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## Communities and Local Government Autumn Performance Report 2007



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# Introduction

Communities and Local Government is working hard to create thriving, sustainable, vibrant communities that improve everyone's quality of life. Our many responsibilities include local government, housing, urban regeneration, planning, fire and rescue, race equality and community cohesion.

This Autumn Performance Report sets out the progress the Department has made against its Public Service Agreement Targets and efficiency targets since the publication of the Departmental Annual Report in May 2007.

The report is structured around our strategic priorities followed by a chapter on our efficiency targets. The Machinery of Government changes in July saw responsibility for PSA 9 on Gender Equality move to the new Government Equalities Office so responsibility for reporting on the target now rests with that department.

We have assessed progress against our PSAs and underlying indicators and reported on them using the following standard terms as set out in HM Treasury guidance:

- met early: where there is no possibility of subsequent slippage during the lifetime of the target
- ahead: if progress is exceeding plans and expectations
- on course: progress in line with plans and expectations
- slippage: where progress is slower than expected, for example by reference to criteria set out in a target's Technical Note
- not yet assessed: for example, new target for which data is not yet available

Where we are reporting a final assessment against a target we have used the following standard terms from HM Treasury guidance:

- met: target achieved by the target date
- met-ongoing: for older open-ended targets where the target level has been met and little would be achieved by continuing to report the same information indefinitely (in using this term it should be made clear that a final assessment is being given)
- partly met: where a target has two or more distinct elements, and some – but not all – have been achieved by the target date
- not met: where a target was not met or met late

- not known: where it was not possible to assess progress against the target during its lifetime or subsequently.

Copies of the SR2004 Technical Notes for our PSAs, published in January 2005, can be found on the Communities and Local Government website<sup>1</sup>.

<sup>1</sup> <http://www.communities.gov.uk/corporate/about/howwework/publicserviceagreements/psa-notes/>

# Chapter 1: Tackling Disadvantage

## Strategic Priority 1:

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

## PSA target 1 – Neighbourhood Renewal

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

## Performance Indicators

Progress in meeting this PSA target is measured by tracking improvements in deprived areas. The following six indicators have been derived from those underpinning national PSA targets on key public service areas.

**Health:** This relates to the Department of Health's PSA 1 target to substantially reduce mortality rates by 2010 from heart disease, stroke and related illnesses.

*To substantially reduce cardio-vascular disease related mortality rates for people under-75 in deprived areas so that the absolute gap between the national average and the average for deprived areas is reduced by 40 per cent between the baseline (1995 - 1997) and target period (2009 - 2011).*

'Deprived areas' for this indicator are the group of local authority districts in receipt of Neighbourhood Renewal Fund (NRF) which are also identified by the Department of Health as being 'Spearhead' areas – those having the 'worst health and deprivation indicators' in the baseline period.

**Education:** This relates to the Department for Children, Schools and Families' PSA 7 target to raise standards in English, maths, ICT and science in secondary education.

*To raise standards in secondary education so that, by 2008, in all schools located in local authority districts in receipt of NRF, at least 50 per cent of pupils achieve level 5 or above in each of English, maths and science (referred to as Key Stage 3 target). Progress against this indicator is measured annually.*



This indicator covers maintained mainstream schools, including Academies and City Technology Colleges, published with Key Stage 3 results in the secondary school performance tables. It excludes all non-maintained schools, all hospital schools, all pupil referral units, special schools and certain other schools (e.g. those whose results were unavailable due to reasons beyond their control).

**Crime:** This relates to the Home Office's PSA 1 target on crime reduction.

*To reduce the average rate of crime reduction in the local authority districts in receipt of NRF which are also high crime areas, by a greater percentage than the rate of crime reduction in the non-high crime areas, between the baseline year 2003-04 and 2007-08.*

For this indicator, 'high crime areas' are those Crime and Disorder Reduction Partnerships (CDRP) located in local authority districts in receipt of NRF which fall within the top 40 crime areas of England and Wales on the basis of the British Crime Survey comparator in 2003-04. The 'non-high' crime areas are those 336 CDRP areas in England and Wales which are not included in the top 40 crime areas of England and Wales.

**Worklessness:** This indicator relates to the Department for Work and Pensions' PSA 4 target on full employment.

*By 2007-08, a one percentage point improvement in the overall employment rate for those living in the local authority wards with the worst labour market position that are also located within local authority districts in receipt of NRF, and a one percentage point reduction in the difference between their employment rate and the overall employment rate for Great Britain.*

Local authority wards with the worst labour market position are those wards which have a benefit claim rate of 25 per cent or above; or wards which have benefit claim rates between 20 and 25 per cent and are located within the 10 local authority districts with the lowest employment rates.

**Housing:** This indicator relates to this department's broader PSA 7 on Decent Homes (see Chapter 5).

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

For this indicator, 'deprived areas' are local authority districts in receipt of NRF that are also within the group of 112 local authority districts included in the allocation of additional housing resources.

The required progress is:

- a) The reduction in the number of non-decent social sector dwellings recorded in the 2005-06 to 2006-07 sample from the English House Condition Survey to be more than 50 per cent of the total reduction since 2001; and
- b) The reduction in the number of non-decent social sector dwellings recorded in the 2007-08 to 2008-09 sample from the English House Condition Survey to be more than 50 per cent of the total reduction since 2001.

**Liveability:** This indicator relates to this Department's broader PSA 8 target on cleaner, safer and greener public spaces (see Chapter 5).

*This indicator measures performance of local authority districts in street cleansing using the Best Value Performance Indicator (BVPI) 199(a) based on assessment of levels of litter and detritus across a range of sites in local authority areas.*

The trajectory is set against 2003-04 audited data reporting that 23 per cent of local authorities nationally and 33 per cent of local authorities in receipt of NRF have unacceptable levels of litter in excess of the national benchmark (30 per cent of sites classed as being unacceptable).

PSA 1's overall target will have been successfully met if the required progress is achieved against all the indicators in the six key outcome areas.

## Progress

Five out of the six indicators are currently assessed as being 'on course' or 'ahead'. While progress is being made in the remaining indicator (education), latest figures indicate that this will not be met by 2008, as originally planned. We are therefore reporting **slippage** towards the overall target.

## Health

Progress has been maintained in reducing cardio-vascular disease rates, particularly in the NRF/Spearhead Group cross-over areas. In the 1995-97 baseline year the gap between the NRF/Spearhead Group cross-over areas and England was 37.5 deaths per 100,000 population compared to 27.2 deaths per 100,000 populations in 2003-05. This corresponds to a narrowing of the gap by 27.5 percent in cardio-vascular disease related mortality rates for people aged under-75<sup>2</sup>. Overall progress on this indicator is **on course**.

<sup>2</sup> In the Annual Report we said that the gap in mortality rates from CVD for people aged under-75 has reduced by 27.7 per cent compared with the baseline year of 1995-97. We have since reassessed this data and the gap has actually reduced by 27.5 per cent. This 0.2 per cent adjustment has been affected by the identification of an additional LA into the NRF-Spearhead cross-over group.

## Education

In 2005-06, 212 schools in NRF areas failed to reach the Key Stage 3 target, a reduction of 25.6 per cent from 2004-05 when there were 285 schools below target. This, however, represents a slowing down of progress compared with 2004-05 when there was a 29.6 per cent reduction (285 schools below target compared with 405 schools below target in 2003-04) and, based on this, overall progress on this target is currently rated as **slippage**.

Although to date the rate of improvement in the number of schools below target has been higher in NRF areas compared with England (a 6 percentage point narrowing of the gap achieved between baseline year 2002-03 and 2005-06), education remains the most challenging indicator for the delivery of PSA 1. However, we remain confident that the extensive programme of challenge and support in place through the Secondary National Strategy, and the additional NRF support for those schools that are facing the greatest challenges at Key Stage 3, will maintain progress being made in NRF areas.

## Crime

Good progress has been maintained and it is likely that the indicator will be met. Crime rates continue to be reduced more quickly in the NRF areas that are also high crime areas compared with the remaining Crime & Disorder Reduction Partnerships since the baseline year 2003-04. Between the baseline and March 2007, the total number of recorded British Crime Survey (BCS) comparator crimes has fallen by 15 per cent in the NRF areas that are also high crime areas, compared with a reduction of 8 per cent in all other areas. Progress on this indicator is **on course**.

## Worklessness

The latest data indicates that in the two years from April 2005 there has been a 1.6 per cent improvement in the employment rate of the 446 local authority wards with the poorest labour market position that are also located within local authority districts in receipt of NRF. Over the same period, the gap between the employment rate in these wards and the overall employment rate for England has reduced by 2.3 per cent, from 17.2 per cent to 14.9 per cent. We are reporting progress on this indicator as being **on course**.

## Housing

While we are reporting some slippage on the broader PSA 7 decent homes target (see chapter 5) this indicator for PSA 1 focuses on narrowing the gap between the levels of non-decent homes in deprived areas, where progress continues to be made.

The proportion of non-decent homes in deprived areas fell from 52 per cent to 49 per cent between 2003-04 and 2004-05, representing greater progress in terms of percentage point reductions than the fall from 23 per cent to 22 per cent in non deprived areas over the same period. If this progress is maintained then, because the greatest proportion of social housing and non-decent social housing is in deprived areas, most of the improvements would continue to take place in deprived areas. We are reporting progress on this indicator as being **on course**.

### Liveability

BV199(a) data indicates that in 2005-06, 6 per cent of local authority districts nationally and 12 per cent of local authority districts in receipt of NRF funding had unacceptable levels of litter and detritus. As the target is to reduce the proportion of local authority districts with unacceptable levels of litter and detritus from baseline year (2003-04) to 10 per cent nationally and 17 per cent in NRF areas, progress against this target is assessed as being **ahead**<sup>3</sup>.

### Quality of data systems

We rely on published data sets from the Office for National Statistics (ONS) and other Government departments which track progress on the six targets that relate to PSA 1. These data sets are then used to provide individual NRF area analysis on Floor Targets Interactive<sup>4</sup> (FTI), a website based system for monitoring progress. The website has been redeveloped to allow small-area analysis together with existing functions to examine performance at the national, regional, local authority and small-area levels. It also allows users to interrogate the data to produce a range of analyses and illustrative maps over a time-series.

We have worked in partnership with ONS and other Government departments since 2001 to deliver Neighbourhood Statistics<sup>5</sup> (NeSS). Neighbourhood Statistics provides a wealth of small area data which can be used to help understand and track progress on floor targets at a sub district or neighbourhood level. All data published on Neighbourhood Statistics has been quality assured. The key audiences of Neighbourhood Statistics are local authorities and partners within the Local Strategic Partnerships as well as Neighbourhood Renewal funded regeneration partnerships.

The neighbourhood renewal research programme aims to build an evidence base that informs the work of the Department through providing a sound basis for future work. An important project in building the evidence base for neighbourhood renewal is the independent evaluation of the national strategy.

<sup>3</sup> BV199(a) data indicates that the percentage of NRF local authority districts with unacceptable levels of litter and detritus increased from 10 per cent in 2004-05 to 12 per cent in 2005-06, and the gap between national and NRF areas has widened by 4 percentage points. Overall progress to date, however, is still exceeding the target to reduce the percentage of NRF local authority districts with unacceptable litter and detritus to 17 per cent.

<sup>4</sup> [www.fti.neighbourhood.gov.uk](http://www.fti.neighbourhood.gov.uk)

<sup>5</sup> [www.neighbourhood.statistics.gov.uk](http://www.neighbourhood.statistics.gov.uk)

The evaluation was commissioned in 2004 and will report fully in 2009. The main findings from the study will first appear in mid 2008 when issues around the attribution of change to the national strategy will emerge. Prior to this date, a series of working papers and interim reports will be produced addressing issues such as: whether and/or how the gap narrows; the extent and ways in which mainstreaming is taking place; and the role and contribution of Local Strategic Partnerships and Local Area Agreements in delivering the national strategy including the use of Neighbourhood Renewal funding.

# Chapter 2: Regional Economic Performance

## Strategic Priority 2:

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

## PSA target 2 – Regional Economic Performance

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

This target is jointly owned with the Department for Business Enterprise and Regulatory Reform (BERR) and HM Treasury.

## Performance Indicators

**To make sustainable improvements in economic performance** as measured by:

- the trend rate of growth for Gross Value Added (GVA)<sup>6</sup> per head for each region, measured over the period 2003-08, compared with the average growth between 1990 and 2002.

**To reduce the persistent gap in growth rates between regions** as measured by:

- a reduction over the period 2003-2012, compared with the baseline (1990 to 2002) in the gap between the average trend growth rates in the three regions which had above-average GVA per head (London, South East and East) and the average trend rate for the other six regions.

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

<sup>6</sup> Gross Value Added is the difference between the output and intermediate consumption for any given sector/industry, ie the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

The SR2004 Technical Note set out that both parts of the PSA are achieved when there is improved performance in every region and a narrowing in growth gaps between the regions.

## Progress

Progress for both indicators and the overall target is **on course**. However, a full assessment on performance against both indicators can only be made once the current economic cycle is complete.

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

However, the evidence so far on narrowing regional gaps is encouraging. Between 2002 and 2005, the NMW grew at the same average annual rate (2.1 per cent) as the GSE, in contrast to the PSA baseline period (1990-2002), when the growth gap between the GSE and NMW was 0.6 percentage points. This demonstrates some convergence in the average growth rates of regions at the beginning of the current economic cycle. This was partly due to an improved performance in NMW and partly because of the recent slowdown in the GSE. A full assessment of trends in regional economic activity and disparities cannot be fully determined until the current economic cycle is complete<sup>7</sup>.

