



Office of the
Deputy Prime Minister
Autumn Performance Report
2004



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Presented to Parliament by the
Deputy Prime Minister and First Secretary of State
by Command of Her Majesty
December 2004

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CHAPTER 1

Introduction

This is the Autumn Performance Report for the Office of the Deputy Prime Minister (ODPM, the 'Office'). It provides Parliament with performance information on the Office's Public Service Agreement (PSA) targets up to November 2004.

THE OFFICE OF THE DEPUTY PRIME MINISTER

Our aim is to create sustainable communities – places where people want to live and work – now and in the future.

Creating sustainable communities requires a step change in the way our housing and communities are planned, designed and built. But creating sustainable communities is about much more than bricks and mortar. It is about good governance, public participation, partnership working and social inclusion. It is about learning from the mistakes of the past and linking social, economic and environmental programmes.

Our Sustainable Communities Plan includes major investment in housing, transport and regeneration, changes in planning, design and construction and a new regional approach to tackling the different housing problems across the country.

We are helping to narrow the economic divide between and within regions and giving people a bigger say in what happens in their region. To ensure our programmes are meeting the needs of different communities we are supporting strong, effective, financially stable local government and devolving power to local neighbourhoods.

We believe sustainable communities are the building blocks of a decent, tolerant, inclusive society. We work across government and with other partners to help people renew and regenerate their neighbourhoods, particularly in our most deprived areas, and to promote social inclusion. We are tackling the problems of homelessness and anti-social behaviour, driving up the quality and supply of housing, modernising the planning system and improving our parks and public spaces.

Sustainable communities are about a reconnection between people and place – a new localism that builds and binds strong communities, with good local schools, transport, healthcare, employment and leisure – generating prosperity and a renewed sense of civic pride.

WHAT THIS REPORT COVERS

This report covers the 2002 Spending Review PSA targets which are the responsibility of the ODPM and which underpin the Office's aim of thriving, inclusive and sustainable communities (set out below), as well as the PSA targets still live from previous spending reviews.

This report sets out:

- ODPM's PSA targets and, where appropriate, associated milestones;
- the performance indicators used to measure progress;
- an up-to-date report on performance against the targets;
- the data systems used to monitor progress and an assessment of the quality of these data systems;
- brief information (in Annex B) on how ODPM's SR04 PSA targets relate to the current SR02 targets.

This information is provided to supplement the performance report on our PSA targets given in the ODPM Annual Report, published in May 2004 and available online at:

http://www.odpm.gov.uk/stellent/groups/odpm_about/documents/downloadable/odpm_about_028551.pdf

WHAT THE REPORT SHOWS

Where it is possible to assess progress at this stage, the Office has met or is on course to meet its PSA targets set out in the 2002 Spending Review, the exceptions being on a) the cost effectiveness element of the local government target (PSA4) and b) progress on referendums for Elected Regional Assemblies for the North West and Yorkshire & Humberside (PSA 3), which Ministers have decided not to proceed with. Individual assessments of progress against the floor targets associated with Neighbourhood Renewal are made in individual department's Autumn Performance Reports (summary of floor targets at Annex A).

ODPM'S AIM, STRATEGIC PRIORITIES AND 2002 PERFORMANCE TARGETS

Aim

Creating sustainable communities.

STRATEGIC PRIORITY 1 – DELIVERING A BETTER BALANCE BETWEEN HOUSING SUPPLY AND DEMAND

Work with the full range of Government Departments and policies to raise the levels of social inclusion, neighbourhood renewal and regional prosperity.

PSA 5 – Better Balance in Housing Markets

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

PSA 6 – Planning Reform

All local planning authorities to complete local development frameworks by 2006 and to perform at or above best value targets for development control by 2006, 'with interim milestones to be agreed in the Service Delivery Agreement'. ODPM will deal with called-in cases and recovered appeals in accordance with statutory targets.

STRATEGIC PRIORITY 2 – ENSURING THAT PEOPLE HAVE DECENT PLACES TO LIVE

PSA 7 – A Decent Home for Everyone

By 2010, bring all social housing into decent condition, with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.

Strategic Priority 2 is also supported by PSAs 5 and 6.

STRATEGIC PRIORITY 3 – TACKLING DISADVANTAGE

PSA 1 – Neighbourhood and Social Inclusion Floor Targets

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

Strategic Priority 3 is also supported by PSA 7.

STRATEGIC PRIORITY 4 – DELIVERING BETTER PUBLIC SERVICES

PSA 4 – Improving the Delivery of Local Services

Improve delivery and value for money of local services by:

- Introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities' scores;
- Overall improvements in cost effectiveness of 2% or more; and

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

Strategic Priority 4 is also supported by PSA 1.

STRATEGIC PRIORITY 5 – PROMOTING THE DEVELOPMENT OF ENGLISH REGIONS

PSA 2 – Regional Economic Performance

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

(Joint target with HM Treasury and DTI.)

PSA 3 – Elected Regional Assemblies

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

CHAPTER 2

Strategic Priority One: Delivering a better balance between housing supply and demand

PSA5 SR2002 PSA target	Achieve a better balance between housing availability and the demand for housing in all English regions while protecting valuable countryside around our towns, cities and greenbelt – and the sustainability of existing towns and cities.
Milestones	<p>Low demand: Pathfinder schemes to tackle the areas most acutely affected by low demand to be agreed by end 2004.</p> <p>High demand: Annual levels of new housing in London and the East of England and South East regions to reach planning (RPG9) levels by 2006/7 and shortfalls from previous years to be recouped by 2011/12.</p> <p>Homelessness: To reduce the upward trend in homelessness by 2007 and reduce the number of families with children in temporary accommodation by 9,000 to 20,000 in comparison with current levels by 2016.</p>
Performance Indicator	<p>Low demand indicators</p> <ol style="list-style-type: none">1. Percentage by which the regional long-term vacant dwellings rate exceeds the national long-term vacant dwellings rate.2. Number of local authorities where a basket of house price comparison measures is substantially lower than equivalent national house price figures. <p>High demand indicators</p> <ol style="list-style-type: none">3. Numbers of statutory homeless households with children in temporary accommodation.4. The ratio of lower quartile house prices to lower quartile earnings in the regions characterised by high demand.5. Annual net additions to the dwelling stock in the South-East, London and East Government Office regions. <p>Protection of the countryside indicators</p> <ol style="list-style-type: none">6. Net change in the area of designated green belt in each region.7. Percentage of housing development on previously developed land created through the conversion of existing buildings. See performance information on the Spending Review 2000 PSA target on sustainable pattern of use.8. Average density of new housing development in each region.

Progress

On course.

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

In the 12 months to the end of June 2004, housing completions have totalled 146,800, up 6% on the previous 12 months.

- We have now committed over £294m of programme expenditure across the four growth areas.
- We have also made good progress in embedding our growth proposals within regional planning guidance.
- The Thames Gateway Delivery Office is now open and local delivery vehicles have been established for each of the major development zones across the Gateway, including the Thurrock and London Thames Gateway UDCs.
- Thurrock UDC has been operative since the end of 2003 and will announce the arrival of the Chief Executive in mid-October. Its Board is currently developing a comprehensive regeneration framework for the area and a delivery-focussed business plan.
- The appointment of the Board for the London UDC is being finalised.
- The Spending Review 2004 has established the £200m Community Infrastructure Fund to support transport infrastructure in the growth areas.

Homelessness – we have achieved our March 2004 target of ending the long-term use of B&B hotels for homeless families with children and sustained reductions in rough sleeping. There are also emerging indications of success from new local authority homelessness strategies and prevention initiatives, with a slight fall in the flow of homelessness acceptances during the first half of 2004 – ahead of expectations.

In March 2004 we launched Key Worker Living (KWL), a new £690 million programme of support for key workers. KWL is targeted at public services in London, the South-East and the East of England where the high cost of housing is contributing to serious recruitment and retention problems. In 2003/04 we delivered over 23,000 new social housing units through the Housing Corporation's ADP.

