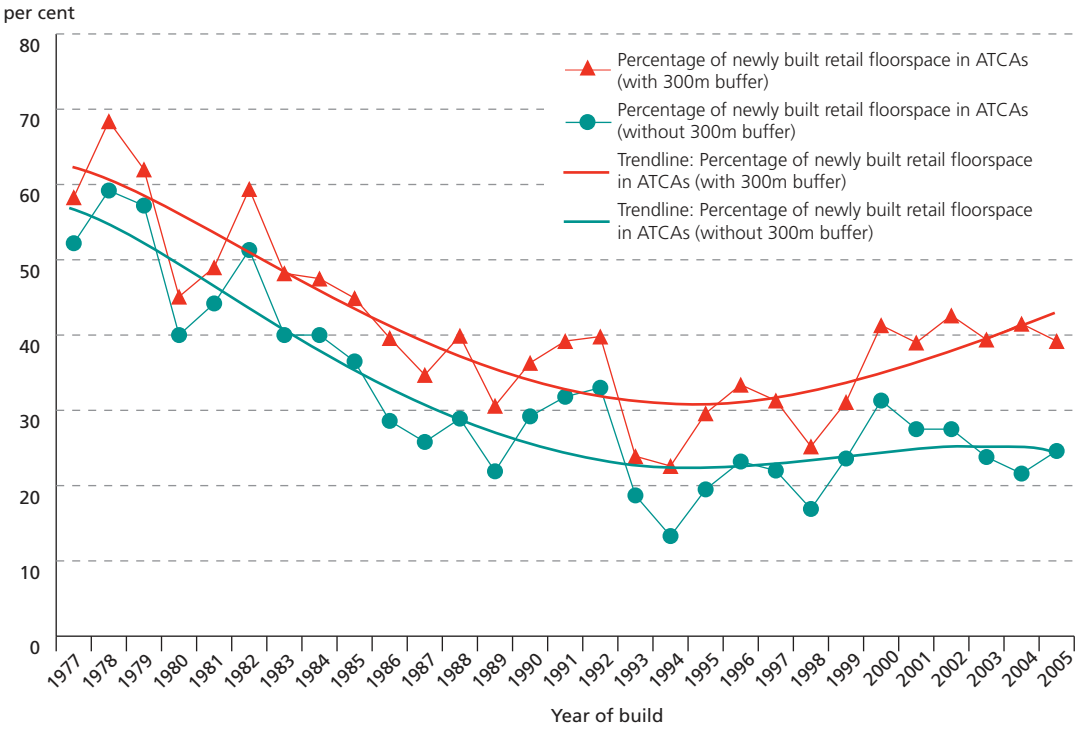
* This figure excludes green belt in New Forest District Council and Test Valley Borough Council (47,300 hectares) which have subsequently been designated as New Forest National Park in 2005.

Taking into account the 47,300 hectares of green belt land designated as New Forest National Park in 2005, there has been a net regional increase of 1,100 hectares (0.18 percentage change) and at ^ a net national increase of 11,400 hectares (0.68 percentage change) since 2003.

6.64 The decreases in recorded green belt land in four regions are small. In the East Midlands, which saw the largest reduction, the percentage drop in recorded green belt was only 0.65 per cent of the total. In addition, a reduction in recorded green belt does not necessarily mean that actual green belt land has been lost. Most of the changes are due to local authorities employing improved measurement techniques, principally through a move to digital mapping. Where real change has occurred this has been the result of new local plans being adopted, which must satisfy the strong tests for protecting green belt land set out in Planning Policy Guidance Note 2 before land can be removed from the green belt.

Town centre regeneration

Figure 6.4: Percentage of newly built retail floorspace in areas of town centre activity (ATCAs), with and without 300m buffer; England, 1st April 2006 data



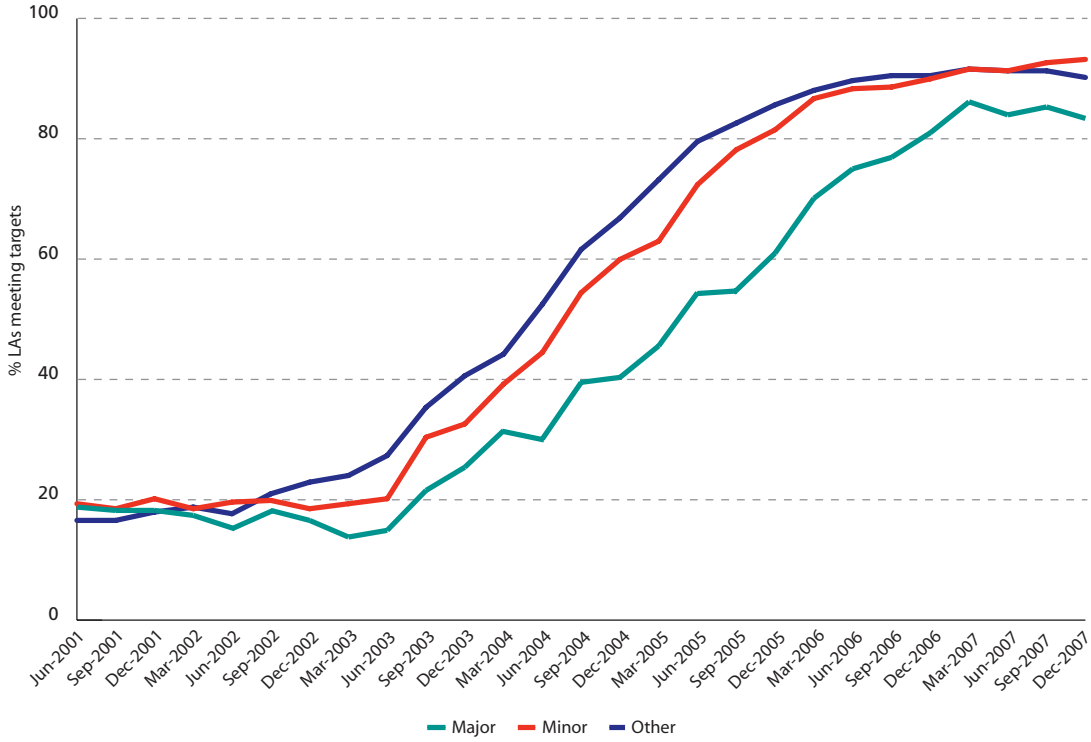
6.65 The target is that there should be a year-on-year increase in the proportion of retail development in town centres over the period 2004-08.

6.66 Analysis using data as at 1 April 2006 shows that although the year-on-year changes fluctuate, the trend in the proportion of development in town centres and edge-of-centre locations since the mid-1990s remains upwards. Overall progress on this sub-target is on course.

6.67 Updated analysis using revised town centre boundaries and data on developments in 2006 will be available in summer 2008. We will not be in a position to know whether we have achieved the target associated with this indicator until March 2010.

Development control

Figure 6.5: Development control performance



6.68 In the year ending 31 December 2007:

- 83 per cent of English local planning authorities were meeting the best value target that 60 per cent of major planning applications are to be determined within 13 weeks
- 93 per cent of local planning authorities were meeting the best value target that 65 per cent of minor planning applications are to be determined within eight weeks
- 90 per cent of local planning authorities were meeting the best value target that 80 per cent of other planning applications are to be determined within eight weeks.

6.69 As set out in the technical note, this target is rolled forward from the Spending Review 2002 period and requires 100 per cent of authorities to perform at best value levels by March 2007. While this was not met, these figures represent a significant increase from 2003 when only 16 per cent of local authorities were performing at these levels. We continue to offer support on capacity building and performance improvement through the Planning Advisory Service. Overall progress on this sub-target is not met. For the period 2010-11, we have agreed a new target of 80 per cent of major applications nationally being determined

within 13 weeks (current performance 70 per cent). This is a much better measure given that some local authorities only deal with a very small number of major applications.

Ministerial planning casework

6.70 Following the introduction of statutory timetables for ministerial planning cases from April 2005, the target is that 100 per cent of cases are to be decided within their statutory timetables. This 100 per cent target was achieved in 2005-06, and has again been achieved over the period from 1 April 2007 to 31 March 2008. However, a delay of one day in one case resulted in a 99.5 per cent outturn in 2006-07. This means that, overall, we have not met this target. Nevertheless, we have achieved a high level of performance with the statutory target having been met in relation to 530 of the 531 cases to which it applied over the three year period from April 2005 to March 2008.

Local Development Frameworks

6.71 This indicator measures whether local authorities have delivered new Local Development Frameworks (LDFs) against the timetable set out in their own Local Development Schemes (LDSs). In those areas where councils have successfully adopted the new plans, the new system has achieved its key objective of producing shorter, more strategic documents, with fewer objections from stakeholders and produced more quickly when compared to the old process. However, many authorities have not been able to produce their documents to the timetables set out in their LDS. At present, around 20 per cent of Development Plan Document (DPD) submissions have been, or are likely to be, submitted to the Secretary of State more than six months later than the date stated in the relevant LDS. In addition, around one-quarter of the DPDs submitted have been found to be unsound by the Planning Inspectorate (PINS) or have had to be withdrawn. Our performance on this indicator continues to be slippage.

6.72 The principal difficulty in delivering against the targets has not been the requirements of the new system in themselves, but rather an underestimation (by ourselves and local government) of the cultural change required for local planning authorities and key stakeholders to be able to deliver. Particular challenges have been to secure corporate buy-in to the new system and to secure effective contributions from key stakeholders early in the process. As part of our wider planning reform activities, we are working with the Planning Advisory Service (PAS) to build local authority capacity through support networks.

6.73 Alongside this, we have consulted on improvements to the LDF process, and on revised policy which focuses more clearly on the need for join-up across the local

public sector. The consultation ended on 19 February 2008, and we expect to publish the final versions shortly. In addition, we have consulted on proposals for a Housing and Planning Delivery Grant which, among other elements, will incentivise and reward DPD production, and have included a relevant indicator (NI:159) (on the requirement to have five years' worth of housing land allocated in plans) in the national indicator set for local authorities.

E-planning

6.74 The target for 80 per cent of local authorities to have 'good' or 'excellent' e-planning services in place by March 2006 has been met. Ninety-five per cent of authorities are now 'good' or 'excellent' compared with 0.5 per cent in November 2003. Only five per cent remain as 'fair' or 'poor'.

Quality of data systems

6.75 Data for the above indicators are drawn from a wide range of sources. The National Audit Office (NAO) considers the data systems to be robust, comparable and verifiable although there were some limitations on the data.

6.76 All are subject to quality assessments carried out by the Department's team of statisticians and researchers. Where possible, data are also validated against material provided by other sources.

6.77 We set out in the Technical Note our intention to measure vacancy rates for professional planners in local government capacity and attitudes. The thinking on vacancy rates stemmed from work undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) on a survey of local planning authorities. However, CIPFA ceased to measure this on an ongoing basis, and therefore we were not able to undertake the measurement without setting up a new survey, which would have been a new burden on local authorities. Instead, we have chosen to monitor the take-up of bursaries, which were introduced in SR04.

6.78 The attitude survey was based on the thinking behind BV111, which is a local authority best value indicator of people's perceptions of the local planning service. This was a Best Value Performance Indicator (BVPI) which was reported three-yearly, not annually. The results proved to be inadequate as a reliable perception/attitude survey, and for us to replace it with a more reliable survey would have been at disproportionate cost. We monitor the effectiveness of local planning policies through the LA Annual Monitoring Report.

Percentage of housing development on previously-developed land or created through conversions, and average density of new housing development in each region

6.79 Information on land use change is provided by Ordnance Survey (OS) as part of its map-updating process. The data are validated on receipt by the Department, and assessments of quality have been made by external research contractors, most recently in a report published in October 2004, which covered both percentages of housing on previously-developed land and the density of new housing development.

Net change in area of green belt in each region

6.80 National surveys based on digitised maps are used to monitor the overall designation through the planning system. Where area measurement using digital mapping technology has replaced traditional methods there have been some revised estimates where no changes in boundaries have occurred.

Town centre regeneration

6.81 The analysis of the broad location of retail development in relation to town centres is based on data which have been analysed as part of the Department's Area of Town Centre Activity Project. The analysis uses the most comprehensive retail floorspace dataset available, which is supplied by the Valuation Office Agency (VOA), in combination with our model for identifying and defining Areas of Town Centre Activity (ATCAs).

6.82 The dataset reflects the age structure of the commercial and industrial property market at a particular reference date (1 April 2006 in Figure 6.4). The age structure recorded at 1 April 2005 will be slightly different to that recorded at 1 April 2006 due to the effect of demolitions, extensions, refurbishments and constructions.

6.83 Although it is not possible to monitor exactly the extent of retail development going into town centres (because ATCAs do not necessarily match town centres as defined by local authority planning boundaries), the ATCA boundaries provide a good approximation. The ATCA boundaries are consistently defined across the country and local authorities have been actively involved in reviewing the boundaries and refining them using local knowledge to improve their accuracy.

6.84 Smaller district and local centres that are fewer than four hectares in size are not currently identified as ATCAs in this analysis and therefore new development in these centres will appear as out-of-centre. However, to ensure development in these smaller centres is captured in the analysis, the department is changing the minimum size of an ATCA boundary from four hectares to two hectares in future releases.

Development control

6.85 Statistics of planning applications received and decided by local planning authorities have been collected on a quarterly basis since 1979, on the PS1 and PS2 General Development Control statistical returns. The start and end dates to be used in measuring performance against targets are clearly defined in the guidance notes issued to local authorities. If auditors qualify an authority on its Best Value Performance Indicators (BVPI 109) returns on this account, 10 per cent of its Planning Delivery Grant (PDG) on development control performance is withheld. If the authority re-submits returns on the correct basis, the full grant allocation is paid out. If they fail to re-submit correct returns, a further 40 per cent of their PDG is withheld.

6.86 In late 2004, every planning authority was given the opportunity to re-submit performance data according to the guidance and many did so. If the Department or the Audit Commission find further evidence of local authorities providing returns on the incorrect basis, they will be penalised through PDG, unless they submit revised returns on the correct basis.

6.87 During 2006 the PS1 and PS2 General Development Control statistical returns were subject to a Quality Review. In order to address the concerns of NAO on the lack of information on the quality of the data provided by local authorities, from April 2007 an indication of the level of quality assurance undertaken by local planning authorities on development control statistics is recorded as part of the PS1 and PS2 returns.

Ministerial planning casework

6.88 The National Audit Office Fourth Validation report has confirmed that the data system for our casework is fit for the purpose of measuring and reporting Secretary of State casework performance against PSA 6 and statutory targets.

Local Development Frameworks

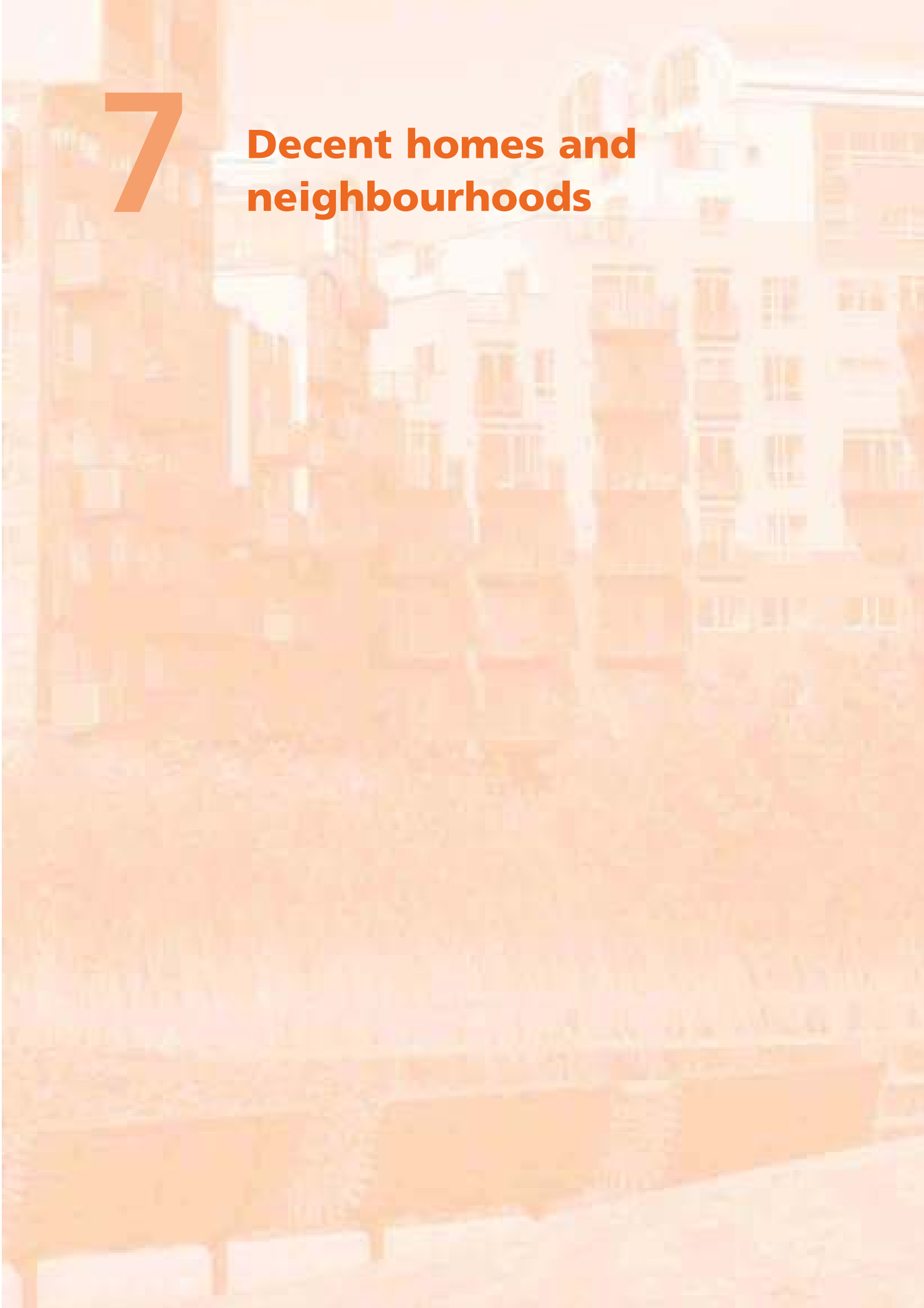
6.89 A central database captures the information from Local Development Schemes (LDS) on the milestones for the production of local development documents; this is closely monitored by Government Offices, the Planning Inspectorate, and the Department.

E-planning

6.90 BV 205 includes a measure of e-planning capability achieved by a Local Planning Authority (LPA). Capability is self-assessed by LPAs against four levels and based on an agreed set of criteria (the Pendleton criteria[86]) with a March 2006 target which was exceeded.

86 Peter Pendleton and Associates (PPA) are independent planning consultants who designed 21 criteria to appraise the availability and accessibility of online planning services on local authority websites in England and Wales. Each local authority website was surveyed to assess the level of service provided.

7 Decent homes and neighbourhoods



SR04 Strategic Priority 5:

Ensuring people have decent places to live by improving the quality and sustainability of local environments and neighbourhoods.

7.1 The Government believes that everyone deserves a decent home at a price they can afford. People care about where they live and therefore clean, safe and green communities are equally important. We are also committed to ensuring that our homes and communities are resilient to the threats posed by climate change. This includes reducing and minimising the environmental and carbon impacts of new and existing housing.

Decent Homes

7.2 Improving the quality of the social housing stock was an early Government priority and a target was set to make all social housing decent. Our Decent Homes programme is our main mechanism for delivering against this challenging objective, with £23bn invested up to 1 April 2006. Over the next three years a further £3.4bn is being provided to support decent homes delivery along with a further £1.9bn in Private Finance Initiative (PFI) credits (most of which is for housing and housing regeneration initiatives).

7.3 The target with a specific deadline has galvanised improvement in the social housing stock. Between April 2001 and April 2007, the programme has:

- put 580,000 new kitchens, 440,000 new bathrooms and 910,000 new central heating systems into council homes
- re-wired 630,000 council homes to ensure that they meet fire and safety requirements

7.4 In addition it has:

- delivered significant improvements in energy efficiency with the average SAP rating increasing from 52 in 2001 to 57 in 2006 (a higher rating and faster increase compared to the private sector, which rose from 44 in 2001 to 47 in 2006)
- driven improvements in the services landlords provide to their social tenants with most Arms Length Management Organisations (ALMOs) having had to improve their overall service performance to gain access to additional funding.

7.5 Delivering the decent homes programme is a considerable challenge. Local authorities have had extra resources for delivering decent homes through setting up a high-performance ALMO; entering into a Private Finance Initiative contract; or transferring stock to Registered Social Landlords. These approaches have levered in an additional £10.3bn through independent borrowing by housing associations and by private contractors as a result of stock transfers and PFI between 1997 and 2007. This investment of private finance has helped improve homes to a standard that the Government alone could not have afforded to deliver.

7.6 Increasingly decent homes are being delivered through transformational projects that are a mixture of demolition, rebuilding and refurbishment and additional market or intermediate housing. These schemes take time to deliver and it has been agreed that delivery can extend beyond 2010. Other reasons for extending the deadline are where local authorities have changed their delivery mechanism or where some ALMOs will start delivery later than they originally planned. However, we still expect that the vast majority of social landlords will ensure all homes are decent by 2010 and that overall 95 per cent of all social sector homes will be decent by this date. But there are continued risks to the achievement of 95 per cent decency. Some local authorities may still fail to execute their delivery strategy if they do not secure necessary tenant support. Others may take longer to achieve necessary performance improvement that delivers the additional ALMO funding.

7.7 For the remaining five per cent we have negotiated, or are in the process of negotiating, revised delivery deadlines with those local authorities and Registered Social Landlords who will go beyond 2010 in their delivery of decent homes. Revised deadlines will be set as soon after 2010 as is practicable. This work will be supported by the new Homes and Communities Agency, which will have a key role on the Decent Homes Programme as part of its wider housing and regeneration remit. For the longer-term, our Review of Council Housing Finance aims to deliver a sustainable, long-term system for financing council housing and through that to enable councils to keep their housing stock at a decent standard.

7.8 In the private sector we continue to make progress against our target with each year an increasing proportion of vulnerable households living in decent housing. Moving forward we have recently launched a review of the private rented sector to see how we can improve the sector for both landlords and tenants

Decent neighbourhoods and liveability

7.9 We also recognise that improving the quality of our streets, parks and town centres is integral to creating communities where people want to live. The liveability PSA

target has measured local service performance in managing and maintaining of public space and tackling specific issues such as litter, abandoned vehicles, graffiti and anti-social behaviour that can degrade the quality of local environments.

