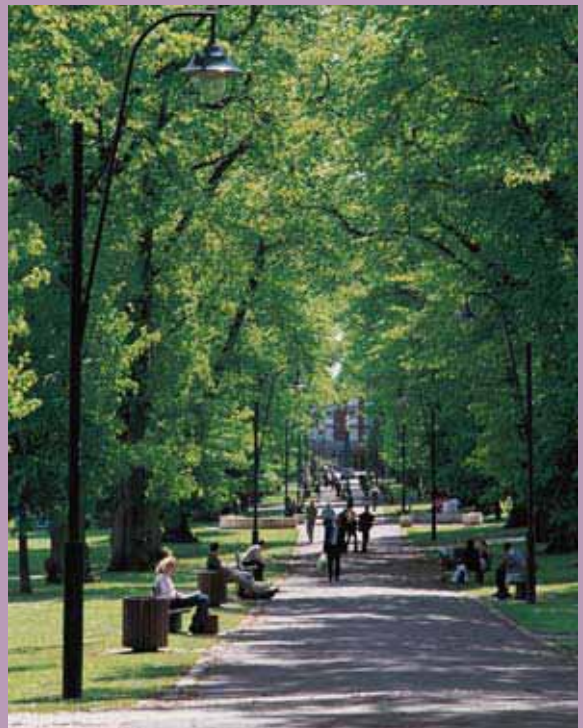




Office of the
Deputy Prime Minister

Creating sustainable communities

Annual Report | 2005



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FRONT COVER IMAGES:

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| 1) Three Graces – revitalising and regenerating Liverpool | 2) Greenwich Peninsula: Meridian Delta mixed use development plan |
| 3) West Midlands Fire and Rescue Service | 4) Southampton Central Parks – Green Flag award winner |



**Office of the
Deputy Prime Minister**

Annual Report 2005

Presented to Parliament by
The Deputy Prime Minister and First Secretary of State,
and the Chief Secretary to the Treasury
by Command of Her Majesty
June 2005

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Foreword



Deputy Prime Minister: Draft Foreword ODPM Annual Report 2005

Just over two years ago, I set out the Government's ambition to create sustainable communities across the country. After the previous decades of underinvestment, our £38 billion Sustainable Communities Plan demonstrated our commitment, right across Government, to create better places to live – renewing existing towns and cities and creating new places to live which will stand the test of time.

Our aim is to give people more opportunity and choice, so that everyone can have the chance to share in the prosperity of this country. We want people to feel confident and proud of living in a neighbourhood which offers them a decent home, a better quality of life, and excellent local services such as schools and hospitals.

This third Annual Report from ODPM reflects on the progress we have made in delivering the Sustainable Communities Plan over the last 12 months. There have been a number of landmarks during the year:

- We have reduced by 1 million the total number of social rented homes which failed to meet a decent standard in 1997. These may not be new houses – but for the people who live in them, they are a new home.
- We are providing more new housing in areas of high demand. House building in London and the South East increased by 25% in the year to September 2004.
- We assisted 10,000 key workers to buy or part-buy their homes under the Starter Home Initiative and announced important new schemes to offer equity shares and low-cost homeownership to up to 400,000 households.
- The highly successful Delivering Sustainable Communities Summit in Manchester showed that our approach to sustainable communities is not only making real progress in this country but is also attracting international support and attention.

- Local authorities are continuing to improve. 67% of single-tier and county councils are now classified as good or excellent under the Comprehensive Performance Assessment programme, compared with 51% in 2002.
- The planning system has been sped up considerably, despite the highest number of planning applications since 1988.

Creating sustainable communities is a long-term commitment and there is still a huge amount to do. Our five-year plans – *Sustainable Communities: Homes for All* and *Sustainable Communities: People, Places and Prosperity* – set out our ideas and investment for the future.

But this Annual Report describes what we have achieved already, thanks to the remarkable energy, expertise and enthusiasm of staff in ODPM, its agencies and of our countless partners in the public, private and voluntary sector.



John Prescott

Deputy Prime Minister

Permanent Secretary's Introduction



Welcome to the third annual report for the Office of the Deputy Prime Minister. It sets out what we have achieved in 2004/05 and the progress towards our longer-term objectives.

ODPM has achieved a great deal that we can be proud of over the past 12 months in delivering and meeting the challenges of the Sustainable Communities Plan. The Plan set out a comprehensive programme to deliver more housing where it was needed in the South, to revive housing markets in parts of the North and Midlands, to support the most disadvantaged communities and to improve people's homes, neighbourhoods and quality of life.

We have made significant progress on all these fronts, and laid the foundations of sustainable communities. In the high-demand areas of London and the South East, we have made a good start in delivering the additional dwellings necessary to provide affordable accommodation for the people who work there. In the deprived areas in the North and Midlands, nine pathfinder partnerships are tackling the most acute problems of low demand and abandonment. The Northern Way Growth Strategy, a comprehensive plan for economic growth across the North, has been up and running since September 2004, assisted by a £100 million contribution from ODPM.

Not only have we been building new homes and tackling low-demand areas, we have also made huge strides in improving existing housing. Over a million fewer council and housing association-owned dwellings are now classed as non-decent, compared with 1997. We have also made a good start in reducing the number of vulnerable people living in sub-standard private housing. Good progress is being made across a range of priority areas for tackling disadvantage and social exclusion.

The work of ODPM and others in delivering sustainable communities is being greatly assisted by the improvements we have delivered in the planning system, with significantly improved turnaround times in dealing with applications.

We have helped local authorities in improving their services, this being recognised by the fact that over two-thirds of single-tier and county councils are now rated as 'good' or 'excellent' by the Audit Commission.

We have made a good start in transforming ODPM into a leaner, fitter, more delivery-focused organisation, equipped with the necessary project and programme management and other skills necessary to deliver the major projects in which we are engaged.

All in all, everybody at ODPM can be proud of what we have achieved, by working together in partnership with our stakeholders, over the past 12 months.

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

Dame Mavis McDonald DCB

Who we are

1

Ministerial team and responsibilities



The Rt Hon. John Prescott MP
Deputy Prime Minister and
First Secretary of State



The Rt Hon. David Miliband MP
Minister of Communities and
Local Government



Yvette Cooper MP
Minister for Housing and Planning



Phil Woolas MP
Minister for Local Government



Baroness Andrews OBE
Parliamentary Under Secretary
of State



Jim Fitzpatrick MP
Parliamentary Under Secretary
of State

Senior management structure

ODPM is managed by the Board, which is chaired by the Permanent Secretary. The Board comprises eight executive members and two non-executive members.



Mavis McDonald
Permanent Secretary



Richard McCarthy
Director General –
Sustainable Communities
Group



Neil Kinghan
Director General –
Local Government and
Fire Group



Joe Montgomery
Director General –
Tackling Disadvantage
Group



Rob Smith
Director General –
Regional Development
Group



Peter Unwin
Director General –
Corporate Strategy and
Resources Group



Claire Tyler
Director –
Social Exclusion Unit



Derek Plews
Director of Communication

Non-executive members



Bob Kerslake
Non-Executive Board
Member
Chief Executive of
Sheffield City Council



Vanessa Lawrence
Non-Executive Board
Member
Director General,
Ordnance Survey

The structure of the Office of the Deputy Prime Minister

ODPM comprises five major groups:

- The Sustainable Communities Group: responsible for delivering a better balance between housing supply and demand, ensuring that people have decent places to live and improving planning performance by local authorities.
- The Tackling Disadvantage Group: responsible for neighbourhood renewal and social inclusion.
- The Local Government and Fire Group: responsible for delivering better public services and for improving local government performance.
- The Regional Development Group: responsible for regional economic performance, regional referendums and regional assemblies. It also co-ordinates the work of the Government Offices.
- The Corporate Strategy and Resources Group: provides strategic support and ensures that ODPM has the resources, skills and facilities it needs to deliver its objectives.

ODPM also comprises a number of smaller units that provide support functions for these groups. These include the following:

- The Directorate of Communication: provides ODPM's media interface and manages ODPM's information responsibilities.
- The Ministerial Group: provides Ministers with their private offices and handles all ODPM's business with Parliament.
- The Legal Directorate: advises Ministers and officials on legal issues and is closely involved in the development and implementation of policy.

Executive Agencies and Non-Departmental Public Bodies

During the year ODPM was responsible for four Executive Agencies: the Planning Inspectorate, the Fire Service College, the Rent Service and the Queen Elizabeth II Conference Centre. ODPM was also responsible for a number of Non-Departmental Public Bodies.

The strategic context

2

ODPM's responsibilities for local and regional government, housing, planning, fire, regeneration, social exclusion and neighbourhood renewal put ODPM at the heart of the Government's ambition to create sustainable communities for all.

Our vision

A flourishing, fair society based on opportunity and choice for everyone depends on creating sustainable communities – places that offer everyone a decent home that they can afford in a community in which they want to live and work, now and in the future.

