



National Audit Office

**BRIEFING FOR THE  
HOUSE OF COMMONS  
COMMUNITIES AND  
LOCAL GOVERNMENT  
COMMITTEE**

**DECEMBER 2010**

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**Department for Communities and Local Government**

Briefing for the Communities and  
Local Government Committee

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National Audit Office

**Department for Communities and Local Government**

# Briefing for the Communities and Local Government Committee

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This briefing has been prepared for the Communities and Local Government Select Committee to provide an overview of the Department for Communities and Local Government's spending and delivery landscape prior to the 2010 Spending Review.

# Contents

Summary **4**

Part One

Financial Management **8**

Part Two

Structural Reform Priorities **15**

Appendix One

2008-11 PSA and  
DSO Indicators **24**

Appendix Two

List of the Department's  
arm's length bodies **36**

Endnotes **38**

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This review was conducted by Helen Evans, Simon Mihailovic, Andy Nichols, Riaz Rahman and Matthew Taylor under the direction of David Corner.

This report can be found on the National Audit Office website at [www.nao.org.uk/Communities-Local-Government-2010](http://www.nao.org.uk/Communities-Local-Government-2010)

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# Summary

## Aim and scope

**1** This briefing has been prepared for the Communities and Local Government Select Committee (the Committee) to provide an overview of the Department for Communities and Local Government's (the Department's) spending and delivery landscape prior to the 2010 Spending Review. It is based on the Department's Annual Accounts 2009-10 and the Department's Business Plan 2011-15 and draws on our work along with other published material.

## The Department's role

**2** The Department's aim is:

*"To create a free, fair and responsible Big Society by putting power in the hands of citizens, neighbourhoods and councils."*<sup>1</sup>

**3** The Department is responsible for government policy on local government, housing, planning and fire and rescue. It oversees the localism agenda, which seeks to redistribute power away from Whitehall. The Department also has responsibility for communities, neighbourhoods and regeneration.

**4** The Department's programmes are mainly delivered by third parties, including local government, non-departmental public bodies and other arm's length bodies. Excluding local government, the largest of these external bodies in terms of funding in 2009-10 was the Homes and Communities Agency. **Figure 2** on page 7 shows the distributions of funding in more detail. The Department has recently announced plans to abolish a number of its external delivery bodies, including Government Offices for the Regions,<sup>2</sup> the Infrastructure Planning Commission, and the Audit Commission.<sup>3</sup> A list of the Department's arm's length bodies in 2009-10 and the decisions taken (as at October 2010) about their future is presented in Appendix Two.

## Key events since the Committee's hearing on the Department's Annual Report 2009

**5** **Figure 1** shows key events that affect the Department, since the Committee's hearing on the Department's Annual Report in November 2009.

**Figure 1**

## Key events since the Committee's last hearing on the Department's Annual Report 2009

Date	Key Event
November 2009	Local Democracy, Economic Development and Construction Bill received Royal Assent.
February 2010	The Department announced a further £500 million of funding to build around 8,000 affordable homes.
March 2010	Parliament approved Ministerial Orders to create unitary authorities in Exeter and Norwich.
April 2010	The March Budget sets out the previous Government's plans to tackle the deficit. Bill to amend Sustainable Communities Act received Royal Assent. Mortgage Repossessions (Protection of Tenants) Bill received Royal Assent.
May 2010	General Election and Coalition Government formed. Appointment of the Rt Hon Eric Pickles MP as Secretary of State for Communities and Local Government. Departmental Ministers announced: <ul style="list-style-type: none"> <li>● a halt to the restructuring of councils in Norfolk, Suffolk and Devon and the introduction of a Local Government Bill to revoke plans to create unitary councils in these areas;</li> <li>● a Localism Bill to transfer power away from central government to local councils and communities;</li> <li>● the suspension of Home Information Packs; and</li> <li>● a freeze on council tax.</li> </ul>
June 2010	Emergency budget published. The Department announced that local authorities are to make a contribution of £1.2 billion to the £6.2 billion of cross-Government savings in 2010-11. Ministerial statements announced: <ul style="list-style-type: none"> <li>● the abolition of Comprehensive Area Assessments;</li> <li>● the intention to abolish the Infrastructure Planning Commission; and</li> <li>● plans for local councils to publish details of all spending over £500.</li> </ul>
July 2010	The Department published its Structural Reform Plan. Ministerial statements announced: <ul style="list-style-type: none"> <li>● the intention to abolish Government Offices for the Regions;</li> <li>● the scrapping of Regional Strategies and national housing targets; and</li> <li>● the proposal to replace capping of council tax with a local referendum on excessive council tax increases.</li> </ul>

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**Figure 1**

Key events since the Committee's last hearing on the Department's Annual Report 2009 continued

<b>Date</b>	<b>Key Event</b>
August 2010	The Department published online all its spending on goods and services over £500. The Secretary of State announced plans to abolish the Audit Commission.
September 2010	The appointment of Sir Bob Kerslake as the new Permanent Secretary is announced. Ministerial statements announced: <ul style="list-style-type: none"><li>● that no council tax revaluation would be undertaken [in this Parliament];</li><li>● that councils could return to the committee system should they wish; and</li><li>● plans to replace the Standards Board regime.</li></ul>
October 2010	Comprehensive Spending Review set out settlements for the Department and Local Government for the period 2011-12 to 2014-15. Ministerial statements announced: <ul style="list-style-type: none"><li>● the abolition of Local Area Agreement targets; and</li><li>● the first wave of local enterprise partnerships.</li></ul>
November 2010	The Department published its Business Plan 2011-15.

*Source: National Audit Office analysis*

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**Figure 2**

Where the money went (2009-10 data)



**NOTE**

1 The above shows funding from the Department and the total spend of the body concerned. The figures differ where the body receives other income.

Source: Expenditure figures from Financial Statements of the named bodies and the Department for Communities and Local Government Departmental Resource Accounts 2009-10

# Part One

## Financial Management

### Departmental Accounts

**1.1** The Department reported a total net resource outturn of £39,003 million in 2009-10, an increase of 6 per cent on the £36,700 million in 2008-09. The Department provided gross funding for local authorities of £29,747 million.

**1.2** The Department underspent its estimate provision by £504 million, 1.3 per cent of the funds voted by Parliament. This compares with an £584 million (1.6 per cent) underspend in 2008-09, a £722 million (2.1 per cent) underspend in 2007-08 and a £520 million (1.5 per cent) underspend in 2006-07.

**1.3** The £504 million underspend in 2009-10 included:

- £179 million on non-domestic rates outturn adjustments and the Local Authority Business Growth Incentive, a programme which has significant year-to-year variation in outturn and where the Department is not able to estimate outturn reliably until well into the financial year.
- £34 million on European Structural Funds because write-offs and provisions relating to old schemes were less than initially projected. This was due to the Department undertaking extra work to validate claims and because of the impact of foreign exchange movements on programme receipts from the EU.
- £34 million on ensuring safer communities because variable contract costs were lower than expected and there were delays in both the replacement of and the purchase of equipment.
- £25 million in Central Administration, arising from: an underspend in costs of capital, savings arising from not filling vacancies; and an underspend on staff exit costs and compensation payments (the Department ran a smaller than anticipated exit scheme in 2009-10).

**1.4** The Department's resource accounts were certified by the Comptroller and Auditor General on 5 July 2010, before Parliament's summer recess, with an unqualified audit opinion. As at the beginning of November 2010, no qualification had been issued on the 2009-10 accounts of the Department's public bodies, or funds, whose financial statements are audited by the Comptroller and Auditor General.

## Distribution of Expenditure by Policy Area

**1.5** To illustrate the broad policy areas on which the Department used its resources in 2009-10, its expenditure and staff allocations can be split between the six Strategic Objectives it had during the 2008-11 Spending Review period (see **Figure 3**). The majority of the Department's expenditure was used to support local authorities via both general revenue funding (redistributed Non-Domestic Rates, Revenue Support Grant and Area Based Grant) and also via specific and special grants. Of the remainder, the largest allocation went to the Homes and Communities Agency to support the development, maintenance and improvement of housing.