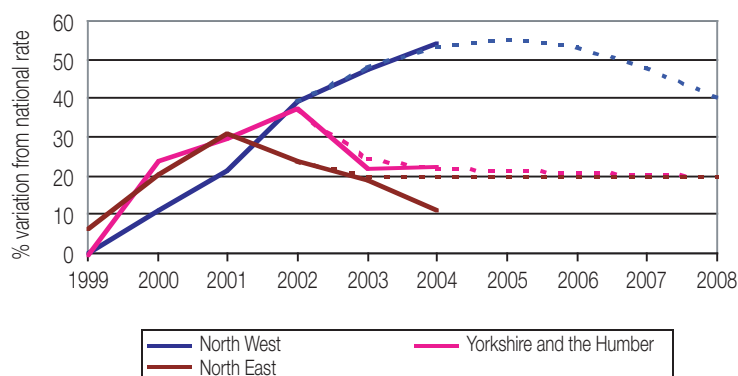
We have set the Housing Corporation a target for 2004/05 of 27,000 homes for rent or low cost home ownership, including those for key workers. To the end of August 6,285 completions had been reported by the Corporation

Within low demand areas the housing market renewal pathfinders are progressing well into the delivery stage of their programmes. We have now signed off schemes for eight of the nine pathfinders and anticipate receiving a prospectus from the Hull and East Riding pathfinder in the next couple of months. The pathfinders are all at different stages of their development but are working hard to develop strategies that will enable them to overcome low demand and abandonment. Once all of the pathfinders have had their schemes agreed we should begin to see visible signs of progress on the ground in these areas.

Indicator 1 – Long Term vacancies

Work on this indicator clearly identifies the North-East, North-West and Yorkshire and The Humber regions as the most affected by long term vacancies. Areas most acutely affected by low demand are being tackled through implementing tailored solutions to the particular problems affecting the area. For the next few years, the pathfinders are mainly being funded through ODPM's £500m Market Renewal Fund.

Percentage by which the regional long term vacant dwelling rate exceeds the national rate



As the trajectory shows, the North West is the only one of the three regions where relative vacancy rates are currently increasing, although at a reduced rate. We aim to reverse that upward trend by 2006 and to ensure that the region is less than 40% above the national average by 2008.

Vacancy rates in the North-East and Yorkshire and The Humber have been reduced recently, and we aim to ensure that the situation in these regions does not deteriorate. Our target for both regions is that long-term vacancies should be less than 20% above the average by 2008.

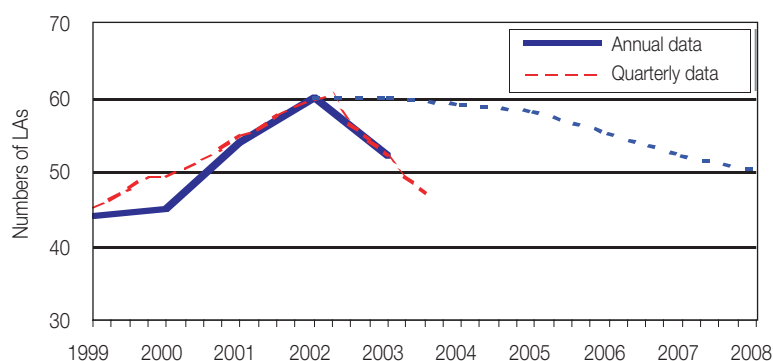
These targets reflect our expectation that, taken with expected changes due to underlying economic cycles, activity in these Pathfinder projects should have some impact on long term vacancies in these regions.

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

Again, this indicator is focussed on low demand areas and has increased over the last few years. Our ability to keep on this trajectory will, in part, be influenced by overall economic and housing market conditions and the extent to which general geographic disparities in the housing market narrow over time.

Our target is to reverse the upward trend by 2005 and then achieve a gradual reduction to around 50 local authorities by 2008. As the trajectory shows, we are currently ahead of trajectory with the upward trend having been reversed.

Number of local authorities falling within indicator 2

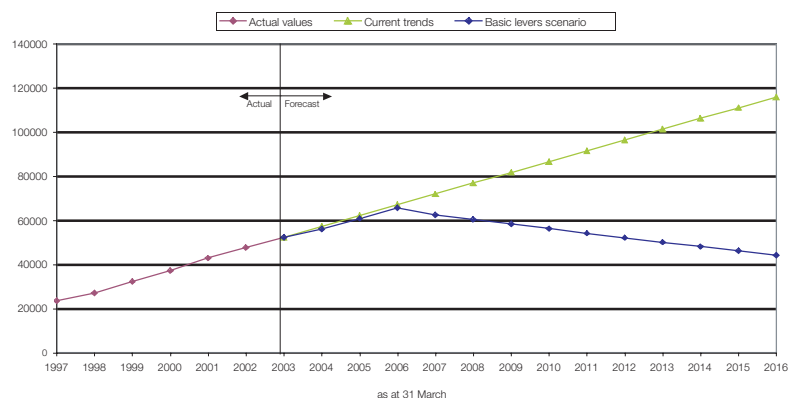


Indicator 3 – Statutory homeless families with children in temporary accommodation.

The use of temporary accommodation for statutory homeless households is heavily concentrated in the higher demand regions. In particular, while London accounts for a quarter of all homelessness acceptances in England, it has 60% of all households in temporary accommodation.

Our policies concentrate on tackling the causes of homelessness to prevent it more effectively, and increasing the availability of social housing and other settled housing options to homeless households.

Homeless households with dependent children in temporary accommodation



However, as the trajectory shows, the use of temporary accommodation is continuing to increase. The current data suggests increases above the trajectory but we believe this is a result of local authority data errors rather than real increases above trajectory. ODPM are working to correct data back to March 2002 to identify the correct past trend and likely future trajectory.

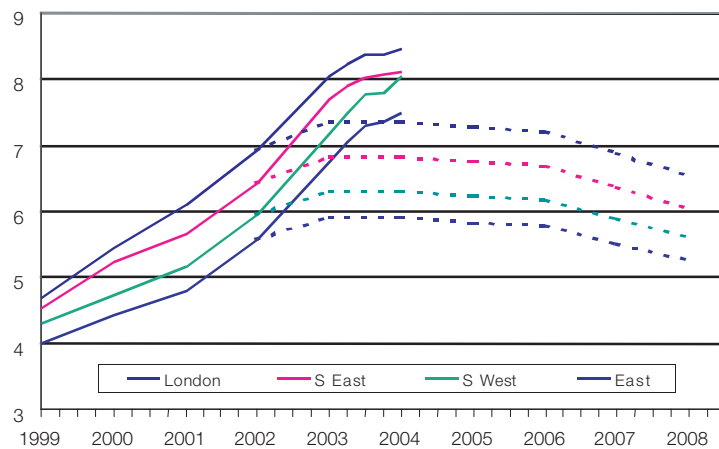
Although it is too early to confirm a sustainable trend, during the first half of 2004, homelessness acceptances have started to fall, reflecting the impact of new homelessness strategies and prevention work. These reductions, if sustained, are ahead of expectations and will reduce the flow of households going into temporary accommodation.

Despite this, with existing social housing constraints in high demand areas reducing the settled housing options available to move on to, we expect the number of families in temporary accommodation will continue to grow in the short-term. Our policies on prevention and increased social housing investment through SR04 should lead to the numbers of homeless households with children in temporary accommodation starting to fall in 2006/07, reducing by between 10,000 and 18,000 in comparison with current levels by 2016.

Indicator 4 – Lower quartile house prices vs lower quartile earnings in high demand areas

Our main lever for reducing and stabilising the price/income ratio at the lower quartile in high demand areas will be the provision of increased numbers of new homes. We will achieve this through the achievement of existing Regional Planning Guidance targets and through additional housing provision in the four growth areas.

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



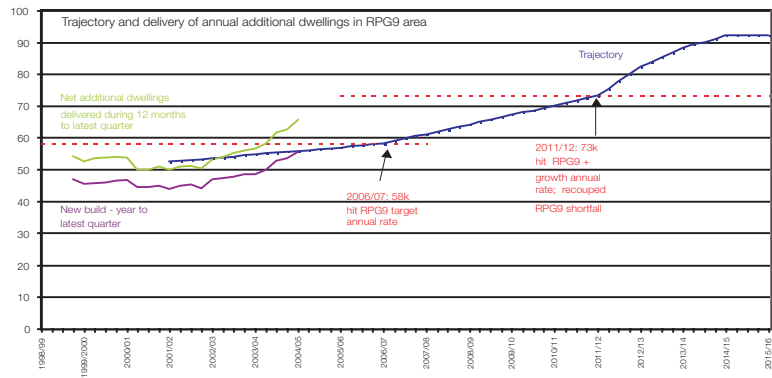
As the trajectory shows, we had expected a modest decrease to the ratio up to 2006. The upward trend in the ratio has, however, continued although it is starting to level off. This is due to short term fluctuations in house prices and the economy which have not matched the assumptions we used to create this trajectory. We intend to introduce a revised trajectory in the light of the Barker recommendations (<http://www.barkerreview.org.uk/>) that reflects longer-term trends more, thereby smoothing out these short-term fluctuations.

We expect a sharp downturn in the ratio from 2006-8 as the additional homes provided under the Communities Plan start to enter the market. Our ability to meet this trajectory will, however, be heavily influenced by overall economic and housing market conditions. Achieving departure from this trend is unlikely to result from ODPM's activities alone.