Not all communities are the same – different places have different strengths and needs. But sustainable communities have many different things in common: decent homes at prices people can afford; clean, safe, green environments; access to jobs and excellent services – schools, health services, shops and banks; and people having a say in the way their community is run.

Sustainable communities should be:

- **active, inclusive and safe** – fair, tolerant and cohesive with a strong local culture and other shared community activities;
- **well run** – with effective and inclusive participation, representation and leadership;
- **environmentally sensitive** – providing places for people to live that are considerate of the environment;
- **well designed and built** – featuring a quality built and natural environment;
- **well connected** – with good transport services and communication linking people to jobs, schools, health and other services;
- **thriving** – with a flourishing and diverse local economy;
- **well served** – with public, private, community and voluntary services that are appropriate to people's needs and accessible to all; and
- **fair for everyone** – including other communities, now and in the future.

We believe that sustainable communities are the building blocks of a decent, tolerant, inclusive society. That is why we are working across Government and with other partners to open up opportunity and choice in housing across the country; to give everyone the chance of a share in the nation's prosperity; to create pleasant, safe, clean and green places to live, with excellent local services. We want a fairer society where everyone has the chance of a decent home, at a price they can afford in a prosperous and sustainable community of which they can feel proud.

Moving forward – our five-year plans

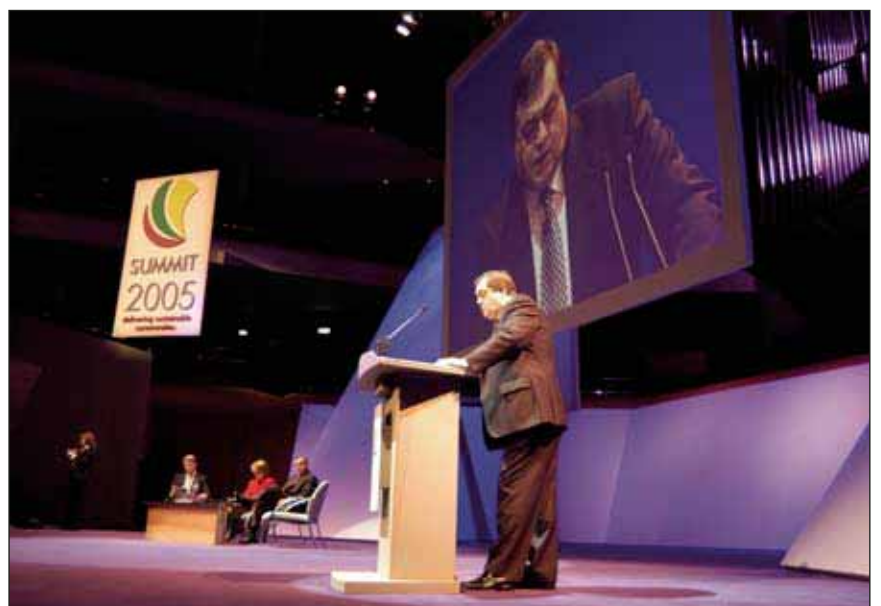
The Sustainable Communities Plan (2003) sets out a long-term commitment to change the way our housing and communities are planned, designed and built, including major investment in housing, transport and regeneration and promoting excellence in design and construction. The Government has committed over £38 billion to creating sustainable communities.

In January, we set out the next phase of this ambitious programme in two five-year plans: *Sustainable Communities: Homes for All* and *Sustainable Communities: People, Places and Prosperity*.

A decent, affordable home is a key requirement of a sustainable community. *Sustainable Communities: Homes for All* details our plans to offer more choice and fairness in housing, providing the opportunity of a decent home at a price people can afford by:

- making sure that there are enough high-quality homes across the whole spectrum of housing – owner-occupied, social rented and private rented;
- helping more people to own their homes;
- making sure that all social tenants, and at least seven out of ten vulnerable people in the private sector, have a decent home;

**Sustainable Communities Summit:
Deputy Prime Minister's
opening address**



- creating sustainable, mixed communities in both rural and urban areas, with the jobs, services and infrastructure they need to thrive;
- providing for those who need more support to meet their housing needs and aspirations, including halving numbers in temporary accommodation;
- cracking down on unauthorised development, and providing for those who choose alternative types of accommodation, such as gypsies and travellers; and
- protecting and enhancing the environment, our historic towns and cities and the countryside.

Improvements to housing, infrastructure and the environment are key to creating sustainable communities. But on their own they are not enough. *Sustainable Communities: People, Places and Prosperity* sets out our plans to work at every level to improve the communities that people live in: putting people in control and giving them the tools to shape their future, providing good governance and strong leadership, including:

- giving people more of a say in the way places (both urban and rural) are run, helping improve local services and making areas cleaner, safer and greener;
- working through the town, city or county hall so that local government delivers excellent services and leads effective partnerships, and enabling community empowerment;
- tackling disadvantage, so that people are not condemned to lives of poverty, poor services and disempowerment by accidents of birth or geography; and
- working through the regions to increase prosperity, and bringing together services, funding and plans which can best be co-ordinated at regional level.

Taken together, our five-year plans represent an ambitious agenda for transforming the places where people live, providing more choice, fairness and quality in meeting people's housing needs, and putting more power in the hands of local people and communities, ensuring excellent services, democracy and prosperity for all.

The delivery of this agenda, working across all central government departments and with local government and communities themselves, will promote prosperity for all and help local people create communities they can feel proud to be a part of.

Our Strategic Priorities and Public Service Agreement targets

Our aim is to give people more opportunity and choice, so that everyone can have the chance to share in the economic and cultural wealth of this country.

This aim is underpinned by our Strategic Priorities and our Spending Review (SR) 2002 Public Service Agreement (PSAs) targets, set out below:

Priority 1	Delivering a better balance between housing supply and demand by supporting sustainable growth, reviving markets and tackling abandonment.
PSA 5	Achieve a better balance between housing availability and the demand for housing in all English regions while protecting valuable countryside around our towns, cities and the green belt – and the sustainability of existing towns and cities – through specific measures to be set out in the Service Delivery Agreement.
PSA 6	All local planning authorities to complete local development frameworks by 2006 and to perform at or above best value targets for development control by 2006 with interim milestones to be agreed in the Service Delivery Agreement. ODPM to deal with called-in cases and recovered appeals in accordance with statutory targets.
Priority 2	Ensuring people have decent places to live by improving the quality and sustainability of local environments and neighbourhoods, reviving brownfield land, and improving the quality of housing.
PSA 7	By 2010 bring all social housing into decent condition with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups. Also supported by PSAs 5 and 6.
Priority 3	Tackling disadvantage by reviving the most deprived neighbourhoods, reducing social exclusion and supporting society's most vulnerable groups.
PSA 1	To promote better policy integration nationally, regionally and locally; in particular to work with departments to help them meet their PSA floor targets for neighbourhood renewal and social inclusion. Also supported by PSA 7.

<p>Priority 4</p>	<p>Delivering better services, by devolving decision-making to the most effective level – regional, local or neighbourhood.</p> <p>Promoting high-quality, customer-focused local services and ensuring adequate, stable resources are available to local government.</p> <p>Clarifying the roles and functions of local government, its relationship with central and regional government and the arrangements for neighbourhood engagement, in the context of a shared strategy for local government.</p> <p>PSAs 1 and 4</p>
<p>PSA 4</p>	<p>Improve delivery and value for money of local services by:</p> <ul style="list-style-type: none"> ● introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities' scores; ● overall annual improvements in cost effectiveness of 2% or more; and ● assisting local government to achieve 100% capability in electronic delivery of priority services by 2005, in ways that customers will use. <p>Also supported by PSA 1.</p>
<p>Priority 5</p>	<p>Promoting the development of the English regions by improving their economic performance so that all are able to reach their full potential, and developing an effective framework for regional governance taking account of the public's view of what is best for their area.</p> <p>PSA 2</p>
<p>PSA 2</p>	<p>Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006.</p>
<p>PSA 3</p>	<p>Provide the opportunity by the end of this Parliament for a referendum on regional government in regions where there is a demand for it.</p>

Chapter 3, in broad terms, sets out the progress we have made against these priorities and the PSA targets which were set in 2002 SR. Annex A sets out in more detail the specific progress we have made against the SR 2002 PSA targets, as well as progress against the other targets.

SR 2004 updated and added to our PSA targets for 2005/06, to reflect the additional and evolving challenges and priorities for ODPM – in particular to adopt new challenging targets for fire modernisation and liveability. These are given in full in Annex F.



***Sustainable Communities
Award Winners:
Grange Park Community Project,
Blackpool***

Delivering our objectives

3

Real progress

In February 2003 we published the £38 billion *Sustainable Communities Plan* – the most comprehensive programme of investment in decades to improve people's homes, neighbourhoods and quality of life.