### Figure 3

The Department's expenditure in 2009-10 against its Strategic Objectives for the 2008-11 Spending Review period

Departmental Strategic Objectives	Gross expenditure (£m)	Total staff within the Department and its Agencies (FTE)
<b>DSO 1</b> to support local government that empowers individuals and communities and delivers high quality services efficiently	26,708	569
<b>DSO 2</b> to improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy	8,926	536
<b>DSO 3</b> to build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation	3,254	2,124
<b>DSO 4</b> to develop communities that are cohesive, active and resilient to extremism	152	280
<b>DSO 5</b> 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	271	1,025
<b>DSO 6</b> ensuring safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies	512	352

Source: Department for Communities and Local Government Departmental Resource Accounts 2009-10

## Regional Distribution of Expenditure

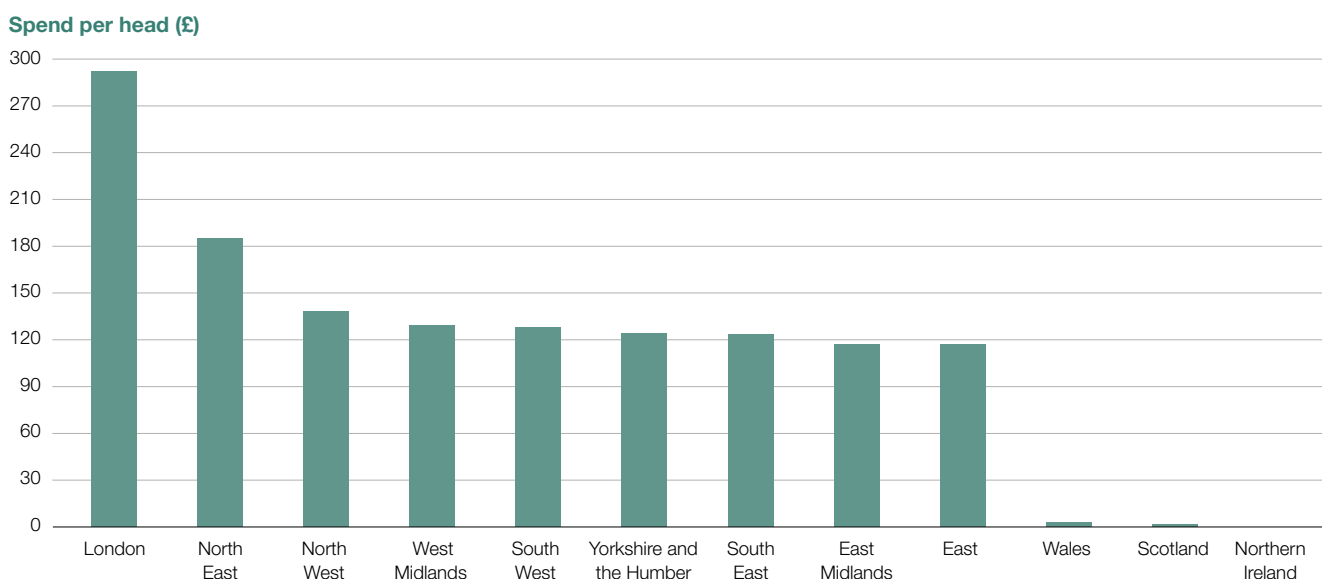
**1.6** Of the Department's total funding in 2009-10, excluding that directed to local authorities, £7,985 million can be identified as being spent on services within a particular area or region. Of this amount, £7,970 million is spent in England with £15 million going to Scotland, Wales and Northern Ireland. Some of the policy areas that the Department funds in England are funded through the Devolved Administrations in Scotland, Wales and Northern Ireland. **Figure 4** shows departmental spend per head in each nation and region.

## The Department's Administration Costs

**1.7** The Department reported net administration expenditure of £255 million in 2009-10, approximately 0.7 per cent of its total net expenditure. Administration expenditure comprised:

- staff administration costs of £190 million;
- other administration costs of £110 million (including £16.1 million for the rental of buildings and £34.3 million in other charges relating to accommodation); and
- operating income of £45 million (for example, £3 million in recoveries for staff loaned out).

**Figure 4**  
Regional distribution of expenditure



Source: HM Treasury Country and Regional Analysis Chapter 9 – Public Expenditure by Country, Region and Function

**1.8** In addition £64 million was spent on staff directly delivering programmes. Including recoveries for staff loaned out, the total net cost of staff in 2009-10 was £251 million, which covered the Department's 4,434 whole time equivalent permanent staff<sup>a</sup> and 452 other staff, including temporary staff.

## The Department's Budget

**1.9** The Department's budget (excluding Annually Managed Expenditure) has increased from £31,688 million in 2006-07 to £35,930 million in 2009-10. In June 2010, the Department announced that it would make £780 million in-year savings in 2010-11.<sup>4</sup> It identified savings from the reduction in running costs of the Department and its arm's length bodies (£50 million), restructuring of Regional Development Agencies (£203 million), procurement savings (£5 million), unallocated funding (£168 million<sup>b</sup>) and reductions to individual grants to local authorities including:

- £146 million from the Housing and Planning Delivery Grant.
- £103.5 million from the Area Based Grant.<sup>c</sup>
- £50 million from Housing Market Renewal.
- £30 million from Gypsy and Traveller site grant.
- £19.1 million from Connecting Communities.
- £5 million from cohesion funding.

**1.10** The Department's budget for the next four years was announced in the October 2010 Spending Review (**Figure 5** overleaf). The Department's funding to local authorities (Local Government Departmental Expenditure Limit) will reduce from £28.5 billion in 2010-11 to £22.9 billion in 2014-15. On the Department's core government expenditure (the Department's Departmental Expenditure Limit) its capital budgets will reduce by 74 per cent from £6.8 billion in 2010-11 to £2 billion in 2014-15, whilst its core revenue funding will reduce by £1 billion from £2.2 billion to £1.2 billion over the same period. Within the Department's core funding it will devolve £1.6 billion to local government.

a 714 in the Planning Inspectorate, 1,700 in Government Offices and 2,020 in the core Department.

b £150 million relates to Housing Programmes.

c Elements include Working Neighbourhood Fund, Local Enterprise Growth Initiative, and Supporting People.

**Figure 5**

The Department's budget 2010-11 to 2014-15 as announced in the 2010 Comprehensive Spending Review

<b>The Department</b>		<b>2010-11 (£bn)</b>	<b>2011-12 (£bn)</b>	<b>2012-13 (£bn)</b>	<b>2013-14 (£bn)</b>	<b>2014-15 (£bn)</b>
Departmental Expenditure Limit	<i>Administration</i>	0.5	0.4	0.4	0.3	0.3
	<i>Programme</i>	1.8	1.6	1.3	1.3	0.9
	<i>Capital</i>	6.8	3.3	2.3	1.8	2.0
<b>Total Departmental Expenditure Limit</b>		<b>9.0</b>	<b>5.3</b>	<b>4.0</b>	<b>3.4</b>	<b>3.2</b>
Annually managed expenditure		0.6	0.7	0.7	0.7	0.7
<b>Local Government<sup>1</sup></b>						
Departmental Expenditure Limit	<i>Resource</i>	28.5	26.1	24.4	24.2	22.9
	<i>Capital</i>	0.0	0.0	0.0	0.0	0.0
<b>Total Departmental Expenditure Limit</b>		<b>28.5</b>	<b>26.1</b>	<b>24.4</b>	<b>24.2</b>	<b>22.9</b>
Annually managed expenditure		0.5	0.5	0.5	0.5	0.5

**NOTES**

1 Includes funding for police and fire authorities.

2 Numbers may not sum due to rounding.

Source: HM Treasury Spending Review 2010 and Department for Communities and Local Government's Business Plan

**European Regional Development Fund**

**1.11** The Department is responsible for the management and administration of European Regional Development Fund (ERDF) expenditure in England. The Fund was set up in 1975 to stimulate economic development in the least prosperous regions of the European Union. Managing European funds presents a particular challenge for the Department because when ERDF spending does not conform to ERDF Regulations, or where projects cannot provide adequate audit trails and become ineligible for grant funding, the liabilities for such ineligible expenditure may fall to the Department.

**1.12** For nine years to 31 March 2010 the Department managed the 2000-06 ERDF programmes, in conjunction with the Government Offices. These programmes were completed on 31 March 2010 and the final declarations and reports were forwarded to the European Commission. In parallel with the closure process the Department undertook a full review of the state of ERDF supported projects to identify all potential liabilities. In anticipation of a fine to be imposed by the European Commission for errors (that exceed 2 per cent), the Department charged £20.4 million as an accrual in its 2009-10 operating cost statement. The Department has also accrued an additional amount of £21.2 million for expected write-offs. Additionally, it has made provisions of:

- £17.3 million for the potential correction of errors up to 2 per cent;
- £25 million to cover possible overclaims; and
- £70.9 million for debt at risk including audits awaiting conclusion which may require clawback or write-off; a further £36.4 million has been treated as a contingent liability.