Indicator 5 – Net additions to the dwelling stock in the South east, London and the East

Our global target is to provide about 1.1 million new homes within the wider South-East. Our trajectory assumes that we will reach RPG9 delivery levels by 2007/8 and have recouped previous shortfalls by 2011/12. At this stage we will be starting to see extra growth in the four growth areas, the bulk of which will be delivered in the following 4 years up to 2015/16.

Housing Delivery in the RPG9 Area: Trajectory and Achieved Rate



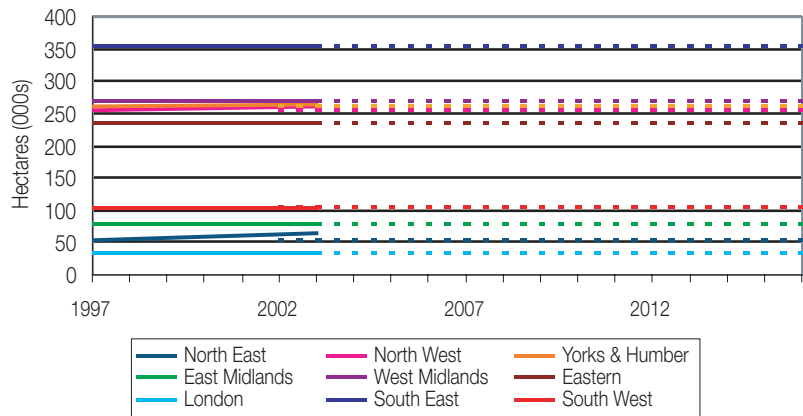
Although recent figures show an up-turn in new housing supply, this indicator is highly vulnerable to market forces and there is volatility in the market. We also need to make good previous shortfalls in order to reach our overall target.

Indicator 6 – Net change in the area of designated green belt in each region

The Communities Plan commits the Government to maintaining or increasing the area of designated green belt in each region. Monitoring has been based on digitised mapping of green belt land in local plans.

Since 1997, over 30,000 hectares of green belt have been earmarked in draft and adopted versions of local plans. Our specific target is to achieve a positive average annual change in green belt in each region over the period 2002-7, and on a five year rolling basis thereafter. The baseline for the assessment will be 2002 so that the target cannot be met by reversing the increases in green belt shown between 1997 and 2002.

Green Belt by region

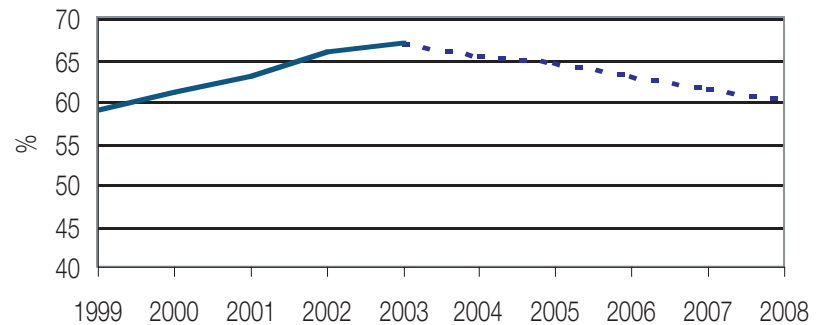


We are on target to ensure a zero annual net change in the green belt. Progress against the target will be monitored annually. However, there are likely to be small fluctuations in the amount of green belt as local plans come up for review, particularly over the period 2004-07 as new Local Development Frameworks are introduced. Local changes may, therefore, result in a decline in the amount of green belt land over several years before being reversed by the addition of more land elsewhere. So we intend to first measure success against the target in 2007, with subsequent assessments in 2012 and 2016.

Indicator 7 – Percentage of new housing on previously developed land or through the conversion of existing buildings.

Planning Policy Guidance note 3 gives priority to reusing previously developed land within urban areas, bringing empty homes back into use and converting existing buildings. It sets a target of 60% of all new housing development being Previously Developed Land (PDL), or provided through conversion of existing buildings by 2008.

Percentage of housing falling within Indicator 7

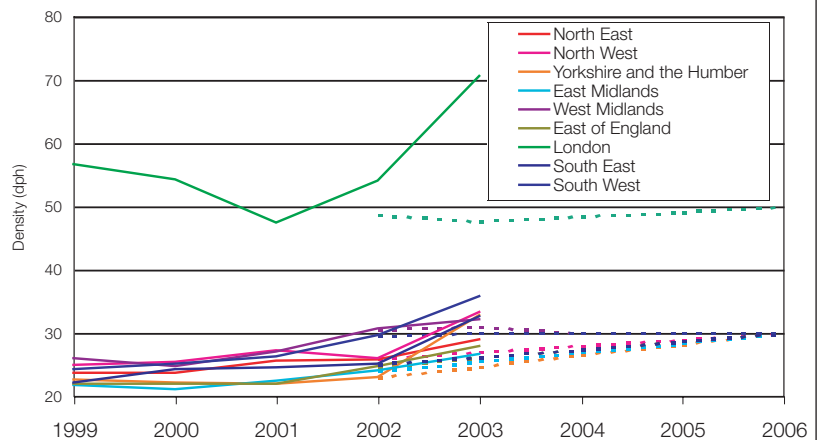


We are currently beating the 60% target set in PPG3. However, the target will come under increasing pressure as house building increases. In the medium term (up to 2008 or thereabouts), performance is likely to be slightly reduced, although strong market conditions in London and the South East, where a larger proportion of development will take place, should secure the release of many previously developed sites which are currently in use but where better value can be gained.

Beyond 2008, higher RPG rates in the rest of the South-East and the growth areas may reduce performance levels significantly, as previously developed land is relatively scarce in those locations. However, we are at present continuing to beat the target. We will carry out more detailed modelling to underpin an extension of the trajectory beyond 2008.

Indicator 8 – Average density of new housing development in each region

The Government's policy since 2000 has been that development at less than 30 dwellings per hectare should be avoided.



Our target is that the average density of new housing development in each English region (other than London) should reach 30 dwelling per hectare by 2006. Latest statistics on residential density were published in May 2003 and relate to 2002. They show that this policy is beginning to take effect. We will review performance and other relevant factors before 2006 with a view to setting targets beyond this period.

Quality of data systems

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

The key data sources are listed below against each indicator:

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

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

Indicator 3 – Quarterly local authority returns. Data on homeless households with children has been collected only since January 2002. Changes to the homelessness legislation in 2002, which widened the protection available to groups who tend to be single households, suggest that there might have been a higher proportion of families with children amongst households in temporary accommodation in earlier periods.

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

Indicator 5 – Quarterly returns from local authorities adjusted to take account of conversions and demolitions in line with local authorities' annual net addition returns to the Regional Planning Bodies and the ODPM (Housing Flows Return).

Indicator 6 – Annual national surveys based on digitised maps to monitor the overall designation through the planning system.

Indicator 7 – Land Use Change Statistics (percentage of housing on previously developed land) and Housing Statistics (conversions).

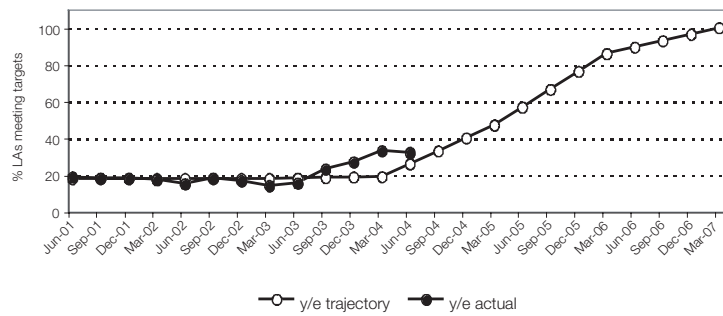
Indicator 8 – Land Use Change Statistics.