The Plan set out a vision of sustainable communities for the next 15 to 20 years and a programme for immediate action, bringing together work across Government to deliver real change.

To take this agenda forward we have set ourselves five Strategic Priorities around which our work is based, reorganised ODPM to better reflect these priorities, and published our two five-year plans setting out the programme for delivery of our ideas.



ODPM is playing a leading role in creating sustainable communities: investing in decent homes and quality public spaces, promoting excellent local services, help for vulnerable people and supporting a thriving economy in all regions. But to deliver lasting change, Government as a whole needs to work together.

ODPM's focus is on the way different Government programmes come together

***Sustainable Communities
Youth Summit***

for people in different places – across regions, in cities, towns, villages and neighbourhoods.

This underpins ODPM's work in bringing together efforts across Government to create sustainable communities. ODPM's contribution is threefold: working to fashion Government policies and programmes around the needs of particular places or groups of people; promoting good local government and good local services; and delivering some of the key things upon which sustainable communities depend, such as housing.

We have a number of key functions that help us to deliver sustainable communities:

- responsibility for good governance at all levels – the regions, local government and neighbourhoods;
- leading the development of a cross-Government strategy for local government;
- reforming the planning system to promote sustainable development reflecting the social, economic and environmental needs of different places and people; and
- working across Government to improve standards of public services to benefit the most disadvantaged communities.

The importance of the cross-departmental aspect of our working is underlined by the shared Public Service Agreements (PSAs) to which we contribute, in addition to those agreed specifically to meet our aim of creating sustainable communities.

This work is coming together in different places across the country to make a real difference to the quality of people's lives and communities.

Strategic Priority 1

A better balance between housing supply and demand

Over one million more people own their own homes now than in 1997; 70% of households now own their own home; and nine out of ten households would prefer to own their own home if they could. The Barker Review of Housing Supply (March 2004) confirmed the need for a step change in housing supply, with almost 190,000 new households expected to be formed each year to 2021. Our Sustainable Communities Plan sets out our programme to build more homes supported by jobs, infrastructure and public services, whilst protecting the countryside and our historic towns and cities. Increasing the supply of market and affordable homes in high-

demand areas will reduce the upward trend in homelessness, whilst we are also addressing the causes of low demand in areas of the North and Midlands.

PSA 5 – SR 2002 PSA target

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

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

The delivery structure for the Thames Gateway Programme has been rationalised through the creation of a Thames Gateway Delivery Office, two Urban Development Corporations at London and Thurrock, an Urban Renaissance Corporation and six local regeneration partnerships to oversee delivery on the ground across the Gateway. *Creating Sustainable Communities: Delivering the Thames Gateway* was published in March 2005 – a gateway setting out the Government’s strategy for growth and regeneration in the Thames Gateway, showing how it is being delivered and giving direction for the future.

On homelessness, we have achieved and sustained our March 2004 target of ending the long-term use of bed and breakfast hotels for homeless families with children and we have sustained reductions in rough sleeping. There are also emerging

indications of success from new local authority homelessness strategies and prevention initiatives, with a slight fall in the flow of homelessness acceptances during the first half of 2004 – this is ahead of expectations.



Regeneration sites in Medway

In March 2004 we launched Key Worker Living (KWL), a new £690 million programme of support for key workers. KWL is targeted at public services in London, the South East and the East of England, where the high cost of housing is contributing to serious recruitment and retention problems. 2,532 key workers exchanged or completed purchases by the end of January 2005.

We set the Housing Corporation a target for 2004/05 of 27,000 homes for rent or low-cost home ownership, including those for key workers. To the end of January, 18,886 completions had been reported by the Corporation.

Within low-demand areas the housing market renewal pathfinders are progressing well into the delivery stage of their programmes. The pathfinders are all at different stages of their development but they are working hard to develop strategies that will enable them to overcome low demand and abandonment. Once all of the pathfinders have had their schemes agreed, we should begin to see visible signs of progress on the ground in these areas.

Housing – South East

We said that we would work to tackle the housing shortage in London and the South East, delivering new growth in a sustainable way. We have delivered:

- a 25% increase in the number of new houses built in London and the South East, from 43,700 in the year to June 2001 to 55,500 in the year to June 2004, an increase of 25%;
- over 60,000 new homes now built annually in the wider South East, while protecting the environment; and
- the allocation of £850 million to the Thames Gateway from 2003 to 2008, and the approval of 160 projects totalling £510 million.

Housing – low-demand areas

We said that we would bring life back to parts of the North and Midlands that were suffering from decay and decline. We have delivered:

- nine pathfinder partnerships in the North and Midlands to tackle the most acute problems of low demand and abandonment;
- a new sense of dynamism in the regions, with the three Northern Regional Development Agencies leading work on the Northern Way Growth Strategy, a comprehensive plan for economic growth across the North; and

- an extra £65 million to 2008, as announced in *Homes for All*, to tackle low-demand problems outside the existing pathfinders. Their funds will be distributed through the Regional Housing Boards to the three northern regions.

Housing – affordable homes

Providing affordable homes and helping more people into sustainable home ownership is central to our policies. We have delivered:

- the Starter Home Initiative, assisting over 10,000 key workers to buy or part-buy their homes;
- the establishment of a wide range of low-cost homeownership schemes, as outlined in *Homes for All*, which will help 80,000 households into low-cost home ownership – the schemes include the First Time Buyers Initiative, Home Buy and KWL;
- the setting up, since the publication of the Barker Review (March 2004), of the Community Infrastructure Fund, which has made £200 million available for transport infrastructure in the Growth Areas in 2006/07 and 2007/08. We are also undertaking two major research projects that will support decisions on an affordability goal, which will be set by the end of 2005.

Protecting the countryside

We said that we would protect the countryside and address the needs of rural communities. We have delivered:

- 67% of new homes in England being built on brownfield land in 2002 and 2003. This exceeds our target of 60%, and represents a substantial progress since 1997 when the proportion was 56%;
- an increase in the density of new development from 25 dwellings per hectare (dph) in 1997 to 33 dph in 2003;
- 19,000 hectares added to the green belt; and
- with the densities and levels of brownfield land use now being achieved in the wider South East, the 1.1 million proposed new homes will be built on about 3,300 hectares less of greenfield land – an area the size of Oxford – than the 900,000 homes previously planned with the 1997 densities and levels of brownfield land use.

Key work streams set out in *Tackling Homelessness* also contribute to the delivery of PSA target 5.

PSA 6 – SR 2002 PSA target

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

Reforming the planning system is an important part of delivering on this Strategic Priority. We have introduced the Planning and Compulsory Purchase Act, which provides the basis for a better and faster planning system. It enables the production of Regional Spatial Strategies and Local Development Frameworks, on which separate regulations, guidance and training have been produced. Through incentivisation and funding, we have enabled local planning authorities to handle 40% more applications now than they did a decade ago, and to process them faster. And we have committed to a new PSA 6 target for the planning system which will deliver sustainable development outcomes at national, regional and local levels.

An effective planning system is essential to delivering our objectives for sustainable communities; for urban and rural regeneration; for improving the country's infrastructure; and for achieving truly sustainable development. It needs to deliver the step changes we need to tackle the challenges of ensuring that everyone has the opportunities of a decent home, and the quality of life that goes with that.

The planning system should:

- deliver in a sustainable way key Government objectives such as housing, economic development, transport infrastructure and rural regeneration while protecting the environment;
- create and sustain mixed and inclusive communities;
- be transparent so that the right decisions are taken more quickly, with a set of rules that everyone can understand;
- deliver a development control system that is efficient and effective;
- enable local communities to be involved much more positively than before; and
- deliver a higher quality and better respected public service.

The vision for a planning system meeting those objectives would be a system which is:

- central to policy making and governance at all levels – national, regional and local;

- accepted with confidence by stakeholders, ensuring that developers know that their plans will be dealt with consistently, transparently and efficiently, and that communities know that their views will be properly considered and will influence outcomes;
- regarded as a high status profession, offering attractive careers and stimulating and worthwhile jobs.

Planning – improving performance

We said that we would reform the planning system, devolve power to the regions and provide more freedom for local government and raise standards. We have delivered:

- improvements in local government – two-thirds of single-tier and county councils are now rated good or excellent by the independent Audit Commission;
- Local Area Agreements to deliver better services based on shared priorities; and
- a faster planning system: over half of major applications are now determined within 13 weeks; and two-thirds of minor applications are now determined in eight weeks.

Strategic Priority 2

Ensuring people have decent places to live

People want a decent, affordable home in an attractive place to live that is clean and safe, with good parks, play areas and green spaces.

Falling investment in housing during the 1980s meant fewer social houses were built, and the quality of existing stock fell. By 1997, there was a £19 billion backlog of repairs in local authority housing, and some two million social homes failed to meet decency standards.