**1.13** The 2007-13 ERDF programme is being managed by the Regional Development Agencies (RDAs). The future arrangements for the management of ERDF remain uncertain with the proposed closure of both Government Offices and the RDAs.

### The Department's Performance

**1.14** The previous Government's priorities for the period 2008-11 were set out in the form of Public Service Agreements (PSAs). The Department had lead responsibility for two Public Service Agreements:

- PSA 20 – increase long term housing supply and affordability; and
- PSA 21 – build more cohesive, empowered and active communities.

**1.15** Our June 2010 reports on the data and systems underlying Public Service Agreements 20<sup>5</sup> and 21<sup>6</sup> rated four out of the six indicators of each as Green and the rest as Amber, meaning that the data systems were broadly fit for purpose but could be improved in some areas. We found that the Department's governance arrangements in respect of its Public Service Agreements were generally satisfactory; however, in several cases, the Department could further improve the arrangements in place by setting specific targets rather than a general requirement for improvement against a baseline figure. The Department also measured its performance via its six Departmental Strategic Objectives (see Figure 3) over the same period. For context, the Department's reported performance against its 2008-11 PSAs and DSOs is shown in Appendix One.

**1.16** The Coalition Agreement signalled that, for the next Comprehensive Spending Review period, new measures of performance will be established to hold departments to account in place of PSAs and DSOs.<sup>7</sup> The key indicators (**Figure 6** overleaf) to assess the effectiveness of the Department over the next period are set out in the Department's Business Plan 2011-15. These indicators are subject to consultation until 31 January 2011.

**Figure 6**

## The Department's input and impact indicators

	<b>Dataset</b>	<b>Frequency</b>
<b>Input indicator</b>		
Affordable housing grant per dwelling	To be determined	Annually
Percentage of local authority revenue expenditure funded by central government grants, broken down by class of authority	Already published	Annually
<b>Impact indicator</b>		
Total number of housing starts and completions (as a leading indicator of net additions)	Already published	Quarterly
Number of net additions to the housing stock	Already published	Annually
Number of affordable housing starts and completions delivered through the Homes and Communities Agency	Already published	Every six months
Energy efficiency of new build housing (average Standard Assessment Procedure energy rating score)	Already published	Quarterly
Households in temporary accommodation	Already published	Quarterly
Fire-related casualties	Already published	Quarterly
Percentage of local authority budgets delegated to local decision-making	To be determined	Annually

**NOTE**

1 The Department is exploring other possible input indicators.

Source: *The Department for Communities and Local Government's Business Plan 2011-15*



# Part Two

## Structural Reform Priorities

**2.1** On 8 November 2010, the Department published its Business Plan<sup>d</sup>, which outlined the main priorities for the Department over the next four years and will be updated annually. This section describes the main aspects of the Business Plan and provides additional context from NAO and other published sources.

### Reinvigorate local accountability, democracy and participation

**2.2** The Coalition Agreement set out the Government's ambition to oversee a "*radical redistribution of power away from Westminster and Whitehall to councils, communities and homes.*"<sup>8</sup> The Department's Business Plan outlined commitments to remove regional tiers of government and empower local councils and communities. The Department states that its proposed Localism Bill will provide councils with a general 'power of competence' to act as they see fit in the best interest of their communities, and give local communities powers to save local facilities threatened with closure as well as the right to bid to take over local state-run services. In 2009-10, the Citizenship Survey<sup>e</sup> found that 37 per cent of people felt they could influence decisions in their local area.<sup>9</sup> This is lower than the 39 per cent reported in the previous year and the 44 per cent reported in 2001 when the survey began.<sup>10</sup> Reported levels of involvement in civic participation<sup>f</sup> were 34 per cent in 2009-10 compared to 38 per cent the previous year.<sup>11</sup>

**2.3** The Department's Business Plan set out plans to abolish the regional Government Offices and the Regional Development Agencies outside London and establish local enterprise partnerships. These partnerships of local authorities and businesses are intended to address "*issues including planning and housing, employment, local transport and infrastructure, enterprise and supporting business start-ups.*"<sup>12</sup> As at September 2010<sup>g</sup>, the Government had received 62 proposals<sup>h</sup> to form local enterprise partnerships. The Department for Business, Innovation and Skills announced on 28 October 2010<sup>13</sup>, that 24 local enterprise partnerships proposals had been approved, and that the remainder had been informed and given feedback on how to develop their proposals further.

<sup>d</sup> The Business Plan 2011-12 to 2014-15 builds upon the Structural Reform Plan published in July 2010.

<sup>e</sup> The Citizenship Survey involves face-to-face interviews with 10,000 adults in England and Wales on a range of issues including community cohesion, empowerment, racial and religious prejudice and discrimination, volunteering and charitable giving. Since 2007-08 the survey has reported on a quarterly basis.

<sup>f</sup> Civic participation covers wider forms of engagement in the democratic process, such as contacting an elected representative, taking part in a public demonstration or protest, or signing a petition.

<sup>g</sup> 6 September 2010 was the deadline to submit outline proposals.

<sup>h</sup> 62 proposals were submitted to the Department, however, six were judged not to have met the criteria for local enterprise partnerships. As such 56 proposals were considered and evaluated.

**2.4** The Regional Growth Fund has been established to stimulate growth and enterprise by fostering innovation and creating private sector jobs.<sup>14</sup> The £1.4 billion fund will operate over three years from 2011-12 and aims to stimulate enterprise by providing support for projects with significant potential for creating long term private sector led economic growth and employment. In particular, it will seek to help those areas and communities that are currently dependent on the public sector. The Department will contribute £890 million to the fund<sup>15</sup>, with the remainder contributed by the Department for Transport and the Department for Environment, Food and Rural Affairs.<sup>16</sup>

**2.5** The most recent available data shows that some progress has been made on promoting economic growth, an agenda towards which the Department contributes through its objective to “*build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation*”. For example, the gap in new business registrations between deprived areas<sup>i</sup> and the rest of England narrowed slightly between 2007 and 2008: 10.9 fewer business registrations in deprived areas (per 10,000 population aged 16 years and over) compared to 11.7 fewer in the previous year.<sup>17</sup> However, the NAO’s work and that of the Committee of Public Accounts has indicated that weaknesses in the Department’s oversight and programme management had limited the value for money of some of its initiatives. The Committee of Public Accounts, in its report *Regenerating the English Coalfields*<sup>18</sup> found that due to the scale of site reclamation works, which included some of the most contaminated sites in Europe, the programme had cost more than originally expected and taken much longer than planned. The Department had spent £630 million<sup>j</sup> to bring 54 former coalfield sites back into working use enabling development of 2,700 houses and 1.1 million square metres of employment space. The Committee said that the Department had not coordinated sufficiently the three strands of activity, nor produced an overarching strategy for regenerating these areas or shown sufficient leadership to bring together relevant government departments to support enterprise, employment, education, health and transport in coalfield areas.<sup>19</sup>

## Meet people’s housing aspirations

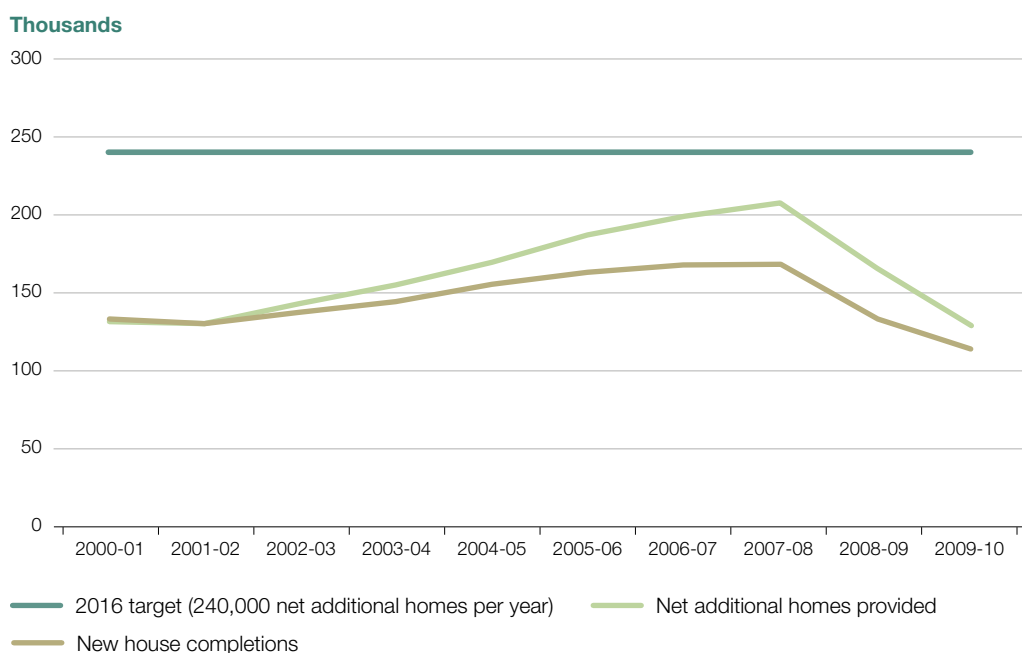
**2.6** The Business Plan sets out the Department’s intention for meeting people’s housing aspirations by providing local authorities with incentives to facilitate housing growth. The Department’s target for 2008-11 was to increase the supply of housing from a baseline figure of 185,000 net additional homes per year in 2005-06 to 240,000 net additional homes per year by 2016. **Figure 7** shows that the increase in housing supply in England in 2009-10 was 128,680 net additional homes. This is a 23 per cent decrease on the number of net additional homes provided in the previous year. New completions, which make up the majority of new housing supply, fell by 15 per cent in 2009-10 compared to the previous year and are at a level similar to that last observed in 1947.<sup>20</sup>