<p>PSA6 SR2002 PSA target</p>	<p>All local planning authorities to complete local development frameworks by 2006 and to perform at or above best value targets for development control by 2006 with interim milestones to be agreed in the Service Delivery Agreement. ODPM will deal with called in cases and recovered appeals in accordance with statutory targets.</p>
<p>Milestones</p>	<p>All local planning authorities will have put in place a Local Development Framework (LDF) scheme within the period prescribed in Regulations by end March 2005.</p> <p>The targets for handling planning applications are that:</p> <ul style="list-style-type: none"> • 100% of authorities to process a minimum of 60% of major applications within 13 weeks by 31 March 2007, and 85% of authorities to achieve this by 31 March 2006. • 100% of authorities to process a minimum of 65% of minor applications within 8 weeks by 31 March 2007, and 95% of authorities to achieve this by 31 March 2006. • 100% of authorities to process a minimum of 80% of other applications within 8 weeks by 31 March 2007, and 85% of authorities to achieve this by 31 March 2006. <p>A further element is an assessment of the impact on average handling times for the three categories of application. This is:</p> <ul style="list-style-type: none"> • English local authorities taken together will process an average of 65% of major applications in 13 weeks, 72% of minor applications in 8 weeks, and 87% of other applications in 8 weeks by 31 March 2007. <p>From 31 March 2004, 80% of called in cases and recovered appeals will have been decided by ODPM within 16 weeks from close of inquiry. This performance will be sustained for the remainder of the Spending Review period, following the move (depending on the passage of legislation) to statutory timetables from April 2005.</p>
<p>Performance Indicator</p>	<p>Progress towards the milestone targets.</p>
<p>Progress</p>	<p>On course. <i>Local Development Frameworks</i></p> <p>The Planning and Compulsory Purchase Act provides the statutory basis for Regional Spatial Strategies and Local Development Frameworks. The Act achieved Royal Assent in April 2004, with commencement of Parts 1 and Part 2 on 28 September 2004. A package of Regulations and Guidance was published on 7th September 2004 providing the necessary detail on Local Development Frameworks and Regional Spatial Strategies; the package included Planning Policy Statements 11 and 12. ODPM Officials and Government Offices are rolling out the new system to provide detailed training for Local Planning Authorities and Regional Planning Bodies; the roll out commenced at the beginning of September. Further guidance will be published before the end of 2004 to provide additional supplementary guidance in the form of a 'Guide to Procedures' and 'Creating LDFs'.</p> <p>Government Offices are working closely with Local Planning Authorities to ensure that Local Development Schemes are submitted by 28 March 2005.</p>

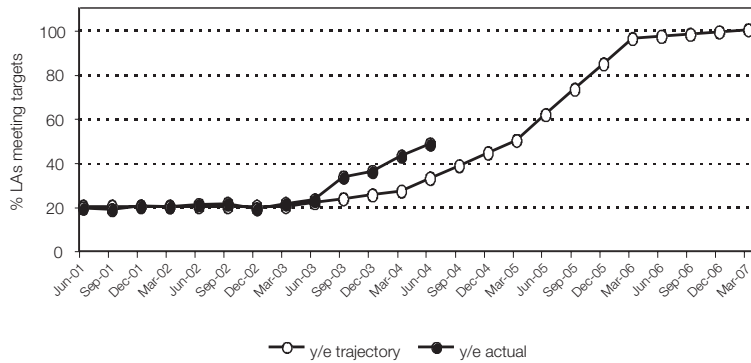
Development Control

Across England to the year ended 30 June 2004, Local Planning Authorities processed 52% of major applications within 13 weeks, 63% of minor applications within 8 weeks and 80% of other applications within 8 weeks. This represents continued progress in the number of decisions being made in the target time. There has however been a slight stalling on performance in major applications in the quarterly picture. For the last two quarters, 32% of major applications have been decided within the 13-week period, This remains above trajectory, but we are monitoring the situation closely. Performance also needs to be viewed against a rise in the number of planning decisions by 5.5% compared to the same quarter in 2003.

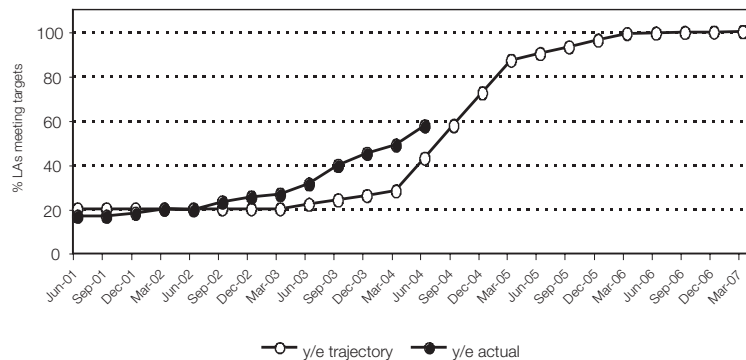
% of LAs determining 60% or more major decisions within 13 weeks



% of LAs determining 65% or more major decisions within 8 weeks



% of LAs determining 80% or more major decisions within 8 weeks



ODPM Casework

We met the commitment to speed up Ministerial Planning cases, as promised in the Planning Green Paper. By March 2004 80% of cases were being made within 16 weeks of close of the Inquiry.

In the 6 months from April to September 2004, 85% of decisions subject to this target were issued within 16 weeks.

Quality of data systems

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

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

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

CHAPTER 3

Strategic Priority Two: Ensuring that people have decent places to live

<p>PSA7 SR2002 PSA Target</p>	<p>By 2010 bring all social housing into decent condition, with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.</p>
<p>Milestones</p>	<p>In the social sector, since 2001</p> <ul style="list-style-type: none"> • by 2004 a reduction of one third • by 2006 a reduction of between 45-50% • by 2008 a reduction of between 65-70% <p>In the private sector – by 2006-07 to ensure the proportion of vulnerable private sector households in decent homes is more than 65%, and is more than 70% by 2010.</p>
<p>Performance Indicator</p>	<p>The reduction in the number of non-decent social sector dwellings. Progress towards and attainment of this target will be assessed nationally each year using two combined and overlapping surveys from the English House Condition Survey (EHCS). Monitoring locally will be assessed through progress reported both by social landlords (including through local authority (LA) best value performance indicators and registered social landlord (RSL) regulatory returns).</p> <p>The proportion of vulnerable groups living in decent private sector homes. Progress will be assessed nationally each year from 2004 using surveys from the annual EHCS.</p>
<p>Progress</p>	<p>Social sector</p> <p>On course. The baseline for the target is the 1.6 million non-decent homes that existed in the social sector in 2001. Of these 1.17 million were owned by LAs and 470,000 by RSLs. The milestone requires a one-third reduction over the 2001 baseline by April 2004. The EHCS data shows that at April 2003 the number of non-decents had reduced by 210,000.</p> <p>Using local authority and RSL data shows that at April 2004 we had missed the milestone with an estimated achieved reduction of 22%. We now expect to hit the milestone in Spring 2005. This slippage is due to a) a higher 2001 baseline from the revised ECHS data, requiring a greater reduction to meet a one third reduction and b) LAs doing less than anticipated in the early stage of the programme. Although there is some early slippage, LAs are getting plans in place that will still allow them to be 'on course' for meeting the 2010 target.</p>

The Sustainable Communities Plan announced that all stock-owning LAs will need to have completed a robust stock options appraisal for Government sign-off by July 2005. The option appraisal process is intended to ensure that tenants and the LA reach agreement on the option that is best for them and the wider community. Which option is best will depend on local circumstances. Of the 192 authorities which are required to submit options appraisals for signoff so far, 49 have achieved this; we expect a further 32 to have Options Appraisals signed off by end of January.

Registered Social Landlords report that plans are already in place for most of their stock to ensure that they will meet the decent homes target by 2010. Moreover, the majority of associations affirm that their estimates for spend on major repairs and improvements over the next five years take account of the decent homes target.

The EHCS indicates that we are on course to meet our target in deprived areas, with most of the reduction to April 2003 having taken place in these areas

Private Sector

Ahead – with most progress being accounted for through a reduction in the proportion of vulnerable households whose homes fail on the thermal comfort criterion. The private sector element of the decent homes target was introduced at the Spending Review 2002. Progress will be monitored from the 2001 baseline position established by the EHCS, which estimated 57% (1.5 million) vulnerable households lived in decent homes.

The English House Condition Survey reported that this percentage had risen to 63% by end-April 2003.