Since 1997, we have reduced the number of non-decent homes by around one million. By 2010, we aim to have delivered decent homes for all social tenants and to have ensured that at least 70% of vulnerable households in the private sector have decent homes.

Alongside measures to improve the physical condition of social housing are measures to protect and support vulnerable people and action to make public spaces cleaner, safer and greener.

PSA 7 – SR 2002 PSA target

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

We said that we would work towards our goal of a decent home for everyone and help for vulnerable people. We have delivered:

- a reduction by one million since 1997 in the number of non-decent social sector homes;
- 130,000 vulnerable households in the private sector helped to make their homes decent; and
- an end to the long-term use of bed and breakfast accommodation for homeless families.

We have, through the Housing Act 2004, introduced measures to protect and support vulnerable tenants. Around 1.5 million buyers and sellers a year will benefit from Home Information Packs which will streamline the home buying and selling process.

We are strengthening the private rented sector through the licensing of landlords and the protection of tenancy deposits. We are focusing enforcement activity on dwellings that pose potential risks to the health and safety of vulnerable occupants. The Act also introduces new powers for social landlords to tackle anti-social behaviour and strengthens the rights of those who live in park homes. We will also be safeguarding against abuses of the Right to Buy system and tackling illegal Gypsy and Traveller sites through the provision of official sites and the refurbishment of existing ones.

Our agenda to improve housing management includes the commitment to introduce choice and mobility across all rented sectors and to support the efficiency improvements in the



Newly refurbished home at Grove Village, Manchester, made possible by the Housing Private Finance Initiative

way in which social landlords maintain and manage their housing stock. 'moveUK' was launched in March 2005. This is a web-based system that brings together nationwide information on jobs and social housing to assist social tenants seeking to move to another area.

We have led action across Government to improve public spaces following the publication of *Living Places* in 2002. Since then we have invested £200 million in parks and open spaces, driving up satisfaction and performance, and we have worked with other departments on new powers, rights and responsibilities to tackle anti-social behaviour and local environmental issues which affect the day-to-day experience of our neighbourhoods.

Through our new PSA target on liveability we will lead delivery of cleaner, safer, greener communities by support for local authorities to raise standards in the services they provide and in their community leadership role. This includes a commitment to give more power to neighbourhoods to tackle doorstep issues, extra powers through the Clean Neighbourhoods and Environment Bill, and a 'How To' programme to develop and disseminate good practice with leaders and practitioners.

This is an ambitious and long-term agenda, which builds on the significant progress made in recent years in improving housing for millions.

Strategic Priority 3

Tackling disadvantage

Deprived neighbourhoods have a lot in common: poor housing, poor health, poor education, fewer job opportunities and high crime rates.

Our priority is to continue our efforts to renew the most deprived neighbourhoods, bring our expertise to bear on the tougher areas so preventing social inclusion, and to maintain the significant reductions in homelessness that have been achieved in recent years.

As stated in our five-year plan, we will continuously improve our targeted support to neighbourhoods, and tackle the five key drivers of deprivation for both people and place, namely worklessness, homelessness, low educational attainment, health inequalities and crime. We will also focus on the most disadvantaged and champion them as services are transformed across Government.

Our focus has been centred on the delivery of the neighbourhood renewal PSA, which commits us to work to deliver improvements in key areas, set out in floor

targets across Government, as well as our work on tackling homelessness, and progress on our Strategic Priorities on housing supply and demand and on decent homes. Progress against specific work streams is set out in Annex A.

Neighbourhood renewal

PSA 1 – SR 2002 PSA target

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

We committed ourselves in this PSA to improvements in education, worklessness, homelessness, health inequalities and crime. ODPM and other government departments have made good progress:

Education

- The gap between the average pass rate for five ‘good’ GCSEs (A*–C) in the most deprived (the 88 Neighbourhood Renewal Fund (NRF)) districts and the rest of England has narrowed.
- In Neighbourhood Renewal Areas, 46.1% of pupils attending maintained schools achieved five or more A*–C grades at GCSE and equivalent in 2004, compared to 55.9% of pupils in non-Neighbourhood Renewal Areas. The corresponding figures for 2000 were 39.2% and 51.9% respectively.
- In 2003/04, four local education authorities (LEAs) (all Neighbourhood Renewal Areas – Kingston upon Hull, Bristol, Blackpool and Nottingham) achieved less than the target of 38% of pupils obtaining five or more GCSEs at A*–C (or equivalent) by 2004. In 2000, the corresponding figure was 32 LEAs (31 NRF and 1 non-NRF).
- The four fastest improving LEAs in the country are in London, in NRF areas with high levels of deprivation and historically low results (Islington 7.4 percentage points increase, Lewisham 6.8 percentage points, Lambeth 6.0 percentage points, Hackney 5.9 percentage points).
- The gap in achievement for numeracy and literacy for 11-year-olds has also shrunk.
- Key Stage 2 Level 4 data show that the gap has narrowed between NRF areas and the rest between 1999/00 and 2003/04, moving from 5 percentage points to 4 percentage points for maths and from 6 percentage points to 5 percentage points for English (based on 2003/04 revised data). Achievement in both subjects in NRF areas has improved in absolute terms over the same time period.

Worklessness

- Autumn 2004 data show that between spring 2003 (base line) and autumn 2004, the employment rate in the 30 Local Authority Districts (LADs) with the highest levels of worklessness increased by 1.1 percentage point, and over the same period the gap between target areas and national average narrowed by 0.9 percentage point. This indicates that the Department for Work and Pensions (DWP) are ahead of schedule in meeting their target in the 30 LADs. The autumn 2004 data also confirm the trend in the gap being reduced for black and minority ethnic (BME) and low qualifications groups.
- An extra half a million more people from deprived areas are in jobs. Employment rates in the 88 NRF districts have increased by 1.7 percentage points since 1997/98. Regional Development Agencies have also contributed to 89,694 new and safeguarded jobs, 6,064 new businesses and 194,380 more learning opportunities.

Homelessness and housing

- The two-thirds reduction in the level of rough sleeping has been sustained and is currently at the lowest ever recorded level (around 500 people on a night).
- The long-term use of bed and breakfast accommodation for homeless families with children has been virtually eliminated, with 95% fewer families with children living in bed and breakfast accommodation for over six weeks at the end of September 2004 compared with March 2002 when the target was announced.
- The number of non-decent homes has been reduced by one million, with £18 billion invested in social housing.
- Findings indicate that housing conditions across the 88 NRF areas have steadily improved, with the number of non-decent social sector homes falling by 38% (from 1.4 to 0.8 million) since 1996. This accounts for 66% of the overall reduction in social sector non-decent homes since 2001.
- Increased investment in social housing – up by almost £360 for each property since 1997 and many in NRF areas.

Health

- England is experiencing rapidly reducing death rates from cancer and cardiovascular disease.
- Teenage pregnancy rates are falling faster in our most deprived areas – dropping more quickly in the 88 NRF districts than the England average. This has reduced the gap between the two from 12.6 percentage points to 11.6.

Crime

- The gap between average burglary rates for the 88 NRF districts and the rest of England fell by just under a fifth.
- Robbery rates for England and the 88 most deprived districts have decreased over the last two years.
- Vehicle crime rates in the 88 NRF districts have fallen at a faster rate than the England average – dropping from 27 to 23 for every 1,000 people.

Tackling Social Exclusion

The Social Exclusion Unit's role is to look at specific problems and produce action plans, supported by a strong evidence base to tackle these problems. During the last year the SEU has published reports on *Mental Health and Social Exclusion*, *Jobs and Enterprise in Deprived Areas* and has agreed a series of action plans with other government departments relating to each of these reports. The responsibility for implementation of the specific agreed action lies with the nominated department. However, the SEU continues to play a significant part in the process by championing and supporting the implementation of the action plans. It works closely with government departments and key service delivery agencies to ensure that the agreed actions are taken forward in a timely and effective manner and are disseminated to stakeholders.

Breaking the cycle of social exclusion

SEU also undertook a major stocktake exercise in 2004, which culminated in the publication of *Breaking the Cycle – taking stock of progress and priorities for the future* in September 2004. This report outlines the progress made to date in tackling the causes and consequences of social exclusion; the challenges that remain and that might arise in the future; the lessons learned about delivering services to disadvantaged people; and the priorities for future action. Its findings formed the basis of the current SEU work programme, which was announced alongside this report and is aimed at improving the service delivery to disadvantaged groups in order to improve their life chances, compared with the rest of the population.

Supporting People contribution

Our principal work this year has been to implement the recommendations of the Supporting People Independent Review published in January 2004. We have focused on promoting value for money, capacity building for authorities and providers, and removing some of the uncertainties around the programme. We have funded the Audit Commission inspections of administering authorities, including 19 apparently high-cost authorities. Last October we undertook, in our response to the

Select Committee report into Supporting People, to give a comprehensive update on the progress we have made in the effective delivery of the programme.