i Deprived areas are defined as in local authorities in receipt of Working Neighbourhood Fund and/or Local Enterprise Growth Initiative funding.

j As at July 2009 £630 million had been spent with £450 million remaining.

**Figure 7**

Net additional homes provided and new house completions in England since 2000-01



Source: Department for Communities and Local Government's housing statistics

**2.7** The Department has said that it is seeking to move away from central targets for house-building and is developing ways to give greater power to local communities and local authorities. It has announced its intention to introduce a New Homes Bonus to incentivise local councils to give planning consent and support new homebuilding, and contribute to offsetting reductions in capital funding. In November 2010, the Department published a consultation paper on the scheme. In May 2010, the Department announced the suspension of Home Information Packs.<sup>21</sup> It is also reviewing the Housing Revenue Account – the consultation on changes to the Housing Revenue Account ended in July 2010. It is anticipated that details of the new system will be introduced in the Localism Bill, with the expectation the new system will commence in 2012.<sup>22</sup>

**2.8** The Business Plan sets out the Department's intention to introduce an Affordable Rent scheme. This will be offered to new tenants at a level between social rents and local market rents, and on a tenancy agreement that will be reviewed after an agreed period of time. This scheme will contribute towards up to 150,000 new affordable homes between 2011-12 and 2014-15. In 2009-10, a total of 57,730 affordable homes were supplied in England, which is an increase of 4 per cent from the previous year. Of these affordable homes, 33,120 were provided for social rent.<sup>23</sup>

**2.9** In order to develop, deliver and monitor housing programmes and projects effectively, the Department needs to ensure it has good quality management information. In its March 2010 report, on the Decent Homes programme the Committee for Public Accounts noted that the Department had made substantial progress towards the original target of all social housing being of a decent standard by December 2010; however, the Department needed to improve its financial control over the Programme.<sup>24</sup> The Committee found that it was not clear how much the Department had spent on the Programme, nor was its budgeting robust as the initial estimate of £19 billion to improve homes excluded factors such as inflation and the costs to social landlords.<sup>k</sup> The Committee also noted the lack of management information such as reliable statistics on the number of homes made decent. These findings were echoed in a June 2010 NAO report on the use of the private finance initiative to improve local authorities' housing stock.<sup>25</sup> The report identified the dataset for the programme as 'patchy', and found that the Department's very early programme management was weak and under-resourced. A number of early projects had been affected by significant cost increases and had experienced delays.

**2.10** The Business Plan also contains several actions designed to affect the quality and usage of existing building stock:

- A 'Home on the Farm' scheme to encourage farmers to convert existing disused or underused buildings into affordable housing. At present the Department is examining how this scheme can be set alongside the Community Right to Build, which gives rural communities the power to give the green light to new developments in their area.<sup>26</sup>
- The development of a strategy to bring more empty homes back into use. Empty homes account for 3 per cent of the total housing stock in England and, according to local authorities' council tax data, there were 771,000 vacant dwellings at the end of October 2009, of which around 130,000 properties are in areas of high demand.<sup>27</sup>
- Plans to increase the mobility of social housing tenants to make social housing more flexible. In 2009-10, a total of 8,510 social homes were sold by local councils and registered providers to sitting tenants in England.<sup>28</sup> This was a 16 per cent increase on the previous year and contrasts with consecutive annual falls in social housing sales since 2003-04. In August 2010, the Department announced a National Affordable Home Swap Scheme that provides the opportunity for tenants in council and housing association homes to exchange accommodation across the country.<sup>29</sup>
- The development of options to ensure continuous improvements in energy efficiency of new housing, specifically zero carbon homes and non-domestic buildings. In quarter two of 2010<sup>l</sup> the average energy efficiency rating of new homes in England was 79.5 Standard Assessment Procedure (SAP) points<sup>30</sup>, which is an improvement on the baseline of 78.5 SAP points.

<sup>k</sup> The Department estimated £37 billion as the total cost of capital works undertaken by social landlords by March 2011.

<sup>l</sup> Provisional rating and subject to revision.

## Put communities in charge of planning

**2.11** The Business Plan outlines reforms to the planning system, moving away from national and regional targets, towards providing local communities with more power. In July 2010, the Department announced the revocation of Regional Strategies with immediate effect. It has said that the legal basis for Regional Strategies will be abolished through the Localism Bill. Local planning authorities are to develop plans reflecting local people's aspirations with a presumption in favour of sustainable development. For the 2008-11 period, under the previous Government, the Department had a target of 80 per cent of local planning authorities adopting Development Plan Documents by March 2011. As at July 2010, 18 per cent of local authorities had adopted these new style development plans.

**2.12** The Department has also announced its intention to replace the Infrastructure Planning Commission with *"an efficient and democratically accountable system that provides a fast track process for major infrastructure projects"*. In June 2010, the Department announced that a Major Infrastructure Planning Unit would be established within the Planning Inspectorate to fast track major infrastructure projects.<sup>31</sup> In the period January to March 2010, 70 per cent of all major planning applications were processed within 13 weeks by local planning authorities.<sup>32</sup> A similar level of performance was achieved for the period January to March 2009. The Department's target for the 2008-11 period was for 80 per cent of major applications to be processed within 13 weeks by 2011.

**2.13** The Business Plan commits the Department to maintaining the Green Belt, Sites of Special Scientific Interest and other environmental protections. Around 13 per cent of the land area of England is designated Green Belt (approximately 1.6 million hectares).<sup>33</sup>

## Decentralise power as far as possible

**2.14** The Department set out in its Business Plan its intention to decentralise power by providing greater freedoms and flexibilities for local government. In June 2010, the Secretary of State announced the cessation of Comprehensive Area Assessments, which assessed local councils and other local bodies.<sup>34</sup> The estimated annual cost of the Comprehensive Area Assessment was £25.5 million<sup>m</sup> for all local authorities in England.<sup>35</sup>

<sup>m</sup> Estimated range between £12 million and £39 million based on scaling up estimated data provided by sample authorities.

**2.15** As well as reducing central audit and inspection, the Department states that it is developing options to free local government from other forms of central control, including guidance, rules and funding mechanisms. It plans to publish, in the summer of 2011, a local government resource review that will examine the way councils are funded and outline greater financial freedoms.<sup>36</sup> Government grants funded 56 per cent of revenue expenditure by local authorities in England in 2009-10, more than council tax (25 per cent) and redistributed non-domestic rates (19 per cent) combined.<sup>37</sup> For 2010-11, ringfences have been removed from around £1 billion of local authority grant funding.<sup>38</sup> The Spending Review 2010 announced plans to remove ring fencing of all revenue grants from 2011-12, except for the dedicated schools grant and public health grant, reducing the number of separate core grants from over 90 to less than 10.<sup>39</sup>

**2.16** The June 2010 Emergency Budget announced Government's intention to work with local authorities in England to freeze council tax in 2011-12.<sup>40</sup> The average Band D council tax per dwelling rose by 1.8 per cent between 2009-10 and 2010-11. **Figure 8** shows percentage increases in Band D council tax since 2000-01.<sup>41</sup>