7.10 Over the last year, we have led this work across government through our Cleaner, Safer, Greener Communities Programme, sitting alongside our broader regeneration initiatives (as set out in Chapter 3). Key activities over the last year have included:

- distributing 3,000 updated 'How to' guides[87], helping practitioners create and sustain cleaner, safer, greener public spaces
- holding 12 regional events attracting 520 attendees, showcasing the Young Advisers initiative promoting effective approaches to engaging children and young people in design, use, management and maintenance of public space
- supporting Groundwork and other third sector partners to work with communities to transform their quality of their local parks, streets and estates
- publishing a Strategic Guide on improving public access to better quality toilets[88], highlighting the impact that good public toilets have on quality of place, quality of life, and local authorities' responsibilities

Climate change

7.11 The *Stern Review on the Economics of Climate Change*[89] showed the serious threat posed by climate change. Through our responsibilities for planning, the built environment and regional and local government, this Department plays a vital role in tackling climate change and in adapting to the impacts of climate change that cannot be avoided, and we therefore make a key contribution to delivering the new PSA27: Lead the global effort to avoid dangerous climate change.

7.12 Climate change mitigation and adaptation are critical elements of our housing strategy. The Housing green paper, *Homes for the Future: More Affordable, More Sustainable*, published in July 2007, was accompanied by our *Building a Greener Future*[90] policy statement, setting a timetable for all new homes to be zero carbon from 2016. In December 2007, the Department published the *Planning Policy Statement: Planning and Climate Change*[91] which sets out a clear and challenging role for regional and local planning in supporting low carbon and zero carbon

87 www.cleanersafergreener.gov.uk
88 www.communities.gov.uk/publications/localgovernment/publicaccesstoilets
89 www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm
90 www.communities.gov.uk/publications/planningandbuilding/building-a-greener
91 www.communities.gov.uk/documents/planningandbuilding/pdf/ppsclimatechange.pdf

development. At the local level, plan making and development control are expected, in providing for the new homes, jobs and infrastructure needed by local communities, to help shape places with lower carbon emissions and which are resilient to climate change.

7.13 Two-thirds of the homes that will still be standing in 2050 have already been built and we are focused on improving the environmental performance of existing buildings. During the year, Energy Performance Certificates (EPCs) were introduced for dwellings as part of the roll-out of Home Information Packs. EPCs will give buyers and sellers of homes access to information that will help them to reduce carbon emissions from their homes. We are working with Defra and the Energy Saving Trust to enhance the impact of EPCs by enabling the Act on CO_2 advice line (launched by Defra in April 2008) to contact people buying and selling homes with poor energy ratings (F or G) to connect them with grants, loans and financial packages to improve the rating on their homes.

7.14 EPCs will be extended to non–domestic properties, new build properties and rented dwellings on a phased basis during 2008. In addition, by 1 October 2008, a Display Energy Certificate (DEC) will be required for buildings that are occupied by a public authority or an institution providing a public service to a large number of persons.

7.15 The local government white paper *Strong and Prosperous Communities* set out the pivotal role that local government has in mitigating and adapting to climate change and announced that the new Local Government Performance Framework would have an appropriate focus on climate change. The new National Indicator Set published in February 2008 included three indicators (NI 185[92], NI 186[93] and NI 188[94]) relating directly to climate change, along with a number of indirectly relevant indicators on matters such as fuel poverty, flood and coastal erosion risk management, waste and recycling.

7.16 During the past year, we have also:

- consulted in July 2007 on introducing a mandatory rating against the Code for Sustainable Homes. The response to this was positive and in November 2007 we announced that we would introduce mandatory ratings, which has come into effect from May 2008
- started work to introduce measures which will improve the sustainability of new non-domestic buildings, culminating in the announcement as part of

92 NI 185: CO_2 reduction from local authority operations.
93 NI 186: Per capita reduction in CO_2 emissions in the local authority area.
94 NI 188: Planning to adapt to climate change.

Budget 2008 of Government's ambition for all new non-domestic buildings to be zero carbon from 2019 (with consultation on the timeline and its feasibility) and for new public sector buildings to be zero carbon from 2018

- consulted on the principle of using building regulations to require improvements in the water efficiency of new homes and subsequently confirmed that we would introduce a new requirement of 125 litres per person per day (an improvement of approximately 15-20 per cent on current average usage) with effect from April 2009
- worked towards finalising practice guidance in support of *Planning Policy Statement 25: Development and Flood Risk*[95] taking account of the interim findings of Sir Michael Pitt on the lessons learned from the 2007 floods and held a series of regional seminars to help planners implement PPS 25 policy

SR04 PSA Target 7: Decent Homes

Definition:

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.

Performance Indicators:

Reduction in the number of non-decent social sector dwellings: Slippage
From the baseline in 2001 the target is a reduction in the number of non-decent homes in the social sector:

- of between 45-50 per cent by 2006
- of between 65-70 per cent by 2008
- of 100 per cent by 2010

The proportion of vulnerable groups living in decent private sector homes: Ahead
In the private sector the target is to ensure the proportion of vulnerable private sector households in decent homes is:

- more than 65 per cent by 2006
- more than 70 per cent by 2010
- more than 75 per cent by 2020

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress
£1,691m*	£1,573m*	£1,798m*	Slippage

* Government's contribution

95 www.communities.gov.uk/publications/planningandbuilding/pps25floodrisk

Progress

Social sector

7.17 Monitoring of progress throughout the CSR 07 period will be achieved via the annual English House Condition Survey (EHCS) (incorporated into the English Housing Survey (EHS) from April 2008), and through annual landlord statistical returns.

7.18 The baseline for the target is the 1.65m non-decent homes that existed in the social sector in 2001. Of these, 1.17m were owned by local authorities and 470,000 by Registered Social Landlords (RSLs). Since setting this target the decent homes definition has been updated to reflect the Housing Health and Safety Rating System (HHSRS) which replaced the fitness standard in April 2006. But as we cannot report change since 2001 on decent homes incorporating the HHSRS, the following estimates are based on fitness as the statutory component of the decent homes standard to be consistent with the 2001 baseline figure.

7.19 The 2006 milestone required a reduction of between 45 per cent and 50 per cent over the 2001 baseline by 2006. We have not met the 2006 milestone and are reporting slippage on this target. We will report performance against the 2008 milestone in winter 2009.

7.20 The estimate of the reduction in non-decent homes by April 2006 provided by local authorities and housing associations shows performance just outside this range with a 42 per cent reduction over this period. The same data sources show that at April 2007 we had achieved an estimated reduction of 52 per cent leaving a total 858,000 non-decent social rented homes at this point which is still just below trajectory.

7.21 Our second source of data – the EHCS figures – shows a lower level of improvement in the condition of the stock between 2005 and 2006 than the picture provided by landlords themselves. We are investigating why these differences have occurred and whether there are any differences in the way decent homes assessments are undertaken by local authorities compared to the national survey estimate.

7.22 Irrespective of the data issues, the local authorities' own data show that while there has been a substantial reduction in non-decent homes this not happening as quickly as planned. There are two reasons for this. First the Building Research Establishment's report on *Implementing Decent Homes in the Social Sector*[96] concluded that 'overall, element-based programmes are more common than whole

96 www.communities.gov.uk/publications/housing/implementingdecenthomes

dwelling refurbishment or other packages of work'. 'Elemental' programmes introduce a significant lag in the reduction in the number of non-decent homes as homes do not score as being made decent until all the necessary works have been completed and these can be programmed over a number of years. This would indicate that there will be a surge in homes made decent as delivery programmes come to an end.

7.23 The second reason is that Decent Homes investment programmes are also coming on stream slower than previously anticipated. A number of authorities establishing ALMOs have put back their inspection dates, taking time to implement the significant organisational changes and improvements in services required, so that they can be as sure as possible of passing inspection at the first time of applying. However once ALMOs are up and running, they are delivering decent homes at the rate predicted.

7.24 We are also required to deliver by 2006 more than 50 per cent of progress in the reduction of non-decency since 2001 occurring in the 112 most deprived local authority areas. We have more than met this element of the PSA target as over 69 per cent of the overall improvement in the number of non-decent social sector dwellings is in the 112 deprived areas[97].

7.25 PSA 7 is now a legacy target against which we have made a public commitment to continue to monitor progress through the Department's DSO 2 Indicator 2.7. Monitoring of progress throughout the CSR07 period will be achieved via the annual EHCS (incorporated into the EHS), and through annual landlord statistical returns. We will report the actual number of non-decent homes using the new statutory standard definition for which we will set a revised baseline. We will not be able to continue to provide the comparative figures against the 2001 baseline because of the definitional change.

Private sector

7.26 The 2006 EHCS showed we had achieved 68 per cent of vulnerable households living in Decent Homes by 2006, from the baseline position of 57 per cent in 2001 under the original definition of the standard. This is above trajectory. The EHCS estimates the percentage of vulnerable households living in decent homes to have increased from 66 per cent in 2005 to 68 per cent in 2006.

97 This element of the PSA is different to the housing element of PSA 1 which considers only the 88 deprived areas also in receipt of Neighbourhood Renewal Funding.

7.27 The PSA 7 private sector decent homes target is now a legacy target against which we have made a public commitment to continue to monitor progress through the Department's DSO 2 Indicator 2.8. We continue to press to see an increase in the number of vulnerable households in the private sector housed in decent homes. For this purpose the updated definition of decent homes will be used creating a new baseline for 2006 of 57 per cent of vulnerable private sector households living in decent homes. This figure is not comparable with the original definition because of the incorporation of the HHSRS in the updated decent homes standard.

Quality of data systems

7.28 The concept of a decent home was introduced in 2001, with the final systems definition being agreed in March 2002. Both local authorities and RSLs have had to refine their information and database systems in order to accommodate the definition, to record numbers of dwellings falling below this standard and to track progress in the reduction of non-decent homes. We therefore have no data at local authority or RSL level before 2001. But national estimates can be constructed from the EHCS. The NAO regard the EHCS as a reliable and robust data source. As a result they rated the data system as green (fit for purpose) for PSA 7.

7.29 Data from local authorities and RSLs have improved as they have adjusted their data collection and processing mechanisms to report on decent homes. The data provided by local authorities each year now show a revised baseline, gross reduction in non-decent dwellings, decent dwellings, numbers prevented from becoming non-decent, numbers becoming non-decent, targets set for reduction, and nature and cost of works needed to deliver. RSLs report on the number of non-decent dwellings annually. The Housing Corporation, along with the National Housing Federation, has completed a programme of work to examine the extent of the problem in the RSL sector and to provide advice and good practice guidance on assessing, monitoring and ultimately achieving decent homes.

7.30 The EHCS (incorporated into the EHS) is conducted annually, and acts as an independent check on the change in the numbers of non-decent stock each year, using the combined data from the last two years. As explained above, the increasing divergence of the two data sets is being investigated.

SR04 PSA Target 8: Liveability

Definition:

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 target also contributes to Strategic Priority 1.)

Performance Indicators:

This PSA is measured by progress against the following seven performance indicators which include sub-targets for improvements at national level and in areas in receipt of Neighbourhood Renewal Funding. This target will be deemed to be met if three of indicators a) – e) and one of either indicator f) and g) are achieved.

Cleaner places: Ahead

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.

Safer streets: Ahead

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.

Quality of parks and open spaces: On course

c. By 2008, to increase to 60 per cent the proportion of local authorities nationally and to 60 per cent the proportion of local authority districts in receipt of NRF that have at least one park or green space that meets Green Flag Award standard.

Local environmental services: On course

d. By 2008, at least 90 per cent of local authorities nationally, or 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.

Improving the quality of neighbourhoods: Slippage

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.

Public satisfaction with parks and open spaces: Not met

f. By 2008, to increase the percentage of residents satisfied with local parks and open spaces by four percentage points nationally and by six percentage points for overall for residents in local authorities in receipt of NRF.

Household satisfaction with quality of local area: Slippage

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.

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress:
£95m	£43m	£60m	Slippage

Progress

7.31 The PSA 8 (Liveability) target seeks to deliver by December 2008 cleaner, safer, greener public spaces, and improve the quality of the built environment in deprived areas and across the country. It draws together the work of nine Departments with a shared interest in improving public space and tackling anti-social behaviour. The target is assessed against the indicators shown in the table. These are assessed both nationally and in relation to areas receiving Neighbourhood Renewal Funding (NRF). The aim has been to reduce the gap in performance between deprived areas and the national average. This target will be deemed to be met if three of indicators a) – e) and one of either indicator f) and g) are achieved.

7.32 We are on course to deliver four of the first five indicators – and well ahead in some of these, but we have not met our indicator on satisfaction with parks and open spaces and we are below trajectory for progress on satisfaction with local area. We are therefore reporting slippage on the overall target.

7.33 Further details on each indicator are as follows:

a. Cleaner places: Overall progress on this indicator is ahead of expectations. BV199a data for 2006-07 show that local authorities with unacceptable levels of litter and detritus have declined nationally from 23 per cent to four per cent (a reduction of 19 percentage points), and in local authorities in receipt of NRF, from 33 per cent to nine per cent (a reduction of 24 percentage points). We have therefore achieved a narrowing of the gap between deprived areas and the national average. Data for 2007-08 should be available by the end of 2008. From April 2008, best value performance indicators have been replaced by the new national indicators for local authorities and local authority partners.

b. Safer streets: The targets have been exceeded by a substantial margin both nationally and in deprived areas. The national target was to reduce the number of abandoned vehicles to 233,000 cars yet by 2006-07 there were 81,650 abandoned vehicles. In areas receiving NRF, the target was 104,000 abandoned vehicles, yet by 2006-07 there were just over 39,000 abandoned vehicles. Data for 2007-08 should be available by the end of 2008.

c. Quality of parks and open spaces: By 2006-07, 198 local authorities (56 per cent) nationally and 65 local authorities (71 per cent) in areas receiving NRF had at least one Green Flag Award park or green space. We have therefore exceeded the target for deprived areas, and are on course to meet the national target, having secured an 18.5 per cent increase in the number of Green Flag Awards nationally since 2006. Data on 2007-08 awards should be available by July 2008.

d. Local environmental services: The Audit Commission's 2007 CPA assessment report again showed that there were no single and upper tier authorities scoring less than '2' for Environmental Services Block. We are on course to meet this target.

e. Improving the quality of neighbourhoods: We are below trajectory to achieve this target. The 2006 English Household Survey showed that 15.9 per cent of households nationally, and 20.2 per cent of households in areas receiving NRF experience poor quality environments against 2003-04 baselines of 16 per cent and 21 per cent. Data for 2007 should be available by the end of 2008.

f. Public satisfaction with parks and open spaces: Public satisfaction with local parks and open spaces (BV119e) has improved since the baseline year, with satisfaction up nationally from 71 per cent to 73 per cent and in deprived areas from 69 per cent to 70 per cent. But we have not met our target to reach 75 per cent satisfaction in all areas. From April 2008, best value performance indicators will be replaced by the new national indicators for local authorities and their partners.

g. Household satisfaction with local area: We are below trajectory on this indicator and are therefore reporting slippage. There have been improvements over the baseline year 2003-04, from 64 per cent to 65.6 per cent nationally, and from 60 per cent to 61.4 per cent in areas receiving NRF, but we are below trajectory to achieve both the national target of 67 per cent and the deprived areas target of 65 per cent.

7.34 Going forward, we will maintain our focus on liveability by seeking to deliver improvements in people's overall satisfaction with their local area (NI 5[98]), which is also a performance measure for the Department's DSO 1 and DSO 3. In taking this forward, we will build on the successes and lessons learned under PSA 8.

7.35 In line with the National Improvement and Efficiency Strategy, we will work with the local government sector to ensure that the array of guidance material, practitioner tools, and other support materials for community renewal and liveability continue to be managed and developed, and that enhanced forms of support are in place to promote overall satisfaction with place.

7.36 We will continue to support the New Deal for Communities partnerships and other place management schemes, which have a valuable role to play in improving delivery of liveability outcomes in our communities.

98 NI 5: Overall/general satisfaction with local area.

7.37 We are also continuing to develop a programme to increase the quality of our urban green spaces. We have continued to support CABE Space (Commission for Architecture in the Built Environment) on a range of projects, for example their enabling advice programme supports over 100 local authorities to develop green space strategies. We have awarded a contract to develop and maintain a green space database and live mapping tool. This is strengthening the knowledge base around the quality of green space, specifically relating to *Planning Policy Guidance 17* [99], and will share a full range of green space information between partners and the Department via an internet web mapping application.

Quality of data systems

7.38 The NAO regard data systems for PSA 8 as green (fit for purpose). Monitoring and reporting procedures are clear, however one recommendation was made regarding the Best Value Performance Indicator (BVPI) (see paragraph 7.41).

7.39 Indicator a – BV199 (a) statutory indicator measures the proportion of relevant land and highways (expressed as a percentage) that is assessed as having litter and detritus that fall below an acceptable level.

7.40 BV199 (a) data for 2003-04 and 2004-05 were selected by the Audit Commission for scrutiny. This resulted in the exclusion of non-returns and qualified returns from the data set to establish the baseline and trajectory for the PSA 8 indicator and to report progress in the first year of the target. The Audit Commission chose not to scrutinise BV199a in 2005-06 so the data set to report progress in the second year of the target included returns from all local authorities submitting a response.

7.41 From April 2008, best value performance indicators have been replaced by the new performance framework. 2007-08 data on litter and detritus will be collected and audited at the end of December 2008 and will be published in due course.

7.42 Specific recommendations made by NAO around reporting limitations of Best Value Performance Indicator data have been noted. All BVPI results for authorities are calculated centrally from raw data collected by the Audit Commission. The Commission decides each year, based on risk assessment, which BVPIs to scrutinise in more detail to check for inconsistencies and the audit methodology used.

99 www.communities.gov.uk/publications/planningandbuilding/planningpolicyguidance17

7.43 Indicator b – This is taken from WasteDataFlow, which replaced the annual Municipal Waste Management Survey (MWMS) in 2004. The new system will improve the accuracy, timeliness and ease of data collection and reporting of abandoned vehicles. Data are reported annually and 2007-08 data will be reported at the end of 2008.

7.44 Indicator c – This is from the Green Flag Award Scheme operated by the Civic Trust, which provide data on applicants and winners. Data are available annually. 2008 data will be reported in July 2008.

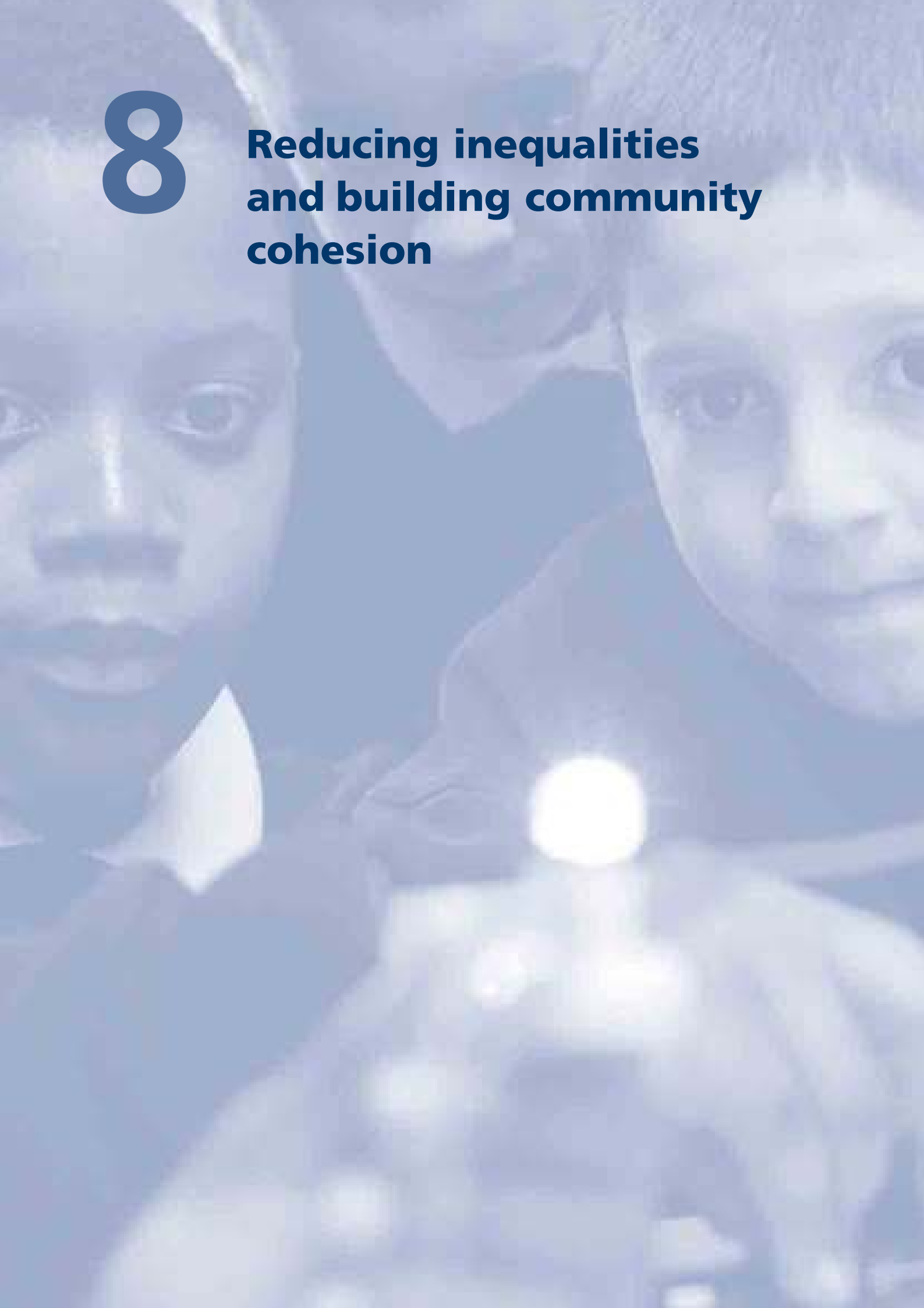
7.45 Indicator d – Local Authority Environment Services Block as determined by the Audit Commission through its Comprehensive Performance Assessment (CPA). This reports annually. This indicator reported 2007 data in February 2008.

7.46 Indicator e – The EHCS assesses 16 quality of place problems including graffiti, litter and rubbish, on-street parking, vandalism, gardens and landscaping. Since April 2002, the EHCS has been undertaken on a continuous basis and results will now be available annually. From April 2008 the EHCS has merged with the Survey of English Housing (SEH) to form the new English House Survey (EHS) but will continue to collect data on these 16 factors. This indicator will report 2007 data at the end of 2008.

7.47 Indicator f – BV119 (e) – Part of the three yearly Best Value User Satisfaction Survey, BV119 measures satisfaction with leisure and cultural services and part (e) measures satisfaction with parks and open spaces. This indicator reported (2006-07) data in July 2007. This is the last data point as the survey is not being continued.

7.48 Indicator g – The SEH measures how satisfied households are with their local environment. Households surveyed are asked whether or not they consider a range of issues (eg vandalism and hooliganism, graffiti, dog mess, litter and rubbish, noise and traffic) to be a problem in their local area. Data are available every six months. From April 2008 the SEH has merged with the EHCS to form the new EHS which will continue to collect data on the six quality of place factors. This indicator will report 2007-08 data at the end of 2008.

8 Reducing inequalities and building community cohesion



SR04 Strategic Priority 6:
Reducing inequalities and building community cohesion.