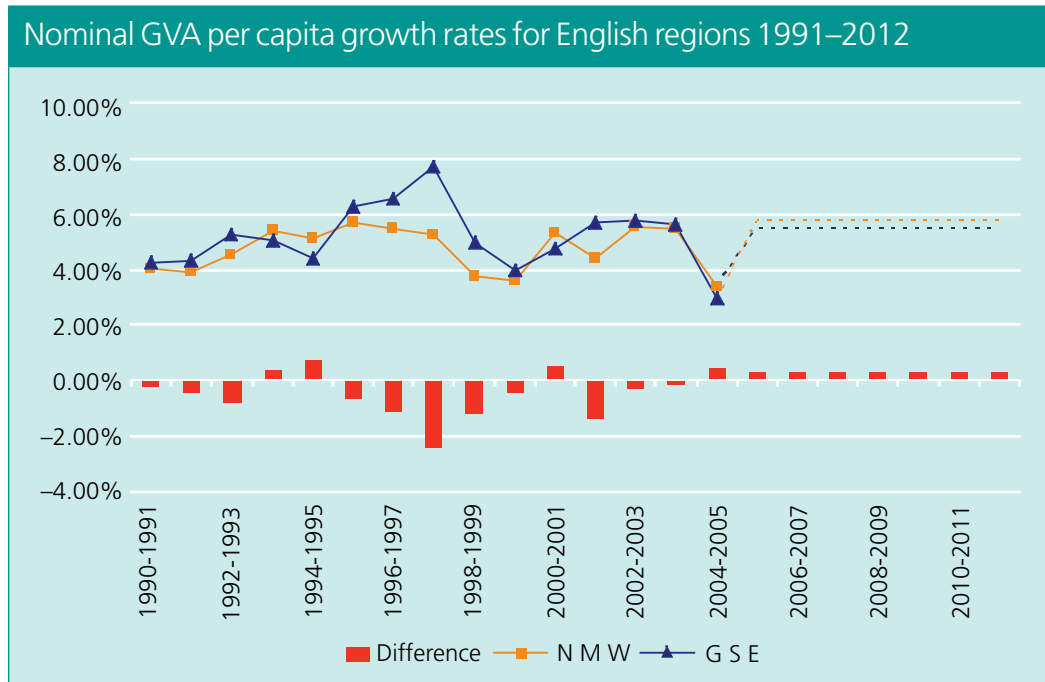
During 2002-05, most of the regions performed better than in the baseline period, with West Midlands matching its baseline performance and the South East and East performing less well. There is evidence that the top three regions are ahead of others in their economic cycle. Additionally, GVA growth rates in London display more year on year volatility than in the other regions.

These factors mean that year on year changes in GVA data, and in the regional growth rate gap, should be treated with some caution.

The following chart shows how the difference in growth rates between the bottom six and top three regions has changed over time. In order to meet the second part of the target, the difference in growth rates over the period 2003-2012, compared with the baseline (1990-2002), can either show a positive difference or still be negative (but with a smaller average difference).

<sup>7</sup> If the timing of the economic cycle is such that the Government cannot produce an estimate of regional trend growth rates over the period 2002-2012 the Government will explain why.

Where the NMW line is above the GSE line or where the gap between the NMW line and the GSE line is decreasing there is convergence (supporting the second performance indicator of the target). The dotted lines show the growth target needed in the remainder of the PSA period for the regions to meet both parts of the PSA.



Success will ultimately depend on the performance of the private sector, but the Government has a role in helping create the conditions for business to flourish.

Progress on this PSA is underpinned by three broad strands. Firstly the Government has maintained macroeconomic stability to help businesses and individuals plan for the future. Secondly the Government has introduced microeconomic reforms to tackle market failures in the underlying drivers of economic growth (skills, innovation, enterprise, investment, competition and employment) to create the right conditions for growth. Thirdly the Government is devolving decision-making to the regional and local levels to ensure that policy design and delivery is responsive to the particular opportunities and challenges of each area.

Progress on narrowing the gap has been partly due to strong employment growth in the North. The difference between the average employment rate for the GSE and NMW was almost at zero in June 2006, but recently we have seen a weakening in the underperforming regions; at September 2007 the employment rate was 1.1 percentage points higher in the GSE than in the NMW. This compares with a gap of over two percentage points in 2001. Similarly, the skills gap between the top three regions and the bottom six regions – as measured by the percentage of the economically active population trained to National Vocational Qualification Level 2 or above – has also narrowed from 3.8 per cent in 1998 to 1.2 per cent in the second quarter of 2007.



The Government published a review of sub-national economic development and regeneration (SNR)<sup>8</sup> in July 2007 to feed into the 2007 Comprehensive Spending Review. The review focused on how to strengthen economic performance in regions, cities and localities throughout the country, as well as tackling persistent pockets of deprivation where they remain. Work is currently underway on implementing the various recommendations of the SNR. The SNR will assist the achievement of the Regional Economic Performance (REP) PSA by devolving more decision making to the appropriate spatial level and improving co-ordination and alignment of activity enabling all regions to perform to their full potential.

### Quality of data systems

Performance against this target is measured through estimates of the trend rate of growth in GVA per head in each region for the period 2003-08. The gap in growth rates is measured by comparing the average growth rate of regions that had above average GVA per head with the average growth rate of regions that had below average GVA per head in the 1990-2002 base period.

Neither the Allsop review (an independent review in 2004 of the regional information and statistical framework to support the PSA) nor the National Audit Office has suggested that there is an alternative data system we could move to – rather that we should improve aspects of regional GVA data to make it more useful. Regional GVA per head growth rates remain the best available overall measure of economic growth in each region. The key to measuring this PSA target accurately is to capture as wide a range of economic activities occurring within the regions as possible. GVA by definition encapsulates a very diverse range of outputs.

To improve and develop regional estimates, the Office for National Statistics (ONS) is involved in an ongoing quality assurance process of the input data used to calculate estimates of regional GVA. Data from new surveys will enable longer-term development of an output measure of regional GVA as opposed to the currently published GVA estimates that are calculated using the income approach.

ONS now has a regional presence in all the Regional Development Agencies, which act to quality-assure regional GVA statistics. Work is proceeding to strengthen the regional GVA data, including production of a real regional GVA series by December 2009. Because of the time required to develop a real regional GVA data series, the *Regional Economic Performance: Progress to date* document<sup>9</sup> has reported on regional GVA adjusted by a national deflator. Additionally, supporting indicators on employment and the five drivers of

<sup>8</sup> [http://www.hm-treasury.gov.uk/media/9/5/subnational\\_econ\\_review170707.pdf](http://www.hm-treasury.gov.uk/media/9/5/subnational_econ_review170707.pdf)

<sup>9</sup> [http://www.hm-treasury.gov.uk/media/2/8/pbr06\\_regionaleconomicprogress\\_365.pdf](http://www.hm-treasury.gov.uk/media/2/8/pbr06_regionaleconomicprogress_365.pdf)

productivity are used to assess progress and to inform action needed in support of the target. The latest information for all the REP PSA indicators is published on the BERR website<sup>10</sup>.

In CSR07 the REP PSA 7 Delivery Agreement explains that the Government will move to using a basket of indicators which will enable a more nuanced explanation of economic performance and disparities at regional level. GVA per head growth rates will be joined by three additional indicators:

- Regional Gross Domestic Product (GDP) per head levels indexed to the EU15 average (GDP instead of GVA because only GDP is available for comparison at regional level across the EU. At national level, Eurostat publishes both GDP and GVA statistics)
- Regional Productivity as measured by GVA per hour worked indices; and
- Regional Employment Rates (these are available monthly with only a quarterly delay and can be used to check year on year progress whilst being aware of cyclical issues).

Together these indicators provide a coherent picture of regional economic performance. In addition, the Department for Innovation, Universities and Skills will be monitoring a range of adult skills indicators at regional level as part of its PSA 2 on increasing adult skills for productivity, growth and unemployment.

<sup>10</sup> <http://stats.berr.gov.uk/reppsa2/>

# Chapter 3: Better Local Services

## **Strategic Priority 3:**

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

## PSA target 3 – Fire and Rescue Services

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

### Performance Indicators

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

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

#### **Main target:**

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

#### **Sub-target 1:**

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

#### **Sub-target 2:**

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

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

## Progress

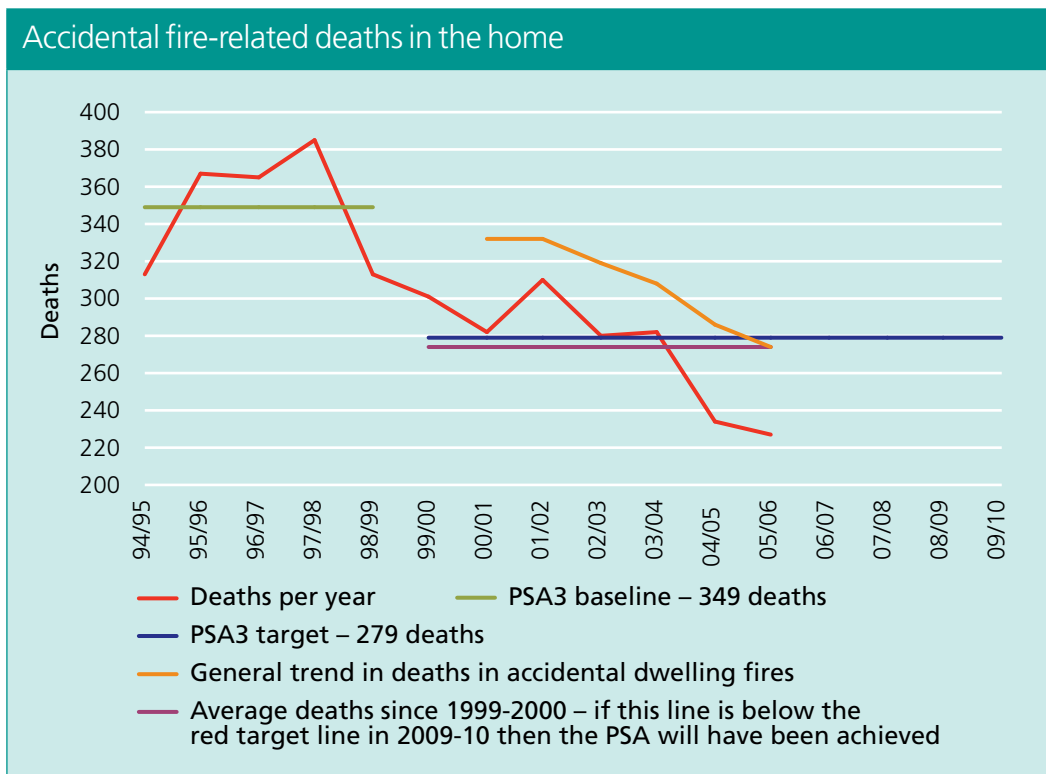
The main target and sub-target 2 are on course, but there is slippage on sub-target 1 so we are reporting **slippage** on the overall target (while being on course to partly meet the target in terms of the measure of success set out in the SR04 Technical Note).

### Main target

In the 2005-06 financial year there were 227 accidental fire-related deaths. This brings the annual average for the period since April 1999 to 274, five fewer than the 2010 target 11-year average of no more than 279, as illustrated by Figure 1 below. Data for the number of accidental fire-related deaths in the home during 2006-07 will be available in February 2008.

The most recent provisional data is for the time period 1 October 2005 to 30 September 2006. In that 12 month period there were 228 accidental dwelling fire deaths in England, compared with the previous 12 months (ie in the time period 1 October 2004 to 30 September 2005 there were also 228 accidental dwelling fire deaths recorded). While this would suggest that progress against the main target has now reached a plateau, this is also significantly below the target average of 279.

Progress on this target is currently reported as **on course**.



### Sub-target 1

Over the five years from April 2001 to March 2006, four out of 47 local fire and rescue authorities (FRA) had an average annual fatality rate from accidental fires in the home over 1.25 times the national annual average. We have been working with those authorities where the fatality rate is above or close to the national average. However, the number of accidental fire deaths in the home is now so small at an individual authority level that this measure is not robust as an indicator of performance (the current average for all FRAs is just under five, with three FRAs reporting around 10 fatalities and one reporting around 20). The new national indicator (49), which forms part of the new national indicator set for local government and its partners, will look more broadly at incidents, deaths and injuries so should provide a more comprehensive picture of Fire and Rescue Service (FRS) performance. Through the Local Area Agreement (LAA) process, we will also be looking to support more focus collectively by FRAs and partners on high risk areas and groups within communities.

Given the increasing degree of challenge we are reporting **slippage** on progress towards this sub-target.

### Sub-target 2

64,300 deliberate primary fires were recorded during 2005-06, 32 per cent fewer than the 2010 target of 94,050. This represents a reduction of 12 per cent on the number recorded in the previous year, primarily due to a 13 per cent fall in deliberate road vehicle fires (which make up around three-fifths of all deliberate primary fires). A number of factors have contributed to this decrease, including: an improved vehicle licensing scheme; recent increases in the price of scrap metal; and the success of vehicle removal schemes, many of which have been funded by the Arson Control Forum, a government-funded stakeholder body. The most recent provisional data show there were 60,700 deliberate fires in England in the year ending 30 September 2006, a decrease of 11 per cent from the previous year. Progress on this target is **ahead**.

## Quality of data systems

Until the end of September 2007, all data on fires and fire-related deaths were taken from fire report forms (FDR1 (94)) completed by local fire and rescue authorities. The official statistics on fires and fire deaths are recognised as National Statistics by the ONS.

Following a review of the incident collection system, which records information about fires and other incidents attended by the Fire and Rescue Services, the rollout of a new electronic Incident Reporting System (IRS) was launched at the end of September 2007. The IRS will improve the quality of data systems and reduce the data processing time, enabling statistics to be provided more quickly

(at present it can take up to 13 months before a complete and fully finalised data set is available). Data on all special service incidents will be collected centrally, enabling fuller analysis of the work of fire authorities to be carried out, which will help to inform improved local planning to further decrease the risk to the public and businesses from fire and other hazards. All fire and rescue services will be using the new system by April 2009. The two systems will run in parallel until that date.

The new national indicator (49), which forms part of the new national indicator set for local government and its partners will look more broadly at incidents, deaths and injuries, so should provide a more comprehensive picture of FRS performance. Through the LAA process, we will also be looking to support more focus by FRAs and partners on high risk areas and groups within communities.

## PSA target 4 – Local Government

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

### Performance Indicators

The headline target has six component targets:

- a) No authorities, including districts, rated poor in December 2004 to remain in the lowest Comprehensive Performance Assessment (CPA) category on 31 March 2008.
- b) By 31 March 2008, to achieve a 50 per cent decrease in the number of single tier and county councils in the lowest CPA categories (0\* and 1\*) and a 25 per cent increase in the number in the top CPA categories (3\* and 4\*) compared with performance in 2005. This is equivalent to no more than five single tier or county councils in the lowest CPA categories and at least 130 in the top categories.
- c) Improvement in district council performance as measured by CPA: it has been agreed with HM Treasury that it is difficult to set a quantifiable target for this: see under 'Progress' below.
- d) No single tier or county council to have a 'Not improving adequately/not improving' Direction of Travel Statement for two consecutive years.
- e) Annual improvement in the aggregate Use of Resources score for authorities from 385 in 2005 (while the target relates solely to an absolute year-on-year improvement, our estimated trajectory was for an annual increase of 10 in the aggregate score – ie to 405 by 2008).
- f) Leading and co-ordinating delivery of £6.45bn efficiency gains by 2007-08 from local services as a whole (including £3bn from councils) and directly securing £1.38bn of that total. The trajectory for this target is to achieve £2.15bn in 2005-06, £4.30bn in 2006-07 and £6.45bn in 2007-08.

The three minimum indicators of success initially defined in the SR2004 Technical Note are:

- no authorities, including districts rated poor in December 2004 to remain in the lowest category on 31 March 2008 (component target a)
- upward movement in improvement across each category of CPA rating (composite of component targets b and c); and
- an annual improvement in aggregate Use of Resources scores for authorities (component target e).

## Progress

Overall progress on this target is **on course**.