Quality of data systems

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

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

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

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

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

CHAPTER 4

Strategic Priority Three: Tackling Disadvantage

PSA1 SR2002 PSA target	To promote better policy integration nationally, regionally and locally; in particular to work with departments to help them meet their PSA floor targets for neighbourhood renewal and social inclusion.
Milestone	The measure of success for achieving this PSA is that all 13 SR2002 floor targets are achieved within their respective time frames as set out in their delivery plans.
Performance Indicator	<p>'Floor target' is a generic term to describe a series of targets that sets a minimum standard for disadvantaged groups or areas, or a narrowing of the gap between them and the rest of the country.</p> <p>The floor targets cover a wide range of Government activities described below under "Progress".</p> <p>Each Government Department is responsible for the achievement of its own PSA floor targets.</p> <p>The trajectory for this PSA is the combination of the trajectories contained in individual departments' delivery plans. NRU monitors floor targets both individually and for their combined impact in improving service delivery in deprived areas.</p>
Progress	<p>Good progress being made in most areas.</p> <p>Health inequalities continue to be an area of concern for us as do education floor targets although good progress is being made, with continuing improvements in pass rates.</p> <p>Delivery of PSA1 involves six over-arching workstreams:</p> <ol style="list-style-type: none"> 1. Supporting and challenging departments to secure the delivery of floor targets; 2. Influencing Other Government Departments and local service delivery agents to make mainstream services work better in deprived neighbourhoods; 3. Supporting and challenging Local Strategic Partnerships (LSPs) on the delivery of floor targets and other neighbourhood renewal targets; 4. Government Offices driving change to secure delivery of floor targets on the ground; 5. Ensuring delivery is built upon a firm evidence base; <p>Individual assessments of progress against floor targets are given in each relevant Department's Annual Reports, and information on all the floor targets can be found on the Treasury's website but a summary on key outcome areas is given below.</p>

1. Supporting and challenging departments to secure the delivery of floor targets

Delivery of progress against the floor targets has been supported by efforts by the Neighbourhood Renewal Unit, working across Government Departments to influence their delivery arrangements and policies to benefit neighbourhood renewal. Significant achievements include the following:

- Specific role agreed for Regional Development Agencies, via the DTI, in focussing upon economic floor targets that will contribute to improving performance in their regions on employment and the creation of enterprise.
- Substantial reduction in the number of Neighbourhood Renewal Fund (NRF) authorities assessed as being likely to miss the decent homes target.
- Four pilots have been established for the under-served markets project, which seeks to develop retail services within deprived areas.
- Broader range of health floor targets have been established with Department of Health as part of the SR 04 settlement.

The following analysis examines trend data back to 1997 for four key outcome areas, where data is available, comparing the average for the 88 areas in receipt of NRF, with the figures for England as a whole. This analysis covers indicators relating to the Floor Targets (local authority level data equivalent to national indicators, where appropriate) across the domains:

- Education
- Crime
- Health
- Jobs and Worklessness
- Housing

Education

Secondary education:

- The gap between the average pass rate for five 'good' GCSEs (grades A* to C) for the 88 NRF local authorities and the England average has narrowed from 10.2 points in 1997/98 (academic year) to 8.2 points in 2002/03. The gap between the two has also been closing more quickly since 2001.
- This convergence of the two data series has been happening against the context of an overall improvement in the England average.
- This means that the average pass rate for the 88 NRF local authorities has been improving more quickly (6.6% improvement for England and 8.6% for the 88 NRF authorities since 1997/98).
- The gap in attainment, between the NRF 88 average and the England average, for numeracy and literacy levels has also decreased over the same time period (as measured by the Key Stage 2, Level 4 pass rates for English and mathematics).
- In the case of mathematics, the difference between the two rates has reduced by over half from 5.7 percentage points to 2.5 points.
- This progress continues at Key Stage 3. For those reaching level 5 in maths the gap has narrowed from 8.1 percentage points to 6.6 points.
- It is recognised that this rise in average performance has not necessarily been matched by similar improvements for the worst performers, 11% of school-leavers still failing to achieve 5 GCSEs of any level, and 5% of young people leaving school without any qualifications.
- The LEAs with the most pupils attaining no GCSE passes are significantly clustered in Neighbourhood Renewal areas.

Teenage conception rate:

- Teenage pregnancy rates (more properly defined as under-18 conception rates) have been falling steadily at both the England and NRF 88 levels. Not only has the average rate for the NRF 88 areas fallen but it has fallen more quickly than the national average thus reducing the gap between the two (from 12.8 percentage points in 1996-98 to 11.8 points in 1999-01).

Crime

Vehicle Crime

- The vehicle crime rates for England have decreased from 20.3 per 1,000 residents in 1999/00 to 17.0 in 2003/04. For the NRF 88 local authorities the rate has decreased from 27.4 per 1,000 residents to 22.9. In addition, the gap between the two has decreased (from 7.1 percentage points to 5.9).

Burglaries

- The overall gap between the average burglary rate for the 88 NRF local authorities and the England average has reduced from 10.3 points to 8.1 between 1999/00 and 2003/04, a decrease of 2.2 points.
- Overall the NRF 88 average has dropped from a rate of 31.4 per 1,000 households in 1999/00 to 26.7 in 2003/04. Burglary levels did fluctuate during this time period but the overall trend has been downward – with a significant decrease since 2002/03.

Robberies

- The robbery rates for England and the NRF 88 local authorities have both increased slightly since 1999/00 (by 0.3 points). However, there are some indications of an improvement more recently: rates have started to fall over the last 2 years (2001/02 to 2003/04) and the gap has started to narrow (from 2.2 to 1.6 percentage points over the same time period).

Health

Male Life Expectancy

- There has been a small but steady increase in male life expectancy at both the national level and for the NRF 88 local authorities as a whole. The gap between the England average and that for the NRF 88 areas was showing signs of increasing in 1997-99 but has since narrowed slightly and remains steady at 1.5 years.

Female Life Expectancy

- Female life expectancy has also increased. However, the gap between the national average and the 88 NRF areas has remained static at exactly 1 year over most of the time period in question. However, the latest data, 2000-02 shows a slight widening to 1.1 year.

Jobs and Worklessness

- This is another domain showing some improvement, as measured by employment rates. Between 1997/98 and 2002/03, there has been an increase in employment rates, 1.4 percentage points nationally and 1.7 across the 88 NRF local authorities. Therefore, this also represents a slight reduction in the gap between the two from 5.9 percentage points to 5.6 points within the same time period.

Housing/Decent Homes

- Between 1996 and 2001 the percentage of all non-decent dwellings in NRF authorities declined by 13.6 percentage points. Importantly the gap in this percentage and that of England declined from 6.2 to 5.6 points.

Progress for the LSPs with the greatest challenge

- Twenty-six LSPs have received additional NRF support in acknowledgement of the specific challenges they face and the need to increase their contribution to achieving national Floor Targets.
- The gap between the average for the 26 additional NRF areas and the England average has reduced within the education domain and for employment.
- Within the crime domain the picture is more mixed and results are more likely to have been affected by the change in National Reporting Standards.
- The health domain also shows a varied pattern with a reduction in the gap for teenage pregnancy but a slight widening for life expectancy.

2. Influencing OGDs and local service delivery agents to make mainstream services work better in deprived neighbourhoods

Mainstreaming in the context of neighbourhood renewal means 'influencing mainstream departments to make them work better in deprived neighbourhoods'. Key achievements include:

- Ensuring that Comprehensive Performance Assessment Improvement Plans, Local PSAs and inspection regimes, including the Audit Commission's inspection model, at local level reflect NR priorities.
- Local Authorities producing community strategies embracing Neighbourhood Renewal issues, addressing increased opportunity, reduced poverty and establishing a long-term vision.
- The announcement of Local Authority pilot areas for Local Area Agreements. These will provide an important and different approach that will assist in the delivery of the neighbourhood renewal at a local level.

3. Supporting and challenging Local Strategic Partnerships on delivery of floor targets and other Neighbourhood Renewal targets

According to a recent performance assessment externally validated by the Audit Commission, progress has been made against both national floor targets and local targets within the five thematic areas of health, education, community safety, employment and housing/environment.

Regional government offices have undertaken annual reviews with their LSPs and assessed performance against the LSP self-assessment. Of the 87 LSPs, 29% are making good progress, 54% mixed progress, with 17% more problematical, needing substantial attention. The assessments take into account both progress made as well as the challenges faced by LSPs in deprived neighbourhoods. A programme of intensive support has been developed for all LSPs to access, with priority given to 'problematic' LSPs to improve performance.

The 88 LSPs identified in the National Strategy for Neighbourhood Renewal act as the co-ordinating bodies that support local delivery through more effective and integrated strategic planning and by helping joint working to tackle cross-cutting issues.

4. GOs driving change to secure delivery of floor targets on the ground

The nine Government Offices in the English regions are the key regional link between Whitehall departments, including ODPM, LSPs, local service deliverers and neighbourhood-level activity.

Specific achievements since Spring include:

- The Strategic Framework Agreement (SFA) for GOs has been established enabling prioritisation of activity that will support PSA1 delivery.
- Quarterly monitoring of GOs through GO performance management system will assess their progress on delivering against the SFA.

5. Ensuring delivery is built upon a firm evidence base

There are three core strands to this workstream. The first, performance analysis and management, enables us to track progress on floor targets and identify issues to raise with departments. Part of this was the launch of Floor Targets Interactive, a web-based monitoring resource

The second, research and evaluation includes a wide range of work, such as formative evaluation of LSPs and the long-term evaluation of NDCs.