8.1 Communities and Local Government has a central role in Government's approach to reducing inequalities and building community cohesion. Our work on race equality will help to build a fair society in which every individual, whatever their racial or ethnic origin is able to fulfil their potential through the enjoyment of equal opportunities, rights and responsibilities. It means tackling the inequality gaps which still exist for some communities. Promoting cohesion is about building better relationships between people and communities from different backgrounds. Our focus on migration looks at how we maximise the potential benefits from inward migration while managing the local pressures that can arise on public services and communities. Equalities and cohesion work provides a necessary underpinning to preventing violent extremism.

8.2 There are strong linkages to other areas of the Department's business – for example, on housing and regeneration, and on new approaches to community engagement and empowerment. In particular, our lead role in central Government's relationship with local authorities is key, given the importance of local delivery of this set of policy initiatives. The breadth of engagement with the local level 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.

Tackling inequality and discrimination

8.3 The July 2007 Machinery of Government changes saw many of this Department's responsibilities for equalities – relating to gender equality and the associated public service agreement (PSA 9[100]) and to equalities legislation, including race – passed to the new Government Equalities Office. But lead responsibility for the Government's policy on race inequality remains with Communities and Local Government, not least given its close linkages to the promotion of cohesive and integrated communities.

8.4 *Improving Opportunity, Strengthening Society* (IOSS) is the Government's strategy to increase race equality and build community cohesion. The second annual report[101], including a statistical evidence base, was published in August 2007.

100 Performance against this PSA will be included in the GEO's first Annual Report.
101 www.communities.gov.uk/publications/communities/oppotunity-progress-report

It confirms that sound progress is being made, with many members of Black and minority ethnic communities thriving in Britain today. Results show that between 2003 and 2006 there have been year-on-year improvements in the proportion of Black and minority ethnic pupils achieving the equivalent of five or more A* – C GCSEs, in any subject. The number of minority ethnic households accepted as homeless decreased by around 30 per cent between 2003-04 and 2005-06. But this picture is not universal: certain communities still suffer poorer outcomes in education, health, housing, employment and the Criminal Justice System. Details of performance against the race equality elements of PSA 10 are set out further on in this chapter. A study aimed at better understanding the drivers of Black and Asian people's perceptions of racial discrimination by the eight public services[102] covered by the PSA was published in January 2008[103]. The report makes recommendations for improving public service delivery under three themes: structural mechanisms, front-line service delivery and communications with the public and we are working to ensure that the relevant Government departments are taking steps to address the issues raised.

8.5 Our work on race equality is supported by Connecting Communities Plus, a grants programme which contributed £6m this year to voluntary and community groups, through three levels of grant funding – strategic, project and community – directly targeted to the themes of IOSS. We have also set out the Government's response to the report of the independent REACH taskforce on raising the aspirations and attainment of young Black men, and led cross-Government work to mark the 200th anniversary of the 1807 Abolition of the Slave Trade Act.

8.6 As part of our broader approach to equalities, we continue to make good progress to embed diversity awareness and impact assessment into policy formulation across the range of Departmental responsibilities. Reports on the Department's performance against our Race Equality Scheme[104] and Disability Equality Scheme[105] were published in February 2008. Achievements in embedding diversity in our policy work include:

- consulting a range of equalities stakeholder groups as part of developing the Planning white paper. In addition, meetings were arranged between the Department and various equalities groups (relating to race, gender and disability) to determine their view of white paper proposals and to inform impact assessments

102 For the purposes of the PSA, the organisations are: the Police, Prison Service, courts, Crown Prosecution Service, Probation Service, council housing departments/housing associations, local schools and local GPs.

103 The drivers of Black and Asian people's perceptions of racial discrimination by public services, a qualitative study. Ethnos Research and Consultancy, Communities and Local Government 2008. www.communities.gov.uk/documents/communities/pdf/652045

104 www.communities.gov.uk/publications/corporate/raceequalityscheme2008

105 www.communities.gov.uk/publications/corporate/disabilityequalityscheme2008

- publishing and implementing *An Action Plan for Community Empowerment: Building on Success* – seeking to ensure that the voice of local communities, including under-represented Black and minority ethnic communities, is heard clearly and acted on in the design and delivery of local services
- developing and consulting on a national Fire and Rescue Service (FRS) Equality and Diversity strategy – designed to impact directly on employment provisions and culture within the FRS and on service delivery to, and relationships with, the wider community
- announcing that all public sector funded housing will be built to Lifetime Homes Standards from 2011
- exceeding our diversity target for 2006-07 on persons appointed by Ministers to sit on Boards of public bodies declaring a disability, achieving 3.8 per cent against a target of 3.75 per cent
- publishing the Planning Advisory Service case study report *Access all Areas: Planning for an Inclusive Environment*[106] in May 2007. This case study considers how some local planning authorities are working to achieve inclusive and accessible environments which celebrate diversity and are safe, predictable, sustainable and sufficiently flexible to be used by everyone regardless of age, gender or disability. It demonstrates how authorities who do this well see accessibility and inclusive design as fundamental planning considerations.

Building community cohesion

8.7 Data from our Citizenship Survey demonstrate that the overwhelming majority of people get on well together – 81 per cent of people surveyed agreed that their local area is a place where people from different backgrounds got on well together. Against that background of generally positive levels of cohesion at the national level, much of the Department's work during 2007-08 on community cohesion has focused on support to the Commission on Integration and Cohesion and subsequently taking forward the Government's response to their recommendations. The Commission delivered its report *Our Shared Future* to government in June 2007. The report was based on in-depth consultation and a strong evidence base which the Department has helped to develop, including research on what works in terms of cohesion policy[107]. The report provided practical ideas for renewed local and national collaboration as well as a number of recommendations for government and partners.

8.8 The Government's formal response to the Commission's report was published in February 2008 alongside research on the drivers of cohesion (*Predictors of*

106 www.pas.gov.uk/pas/aio/40475
107 www.communities.gov.uk/publications/communities/whatworks

Community Cohesion: Multi-Level Modelling of the 2005 Citizenship Survey[108]). Our detailed response set out how the Government is following up all of the Commission's recommendations, for example, we will publish an inter-faith strategy in the summer with the aim of increasing opportunities for dialogue and collaborative social action involving different faith communities and wider civil society. Our response also set out a new clarity on, and commitment to, delivering cohesive and integrated communities. Our work here forms a principal part of the Department's contribution to the new PSA 21.

8.9 We are also continuing to support a number of projects aimed at forestalling hate crime before it happens. Many of these projects are aimed at young people who are both the main victims and perpetrators of hate crime. In 2007-08 we have seen the publication of the *Young Citizen*[109], a magazine written by and for young people which challenges hatred and offers the opportunity for young people to shape the society we live in today, and in the future. We have also published a Command Paper[110] detailing Government's response to the All Party Inquiry into Anti-Semitism which was well received by both the Jewish community and the Inquiry. In addition we have published a literature review, *Getting the Message Across: Using Media to Reduce Racial Prejudice and Discrimination*[111], on how to use media campaigns effectively to communicate messages to reduce racial prejudice and discrimination. The research found that there had been very little robust research or evaluation and used lessons from social psychology literature to identify promising practice in the design of campaigns. The report provides practical recommendations on how to design, implement and evaluate the effectiveness of awareness campaigns in future.

Managing the impacts of migration

8.10 In common with many other places in Europe and around the world, communities in the UK are experiencing rapid population change. Migration is beneficial to society and the economy and is vital for growth[112], but there can be transitional, local impacts on public services and on community relations which need to be managed. The Department has a key role in supporting local authorities and other partners in managing these local impacts of migration.

8.11 Our key tasks in 2007-08 have been:

108 www.communities.gov.uk/publications/communities/predictorscohesion
109 www.searchlighteducationaltrust.org
110 www.official-documents.gov.uk/documents/cm70/7059/7059.pdf
111 www.communities.gov.uk/publications/communities/gettingmessageacross
112 Government evidence to the House of Lords Economic Affairs Committee review of the economic impacts of migration, submitted October 2007.
www.publications.parliament.uk/pa/ld200708/ldselect/ldeconaf/82/8011502.htm

- developing the evidence base on trends and impacts of migration, including working closely with the Office for National Statistics (ONS) on their programme to improve population and migration data, helping them to develop appropriate governance structures to support the delivery of this work and overseeing a key project within the programme
- working with other government departments to develop a cross-government migration impacts plan by summer 2008
- producing, with the Improvement and Development Agency, a guide for local authorities on issues relating to new European migration[113] and a template introduction pack for new migrants setting out their rights and responsibilities[114]; and funding a peer mentoring programme to spread best practice among local authorities

With the Home Office, we have also established the Migration Impacts Forum (MIF), which first met in June 2007. The purpose of the MIF is to provide a forum for proper, regular and organised dialogue with interested parties outside Government, focused on the wider impacts associated with migration experienced by local areas, and with an emphasis on research, evidence and best practice. The Forum meets quarterly and is chaired jointly by ministers from the Home Office and Communities and Local Government.

Gypsies and Travellers

8.12 As part of our work on cohesion and inequalities, we have maintained a specific focus on issues relating to Gypsy and Traveller communities. Problems associated with unauthorised Gypsy and Traveller caravan sites can give rise to significant community tensions, and contribute to the serious inequalities in life chances experienced by Gypsies and Travellers themselves.

8.13 We have been tackling this issue on two fronts: by taking action to address the existing shortfall in site provision for Gypsies and Travellers; and by supporting the effective use of enforcement powers. During 2007-08, we have:

- required local authorities to identify the accommodation needs of Gypsies and Travellers and allocate land in their development plans in line with need. The majority of assessments are now complete
- allocated a further £34.4m of the £56m available for 2006-08 for the refurbishment of existing sites and the provision of new sites. We have made £97m available for similar work from 2008-09 to 2010-11. To ensure the

113 www.idea.gov.uk/idk/aio/6949811
114 www.idea.gov.uk/idk/core/page.do?pageId=7917246

sustainable provision of new sites, we have consulted on draft guidance on site design and management

- issued guidance on the powers and responsibilities of local authorities to deal with unauthorised encampments and developments[115]. We will continue to work with local authorities and other agencies to support effective action on the ground

8.14 The independent Task Group on Site Provision and Enforcement, which published its final report[116] in December, concluded that our policies were sound, but that progress on site provision by local authorities was slow. We will be monitoring performance, providing support to local authorities and taking action where necessary to increase the rate of delivery. The Government response[117] to the Task Group was published in April.

Preventing violent extremism

8.15 The United Kingdom faces a terrorist threat which is severe and sustained. The Government's PREVENT strategy aims to stop people being drawn into violent extremism in the first place and to draw back those already engaged. Communities and Local Government leads the community-based response to violent extremism. We have been working with communities – especially Muslim communities – at every level to build their resilience and enable them to challenge robustly the ideas of those extremists who seek to undermine our shared values. Key to this is making this agenda a core part of local authority business, to deliver local solutions for local challenges.

8.16 In April 2007 we announced the £6m Pathfinder fund to support local authorities to understand and engage in dialogue with their communities, forge partnerships with police, community and faith groups, and work with mosques and educational institutions. Over 70 local areas have started 200 local projects this year. In October 2007 we announced further funding of £70m over the CSR period on our PREVENT agenda, with £45m of this funding spent on local partnerships, and the remainder on national-level projects.

8.17 We have also increased the support Government offers to groups who currently lack a strong voice in these discussions. The National Muslim Women's Advisory Group was formally launched on 16 January 2008, bringing together 19 women who are in positions of leadership or are working with local communities. They will act as role models and represent the views and concerns of grassroots Muslim

115 www.communities.gov.uk/publications/housing/localauthorities
116 www.communities.gov.uk/publications/housing/Taskgroupreport
117 www.communities.gov.uk/publications/housing/govtresponseroadahead

women. Next year, we will be taking forward a similar strand of work to support Muslim young people.

8.18 We are committed to broadening and deepening our engagement with individuals and groups across Muslim communities (including academics and theologians from across denominations) and building the capacity of the Muslim organisations in the voluntary sector. To support this, we have invested £650,000 in national level and 'trailblazing' projects through the Community Leadership fund. In April 2008 we opened the 2008-09 fund[118], which stands at £1.1m.

8.19 To support faith leaders and institutions to increase their resilience to violent extremism, through 2007-08 we have supported pilots for Continuous Professional Development for faith leaders and citizenship education in mosque schools (including the successful Nasiha project led by the Bradford Council of Mosques). We also recognise the positive strides forward taken by the Mosques and Imams National Advisory Board this year, including the launch of their consultation on core standards for mosques and their draft constitution.

SR04 PSA Target 10: Race equality and community cohesion

Definition:

To reduce race inequalities and build community cohesion.

Performance Indicators:

Discrimination by organisations: On course
A decrease between 2001 and 2007 in the percentage of people from Black and minority ethnic communities who perceive that they would be treated worse than people of other races by one or more key public services.

Discrimination in the labour market: Slippage
A decrease between 2003 and 2007 in the percentage of people from Black and minority ethnic communities who perceive that they would be discriminated against in the labour market, on the basis of race.

Community cohesion: Not met
An increase between 2005 and 2007 in the perception of community cohesion in the majority of ten geographical areas where the risk of disturbance is high.

To meet this PSA, a statistically significant improvement is needed on all three indicators.

2005-06 spend:	2006-07 spend:	2007-08 spend:	Overall progress:
£16m	£23m	£30m	Not Met

118 www.communities.gov.uk/communities/preventingextremism/communityleadershipfund/

Progress

8.20 The 2004 PSA 10 to reduce race inequalities and build community cohesion was a challenging and ambitious one. To meet this PSA, a statistically significant improvement was needed on all three indicators. We have not met the target for the indicator to build community cohesion, although perceptions of community cohesion at a national level have improved from 80 per cent in 2005 to 81 per cent in 2007[119]. Although data are not yet available in order to make a final assessment of progress in reducing race inequalities, we are on course to reduce discrimination by organisations. The final data will be available in July 2008.

Discrimination by organisations

8.21 According to the latest figures (April – December 2007), 33 per cent of Black and minority ethnic people believed that one or more of the eight organisations measured would treat them worse than people of other races compared with 38 per cent in 2001. The target is to reduce this from 38 per cent in 2001 to 35 per cent as measured by the Citizenship Survey, 2007-08. Significant improvement has been made for individual organisations as well; the proportions of people from minority ethnic groups thinking the police, the prison service, the courts and the Crown Prosecution service would treat them worse than other races have all decreased since 2001.

Discrimination in the labour market

8.22 The Citizenship Survey measures the two elements of discrimination in the labour market:

(1) the proportion of Black and minority ethnic people who were turned down for a job in the last five years, who thought that this was because of their race. The baseline for this was 24 per cent. Latest figures are 20 per cent

(2) the proportion of Black and minority ethnic employees who thought that they had been discriminated against at work in the last five years with regard to a promotion, who thought that this was because of their race. The baseline figure was 46 per cent and the latest figure is 48 per cent

8.23 The PSA will be met if there is a significant reduction in at least one of the two elements. As the numbers involved are so small, we need to await the full (four quarters) dataset before we are able to judge whether there has been a significant reduction for either element.

119 Source Citizenship Survey – based on first three quarters of 2007-08

Community cohesion

8.24 The indicator for this element of the PSA was 'an increase in perceptions of community cohesion in the majority of areas where the risk of disturbance is high, by 2007'. The baseline was established for 10 local areas using data from the 2005 Citizenship Survey – Local Area Survey and the final assessment was based upon data from repeating the survey in these areas in 2007.

8.25 The PSA target was especially ambitious. This is in part because of the complexity of influences on perceptions of community cohesion and the way this requires multiple issues to be addressed at the same time[120]. It is partly because the areas chosen were selected on the basis of a high risk of disturbance – and so were particularly challenging. While the target for this indicator was not met, perceptions of community cohesion significantly increased in three areas. There was no significant change in a further six areas and in one area it declined.

Quality of data systems

8.26 All areas and elements of the target are measured through the Citizenship Survey, which is nationally representative. This survey was designed to contribute to the evidence base for the Communities and Local Government race, cohesion and empowerment policy areas. The survey was carried out in 2001, 2003, 2005 and 2007-08. From April 2007, the survey has adopted a continuous design, providing headline figures on a quarterly basis.

8.27 To provide better measurement of the race elements of the PSA, the survey has included a booster sample of people from Black and minority ethnic communities (approximately 5,000 per year, in addition to the core sample of almost 10,000). For measuring the cohesion element, an additional Local Area Boost to the Citizenship Survey was used in 2005 and 2007. The Local Area Survey asked a similar but reduced set of questions to the national Citizenship Survey. In 2007 this survey was conducted within the 10 areas selected for the PSA, running concurrently with the first two quarters of the Citizenship Survey.

8.28 The National Audit Office described the data system for this PSA as fully robust, with strong controls over data collection and processing, in their *Fourth Validation Compendium Report*. The data system was given an overall rating of green (fit for purpose).

120 Research by Laurence and Heath has shown that there is no one single driver of cohesion and that drivers will vary across different area types. For example, while deprivation is one of the strongest predictors of low community cohesion, not all deprived areas have low cohesion. DTZ draw similar conclusions in their work for the Commission on Integration and Cohesion (www.integrationandcohesion.org.uk/Research_documents.aspx)

9 Efficiency targets

9.1 Communities and Local Government is committed to delivering efficiencies and improving its effectiveness. Efficiency is not about making service cuts but about delivering more value for money from the resources that are available, in ways such as embedding streamlined processes and systems, seeking out more competitive prices of inputs, and making best use of assets.

9.2 Spending Review 2004 set the Department the following efficiency targets as part of the Government's response to the recommendations made by Sir Peter Gershon in his review of public sector efficiency[121]:

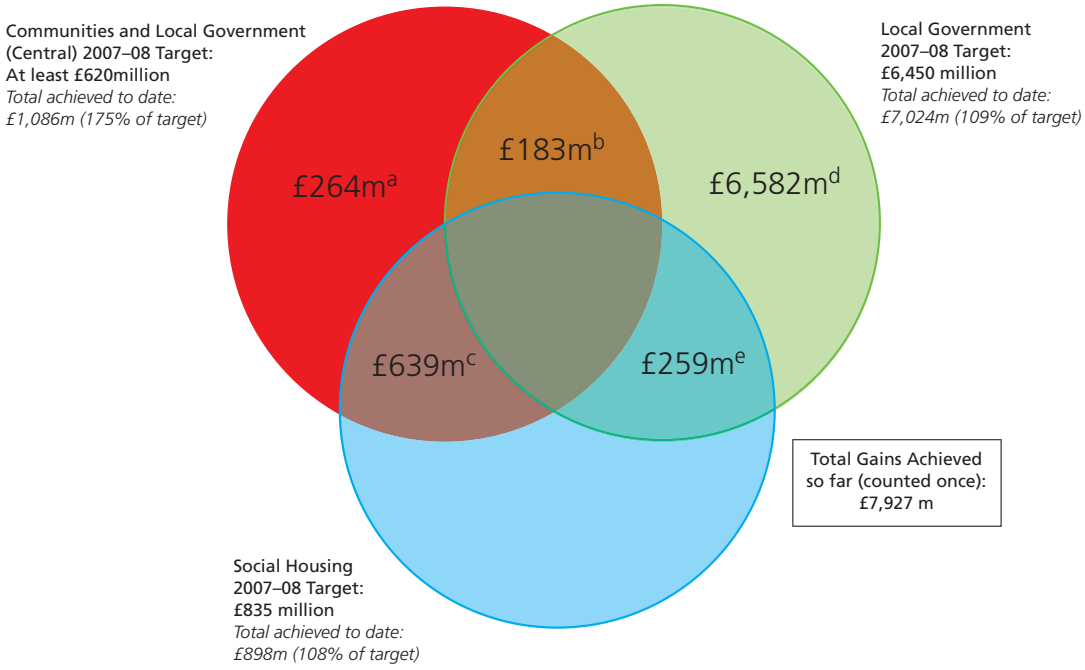
- across the **central Department**, to achieve at least £620m per annum by March 2008. The central Department also has targets on workforce (headcount) reduction and relocation of posts out of London and the South East of England (in response to the recommendations made by Sir Michael Lyons in his review of public sector relocation[122]). Progress against these targets is detailed below
- across the whole of **local government**, including fire, police, schools and local authorities, leading and coordinating delivery of £6.45bn efficiency gains per annum by March 2008, and directly securing £1.38bn of that total (part of PSA 4). Progress against this target can be found in Chapter 5
- across the **social housing** sector, to achieve at least £835m efficiency gains per annum by March 2008. £898m gains to date have been reported achieved against this target, £639m delivered by RSLs (contributing to the Department's central efficiency target) and the balance (£259m) delivered by local authorities (contributing to the local government efficiency target)

9.3 As explained in our last Annual Report, efficiency gains that contribute to more than one target are only counted once by HM Treasury against the overall public sector target of efficiency gains totalling at least £21.5bn per annum by March 2008. The overlap is shown in Figure 9.1.

9.4 A description of our central efficiency programme, including how each workstream measures gains and quality, and monitors progress can be found in the Department's *Efficiency Technical Note* (ETN)[123] published on our website. The approach to measuring local government efficiency can be found in the *Local Government ETN*[124] also on our website.

121 www.hm-treasury.gov.uk/spending_review/spend_sr04/associated_documents/spending_sr04_efficiency.cfm
122 www.hm-treasury.gov.uk/consultations_and_legislation/lyons/consult_lyons_index.cfm#final
123 www.communities.gov.uk/documents/corporate/pdf/odpm-etn-0508.pdf
124 www.communities.gov.uk/publications/localgovernment/efficiencytechnicalnote

Figure 9.1: Summary of efficiency gains reported as achieved to date as at December 2007



Notes		Reference
a	Gains from the central department: administration and Regional Development Agencies.	These gains are explained in more detail below
b	Gains from fire and rescue authorities, and councils in relation to homelessness only.	
c	Gains from Registered Social Landlords	
d	Gains from councils (except in relation to homelessness and social housing), police authorities and schools.	These gains are explained in more detail in Chapter 5
e	Gains from councils in relation to social housing only	

Central efficiency target

Definition:

To achieve at least 2.5 per cent per annum efficiency gains equating to at least £620m by March 2008. At least two thirds of these must be cash-releasing.

Overall progress:

Ahead

Progress

9.5 We have reported £1,086m gains to date at Quarter 3 2007-08 (December 2007), of which £587m is cash-releasing. Table 9.1 provides a breakdown of the gains to date and forecasted within each workstream area.

Table 9.1: Delivery to date and Forecasts for Communities and Local Government Central Efficiency Workstreams as at December 2007

Efficiency Target: £620m by 2007-08, of which at least two thirds will be cashable Workstreams:	Gains reported as delivered at end Sept 2007 (£m)	2007-08 Gains reported as delivered at end Dec 2007 (£m)	2007-08 Forecast March 2008 (£m)	Original Planned Delivery (£m) (as per ETN)
Regional Development Agencies	212.7	258.3	310.6	120.0
Social Housing: New Supply	276.0	276.0	276.0	160.0
Social Housing: RSL spend – capital works	126.0	126.0	133.1	60.0
Social Housing: RSL spend – management and maintenance	186.6	186.6	189.8	80.0
Social Housing: RSL spend – commodities	50.3	50.3	66.3	55.0
Fire and Rescue Services	132.9	132.9	180.0	115.0
Homelessness	50.5	50.5	59.1	125.0
Administration	8.6	5.4	16.2	25.0
Total (£m)	**1,043.6**	**1,086.0**	**1,231.1**	**740.0**
Of which Cashable		586.6	672.5	485.0

9.6 We have continued to make good progress on our programme with most areas delivering above expectations. The further £42m gains we have been able to report since September 2007 is as a result of the continued delivery of gains by Regional Development Agencies through activities such as business process improvement and leveraging in greater funding from the private sector.