Following the introduction of a new district assessment framework in 2006, the Audit Commission will re-categorise district councils only where they request re-categorisation and demonstrate significant evidence of improvement – or where the Audit Commission identifies evidence of significant deterioration. We have agreed with HM Treasury that this approach makes it difficult to develop a meaningful quantifiable target for component c). However, we will continue to track this measure as well as monitoring the performance of district councils against the PSA 4 component target a). The latest CPA refresh results for all single tier and county councils were published by the Audit Commission on 22 February 2007. Since then, 24 Corporate Assessment results have been published and CPA results have been refreshed to take into account these results.

In terms of **component target a)**, good progress is being made. In 2004 one upper-tier authority and nine districts were in the lowest performance categories. Three authorities have now been re-categorised with improved scores. Three are expected to move out of 'poor' by March 2008. Four district authorities are expected to remain in the 'poor' category in March 2008. This is partly due to the introduction of 'CPA the Harder Test' and to a change in systems, because the Audit Commission has moved away from annual re-categorisation for all district authorities (which was in place when the PSA 4 target was set).

Although these four district authorities will still be categorised as 'poor' in March 2008 we expect the Use of Resources and Direction of Travel judgements for these councils to show improvement. Use of Resources judgements for all councils, based on 2006 data, will be published in January 2008. Direction of Travel results for district councils will be published at the end of March 2008. We are **on course** to meet this component target.

In terms of **component target b**), five single tier and county councils are now in the lowest CPA categories (0\* and 1\*), compared with 10 in 2005. So the target of a 50 per cent reduction has been reached. 121 single tier and county councils are now in the highest CPA categories (3\* and 4\*) compared with 104 in 2005. This is an increase of 16 per cent, on trajectory to achieve the element of the target requiring a 25 per cent increase in the number in the highest categories by 2008. Since the publication of the 2003-04 district CPA scores, the Audit Commission has carried out CPA re-categorisation assessments for 15 district councils. 14 of these district councils improved their CPA score as a result and one remained the same. 50 per cent of districts are currently rated as good or excellent. Overall progress on this target is **on course**.

**Component target c)** Overall progress on this target is **not yet assessed** (see Page 22).

For **component target d)**, no single tier or county council has received a 'not improving/adequately/not improving' Direction of Travel statement for two consecutive years. Only two authorities, Isles of Scilly and North East Lincolnshire, had a 'not improving/adequately/not improving' Direction of Travel statement in 2005. The 2006 Direction of Travel result for Isles of Scilly was 'improving adequately' and for North East Lincolnshire it was 'improving well'.

It is the Department's policy to engage with authorities that have received a 0\* or 1\* rating with a 'not improving/adequately/not improving' Direction of Travel statement. Although Portsmouth and Cornwall councils have a Direction of Travel statement of 'not improving/adequately/not improving' they are both 3\* authorities and therefore do not require close monitoring by the Department. However, the Government Offices are discussing with Portsmouth and Cornwall councils and the Regional Improvement and Efficiency Partnerships what actions are necessary in response.

Stoke-on-Trent was the only authority to receive a 1\* CPA rating and a 'not improving/adequately/not improving' Direction of Travel statement and this automatically prompts closer engagement with central government. In line with the Local Government White Paper expectations of more sector-led challenge and support for poor performers, the Regional Improvement and Efficiency Partnership together with the LGA and the Improvement and Development Agency have put together a robust support package to help take forward improvement within Stoke-on-Trent City Council. Overall progress on this target is **on course**.



For **Component target e)**, each single-tier and county council receives an annual Use of Resources score from 1 (inadequate performance) to 4 (performing strongly). The aggregate of all 150 Use of Resources scores in 2005 was 385. The target requires an annual improvement on that aggregate score. We estimated a trajectory of an improvement of 10 each year (ie 395 in 2006 and 405 in 2007).

The 2006 Use of Resources judgements were published by the Audit Commission in January 2007. None of the 150 upper tier authorities councils performed below minimum requirements (scoring 1). Ninety per cent delivered at or above minimum requirements (scoring 2 or 3) and 10 per cent performed well above minimum requirements (scoring 4). The aggregate score for use of resources is 429, which means the target has been significantly exceeded a year ahead of time. Overall progress on this target is **ahead**.

For **component target f)**, local government has a target to achieve at least £6.45bn efficiency gains by 2007-08, of which councils are required to deliver £3.0bn (schools, police and fire authorities are responsible for the remainder).

The table below sets out the value of ongoing efficiency gains achieved (or, for 2007-08, forecast to be achieved) by the end of each financial year (since 1 April 2004), alongside the targets for each year:

Local Government Efficiency Gains (£bn)							
Gains achieved by...	2004-05	2005-06		2006-07		2007-08	
	Actual <sup>(c)</sup>	Target	Actual	Target	Actual	Target	Forecast <sup>(d)</sup>
(1) Whole of local government <sup>(a)</sup>	1.145	2.150	3.375	4.300	6.283	6.450	N/A
(2) Element of (1) secured by councils	0.760	1.004	1.931	2.008	3.064	3.012	4.165
(3) Element of (1) in Department's areas of responsibility <sup>(b)</sup>	0.416	0.198	1.009	0.714	1.572	1.379	2.068

**Notes:**

- (a) Includes gains from councils, schools, police and fire authorities. Due to lags in reporting schools' gains, the figures in this row do not represent the full achievement of local government in each year.
- (b) Includes gains from fire authorities and councils relating to social housing, Supporting People, homelessness, and crosscutting activities in corporate services, procurement, productive time and transactions.
- (c) No targets were set for the value of efficiency gains to be achieved in 2004-05.
- (d) The 2007-08 forecasts are estimates based on expectations reported by councils and fire authorities; final data will not be available until autumn 2008.

As can be seen, councils have exceeded their target for 2007-08 a year early, while the whole of local government is extremely close to meeting its £6.45bn target. This should be achieved during the course of 2007-08.

Councils also have a target to ensure at least half of their efficiency gains are cashable, in other words they release cash resource for councils to reallocate according to their local priorities. Of the £3.1bn efficiency gains achieved by the end of March 2007, £2.3bn was cashable; and of the forecast for £4.2bn gains by the end of March 2008, £3.3bn is expected to be cashable. The remainder are non-cashable gains, which represent improvements in productivity or delivery of higher quality services without comparable increases in costs. Overall progress on this target is **ahead**.

## Quality of data systems

### Overall performance

The Audit Commission introduced Comprehensive Performance Assessments (CPAs) in 2002. CPAs measure how well councils are delivering services for local people and communities. They distil a complex set of judgements – including judgements relating to councils' services, corporate effectiveness, overall Direction of Travel and their Use of Resources – into a single performance rating.

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

## Efficiency

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

To provide assurance that local authorities' efficiency statements are robust, they must be signed off by the Leader of the Council, the Chief Executive and the Chief Finance Officer and they must report at least one quality crosscheck for every service sector or workstream making an efficiency gain to provide evidence that the actions taken have not led to a cut in services. These statements are all published on the Department's website<sup>11</sup>.

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

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

<sup>11</sup> [www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/](http://www.communities.gov.uk/localgovernment/efficiencybetter/deliveringefficiency/)

# Chapter 4: Balancing supply and demand for housing

## Strategic Priority 4:

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

## PSA target 5 – Housing Supply

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

## Performance Indicators

### Low Demand:

- Reduction in the long-term rate of vacant dwellings to 1.65 per cent in the North West and North East regions and 1.35 per cent in the Yorkshire and Humber region by 2016.
- Reduction in the number of local authorities with 15th percentile prices that are less than 70 per cent of the national level to 47 by 2008.

### High Demand:

- Annual levels of new housing in London and the East of England and South East regions to reach Regional Planning Guidance for the South East (RPG9) levels by 2006-07 and shortfalls from previous years to be recouped by 2011-12.
- Long term trends in the ratio of lower quartile house prices to lower quartile earnings in all English regions.

### Homelessness:

- To reduce the number of statutory homeless households with children in temporary accommodation.

Although no overall measure of success for this PSA was set out in the SR2004 Technical Note, we will consider the headline target to have been met if all three elements are met.

## Progress

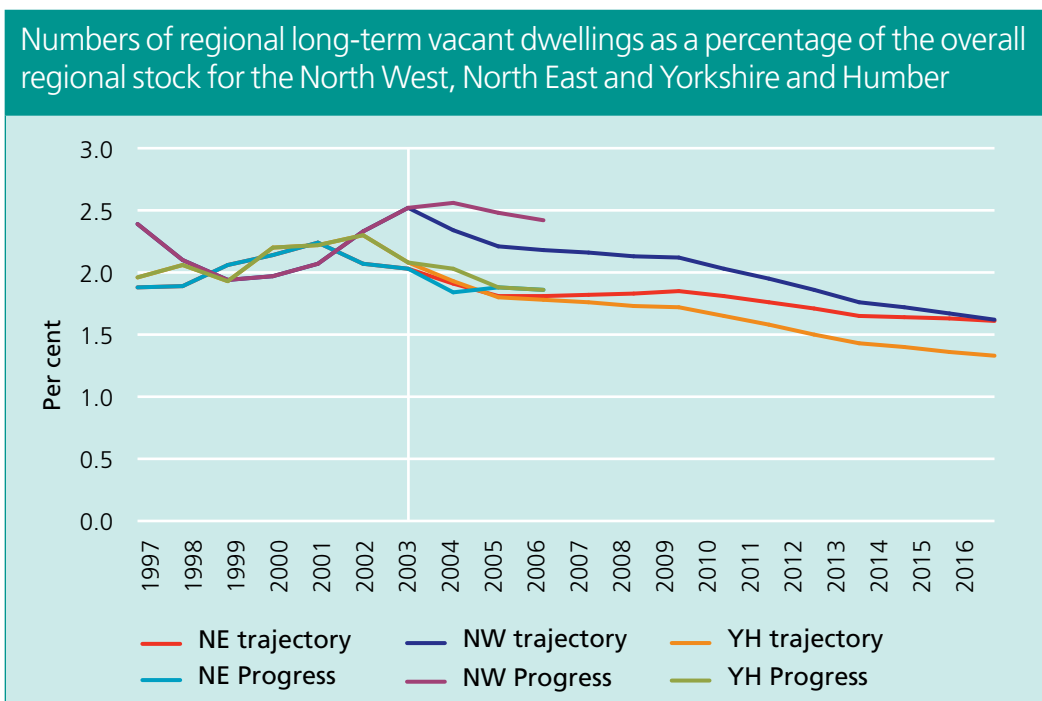
We are reporting overall performance on this PSA as **on course**.

**Low Demand:** Progress on this element is **on course**.

### Long-Term Vacancies

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

Overall, since 2003 there has been a reduction in long-term vacancy rates in Yorkshire and the Humber and the North East, and they are broadly on trajectory. For a number of years up to 2003 vacancy rates in the North West were increasing. However, since 2004 there has been a marked downturn in the vacancy rate trend for the North West, although it remains above the trajectory. We expect long-term vacancy rates in pathfinder areas<sup>12</sup> to fall as they move into the next phase of their interventions. We will also be looking to focus future housing market renewal resources in areas of greatest need, which tend to have the highest vacancy rates. Whilst there are likely to be fluctuations in actual performance over time, trends are downward and broadly on course to achieve the targets set out in the technical note, of vacancy rates of no more than 1.65 per cent in the North East and North West regions and 1.35 per cent in Yorkshire and Humber region by 2016.

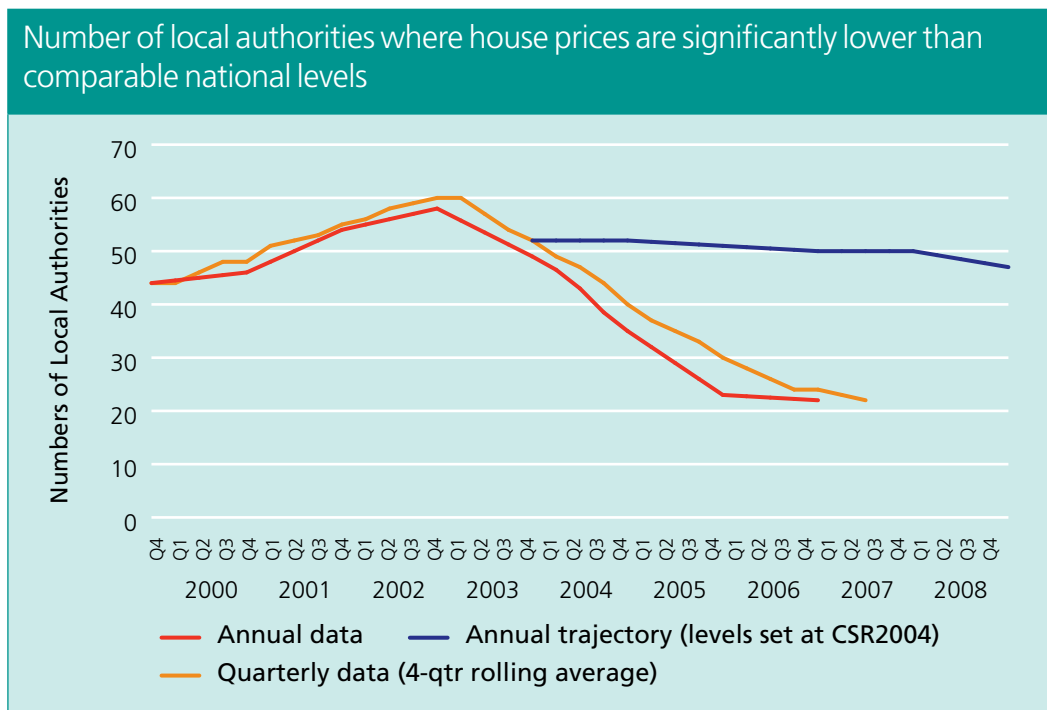


<sup>12</sup> The Housing Market Renewal pathfinders were identified in 2002 as nine areas with significant problems of weak housing markets. The nine pathfinders are: Birmingham/Sandwell; East Lancashire; Hull and East Riding; Manchester/Salford; Merseyside; Newcastle/Gateshead; North Staffordshire; Oldham/Rochdale and South Yorkshire.

### Local authorities where house prices are substantially less than average

This indicator measures the extent of relatively weak housing markets at local authority level. The target is to reduce the number of local authorities with 15th percentile prices that are less than 70 per cent of the national level to 47 by 2008. Although the pace of progress has slowed in the last year, the target is currently being exceeded by a significant margin.

We are seeing some impact from the housing market renewal projects that are active in 18 of the 60 authorities that had very low house prices in 2002, as demonstrated by the fact that nine of these 18 authorities are now above the threshold.