Following the SR 2004 announcement, in August we revealed an unprecedented £5 billion three-year funding settlement for Supporting People, giving authorities greater assurance to plan ahead. £1.72 billion will be allocated in 2005/06 and around £1.7 billion each year in 2006/07 and 2007/08. In December, authorities were informed of their individual allocations, which were partially informed by the newly developed distribution formula which takes into account relative need.

From the start of the programme to date, we have commissioned the Audit Commission to undertake Supporting People inspections of 61 administering authorities (AAs), including the 19 apparently high-cost authorities. Where inspections indicate that authorities have not performed well, we offer support to the authority to help implement the recommendations. The Audit Commission re-inspect the 0 star authorities within six months.

We have instituted the monitoring and support programme for authorities to help them improve their administration of the programme. This includes:

- development of a Supporting People Capacity Building programme, and providing support for authorities and providers to effectively manage the programme and deliver improved services;
- launch of the Value Improvement Projects, which will identify, evaluate and pursue opportunities to secure substantial improvements in value for money;
- work on benchmarking so that providers can compare performance and focus on best practice to improve service delivery; and
- launch of a substantially improved Supporting People website; and we are working to introduce a Directory of Services next year.

Administering authorities are making progress on their service reviews and we are monitoring this closely. To help ensure that the deadline of April 2006 for completing reviews is met, we have made an additional £2 million available to authorities. Authorities are currently working on their five-year strategies which will set out their longer-term vision of Supporting People in their areas. These are due at the end of March 2005.

During the first six months of 2004/05, we estimate some 84,000 new clients received Supporting People services. Last year we undertook a Benefits Realisation study to establish the potential benefits of the Supporting People programme for the client groups, who account for 80% of Supporting People funding. The findings suggest that the quantifiable benefits are roughly equal to the costs of the programme for the groups examined. Additionally, there are substantial benefits that cannot be priced, such as greater choice, independence, and social inclusion for individual users.

It is essential that in the delivery of Supporting People services, AAs and providers ensure that they are getting good value for money. This includes assessment of the outcomes delivered by each service for vulnerable people: a cheap service is not good value for money if it is not achieving positive outcomes for people.

We are now collecting data from all AAs on performance against the three Key Performance Indicators (KPIs). We will use 2005/06 to establish baseline performance against these indicators and will then look to authorities to improve that performance and ensure that they are delivering the best possible outcomes for all groups of vulnerable people.

The three KPIs are:

- service users who are supported to establish and maintain independent living (for long-term services);
- service users who have moved on in a planned way from temporary living arrangements (for short-term services); and
- fair access to people who are eligible for Supporting People services. This relates primarily to BME groups but we will look to examine this against other client groups.

We will continue to improve the administration of the programme, further develop the support available for providers, and to complete work on the needs based distribution formula in the coming year.

We will work with Supporting People authorities to help them improve their delivery of the programme and to promote better use of their resources. We will encourage better cross-authority planning and delivery of services to vulnerable groups. In particular we will seek to help district councils to improve the links between their homelessness services and the Supporting People services delivered through counties.

Strategic Priority 4

Delivering better local public services

There is real evidence that local authority services and performance are improving. By the end of 2004, two-thirds of upper-tier local authorities were rated as good or excellent under the Comprehensive Performance Assessment (CPA) by the independent Audit Commission, with only one being rated as poor.

A key priority in our efforts to deliver better local public services is to develop a new strategic direction for local government, to provide a coherent framework for a stronger, more confident local government, and a more coherent settlement between central and local government, leading to clearer democratic accountability.

We published *The future of local government: Developing a 10-year vision* in July, setting out the Government's intentions to develop a longer-term strategic approach to local government, to be developed in conjunction with partners across Whitehall, local government and beyond.

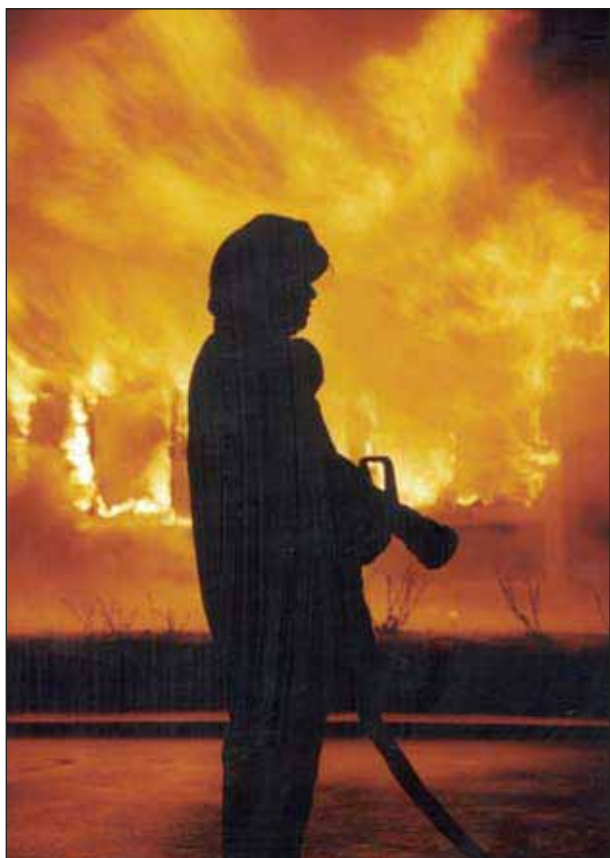
Since then, ODPM has been working to develop the strategy through engagement activity and a series of discussion documents on key themes. The first of these was a prospectus for local area agreements, published alongside *The Future of Local*

Government. This was followed in January with papers entitled *Vibrant Local Leadership* and *Citizen Engagement and Public Services: Why Neighbourhoods Matter*. In March we published a fourth discussion document *Securing better outcomes: developing a new performance framework*, which also posed some broad questions about the future of local services.

We shall be taking forward discussions on these and others questions with a view to developing a longer-term vision for local government, which will include the *Government's Response to the Lyons Inquiry*.

We have set out in detail in Annex A the progress we have made, but our main focus has been around delivering our targets on Local Government Performance and the Fire Service.

**West Yorkshire
Fire and Rescue Service in action**



PSA 4 – SR 2002 PSA target**Improve delivery and value for money of local services by:**

- **introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities' scores.**

Our PSA target for local government performance focuses on CPA scores, cost-effectiveness and delivery of electronic services. Our progress against CPA scores is set out below, and the other elements of the PSA target in Annex X.

Comprehensive Performance Assessments

- The third year of CPA results for single-tier and county councils published in December 2004 show that:
 - 52 councils moved to a higher CPA category in December 2004;
 - two-thirds of single-tier and county councils were categorised as either 'excellent' or 'good' compared to just over half when CPA was first introduced in 2002; and
 - only 16 councils were categorised as either 'weak' or 'poor' in 2004 compared to 35 in 2002.
- The average combined score for service delivery and corporate capacity in unitary and county authorities was 69.87 in December 2002, 72.11 in December 2003 and 76.03 in December 2004.
- Results for 237 out of 238 district council CPAs published by December 2004 show that nearly half of all district councils (48%) have been assessed as either 'excellent' or 'good'.
- Of the 15 councils entering engagement with ODPM in 2002, only one remains 'poor'.
- Since December 2004, there have been an additional seven corporate assessments that have further improved the position. By the end of the year, the number of single-tier and county councils in each category, as measured by CPA, were: 46 excellent, 56 good, 33 fair, 14 weak and one poor.

Local government finance

ODPM is committed to maintain and develop a framework for local government finance which supports local engagement and flexibility and the delivery of shared Government priorities.

We have delivered the following:

- From April 2004, introduced a new local government capital finance system, the Prudential System. This delivers a major new freedom for local government by removing the previous requirements under which authorities could only borrow with specific Government permission. Authorities now take their own borrowing decisions, subject only to the borrowing being affordable.
- Reduced pressures on council tax by £1 billion in 2005/06 through providing more resources and by increasing flexibility, reducing ring-fencing and lessening obligations on local government.
- Since 1997, there has been a real terms increase in total Government grant to local government of 33%, compared with a real terms cut of 7% between 1993 and 1997.

Local Area Agreements

Negotiations for the initial phase of 21 LAA pilots is now complete, and the first LAAs are now in operation across all regions.

They have enabled these areas to pool or align £500 million of funding which is focused on high-level outcomes agreed between the Government and local partners. They represent a radical new approach in the relationship between central and local government, including a new approach to devolved decision making and large reductions in bureaucracy

LAAs have already led to more shared agendas among central departments, including a willingness to pool funding streams and focus on key outcomes. In negotiations, pilots have built upon this with their own priorities. This means that national outcomes will be met in ways better suited to local areas.

LAAs will lead to improved delivery and value for money of local services by joining up services, providing greater flexibility for local priorities, pooling funding streams, and encouraging close partnership working.