9.7 We regularly review our programme to ensure that the gains we report represent real efficiencies and service quality has been maintained. For example, we use our internal audit team to review reported efficiency savings on a periodic basis. Although findings from the latest audit were on the whole very positive, the review identified a proportion of the efficiency gains delivered in our administration workstream that would not be sustainable across the period according to the strict Office of Government Commerce (OGC) definition. Therefore we have adjusted the amount of efficiencies that have been delivered so far, and brought our forecast in line with new expectations.

9.8 Examples of other activities which are taking place or have been completed to deliver our gains to date on our programme include:

- **RSL Procurement of commodities:** continued use of a national collective agent to deliver efficiencies through joint procurement of commodity goods and services (for example, utilities and office supplies); it has achieved over 60 per cent coverage of the RSL sector
- **RSL Capital works:** establishment of local procurement consortia to maximise efficiencies throughout the supply chain
- **Fire and Rescue Services:** investment in modernisation measures creating efficiencies through innovative practice in areas such as shift patterns, crewing arrangements and efficiently aligning resources with risk
- **Homelessness:** investment in homelessness prevention, generating efficiencies by reducing the cost of expensive temporary accommodation.

Plans

9.9 On current plans we expect to deliver £1,231m efficiency gains by March 2008 and therefore, expect to exceed our central efficiency target. We expect £672.5m of this to be cash releasing which will exceed our original plan of £485m for cash releasing gains. We endeavour to report the most up to date information we have once we have assured ourselves that the data are robust and to update our forecasts on a regular basis. Our total gains expected has increased from what we reported previously in our *2007 Autumn Performance Report* (£110m mainly as a result of new Fire and Rescue and RDA data being available).

Workforce reductions target

Definition:
To achieve, in the Department as a whole (including agencies and non-departmental public bodies (NDPBs)), a reduction of 400 Full Time Equivalent (FTE) posts by the end of March 2008. At least 250 of these will be Headquarters and Government Office civil service posts.
Overall progress:
Ahead

Progress

9.10 We have reported to date a workforce reduction of 910 FTEs (against the June 2004 baseline) across the Department as a whole (including Agencies and NDPBs) at Quarter 3 2007-08 (December 2007). 454 of these FTEs were headquarters and Government Offices. This workforce reduction has been achieved through natural wastage and the voluntary early retirement/severance schemes that have been run by the central department, Government Offices and the Fire Service College during the SR04 period.

Plans

9.11 On current plans we expect to deliver a total workforce reduction of 955 FTEs by March 2008 across the Department as a whole (including Agencies and NDPBs) and therefore expect to exceed our workforce reduction target.

Relocation target

Definition:
To relocate 240 FTE posts out of London and the greater South East by 2010.
Overall progress:
On course

Progress

9.12 We have reported to date relocation of 197 posts at Quarter 3 2007-08 (end December 2007). 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, the Audit Commission and the Standards Board for England. Locations include Leeds, Birmingham, Manchester, Nottingham, Newcastle and Bristol.

9.13 Efficiency gains achieved through the relocation of posts are not included within our efficiency programme, and we have not directly monitored gains that may have been achieved.

Plans

9.14 On current plans we expect to meet our target to relocate 240 posts out of London and the South East by 2010.

Moving forward – April 2008 onwards

9.15 The Department continuously strives to make improvements to its services and deliver value for money, which is reflected in the achievements in the current efficiency programme. The Department will build upon the firm foundations that have been laid over the SR04 period in seeking to achieve its value for money ambitions over the next spending review period (2008-11).

9.16 An important change in the next spending review period is that local governments' targets will be set separately. All value for money gains reported by councils will be reported against a single target for £4.9bn annual gains by March 2011; schools, police and fire authorities will each have their own separate targets; and only gains made by the Department and its agencies will count towards its target for £887m annual gains. As well as including further progress made against our SR04 programme, our Autumn Performance Report will provide an initial update on progress against our target for the next spending review period.

9.17 In addition, all gains reported in the next spending review period will be cash-releasing; net of investment and ongoing costs; and sustainable (the result of a considered change embedded in departmental business processes). Further details of the Department's Value for Money (VfM) target, including how the Department will measure its gains, are set out in the Department's *Value for Money Delivery Agreement*[125] published on our website. The route map for delivering and monitoring councils' VfM gains is set out in *Delivering Value for Money in Local Government*[126], which is also available on our website.

125 www.communities.gov.uk/publications/corporate/valueformoney
126 www.communities.gov.uk/publications/localgovernment/deliveringvalueformoney

10 Managing our resources

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. Our staff are also a key resource, and we continue to seek to harness and unlock their talent and their commitment to delivering better communities and services. It is also essential that our operations, as well as our policies, support and promote sustainability.

Financial management

10.2 The Department's estimated outturn expenditure on its main programmes (excluding local government, which is covered in Chapter 5, and administration costs covered in paragraph 10.9) in 2007-08 was £10,011m. This is split between resource near-cash (£3,835m), resource non-cash (£103m) and capital (£6,073m).

Expenditure against Public Service Agreement (PSA) targets

10.3 In 2007-08 the Department spent £10,063m on its PSAs. Eight of these targets were those set in the 2004 Spending Review for the Office of the Deputy Prime Minister. Two additional PSA targets were added in May 2006 when the new Department was created; much of the expenditure in support of these targets was transferred to the Government Equalities Office in 2007. Expenditure shown below excludes that falling to the Local Government Departmental Expenditure Limit (DEL). Further explanation of the methodology used to estimate expenditure attributable to each PSA is given in Annex G.

Table 10.1: Spending Review 2004 PSA target

	2005-06 Outturn £m	2006-07 Outturn £m	2007-08 Estimated Outturn £m
1 Tackling social exclusion and delivering neighbourhood renewal	2,327	2,343	2,969
2 Making sustainable improvements in regional economic performance	1,275	1,367	1,382
3 Reducing accidental fire-related deaths	168	177	258
4 Improving effectiveness and efficiency of local government	0	0	0
5 Achieving better balance between housing availability and demand	2,904	3,081	3,375
6 Planning system to deliver sustainable development outcomes	233	204	191
7 Bringing all social housing into decent condition	1,691	1,573	1,798
8 Leading delivery of cleaner, safer, greener public spaces	95	43	60
9 Bringing about improvements in gender equality	0	0	0
10 Reducing race inequalities and building community cohesion	16	23	30
Other expenditure	286	245	239
TOTAL	**8,996**	**9,056**	**10,302**

Notes

PSA 1: Expenditure on PSA 1 included spending on Supporting People, RDAs and the London Development Agency (LDA), New Deal for Communities and most of the Local Area Agreement expenditure.

PSA 2: Most of the expenditure on PSA 2 was by RDAs and LDA.

PSA 3: Most of the expenditure on PSA 3 related to expenditure on fire services. This excluded the majority of expenditure incurred by Fire and Rescue Authorities, which are local authorities whose expenditure falls within the Local Government DEL (RfR2).

PSA 4: There was no expenditure on PSA 4 in the Department's main programme DEL (RfR1). Expenditure fell in the Local Government DEL (RfR2).

PSA 5: Expenditure on PSA 5 included spending by the Housing Corporation, by RDAs and LDA, by English Partnerships, on the Housing Market Renewal Fund, on supported capital expenditure for local authority housing, on Thames Gateway and other Growth Areas, on Homelessness and on the Regional Housing Pot.

PSA 6: Expenditure on PSA 6 included spending on Planning Delivery Grant and by the Planning Inspectorate Agency.

PSA 7: Expenditure on PSA 7 included expenditure on Arms Length Management Organisations, on supported capital expenditure for local authority housing, on the Regional Housing Pot, on Disabled Facilities Grant and on Gap Funding.

PSA 8: Expenditure on PSA 8 included expenditure on the Commission for Architecture in the Built Environment (CABE), Safer Stronger Communities Fund and the Academy for Sustainable Communities.

PSA 9: Expenditure on PSA 9 was transferred to the Government Equalities Office under Machinery of Government changes on 26 July 2007.

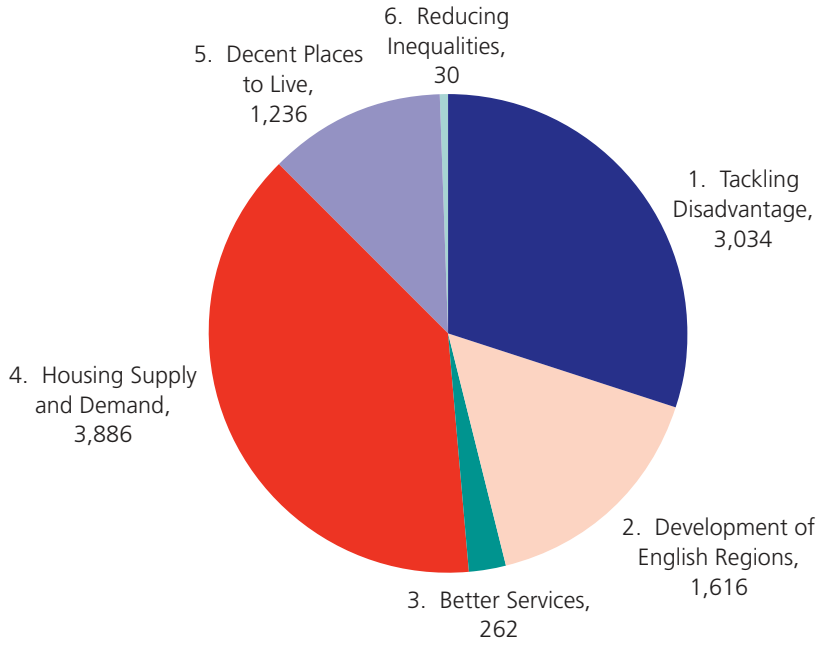
PSA 10: Expenditure on PSA 10 includes community cohesion and related activities. Equalities functions, including the Commission for Racial Equality, were transferred to the Government Equalities Office.

Other: Expenditure included Research, Payments for Data Mapping Services, Pooled Housing Capital Receipts, Departmental Unallocated Provision and the Administration Costs of the central Department and the Government Offices.

Expenditure against Strategic Priorities

10.4 The Department's expenditure has also been monitored against six Strategic Priorities:

Figure 10.1: Strategic Priorities Forecast Outturn 2007-08 (£ million)



Notes

1. **Tackling Disadvantage:** This included spending on Supporting People (£1,741m of which £45m administration), on the New Deal for Communities (£257m), on Disabled Facilities Grant (£138m) and on homelessness (£93m), on Local Area Agreements (£749m) and Safer and Stronger Communities (£33m for the SSC and New Ventures Fund outside LAA transactions). Homelessness expenditure has scored against tackling disadvantage for consistency with the Estimates. However as it contributed to PSA 5, commentary on homelessness outputs appears in chapter 6.

2. **Development of English Regions:** Most of the expenditure on this priority was by RDAs and the LDA (£1,587m).

3. **Better Services:** This included expenditure on Fire Services (£85m), Civil Resilience projects (£59m), Firelink (£26m) and Fire Regional Control Room projects (£85m).

4. **Housing Supply and Demand:** This included expenditure by the Housing Corporation (£2,082m), by English Partnerships (£274m), on Housing Market Renewal Fund (£404m), on supported capital expenditure for local authority housing (£103m), on the Regional Housing Pot (£437m), on Thames Gateway and other Growth Areas (£342m) and on Planning Delivery Grant (£114m).

5. **Decent Places to live:** This included expenditure on Arms Length Management Organisations (£925m), on supported capital expenditure for local authority housing (£209m), and Gap Funding (£83m).

6. **Reducing Inequalities:** Much of this expenditure has been transferred to the new Government Equalities Office. Cohesive communities remains with this Department and this section includes a provisional spend of £25m.

Resource budget

10.5 The Department's estimated outturn for resource spending in 2007-08 was £3,938m. This compares to £3,330m in 2006-07 and £3,156m in 2005-06 (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 (the aim of which is to provide services which help vulnerable people live independently in their own accommodation) and on support for the Regional Development Agencies, including the London Development Agency.

Table 10.2: Main Programmes Resource Spending 2005-06 to 2010-11

Programme	Spending Review 2004 (SR04)			Comprehensive Spending Review 2007 (CSR07)		
	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
	£m	£m	£m	£m	£m	£m
Supporting People	1,762	1,733	1,741	1,692	10	15
Local Area Agreements	4	49	680	0	0	0
Area Based Grant	0	0	0	632	2,290	2,240
RDAs and LDA	546	603	598	589	575	561
New Deal for Communities	167	153	137	117	87	43
English Partnerships	65	121	110	124	162	167
Housing and Planning Delivery Grant	126	97	86	67	131	221
Homelessness	61	71	72	74	88	103
New Dimension	47	49	56	54	51	51
Housing Corporation	48	50	52	53	53	53
Planning Inspectorate (PINS)	42	50	49	51	46	46
Thames Gateway and Other Growth Areas (inc Eco Towns)	20	23	43	55	60	63
Fire Regional Control Rooms	14	16	32	53	65	46
Safer and Stronger Communities	77	36	27	31	30	30
Firelink	7	9	21	70	51	26
Other programmes	170	270	234	384	504	687
Total Resource	**3,156**	**3,330**	**3,938**	**4,046**	**4,201**	**4,352**

Notes

Other programmes include expenditure for Housing Market Renewal, Fire Services, Coalfields Regeneration Trust, Residential Property Tribunal Service, Regional Assemblies and other Sustainable Communities and Housing programmes.

The above figures also take account of Machinery of Government changes (ie are all stated on the basis of present functional responsibilities). The figures also exclude administration costs.

From 2009-10 it is planned to include funding for Supporting People within Area Based Grant.

Assuming legislation goes ahead, the Housing Corporation and English Partnerships will be replaced by the Homes and Communities Agency and the Office for Tenants and Social Landlords.

Capital budget

10.6 The Department's estimated outturn for capital spending in 2007-08 was £6,073m. This compares to £5,431m in 2006-07 and £5,531m in 2005-06. 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 Housing Corporation, Arms Length Management Organisations (ALMOs), the Housing Market Renewal Fund and on support for RDAs.

Table 10.3: Main Programmes Capital Spending 2005-06 to 2010-11

Programme	Spending Review 2004 (SR04)			Comprehensive Spending Review 2007 (CSR07)		
	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
	£m	£m	£m	£m	£m	£m
Housing Corporation	1,590	1,920	2,031	2,564	2,771	3,093
RDAs and LDA	941	961	989	965	941	918
Arms Length Management Organisations	854	782	925	809	809	759
Regional Housing Pots	17	388	437	347	422	377
Housing Market Renewal Fund	303	277	373	356	321	286
Local Authority Supported Capital Expenditure	822	341	312	272	269	259
Thames Gateway and Other Growth Areas (inc Eco Towns)	223	194	299	380	465	505
English Partnerships	352	156	164	164	114	214
Disabled Facilities Grant	107	118	138	146	156	166
New Deal for Communities	106	102	120	129	92	22
Gap Funding	9	30	83	80	80	80
Fire Supported Capital Expenditure	58	58	58	62	69	71
Housing and Planning Delivery Grant	40	31	28	33	29	29
Homelessness	40	20	21	24	24	23
London Olympics 2012	0	0	0	571	552	425
Community Infrastructure Fund	0	0	0	50	100	150
Other programmes	69	51	95	23	123	147
Total Capital	**5,531**	**5,431**	**6,073**	**6,975**	**7,337**	**7,524**

Notes:

The above figures take account, for all years, of Machinery of Government changes (ie are all stated on the basis of present functional responsibilities).

Assuming legislation goes ahead, the Housing Corporation and English Partnerships will be replaced by the Homes and Communities Agency and the Office for Tenants and Social Landlords.

London Olympics 2012 figures do not include amounts transferred to the Department for Culture, Media and Sport during the SR04 period.

10.7 The figures in these tables exclude expenditure financed by the European Regional Development Fund and are consistent with the tables in Annex B.

Presenting expenditure data in a new way

10.8 For the new Spending Review period (2008-11), the Department has six new Departmental Strategic Objectives and two new Public Service Agreements. Expenditure was previously measured against the strategic priorities and the 10 PSAs set for the previous Spending Review.

Table 10.4: How expenditure against SR04 PSAs relates to CSR07 DSOs

SR04 PSA	Main component programmes	Equivalent CSR07 DSO
PSA 1 Tackling social exclusion	Supporting People	DSO 2 Housing supply, environmental performance and quality
	New Deal for Communities	DSO 3 Economic performance and regeneration
	Local Area Agreements (most of spending)	Absorbed into Area Based Grant
PSA 2 Regional economic performance	Regional Development Agencies (majority of spend)	DSO 3 Economic performance and regeneration
	Thames Gateway (part)	DSO 2 Housing supply, environmental performance and quality
PSA 3 Reducing fire deaths	Fire and resilience central programmes	DSO 6 Safer communities and fire services
PSA 4 Effectiveness and efficiency in local government	Local government programmes; falls within the Local Government DEL and is not shown in PSA breakdowns	DSO 1 Supporting local government; falls within the Local Government DEL and is not shown in DSO breakdowns
PSA 5 Housing supply and demand	Housing Corporation, Housing Market Renewal Fund, Housing Pot Grant, Thames Gateway (part), growth areas, Disabled Facilities Grant (part)	DSO2 Housing supply, environmental performance and quality
	English Partnerships	DSO 3 Economic performance and regeneration
PSA 6 Planning	Planning delivery grant, Planning Inspectorate	DSO 5 Planning
PSA 7 Decent social housing	Arms Length Management Organisations, LA supported capital expenditure, Regional housing pot grant, Disabled Facilities Grant (part)	DSO2 Housing supply, environmental performance and quality
PSA 8 Delivery of cleaner, safer, greener public spaces	Safer Stronger Communities Fund, outside of Local Area Agreements	DSO 3 Economic performance and regeneration
	Local Area Agreements (part of spending)	Absorbed into Area Based grant
PSA 9 Improvements in gender quality	Equal Opportunities Commission and other equalities programmes	EOC absorbed into Equality and Human Rights Commission, which is now the responsibility of the Government Equalities Office; other gender equalities programmes also transferred to GEO.
PSA 10 Reducing racial inequalities and building community cohesion	Commission for Racial Equality	Absorbed into Equality and Human Rights Commission, which is now the responsibility of the Government Equalities Office
	Community cohesion	DSO 4 Cohesive communities

Administration budget

10.9 The Department's estimated outturn for net administration costs for 2007-08 is £290.9m, of which £6.1m is non-cash spending (accounting charges). The total figure includes £120.4m expenditure by the Government Offices (GOs) for the regions. This compares to a final outturn of £293.2m in 2006-07, of which £134.8m was expenditure by the GOs. More information can be found in Table 5 at Annex B.

Consultancy spending

10.10 Our strategy for the procurement of consultants is to use the Office for Government Commerce's (OGC) framework contracts (Catalist) as a first choice to ensure we gain the benefits on collective pricing. We undertake mini-competitions in the framework, which can have the effect of obtaining further price reductions. During 2007-08, we have continued with more stringent procedures to ensure that we maintain a tight grip on consultancy and professional services expenditure, and are compliant with guidance from HM Treasury. We are also scheduling a review of our use of consultants to ensure they continue to be engaged on core activity linked to business priorities.

10.11 Finance Director approval is required for all consultancies over £10,000 and human resources approval for all staff substitutes or interim appointments. 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.

- We have liaised with HM Treasury to determine appropriate classification for spend on consultancy and professional services. Consultancy expenditure is scored to administration budgets, unless there is specific agreement from HM Treasury to score the expenditure to programme budgets.
- The figures reported in Table 10.5 reflect the latest definitions of consultancy/professional services from HM Treasury. Figures are not therefore directly comparable with those reported for 2006-07 in last year's report. In particular, spending on steady state provision (ongoing managed services) is no longer scored as consultancy spend.
- From April 2007, use of consultants, together with the respective expenditure, has been reported monthly to the Departmental Board. The data cleansing exercise and refinements to our accounting systems have helped to ensure that spend is properly classified and reported.
- In addition to requiring that knowledge transfer is embedded in all consultancy contracts and checking that skills are not available in-house before letting consultancy contracts.

Table 10.5: 2007-08 Provisional outturn spending on consultancy, professional services and agency staff

2007-08: Consultancy/Professional Services (£'000)	Administration Expenditure	E Planning/ E Business expenditure	Programme Expenditure
Central Department	8,072	6,781	19,721
Planning Inspectorate	0	0	1,360
QEII Conference Centre	0	0	106
Fire Service College	0	0	693
Ordnance Survey	0	0	2,144
Government Offices	3,296	0	0
Total	**11,368**	**6,781**	**24,024**

2007-08: Agency Staff/Staff Substitution/Interim Management (£'000)	Administration Expenditure	E Planning/ E Business expenditure	Programme Expenditure
Central Department	3,840	1,195	16,636
Planning Inspectorate	0	0	2,865
QEII Conference Centre	0	0	14
Fire Service College	0	0	282
Ordnance Survey	0	0	2,340
Government Offices	2,475	0	0
Total	**6,315**	**1,195**	**22,137**

Departmental approach to asset management

10.12 The main aim of the Department's asset management has been to ensure that appropriate fixed assets are held to meet departmental objectives. All assets have been 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

10.13 One example of our approach is our central London HQ estates strategy, where over the last year, we have vacated three of the five buildings.

10.14 As part of the 2007 Comprehensive Spending Review, the Department was required to produce an asset management strategy document which will be published on our public website.

Procurement capability

10.15 Communities and Local Government volunteered to be one of the first tranche of Departments to have its procurement capability reviewed by OGC under a Treasury initiative. OGC has published its findings[127] which includes the existence of good practice in the Department and highlights areas requiring improvement. In response a new commercial strategy has been approved by the Departmental Board and an improvement plan is underway to implement it across the department. A new Commercial Delivery Board has been established to supervise the embedding of the principles and to monitor progress.

Financial assistance to charitable institutions

10.16 During 2007-08 the Secretary of State provided financial assistance, by way of grant, to three charitable institutions under section 70 of the Charities Act 2006. Grant payments of £87,500 and £52,874 were made to the charitable institutions Counselling in Prison, and After Adoption, respectively. Both payments were made to support these institutions' activities during 2007-08 in connection with pilot schemes to assist adults in England who face chronic social exclusion (ACE).

10.17 Another grant payment of £25,500 was made to the charitable institution Notting Hill Housing Trust. This payment was made to support evaluation of this institution's activities during 2007-08 in connection with pilot schemes to assist new tenants in England to move into training and work.