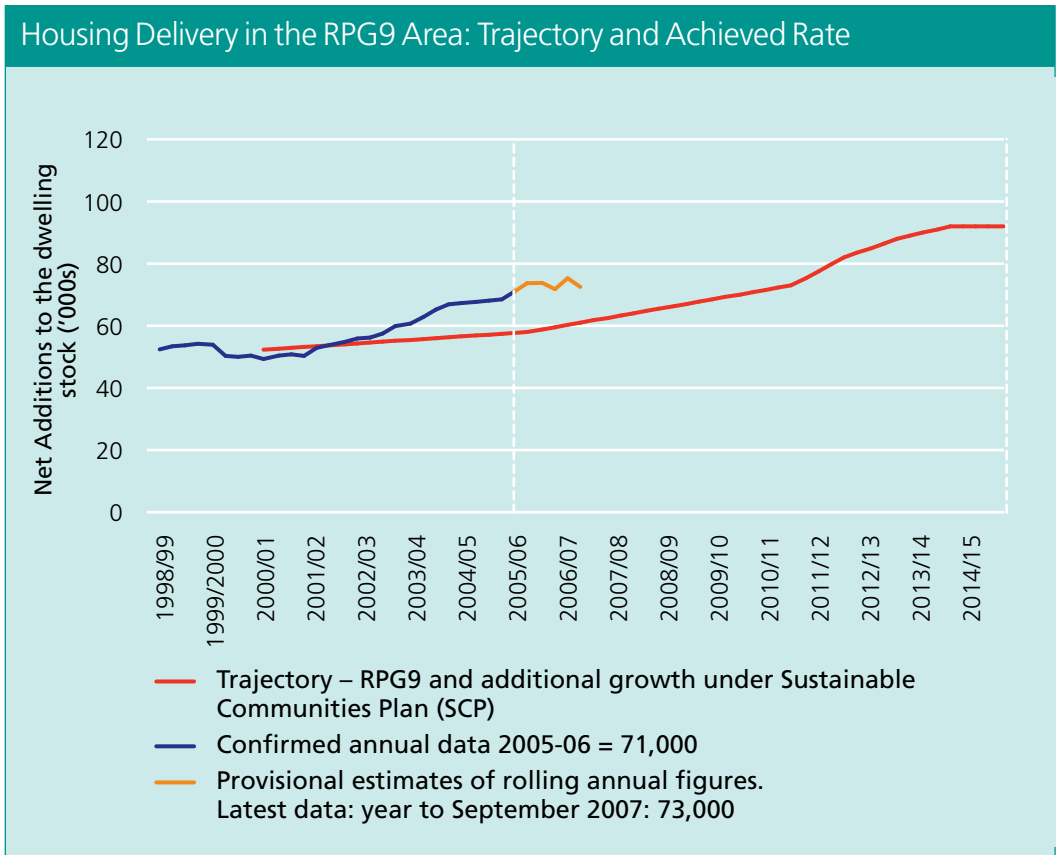
**High Demand:** We are reporting progress on this element as **on course**.

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

The 2003 *Sustainable Communities Plan*<sup>13</sup> set a target to provide about 1.1m new homes within the wider South East. The trajectory assumes that we will reach Regional Planning Guidance for the South East (RPG9) delivery levels by 2007-08 and have recouped previous shortfalls by 2011-12. Housing delivery in the RPG9 area has steadily increased since 2001-02, and remains well above the trajectory. Fluctuations in (provisional) delivery figures for recent quarters are likely to reflect uncertainty in the housing market. Performance against specific targets set for this indicator is on course or ahead, as follows:

<sup>13</sup> Sustainable Communities: Building for the future, ODPM 2003; <http://www.communities.gov.uk/documents/communities/pdf/146289>

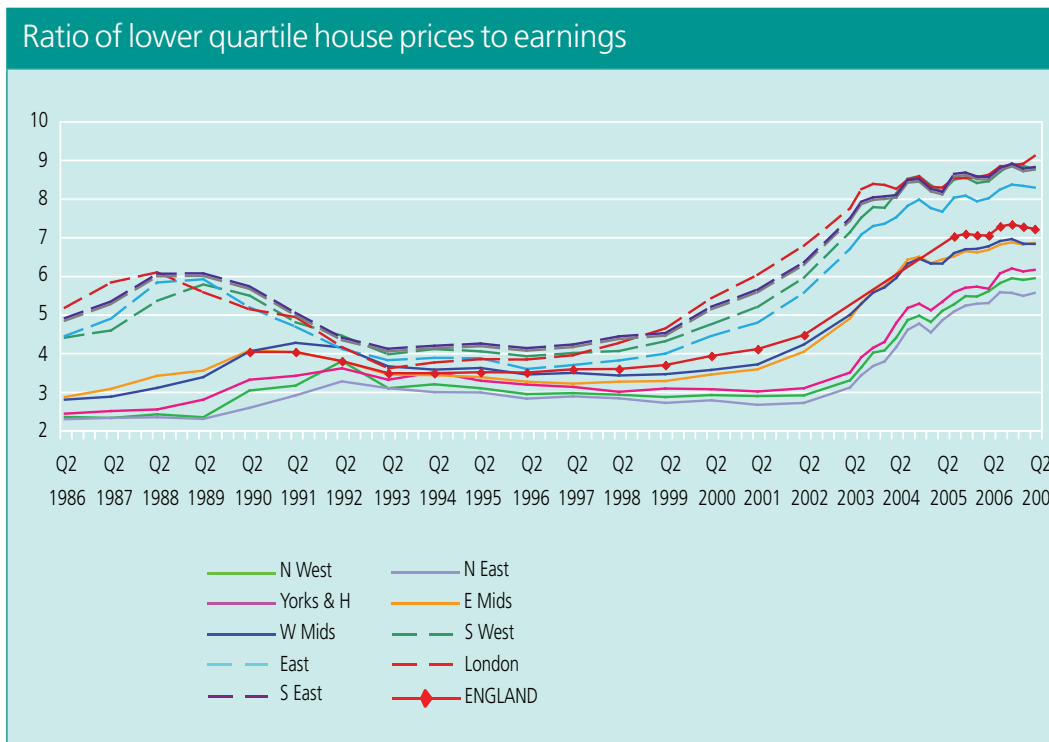
- current RPG targets of 58,000 annually have been met and exceeded since 2004
- the previous shortfalls in home provision are on course to be recouped by 2011-12 or earlier; and
- revisions to Regional Spatial Strategies (RSSs), which are replacing Regional Planning Guidance (RPGs), are in the course of review in all regions. Where these reviews are furthest progressed (for example in London and the East of England), additional housing growth is included in plans.



In July 2007, the Government published a Housing Green Paper, which announced a more challenging target to increase housing supply to 240,000 additional homes per annum nationally by 2016, delivering two million additional homes in total by 2016 and three million by 2020. This builds on both PSA 5 and the Government’s response to the Barker Review of Housing Supply, and represents an ambitious target to address the issue of housing affordability across the country.

#### 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 is the provision of increased numbers of new homes. Since the turn of the millennium the ratio has been rising steadily, though fluctuations in recent years are likely to reflect a degree of uncertainty in the market.



As the additional homes now planned start to enter the market, over time there should be some improvement in the ratio. However the ability to reduce this ratio will be heavily influenced by wider economic and housing market conditions. No specific target for this indicator has been set.

**Homelessness:** We are reporting progress on this element as **ahead**.

### Statutory homeless families with children in temporary accommodation

This indicator measures the number of families with children in temporary accommodation, accepted by local authorities as 'owed the main homelessness duty' under the homelessness legislation. As well as the PSA 5 target, we have also set a challenging target to halve the number of all households in temporary accommodation to 50,500 by 2010 (from a total of just over 100,000 at the end of 2004). After several years of continuing rises in the number of households placed in temporary accommodation, the numbers (both total households and families with children) have begun to decrease and have fallen for seven consecutive quarters. The number of households now in temporary accommodation has fallen to below 85,000 for the first time in five years, of which 64,000 were families with children. This reflects the impact of the new requirement on local authorities to have a homelessness strategy and increased emphasis on homelessness prevention. Performance is ahead against both the original target – to reverse the upward trend by 2007 and reduce the numbers of homeless households with children in temporary accommodation by over 30,000 by 2016 – and the revised target mentioned above – to halve the number of all households in temporary accommodation to 50,500 by 2010.



The use of temporary accommodation for households accepted as statutorily homeless is heavily concentrated in the higher-demand regions. In particular, while London accounts for less than a quarter of all homelessness acceptances in England, over two-thirds of all households in temporary accommodation are in London.

## 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 Department's team of analysts. Where possible, data are also validated against that provided by other sources. The Department periodically hold seminars with local authority data suppliers where data collection and data quality issues are discussed.

The key data sources are listed against each indicator.

### Long-Term vacancies

Annual statistical return from local authorities: Housing Strategy Statistical Appendix and Business Plan Statistical Appendix. From April 2007 an indication of the level of quality assurance undertaken by local authorities on the data contained in the Housing Strategy Statistical Appendix will form part of the return. Due to the way information on Registered Social Landlord (RSL) vacant dwellings are collected they are excluded from this indicator.

### Local authorities where house prices are substantially less than average

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

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

Annual returns from local authorities on net supply and quarterly returns on new housebuilding. Since 2004-05 the annual returns have been jointly collected with the Greater London Authority and the South East and East Regional Assemblies. The quarterly new build figures are adjusted to provide provisional estimates of net supply. From April 2007, an indication of the level of quality assurance undertaken by local authorities on housebuilding and net additions statistics has been part of both the new housebuilding (P2) and net additional dwelling (HFR) returns.

### Lower quartile house prices vs lower quartile earnings

Land Registry for lower quartile property price transactions. Annual Survey of Hours and Earnings (ASHE) for lower quartile work based average earnings. As average earnings data are available once a year a quarterly series is calculated using the movement in the average earnings index to enable the indicator to be monitored on a quarterly basis.

### Statutory homeless families with children in temporary accommodation

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

## PSA target 6 - Planning

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

### Performance Indicators

This PSA target is underpinned by a set of eight indicators covering a range of planning issues:

- **Percentage of housing development on previously-developed land or created through conversions:** that 60 per cent of new housing development is built on previously-developed ('brownfield') land, or created through the conversion of existing buildings
- **Average density of new housing development in each region:** that new housing development in each region should avoid developments of less than 30 dwellings per hectare and encourage those between 30-50 dwellings per hectare
- **Net change in area of green belt in each region:** that there should be an increase or no net change in the area of designated green belt land in each region over the period 2003-07
- **Town Centre Regeneration:** that there should be a year-on-year increase in the proportion of retail development in town centres over the period 2004-08

- **Development Control:** that all Local Planning Authorities achieve the relevant Best Value targets for handling planning applications
- **Ministerial planning casework:** that 100 per cent of Ministerial planning casework is decided within their statutory timetables
- **Local Development Frameworks:** that Local Planning Authorities achieve the milestones set out in their local development schemes for preparation of Local Development Documents; and
- **E-planning:** that 80 per cent of local authorities have 'good' or 'excellent' e-planning services in place by March 2006.

Following the *Barker Review of Housing Supply*<sup>14</sup>, monitoring of numbers of net additional dwellings in England in order to balance supply and demand now falls within PSA 5 (reported on earlier in this report).

Although no overall measure of success for this PSA was set out in the SR04 Technical Note, we will consider the headline target to have been met if all eight sub-targets are met.

## Progress

Concerns still exist on the delivery of Local Development Frameworks and because of this and performance against the development control sub-target we are reporting **slippage** on the overall target.

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

The target of 60 per cent of all new housing development to be built on previously-developed land, or provided through conversion of existing building, has been achieved or exceeded for the last five years. In 2006, on a provisional estimate, 74 per cent of new dwellings were built on previously-developed land, including conversions. Overall progress on this sub-target is **on course**.

### Average density of new housing development in each region

PPG3 policy was that local planning authorities should avoid developments that make inefficient use of land (those of less than 30 dwellings per hectare) and should encourage developments between 30-50 dwellings per hectare. In 2006, on a provisional estimate, new dwellings were built at an average density of 41 dwellings per hectare; all regions are exceeding their density minima. Overall progress on this sub-target is **ahead**.

<sup>14</sup> [www.hm-treasury.gov.uk/consultations\\_and\\_legislation/barker/consult\\_barker\\_index.cfm](http://www.hm-treasury.gov.uk/consultations_and_legislation/barker/consult_barker_index.cfm)

In November last year the new *Planning Policy Statement 3: Housing*<sup>15</sup> (PPS3) introduced a revised approach to density policies, retaining the overall objective of making an efficient use of land, but giving local planning authorities more flexibility and the option of setting out a range or ranges of densities across the plan area. PPS3 retains 30 dwellings per hectare as an indicative national minimum, until local density policies are in place.

### Net change in area of green belt in each region

The target is that there should be an increase or no net change in the area of designated green belt land in each region over the period 2003-07. There has been a net national increase of 900 ha since 2004. Four regions show increases in Green Belt (taking account of changes in the South East where Green Belt land has been re-designated as part of the New Forest National Park) and four regions show slight decreases in Green Belt. Therefore there has been **slippage** in some areas.

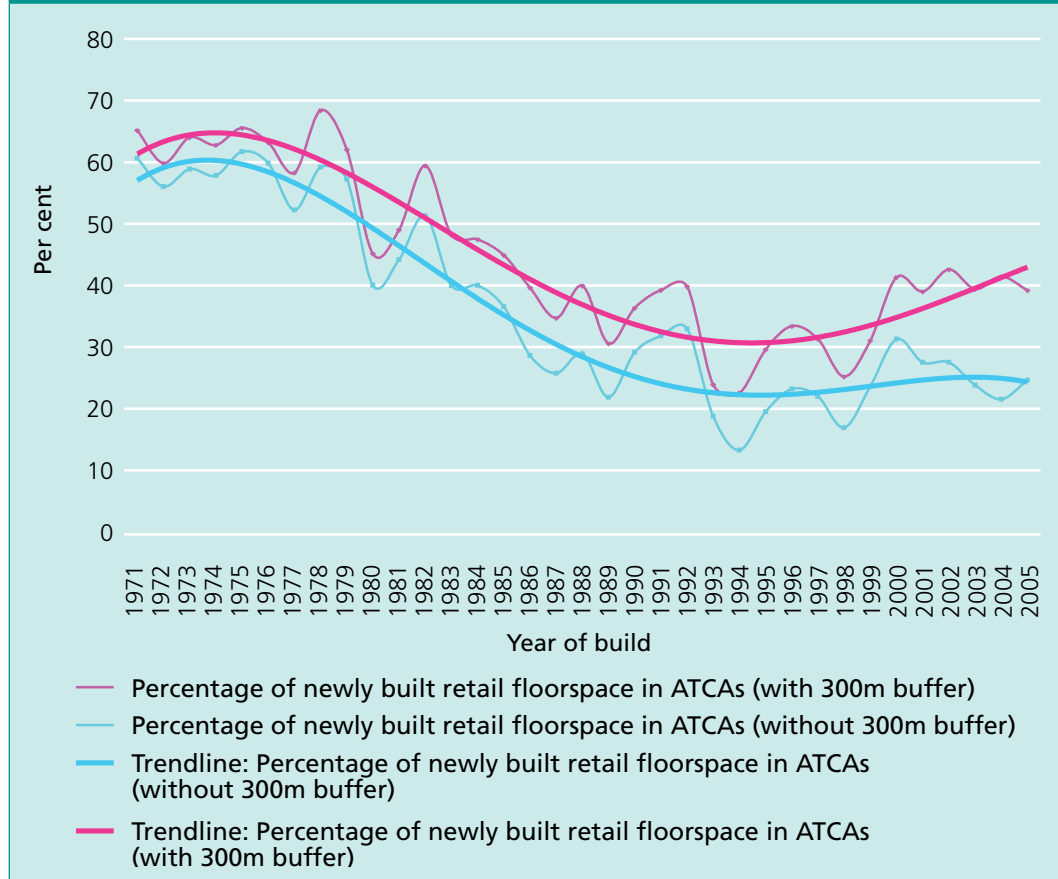
Green belt by Region: Hectares (000's)			
	2003	2004	2006
North East	66.2	71.9	71.9
North West	260.6	260.6	260.3
Yorkshire and the Humber	262.6	262.6	264.9
East Midlands	79.5	79.5	78.9
West Midlands	269.5	269.5	269.3
East Anglia	26.7	26.8	26.3
London/wider South East	600.4	601.4	553.9 <sup>16</sup>
South West	106.0	106.0	106.3

<sup>15</sup> [www.communities.gov.uk/publications/planningandbuilding/pps3housing](http://www.communities.gov.uk/publications/planningandbuilding/pps3housing)

<sup>16</sup> In 2005 47,300 hectares of green belt land was designated as National Park following the creation of the New Forest National Park. This area is not included in the green belt statistics for 2006.