Through research and evaluation we aim to create a culture of evidence informed action and NRU's web-based good practice system on www.renewal.net is a very practical resource in this respect. Since the Spring an average of 1063 visitor sessions to renewal.net took place per day in the three months to end-July. 78% of those surveyed said they use evidence from renewal.net to support their work in neighbourhood renewal.

NRU has also deployed a panel of Neighbourhood Renewal Advisors to help practitioners and NDCs adopt an evidence-based approach to neighbourhood renewal.

Delivery skills training is a consortium of specialist learning providers and neighbourhood renewal experts have been commissioned to deliver training courses to build practitioners' delivery skills

Regional centres of excellence are being developed as a network of regional projects to co-ordinate high quality information-sharing in each region on neighbourhood renewal and wider economic regeneration

Finally neighbourhood statistics and other deprivation-related data, including measures of change in small area multiple deprivation continue to be developed. One hundred and fifty data sets are now published through Neighbourhood Statistics on the Office for National Statistics website, this includes 40 non-Census data sets, and covers issues related to renewal including employment, education, health, income, housing and business.

The other key deliverable this year has been the introduction of a new statistical geography for England – Super Output Areas. This new geography means that deprivation statistics can now be published on areas that are consistent in size (from 1,000 to 3,000) and will not change over time.

Neighbourhood renewal pathfinder programmes

The three following neighbourhood renewal pathfinder programmes make an important contribution to developing the evidence base for the delivery of PSA1.

New Deal for Communities

The 2003/2004 NDC evaluation report shows that modest but real improvements occurred in many areas. Partnerships and agencies identified fewer constraints on delivery, NDC/agency interactions deepened and relations with local authorities generally improved.

There is as yet little change data to show the real impact of the New Deal for Communities programme. This will start becoming available in 2005. But there are early signs that NDC areas are performing slightly better than their parent local authorities in relation to worklessness and, as yet, less well in term of health and education.

Neighbourhood Management

The second annual evaluation of the Neighbourhood Management Pathfinder (NMP) programme (up to March 2004) shows that NMPs have made good progress in building capacity and delivering a programme of well-focused activities with service providers, especially around the clean and safe agenda.

The improvements to local services are primarily with respect to community safety, primary health care, housing and the environment. There are indications of reduced crime rates and improved environmental conditions in some neighbourhoods as a result.

Neighbourhood Wardens

The evaluation of the first round of warden schemes was very positive, identifying wardens as a new generation of neighbourhood officials whose success lies in their accessibility and ability to link people and agencies together.

The overriding message is that wardens can and are having an impact nationally. Quality of life in scheme areas had improved since the introduction of wardens, with over 25% of residents reporting an increase in satisfaction with their neighbourhoods.

In relation to impact on crime, residents survey evidence suggested that there had been a decline of 27.6% in the overall rate of crime in warden areas. Even assuming that only 10% of the reduction in crime rates can be attributed to wardens, there is still an overall saving. And there are important, but uncoded, additional benefits – improved quality of life, reduced fear of crime, improvements in environmental problems and anti-social behaviour.

Of the 84 schemes funded in the first round of warden schemes 68 are continuing despite their funding from ODPM coming to an end.

CHAPTER 5

Strategic Priority Four: Delivering better public services

PSA4 SR2002 PSA Target	Improve delivery and value for money of local services by:
PSA4 Part 1	Introducing comprehensive performance assessments and actions plans, and securing a progressive improvement in authorities' scores;
Milestones	Introduce CPA for Unitary and County Councils and publish initial scores in December 2002 Undertake refresh and publish scores in December 2003 Introduce CPA for District Councils and complete assessment for all Districts by December 2004
Performance Indicator	Average combined Comprehensive Performance Assessments (CPA) score for Unitary Authorities and County Councils. CPA brings together individual service assessments and an assessment of corporate capacity for each authority to give an overall view of how well it is performing and how well placed it is to deliver improvement. Success will be measured by the change in the average combined scores for service delivery and corporate capacity over the period to 2006 in Unitary Authorities and County Councils. To assess the effect of these changes, we will check to see by the end of the 2005-06 period that a smaller number of authorities are classified as either poor or weak, and a higher number of authorities as good or excellent. Details of CPA measurement can be found in the Technical Note for PSA4 on the ODPM web site ¹ and on the Audit Commission web site. ²
Progress	On course. CPA has been implemented at the Unitary and County Council level and is currently being rolled out in District Councils. Following an initial pilot in July 2003, CPA results for District Councils have been announced in phases from September 2003 with final results to be announced by December 2004. ODPM appointed 'lead officials' to engage with the poorest performing authorities (single tier, county and district councils) in order to monitor and challenge improvement, and to co-ordinate the Government's relationship with those councils. The first assessments of Unitary and County Councils were published in December 2002 where the average combined score for service delivery points and corporate capacity points was 69.87. These results set the baseline for future performance improvement and authorities' CPA scores were updated in December last year. The average combined score for local authorities in 2003 was 72.11 showing an improvement of two points from the previous year.

1 Technical Note for PSA 4:

http://www.odpm.gov.uk/stellent/groups/odpm_about/documents/page/odpm_about_600099.hcsp

2 CPA measurement on the Audit Commission web site: www.audit-commission.gov.uk/cpa

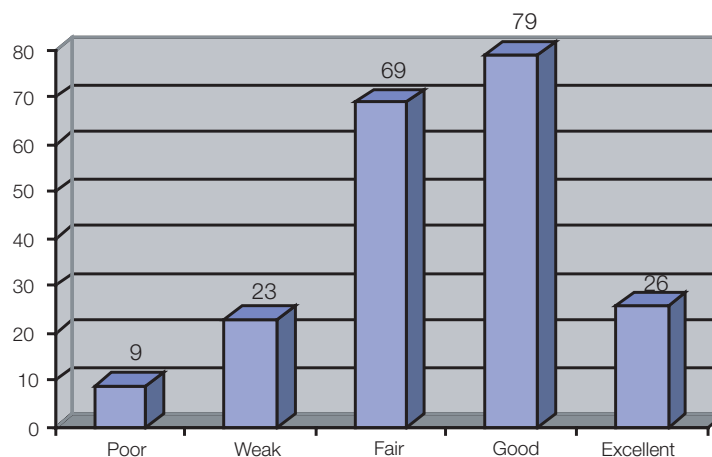
In 2003, the CPA results showed that 26 councils moved up at least one category, including 4 local authorities which moved from poor to weak. Further announcements made throughout 2004 showed 8 more councils moved up a category, including 4 councils moving to the 'excellent' category. Now 55% of single tier and county councils are classified good or 'excellent' with 5% as poor compared to 2002 when 51% were classified as good or excellent and 9% as poor.

The table below illustrates an overall increase in the number of councils in the higher CPA categories.



CPA is currently being rolled out in District Councils. Results for all Districts will be available by December 2004. A base line for future performance will be set once the December 2004 results has been analysed. Over three-quarters of the District Council results have been announced (206/238). The table below illustrates the results to date.

CPA Results (to date) by Category – District Councils



Quality of data systems

The Audit Commission has an extensive database of CPA scores and analysis for each authority accessible through its web site³. Best Value Performance Indicators (BVPIs) have been set annually for all local authorities since 2000-01.

External auditors appointed by the Audit Commission audit the data. It is also Quality Assured by the Audit Commission. The Office has analysed and published audited outturn data from 2000-01, 2001-02 and 2002-03 on the BVPI web site⁴.

3 CPA scores and analysis: www.audit-commission.gov.uk/cpa

4 BVPI web site: www.bvpi.gov.uk

PSA4 Part 2	Overall annual improvements in cost effectiveness of 2% or more.
Milestone	Baseline established for 2001-02. First measurement against baseline for 2002-03 in December 2003.
Performance Indicator	<p>Success is measured by the extent to which local authorities collectively achieve improvements in cost effectiveness over the spending period equivalent to 2% per annum in real terms relative to the GDP deflator for the years in the period.</p> <p>Cost effectiveness is measured as an aggregate across all local government. It is a simple ratio of performance against cost. Performance data is based on a basket of key performance indicators (largely BVPI) and expenditure data is drawn from Local Authority Revenue Outturn and Housing Revenue Account databases. The baseline figure for 2000-01 to 2001-02 was 1.004.</p>
Progress	<p>Slippage.</p> <p>The 2003/04 data show that there has been little change in cost effectiveness over the period. There has been an increase in performance of almost 7% indexed from the baseline year of 2000/01 against the cost effectiveness basket of indicators. However, expenditure has increased faster resulting in a cost effectiveness figure of -0.3% in 2002-03 and a cumulative improvement since 2000-01 of just 0.1%⁵. The calculation for the next CE figure will be available in December 2004.</p>
Quality of data systems	Best Value Performance Indicators provide robust externally audited and Quality Assured data – see above.