**Figure 8**

Average percentage increases in Band D council tax between 2000-01 and 2010-11



Source: Department for Communities and Local Government council tax data

**2.17** At the end of July 2010, the Department launched a consultation that proposed replacing the capping of council tax by central government with a requirement that an ‘excessive’ council tax increase be subject to a local referendum.<sup>42</sup> In September 2010, the Department announced there would be no council tax revaluation in England during this Parliament.<sup>43</sup> The Business Plan outlined a proposal to consider local retention of business rates. In 2009-10, the amount raised from business rates increased by 1.8 per cent to £19.4 billion.<sup>44</sup>

**2.18** The Business Plan sets out proposals to implement community budgets that pool public budgets into a single funding stream. The first phase of 16 places will develop community budgets around families with complex needs. This builds upon the Total Place<sup>n</sup> initiative that involved local public services working together to deliver better value services to citizens through joint working and reducing waste and duplication. There were 13 Total Place pilot areas, covering 63 local authorities, 34 Primary Care Trusts, 12 fire authorities and 13 police authorities.<sup>45</sup> Analysis of Total Place commissioned by the Department showed that between 70 to 80 per cent of money spent locally goes on social protection, education and health.<sup>46</sup>

**2.19** The Business Plan announced the Department’s intention to create, by legislating in the Localism Bill, directly elected Mayors in the largest 12 cities in England from 2012. These Mayors would exercise additional powers subject to confirmatory referenda and full scrutiny by elected councillors. Since the 2000 Local Government Act enabled local authorities to have a directly elected mayor, there have been 38 referenda<sup>o</sup>, in 13 of which citizens voted in favour.<sup>47</sup>

## **Increase transparency by letting people see how their money is being spent**

**2.20** In September 2010, guidance<sup>p</sup> was provided to local authorities on standards for publishing their transactions over £500.<sup>48</sup> Local authorities are expected to publish their spending information online from January 2011; as at 4 November 2010, 87 local councils had published information.<sup>49</sup> In August the Department published its payments to suppliers for 2009-10<sup>50</sup> and in September 2010 published spend transaction for the first quarter of 2010-11.<sup>51</sup> The Secretary of State has determined that the Department and its arm’s length bodies will publish spend data at the £500 limit, in line with local authorities rather than the £25,000 threshold for central government departments. Guidance has also been produced to assist local authorities in the preparation and publication of senior salary information in line with objectives set out in the Coalition Agreement.<sup>52</sup>

n Launched at Budget 2009 as a key recommendation of the HM Treasury Operational Efficiency Programme.

o Includes one mayoral referendum held in Wales.

p Draft guidance published in June 2010.

**2.21** Several actions in the Business Plan are framed around reducing the amount of performance reporting and auditing imposed on local authorities by the centre, and for local authorities to publish financial and performance data for the benefit of the local population. The Business Plan outlined the Department's plan to promote transparency by encouraging citizens, public and private organisations to access and use local data and information. In August 2010, the Department announced plans to abolish the Audit Commission.

### **Fire and Rescue**

**2.22** As outlined in the Business Plan, the Department is responsible for working with the Fire and Rescue Service to prevent deaths and injuries from fire and promote fire prevention. The Department estimates it spent around £1.3 billion<sup>q</sup> on the Fire and Rescue Service in 2009-10, excluding Formula Grant paid to unitary and county councils for fire and rescue. The 2010 Spending Review announced 13 per cent real terms reduction in fire resource funding between 2010-12 and 2014-15 (including expenditure on fire within central government). It stated that fire authorities will need to deliver more efficiencies and workforce reform.<sup>53</sup> In July 2010, the NAO published a report on Firebuy, the body in charge of procuring specialist equipment for Fire and Rescue Services in England. We found that, as at July 2010, establishing and running Firebuy had cost the taxpayer almost £17 million, nearly twice as much as the total savings it claimed to have delivered.<sup>54</sup> In October 2010, the Department announced that Firebuy was to be abolished, its procurement functions transferred to alternative suppliers and its residual functions transferred to the Department.<sup>55</sup>

**2.23** The Department's data<sup>56</sup> shows that progress is being made in reducing fires and fire-related casualties. The Department has struggled to manage procurement and major projects in the Fire Service effectively. We provided the previous Committee with a memorandum on the FiReControl project to replace 46 local Fire and Rescue Service control rooms with nine purpose-built Regional Control Centres. We found that: the Department expects to spend £423 million over the lifetime<sup>r</sup> of the project; the expected cost savings to pay for the initial investment will not be realised; and there will be no overall financial savings. The Department now expects the project to cost £240 million more than the forecast savings.<sup>57</sup>

q Estimated figure supplied by the Department. In 2009-10 the Fire and Rescue Authorities received £1.04 billion through the Formula Grant direct from the Department. In addition un-hypothecated grant funding from unitary and county councils may be directed to the Fire Service, however, this amount is unknown. The Department also spent £177 million on the Fire and Resilience Programme and £104 million on related fire capital expenditure in 2009-10.

r 2004 to 2017.



## Other issues concerning local government

**2.24** The Department states that it is working with the Home Office to stop councils unnecessarily using surveillance powers unless signed off by a magistrate. In July 2010, the Home Office announced as part of its review of counter-terrorism and security powers to examine *“the use of the Regulation of Investigatory Powers Act 2000 by local authorities, and access to communications data more generally<sup>58</sup>”*.

**2.25** The Business Plan also outlined plans to amend the code of recommended practice on local authority publications. In September 2010, the Department published a consultation<sup>59</sup> proposing specific guidance on the frequency, content and appearance of local authority newspapers or magazines. Research undertaken by the Audit Commission revealed that over 90 per cent of local councils in England published a periodical and in 2008-09 they spent, excluding advertisement on staff recruitment, £390 million on publicity.<sup>60</sup>

# Appendix One

## 2008-11 PSA and DSO Indicators

**1** **Figure 9** shows the Department's reported performance against the targets and indicators against which it measured and reported its performance under the previous Government, during the period 2008-11. The statements on performance and progress represent the position as reported by the Departments in its Core Financial and Performance Tables 2009-10, published in July 2010. The Department's Business Plan 2011-15 sets out the input and impact indicators that the public can use to hold the Department to account in place of PSAs and DSOs. These indicators are subject to consultation until 31 January 2011.

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### Figure 9

**Indicators of PSA 20/DSO 2: Increase long term housing supply and affordability by improving the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy**

Indicator	Target	Department's Statement on Performance	Progress
Number of net additional homes provided	Increase the number of net additional homes provided per year to 240,000 by 2016	Baseline at 2005-06 was 185,000 homes. Latest figure (2008-09) is 166,570 net additional homes.	Off track
Trends in affordability: the ratio of lower quartile house prices to lower quartile earnings (housing affordability)	No national target, but consider this met if the ratio remains below 10 per cent more than the baseline	Baseline at 2007 was 7.25. Latest figure (Q1 2010 provisional) is 6.78.	At risk
Number of affordable homes delivered (gross)	Increase the number of additional gross affordable homes provided to 70,000 per year by 2010-11 including 45,000 social homes	Baseline at 2005-06 was 44,923 affordable homes, including 23,411 social homes. Latest figure (2008-09) is 55,770, including 31,090 social homes.	At risk
Number of households living in temporary accommodation	Halve the number of households living in temporary accommodation to 50,500 by 2010	Baseline at Q4 2004 was 101,000 households. Latest figure (Q1 2010) is 51,310 households.	On track

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<b>Indicator</b>	<b>Target</b>	<b>Department's Statement on Performance</b>	<b>Progress</b>
Average energy rating for new homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)	To reflect the minimum standards as set out in building regulations as they are implemented over the rest of the CSR 07 period	Baseline for 1 September 2008 to 31 March 2009 was 78.5 points. Latest figure (Q1 2010) is 79.0 points.	On track
Average energy ratings for all homes (SAP – Standard Assessment Procedure for the energy rating of dwellings)	Seeking an increase in the average SAP rating for all homes	The baseline figure, for 2006, was 48.7 SAP points. The latest figure (2008) is 51.4 points.	On track
Percentage of non-decent homes in the social sector	Success will be shown by a reduction in the percentage of non-decent homes	The baseline figure, for 1 April 2007, was 21.8 per cent. The latest figure (for 1 April 2009) is 14.5 per cent.	On track
Percentage of vulnerable households in decent homes in the private sector	To increase the percentage of vulnerable households living in decent homes in the private housing sector	The baseline figure, for 2006, was 58.8 per cent using data from the former English House Condition Survey. It is estimated that the latest figure (2008) would have been 61.1 per cent on the same basis. The figure for 2008 from a revised methodology, using data from the English Housing Survey, was 60.6 per cent.	On track
Number of children in poor housing (Non-Decent, Overcrowded or Temporary Accommodation)	Seeking a reduction	The baseline figure, for April 2006, was two million children, with the latest figure (April 2008) showing no change.	Off track
Percentage of vulnerable people who are supported to maintain independent living	Seeking an increase in the percentage	The baseline figure, for 2007-08, was 98.24 per cent. The latest figure (2008-09) is 98.38 per cent.	On track
Percentage of vulnerable people achieving independent living	Seeking an increase in the percentage	The baseline figure, for 2007-08, was 65.3 per cent. The latest figure (2008-09) is 71.7 per cent.	On track
Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence	Seeking a statistically significant increase in the percentage	The baseline figure, for 2006-07, was 76.5 per cent. The latest figure (2008-09) is 78.5 per cent. This is a statistically significant increase.	On track
Care leavers in suitable accommodation	Seeking an increase of 1.1 percentage points	The baseline figure, for 2006-07, was 87.3 per cent. The latest figure (2008-09) is 89.6 per cent. This is a statistically significant increase.	On track
Adults receiving secondary mental health services in settled accommodation	Seeking a statistically significant increase in the percentage	The provisional baseline for 2008-09 was 21.4 per cent. Later figures are not available.	Not yet assessed
Adults with learning disabilities in settled accommodation	Seeking a statistically significant increase in the percentage	The provisional baseline figure, for 2008-09, was 65.2 per cent. Later figures are not available.	Not yet assessed