### Town Centre Regeneration

Percentage of newly built retail floorspace in Communities and Local Government Areas of Town Centre Activity (ATCAs), with and without 300m buffer; England, 1st April 2006 data

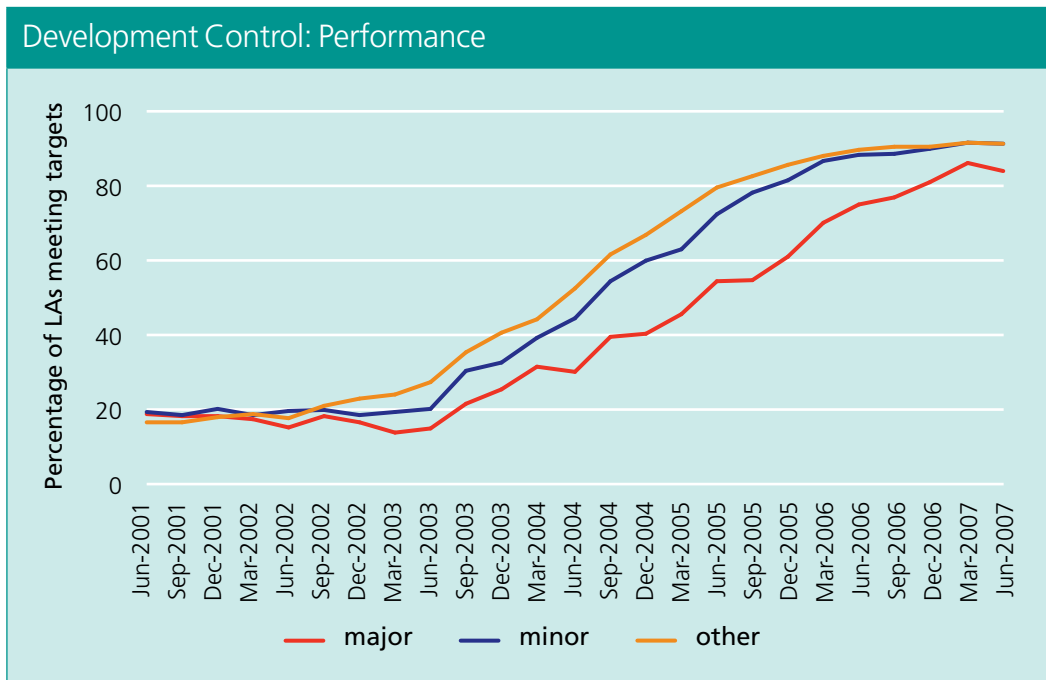


The target is that there should be a year-on-year increase in the proportion of retail development in town centres over the period 2004-08.

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

Updated analysis using revised town centre boundaries and data on developments in 2006 will be available in summer 2008.

## Development Control



In the year ending 30 June 2007:

- 84 per cent of English local planning authorities were meeting the Best Value target that 60 per cent of major planning applications are to be determined within 13 weeks
- 91 per cent of local planning authorities were meeting the Best Value target that 65 per cent of minor planning applications are to be determined within eight weeks; and
- 91 per cent of local planning authorities were meeting the Best Value target that 80 per cent of other planning applications are to be determined within eight weeks.

Although the PSA 6 target for 100 per cent of authorities to perform at Best Value levels by March 2007 was not met, these figures represent a significant increase from 2003 when only 20 per cent of local authorities were performing at these levels. We continue to offer support on capacity building and performance improvement through the Planning Advisory Service. We are reporting **slippage** against expected progress on this sub-target.

### Ministerial planning casework

Following the introduction of statutory timetables for ministerial planning cases from April 2005, the target is that 100 per cent of cases are to be decided within their statutory timetables, and we have maintained this for the period of 1 April 2007 to 30 September 2007. Overall progress on this sub-target is **on course**.

### Local Development Frameworks

Local Development Frameworks (LDFs) were introduced in the 2004 Planning Act to replace the more unwieldy local plans which were taking so long to produce. At present around 17 per cent of Development Plan Document (DPD) submissions have been, or are likely to be, submitted to the Secretary of State more than six months later than the date stated by the relevant Local Development Scheme (LDS). In addition 13 per cent of DPD documents submitted have been found to be unsound by the Planning Inspectorate (PINS) or have had to be withdrawn. The issues around delays and soundness represent a significant challenge to the introduction of the new plan making system. However around 15 authorities have been able to produce sound core strategies within two and a half years of the start of the overall national plan making programme – an increase in speed from the old system.

A range of measures has been introduced to address concerns of speed and quality. The Inspectorate has published lessons learnt from the first tranche of DPD examinations and the Planning Advisory Service is assisting local authorities on LDFs individually and collectively. The Planning White Paper made proposals for streamlining the process. The Department has recently issued its response to the consultation on the White Paper<sup>17</sup>. A consultation on proposals for a Housing and Planning Delivery Grant has been launched which will incentivise DPD production for housing delivery.

Local authorities have made good progress in delivering Statements of Community Involvement (SCIs) and, to date, 77 per cent of authorities have adopted an SCI. However, we are reporting **slippage** against expected progress on this sub-target.

### E-planning

The target that 80 per cent of local authorities are to have 'good' or 'excellent' e-planning services in place by March 2006 has been **met**. 95 per cent of authorities are now 'good' or 'excellent' compared with 0.5 per cent in Nov 2003. Only 5 per cent remain as 'fair' or 'poor'.

### Quality of data systems

Data for the above indicators are drawn from a wide range of sources. All are subject to quality assessments carried out by the Department's team of statisticians and researchers. Where possible, data are also validated against those provided by other sources.

We set out in the Technical Note our intention to measure vacancy rates for professional planners in local government capacity, and attitudes. The thinking on vacancy rates stemmed from work undertaken by CIPFA on a survey of local

<sup>17</sup> <http://www.communities.gov.uk/publications/planningandbuilding/pwpgovernmentresponse>

planning authorities. However, CIPFA ceased to measure this on an ongoing basis, and therefore we were not able to undertake the measurement without setting up a new survey, which would have been a new burden on local authorities. Instead, we have chosen to monitor the take-up of bursaries, which were introduced in SR2004.

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

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

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

### **Net change in area of green belt in each region**

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

### **Town Centre Regeneration**

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

The dataset reflects the age structure of the commercial and industrial property market at a particular reference date (1 April 2006 in the chart shown on page 36). The age structure recorded at 1 April 2005 will be slightly different to that recorded at 1 April 2006 due to the effect of demolitions, extensions, refurbishments and constructions.



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

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

### **Development Control**

Statistics of planning applications received and decided by local planning authorities have been collected on a quarterly basis since 1979, on the PS1 and PS2 General Development Control statistical returns. The start and end dates to be used in measuring performance against targets are clearly defined in the guidance notes issued to local authorities. However, there has been evidence that some authorities have not been applying the rules correctly. If auditors qualify an authority on its Best Value Performance Indicators (BVPI) 109 returns on this account, 10 per cent of its Planning Delivery Grant (PDG) on development control performance is withheld. If the authority re-submits returns on the correct basis, the full grant allocation is paid out. If they fail to re-submit correct returns, a further 40 per cent of their PDG is withheld.

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

During 2006 the PS1 and PS2 General Development Control statistical returns were subject to a National Statistics Quality Review. From April 2007 an indication of the level of quality assurance undertaken by local planning authorities on development control statistics is recorded as part of the PS1 and PS2 returns.

### **Ministerial planning casework**

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

### Local Development Frameworks

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

### E-planning

BV 205 currently includes a measure of e-planning capability achieved by a Local Planning Authority. Capability is self-assessed by LPAs against four levels and based on an agreed set of criteria (the Pendleton criteria<sup>18</sup>) with a March 2006 target which was exceeded.

<sup>18</sup> Peter Pendleton and Associates (PPA) are independent planning consultants who designed 21 criteria to appraise the availability and accessibility of online planning services on local authority websites in England and Wales. Each local authority website was surveyed to assess the level of service provided.

# Chapter 5: Decent Homes and Neighbourhoods

## **Strategic Priority 5:**

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

## PSA target 7 – Housing

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

## Performance Indicators

### **Reduction in the number of non-decent social sector dwellings**

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

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

In addition we are required to deliver by 2006 more than 50 per cent of our overall progress in the 112 most deprived local authority areas.

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

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

- more than 65 per cent by 2006-07
- more than 70 per cent by 2010; and
- more than 75 per cent by 2020

Although no overall measure of success for this PSA was set out in the SR2004 Technical Note, we will consider the headline target to have been met if both the final social and private sector targets are met.

## Progress

As we have not met the 2006 target of a reduction of between 45 per cent - 50 per cent in the 2001 baseline of non-decent homes, we are reporting **slippage** on this target.

### Social sector

The target with a specific deadline has galvanised improvement of the social housing stock. Increasingly this improvement is being delivered through transformational projects that are a mixture of demolition/reprovision/refurbishment and additional market or intermediate housing, supporting the creation of mixed communities. So on 6 June 2006, we announced that, where social landlords could produce better community benefits or better value for money, then they will be allowed to negotiate a deadline past 2010. Those local authorities and housing associations currently engaged in, or wishing to pursue, major transformation via a mixed communities approach will be able to renegotiate individual deadlines for completion. However, the vast majority of social landlords will still be expected to ensure all homes are decent by 2010, and we still expect 95 per cent of all social sector homes to be decent by this date.

The baseline for the target is the 1.65m non-decent homes that existed in the social sector in 2001. Of these, 1.17m were owned by local authorities and 470,000 by Registered Social Landlords (RSLs).

The decent homes definition has been updated to reflect the Housing Health and Safety Rating System (HHSRS) which replaced the fitness standard in April 2006. Using the updated definition the 2006 English House Condition Survey (EHCS) estimates that there were 1.3 million non-decent homes in the social sector (34 per cent). We are unable to report change since 2001 on decent homes incorporating the HHSRS. Therefore all the following estimates are based on fitness as the statutory component of the decent homes standard to be consistent with the 2001 baseline figure.

The target requires a reduction of between 45 per cent and 50 per cent over the 2001 baseline by 2006. We have already reported slippage against this target as the estimates reported by the local authorities in their Business Plan Statistical returns and the regulation returns from housing associations submitted in July 2006 (stating the number of non-decent homes at 1 April 2006) showed that the aggregate number of non-decent dwellings had reduced by 42 per cent since 2001.

Local authority and RSL data show that at April 2007 we had achieved an estimated reduction of 52 per cent leaving a total 858,000 non-decent social rented homes at this point, which means we remain below trajectory.

The second measure was that the combined sample from the 2005-06 and 2006-07 continuous EHCS reporting in 2007 would confirm that there are between 800,000 and 900,000 non decent social sector dwellings. In fact the EHCS has shown there are 1.13 million non decent dwellings in the social sector, a reduction of 31.3 per cent since 2001.

The EHCS figures show only a small improvement in the condition of the stock from 2005 and modelling a trend through all available results to 2006 indicates a slower rate of progress than last year. This is very different picture to that provided by the landlords themselves. We consider it is unlikely that there are methodological issues in the EHCS that could help account for this slow down in a substantial way. However the Department is working with the Building Research Establishment (BRE) to consider a number of issues further, particularly whether there are any differences in the way decent homes assessments are undertaken and decent homes works are attributed to tackling the problem by local authorities and EHCS surveyors that could account for the difference in the figures. BRE are also completing work on evaluating the methodological issue of cavity wall insulation and developing a 'hard to treat/ unnecessary to treat' classification.

The BRE's report on *Implementing Decent Homes in the Social Sector*<sup>19</sup> concluded that "overall, element-based programmes are slightly more common than whole dwelling refurbishment or other packages of work." 'Elemental' programmes where, for example, the windows in all the properties are replaced, followed by the kitchens, means that works will not count towards the target until the entire property is made decent. This introduces a significant lag in the reduction in the number of non-decent homes. An initial assessment of the latest EHCS data suggests most progress has been made in reducing the overall number of homes that fail on more than one criterion.

Decent Homes investment programmes are also coming on stream slower than previously anticipated. Due to the consequences of failing an Arms Length Management Organisation (ALMO) inspection, some ALMOs have been putting back their initial inspection dates, taking longer to prepare for inspection so that they can be as sure as possible of passing inspection at the first time of applying. However once ALMOs are up and running, they are delivering decent homes at the rate predicted.

Since 2001, 580,000 new kitchens, 440,000 new bathrooms and 910,000 new central heating systems have been installed into council homes. 630,000 council homes have been re-wired to ensure that they meet fire and safety requirements, and work is being carried out to improve energy efficiency. The social sector

<sup>19</sup> <http://www.communities.gov.uk/publications/housing/implementingdecenthomes>

decent homes programme is also driving up performance; delivering efficiencies with procurement consortia; securing energy efficiency; creating training and job opportunities; empowering tenants, improving access and social inclusiveness; and improving the environment and security of estates.

We are required to deliver by 2006 more than 50 per cent of progress occurring in the 112 most deprived local authority areas. Over 69 per cent of the overall improvement in the number of non decent social sector dwellings is in deprived areas, so we have met this element of the PSA.