PSA4 Part 3	Assisting local government to achieve 100% capability in electronic delivery of priority services by 2005, in ways that customers use
Milestone	
Performance Indicator	<p>Authorities progress in collectively achieving 100% e-enablement of priority services.</p> <p>Success was measured collectively, as recorded in local authorities' returns for BVPI 157 (covering interactions with the public capable of electronic service delivery). It was also measured individually, as they report progress in delivering priority services electronically and achieving increased take up in their Implementing Electronic Government statements (IEGs) in 2003 and subsequently, against baselines set out in their 2002 IEGs.</p>
Progress	<p>On course.</p> <p><i>Authorities progress in collectively achieving 100% availability of e-services (as recorded in their returns for bvpi157)</i></p> <p>The 2001/02 baseline availability of services is 35.4% as measured through BVPI 157. The provisional 2003/04 outturn shows an average 60% of e-services have been enabled.</p> <p>As the table below indicates, performance on e-enabling priority services is on course, 99% of authorities reporting in their IEG statements that this target will be met. Further information on the scope of electronic delivery and measurement is in the PSA4 Technical Note on the ODPM web site.⁶</p>

5 The Department is aware that changes to indicators can make it more difficult to compare cost effectiveness over a long time period. We therefore take care not to change the indicators unless it is necessary to do so. However, year-on-year analysis is only moderately affected by the changes.

6 Technical Note for PSA 4:
http://www.odpm.gov.uk/stellent/groups/odpm_about/documents/page/odpm_about_600099.hcsp

Take up of priority e-services against baselines

The take up for e-services will be reported on in the IEG 4 statements due to be submitted between late October and 20 December 2004. IEG 4 will also report on service transformation, specifically on the areas identified by the Ministerial Sub-Committee on Electronic Service Delivery (PSX (e)), for example, e-procurement and making online payments. And on anticipated efficiency savings 04-07. LAs anticipate a total overall increase in take-up including an increase in take-up on-line.

With regard to the take-up of national projects, IEG 3 data indicate that most authorities will find these projects beneficial. IEG 4 will provide more robust information on whether LAs are using the national projects to help improve service delivery and the perceived impact this is having on service delivery.

Estimates of Electronic Service Delivery Capability



Quality of data systems

Best Value Performance Indicators provide robust externally audited and Quality Assured data. IEGs are produced by all local authorities, are externally audited and then assessed by ODPM officials.

CSR PSA Target	<p>An improvement in fire service efficiency of 2% a year through:</p> <p>Increased co-operation and collaboration between fire brigades, including sharing resources between them and other emergency services; and</p> <p>The introduction of modern standards of fire cover (subject to the outcome of trials).</p>
Performance Indicator	<p>Fire and Rescue Service Best Value Performance Indicator (BVPI) data for 2002-03 was published in April 2004.</p>
Progress	<p>On track.</p> <p>An annual efficiency assumption of 2% was applied to authorities' allocations in SR02. However, a 2.5% efficiency target is likely to apply across local government in the SR04 years.</p> <p>Fire and rescue authorities in England and Wales, including single-purpose authorities, are subject to the duty under best value to secure continuous improvement in performance. For certain functions (communications and control, procurement and training) where collaboration is considered to offer the most potential scope for improved efficiency, fire and rescue authorities have been required to conduct best value reviews to a common timetable. BVPI data for 2002-03 was published in April 2004 and data for 2003-04 will be available in the new year. Details can be found at:</p> <p>http://www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=4519&l=3</p> <p>ODPM has committed to the development and implementation by 1st April 2005 of a National Procurement Strategy for the Service. It is proposed that this will include the establishment of a local authority company to assume responsibility for procurement of high value or strategically important equipment as well as the conduct of strategic level technical services for all authorities in England. This will lead to the elimination of duplication that exists currently and should also serve to raise the standard of procurement expertise within the Service as a whole.</p> <p>The major reform programme instigated by ODPM and the fire and rescue service aims to produce a more efficient and effective fire and rescue service which will save more lives. The Government's expectations for the service are set out in <i>The Fire and Rescue National Framework 2004/05</i> which was published in July 2004. The recent Framework consultation will inform the 2005/06 version, which will be issued in time to inform authorities' budget planning processes.</p> <p>Fire and rescue authorities will be expected to continue working through Regional Management Boards to deliver efficiencies in the six areas of control centres, resilience, procurement, specialist services, training and human resources.</p> <p>The new risk-based approach to fire cover has replaced the old national standards of fire cover through the implementation of Integrated Risk Management Plans for all fire and rescue authorities across England, Wales and Northern Ireland from 1 April 2004. All authorities have consulted on their draft plans and are now implementing agreed versions. Help and guidance has been provided by a Fire Service Inspectorate-led implementation support team and training has been provided for fire and rescue service personnel.</p>

	<p>On schedule in March 2004, all brigades in England and Wales (and Scotland in April 2004) were provided, free of charge, with:</p> <ul style="list-style-type: none"> • The Fire Service Emergency Cover (FSEC) Toolkit modelling software; • three years' cleansed incident data; and • training and documentation. <p>Brigades are making use of the Toolkit (and Helpdesk support) provided by ODPM to inform their risk management planning. Commercial risk assessment software packages are also available and are being used by some fire and rescue services. Authorities are now engaged in producing their Year 2 Integrated Risk Management Plans.</p>
<p>Quality of data systems</p>	<p>2% financial efficiency is already built into the annual revenue grant given to fire and rescue authorities, as this is deducted in advance. However, new systems of validating efficiency are being put in place. For example, the Comprehensive Performance Assessment, to broaden the concepts of, and evidence base for, efficiency, and to include other measures, for example, quality of service delivered.</p>

CHAPTER 6

Strategic Priority Five: Promoting the development of English regions

PSA2 SR2002 PSA Target	<p>To make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006.</p> <p><i>Joint target with Her Majesty's Treasury and the Department of Trade and Industry</i></p>
Milestones	<p>Identification of six to ten key measures to improve economic performance, to be published by July 2004.</p>
Performance Indicator	<p>The headline measure for this PSA target is the trend rate of growth in Gross Value Added (GVA) per head. Trend growth for the baseline 1989-2002 period, for individual regions and for the top three and bottom six regions, is available on the ODPM, DTI and Treasury websites. The gap in the growth rates will be measured by comparing the average growth rate of regions that currently have above average GVA per head (top three regions) with the regions that currently have below average GVA per head (bottom six regions). This measurement involves comparing average growth for London, South East and East with average growth for North East, North West, Yorkshire and the Humber, West Midlands, East Midlands and South West, weighted by population. As the baseline data shows that trend growth in the three leading regions (not deflated) was 5.25%, and 4.5% in the six lagging regions, the gap in growth rates is 0.75 percentage points.</p> <p>As well as comparing the growth rates between these aggregations of regions, growth rates for individual regions will also be scrutinised to make the test required by the first part of the target.</p> <p>Supporting indicators, including business surveys, employment statistics, unemployment rates, earnings growth, VAT registrations, and other indicators of the performance of the five drivers of productivity, are available to monitor performance, and will inform updates of performance, at six-monthly intervals. Improvements in the majority of these indicators (taking into account cyclical influences) will be considered as evidence that progress is on track. An overall assessment of progress will also be made in 2006 with the latest data for GVA and other indicators then available. Where the indicators are not National Statistics, the indicators will be checked internally and agreed between the three Departments.</p>

Progress

On course.

The target period started 1 January 2003. In general, it is too early and there is too little data on the GVA or key drivers of economic growth to draw conclusions on movements or trends. However, early indications are that:

- Unemployment is decreasing and employment rates are up in the North;
- The North, Midlands and South West all saw increases in business start-up rates, and general entrepreneurial activity has risen;
- Northern service sector firms have increased their operating rate; and
- The number of pupils with 5+ GCSE has increased in all regions.

Significant progress has been made with delivery of this PSA over the past year, with:

- The identification of key measures to improve regional economic performance, based around the key drivers of economic growth – employment, skills, innovation, enterprise, investment and competition. These measures were published in the Technical Note for the PSA in July 2004 which can be viewed on the ODPM, DTI and HM Treasury websites;
- The publication of a summary of the background research by Frontier Economics that underpinned the work to develop these measures, which can be viewed on the regional overview section of the ODPM website;
- The publication, in March 2004, of *Productivity in the UK 5: Benchmarking UK productivity performance* which set out proposals for the publication of a suite of national and regional productivity indicators to be used to keep track of delivery of the PSA.
- Although following the consultation, some changes are proposed to the suite of indicators, the initial set proposed in *Productivity in the UK 5* are available at www.rcu.gov.uk/reppsa.