In light of the very encouraging progress made so far, we shall announce a further phase of agreements to be in place by April 2006. These agreements will bring Local Public Service Agreements together with LAAs, providing a reward element of LAAs.

Fire modernisation

SR 2002 SDA target – revised

Community fire safety and health inequalities:

To reduce the number of accidental fire-related deaths in the home by 20% averaged over the 11-year period to March 2010 compared with the average recorded in the five-year period to March 1999 – with a floor element that no local authority fire brigade will have a fatality rate more than 1.25 times the national average by March 2010.

Arson reduction

To reduce by 10% the number of deliberate fires by 31 March 2010 from the 2001/02 baseline figure.

We said that we would reduce the number of fire-related deaths and deliberate fires:

- The current average (1999/00 to 2003/04) for accidental deaths in the home per year is 311, a reduction of 18% on the average in the five years to March 1999. The latest figure available – for the financial year ending March 2004 – is 304 such deaths. This represents good progress towards meeting the fire deaths target. Nonetheless, further progress is required to actually meet the target, especially when account is taken of the upward pressure from population changes.
- The Government's initiatives, such as funding arson reduction and quicker vehicle removal, are reducing the number of deliberate fires. The most recent statistics, for the year ending March 2004, also show an encouraging reduction in deliberate fires of 8% to 99,500. But it is too early to conclude that this marks the reversal of the long-term upward trend.

Civil Resilience

The Civil Resilience Directorate (CRD) was established in June 2003 to co-ordinate ODPM resilience programmes. Resilience means ensuring that the country is well prepared to detect, prevent and respond to major emergencies, including terrorist attacks.

Since its establishment CRD has ensured that ODPM is fully involved in the Government's resilience agenda. We have led on providing the Fire and Rescue Service with the capability to respond to major catastrophic incidents. The introduction of the Fire and Rescue Service Act 2004 provided the Fire Service with the statutory cover to respond to such incidents.

Strategic Priority 5

Promoting the development of English regions

The Government's aim is to achieve rising prosperity and a better quality of life, with economic and employment opportunities for all. Central to this aim is improving the economic performance of all the English regions, and reducing the persistent gap in growth rates between the regions. This will enhance equality and release the economic potential of every region and locality to improve the growth rate of the UK overall.

Regions have played a powerful part in driving the UK's economic success in recent years. Projections suggest that, by 2010, the trend in growth in every region will be higher than in the period 1989–2002, and improved regional economic performance will mean that people in all regions of England will be better off compared to 2004.

However, economic growth continues to be led by some regions more than others, meaning that the economy as a whole is not achieving its full potential. The key challenge is to promote strong economies in all regions, narrowing the economic divide and boosting the economy as a whole. ODPM has a central role in developing the Government's regional agenda, together with the Department of Trade and Industry (DTI) and HM Treasury.

ODPM is also responsible for co-ordinating the work of the nine Government Offices, which deliver many of ODPM's and the Government's policies in the regions.



Prime Mover vehicles, with high volume pumping equipment, in use during the floods in Carlisle (January 2005)

PSA 2 – SR 2002 PSA target

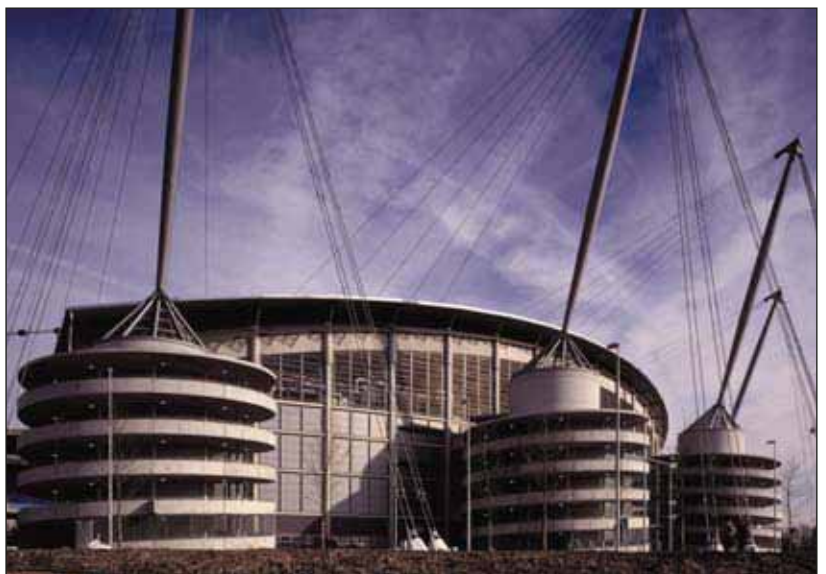
Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006.

Joint target with HM Treasury and DTI

Successful delivery of the Regional Economic Performance (REP) PSA depends on the actions of a wide range of government departments, the Regional Development Agencies (RDAs) and other delivery agents which have the potential to contribute to improvements in the performance of each region in each of the key drivers of economic growth.

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

- the identification of key measures to improve regional economic performance, based around the key drivers of economic growth – employment, skills, innovation, enterprise, investment and competition. These measures were published in the Technical Note for the PSA in July 2004 which can be viewed on the ODPM, DTI and HM Treasury websites;
- the publication, at the Sustainable Communities Summit on 1 February 2005, of *Realising the Potential of All Our Regions: the way forward*, which sets out how the Government and RDAs are working together to deliver the REP PSA. *Realising the Potential of All Our Regions: the story so far*, which describes the measures already in place in more detail, is available on the ODPM website; and
- the establishment of three demonstration projects to deliver some of the key PSA policy propositions on: addressing inactivity in the North East, especially among the sick and disabled; encouraging enterprise in the North West; and improving skills in Yorkshire and Humberside.



The City of Manchester Stadium – contributing to helping local communities

It is early days in the delivery of the PSA, but already we have:

- announced that we will match fund the RDAs' contribution to create a £100 million Northern Way Investment Fund to help close a £29 billion productivity gap with the rest of the country;
- given the RDAs substantial funding flexibility to allow them to respond to regional priorities and we are increasing their funding from £1.6 billion in 2002/03 to £2.3 billion in 2007/08; and
- investing £11 billion per year by 2007/08 on post-16 education and skills (excluding higher education) across the English regions and enabling the RDA Chief Executive and Regional Local Skills Council Director in each region to adopt joint budgeting and planning of the adult skills budget, where they want it. In the three Northern regions, this is worth £634 million in 2004/05.

Managing our resources

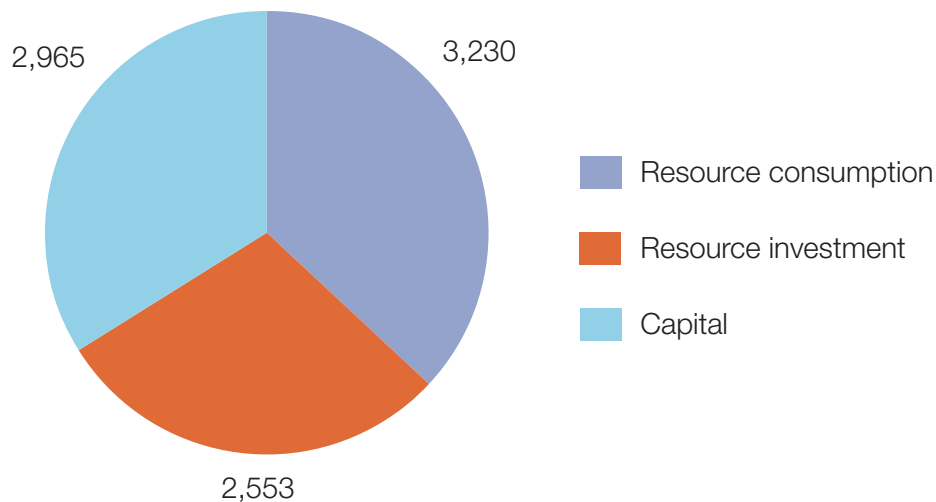


This section of the report sets out how we have managed our resources and what we have done to improve our capacity to deliver. It sets out the ways in which we are working to reduce the burden of our policy proposals and details how we have responded to central initiatives. It also reports the progress we have made on key milestones in our business plan.