### Private Sector

We had achieved 68 per cent of vulnerable households living in Decent Homes by 2006, from the baseline position of 57 per cent in 2001. While there has been significant progress since the 2001 baseline year on year reduction between 2005 and 2006 was not significant (in 2005 66 per cent of vulnerable households lived in decent homes). We have achieved our 2006-07 milestone and overall are ahead of trajectory to meet the 2010 target of 70 per cent and the 2020 target of 75 per cent.

### Quality of data systems

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

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

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

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

## PSA target 8 – Liveability

**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.**

### Performance Indicators

This PSA is measured by progress against the following seven performance indicators which include sub-targets for improvements at national level and in areas in receipt of Neighbourhood Renewal Fund (NRF):

- a) **Cleaner places:** By 2008, to reduce the proportion of local authorities judged to have unacceptable levels of litter and detritus by 13 percentage points nationally and by 16 percentage points for local authorities in receipt of NRF.
- b) **Safer streets:** By 2008, to reduce the number of abandoned vehicles nationally by 25 per cent and within local authorities in receipt of NRF by 25 per cent.
- c) **Quality parks and green spaces:** By 2008, to increase to 60 per cent the proportion of local authorities nationally and to 60 per cent the proportion of local authority districts in receipt of NRF that have at least one park or green space that meets Green Flag Award standard.
- d) **Local environmental services:** By 2008, no more than 10 per cent of local authorities nationally, or 10 per cent of local authorities in receipt of NRF, to be assessed as 'poor' for the Comprehensive Performance Assessment (CPA) of their Environment Services Block.
- e) **Improving quality of neighbourhoods:** By 2008, to reduce the percentage of households living in poor quality environments by two percentage points nationally, and by three percentage points within the group of local authorities in receipt of NRF.
- f) **Public satisfaction with parks and open space:** By 2008, to increase the percentage of residents satisfied with local parks and open spaces by four percentage points nationally and by six percentage points for residents in local authorities in receipt of NRF.

- g) **Household satisfaction with local area:** By 2008, to increase the percentage of households identifying no problem with six liveability factors (vandalism & hooliganism, graffiti, dog mess, litter & rubbish, noise, and traffic) where they live by three percentage points nationally and by five percentage points overall for households located within local authorities in receipt of NRF.

## Progress

The target will be deemed to be met if three of indicators a) – e) and one of either of the perception indicators f) or g) are achieved.

Although we are on course for four of the first five indicators, we have not met our sub target on satisfaction with parks and open spaces, and we are below trajectory for progress on satisfaction with the local area. We are therefore reporting **slippage** on the overall target.

The 2006-07 Best Value User Satisfaction Surveys (July 2007) reports that although public satisfaction with local parks and open spaces (indicator f)) has continued to increase from the 2003-04 survey (baseline year) the level of improvement is insufficient to achieve our target of achieving an aggregate level of satisfaction of 75 per cent public satisfaction nationally and in areas in receipt of NRF over the lifetime of the PSA.

As we remain below trajectory to achieve our target for improving household satisfaction with local area (indicator g)) we have revised our overall assessment of progress for PSA 8 as showing 'slippage'. This is in line with the requirements of the Technical Note which states that one of the two satisfaction based indicators must be achieved.

The 2006 English House Condition Survey (EHCS) reports that we remain below trajectory to reduce the number of households living in poor quality environments (indicator e)).

Results for the Green Flag Awards 2007 were announced in July and demonstrate that the proportion of local authorities with at least one Green Flag Award winning park or green space has increased over 2006 and that we remain on course to achieve indicator c).

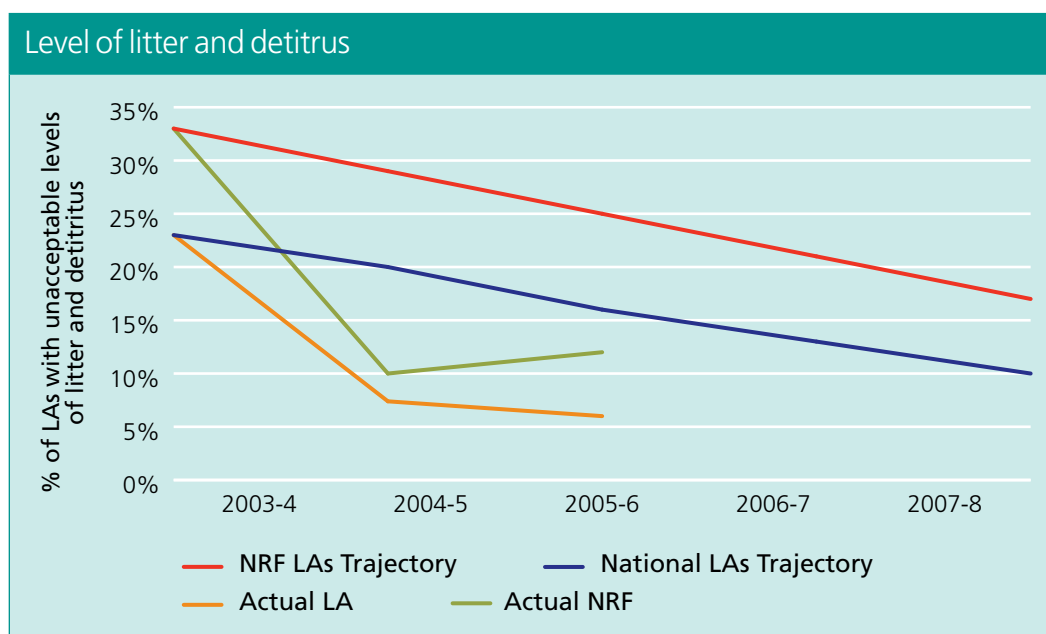
No further data sources have reported since the publication of the Departmental Annual Report 2007.



### a) Cleaner Places

This indicator measures performance of local authority districts in street cleansing using the Best Value Performance Indicator (BVPI) 199(a) based on assessment of levels of litter and detritus across a range of sites in local authority areas. Trajectory is set against 2003-04 audited data reporting that 23 per cent of local authorities nationally and 33 per cent of local authorities in receipt of NRF have unacceptable levels of litter in excess of the national benchmark (30 per cent of sites classed as being unacceptable).

Data for BVPI199(a) 2005-06 indicates that the percentage of local authorities with unacceptable levels of litter and detritus has fallen from eight per cent in 2004-05 to six per cent in 2005-06 nationally, but has increased from 10 per cent to 12 per cent since 2004-05 for local authorities in receipt of NRF. Whilst this indicates that over the past 12 months the gap between national and deprived areas has widened by four percentage points, progress is still exceeding expectations and is assessed as being ahead of target.



The Department continues to work in partnership with the Department for Environment, Food and Rural Affairs (Defra) to help local authorities to better understand drivers for poor local environmental quality and to improve performance. A particular focus has been to sustain recent improvements in standards of street cleanliness and to tackle the apparent widening of the gap between all authorities and NRF authorities. In particular:

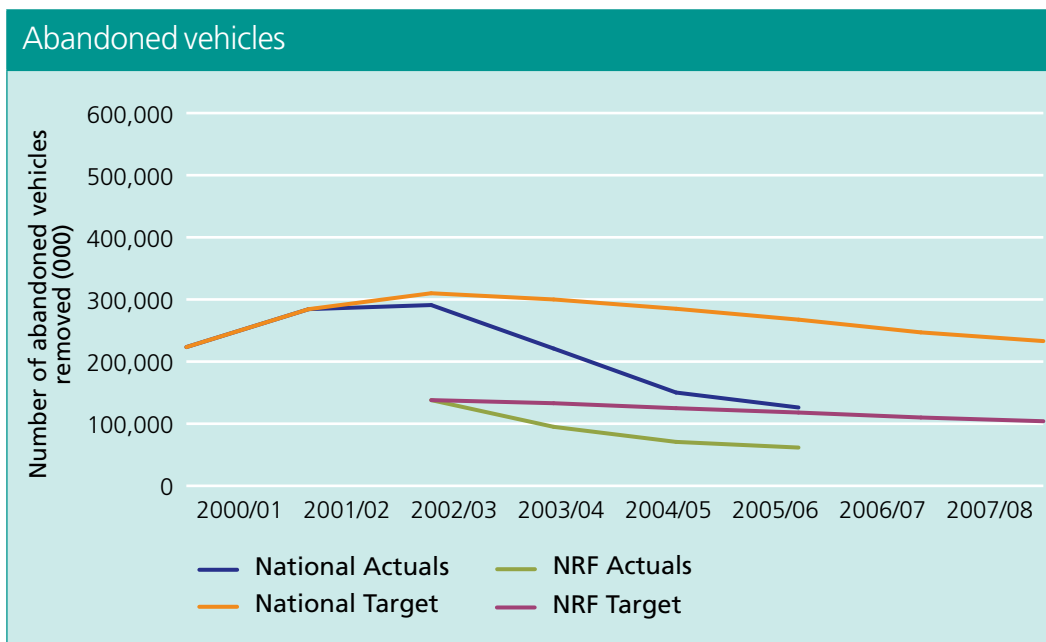
- Defra is supporting the roll out of independent local environmental quality survey reports to each local authority in England producing a baseline of performance against a range of factors (street cleanliness, graffiti, fly-tipping, fly posting) and providing local service managers with powerful evidence base to focus improvement action

- Defra is working with Government Offices to respond to issues arising from the local surveys with emphasis on those local authorities failing to meet the street cleanliness element of PSA 8; and
- Supporting performance improvement through our 'How to' innovation and good practice programme by encouraging effective take-up and use of new and existing powers and tools, for example the Clean Neighbourhoods and Environment Act 2005.

Overall progress for this target is **ahead** of expectations.

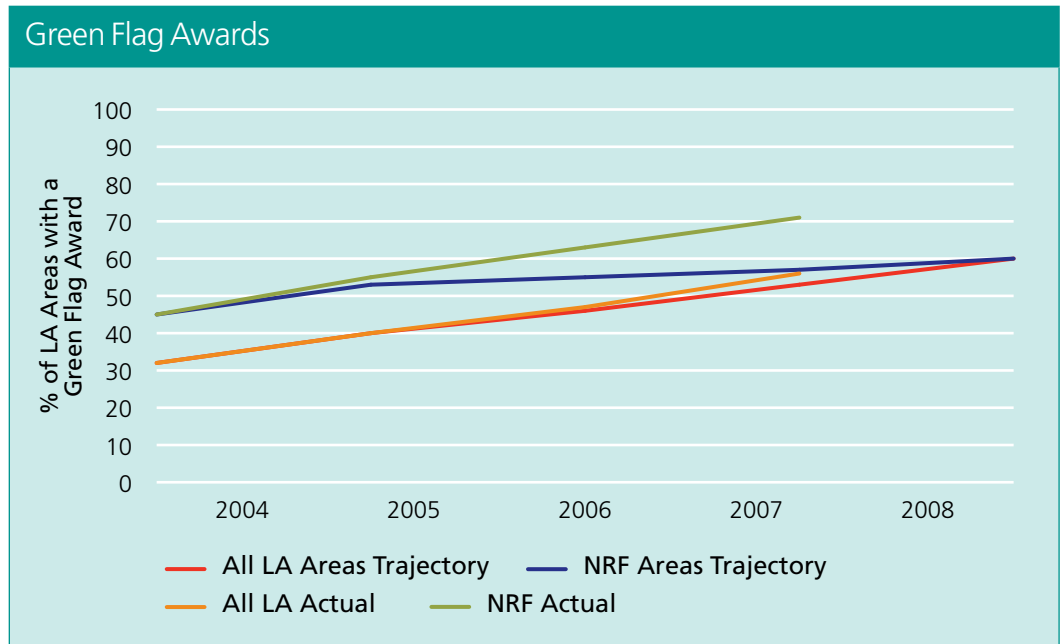
### b) Safer Streets

Data from WasteDataFlow 2005-06 reports that the total number of abandoned vehicles removed in 2005-06 fell by 16 per cent over 2004-05 from 149,409 to 126,104 nationally. In the same period it fell by nine per cent from 67,749 to 61,617 in areas in receipt of NRF. Overall this represents a fall of 57 per cent in the total number of abandoned vehicles removed nationally and 55 per cent in areas in of receipt of NRF since 2002-03 and confirms that we continue to achieve our target. Overall progress for this target is **ahead** of expectations.



### c) Quality parks and green spaces

Data from 2007 Green Flag Award scheme published in July 2007 shows progress is in line with our trajectory. Currently 198 (56 per cent) local authorities nationally and 65 (71 per cent) in areas in receipt of NRF have at least one Green Flag Award winning park or green space. This represents an increase of 18.5 per cent in Green Flag awards nationally and three per cent in Green Flag Awards in NRF areas since 2006. Overall the number of Green Flag Award winning spaces in England now stands at 538, an increase of 32 per cent over those awarded in 2006.



The Green Flag Award is a voluntary scheme, which is delivered by the Civic Trust on behalf of the Department and the Green Flag Advisory Board. The Board oversees the operation of the scheme and its strategic direction and ensures it continues to grow. We are ensuring that the Civic Trust are targeting and assisting local authorities currently without an award to reach the standard and apply.

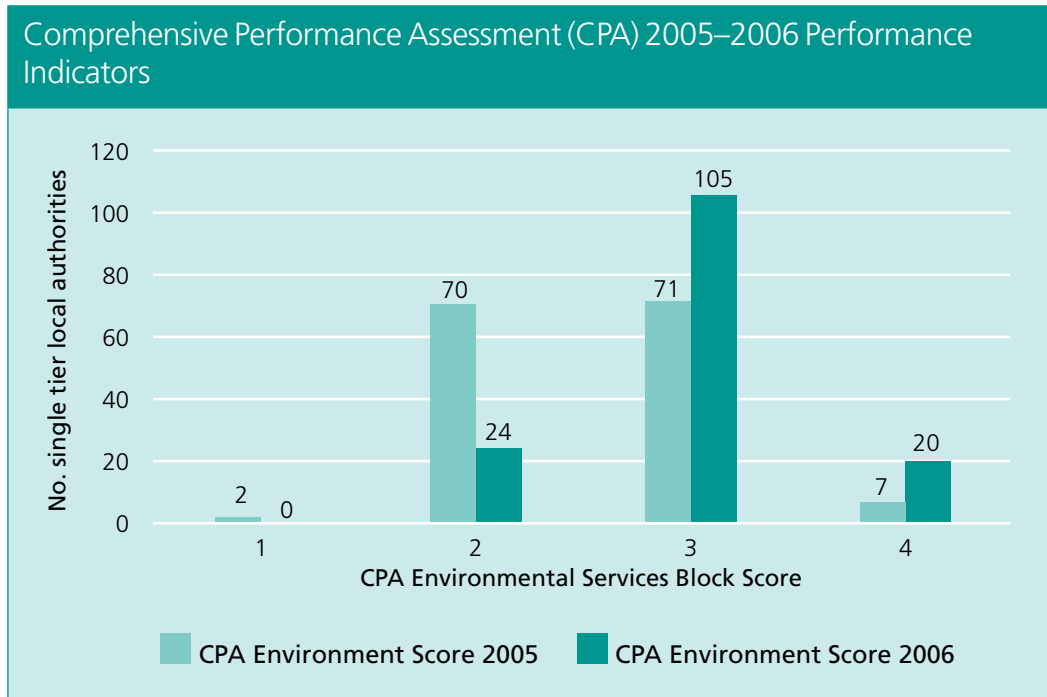
The Department continues to support local authorities and park managers to improve quality of the local environment through the Urban Green Space Action Plan. Specific actions include:

- the introduction of a Special Innovation Award to the Green Flag Scheme for 2008, to help further drive up standards
- good practice guidance and tool kits; including guidance from CABI Space and 'How to' programme advice on managing green spaces, including better engagement with communities and green strategies
- equipping managers and practitioners within the sector with necessary skills, through a national skills strategy
- developing an integrated database and mapping tool for urban green space data to support national policy, local performance management, community engagement and ownership, and drive good quality service delivery; and
- maximising the value and contribution of green space to challenging wider issues such as climate change and environmental injustice (through green space and mitigation and adaptation to climate change, and green space as a conduit to engaging communities to tackle such issues).