Human resources

Building capacity, enhancing capability

10.18 As Communities and Local Government works towards becoming a more focused and strategic department, the continued investment in our people remains of paramount importance. We are working towards a smaller workforce with the right skills and capability to meet our challenging agenda. Consequently, our human resources (HR) have been focused on areas where improved efficiency and effectiveness will help the Department deliver against its objectives. Our key priorities this year have been to develop our capability in the use of evidence to

127 www.ogc.gov.uk/procurement_documents_procurement_capability_reviews.asp

aid the development of policies and strategies, working more effectively with ministers, better programme and project management and coaching skills to drive improved performance.

10.19 Against this background, part of our efforts have been to develop a greater understanding of the contribution our people make to the communities we serve. We believe that positive engagement can have a significant impact on the department's overall performance and our active participation in the development of an employee engagement survey for the civil service demonstrates our commitment to this approach. Early results from our pilot survey have shown that greater attention to the promotion of the vision and values for the Department can have a positive impact on the levels of staff engagement in our work.

10.20 We remain committed to the creation of a positive working environment where colleagues treat each other with dignity and respect and feel safe to speak up and challenge. Staff survey results show a considerable improvement in the numbers of staff who felt confident in reporting unfair treatment; from 49 per cent at the beginning of the year to 62 per cent at mid-year to 64 per cent now. We are placing greater emphasis on induction training, particularly at senior levels, to ensure clarity about what we need to deliver as well as the values and behaviours that we expect our people to demonstrate.

10.21 The Department is committed to ensuring that all our staff feel valued, safe and able to speak up and challenge unacceptable behaviour while at work. Staff surveys carried out over the year show gradual improvements in the number of staff who felt able to speak up and challenge in the Department, with figures showing a consistent improvement over quarters 1, 2 and 3 (30 per cent, 33 per cent and 34 per cent respectively). This is further supported by the figures from the Senior Civil Service Mini Survey reflecting improvements from 28 per cent in 2006 to 37 per cent in 2007 on the speak up and challenge agenda.

10.22 Questions on bullying and harassment were included in the 2007 staff survey for tranche 2 and 3 and results show slight improvements. This includes the number of employees saying they would report bullying and harassment if it occurred to them or a colleague (up from 76 per cent to 77 per cent), as well as an increase in confidence in line management to provide advice and support if needed (up from 71 per cent to 73 per cent). Although these improvements are not yet statistically significant, we continue to address the issue of bullying and harassment and speak up and challenge through a review of our guidance on Dignity and Respect at Work and the publication of Departmental values. We are also seeking further volunteers to become harassment contact officers, to provide support should staff become a victim of unacceptable behaviour.

10.23 We are always looking to strengthen the way in which we develop and improve the performance of our staff. This year, we have invested in a range of learning and development interventions including workshops for managers looking to improve the effectiveness of their performance management. Our HR business partners have worked with Directors to develop a more flexible approach to the way in which staff are deployed against our changing business priorities and to identify strategies for improving the skills and capability of those who need it.

10.24 We have also successfully introduced a succession and talent management process. This is helping us systematically to identify and benefit from the rich blend of skills, experience and knowledge of our leaders and managers; and to continue to build up the Department's capability through an appropriate mix of bringing on existing talent, in all its diversity, and bringing in fresh talent through open competitions and through a programme of inward loans and secondments.

10.25 In terms of diversity, Communities and Local Government has exceeded all the targets set by the 'ten point plan', the Whitehall-wide initiative to increase the representation of female, Black and minority ethnic and disabled staff in the senior civil service. The plan set targets for all government departments that by 2008, the SCS should comprise 37 per cent female staff; four per cent Black and minority ethnic staff and 3.2 per cent disabled staff. In Communities and Local Government, women, Black and minority ethnic staff and disabled colleagues respectively represent 41.3 per cent, 4.8 per cent and 4.7 per cent of the SCS. In each case this exceeds the targets set by Cabinet Office.

Recruitment

10.26 All posts were advertised to existing staff in the Department and 32 per cent of vacancies were also advertised throughout the civil service, with a further 6 per cent advertised nationally. In addition a specific exercise was conducted for senior civil service (SCS) recruitment at Deputy Director level.

Table 10.6: Recruitment by grade

Grade	Non-civil servants	Fixed term appointments	Permanent	Casual	Women	Black and minority ethnic	Disabled
Pay band EM1	0	7	0	0	0	0	0
Pay band 2	0	2	32	17	28	10	0
Pay band 3	0	7	22	11	23	6	0
Pay band 4	0	4	74	11	45	14	1
Pay band 5	0	0	19	8	9	0	1
Pay band 6	0	3	49	3	27	7	1
Pay band 7	0	0	16	1	6	4	0
SCS	0	5	15	0	12	3	1
Totals	**0**	**28**	**227**	**51**	**149**	**44**	**4**

Notes:

Refers to staff recruited from 1 January to 31December 2007. 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

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

Ethnicity and disability information is provided voluntarily and is available for around 60% of recruits.

10.27 The table below gives instances where the civil service recruitment code was not used. These were predominantly transfers in as a result of Machinery of Government changes and secondments where staff with particular expertise (eg in a front line delivery service such as the Fire and Rescue Service or local government) are brought into the Department for specific periods of time to assist delivery.

Table 10.7: Exceptions to the Civil Service Recruitment Code

Category	Number
Casual Appointment extended over 12 months	1
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	52
Outward secondments	24
Extension of secondments	0
Re-appointments of former civil servants	1
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

10.28 There are 139 staff employed at SCS level of which five are not paid by the Department. Pay bands are from SCS PB1 (Deputy Director) to SCS PB3 (Director General) and pay ranges from £56,100 – £171,209 with an average of £78,745 per annum.

Table 10.8: SCS Salaries

Salary band	Number
£55-60,000	23
£60-65,000	25
£65-70,000	22
£70-75,000	11
£75-80,000	8
£80-85,000	7
£85-90,000	5
£90-95,000	4
£95-100,000	6
£100,000+	23
Total	**134**

Notes:

Based on head count (not FTE) as at 31 March 2008.

5 inward secondees have no salary recorded as they are not paid from the Department's pay roll.

Includes staff on paid maternity leave.

Table 10.9: Numbers of SCS by Pay Band

SCS by pay band	Number
SCSPB1	106
SCSPB2	25
SCSPB3	7
Permanent Secretary	1
Total	**139**

Note:

Based on head count (not FTE) as at 31 March 2008.

Occupational Health and Safety

10.29 Health and Safety management responsibilities are discharged via a partnership between the occupational health team in human resources and the health and safety team in the working environment division. These teams meet and consult on a regular basis. There is also a Health and Safety Committee that meets at least twice yearly.

10.30 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.

10.31 During the year there have been two accidents involving HQ staff that are reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. In total 35 accidents to staff, one to a contractor and one to a visitor and four near misses were reported during the year.

Better regulation

Improving policy development and impact assessment

10.32 Over the last year the Department has made significant progress in improving its use of evidence in policy making, and its engagement with stakeholders. Main policy strands have stakeholder engagement strategies, and there has been particularly strong engagement with planning stakeholders as we have progressed the Planning Bill, and with building control stakeholders as we have taken forward the Building Control Review.

Impact Assessments

10.33 The Department has fully embraced and complied with the new Impact Assessment (IA) process, which has replaced the Regulatory Impact Assessment (RIA). The IA puts greater emphasis on the monetisation of impacts and therefore requires the closer involvement of analysts.

10.34 All IAs now need chief economist sign-off prior to submission for ministerial clearance, while an IA coaching network has been set up and is being run by analysts and the Better Regulation Unit, to inform policy divisions about the Impact Assessment process. Over 200 staff have received specific training in undertaking IAs, and we are working hard to improve the clarity of the assessments, so that they can be a useful policy making tool and an aid to our engagement with stakeholders.

10.35 Such measures have markedly improved the evidence base used in IAs. A database has also been set up to record all IAs, including detailing when the post implementation review is due, so that we can keep track of the development of all the Department's IAs, and ensure suitable follow up action is taken. A good example of a detailed, robust IA was that for the Planning Bill, where a great deal

of work went into the underlying model and attached figures, so that it could inform any changes proposed during the passage of the Bill through Parliament.

Common Commencement Dates

10.36 The Department committed itself to the Common Commencement Date initiative from the beginning of 2006. Under this, regulation impacting on business will, with a few exemptions, come into force annually 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 2008 statement[128] is available on the Department's website.

Consultation

10.37 During 2007 Communities and Local Government issued 48 public consultations[129]. Of these 47 lasted for 12 weeks or more. The one consultation that lasted for less than 12 weeks was shortened to meet Parliamentary timetables, and received ministerial clearance to do so. There were 14 non-public consultations, mainly with local government.

Best practice example

10.38 As an example of consultation influencing policy formulation, responses to the 2006 consultation on the Park Home Commission Rate, the summary[130] of which was published in late March 2007, indicated that there was no strong justification for changing the rate. Rather what was required was greater transparency. Therefore, rather than regulate to change the commission rate, we are bringing forward a revision of the Written Statement Regulations (which prescribe the content of residents' written agreements) to ensure that the commission payment requirement is sufficiently clear to anyone reading the statement.

Simplification and administrative burdens reductions

10.39 The Administrative Burdens Measurement Exercise estimated that, as at May 2005, this Department placed an administrative burden on business, charities and the voluntary sector of £2.5bn per annum. We have committed to reduce this burden by 25 per cent by May 2010.

10.40 In December 2006 we published a simplification plan[131] showing measures we had identified which would reduce the net administrative burden by £350m a year

128 www.communities.gov.uk/documents/corporate/doc/731993.doc
129 Details of consultations are for the calendar year. This maintains consistency with previous year's reports and with the Better Regulation Offices' own annual assessment of consultation performance.
130 www.communities.gov.uk/publications/housing/parkhomecommission
131 www.communities.gov.uk/archived/publications/corporate/simplification-plan

(14 per cent of our total burden). On December 11 2007 we published an update[132] to this plan which now outlines projects designed to reduce our net administrative costs by £685m – nearly 28 per cent. As of October 2007, we had already delivered net administrative burdens reductions of £220m, nine per cent of our baseline. Some of the key initiatives we have already started to deliver are:

- **New Competent Persons Scheme for Electrical Work:** 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. £65m annual administrative savings delivered so far, projected to rise to £132m by May 2010.
- **Electronic Planning Applications:** Nearly half a million planning applications from business stand to benefit from new, e-enabled processes. Savings are delivered through lower costs (at least £120 per application) and reduced waiting times (11-13 days). £7.2m annual savings delivered so far, projected to rise to £124m by May 2010.
- **Building Regulations – User-Centred Guidance:** A programme of improvement to online guidance has made the requirements in the Building Regulations easier to understand and comply with, delivering administrative savings to the general public, developers, professionals and local authorities. Administrative burden savings to business of £9m annually, projected to rise to £15m by 2010.

  In addition, we expect further measures from the Planning Bill and associated legislation, which will further reduce the delays and burdens of the planning system, while the Building Control Review will similarly reduce the burdens of Building Control.
- **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 on an individual basis, it is better targeted and affects far fewer HMO managers. Repeal of Section XI saved £207m, although this is offset by the burden of the new regulations of £87m.
- **Public and third sector:** The Simplification Plan also gives details of initiatives which could save the Public Sector over £800m annually by May 2010, in particular through the Government Connect project, and the reduction in performance indicators from 1,200 to 198. In the third sector, our strategy discussion document[133], which set out a broad approach to strengthening

132 www.communities.gov.uk/publications/corporate/simplificationplan2007
133 www.communities.gov.uk/publications/communities/thirdsectorstrategy

engagement with the third sector at all levels, won a Compact Commendation for Excellence.

Legislative reform orders

10.41 During 2007, we also laid the Legislative Reform (Local Authority Consents) (England and Wales) Order 2007, the first Departmental LRO to be laid under the new Legislative and Regulatory Reform Act 2006. Once in force the Order will amend legislation to four consent 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, before taking certain actions. The Order will give local authorities greater freedom on local decisions which will see a further reduction in red tape, helping to free up local authorities to improve public services and provide better community leadership for local people.

Risk-based regulation

10.42 The Department and the Audit Commission are leading the way in ensuring risk based and joined up inspection of local services. Ministers from four Departments, including Communities and Local Government, jointly commissioned seven inspectorates, led by the Audit Commission, to develop and test a methodology for the new Comprehensive Area Assessment (CAA), which will be introduced from April 2009 and will provide a risk-based and proportionate approach to future assessment, and inspection of outcomes delivered by local authorities and their local partners.

Best practice example – alternative to legislation

10.43 In 2007 the Department completed a review of provisions in business leases, enabling tenants to dispose of redundant property before the end of the lease, with a view to improving flexibility. This embraced assignment, subletting and break clause provisions. We concluded that, rather than introducing immediate legislation, we would give the new voluntary Code for Leasing Business Premises[134] the opportunity to work in this area. If this fails to deliver we will reconsider legislation at a future date.

Transparency of implementation plans for European legislation

10.44 The Department uses the following methods to inform the public of new EU legislation:

134 www.leasingbusinesspremises.co.uk/

- public consultations, accompanied by an Impact Assessment (IA) where necessary
- press releases, providing an overview of the changes along with links to consultation documents and RIAs where available
- Impact Assessments accompanying legislation
- use of BERR's 'Regulation Updates' initiative to notify business of changes
- the 'Common Commencement Dates Statement of Forthcoming Regulations', issued near the beginning of each year and updated each Autumn, which provides business with an indication of when new or amended requirements will be introduced over the coming year (although Statutory Instruments which transpose Directives into UK law do not need to follow Common Commencement Dates).

Sustainable development

Action plan

10.45 In January 2008, the Department published its Sustainable Development Action Plan (SDAP)[135]. As well as setting out specific actions to be undertaken during the year, the SDAP describes the Department's distinctive contributions to sustainable development in the context of the new Departmental Strategic Objectives resulting from the 2007 Comprehensive Spending Review. These 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
- a vital partner in tackling climate change – principally through the built environment and local government.

135 www.communities.gov.uk/publications/corporate/sustainabledevelopment2007-08

10.46 Besides actions relating to out policies, the SDAP covers operations, procurement, embedding sustainable development and governance. A progress report on the actions set out in the SDAP and an update for 2008-09 will be published by summer 2008.

Operations and procurement

10.47 The Department has progressed its operations and procurement activities – of particular note we have:

- been ranked second of 21 government departments by the Sustainable Development Commission in its *Sustainable Development in Government* Annual Report 2007 published in March 2008[136]
- published our Sustainable Operations Policy, outlining our key aims and objectives for reducing the impact of operations across our estate[137]
- re-certified our HQ offices and Planning Inspectorate Environmental Management System to ISO14001:2004, following external accreditation in February 2008
- commenced capacity building work with Sustainable Development Commission in the form of seminars exploring particular themes of the Department's work and held a series of events for staff during the Department's 'Sustainability Month' in March 2008
- promoted adoption of the wider definition of value for money and a whole life costing approach to procurement that accordingly recognised sustainability
- extended the coverage of our sustainable operations targets to include all our executive agencies and our larger non-departmental public bodies

Communications

Public information

10.48 In the financial year 2007-08:

- we have run a fire safety campaign throughout the year, including the 'Pull Your Finger Out' advertising campaign which ran from 15 January to 9 March 2008. Research shows that the proportion of people who could recall smoke alarm or fire safety advertising without prompting rose from 46 per cent prior to the campaign to 64 per cent after the advertising. This increase was greater than seen on any smoke alarm maintenance campaign since they began in 2003. Accidental fire-related deaths are at their lowest since 1959 and our fire

136 www.sd-commission.org.uk
137 www.communities.gov.uk/publications/corporate/sustainableoperations

safety campaigns are a key part of the strategy which has achieved this. The overall campaign spend was £3.4m

- the 'Connect to your Council' campaign promoting take-up of online council services came to an end in March 2008. Independent evaluation reported a steady increase in traffic to local authority websites since the start of the campaign, with one in five of those exposed to the campaign taking action and using an online service. The advertising spend was £940,000
- early research suggests that the public facing and trade sector advertising campaign to support the introduction of the Home Information Pack (HIP) is delivering high levels of awareness amongst industry professionals and 35-40 per cent awareness amongst the home-buying and selling public. The total campaign spend for 2007-08 was £4.9m
- the campaign to promote industry awareness and understanding of the Energy Performance in Buildings Directive (EPBD) supported a range of industry facing activities, including PR and advertorials, publications and publicity material, stakeholder events and a dedicated technical helpline. The total communications spend for 2007-08 was £1.266m.

10.49 The Department also ran a corporate events programme at a cost of £306,500. Attendance at public facing events to increase knowledge of our key policies included Grand Designs in Birmingham, the Home Buyers Show at ExCel and Ideal Home Show in London. Stakeholder-facing events included the Local Government Association Annual Conference, Innovations for the Built Environment, the National Housing Federation social housing event and the Chartered Institute of Housing annual conference.

Media relations

10.50 The Department enhanced its communication with national, specialist and regional media to make sure the vision and policies of the Department were clearly explained. This was supported by regular communication with regional, local and stakeholder audiences, and delivered by working closely with colleagues in the Government Offices and the Government News Network. Local government reform, community cohesion and the need for more affordable housing were some of the main issues handled during the year.

Digital and print channels

10.51 The Department has continued to develop social media to complement more traditional digital channels for policy communication. This year we expanded our use of discussion forums for online consultation, winning praise from the

independent Hansard Society in their *Digital Dialogues* Phase Two report (September 2007).

10.52 We have continued to rationalise our websites in line with the Government's strategy, with 11 websites either closing or converging content onto the main corporate site during the year. At the end of August 2007 the corporate site, communities.gov.uk, moved onto a new platform as part of this ongoing work.

10.53 The Department has engaged closely with Directgov and Businesslink on web convergence plans for the next three years. Our Directgov Home and Community franchise converged Together We Can and Fire Kills on Directgov during the year. It also became an early adopter for the new Directgov Publishing Model, ready for delivery from June 2008. Meanwhile, Local Directgov has led the localisation workstream for Directgov. Its work was highlighted as a key achievement of government information and service provision in the National Audit Office report *Government On The Internet: progress in delivering information and services online*[138] (July 2007).

10.54 Our centralised print-buying operation has delivered operational efficiencies and savings of £288,917 (20.73 per cent) to date on a spend of £1,393,098. In addition, publications sales and royalty revenue is £247,192 plus £5,149 consultancy income for contract work with OGC.

10.55 In July our procurement team was praised as part of the OGC's Procurement Capability Review which found that 'there are examples of effective leadership in pockets of good procurement performance in Communities and Local Government centre (eg Print and Communications)'.

Internal communications

10.56 Over the last year, the Department has made a concerted effort to engage staff more closely and get their input to our strategic direction. This included a specific engagement programme for middle managers and close work with staff networks to target harder to reach staff.

10.57 Working with the Cabinet Office, the Department was the first pathfinder project to run an employee engagement programme with Grade 6 and 7 staff, which has helped inform the measurement model prior to roll-out across the civil service.

10.58 With input from the staff networks, we ran the first-ever 'away days' for all grades of staff, focusing on vision and values for the Department. Feedback from the Administrative Assistant-Executive Officer (AA-EO) away day has been extremely

138 www.nao.org.uk/publications/nao_reports/06-07/0607529.pdf

positive. This is the first part of a programme of engagement with staff at all grades in 2008.

10.59 The new staff magazine was awarded 'excellent' status in the Communicators in Business Awards 2007.

Stakeholder engagement

10.60 The Communications Directorate now provides an advice centre for colleagues; from identifying stakeholders through to selecting the most effective communications channels. More than 150 members of staff have attended at least one of the team's case study-based best practice seminars.

Legal services

10.61 The Legal Directorate provides professional legal advice and drafting services that contribute to delivery on the full range of the Department's objectives. Key activities were work on the Rating (Empty Properties) Act, the Housing and Regeneration Bill and the Planning Bill, drafting secondary legislation, including the implementation of local government restructuring, providing advice on housing, planning, regeneration and local government, on building control, on employment law, freedom of information, human rights, European law, and on litigation as required. A programme of legal awareness training has been provided across the Department.

Information assurance

10.62 Communities and Local Government, its Agencies and NDPBs manage a range of data which relate to staff and citizens. Most of the data relating to citizens does not allow us to identify individual citizens and is used to support policy analysis and review. We have procedures and processes to protect our information and to ensure that it is not used for purposes that it was not collected for. We have contributed fully to the Cabinet Office review into data handling, and are working towards further strengthening our procedures and ensuring compliance with our processes. We have no losses of personal information to report to either the Information Commissioner or to the Cabinet Office review this year.

Annex A: Summary of PSA performance

Summary table of the Department's overall progress against SR04 PSA targets

PSA	*Progress*
PSA 1 Neighbourhood Renewal	**Overall progress – Slippage** **1 sub target** – **Ahead** (Liveability) **4 sub targets** – **On course** (Health, Crime, Worklessness and Housing) **1 sub target – Slippage** (Education)
PSA 2 Regional Economic Performance	**Overall progress – Slippage** **1 sub target – On course** (Closing the gap between regions) **1 sub target – Slippage** (Improving trend rate of GVA growth in all regions)
PSA 3 Fire and Rescue Services	**Overall progress – Slippage** **1 sub target – Ahead** (Deliberate primary fires) **1 main target – On course** (Accidental fire-related deaths in the home) **1 sub target – Slippage** (Annual fatality rate)
PSA 4 Local Government	**Overall progress – On course** **2 sub targets – Ahead** (Under Use of Resources/Efficiency gains) **3 sub targets – On course** (2 under overall performance and 1 on Direction of Travel) **1 sub target – Not yet assessed** (Under overall performance)
PSA 5 Housing Supply	**Overall progress – On course** **1 sub target – Ahead** (Homelessness) **2 sub targets – On course** (Low and High Demand)
PSA 6 Planning	**Overall progress – Not met** **1 sub target – Met** (E-planning) **3 sub targets – On course** (Percentage of housing development on previously developed land; Average density of new housing; and Town Centre Regeneration) **1 sub target – Slippage** (Local Development Frameworks) **3 sub targets – Not met** (Ministerial planning casework; Development Control; Net Change in Area of Green Belt)
PSA 7 Housing	**Overall progress – Slippage** **1 sub target – Ahead** (Proportion of vulnerable groups living in decent private sector homes) **1 sub target – Slippage** (Reduction in the number of non-decent social sector dwellings)

PSA	*Progress*
PSA 8 Liveability	**Overall progress – Slippage** **2 sub targets – Ahead** (Cleaner places; Safer streets) **2 sub targets – On course** (Quality of parks and Open Spaces and Local Environmental Services) **2 sub target – Slippage** (Improving the quality of Neighbourhoods; Household satisfaction with quality of local area) **1 sub target – Not met** (Public satisfaction with parks and open spaces)
PSA 10 Race Equality and Community Cohesion	**Overall progress – Not met** **1 sub target – On course** (Discrimination by organisations) **1 sub target – Slippage** (Discrimination in the labour market) **1 sub target – Not met** (Community cohesion)

Annex B: Core expenditure tables

Core Tables 1, 2 and 3: Total Departmental spending, resource budget and capital budget

Background

B1 Core Table 1 shows Total Public 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.

B2 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.

B3 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. They can be updated during the year through the Winter and Spring Supplementary Estimates subject to approval by Parliament.

B4 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.