Financial and business management

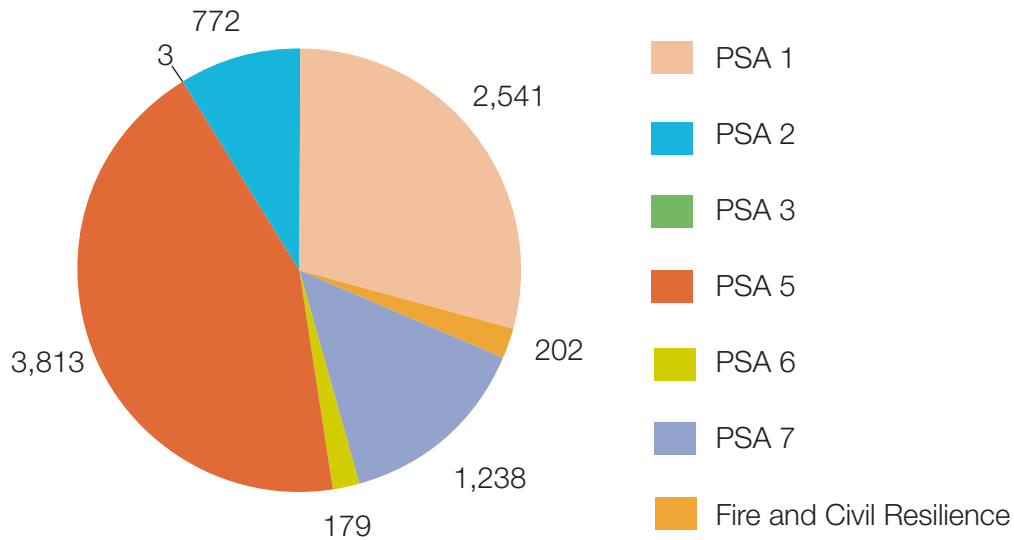
ODPM's provisional forecast outturn on its programmes (excluding local government) in 2004/05 is £8,745 million. This is split between resource consumption, resource investment (capital grants to the private sector) and capital as set out in the following chart:

Provisional outturn 2004/05 (£m)

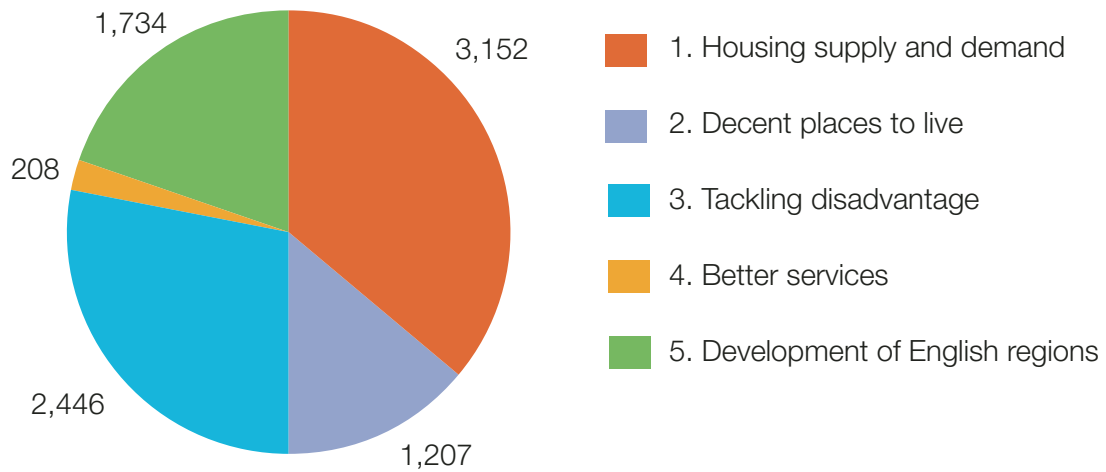


The following charts sets out expenditure on ODPM's seven PSA targets and Fire and Civil Resilience and against the five Strategic Priorities to which ODPM are working:

ODPM expenditure against PSA targets 2004/05 (£m)



ODPM expenditure against Strategic Priorities 2004/05 (£m)



ODPM spent £8,745 million on the seven targets it was set in SR 2002 plus £202 million on Fire and Civil Resilience objectives. These exclude expenditure falling to the local government Departmental Expenditure Limit (DEL), i.e. the Neighbourhood Renewal Fund. Although there are significant differences in the level of resource allocated to each target and strategic objective, the targets and objectives are not isolated from one another – they are complementary and all lead to meeting ODPM's objectives. A number of ODPM's targets consist of cross-cutting issues involving a number of other departments.

Local government grant

Aggregate External Finance (AEF) is the total level of support that central government provides to local authorities. This support is normally made up of Revenue Support Grant, police grant, specific formula and ring-fenced grants, and the amount distributed from business rates.

The main areas of funding that central government supports are Education, Personal Social Services, Police, Fire, Highways Maintenance, Environmental, Protective and Cultural Services and Capital Financing.

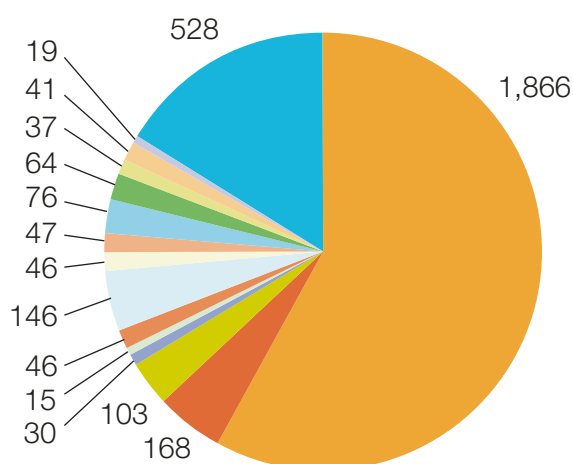
For 2004/05, £54.9 billion was provided in AEF.

Resource consumption budget

ODPM spent £3,227 million in 2004/05 on resource consumption. The main spending was on supporting people (the aim of which is to provide services which help vulnerable people live independently in their accommodation) and on support for the RDAs' work in the regions.

The main elements of resource consumption spending are set out in the following table and chart:

Resource consumption	2004/05
Programme	£m
RDAs	528
Supporting People	1,866
New Deal for Communities	168
New Ventures Fund	103
English Partnerships	30
Thames Gateway & other growth areas	15
Homelessness	46
Planning	146
Other housing	46
Housing Corporation	47
European Regions Development Fund (ERDF)	76
Fire	64
Other sustainable communities	37
Resilience	41
Other programmes	19
Total	3,232

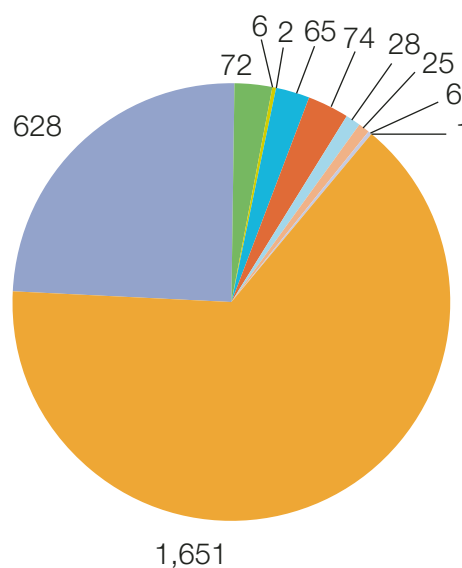


Resource investment budget

ODPM spent £2,553 million in 2004/05 on resource investment. The vast majority of this was spent by the Housing Corporation on projects aimed at providing affordable, good quality homes. The other main area of expenditure was on support for the RDAs' work in the regions.

The main elements of resource investment spending are set out in the following table and chart:

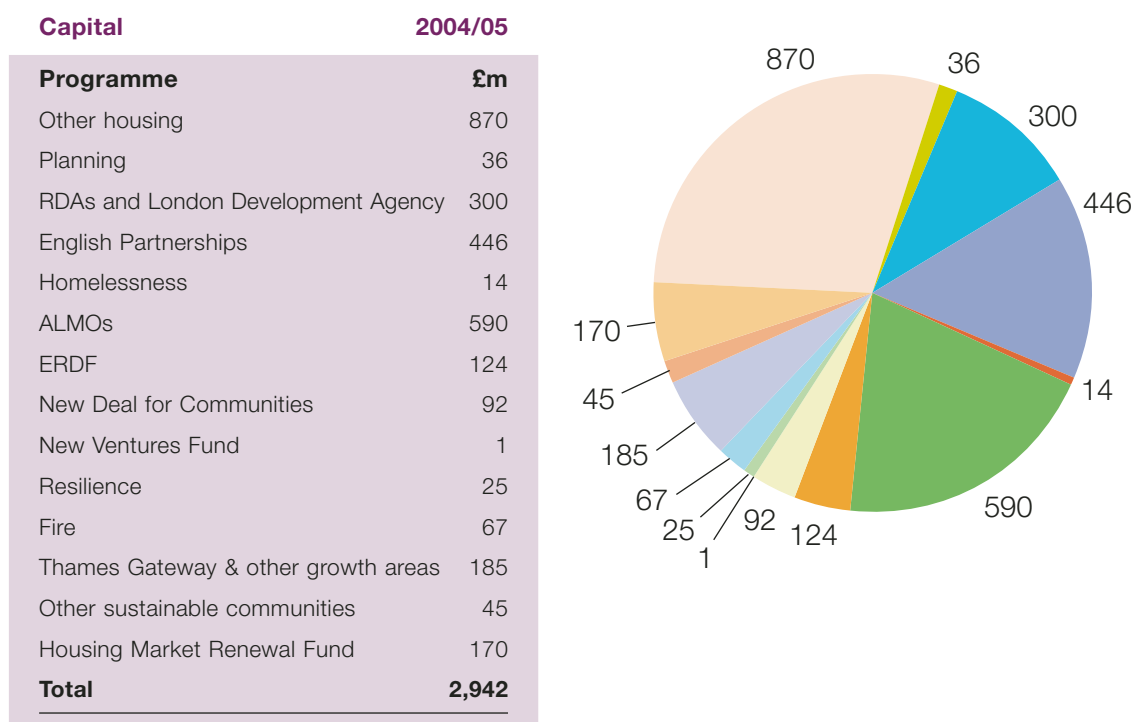
Resource investment	2004/05
Programme	£m
Housing Corporation	1,651
RDAs	628
English Partnerships	72
Starter homes	6
Homelessness	2
Other housing	65
ERDF	74
Housing Market Renewal Fund	
Thames Gateway & other growth areas	28
Other sustainable communities	25
New Deal for Communities	6
Fire	1
Total	2,558