Overall progress for this target is **on course**.

#### d) Local Environmental Services

Audit Commission 2006 CPA assessment reports that there are no single and upper tier authorities' that score less than '2' for Environmental Services Block. This means we are ahead of our target.



From 2005 authorities were assessed against revised methodology for services in the Environmental Services Block (ESB), which included for the first time a range of 'liveability' performance indicators. Because no directly comparable data was available at the time this indicator went live, no baseline was set. We have therefore set an absolute target for achievement by 2008.

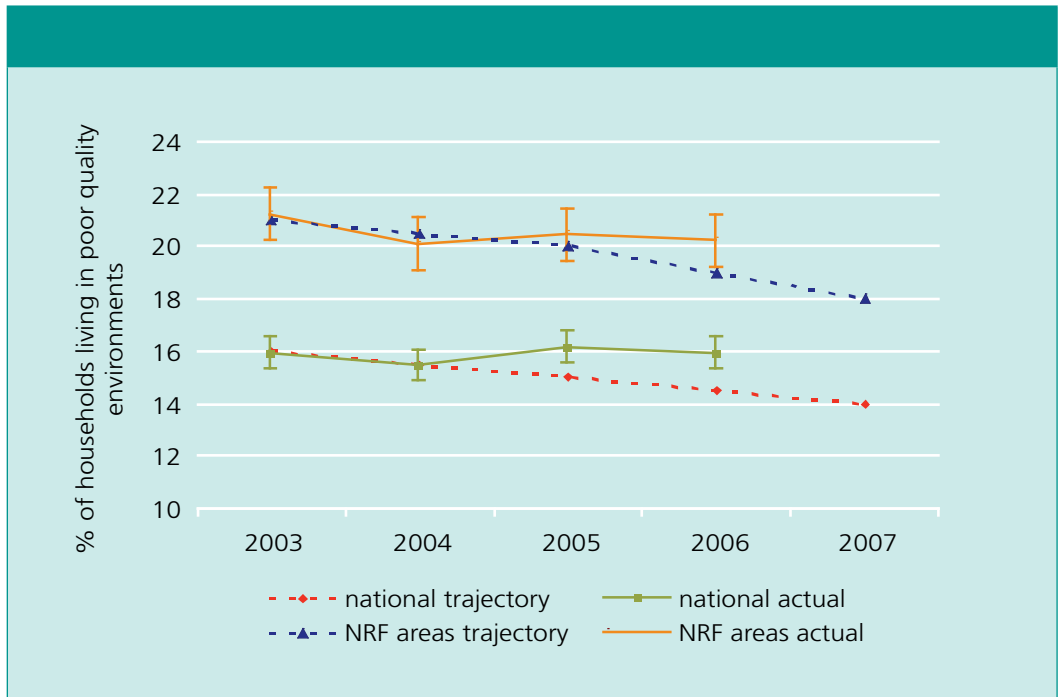
As part of the Audit Commission's transition arrangements for the move from Comprehensive Performance Assessment (CPA) to Comprehensive Area Assessments (CAA), from April 2009 the final round of CPA scores are scheduled to be published in February 2008.

Overall progress for this target is **ahead** of expectations.

#### e) Improving the quality of neighbourhoods

The EHCS provides a measure of households experiencing poor-quality environment. It assesses a number of aspects of the local environment, including the upkeep and misuse of the area (for example, graffiti, litter and rubbish, vandalism), noise and air pollution from road, trains and aircraft, and the utilisation of the area (including abandonment, vacant sites and intrusive industry). Since April 2002 the EHCS has been undertaken on a continuous basis and results are available annually.

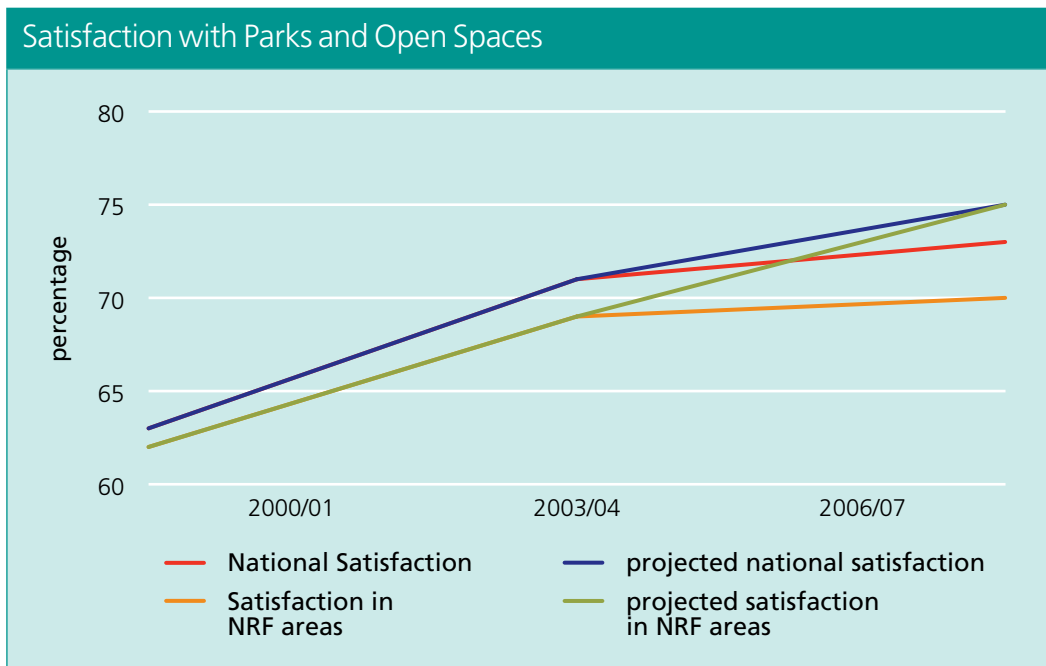
The 2006 EHCS finds that 15.9 per cent (3.4m) of households nationally and 20.2 per cent (1.7m) of households in areas in receipt of NRF experience poor quality environments. Statistically, these do not represent significant changes from the 2003 baseline year and we therefore remain below our trajectory to achieve the target. We are reporting **slippage** against expected progress towards achieving this target.



**f) Public satisfaction with local parks and open spaces**

The 2006-07 Best Value User Satisfaction Surveys used to measure progress against this target were published in July 2007. Data reports that public satisfaction with local parks and open spaces (BV1 19e) has improved since the previous survey and baseline year (2003-04) with satisfaction as an average up nationally from 71 per cent to 73 per cent and in deprived areas from 69 per cent to 70 per cent.

Although public satisfaction has continued to rise, we have not met our target which was to achieve an aggregate level of 75 per cent of satisfaction in all areas over the lifetime of the PSA. The data also reports a widening of one per cent in the ‘gap’ in satisfaction between national and deprived areas.



However the data demonstrates that improvements are being made in areas previously identified as performing poorly. For example:

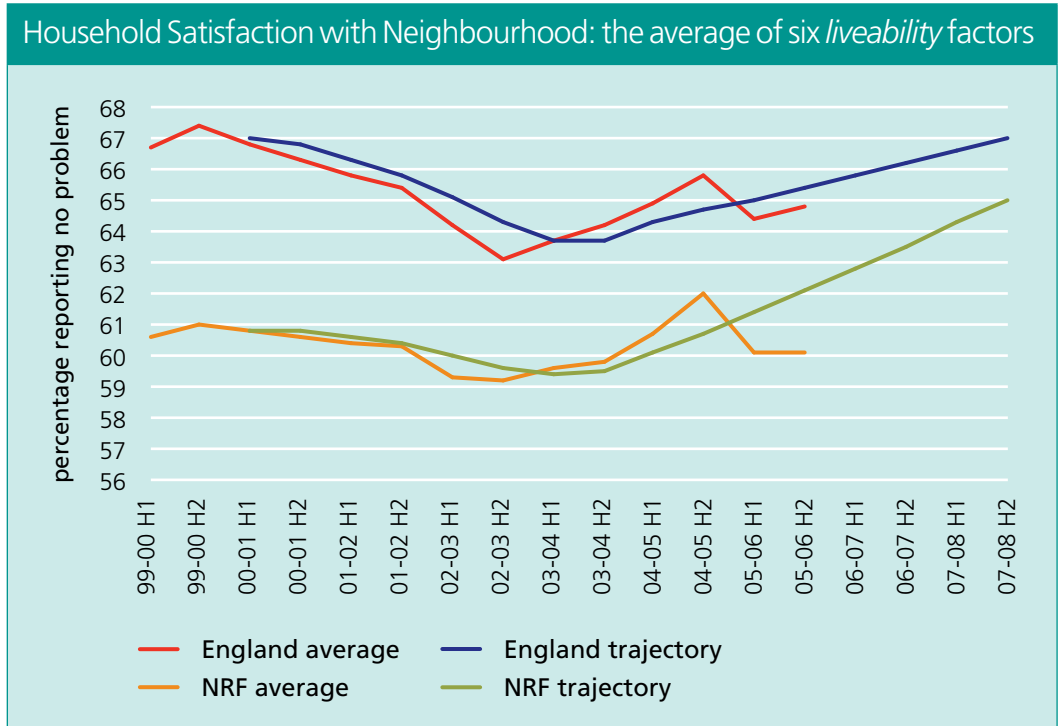
- Of the 234 authorities in 2003-04 reported below 75 per cent resident satisfaction, 54 are now above the threshold and 146 have shown overall improvement; and
- Of the 69 authorities in receipt of NRF in 2003-04 reported below the 75 per cent threshold, 11 are now above and 39 have shown overall improvement.

To ensure greater public satisfaction and drive improvement we continue to support local authorities and park practitioners in creating quality parks and open spaces that are better managed and maintained and encourage greater community participation. To assist this we have developed a Green Space Action Plan, which is steered by the Cleaner Safer Greener Advisory Board. The action plan incorporates our target for increasing the number of Green Flag Award winning parks and focuses on community needs and engagement with green space, management and maintenance, developing practitioner skills, providing a green space evidence base tool and focusing resources (especially in terms of guidance) to create better spaces, especially in poorer performing areas.

The success criterion outlined in the PSA 8 Technical Note states that this indicator will be measured using data from 2006-07 BV User Satisfaction Survey (BV119e) which reported in July 2007. No further assessment of the indicator will be made over the life of the PSA8 target. We are therefore reporting this target as **not met**.

### g) Household satisfaction with local area

This indicator tracks household attitudes to a range of liveability problems in their areas measured by six factors within the Survey of English Housing (SEH). The latest published full-year data reports over the period 2005-06 household satisfaction with quality of local area fell from 65.3 per cent to 64.6 per cent nationally and from 61.4 per cent to 60.1 per cent in NRF areas. We therefore remain below trajectories at both national and deprived area levels.



We continue to support local areas to create and improve the quality of neighbourhoods and to help drive-up people’s satisfaction with where they live. We do this by:

- ‘How to’ innovation and good practice programme which uses a range of approaches to encourage practitioners to take-up and use powers and tools to improve physical quality of local areas including:
  - revised and updated guides tailored to support local service providers and practitioners to take more effective and innovative action to deliver community aspiration for high quality town centres, residential areas and parks
  - a series of 12 action learning events across the country focussing on successful approaches for engaging children and young people in the design, use, management and maintenance of public space; and

- support to 44 Local Strategic Partnerships (recipients of the Cleaner Safer Greener or Neighbourhood elements of Safer Stronger Communities Fund) to help raise the profile of PSA 8 and to agree cross-partnership action to improve liveability locally.
- Taking forward actions in the Empowerment Action Plan launched on 19 October that will give communities opportunity for a greater say over the services that affect their day to day quality of life, for example:
  - supporting the development of local charters which operate as voluntary agreements between communities and local authorities, agreeing priorities for improvement and standards to improve the responsiveness of local services; and
  - simplifying the statutory ‘Right to Manage’ process to make it easier for local authority tenants to work with their local authority to take on management of housing services. As part of the tenant empowerment package we are also considering possibility of voluntary extension of tenant management to RSL tenants and how Tenant Management Organisations could extend role into wider neighbourhood services

Through our partnership with Groundwork and support via the Special Grants Programme we are continuing to work with a range of Third Sector partners to enable communities to engage in transforming the physical quality of their neighbourhoods, creating a greater sense of local ownership and pride.

Nonetheless, we are below trajectory and are reporting **slippage** against the expected progress towards achieving this target.

## Quality of data systems

**Indicator a)** – BV199(a) statutory indicator measures the proportion of relevant land and highways (expressed as a percentage) that is assessed as having litter and detritus that fall below an acceptable level. Data provided annually. Reports 2007-08 data at the end of 2008.

All BVPI results for authorities are calculated centrally from raw data collected by the Audit Commission. The Commission decides each year, based on risk assessment, which BVPIs to scrutinise in more detail to check for inconsistencies and the audit methodology used.

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



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

**Indicator c)** – Green Flag Award Scheme operated by the Civic Trust, which provides data on applicants and winners. Data available annually. Reports 2008 data in July 2008.

**Indicator d)** – Local Authority Environment Services Block as determined by the Audit Commission through its Comprehensive Performance Assessment (CPA). Revised CPA methodology for single and upper tier authorities' only reports annually.

**Indicator e)** – EHCS assesses 16 'liveability' problems including graffiti, litter and rubbish, on-street parking, vandalism, gardens and landscaping. Since April 2002, the EHCS has been undertaken on a continuous basis and results will now be available annually. From April 2008 EHCS will merge with the Survey of English Housing (SEH) to form the new English House Survey but will continue to collect data on the 16 'liveability' factors.