B5 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 (£24.8bn in 2008-09) 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 £11.3bn in 2008-09) includes Departmental expenditure in support of Communities' main objectives, including some grants to local authorities, and Departmental administration costs.

B6 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, as you would expect). There are also some items, such as the amount which central government uses as a basis for calculating support for local authority borrowing (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

B7 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 2007. Since that time expenditure on equalities functions, including the new Equality and Human Rights Commission, has transferred to the new Government Equalities Office. Past years have been restated for comparative purposes
- the 2006-07 estimated outturn has been replaced by the final outturn. The 2007-08 plans have been replaced by the estimated outturn. The 2001-02 outturn figures have been removed, while the three new spending review years, 2008-09, 2009-10 and 2010-11 have been added
- all of the numbers for all years have been remapped to the new Departmental Strategic Objectives (DSOs), enabling comparisons on the new basis across the years, and consistency with Estimates. An explanation of how expenditure was mapped previously to strategic priorities and PSA targets, and the changes between that and the new DSOs is given in paragraph 10.8.

Comparisons between years within this year's report

B8 Generally when reclassification or Machinery of Government changes take place, adjustments are made to all years to provide a comparable run of figures. Exceptions to this are:

- from 2003-04 to 2008-09, the 'improving the supply and 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 £28bn 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) will end in 2007-08. From 2008-09, resource funding previously channelled through LAAs (shown against 'supporting local government' for 2006-07 and 2007-08) will generally be channelled through Area Based Grant instead. Capital funding will be identified against the relevant DSO which it supports. Funding for Supporting People is also shown against Area Based Grant from 2009-10.

Read across to other parts of the annual report, and to Main Estimates

B9 The categories used in these tables are the Departmental Strategic Objectives set for the next three years, which are also used in the 2008-09 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).

B10 Elsewhere in the report, past expenditure is reported against the strategic priorities and PSA targets which related to the previous spending review period. An explanation of how the presentations relate to each other is given at paragraph 10.8.

B11 Tables 7, 8 and 9 show data by United Nations Classification of Functions of Government categories (see the note relating to those tables).

Annex B Table 1: Total Departmental Spending

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Resource budget									
Resource DEL									
Supporting local government	0.0	0.2	0.0	4.6	49.1	680.2	23.8	25.8	25.3
Improving the supply and quality of housing	450.8	2,087.1	2,132.8	2,001.6	2,086.8	2,096.4	2,097.7	509.3	550.7
Building prosperous communities, promoting regeneration and tackling deprivation	789.3	835.4	854.6	839.3	843.7	815.7	794.4	790.6	824.8
Developing communities that are cohesive, active and resilient to extremism	16.0	16.2	18.2	15.9	22.1	28.9	41.4	64.0	81.8
Providing a more efficient, effective and transparent planning system	38.9	91.8	145.6	181.7	161.1	149.6	152.9	218.2	311.6
Ensuring safer communities by providing the framework to prevent and respond to emergencies	84.4	59.9	111.7	90.6	98.5	139.9	198.0	189.4	144.7
Central Administration	105.1	156.7	171.9	171.2	170.0	180.5	216.5	201.1	200.8
Government Office Administration	110.7	133.8	141.4	138.7	137.8	123.2	99.3	96.8	94.4
European Structural Funds – Communities and Local Government	0.9	2.7	2.0	-2.2	44.7	10.7	10.3	10.3	27.0
Ordnance Survey	15.0	29.2	26.1	23.9	10.5	10.5	14.5	14.5	14.5
Queen Elizabeth II Conference Centre Executive Agency	-0.2	-1.5	-1.0	-1.1	-1.2	-0.3	-1.3	-1.3	-1.3
Area Based Grant	0.0	0.0	0.0	0.0	0.0	0.0	631.5	2,290.5	2,239.9
Local and Regional Government	37,395.8	40,914.5	43,315.8	46,244.4	22,540.7	22,739.5	24,705.4	25,591.2	26,392.2
Departmental Unallocated Provision	0.0	0.0	0.0	0.0	0.0	0.0	47.5	65.5	104.4
Total resource budget DEL	**39,006.7**	**44,326.2**	**46,919.1**	**49,708.6**	**26,164.1**	**26,974.7**	**29,032.1**	**30,066.0**	**31,010.7**
of which:									
Near-cash	39,008.8	44,330.8	46,856.3	49,673.4	26,002.0	26,869.0	28,878.7	29,868.6	30,799.3
Resource AME									
Improving the supply and quality of housing	241.3	256.0	179.1	322.4	129.7	95.6	-125.7	-131.3	-206.1
Ensuring safer communities by providing the framework to prevent and respond to emergencies	0.0	0.5	0.0	0.1	173.3	153.0	199.8	209.8	225.4
Local and Regional Government	169.7	304.4	460.9	524.3	1,036.2	941.5	463.0	463.0	463.0
Total resource budget AME	**411.0**	**560.9**	**639.9**	**846.8**	**1,339.3**	**1,190.0**	**537.1**	**541.5**	**482.3**
of which:									
Near-cash	415.6	513.1	543.7	777.2	1,334.4	1,143.4	479.5	478.8	414.7
Total resource budget	**39,417.7**	**44,887.0**	**47,559.0**	**50,555.3**	**27,503.4**	**28,164.7**	**29,569.2**	**30,607.5**	**31,493.0**
of which: depreciation	9.0	68.3	133.5	97.5	28.3	77.6	109.0	113.8	133.0

Annex B Table 1: Total Departmental Spending (continued)

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Capital budget									
Capital DEL									
Supporting local government	0.0	0.0	0.0	0.0	33.8	69.2	0.0	0.0	0.0
Improving the supply and quality of housing	2,088.2	3,294.5	3,710.9	4,279.4	4,163.5	4,701.4	5,103.8	5,476.8	5,881.3
Building prosperous communities, promoting regeneration and tackling deprivation	869.9	1,145.1	1,125.7	1,117.8	1,103.5	1,116.0	1,706.7	1,622.5	1,407.0
Developing communities that are cohesive, active and resilient to extremism	4.7	2.5	5.8	0.0	0.0	0.0	0.0	0.0	0.0
Providing a more efficient, effective and transparent planning system	0.3	3.5	36.0	45.0	34.5	30.5	41.4	40.5	36.3
Ensuring safer communities by providing the framework to prevent and respond to emergencies	47.9	138.2	95.3	77.8	79.9	140.1	99.0	153.3	140.4
Central Administration	6.7	11.1	5.9	7.3	10.7	6.9	21.1	21.1	21.1
Government Office Administration	1.1	2.1	4.9	3.6	5.7	2.9	2.9	2.9	2.9
European Structural Funds – Communities and Local Government	38.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Queen Elizabeth II Conference Centre Executive Agency	-0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1
Local and Regional Government	202.2	214.0	256.8	315.8	223.3	34.2	87.1	107.1	93.1
Departmental Unallocated Provision	0.0	0.0	0.0	0.0	0.0	0.0	0.2	20.1	35.2
Total capital budget DEL	**3,259.0**	**4,810.8**	**5,241.2**	**5,846.6**	**5,654.8**	**6,101.2**	**7,062.1**	**7,444.1**	**7,617.1**
Capital AME									
Local and Regional Government	55.5	125.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total capital budget AME	**55.5**	**125.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total capital budget	**3,314.5**	**4,936.2**	**5,241.2**	**5,846.6**	**5,654.8**	**6,101.2**	**7,062.1**	**7,444.1**	**7,617.1**
Total departmental spending†									
Supporting local government	0.0	0.2	0.0	4.6	82.9	749.3	23.8	25.8	25.3
Improving the supply and quality of housing	2,778.7	5,588.0	5,924.6	6,529.8	6,377.0	6,843.9	7,014.7	5,788.6	6,154.7
Building prosperous communities, promoting regeneration and tackling deprivation	1,659.2	1,980.5	1,980.2	1,957.1	1,947.2	1,931.7	2,501.1	2,413.0	2,231.7
Developing communities that are cohesive, active and resilient to extremism	20.7	18.7	24.0	15.9	22.1	28.9	41.4	64.0	81.8
Providing a more efficient, effective and transparent planning system	36.7	93.6	179.9	223.3	191.3	176.0	186.2	251.6	340.6
Ensuring safer communities by providing the framework to prevent and respond to emergencies	132.2	188.2	183.1	158.0	340.1	418.0	478.3	530.6	485.0
Central Administration	109.0	163.6	171.7	170.0	173.7	180.6	228.5	215.3	216.1
Government Office Administration	110.1	134.0	144.1	141.4	141.7	124.3	100.6	98.3	96.1

Annex B Table 1: Total Departmental Spending (continued)

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
European Structural Funds – Communities and Local Government	39.0	2.8	2.0	-2.2	44.7	10.7	10.3	10.3	27.0
Ordnance Survey	15.0	29.2	26.1	23.9	10.5	10.5	14.5	14.5	14.5
Queen Elizabeth II Conference Centre Executive Agency	-0.3	-1.6	-1.1	-1.2	-1.2	-0.3	-1.4	-1.4	-1.4
Area Based Grants	0.0	0.0	0.0	0.0	0.0	0.0	631.5	2,290.5	2,239.9
Local and Regional Government	37,822.9	41,557.7	44,032.1	47,083.9	23,799.5	23,714.7	25,255.5	26,161.3	26,948.3
Departmental Unallocated Provision	0.0	0.0	0.0	0.0	0.0	0.0	37.2	75.3	117.5
Total departmental spending†	**42,723.1**	**49,754.9**	**52,666.8**	**56,304.4**	**33,129.8**	**34,188.3**	**36,522.3**	**37,937.8**	**38,977.1**
of which:									
Total DEL	42,256.6	49,116.9	52,123.5	55,528.9	31,790.5	33,043.9	36,043.2	37,459.4	38,562.8
Total AME	466.5	638.1	543.3	775.5	1,339.3	1,144.4	479.1	478.5	414.3

† 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						
Current spending	**4,791.4**	**6,402.9**	**6,871.9**	**7,123.7**	**7,102.7**	**7,968.5**
of which:						
financed by grants from budgets above	37,508.9	43,055.0	45,698.8	48,598.5	26,059.8	27,358.5
Capital spending	**629.2**	**630.8**	**1,346.0**	**1,567.2**	**1,619.2**	**2,137.1**
of which:						
financed by grants from budgets above††	1,382.5	1,899.6	2,319.3	2,898.6	2,579.3	2,826.4

†† 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 B Table 2: Resource budget DEL and AME

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Resource DEL									
Supporting local government	0.0	0.2	0.0	4.6	49.1	680.2	23.8	25.8	25.3
Improving the supply and quality of housing	450.8	2,087.1	2,132.8	2,001.6	2,086.8	2,096.4	2,097.7	509.3	550.7
Building prosperous communities, promoting regeneration and tackling deprivation	789.3	835.4	854.6	839.3	843.7	815.7	794.4	790.6	824.8
Developing communities that are cohesive, active and resilient to extremism	16.0	16.2	18.2	15.9	22.1	28.9	41.4	64.0	81.8
Providing a more efficient, effective and transparent planning system	38.9	91.8	145.6	181.7	161.1	149.6	152.9	218.2	311.6
Ensuring safer communities by providing the framework to prevent and respond to emergencies	84.4	59.9	111.7	90.6	98.5	139.9	198.0	189.4	144.7
Central Administration	105.1	156.7	171.9	171.2	170.0	180.5	216.5	201.1	200.8
Government Office Administration	110.7	133.8	141.4	138.7	137.8	123.2	99.3	96.8	94.4
European Structural Funds – Communities and Local Government	0.9	2.7	2.0	-2.2	44.7	10.7	10.3	10.3	27.0
Ordnance Survey	15.0	29.2	26.1	23.9	10.5	10.5	14.5	14.5	14.5
Queen Elizabeth II Conference Centre Executive Agency	-0.2	-1.5	-1.0	-1.1	-1.2	-0.3	-1.3	-1.3	-1.3
Area Based Grants	0.0	0.0	0.0	0.0	0.0	0.0	631.5	2,290.5	2,239.9
Local and Regional Government	37,395.8	40,914.5	43,315.8	46,244.4	22,540.7	22,739.5	24,705.4	25,591.2	26,392.2
Departmental Unallocated Provision	0.0	0.0	0.0	0.0	0.0	0.0	47.5	65.5	104.4
Total resource budget DEL	**39,006.7**	**44,326.2**	**46,919.1**	**49,708.6**	**26,164.1**	**26,974.7**	**29,032.1**	**30,066.0**	**31,010.7**
of which:									
Near-cash	39,008.8	44,330.8	46,856.3	49,673.4	26,002.0	26,869.0	28,878.7	29,868.6	30,799.3
of which:†									
Pay	233.3	229.5	274.4	329.7	346.1	332.1			
Procurement	560.9	616.6	652.2	660.3	600.1	610.8	766.2	762.7	713.3
Current grants and subsidies to the private sector and abroad	297.0	143.4	160.6	111.6	97.3	124.4	106.6	50.9	150.5
Current grants to local authorities	37,339.2	42,750.6	45,220.4	48,063.2	24,857.1	26,264.4	27,115.5	28,177.8	29,035.1
Depreciation	9.0	20.1	36.8	26.3	28.3	31.9	51.0	50.8	65.0

Annex B Table 2: Resource budget DEL and AME (continued)

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Resource AME									
Improving the supply and quality of housing	241.3	256.0	179.1	322.4	129.7	95.6	-125.7	-131.3	-206.1
Ensuring safer communities by providing the framework to prevent and respond to emergencies	0.0	0.5	0.0	0.1	173.3	153.0	199.8	209.8	225.4
Local and Regional Government	169.7	304.4	460.9	524.3	1,036.2	941.5	463.0	463.0	463.0
Total resource budget AME	**411.0**	**560.9**	**639.9**	**846.8**	**1,339.3**	**1,190.0**	**537.1**	**541.5**	**482.3**
of which:									
Near-cash	415.6	513.1	543.7	777.2	1,334.4	1,143.4	479.5	478.8	414.7
of which:†									
Pay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Procurement	0.0	0.0	0.0	0.0	0.1	0.4	0.0	0.0	0.0
Current grants and subsidies to the private sector and abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current grants to local authorities	169.7	304.4	478.4	535.3	1,202.7	1,094.1	662.8	672.8	688.4
Depreciation	0.0	48.1	96.7	71.2	0.0	45.6	58.0	63.0	68.0
Total resource budget	**39,417.7**	**44,887.0**	**47,559.0**	**50,555.3**	**27,503.4**	**28,164.7**	**29,569.2**	**30,607.5**	**31,493.0**

† 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 B Table 3: Capital Budget DEL and AME

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Capital DEL									
Supporting local government	0.0	0.0	0.0	0.0	33.8	69.2	0.0	0.0	0.0
Improving the supply and quality of housing	2,088.2	3,294.5	3,710.9	4,279.4	4,163.5	4,701.4	5,103.8	5,476.8	5,881.3
Building prosperous communities, promoting regeneration and tackling deprivation	869.9	1,145.1	1,125.7	1,117.8	1,103.5	1,116.0	1,706.7	1,622.5	1,407.0
Developing communities that are cohesive, active and resilient to extremism	4.7	2.5	5.8	0.0	0.0	0.0	0.0	0.0	0.0
Providing a more efficient, effective and transparent planning system	0.3	3.5	36.0	45.0	34.5	30.5	41.4	40.5	36.3
Ensuring safer communities by providing the framework to prevent and respond to emergencies	47.9	138.2	95.3	77.8	79.9	140.1	99.0	153.3	140.4
Central Administration	6.7	11.1	5.9	7.3	10.7	6.9	21.1	21.1	21.1
Government Office Administration	1.1	2.1	4.9	3.6	5.7	2.9	2.9	2.9	2.9
European Structural Funds – Communities and Local Government	38.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Queen Elizabeth II Conference Centre Executive Agency	-0.1	-0.1	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1
Local and Regional Government	202.2	214.0	256.8	315.8	223.3	34.2	87.1	107.1	93.1
Departmental Unallocated Provision	0.0	0.0	0.0	0.0	0.0	0.0	0.2	20.1	35.2
Total capital budget DEL	**3,259.0**	**4,810.8**	**5,241.2**	**5,846.6**	**5,654.8**	**6,101.2**	**7,062.1**	**7,444.1**	**7,617.1**
of which:									
Capital expenditure on fixed assets net of sales†	-5.8	-20.9	128.4	241.6	-87.1	-34.9	19.4	-17.5	55.1
Capital grants to the private sector and abroad	1,080.9	1,924.8	1,788.2	1,726.2	2,201.3	2,414.0	2,997.9	3,195.5	3,617.8
Net lending to private sector	-1.6	16.3	9.5	-0.3	0.2	-0.2	5.0	0.0	5.0
Capital support to public corporations	75.1	63.3	51.3	18.8	6.5	3.3	-0.1	1.9	-0.1
Capital support to local authorities††	1,327.0	1,774.2	2,319.3	2,898.6	2,579.3	2,826.4	2,464.0	2,710.8	2,520.8
Capital AME									
Local and Regional Government	55.5	125.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total capital budget AME	**55.5**	**125.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total capital budget	**3,314.5**	**4,936.2**	**5,241.2**	**5,846.6**	**5,654.8**	**6,101.2**	**7,062.1**	**7,444.1**	**7,617.1**
Of which:									
Capital expenditure on fixed assets net of sales†	-5.8	-20.9	128.4	241.6	-87.1	-34.9	19.4	-17.5	55.1
Less depreciation†††	9.0	68.3	133.5	97.5	28.3	77.6	109.0	113.8	133.0
Net capital expenditure on tangible fixed assets	-14.9	-89.2	-5.1	144.1	-115.4	-112.5	-89.6	-131.2	-78.0

† 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

B.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).

B.13 The capital employed by an organisation is reported in the balance sheet of its financial statements. 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 eg licences and intellectual property rights) or tangible (having physical form eg IT equipment, vehicles, plant and machinery)
- investments are fixed assets that represent funding provided to other organisations as equity (eg 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

B.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.

B.15 Years 2002-03 to 2003-04 exclude 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.

B.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.

B.17 Non Departmental Public Bodies' (NDPBs') current assets balances have been restated downwards by £77.9m, since publication of the 2006 Departmental Annual Report, to exclude grants in aid receivable from the Government.

Annex B Table 4: Capital employed

£thousands

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Assets on balance sheet at end of year:									
Fixed assets									
Intangible Fixed Assets	57	361	427	1,036	1,439	969	521	411	344
Tangible Fixed Assets	68,925	144,242	162,520	165,516	171,662	187,381	148,379	174,467	187,446
of which									
Land and Buildings, owned, excluding dwellings	29,088	26,748	28,001	28,740	33,270	32,952	32,638	32,326	32,017
Plant and machinery, owned	3,872	40,113	37,580	26,269	26,071	20,398	7,359	6,771	6,075
Transport equipment, owned	10,757	23,736	41,726	51,243	47,440	52,206	5,239	281	255
Information technology, owned	17,940	23,163	31,631	28,293	29,529	35,218	80,495	110,733	125,865
Payments on account and assets under construction	3,992	29,365	23,259	30,739	35,190	44,369	20,898	23,241	22,641
Other, owned	3,276	1,117	323	232	162	2,239	1,750	1,115	593
Investments	24,627	46,591	46,312	45,888	45,859	44,798	44,350	43,906	43,467
Current Assets	1,284,082	974,089	2,505,775	1,121,186	1,008,320	688,314	707,243	726,692	746,676
Creditors (<1 year)	-1,398,375	-1,186,186	-2,530,857	-1,534,588	-1,594,566	-1,828,752	-1,663,157	-1,707,761	-1,753,844
Creditors (>1 year)	-2	-8,868	-240,002	-265,913	-263,045	-310,124	-288,039	-295,816	-303,803
Provisions	-41,479	-56,668	-32,454	-21,211	-33,022	-33,756	-25,890	-23,829	-22,366
Capital employed within main department	**-62,165**	**-86,439**	**-88,278**	**-488,086**	**-663,353**	**-1,251,170**	**-1,076,593**	**-1,081,929**	**-1,102,078**
Non Departmental Public Bodies' net assets	641,024	752,758	935,234	1,460,481	1,492,269	1,740,671	1,786,602	2,653,124	2,636,970
Total capital employed in departmental group	**578,859**	**666,319**	**846,956**	**972,395**	**828,916**	**489,501**	**710,009**	**1,571,195**	**1,534,892**

Core Tables 5 and 5a: Administration costs

Comparisons with last year's report tables

B.18 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 2007. Since that time expenditure on equalities functions, including the new Equality and Human Rights Commission, has transferred to the new Government Equalities Office. Administration costs associated with those functions have been removed for all years for comparative purposes
- the 2006-07 estimated outturn has been replaced by the final outturn; the 2007-08 plans have been replaced by the estimated outturn; and the 2000-02 outturn figures have been removed, while the 3 new spending review years, 2008-09, 2009-10 and 2010-11 have been added.

Comparisons between years within this year's report

B.19 Table 5a below shows the split of the administration budget between near-cash (pay and non-pay) and non-cash (accounting charges).

B.20 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 B Table 5: Administration costs

£million

	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Administration Expenditure									
Paybill	149.6	176.1	191.3	217.7	215.1	196.9			
Other	91.2	139.2	153.6	125.0	131.2	141.5			
Total administration expenditure	**240.8**	**315.3**	**344.9**	**342.7**	**346.3**	**338.4**	**310.0**	**303.2**	**296.4**
Administration income	-14.6	-24.7	-33.7	-34.8	-53.1	-47.5	-29.8	-29.8	-29.8
Total administration budget	**226.2**	**290.6**	**311.2**	**307.9**	**293.2**	**290.9**	**280.2**	**273.4**	**266.6**
Analysis by activity									
Central Administration	115.5	156.7	169.8	169.3	158.4	170.3	180.9	176.6	172.3
Government Office Administration	110.7	133.8	141.4	138.7	134.8	120.4	99.3	96.8	94.3
Total administration budget	**226.2**	**290.6**	**311.2**	**307.9**	**293.2**	**290.9**	**280.2**	**273.4**	**266.6**

Note This table only records resource costs which are included in the Administration Budget, unlike Tables 1 and 2 where the administration line includes other resource costs eg Ordnance Survey.

Annex B Table 5a: Administration costs

£million

	2005-06 Outturn	2006-07 Outturn	2007-08 Estimated Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans
Near-cash	354.3	351.5	331.1	298.1	291.5	285.1
Non-cash	-11.6	-5.2	6.1	11.9	11.7	11.3
Receipts	-34.8	-53.1	-47.5	-29.8	-29.8	-29.8
Total	**307.9**	**293.2**	**290.9**	**280.2**	**273.4**	**266.6**

B.21 Government Office administration costs for future years do not include around £6.3m being held against the central Department's administration budget for transfer in-year in Supplementary Estimates if required.

B.22 Additional funding of £1.4m was transferred to the Government Offices by sponsor departments in 2007-08 to fund an early release scheme for staff as part of the implementation of the Government Office Review.

B.23 The large increase in receipts for 2006-07 and 2007-08 is due to a change in the way funding to the Government Office network has been handled. In previous years any baseline funding, agreed in a spending review, and in-year additional funding was managed by a resource transfer in a supplementary estimate. This year, sponsor departments decided to continue to use a system of hard charging, so an additional £17.7m of receipts cover was needed.