As well as the measures being taken forward with DTI and HM Treasury as co-owners of this PSA, a number of other policy measures are being taken forward by ODPM that will contribute to delivery of this PSA. These include:

- the Sustainable Communities Plan, which sets out a long term programme of action for delivering sustainable communities in both urban and rural areas, including nine Housing Market Renewal Pathfinder projects to tackle the most acute areas of low demand and abandonment in parts of the North and Midlands;
- management of European Regional Development Funds;
- policies on neighbourhood renewal and social exclusion;
- improving the planning system, including at the regional level; and
- sponsorship of the Government Offices for the Regions, who are the primary means by which a wide range of Government policies are delivered in the English regions.
- The DPM announced on 20 September 2004 *Moving Forward: The Northern Way*, a new £100 million growth fund developed by the three Northern Regional Development Agencies (RDAs) to help drive forward a groundbreaking vision for the economic renaissance of the North. The strategy will boost prosperity across the North to close a £29 billion productivity gap with the rest of the country. The three RDAs have combined to help the North reach its full economic potential, to create more jobs, investment and opportunities for the 15 million people living in their three regions. This will complement the work that the Government is already doing to improve the economic performance of the North, and to ensure that the same opportunities are available to everyone across the country.

Quality of data systems	<p>To measure performance against the regional economic performance target the trend rate of growth in Gross Value Added (GVA) per head in each region will be estimated for the period 2003-2008. The gap in growth rates will be measured by comparing the average growth rate of regions that currently have above average GVA per head with the average growth rate of regions that currently have below average GVA per head. Annual GVA per head data for each region is only available after a 12-month lag so performance against this target will be reported in 2010.</p> <p>Christopher Allsopp was commissioned to carry out an independent review of the regional information and statistical framework needed to support the Government's objective of promoting economic growth in all the regions and reducing the persistent gap in growth rates between the regions. The Allsopp Review issued its final report in March 2004 and made a number of recommendations accepted by the Government. In response, the Office for National Statistics will, beginning with new surveys in 2006, deliver reliable baseline Gross Value Added estimates by region, a framework that better reflects economic diversity and change, and put statisticians in every region by March 2007 to strengthen links with devolved administrations and regional bodies.</p> <p>http://www.hm-treasury.gov.uk/consultations_and_legislation/allsop_review/consult_allsopp_index.cfm</p>
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PSA3 SR2002 PSA Target	Provide the opportunity by the end of this Parliament for a referendum on regional government in regions where there is a demand for it.
Milestones	<ul style="list-style-type: none"> • Completion of local government reviews • Preparation for the first assembly referendums and the local government referendums including all the necessary secondary legislation • Preparation of draft Regional Assemblies Bill • Development and implementation of a communications strategy to raise awareness and encourage voter turnout • Holding of referendum in North East
Performance Indicator	Whether referendums are held before the end of this Parliament.
Progress	<p>North-East: Met</p> <p>North-West/Yorkshire & Humberside: Not proceeding</p> <p>The referendum in the North-East was held on 4 November 2004. The people of the North-East voted against the establishment of an elected regional assembly. Turnout was nearly 48%. After reflecting on this result, and taking into consideration the impact of a long period of uncertainty on local government in Yorkshire and the Humber and the North-West, the Government has decided not to bring forward orders for referendums to be held in either of these regions.</p>

ANNEX A

PSA1: Neighbourhood Renewal Targets

This list sets out those targets linked to ODPM's neighbourhood renewal PSA target, PSA1, that were identified as part of SR2002.

'Floor target'

'Floor target' is a generic term that was used in SR2000 to describe targets that set a minimum standard for disadvantaged groups or areas, or a narrowing of the gap between them and the rest of the country.

Department for Education and Skills

SR 2002 Floor Targets
To sustain improvement in primary education by raising standards in English and maths so that by 2004, 85% of 11 year olds achieve level 4 or above, and, by 2006, the number of schools in which fewer than 65% of pupils achieve level 4 or above is significantly reduced. (PSA1)
Transform secondary education by raising standards in English, maths, ICT and Science in Secondary Education so that, by 2004, 75% of 14 year olds achieve level 5 or above in English, maths and ICT (70% in science) nationally and, by 2007, 85% (80% in science) and, by 2007, the number of schools where fewer than 60% of 14 year olds achieve level 5 or above is significantly reduced; (PSA2)
Between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to 5 GCSEs at grades A* to C rises by 2 percentage points each year on average and in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006 (PSA5)
Increase the percentage of pupils obtaining five or more GCSEs at A*-C, with at least 38 per cent to achieve this standard in every local education authority (LEA) by 2004.
By 2010 reduce the inequality in rates between the fifth of wards with the highest under 18 conception rate and the average ward by at least 25%.

Department of Health

SR 2002 Floor Targets
Starting with Local Authorities, by 2010 to reduce by at least 10% the gap between the fifth of areas with the lowest life expectancy at birth and the population as a whole.

Department for Transport

SR 2002 Floor Targets

Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40%, and the number of children killed or seriously injured by 50%, by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities. *(SR2000 target rolled forward with new floor component)* **(PSA5)**

ODPM

SR 2002 Floor Targets

Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006. (Joint Target with HM Treasury and DTI.) *(SR2000 target rolled forward and amended)* **(PSA2)**

By 2010, bring all social housing into decent condition with most of this improvement taking place in deprived areas. **(PSA7)**

Home Office

SR 2002 Floor Targets

Reduce crime and the fear of crime; improve performance overall, including by reducing the gap between the highest crime Crime and Disorder Reduction Partnership areas and the best comparable areas; and reduce:

- vehicle crime by 30% from 1998-99 to 2004;
- domestic burglary by 25% from 1998-99 to 2005;
- robbery in the ten Street Crime Initiative areas by 14% from 1999-2000 to 2005; and maintain that level. **(PSA1)**

Department of Trade and Industry

SR 2002 Related Targets

Help to build an enterprise society in which small firms of all kinds thrive and achieve their potential, with (i) an increase in the number of people considering going into business, (ii) an improvement in the overall productivity of small firms, and (iii) more enterprise in disadvantaged communities. **(PSA6)**

Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006. *(Joint Target with ODPM and HM Treasury.)* **(PSA7)**

In the three years to 2006, taking account of the economic cycle, increase the employment rate and significantly reduce the difference between the overall employment rate and the employment rate of ethnic minorities. *(Joint Target with DWP.)* **(PSA10)**

Department for Environment, Food and Rural Affairs

SR 2002 Floor Targets

Reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2006, and improve the accessibility of services for rural people. **(PSA4)**

Department for Work and Pensions

SR 2002 Floor Targets

Over the three years to Spring 2006, increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle – lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, and the 30 local authority districts with the poorest initial labour market position, and significantly reduce the difference between their employment rates and the overall rate. (*ethnic minorities part shared with DTI*) **(PSA4)**

Her Majesty's Treasury

SR 2002 Floor Targets

Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006. (Joint Target with ODPM and DTI.) (*SR2000 target rolled forward and amended*) **(PSA6)**

ANNEX B

Current SR02 target	SR04 targets
<p>PSA 1 – Neighbourhood renewal</p> <p>Promote better policy integration nationally, regionally and locally; in particular to work with departments to help them meet their PSA floor targets for neighbourhood renewal and social inclusion.</p>	<p>PSA 1 – Neighbourhood Renewal</p> <p>Tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.</p>
<p>PSA 2 – Regional economic performance</p> <p>Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006.</p>	<p>PSA 2 – Regional economic performance</p> <p>Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006, (shared with the Department of trade and industry and HM Treasury), including by establishing elected regional assemblies in regions which vote in a referendum to have one</p>
<p>PSA 3 – Elected regional assemblies</p> <p>Provide the opportunity by the end of this Parliament for a referendum on regional government in regions where there is a demand for it.</p>	<p>PSA 3 – ERAs</p> <p>See PSA2.</p>
<p>PSA 4 – Local government performance</p> <p>Improve delivery and value for money of local services by: introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities scores; overall annual improvements in cost effectiveness of two per cent or more; assisting local government to achieve 100 per cent capability in electronic delivery of priority services by 2005, in ways that customers will use</p>	<p>PSA 4 – local government</p> <p>By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities</p>
<p>PSA 5 – Housing markets</p> <p>Achieve a better balance between housing availability and the demand for housing in all English regions while protecting valuable countryside around our towns, cities and in the greenbelt and the sustainability of existing towns and cities through specific measures to be set out in the Service Delivery Agreement (SDA).</p>	<p>PSA 5 – Housing markets</p> <p>Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities</p>

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



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