## Figure 9 continued

### Indicators of PSA 20/DSO 2: Increase long term housing supply and affordability by improving the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy

Indicator	Target	Department's Statement on Performance	Progress
Local authority tenants' satisfaction with services	Seeking an increase to 71.0 per cent by 2009-10	The baseline figure, an average covering 2004-05 to 2006-07, was 68.3 per cent. The latest figure (2008-09) is 69.2 per cent.	At risk
The proportion of people over 65 who are satisfied with their home and their neighbourhood	Seeking to maintain current levels of satisfaction	The baseline figure, for 2007-08, was 87.4 per cent. The latest figure (2008-09) is 88.0 per cent.	On track

### Indicators of PSA 21/DSO 4: Building more cohesive, empowered and active communities by developing communities that are cohesive, active and resilient to extremism

The percentage of people who believe people from different backgrounds get on well together in the local area	No statistically significant decrease from the baseline	National baseline for 2007-08 was 82 per cent. Latest figure (April to December 2009) was 85 per cent, a statistically significant increase. Local baselines at 2008 for local authorities selecting National indicator (NI) 1 in their Local Area Agreement (LAA) vary between 49 per cent and 88 per cent.	On track – national element Not yet assessed – local element
The percentage of people who have meaningful interaction with people from different backgrounds	Statistically significant increase from baseline	National baseline for 2007-08 was 80 per cent. Latest figure (April to December 2009) was 80 per cent, unchanged since 2007-08.	Off track
The percentage of people who feel they belong to their neighbourhood	No statistically significant decrease from the baseline	National baseline for 2007-08 was 75 per cent. Latest figure (April to December 2009) was 77 per cent, unchanged since 2007-08. Local baselines at 2008 for local authorities selecting NI 2 in their LAA vary between 55 per cent and 64 per cent.	On track
Extent to which domestic communities, particularly Muslim communities, reject and condemn violent extremism	<i>No target identified</i>	A baseline figure has not been established.	Not yet assessed
Percentage of people who feel that racial or religious harassment is a problem in their local area	A statistically significant decrease from the baseline	The baseline figure, for 2007-08, was 9 per cent. The latest figure (April to December 2009) is 7 per cent, a statistically significant decrease.	On track
Thriving third sector	<i>Cabinet Office is the lead department for this indicator</i>	The baseline at 2007-08 comprised a volunteering component of 27 per cent and an employment component of 464,000 full-time equivalents. Latest figures are 26 per cent for volunteering (April to December 2009) and 529,000 full-time equivalents for employment (year ending September 2009). This represents no change in volunteering rates and a statistically significant increase in employment.	At risk
Percentage of people who participate in culture or sport	<i>Department for Culture, Media and Sport is the lead department for this indicator</i>	The baseline (for April 2008 to March 2009) was 66.1 per cent. The latest figure (for January to December 2009) is 67.3 per cent.	Not yet assessed

Indicator	Target	Department's Statement on Performance	Progress
<b>Indicators for DSO 1: To support local government that empowers individuals and communities and delivers high quality services efficiently</b>			
Overall satisfaction with the local area	Statistically significant increase above baseline	Baseline for 2008-09 was 82 per cent. Latest figure (April to December 2009) is 83 per cent. This is a statistically significant increase.	At risk
Percentage of people who feel that they can influence decisions in their locality	No statistically significant decrease below the baseline figure	National baseline at 2007-08 was 38 per cent. Latest figure (April to December 2009) was 37 per cent, unchanged since 2007-08. Local baselines at 2008 for local authorities selecting NI 4 in their LAA vary between 21 per cent and 40 per cent.	On track – national element Not yet assessed – local element
Narrow gaps in civic participation for three disadvantaged groups – black and minority ethnic groups, disabled people and young people (16-25) – without reducing the mean level of participation	Statistically significant reductions in the participation gaps for all three targeted equality groups for the target to be fully met; and significant reductions in one or two of the gaps for the target to be partly met – provided that there is no reduction in the overall mean level of civic participation	Baseline figures for 2007-08 showed gaps in participation of 8 percentage points for young people (aged 16 to 25), 5 percentage points for disabled people and 10 percentage points for ethnic minorities. Latest figures (April to December 2009) show gaps in participation of 7 percentage points for young people (aged 16 to 25), 4 percentage points for disabled people and 10 percentage points for ethnic minorities. None of these show statistically significant changes since 2007-08. The latest figures show a reduction in the overall level of participation.	At risk
Measure of the Audit Commission direction of Travel assessments	No single tier or county council to have a 'not improving adequately/not improving score' and an increase in the percentage of councils improving well or strongly as compared to the CPA 2006-07 results published in February 2008	Baseline figures for 2006-07 showed one single tier authority with a 'not improving adequately' score, 59 per cent 'improving well' and 17 per cent 'improving strongly'. Final figures for the Comprehensive Performance Assessment (2007-08) showed six councils 'not improving adequately', 58 per cent 'improving well' and 24 per cent 'improving strongly'. Under the 2009 Comprehensive Area Assessment (CAA), 97 of the 152 single and top tier councils were 'performing well' and 10 were 'performing excellently' for the 'Managing Performance' component of the organisational assessment. CAA results cannot be compared with those under CPA. Under the Comprehensive Area Assessment (CAA) introduced in April 2009, there was no longer a Direction of Travel judgement. CAA was abolished with effect from 25 June 2010.	Off track

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**Figure 9 continued**
**Indicators for DSO 1: To support local government that empowers individuals and communities and delivers high quality services efficiently**

Indicator	Target	Department's Statement on Performance	Progress
Measure of the Audit Commission Use of Resources assessments	No single tier or county council receiving a use of resources score of 1 (or equivalent category under CAA) and an increase in the percentage of councils scoring 3 or 4 as compared to the CPA 2006-07 results published in February 2008	Baseline figures for 2006-07 showed one council as performing 'inadequately' and 85 per cent performing 'well' or 'strongly'. Final figures for the Comprehensive Performance Assessment (2007-08) showed no councils to be performing 'inadequately' and 91 per cent performing 'well' or 'strongly'. Under the 2009 Comprehensive Area Assessment, 79 of the 152 single and top tier councils were performing 'well' or 'excellently' for the 'Use of Resources' component of the organisational assessment. CAA results cannot be compared with those under CPA. Under the Comprehensive Area Assessment (CAA) introduced in April 2009, the Use of Resources (UoR) assessment was broadened and a new Managing Performance assessment was introduced. CAA was abolished with effect from 25 June 2010.	On track
Average percentage increase in Band D council tax	The average council tax increase in England in 2009-10 to be substantially below 5 per cent	The increases in the average Band D council tax were 3.0 per cent for 2009-10 over 2008-09, and 1.8 per cent for 2010-11 over 2009-10.	On track
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	No mandatory target for individual councils but 3 per cent per annum for the sector as a whole over the CSR07 period, plus an additional 1 per cent on top of that in 2010-11 (equivalent to £5.5 billion in total)	The baseline is that there had been (by definition) zero gains at the start of 2008-09, other than £0.564 billion achieved during the SR04 period but carried forward by councils under the terms agreed with HM Treasury. The latest estimate is £3.113 billion since the start of 2008-09 (October 2009 forecast).	At risk