Annex B Table 6: Staffing

	2006-07 Actual[2]	2007-08 Planned[3,5]	2008–09 Planned[3]
Communities and Local Government[1]			
Permanent staff[4]	2,175	2,040	1,938
Fixed Term Appointments	70	84	80
Total	**2,245**	**2,124**	**2,018**
Communities and Local Government staff in the Government Offices			
Permanent staff[4]	750	724	689
Fixed Term Appointments	5	22	20
Total	**755**	**746**	**709**
Planning Inspectorate			
Permanent staff[4]	749	780	773
Fixed Term Appointments	30	29	0
Total	**779**	**809**	**773**
QEII Conference Centre			
Permanent staff[4]	50	52	52
Fixed Term Appointments	2	0	0
Total	**52**	**52**	**52**
The Fire Service College			
Permanent staff[4]	231	236	224
Fixed Term Appointments	3	0	0
Total	**234**	**236**	**224**
Total Department	**4,065**	**3,967**	**3,776**

1. Figures for executive NDPBs not included.
2. As at 31 March 2007.
3. Figures based on projections as at 31 December 2007.
4. Includes staff on inward loan and inward secondment and staff on paid maternity leave, paid outward loans and secondment and long-term sick.

5 There are a further 67 Government Equalities Office staff who are currently recorded as part of the Department in Office for National Statistics purposes but who are excluded from this table.

This table shows staff numbers including those for the Department's staff working in Government Offices and the Departmental Executive Agencies. Numbers overall are reducing in line with Departmental targets which are covered at Chapter 9.11.

Core Tables 7, 8 and 9: Expenditure on services by region

B.24 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 2008* (PESA 2008) rather than Core Tables 1, 2 and 3. There 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 according to the internationally recognised 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 2008. 2008-09 figures consistent with Main Estimates	Data as at December 2007. 2008-09 figures not necessarily consistent with Main Estimates

B.25 *Public Expenditure Statistical Analyses 2008* contains more tables analysed by region- for all Departments- and also explains how the data was collected and the basis for allocating expenditure between countries and regions.

B.26 Some important points to note are:

- certain expenditure is considered to be 'non-identifiable' ie 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
- expenditure on functions relates to the current Departmental responsibilities following the May 2007 Machinery of Government changes
- 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. 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 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 2008.

Comparison with last year's report tables

B27 Overall totals and expenditure in London are higher than shown in last year's report. This arises largely because of a reclassification of the payments which Communities and Local Government makes in support of the London Development Agency (LDA), a local authority body. The Department's payments in support of the LDA were classified as grants to local authorities (and outside the coverage of tables 7, 8 and 9) in previous annual reports. This year, they have been reclassified as payments within central government as they are paid via the Department for Business, Enterprise and Regulatory Reform (BERR) and are now included in these tables for the first time.

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

£million

	2002-03 Outturn	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	280.4	361.6	337.2	330.3	333.7	347.6	343.6	354.9	345.5
North West	544.9	682.7	630.0	693.9	613.7	666.8	562.1	622.8	671.5
Yorkshire and the Humber	370.9	452.7	479.0	430.8	475.8	464.8	417.8	457.1	426.1
East Midlands	243.4	285.0	300.2	232.6	284.2	304.8	409.1	451.3	586.9
West Midlands	393.3	478.8	425.2	388.8	409.1	438.7	512.7	581.8	712.6
Eastern	224.5	309.4	302.8	329.3	330.2	436.0	661.9	712.2	854.4
London	1,192.2	1,411.0	1,403.1	1,689.0	1,748.7	1,696.6	1,350.5	1,432.0	1,247.9
South East	368.1	627.2	556.4	561.8	463.5	573.4	842.7	932.6	1,083.3
South West	272.4	299.1	296.9	267.8	329.9	427.3	566.4	624.1	683.0
Total England	**3,890.0**	**4,907.5**	**4,730.8**	**4,924.2**	**4,988.7**	**5,356.1**	**5,666.8**	**6,168.8**	**6,611.2**
Scotland	2.6	3.6	4.6	5.8	5.5	12.6	16.6	11.9	5.9
Wales	7.5	4.4	5.7	6.0	7.0	6.6	7.4	5.3	3.3
Northern Ireland	0.4	0.4	0.4	0.4	0.5	0.3	0.3	0.3	0.3
Total UK identifiable expenditure	**3,900.4**	**4,915.9**	**4,741.4**	**4,936.4**	**5,001.8**	**5,375.6**	**5,691.1**	**6,186.3**	**6,620.7**
Outside UK	0.0	0.0	0.6	3.2	2.5	3.0	2.3	2.4	2.1
Total identifiable expenditure	**3,900.4**	**4,915.9**	**4,742.0**	**4,939.6**	**5,004.3**	**5,378.6**	**5,693.3**	**6,188.7**	**6,622.8**
Non-identifiable expenditure	0.2	2.3	4.1	2.6	1.3	0.6	597.6	646.9	554.7
Total expenditure on services	**3,900.6**	**4,918.2**	**4,746.1**	**4,942.2**	**5,005.6**	**5,379.2**	**6,290.9**	**6,835.6**	**7,177.4**

Annex B Table 8: Identifiable expenditure on services by country and region, per head

£ per head

	2002-03 Outturn	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	110.3	142.3	132.6	129.5	130.6	136.4	134.4	138.4	134.3
North West	80.4	100.4	92.4	101.4	89.6	96.7	81.0	89.3	95.7
Yorkshire and the Humber	74.1	90.0	94.6	84.3	92.5	90.0	80.3	87.1	80.5
East Midlands	57.7	67.0	70.0	53.7	65.1	69.4	92.3	100.8	129.9
West Midlands	74.3	90.1	79.8	72.7	76.2	81.4	94.6	106.7	130.0
Eastern	41.3	56.5	54.9	59.2	58.9	77.0	115.8	123.3	146.5
London	161.9	191.6	189.9	226.5	232.8	223.9	176.8	185.9	160.7
South East	45.7	77.6	68.5	68.6	56.3	69.2	100.8	110.7	127.6
South West	54.8	59.8	58.9	52.6	64.4	82.6	108.5	118.4	128.2
Total England	**78.3**	**98.4**	**94.4**	**97.6**	**98.3**	**104.8**	**110.1**	**118.9**	**126.4**
Scotland	0.5	0.7	0.9	1.1	1.1	2.5	3.2	2.3	1.1
Wales	2.6	1.5	1.9	2.0	2.4	2.2	2.5	1.8	1.1
Northern Ireland	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Total UK identifiable expenditure	**65.7**	**82.5**	**79.2**	**81.9**	**82.6**	**88.2**	**92.7**	**100.0**	**106.3**

Annex B Table 9: Identifiable expenditure on services, by function, country and region, for 2006-07

£million

	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	Eastern	London	South East	South West	England	Scotland	Wales	Northern Ireland	UK Identifiable expenditure	OUTSIDE UK	Total Identifiable expenditure	Not Identifiable	Totals
COMMUNITIES AND LOCAL GOVERNMENT																		
General public services																		
Executive and legislative organs, financial and fiscal affairs, external affairs	35.6	74.8	55.2	44.6	58.4	51.9	104.5	70.7	52.3	547.9	0.1	0.0	0.0	548.0	0.0	548.0	1.0	549.0
Foreign economic aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5	0.0	2.5
General services	2.1	5.8	4.4	3.6	4.6	4.7	6.4	7.0	4.4	42.7	2.3	1.3	0.0	46.4	0.0	46.4	0.3	46.7
R&D general public services	0.5	1.5	1.1	0.9	1.1	1.2	1.6	1.8	1.1	10.8	0.8	0.4	0.3	12.2	0.0	12.2	0.0	12.2
General public services n.e.c.	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7	0.0	0.0	0.0	0.7	0.0	0.7	0.0	0.7
Total general public services	**38.2**	**82.1**	**60.7**	**49.1**	**64.2**	**57.8**	**112.6**	**79.7**	**57.7**	**602.1**	**3.1**	**1.8**	**0.3**	**607.3**	**2.5**	**609.8**	**1.3**	**611.1**
Defence																		
Civil defence	2.9	3.0	1.2	2.1	3.2	1.7	4.4	4.9	3.5	27.1	0.0	0.0	0.0	27.1	0.0	27.1	0.0	27.1
Total defence	**2.9**	**3.0**	**1.2**	**2.1**	**3.2**	**1.7**	**4.4**	**4.9**	**3.5**	**27.1**	**0.0**	**0.0**	**0.0**	**27.1**	**0.0**	**27.1**	**0.0**	**27.1**
Public order and safety																		
Fire-protection services	2.0	5.0	3.5	0.7	4.0	3.3	5.9	6.3	3.7	34.3	2.1	0.7	0.0	37.1	0.0	37.1	0.0	37.1
Total public order and safety	**2.0**	**5.0**	**3.5**	**0.7**	**4.0**	**3.3**	**5.9**	**6.3**	**3.7**	**34.3**	**2.1**	**0.7**	**0.0**	**37.1**	**0.0**	**37.1**	**0.0**	**37.1**
Economic affairs																		
General economic, commercial and labour affairs	188.7	269.4	209.2	107.6	191.8	91.1	280.5	112.9	113.1	1,564.2	0.0	0.0	0.0	1,564.3	0.0	1,564.3	0.0	1,564.3
Economic affairs n.e.c.	10.0	29.8	21.2	6.1	12.1	6.1	3.3	3.1	3.7	95.3	0.0	0.0	0.0	95.3	0.0	95.3	0.0	95.3
Total economic affairs	**198.7**	**299.2**	**230.3**	**113.7**	**203.9**	**97.2**	**283.8**	**116.0**	**116.7**	**1,659.6**	**0.0**	**0.0**	**0.0**	**1,659.6**	**0.0**	**1,659.6**	**0.0**	**1,659.6**
Environment protection																		
Protection of biodiversity and landscape	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.5	0.0	0.5	0.0	0.5
Environment protection n.e.c	1.6	2.4	2.1	1.9	2.1	2.2	2.5	2.6	2.1	19.5	0.0	0.0	0.0	19.5	0.0	19.5	0.0	19.5
Total environment protection	**1.6**	**2.9**	**2.1**	**1.9**	**2.1**	**2.2**	**2.5**	**2.6**	**2.1**	**20.0**	**0.0**	**0.0**	**0.0**	**20.0**	**0.0**	**20.0**	**0.0**	**20.0**

Annex B Table 9: Identifiable expenditure on services, by function, country and region, for 2006-07 (continued)

£million

	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	Eastern	London	South East	South West	England	Scotland	Wales	Northern Ireland	UK Identifiable expenditure	OUTSIDE UK	Total Identifiable expenditure	Not Identifiable	Totals
Housing and community amenities																		
Housing development	71.1	218.2	143.9	88.2	101.6	135.8	1,286.6	254.1	124.2	2,423.7	0.1	0.1	0.1	2,424.0	0.0	2,424.0	0.0	2,424.0
of which: local authority housing	10.3	81.0	29.7	-24.5	-12.4	-76.7	257.0	-70.5	-28.5	165.4	0.1	0.1	0.1	165.7	0.0	165.7	0.0	165.7
of which: other social housing	60.8	137.2	114.2	112.7	114.0	212.4	1,029.6	324.5	152.7	2,258.2	0.0	0.0	0.0	2,258.2	0.0	2,258.2	0.0	2,258.2
Community development	12.2	-11.8	22.7	20.6	19.6	23.2	13.4	-11.7	13.4	101.7	0.2	4.4	0.2	106.4	0.0	106.4	0.0	106.4
Housing and community amenities n.e.c.	6.0	13.4	9.7	6.4	9.2	7.0	21.0	10.2	7.0	89.8	0.0	0.0	0.0	89.8	0.0	89.8	0.0	89.8
Total housing and community amenities	**89.3**	**219.8**	**176.3**	**115.3**	**130.4**	**166.0**	**1,321.0**	**252.6**	**144.5**	**2,615.1**	**0.3**	**4.5**	**0.3**	**2,620.1**	**0.0**	**2,620.1**	**0.0**	**2,620.1**
Social protection																		
Old age	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.3
Housing	0.0	0.0	0.3	0.3	0.2	1.1	0.0	0.0	0.0	1.9	0.0	0.0	0.0	1.9	0.0	1.9	0.0	1.9
Social exclusion n.e.c.	0.8	1.7	1.4	1.1	1.1	1.0	18.2	1.4	1.7	28.4	0.0	0.0	0.0	28.4	0.0	28.4	0.0	28.4
of which: personal social services	0.8	1.7	1.4	1.1	1.1	1.0	18.2	1.4	1.7	28.4	0.0	0.0	0.0	28.4	0.0	28.4	0.0	28.4
of which: family benefits, income support and tax credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total social protection	**0.8**	**1.7**	**1.7**	**1.4**	**1.3**	**2.1**	**18.5**	**1.4**	**1.7**	**30.6**	**0.0**	**0.0**	**0.0**	**30.6**	**0.0**	**30.6**	**0.0**	**30.6**
TOTAL COMMUNITIES AND LOCAL GOVERNMENT	**333.7**	**613.7**	**475.7**	**284.2**	**409.1**	**330.2**	**1,748.7**	**463.5**	**329.9**	**4,988.7**	**5.5**	**7.0**	**0.5**	**5,001.8**	**2.5**	**5,004.2**	**1.3**	**5,005.5**

Annex C: Departmental Strategic Objectives and supporting indicators

The Comprehensive Spending Review in October 2007 set out our new Departmental Strategic Objectives (DSOs). These represent the full range of the Department's business and reflect the contributions that Communities and Local Government will make to the new 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.

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 Differential gaps in participation in civic society – the composite change in the gap between involvement rates of disadvantaged groups by comparison with non-disadvantaged groups.

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.

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.

DSO3: 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.

3.2 Previously developed land that has been vacant or derelict for more than 5 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.

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 domestic 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 change.**

5.1 Annual housing provision in RSSs to reflect by 2011 the target of 240,000 new homes a year by 2016.

5.2 Local Planning Authorities (LPAs) 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 focussed, 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.

DSO6: 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.

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 Use of Resources and Direction of Travel assessments for Fire and Rescue Authorities in England.

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

* It is our intention to also develop indicators to cover perceptions of the planning process and the quality of design.

Annex D: Executive Agencies and Public Bodies

The Department is responsible for three executive agencies, Ordnance Survey, a number of executive and advisory non-departmental public bodies (NDPBs) and, through the Regional Co-ordination Unit (RCU), the efficient and effective operation of nine government offices. The 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, at Moreton-in-Marsh, is the central training establishment for the UK Fire and Rescue Service. It has Trading Fund status. It provides a wide range of specialist operational incident command and New Dimension training centred on its unique incident ground. Its Organisational Development Centre also provided a comprehensive suite of courses and development, programmes, including leadership.

The Planning Inspectorate

The Planning Inspectorate is a Vote-funded Executive Agency of both the Department and the National Assembly for Wales. Its main work is the processing of planning and enforcement appeals. It also deals with a range of other casework including; reporting on called-in planning applications, (in England) the independent examination of Development Plan Documents and Statements of Community Involvement prepared by local planning authorities, advertisement appeals, reporting on inquiries into compulsory purchase orders, and cases arising from the Environmental Protection and Water Acts.

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.

Ordnance Survey

Ordnance Survey is Great Britain's national mapping agency. Its HQ is 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.

Public Corporations

Audit Commission

The Audit Commission appoints auditors to local authorities and National Health Service (NHS) bodies in England, carries out inspections of local authorities and registered social landlords and reports on the performance of local authorities in Comprehensive Performance Assessments.

Architects Registration Board

The Architects Registration Board (ARB) was set up under the Architects Act 1997. The ARB's duties are to maintain the Register of architects, prescribe qualifications for entry to the Register, deal with competence to practise, issue a Code which lays down standards of professional conduct and practice and, regulate use of the title 'architect' and prosecute those who use it fraudulently.

Executive Non-Departmental Public Bodies

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

English Partnerships is the national regeneration agency. Its aim is to help the Government deliver and support high-quality sustainable growth. English Partnerships has continued to play an important role in helping to make design, quality and sustainability the norm across the regeneration and development industry. It has 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 our towns and cities. It works to a number of core business areas through which their objectives are delivered:

- driving forward the Housing green paper commitments on surplus or underused public sector land and developing the Local Housing Company initiative to meet Government targets for new homes
- acting as the Government's specialist advisor on brownfield land
- helping to create communities where people can afford to live and want to live

Subject to the passage of the Housing and Regeneration Bill, English Partnerships will become part of the Homes and Communities Agency.

Firebuy

Firebuy was established in 2006 to deliver Fire and Rescue Service procurement at a national level. It acts as the specialist procurement agency focusing on fire service-specific equipment, in particular, appliances and clothing. It is developing output-based specifications and setting up call-off contracts for the English Fire and Rescue Service as well as improving technical investigations and standard-setting. It will take the lead on subsequent contract management and service level monitoring.

Housing Action Trusts

Housing Action Trusts (HATs) were established under the Housing Act 1988 to manage and take a holistic approach to regenerating run down council estates. All of the HATs have completed their work and have closed; North Hull in 1999, Waltham Forest in 2002, Tower Hamlets in 2004, Castle Vale (Birmingham) and Liverpool in 2005 and Stonebridge (Brent) in 2007.

The Housing Corporation

The Housing Corporation funds new affordable housing and regulates housing associations in England. It contributes to developing and implementing regional and national housing strategies, using public subsidy to procure affordable housing. It is also the statutory regulator for housing associations, and drives improvements in housing association efficiency and performance. Subject to the passage of the Housing and Regeneration Bill, the investment programmes of the Housing Corporation will become part of the new Homes and Communities Agency bringing together affordable housing investment and regeneration. At the same time the Housing Corporation's regulatory function will become the Office for Tenants and Social Landlords which will work closely with the HCA to ensure the continued good management of social housing.

Housing Ombudsman Service

The Independent Housing Ombudsman Limited administers the Housing Ombudsman Service (HOS). The HOS deals with complaints from tenants and residents of member landlords. These consist of registered social landlords, along with those landlords who choose to join the scheme on a voluntary basis.

Leasehold Advisory Service

The Leasehold Advisory Service (LEASE), established in 1994, provides free initial legal advice and information to leaseholders, landlords, professional advisers, managers and others on the law affecting residential leasehold and commonhold, and runs a mediation service for resolving landlord and tenant leasehold disputes.

LEASE also provides information and advice to Government on leasehold and commonhold matters through agreed business programmes and seeks, as part of its remit, to improve management in the residential leasehold sector.

London Thames Gateway Development Corporation

The Corporation has made good progress in utilising 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.

Standards Board for England

The Standards Board for England (SBE) is the strategic regulator for the assessment and investigation of allegations of misconduct by local councillors. SBE also promotes high standards of conduct by providing guidance, training and support to local authorities' standards committees, monitoring officers and council members. The SBE relocated 90 posts to Manchester during 2007-08.

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.

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

The West Northamptonshire Urban Development Corporation (WNDC) was established in late 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. WNDC is the local planning authority for all significant and strategic planning applications in those towns and for minor applications in Northampton Town Centre. West Northamptonshire aims to deliver 47,000 new houses and 37,500 new jobs by 2021.

Advisory Non-Departmental Public Bodies

Advisory Panel on Beacon Councils

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

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 and in practice they work closely with officials in the Department's Sustainable Buildings Division.

National Community Forum

The National Community Forum acts as a critical friend, or sounding board, to the Department. Its members are active voluntary workers in their communities and provide Ministers and officials with grassroots advice and intelligence on the impact, or potential impact, of Government policies on local communities.

National Housing and Planning Advice Unit

The National Housing and Planning Advice Unit provides independent advice on improving housing market affordability and strengthens the evidence and analysis available to the regional planning bodies throughout the planning process.

Equality and Diversity in Public Appointments

Appointments to the Department's public bodies are made following the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Public Bodies. Ministers are committed to achieving greater diversity in public appointments and follow the seven principles that underpin the Code of Practice. 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. As at 31 March 2007 (the most recent period for which full information is available), we had exceeded two of our three targets for OCPA-regulated appointments, with 40 per cent of appointees women (against a target of 38 per cent for 2007-09) and 15.9 per cent Black and minority ethnic (against a target of 13 per cent). We have not yet reached our target for people registering a disability (currently 3.8 per cent against a target of five per cent). A full Public Appointments Plan detailing our policy and practice including measures and targets set to improve diversity will be published with the Department's 'Public Bodies' return in autumn 2008.

Annex D Table 1: Administration costs for larger NDPBs

£million

NDPB	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 outturn	2007-08 estimated	2008-09 plans	2009-10 plans
English Partnerships: Commission for the New Towns	15.9	18.8	17.5	19.0	18.2	17.1	17.1	
English Partnerships: Urban Regeneration Agency	13.8	17.6	23.0	28.5	30.4	33.9	34.9	
Housing Corporation	37.9	39.8	38.9	38.7	38.1	42.4	40.6	
Standards Board for England	6.1	7.9	8.9	9.1	9.4	10.3	8.25	8.00

Housing Corporation and English Partnership figures for 2009-10 have not been provided as by this date they will, assuming that legislation goes ahead, have been replaced by the Homes and Communities Agency and the Office for Tenants and Social Landlords.