**Indicator f)** – BV119 e – Part of the three yearly Best Value User Satisfaction Survey, BV119 measures satisfaction with leisure and cultural services and part (e) measures satisfaction with parks and open spaces.

Audit Commission audit the Best Value User Satisfaction Survey and may qualify data where it is not possible to satisfactorily resolve issues with the relevant local authority. Data qualified by the Commission is excluded from use in performance assessments of the local authority and compilation of national and other averages.

**Indicator g)** – The SEH measures how satisfied households are with their local environment. Households surveyed are asked whether or not they consider a range of issues (vandalism & hooliganism, graffiti, dog mess, litter & rubbish, noise and traffic) to be a problem in their local area. Data available every six months. From April 2008 SEH will merge with the EHCS to form the new English House Survey which will continue to collect data on the six 'liveability' factors.

As part of the new performance framework, a new National Indicator Set has been announced, and will be introduced from April 2008. This provides a single set of indicators reflecting national priorities across government and replaces Best Value Performance Indicators. The set includes an indicator measuring overall/ general satisfaction with local area.

# Chapter 6: Reducing Inequalities

## Strategic Priority 6:

Reducing inequalities and building community cohesion.

## PSA target 10 – Race Equality and Community Cohesion

**To reduce race inequalities and build community cohesion.**

### Performance Indicators

Underlying indicators are:

- number of people from Black and minority ethnic (BME) communities who perceive that they would be treated worse than people of other races by one or more key public services, or in the labour market, according to the Citizenship Survey; and
- number of people who agree that their area is one where people from different backgrounds get on well together, according to the Citizenship Survey Local Area Survey.

To meet this PSA, a statistically significant improvement is needed in the following three areas:

#### **Discrimination by organisations**

- A decrease between 2001 and 2007 in the percentage of people from BME communities who perceive that they would be treated worse than people of other races by one or more key public services.

#### **Discrimination in the labour market**

- A decrease between 2003 and 2007 in the percentage of people from BME communities who perceive that they would be discriminated against in the labour market, on the basis of race.

#### **Community cohesion**

- An increase between 2005 and 2007 in the perception of community cohesion in the majority of 10 geographical areas where the risk of disturbance is high.

## Progress

Overall progress on this PSA is **slippage**.

### Discrimination by public service organisations

In 2001, 38 per cent of BME people believed that one or more of the eight public service organisations monitored would treat them worse than people of other races. This was 37 per cent by 2005, and our first quarter figures for 2007 figures show it is now 35 per cent, which is our target for a statistically significant decrease. If the results for quarters 2-4 repeat this success, we will have met this target.

This is very encouraging, especially because the aggregate nature of this target can mean that good progress in some areas is hidden. For example, the proportion of BME people who think that they would be treated worse than people of other races by the prison service has fallen significantly, from 21 per cent to 15 per cent, and by the police from 27 per cent to 23 per cent. Overall progress for this target is **on course**.

### Discrimination in the labour market

We are reporting **slippage** against the expected progress on this target, and it is now unlikely to be met.

The Citizenship Survey measures two elements of discrimination in the labour market: (1) the proportion of BME people who are currently working as employees, or who have looked for work over the last five years, who think that they have been turned down for a job in the last five years on grounds of their race; and (2) the proportion of BME people who are currently working as employees who think that they have been discriminated against at work with regard to a promotion or a move to a better position on grounds of race in the last five years. The part of the PSA associated with discrimination in the labour market uses both these elements. This aspect of the PSA will be met if there is a significant reduction in at least one of the two elements.

Our first quarter figures for 2007 show no change in regard to the first measure compared to 2003 (still 24 per cent), and an increase in regard to the second (from 44 per cent to 57 per cent). The very small numbers involved in the latter case mean that this increase is statistically insignificant at this stage, but we will be monitoring this indicator closely to see if the results from quarters 2-4 repeat this finding. Overall, the proportion of employees who feel they have been discriminated against with regards to promotion or progression on any grounds has fallen by a quarter since 2003 – from 12 per cent to 9 per cent. We are also continuing to make steady progress in improving the employment rate of people from BME backgrounds, and closing the employment rate gap between ethnic

minorities and the overall population. The gap was 17 percentage points in 2003 – it is now down to around 14 points. We will continue to work on that, and are confident that that real improvement will continue to feed into the public's perceptions.

The higher perception of discrimination in promotion rather than job application may reflect the fact that, whilst the employment rate of ethnic minorities has increased, they remain over-represented in junior positions.

The Department is continuing to take forward key strategic projects to effect change in this area. We are continuing to support the work of the Ethnic Minority Employment Taskforce, the cross government lead on ethnic minority employment issues chaired by the Minister for Employment and Welfare Reform. We are also working with cross-government partners (DWP, HM Treasury, BERR) to develop our response to the issues raised in the National Employment Panel's Business Commission report on Race Equality in the Workplace. Finally, we are working with Regional Development Agencies to explore how they can address ethnic minority employment issues as part of their work to improve regional economic performance.

### Community cohesion

Progress against this target has **not yet been assessed** – see below.

First quarter data from the main Citizenship Survey shows that, overall, the percentage of people in the UK who agreed their area was one where people from different backgrounds get on well together remains high - around 81 per cent. For the 10 specific areas assessed for the PSA, the baseline was established using data from the 2005 Citizenship Survey – Local Areas Survey.

Unweighted interim data from the 2007 Local Areas Survey suggests that we may be seeing an improvement in four of the 10 areas that we are targeting. However, the figures for individual areas give only a very broad indication of progress at this stage as, unlike the main survey, the Local Areas Survey is not designed to provide quarterly data. So we will need to wait for the complete figures for 2007-08 to assess progress properly.

### Quality of data systems

All areas and elements of the target are measured through the Citizenship Survey, which is nationally representative. This used to be a biennial survey, designed to contribute to the evidence base for the Home Office's community policy area. The survey was carried out in 2001, 2003 and 2005. However, the policy area is now mostly at Communities and Local Government, and from April 2007 the survey has adopted a continuous design, which will enable the results to be presented

each quarter on a rolling average basis thereby allowing data to be compared each quarter with the same period the year before. It is also allowing us to track progress more closely.

To provide better measurement on the PSA target performance (race element), the survey has always included a booster sample of people from BME communities (approximately 5,000, in addition to the core sample of 10,000). This means that we will have robust figures at the end of the year even for indicators where the sample size is quite small (e.g. for BME people who have been discriminated against regarding a promotion or progression at work).

For measuring the cohesion element, a Citizenship Survey – Local Areas Survey was used in 2003 and 2005, and is being used again in 2007. The Local Area Survey asks a similar but reduced set of questions to the national Citizenship Survey. In 2007 this survey is being conducted within the 10 areas selected, running concurrently with the first two quarters of the Citizenship Survey.

# Chapter 7: Efficiency Targets

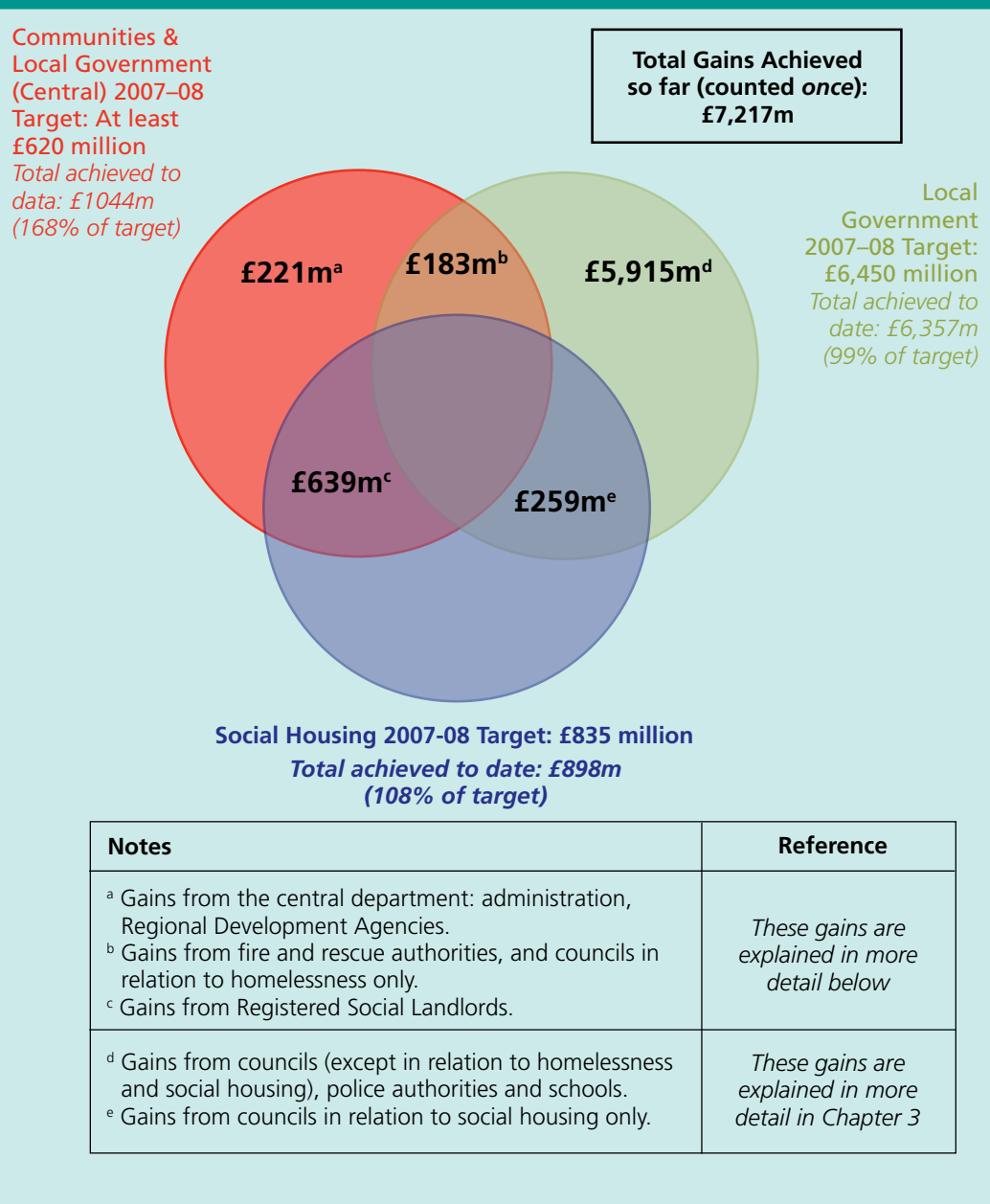
Efficiency is not about cuts, but about doing more for the same or less resource – raising productivity, reducing inputs (money, people, assets etc), increasing effectiveness and enhancing value for money. It is about developing more efficient and effective ways of delivering the same or better outcomes.

Communities and Local Government is responsible for ensuring the delivery of the following efficiency targets, set in the Spending Review 2004 as part of the Government's response to the recommendations made by Sir Peter Gershon in his review of public sector efficiency:

- Across the **central department**, to achieve at least £620m in annual efficiency gains by 2007-08. The Spending Review also set targets for the central department on workforce (headcount) reduction and relocation. Targets were set for departments to relocate posts out of London and the South East of England in response to the recommendations made by Sir Michael Lyons in his review of public sector relocation. Progress against these targets are detailed below.
- Across the whole of **local government**, including fire, police and schools as well as local authorities, leading and coordinating delivery of £6.45bn efficiency gains per annum by 2007-08, and directly securing £1.38 bn of that total (part of PSA 4). Progress against this target can be found in Chapter 3 (alongside the other PSA 4 targets).
- Across the **social housing** sector, to achieve at least £835m in annual efficiency gains by 2007-08. Efficiency gains of £898m have so far been achieved against this target, £639m efficiency gains delivered by RSLs (which count towards the Department's central target) and the balance (£259m) achieved by local authorities (which contribute to the local government target).

As explained in our last Annual Report there is some overlap between these targets, but efficiency gains that contribute to more than one target are only counted *once* by HM Treasury against the overall public sector target of efficiency gains totalling at least £21.5bn per annum by 2007-08. The overlap is shown in Diagram 1.

**Diagram 1: Summary of Efficiency Gains Reported as Achieved to Date as at September 2007**



## Communities and Local Government Central Efficiency Target

To achieve at least 2.5 per cent per annum efficiency gains for Communities and Local Government (Central), equating to at least £620m by March 2008. At least two thirds of these must be cash releasing.

## Progress

Progress on this target is **ahead** of expectations. We have reported a total of £1044m gains to date across the workstreams within our programme:

- £896m reported at end June 2007 and
- £1044m reported at end September 2007, of which £569m is cash-releasing.

This shows the good progress we have continued to make in our programme. At end December 2006 we reported a total of £756m gains to date as published in our 2007 Annual Report. We are now able to report further efficiencies that have been delivered across the programme, in particular this includes:

- additional efficiency gains of over £120m delivered by Registered Social Landlords (RSLs) through improved procurement of commodities, capital works and management and maintenance
- some £33m further efficiencies delivered through modernisation measures in the Fire and Rescue Services; and
- over £100m further efficiencies delivered by Regional Development Agencies through activities such as business process improvement and leveraging in greater funding from the private sector.

Descriptions of each of our efficiency workstreams is set out in our Efficiency Technical Note (ETN)<sup>20</sup>. Our ETN also sets out how each workstream measures gains and quality and tracks progress.

### Future Plans

We will continue to build on the progress we have made. Overall we expect to exceed our target, and we are currently forecasting to deliver £1,121m efficiency gains by March 2008.

<sup>20</sup> [www.communities.gov.uk/publications/corporate/efficiency-tech-note0508](http://www.communities.gov.uk/publications/corporate/efficiency-tech-note0508)



## Workforce Reductions Target

To achieve, in the Department as a whole (including agencies and NDPBs), a reduction of 400 Full Time Equivalent (FTE) posts by the end of March 2008. At least 250 of these will be HQ and Government Office civil service posts.

### Progress

Progress on this target is **ahead** of expectations. We have reported to date a workforce reduction of 825 FTEs (against June 2004 baseline) in the central department and the GOs:

- 797 FTEs reported at Quarter 1 2007-08 (end June 2007); and
- 825 FTEs reported at Quarter 2 2007-08 (end September 2007).

On current plans we expect to deliver a further reduction of 72 FTEs across the Department as a whole by March 2008 bringing our total to 897.

## Relocation of posts out of London and the South East Target

To relocate 240 posts out of London and the South East by 2010.

### Progress

Progress on this target is **on course**. We have reported to date relocation of 197 posts:

- 197 FTEs reported at Quarter 1 2007-08 (end June 2007); and
- 197 FTEs reported at Quarter 2 2007-08 (end September 2007).

We reported a total of 147 relocated posts by December 2006 in our last Annual Report. Since then a further 50 posts have been relocated within the departmental group. These consist of the relocation of posts from the Standards Board to Manchester and the Audit Commission to Bristol.

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