**Indicators for DSO 3: Build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation**

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	<i>The measurement outlined in PSA 22, indicator 2: "The Government expects improvements in the physical, economic and social infrastructure of East London as a direct result of Olympic activity that address key factors in its regeneration. Regenerating the heart of East London is central to the commitment of providing a lasting and sustainable legacy long after 2012."</i>	Six of the eight milestones have been achieved. The remaining two are: <ul style="list-style-type: none"> <li>i The Legacy Masterplan Framework, which is being reviewed by the Olympic Park Legacy Company; and</li> <li>ii The TUPE transfer of London Development Agency staff to the Olympic Park Legacy Company.</li> </ul>	On track
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Indicator	Target	Department's Statement on Performance	Progress
Previously developed land that has been vacant or derelict for more than five years (in deprived areas)	Success in this indicator will be attained if, by 2011, there is a greater percentage point reduction in the proportion of vacant or derelict land in 24 Homes and Communities Agency Local Brownfield Strategy areas also receiving Working Neighbourhood Funding than in the rest of England	The baseline figure for 2008 has not yet been published as an official statistic.	Not yet assessed
Ratio of 15th percentile house prices in each Pathfinder Region and their Corresponding Government Office Region	A narrowing of the gap in the simple average of the individual ratios between the 15th percentile house price in each Market Renewal Pathfinder area against the 15th percentile house price in the corresponding Government Office	The baseline figure, for Q1 2005, is that the average ratio between 15th percentile house prices in the Pathfinder regions and those in the corresponding Government Office Region was 0.63 to 1. The latest ratio (Q1 2010, provisional) is 0.70 to 1.	On track
Overall general satisfaction with the local area (in deprived areas)	Success in this indicator will be attained if, by 2010-11, there is a measurable increase in the proportion of respondents expressing that they are 'fairly satisfied' or 'very satisfied' with the local area in deprived areas. Measurable increase is defined as a positive direction of travel in satisfaction of at least 1 percentage point, the minimum level at which significant change can be measured	The baseline figure, for 2008, was 73.5 per cent. Later figures are not available.	Not yet assessed
Percentage change in average weekly earnings in Primary Urban Areas	Over the three years, there is at least the same number of Primary Urban Areas showing an above England increase as in the baseline year	The baseline figure is that 26 Primary Urban Areas (out of 56) had a percentage increase in average earnings above the increase for England overall between April 2007 and April 2008. The latest figure is that 28 Primary Urban Areas had an increase above the increase for England between April 2008 and April 2009.	On track

**Figure 9 continued****Indicators for DSO 3: Build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation**

<b>Indicator</b>	<b>Target</b>	<b>Department's Statement on Performance</b>	<b>Progress</b>
New business registration rate in deprived areas	Success in this indicator will be attained if, by 2010, there is a narrowing of the (absolute) gap between the average new business registration rate in deprived areas (Local Authorities in receipt of Working Neighbourhood Fund and/or Local Enterprise and Growth Initiative funding) and the level in the rest of England, compared to the baseline	The baseline figure, for 2007, is that there were 12.0 fewer businesses per 10,000 population aged 16+ registered in areas receiving Working Neighbourhood Fund (WNF) or Local Enterprise and Growth Initiative funding than in the rest of England in 2007. The latest provisional figure (2008) is that the difference was 11.0 fewer businesses per 10,000 population aged 16+ registered.	On track
Overall employment rate (working age) at neighbourhood level (in deprived areas)	A narrowing of the gap in the Employment rate between the deprived neighbourhoods within Working Neighbourhood Fund authorities and the rest of England	The baseline figure, for 2007-08, is that the employment rate for deprived neighbourhoods within WNF authorities was 19.7 percentage points lower than for the rest of England. The latest figure (July 2008 to June 2009) is a difference of 20.3 percentage points.	At risk
Percentage change in the employment rate in Primary Urban Areas	Over the three years, there is at least the same number of Primary Urban Areas showing an above England increase as in the baseline year	The baseline figure is that 24 Primary Urban Areas (out of 56) had an increase in employment rate above the increase for England overall between 2006-07 and 2007-08. The latest figure is that 23 Primary Urban Areas had an increase above the increase for England between 2007-08 and 2008-09.	At risk



Indicator	Target	Department's Statement on Performance	Progress
Performance against key indicators to narrow the gap on crime, anti-social behaviour, health and education within deprived areas:	i Success against this measure will be achieved if, for WNF areas with a level of serious acquisitive crime higher than a 2007-08 benchmark, either:	i The baseline was derived by measuring the level of serious acquisitive crime in each of the 15 Working Neighbourhood Fund areas with a level higher than a 2007-08 benchmark. The latest figure is that, by the end of 2008-09, 13 out of the 15 areas had made progress in reducing their level of crime compared with the baseline.	Overall: not yet assessed
i Serious acquisitive crime	<ul style="list-style-type: none"> <li>● the level of crime has fallen to be less than the 2007-08 baseline benchmark level, as defined through the Analysis of Policing and Community Safety by the end of the CSR period (2010-11), or</li> </ul>	ii The baseline, for 1995 to 1997, is that life expectancy in Working Neighbourhood Fund/ Spearhead crossover areas was 72.6 years for males and 78.2 years for females. The latest figures (2006 to 2008) are 75.6 years for males and 80.3 years for females.	i on track
ii Life expectancy (monitored using all-age all-cause mortality as a proxy at local level)	<ul style="list-style-type: none"> <li>● where the achievement of the benchmark is not likely to be possible within the CSR period, have met or exceeded an agreed target that is on a trajectory towards the benchmark at the end of the CSR period</li> </ul>	iii The previous Key Stage 3 (KS3) indicator was made obsolete because the Department for Education ended KS3 tests. A new indicator based on Key Stage 4 test results has been under development.	ii on track
iii Narrowing the gap in education outcomes across deprived areas	ii Success in this indicator will be attained if, by 2011:	iv The baseline figure, for 2008, was 28.7 per cent. Later figures are not available.	iii not yet assessed
iv Perceptions of anti-social behaviour	<ul style="list-style-type: none"> <li>● there is a positive direction of travel in average life expectancy at birth across WNF/ Spearhead crossover areas for males and females; and</li> </ul>		iv not yet assessed
	<ul style="list-style-type: none"> <li>● the local all-age all-cause mortality target is met in all WNF/ Spearhead crossover areas where such a target has been negotiated between local areas and Government Offices</li> </ul>		
	iii Schools in WNF areas to improve their attainment at KS4 at a faster rate than similar schools located in the rest of England, between the baseline and 2010-11		
	iv Success will be attained if, by 2010-11, there is a positive direction of travel in perceptions of anti-social behaviour in the average performance WNF areas also identified as having high levels of ASB		

**Figure 9 continued**

**Indicators for DSO 5: 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**

<b>Indicator</b>	<b>Target</b>	<b>Department's Statement on Performance</b>	<b>Progress</b>
Annual housing provision in Regional Spatial Strategies (RSSs) to reflect the target of 240,000 new homes a year by 2016	The measure of success was that seven of eight Regional Spatial Strategies (RSSs) were in place by 31 March 2009. The Government is working with partners to determine a region by region approach to meet the target for 2016	Five RSSs were revised and published between 1 January 2008 and 31 March 2009, the period over which progress on the adoption of RSSs was measured. Overall housing numbers contained within the RSSs increased through the full revision process, from 150,000 homes per year in 2004 to 210,000 homes when RSSs became regional strategies on 1 April 2010.	Not met
Local Planning Authorities to have adopted the necessary Development Plan Documents, in accordance with milestones set out in their Local Development Schemes to bring forward sufficient developable land for housing in line with PPS3	By March 2011, 80 per cent of all local planning authorities' necessary Development Plan Documents to be adopted in accordance with their agreed Local Development Scheme <i>PSA 20 indicator 6</i>	Baseline at 1 March 2008 was that 6 per cent of necessary Development Plan Documents had been adopted. Latest figure (1 July 2010) is that 18 per cent of necessary Development Plan Documents had been adopted.	Off track
Supply of ready to develop housing sites	By 1 April 2011 90 per cent of local planning authorities to have identified a five year supply of deliverable sites for housing	As at 1 April 2009, 86 per cent of local planning authorities claimed to have a five-year housing land supply, for 1 April 2009 to 31 March 2014. Checking by the Planning Inspectorate has indicated that 61 per cent of a sample of authorities have a five-year supply.	At risk
All Local Planning Authorities to manage development effectively in accordance with the relevant Development Plan Document, and within acceptable timescales	80 per cent of major applications nationally to be processed within 13 weeks by 2011	The baseline figure, for 2007-08, was that 71 per cent of major planning applications were processed within 13 weeks. The latest figure (2009-10) is also 71 per cent.	Off track