Annex E: Public Accounts Committee reports

Low Cost Home Ownership

NAO Report, 14 July 2006 (HC 1048 2005-06)
PAC Hearing, 4 December 2006
PAC 19th Report, 27 March 2007 (HC134 2006-07)
Treasury Minute, 23 May 2007 (Cmnd 7077)

The Department provides financial assistance, through the Housing Corporation and Registered Social Landlords, to social tenants, key workers and other first time buyers, who would otherwise to be unable to buy a home. The Public Accounts Committee report, based on the value for money study by the National Audit Office, examined how better targeting and further refining of the low cost home ownership programme, could improve efficiency and help more households into home ownership. A number of conclusions and recommendations emerged from the Committee's report:

- Communities and Local Government should extend existing modelling of the national impact of financial assistance to purchasers to include an assessment of its impact on local housing markets
- Better information is required on what happens to low cost home ownership properties after their initial purchase
- The Department should establish a target for the amount of assistance directed at social tenants. (Targeting low cost ownership at social housing tenants is especially cost effective as it frees up a social rent home for half the cost to the taxpayer of building a new social rented property)
- Registered social landlords and local authorities need to work together to improve the quality of waiting list information to target assistance better at those households who can afford part purchase
- Improvements are required to registered social landlords' assessments of applicants' finances. All beneficiaries should be encouraged to buy as large a share of a property which they can safely afford. If registered social landlords had encouraged all beneficiaries in 2004-05 to buy as large a share as they could afford, an additional £63m could have been available to help 3,420 additional households
- Communities and Local Government needs to press ahead with plans to develop an option whereby households can buy 50 to 70 per cent of an open

market property (rather than 75 per cent) so that the scheme is affordable to those on lower incomes

- Government should carry out a full cost benefit analysis of assistance to key workers, including a comparison of its performance against other measures being taken to assist recruitment and retention of key workers
- Key worker institutions with the greatest recruitment and retention problems need to be identified and taken into account when determining future criteria for assistance
- The Department and the Housing Corporation should require participating employers to apply controls for the recovery of assistance to key public sector workers who receive assistance by sole virtue of their employment and are required to repay the assistance if they subsequently leave eligible employment
- The new arrangements for funding Open Market HomeBuy (from October 2006) mean that private lenders, rather than the affordable housing sector, will benefit from any rises in the equity value of homes bought with assistance
- The Housing Corporation needs to clarify whether it has the necessary powers to ensure registered social landlords reinvest substantial gains made from their involvement in low cost home ownership back into the provision of affordable housing
- The Housing Corporation should work to overcome any obstacles to registered social landlords raising additional funding through using their equity stakes (valued at potentially between £610m and £720m) in low cost home ownership properties as security to raise extra borrowing from commercial lenders

The Government's response was:

- There is no evidence that low cost home ownership is increasing demand in property 'hot spots' but Communities and Local Government will consider ways in which this analysis can be done, particularly when carrying out future evaluations of low cost home ownership assistance
- The Housing Corporation has signalled its intention to collect information on the purchase of further shares from April 2008
- The Government confirmed that social tenants are a first priority for low cost home ownership assistance and that HomeBuy Agents have been tasked with improving targeting of social tenants in their areas
- Since April 2006 23 HomeBuy Agents have been tasked with holding waiting lists for low cost home ownership assistance and handling the entire

application process, including carrying out robust eligibility and affordability checks for Open Market and New Build HomeBuy

- The Housing Corporation revised its advice from May 2007 and recommends that HomeBuy Agents adopt the standard best practice affordability assessment guide and accompanying calculator (provided by the Housing Corporation)
- Providing equity loans in partnership with mortgage lenders enables the Government to stretch funding and help more people. The Department is seeking to develop an alternative option through a competition launched in summer 2007 for organisations to provide shared equity mortgages under Open Market HomeBuy and help households, including social tenants and key workers, who are only able to purchase a 50-70 per cent share
- Sponsor departments (Health, Children, Schools and Families and the Home Office) will carry out further analysis to compare the impact of the programme for key workers with other recruitment and retention incentives and build on the findings of the previous independent evaluation of Key Worker Living (2006)
- Communities and Local Government already gathers comprehensive information on take-up rates within each core sector of health, education and community safety and has explored targeting assistance on specific institutions within the core sectors but rejected it on the basis that this could create a perverse employment incentive. HomeBuy Agents, through their contract, are required to adopt a rigorous and consistent approach to marketing and liaise with local employers to ensure effective targeting of assistance to eligible groups
- There is no evidence that controls on the recovery of assistance when key workers leave qualifying employment are inadequate. Spot audit checks in 2005, 2006 and 2007 reported no problems. The Department has carried out a review of employers' tracking mechanisms and is satisfied that the majority have robust systems in place. Registered social landlords are required to check with key worker employers on an annual basis that the key worker remains in employment and confirm to the Housing Corporation that this check has been carried out
- From October 2006 participating lenders offer a regular mortgage combined with an equity loan of 12.5 per cent alongside a 12.5 per cent Government equity loan provided through a HomeBuy Agent. Previously, the 25 per cent equity loan was provided by the Government alone so the new arrangements stretch government funding to enable more households to be helped. On repaying the equity loan purchasers are required to share any increase in the property's value with the lender and the HomeBuy Agent. Although part of

the gains arising from equity loans now go to lenders, the funding available to HomeBuy Agents has not been reduced so potentially HomeBuy Agents can offer more loans to more people and receive the equivalent equity gains

- Following legal advice, the Housing Corporation has confidence that it can recover (via registered social landlords' Recycled Capital Grant Funds) an amount above the grant given, including an amount linked to the value of low cost home ownership properties at initial sale and on the purchase of subsequent shares. Subject to consultation, the Housing Corporation plans to make the proposed change from April 2008
- The Housing Corporation produced guidance in February 2007 *Unlocking the Door: Delivering more homes from the Comprehensive Spending Review* which includes analysis of the potential for additional RSL borrowing and this has been followed up with a number of meetings with key individual associations

Since the publication of the Government's response in May 2007, the Department has continued to improve the efficiency of its low cost home ownership assistance, including through the Housing Corporation's 2008-11 programme. The shared equity competition has resulted in a more affordable product with equity loans for purchasers of up to 50 per cent of the market value part funded by registered social landlords. The National Audit Office has followed up progress on their recommendations and found that £33.5m has been released back into the registered social landlord sector by matching the subsidy provided to purchasers' needs more precisely. The Department aims to assist 25,000 households a year from 2008-09 into home ownership, funded mainly through the Housing Corporation.

Thames Gateway: Laying the Foundations

NAO Report, 23 May 2007 (HC 526 2006-07)
PAC Hearing, 13 June 2007
PAC 62nd Report, 15 November 2007 (HC 693)
Treasury Minute, 21 February 2008 (Cmnd 7322)

The Thames Gateway is Europe's largest regeneration and new housing programme and is managed by Communities and Local Government. It focuses on the area between Canary Wharf in London and the mouth of the River Thames, a length of approximately 40 miles. *The Thames Gateway: Laying the Foundations* was based on fieldwork undertaken by the National Audit Office in 2006. A number of conclusions and recommendations emerged:

- Communities and Local Government's programme management systems were not commensurate with the programme's size and scale of ambition. Operational management should therefore be delegated to the Homes and Communities Agency
- Members of the cross-government board should embed the Thames Gateway programme into their department's core work on the basis of explicit and mutually agreed commitments defining their part in the programme, and responsibility for delivering it
- Communities and Local Government needed to translate the vision for the programme into comprehensive and measurable objectives, and should develop robust systems to measure progress
- The delivery chain is complex – government should establish and set out the roles of each of the organisations involved to avoid any unwarranted overlap of responsibilities or duplication
- Communities and Local Government should publish annual reports on the programme's progress
- Communities and Local Government agreed to publish a costed plan for the Thames Gateway in November 2007. This should cost all the steps necessary to achieve the government's vision
- Communities and Local Government should consider the impact on existing residents in developing its strategy, implementation plan and project appraisals, so that both existing and new residents share in the benefits of regeneration
- Communities and Local Government needs to establish a clear management and performance monitoring framework for the nine local regeneration partnerships created to coordinate local planning and projects
- Communities and Local Government should engage Members of Parliament more systematically through the Thames Gateway parliamentary group and on an individual basis
- Communities and Local Government should seek advice from institutional investors and developers on how to engage the City and private investors. In addition, Communities and Local Government should develop a coordinated marketing campaign to raise awareness of the programme and attract investors, employers and new residents to the area

The Government's response was:

Action undertaken by Communities and Local Government to respond to the new vision for the Gateway set out by David Miliband and Yvette Cooper in November 2006 had anticipated many of the Committee's recommendations, particularly by developing a new programme management framework.

The Prime Minister launched the Thames Gateway Delivery Plan in November 2007, announcing a cross- Government funding package of over £9bn. This is a new phase for delivery in the Gateway and answers many of the questions developers and local authorities have posed about strategy and the Government's financial commitment.

In addition:

- On 10 January 2008 Communities and Local Government confirmed that the Thames Gateway Executive's delivery responsibilities would transfer to the Homes and Communities Agency. The Homes and Communities Agency, with its expertise in housing and regeneration, will be well-placed to build on the success of the Thames Gateway Executive and drive forward the commitments in the delivery plan. Responsibility for overall strategy will remain with Communities and Local Government
- Communities and Local Government's management of the programme through the Thames Gateway Executive has contributed significantly to recent achievements in the Gateway. Key projects have advanced significantly: the opening of High Speed 1 with St Pancras and Ebbsfleet stations; planning permissions for the new container port at London Gateway, residential development at Eastern Quarry, Dartford and Barking Riverside, and Government commitment to constructing Crossrail
- A cross-government Board to co-ordinate Whitehall interests was introduced in March 2007, in advance of the report's publication. The board was instrumental in developing the package of funding set out in the Delivery Plan
- The Thames Gateway Delivery Plan sets out how Communities and Local Government will achieve value for money from its £500m investment in the Thames Gateway over the next three years
- Communities and Local Government has established a comprehensive programme management framework to ensure that the optimum programmes and projects are selected for funding. All programmes seeking government support have been appraised consistently against four criteria: strategic fit to spatial and economic priorities; outputs such as housing numbers; financial soundness; and deliverability

- The Department believes that the partnership approach to delivery in the Gateway has the advantages of bringing stronger congruence between central and local government, local accountability, local knowledge, flexibility of delivery and ability to bring in expertise
- The Government is taking a number of steps to simplify delivery arrangements and reporting procedures for these delivery partners. The new local government performance framework will significantly reduce the reporting burden upon local authorities and their partners
- The Government is dedicated to ensuring that the economic benefits of the regeneration of the Gateway are shared by its existing residents. Existing residents will enjoy improved access to skills development opportunities; an improved environment as a result of investment in the Thames Gateway Parklands; and will experience improved infrastructure following the expansion of the Docklands Light Railway, and other transport schemes supported by the Community Infrastructure Fund (CIF)
- A robust performance monitoring mechanism is in place for the local regeneration partnerships (LRPs) in the Thames Gateway, including the two Urban Development Corporations (UDCs) its sponsors directly. The two UDCs are required to produce three year Corporate Plans, which are signed off by Ministers. In order to secure funding the LRPs are required to produce a business plan which has to be agreed by both the Board of the LRP and by the department before any funds are released
- The Department is seeking the views of Thames Gateway MPs on how communication and dialogue can be improved
- As public sector investment bears fruit, the department estimates that up to £43bn of private sector investment could come into the Gateway over the next 20 years. In the Thames Gateway Delivery Plan, we committed to establish an Investors' Group to ensure a continuing dialogue with investors and provide a clear point of contact
- The Department is also discussing with the investment organisations, principally UKTI and the RDAs, a single approach to be established in 2008 for handling inward investment inquiries for the Thames Gateway as a whole.

Annex F: Glossary of acronyms and abbreviations

ACE	Adults facing Chronic Exclusion
ALMOs	Arms Length Management Organisations
AME	Annually Managed Expenditure
APOS	Advisory Panel on Standards
ARB	Architects Registration Board
ASHE	Annual Survey of Hours and Earnings
ATCAs	Areas of Town Centre Activity
BCS	British Crime Survey
BERR	Department for Business, Enterprise and Regulatory Reform
BRAC	Building Regulations Advisory Committee
BVPI	Best Value Performance Indicator
CAA	Comprehensive Area Assessment
CABE	Commission for Architecture and the Built Environment
CDF	Community Development Foundation
CIF	Communities Infrastructure Fund
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance and Accountancy
COFOG	Classification of Functions of Government
CPA	Comprehensive Performance Assessment
CSR07	Comprehensive Spending Review 2007
DCSF	Department for Children, Schools and Families
DEC	Display Energy Certificate
DEFRA	Department for Environment, Food and Rural Affairs
DEL	Departmental Expenditure Limit
DfT	Department for Transport
DH	Department of Health
DIUS	Department for Innovation, Universities and Skills
DPD	Development Plan Document
DSC	Delivery Sub-Committee

DSO	Departmental Strategic Objective
DWP	Department for Work and Pensions
EHCS	English House Condition Survey
EHS	English Housing Survey
EOC	Equal Opportunities Commission
EPCs	Energy Performance Certificates
ERDF	European Regional Development Fund
ESOL	English for Speakers of Other Languages
ETN	Efficiency Technical Note
EU	European Union
FRA	Fire and Rescue Authority
FRS	Fire and Rescue Service
FTE	Full Time Equivalent
FTI	Floor Targets Interactive
GEO	Government Equalities Office
GLA	Greater London Authority
GOs	Government Offices
GSE	Greater South East
GVA	Gross Value Added
Ha	Hectares
HATs	Housing Action Trusts
HCA	Homes and Communities Agency
HCIP	Hostels Capital Improvement Programme
HHSRS	Housing Health and Safety Rating System
HIPs	Home Information Packs
HMO	Houses in Multiple Occupation
HMT	Her Majesty's Treasury
HOS	Housing Ombudsman Service
HPDG	Housing and Planning Delivery Grant
HR	Human Resources
IA	Impact Assessment
IMD	Indices of Multiple Deprivation
IOSS	Improving Opportunity, Strengthening Society

IPC	Infrastructure Planning Commission
IRS	Incident Reporting System
KS3	Key Stage 3
LA	Local Authority
LAA	Local Area Agreement
LDA	London Development Agency
LDFs	Local Development Frameworks
LDS	Local Development Scheme
LEASE	Leasehold Advisory Service
LEGI	Local Enterprise Growth Initiative
LG	Local Government
LGA	Local Government Association
LG DEL	Local Government Departmental Expenditure Limit
LPA	Local Planning Authority
LPSA	Local Government Public Service Agreements Performance Fund
LRPs	Local Regeneration Partnerships
LSOA	Lower Super Output Area
MAA	Multi-Area Agreement
Main DEL	Main Programmes Departmental Expenditure Limit
MIF	Migration Impacts Form
NAO	National Audit Office
NDC	New Deal for Communities
NDPBs	Non-Departmental Public Bodies
NHS	National Health Service
NIES	National Improvement and Efficiency Strategy
NIS	National Indicator Set
NMW	North, Midlands and South West
NNDR	National Non-Domestic Rates
NRF	Neighbourhood Renewal Fund
NTV	National Tenant Voice
ODPM	Office of the Deputy Prime Minister
Ofsted	Office for Standards in Education
OGC	Office of Government Commerce

OHSAS	Occupational Health and Safety Advisory Service
ONS	Office for National Statistics
OS	Ordnance Survey
PAC	Public Accounts Committee
PAS	Planning Advisory Service
PDG	Planning Delivery Grant
PFI	Private Finance Initiative
PINS	Planning Inspectorate
PLC	Public Limited Company
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
PSA	Public Service Agreement
RCC	Regional Control Centres
RCU	Regional Coordination Unit
RDA	Regional Development Agency
REP	Regional Economic Performance
RfR	Request for Resources
RIA	Regulatory Impact Assessment
RPG	Regional Planning Guidance
RSLs	Registered Social Landlords
RSSs	Regional Spatial Strategies
SAP	Standards Assessment Procedure (for the energy rating of dwellings)
SBE	Standards Board for England
SCS	Senior Civil Service
SDAP	Sustainable Development Action Plan
SEEDA	South East England Development Agency
SEH	Survey of English Housing
SIC	Statement on Internal Control
SNR	Sub-National Review
SR04	Spending Review 2004
SSCF	Safer and Stronger Communities Fund
UDC	Urban Development Corporations
UKTI	UK Trade and Investment

VOA	Valuation Office Agency
WNDC	West Northamptonshire (Urban) Development Corporation
WNF	Working Neighbourhoods Fund

Annex G: Methodology for estimating PSA expenditure

G.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 Planning Delivery Grant. Our non-departmental public bodies include English Partnerships and the Housing Corporation.

G.2 During the SR04 period, programmes have supported the Public Service Agreement objectives for the Department, but the relationship between expenditure under programmes and those PSA objectives has not necessarily been straightforward. Often a programme has supported several PSA objectives 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. In addition, in some cases the organisation receiving the funding will have had flexibility in the way it has spent its money, usually within certain restrictions. Over time the emphasis of a given programme may have changed, or it may have varied from year to year.

G.3 The focus has been primarily on delivering the objectives, in a way that provides value for money, rather than on spending given sums in support of particular objectives, particularly when such figures can only ever be estimates. So while a given grant scheme may have supported three different objectives, and be known to have cost a specific sum of money, the amount of money deemed as 'spent' against each objective may often simply have been an estimate, which sums to the overall total spent or estimated to have been spent.

G.4 The amounts shown in Table 1 of Chapter 10 and other references in the Departmental Annual Report to spending against each PSA objective are therefore estimates, although the overall totals are the sums for all programmes.

G.5 Since last year's report, equalities functions, including responsibility for the new Equality and Human Rights Commission, have transferred to the new Government Equalities Office, affecting the figures shown against PSAs 9 and 10. Expenditure by programme has also been updated, with provisional outturn for 2006-07 replaced by the final outturn from the accounts; and plans for 2007-08 replaced by provisional outturn, which has affected the figures shown against each PSA objective and the totals.

G.6 The latest Comprehensive Spending Review has set a new framework of PSAs (See Chapter 2).

Annex H: Useful addresses

Communities and Local Government
Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 4400
Fax: 020 7944 6589
contactus@communities.gsi.gov.uk
www.communities.gov.uk

Regional Co-ordination Unit
4th Floor
Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 0702
rcuenquiries@rcu.gsi.gov.uk
www.gos.gov.uk

Government Office for the East of England (GO-East)
Eastbrook
Shaftesbury Road
Cambridge CB2 2DF
Telephone: 01223 372500
Fax: 01223 372501
Enquiries.GOEast@goeast.gsi.gov.uk
www.goeast.gov.uk

Government Office for the East Midlands (GOEM)
The Belgrave Centre
Stanley Place
Talbot Street
Nottingham NG1 5GG
Telephone: 0115 971 9971
Fax: 0115 971 2751
enquiries@goem.gsi.gov.uk
www.goem.gov.uk

Government Office for London (GOL)
Riverwalk House
157–161 Millbank
London SW1P 4RR
Telephone: 020 7217 3387
Fax: 020 7217 3036
enquiries@gol.gsi.gov.uk
www.gos.gov.uk/gol/

Government Office for the North West (GONW)
City Tower
Piccadilly Plaza
Manchester M1 4BE
Telephone: 0161 9524018
Fax: 0161 952 4004
gonwmailbox@gonw.gsi.gov.uk
www.gos.gov.uk/gonw

Government Office for the North East (GONE)
City Gate
Gallowgate
Newcastle Upon Tyne
NE1 4WH
Telephone: 0191 202 3801
0191 202 3906
general.enquiries@gone.gsi.gov.uk
www.go-ne.gov.uk

Government Office for the South West (GOSW)
5th Floor
2 Rivergate
Temple Quay
Bristol BS1 6ED
Telephone: 0117 900 1713
Fax: 0117 900 1900
swcontactus@gosw.gsi.gov.uk
www.gos.gov.uk/gosw

Government Office for the South East (GOSE)
2nd Floor
Bridge House
1 Walnut Tree Close
Guildford
Surrey GU1 4GA
Telephone: 01483 882261
Fax: 01483 882269
info@gose.gsi.gov.uk
www.gose.gov.uk

Government Office for the West Midlands (GOWM)
5 St Philips Place,
Colmore Row
Birmingham B3 2DW
Telephone: 0121 352 5205
Fax: 0121 352 5132
enquiries.team@gowm.gsi.gov.uk
http://www.gos.gov.uk/gowm/

Government Office for Yorkshire and the Humber (GOYH)
Lateral
8 City Walk
Leeds LS11 9AT
Telephone: 0113 341 3102
Fax: 0113 341 3065
yhenquiries@goyh.gsi.gov.uk
www.gos.gov.uk/goyh/

Agencies

Fire Service College
Moreton-in-Marsh
Gloucestershire GL56 0RH
Telephone: 01608 650 831
Fax: 01608 651 788
enquiries@fireservicecollege.ac.uk
www.fireservicecollege.ac.uk

The Planning Inspectorate
Registry/Scanning
Room 3/01 Kite Wing
Temple Quay House
2 The Square
Temple Quay
Bristol BS1 6PN
Telephone: 0117 372 6372
Fax: 0117 372 8128
enquiries@planninginspectorate.gsi.gov.uk
www.planning-inspectorate.gov.uk

Queen Elizabeth II Conference Centre
Broad Sanctuary
Westminster
London SW1P 3EE
Telephone: 020 7222 5000
Fax: 020 7798 4200
info@qeiicc.co.uk
www.qeiicc.co.uk

Ordnance Survey
Customer Service Centre
Romsey Road
Southampton
S016 4GU
Telephone: 08456 050505
Fax: 023 8079 2615
customerservices@ordnancesurvey.co.uk
www.ordnancesurvey.co.uk

Public Corporations

Architects Registration Board
8 Weymouth Street
London
W12 5BU
Telephone: 020 7580 5861
Fax: 020 7436 5269
info@arb.org.uk
www.arb.org.uk

Audit Commission
1st Floor, Millbank Tower
Millbank
London SW1P 4HQ
Telephone: 020 7828 1212
Fax: 020 7976 6187
www.audit-commission.gov.uk

Executive Non-Departmental Public Bodies

Valuation Tribunal Service
Chief Executive's Office
Block One, Angel Square
1 Torrens Street
London EC1V 1NY
Telephone: 020 7841 8700
Fax: 020 7837 6161
ce@vto.gsx.gov.uk
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
www.wndc.co.uk

English Partnerships
110 Buckingham Palace Road
London SW1W 9SA
Telephone: 020 7881 1600
Fax: 020 7730 9162
(email link available on website:
www.englishpartnerships.co.uk)

Housing Corporation
Enquiries and Complaints
1 Park Lane
Leeds LS3 1EP
Telephone: 0845 230 7000
Fax: 01132 337101
www.housingcorp.gov.uk

Thurrock Thames Gateway Development Corporation
Gateway House
Stonehouse Lane, Purfleet
Essex RM19 1NX
Telephone: 01708 895400
Fax: 01708 895447
www.thurrock.tgdc.org.uk

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
www.ltgdc.org.uk

Community Development Foundation
Unit 5, Angel Gate
320-326 City Road
London EC1V 2PT
Telephone: 020 7833 1772
Fax: 020 7704 0313
www.cdf.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
info@lease-advice.org

Firebuy
St David's House
2nd Floor
70 Wray Road
Reigate
Surrey RH2 0EJ
Telephone: 01737 733 514
Fax: 01737 733 689
info@firebuy.gov.uk

Independent Housing Ombudsman
Aldwych House
81 Aldwych
London WC2B 4HN
Telephone: 020 7421 3800
Fax: 020 7831 1942
info@housing-ombudsman.org.uk
www.ihos.org.uk

Standards Board for England
4th Floor
Griffin House
40 Lever Street
Manchester M1 1BB
Telephone: 0161 817 5300
Fax: 0161 817 5499
enquiries@standardsboard.co.uk

Advisory Non-Departmental Public Bodies

Building Regulations Advisory Committee
c/o Sustainable Buildings Division
Communities and Local Government
Zone 2/F6, Eland House
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Fax: 020 7944 5719
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Advisory Panel on Standards for the Planning Inspectorate
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Temple Quay
Bristol BS1 6PN
Telephone: 0117 372 8371
Fax: 0117 372 8128
enquiries@planninginspectorate.gsi.gov.uk
www.planning-inspectorate.gov.uk

Advisory Panel on Beacon Councils
c/o Zone 4/H6, Eland House
Bressenden Place
London SW1E 5DU
Telephone: 020 7944 4093

National Housing and Planning Advice Unit
CB04, Ground Floor of Clerical Block
Segensworth Road
Titchfield
Fareham PO15 5RR
Telephone: 023 9295 8152
Fax: 013 2984 3937
enquiries@nhpau.gsi.gov.uk

National Community Forum
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Telephone: 020 7944 2383

Annex I: How to obtain Communities and Local Government publications

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