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Indicator	Target	Department's Statement on Performance	Progress
Improving the appeals process in the planning system – making it proportionate, customer focused, efficient and well resourced	80 per cent of fast-tracked householder appeals determined within eight weeks, decision/report issued according to bespoke timetable in all cases, and 80 per cent of remaining s78 appeals processed end to end within 26 weeks, by 2009-10	Baseline figures for 2007-08 are not available because the Fast Track process and formal Bespoke process were introduced on 1 April 2009 as a result of the implementation of the Planning Act. Figures for 2009-10 are that 95 per cent of fast-tracked householder appeals were determined within eight weeks, 100 per cent of decisions and reports for cases with bespoke timetables were issued in accordance with the timetable, and 89 per cent of remaining section 78 appeals were processed end-to-end within 26 weeks.	On track
Reduction by the end of the CSR period in the overall percentage of planning applications that are subject to appeal	A reduction in the percentage by the end of the CSR period	The baseline figure, for 2006-07, is that 3.6 per cent of planning applications were subject to appeal. The latest figure (2009-10) is also 3.6 per cent.	At risk
Net change in the area of Green Belt	Sustain the level of Green Belt land nationally, measured by region, over the CSR period	The baseline figure for the total area of Green Belt land as at 31 December 2007 was 1,635,370 hectares. The latest figure, for 31 March 2010, is 1,639,560 hectares. Most of the reported change during this period is due to improved measurement.	Off track
Quality of housing sites (or phases of sites)	In 2011, 30 per cent of all completed housing sites (or phases of sites) to be classified as good or very good and less than 15 per cent classified as poor	The baseline figures, based on audits carried out in 2004, 2005 and 2006, are that 18 per cent of sites (or phases of sites) were classified as 'good' or 'very good', and 29 per cent were rated 'poor'. More recent figures are not available.	Not yet assessed

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**Figure 9 continued****Indicators for DSO 6: Ensuring safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies**

<b>Indicator</b>	<b>Target</b>	<b>Department's Statement on Performance</b>	<b>Progress</b>
Number of primary fires, and related fatalities and non-fatal casualties, excluding precautionary checks	Success will be shown by reductions in the numbers of primary fires, fatalities and injuries	The baseline figures, for 2006-07, are that there were 254.4 primary fires per 100,000 of the population, 0.72 fatalities per 100,000 of population and 12.5 non-fatal casualties due to fires per 100,000 of population. The latest figures (2008-09 provisional) are that there were 202.8 primary fires per 100,000 of the population, 0.63 fatalities per 100,000 of population and 9.8 non-fatal casualties due to fires per 100,000 of population.	On track
Numbers of deliberate primary and secondary fires submitted through incident reports	Success will be shown by reductions in the number of primary and secondary deliberate fires	The baseline figures, for 2006-07, are that there were 113.7 deliberate primary fires per 100,000 of the population and 312.3 deliberate secondary fires per 100,000 of the population. The latest figures, provisional ones for 2008-09, are that there were 81.4 deliberate primary fires per 100,000 of the population and 201.3 deliberate secondary fires per 100,000 of the population.	On track
Improvement in the national picture of Fire and Rescue Service performance reflected in Audit Commission assessment outcomes. This will be demonstrated by improved aggregate scores in published Use of Resources and Direction of Travel assessments for Fire and Rescue Authorities (FRAs) in England	Success is evidenced by the Commission reporting continued improvement overall and a narrowing of the current gap between the number of Fire and Rescue Authorities (in England) receiving the top two and bottom two assessment scores	<p>For Direction of Travel assessments, baseline figures from Comprehensive Performance Assessments for 2007 are that five FRAs received the highest assessment, 23 were assessed as 'improving well', 18 were assessed as improving only adequately and none were assessed as having made 'no improvement'. The latest available figures on the same basis, for 2008, are that five received the highest marking, 32 were assessed as 'improving well', seven were 'improving only adequately' and one had shown 'no improvement'.</p> <p>For Use of Resources assessments, baseline figures for 2007 are that four FRAs received the highest assessment, 37 achieved the second highest assessment, six were assessed as 'adequate' and none were assessed as 'inadequate'. The latest available figures on the same basis (2008) are that six FRAs received the highest assessment, 33 achieved the second highest assessment, six were assessed as 'adequate' and none were assessed as 'inadequate'.</p> <p>Under the 2009 Comprehensive Area Assessment, of the 45 FRAs that received a scored Organisational Assessment, one was assessed as 'performing excellently', 26 were 'performing well', 17 were 'performing adequately' and one was 'performing poorly'. Of the 45 FRAs given an Overall Use of Resources assessment, none received the highest score of four, 17 received the second highest assessment score of three, 27 received the third highest score of two and one received the lowest assessment score of one. CAA was abolished with effect from 25 June 2010.</p>	On track

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Indicator	Target	Department's Statement on Performance	Progress
Delivery of a coordinated Fire and Resilience programme achieving planned milestones and deliverables for the New Dimension, FiReControl and Firelink projects	Remaining on track to complete the Programme by 2012	<p>New Dimension is now fully operational, with the exception of the Enhanced Command Support Vehicles. To date, 25 out of 46 FRAs have agreed to take on asset ownership from the Department, enacted on 1 April 2010.</p> <p>Firelink has now completed the process of converting the FRS vehicle fleet to operate on a new voice radio system. Installation of interim Mobile Data Terminals in FRS appliances is in progress and due to be completed in July 2010.</p> <p>For FiReControl, the announced schedule is for England's FRS to start to change over to new regional control centres in Spring 2011 and finish by end of 2012.</p>	At risk

**NOTE**

1 National Audit Office's comments are in italics.

*Source: National Audit Office analysis of the Department for Communities and Local Government's data on its Departmental Strategic Objective and Public Service Agreements*

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# Appendix Two

## List of the Department's arm's length bodies

**Figure 10**

The Department's bodies and proposed status

Body	Type of entity	Proposed reform
Planning Inspectorate	Executive Agency	Retain
Advisory Panel for the Local Innovation Awards Scheme	Advisory Body	Abolish
Advisory Panel on Standards for the Planning Inspectorate	Advisory Body	Abolish
Building Regulations Advisory Committee	Advisory Body	Retain
National Community Forum	Advisory Body	Wound up in January 2010
National Housing and Planning Advice Unit	Advisory Body	Abolish
Rent Assessment Panels	Tribunal	Abolish (jurisdiction of these tribunals to be transferred to Ministry of Justice tribunal service)
Valuation Tribunal for England	Tribunal	Abolish (jurisdiction of this tribunal to be transferred to Ministry of Justice tribunal service)
Fire Service College	Trading Fund	Retain
Ordnance Survey	Trading Fund	Retain
Queen Elizabeth II Conference Centre	Trading Fund	To be sold
Architects Registration Board	Public Corporation	Retain
Audit Commission	Public Corporation	Disband
Community Development Foundation	Executive NDPB	Support moves towards a social enterprise model
Firebuy	Executive NDPB	Abolish (procurement functions transferred to alternative suppliers and residual functions to the Department)

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<b>Body</b>	<b>Type of entity</b>	<b>Proposed reform</b>
Homes and Communities Agency	Executive NDPB	Retain (and reform)
Independent Housing Ombudsman	Executive NDPB	Retain
Infrastructure Planning Commission	Executive NDPB	Abolish (Major Infrastructure Planning Unit to be created within Planning Inspectorate)
Leasehold Advisory Service	Executive NDPB	Under consideration
London Thames Gateway Development Corporation	Executive NDPB	Abolish (functions to be devolved to local government)
National Tenants Voice	Executive NDPB	Abolish
Standards Board for England	Executive NDPB	Abolish
Tenants Services Authority	Executive NDPB	Abolish (regulatory functions to be passed to Homes and Communities Agency)
Thurrock Thames Gateway Development Corporation	Executive NDPB	Abolish (functions to be devolved to local government)
Valuation Tribunal Service	Executive NDPB	Abolish (functions of this body to be transferred to Ministry of Justice tribunal service)
West Northamptonshire Development Corporation	Executive NDPB	Abolish (functions to be devolved to local government)
Commission for Local Administration	Other	Retain
Government Offices for the Regions	Government Office	Abolish

**NOTES**

1 Cabinet Office published in October 2010 Proposed Reform of Public Bodies.

2 NDPB – non-departmental public body.

Source: Department for Communities and Local Government Departmental Resource Accounts 2009-10

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