Capital budget

ODPM spent £2,965 million in 2004/05 on capital. The main areas of expenditure were Arm's Length Management Organisations (ALMOs), English Partnerships and on support for the RDAs' work in the regions.

The main elements of capital spending are set out in the following table and chart:



Administration budget

ODPM's estimated outturn for net administration costs for 2004/05 is £326 million. Of this, £141 million is related to expenditure by Government Offices.

Further information can be found in Table B5 in Annex B.

Departmental Investment Strategy

ODPM published its Departmental Investment Strategy (DIS) for 2005/08 in January 2005 (available at www.odpm.gov.uk/departamentalinvestmentstrategy).

The DIS sets out ODPM's capital investment plans resulting from the 2004 Spending Review (SR). It also outlines how ODPM's existing assets are being utilised and managed, and the systems ODPM employs to safeguard its investment and to ensure that its investment plans deliver the intended outcomes.

A summary of the DIS is set out in Annex E.

Improving our ability to deliver

Role of the Board

The Permanent Secretary chairs the ODPM Management Board, which has nine other members, including two non-executive board members. The Board gives collective strategic leadership at official level, and supports Ministers in steering the work of ODPM. The role of the Board is to:

- manage the performance of ODPM, through its challenge function on performance management issues (including PSAs, mission-critical projects and corporate risks) and building capacity to meet these issues;
- champion ODPM's change programme 'Excellence in Delivery';
- ensure that ODPM has the staff and resources to deliver its objectives;
- give strategic direction, through the development of ODPM strategy, and by ensuring that wider, cross-cutting and longer-term issues are properly considered through regular reviews of progress of its Strategic Priorities; and
- listen to and communicate with staff and the outside world and promote good management.

The Management Board meets monthly. There are also a number of standing sub-committees (including the Audit and Risk Committee, the Analytical Strategy Board and the Programmes and Major Projects Board) and ad-hoc committees to support the Management Board.

Efficiency and Relocation Programme

The ODPM has three distinct Efficiency work streams, each with their own targets set as part of the SR 2004 settlement: ODPM(C), Local Government and Social Housing. Each of the work streams has an agreed plan of work and published Efficiency Technical Note setting out how they plan to measure their efficiency gains. All three work streams have their own programme boards to drive through and monitor delivery against the Efficiency Technical Note and to challenge individual project areas.

Target	We are required to deliver at least 2.5% per annum efficiency gains for OPDM(C), equating to £620 million by 2007/08.
Progress	We have already made progress noticeably in the reform of back office services. For example, the merger of ODPM and Cabinet Office internal audit services is complete, delivering £50,000 in savings per annum. A new Integrated Facilities Management contract is in place delivering £100,000 in efficiencies per year.
Target	The local government efficiency target is to achieve, relative to the 2004/05 baseline, total annual efficiency gains of at least £6.45 billion by 2007/08.
Progress	Nine Regional Centres of Excellence have been set up and are developing projects to support achievement of gains. Guidance has been issued on identifying, measuring and reporting gains. Two 'Champions' have been appointed to challenge, support and promote the efficiency agenda within the local government context. Cross-department groups have been set up, including PSX (O), Cross-Departmental Review Group, Communications Taskforce and Measurement Taskforce. The April Annual Efficiency Statements setting out how local authorities intend to meet their annual efficiency targets are showing a positive response and if predictions are accurate local government will meet year one targets.
Target	ODPM is committed to delivering significant efficiency gains worth at least £835 million a year by 2007/08, covering the whole of social housing, including new supply, capital works, and management and maintenance.
Progress	£33 million Efficiency Loan Fund has been set up for procurement consortia to support £60 million in registered social landlord efficiency gains and a further £280 million efficiency gains for local authorities by 2007/08. A national purchasing agent for the social landlord sector, Procurement for Housing, is already in place and expected to produce efficiency gains of £55 million by 2007/08.
Target	ODPM as a whole (including agencies and NDPBs) is required to achieve a reduction of 400 posts in its overall staffing by March 2008. At least 250 of these will be HQ and Government Office civil service posts.

<p>Progress</p>	<p>ODPM has used the business planning process to produce detailed plans matching resources to departmental priorities. Now in its final stages, units are preparing final financial breakdowns for activities, staff profiles by unit and grade, and unit business plans for the next three years.</p> <p>As part of this process, units have been asked to prepare manpower plans to ensure the effective management of staff, particularly where there are reductions in posts, to ensure that any surplus staff are redeployed within the department. The staff profiles will be used to monitor headcount reductions and to support office-wide manpower planning.</p>
<p>Target</p>	<p>Relocate 240 posts out of London HQ – at least 216 outside of London and the South East by March 2008.</p>
<p>Progress</p>	<p>Currently, ODPM(C) has relocated 103 of the agreed 240 posts (43%).</p> <p>Departmental NDPBs have produced plans to relocate posts out of their London HQs, such that we are now well above our SR 2004 targets.</p>

Risk management

Risk management procedures are being applied to key areas of the work of ODPM, improving the quality of operation through initiatives and projects within the **Excellence in Delivery** change management programme and heightened awareness of the benefits of risk management through workshops and the application of proportionate project and programme management techniques.

As a result, the level of risk across ODPM has been assessed as being reduced by about half.

Sponsorship

During 2004/05 ODPM received £207,500 in sponsorship for the Sustainable Communities Summit from a range of stakeholders, including RDAs, the House Builders' Federation, Marketing Manchester, Deloitte's and the Thames Gateway. PricewaterhouseCoopers are undertaking pre- and post-Summit evaluation delegate surveys at no cost to ODPM.

Communications

The Directorate of Communication has continued to provide an efficient, professional and seamless communications service to Ministers and policy officials in support of our overarching business plan.

Media handling

The 2004 overarching communications strategy for ODPM highlighted the need for a strong focus on regional and specialist media to ensure that ODPM's vision and delivery of programmes was clearly communicated to regional, local and stakeholder audiences. We have implemented reinforced media activities to target these audiences and, in order to bring our stories to life, we have produced human interest case studies which have been used extensively by both national and regional print and broadcast media.

During the year, we successfully launched a range of key policies and programmes, including the Housing Act, the Planning and Compulsory Purchase Act 2004, Fire and Rescue Services Act, and the wide-ranging Local:Vision debate. In addition, the Government's response to the Northern Way and ODPM's five-year plan – *Sustainable Communities: Homes for All* and *Sustainable Communities: People, Places and Prosperity* – set out clear messages on delivery against the 2003 Sustainable Communities Plan, and ODPM's longer term vision for both policy and programmes. All of these major announcements were supported by extensive media strategies targeting national, regional and specialist media outlets, culminating in the widely and positively reported 2005 Sustainable Communities Summit.

Public information

During 2004/05 we ran a successful multi-media public information campaign on fire safety, continued to provide communications activity to promote the fire modernisation agenda, and ran a public information campaign on the referendums for the Elected Regional Assemblies in the North West, North East and Yorkshire and the Humber.

Working across government and with stakeholders, we have launched the Cleaner Safer Greener Communities initiative to improve the quality of the environments in which people live and work. We provided information on ODPM sustainable communities' policy with the production of policy documents and supporting material.

The introduction of a publications protocol has improved both the quality and the relevance of ODPM publications. We continued to develop our relationships with commercial partnerships, booksellers and publishers to improve the market penetration of ODPM priced publications and to deliver cost-efficient production of quality items.

Corporate communications

We have continued to develop our stakeholder communications strategy by identifying and mapping our key stakeholders and planning a robust programme of engagement activities. Following the launch of the revised ODPM corporate identity, we have worked hard to imbed the brand and brand values into the culture of the organisation. At the Staff Conference in June we launched the ODPM corporate stand, which has proved to be highly effective as the corporate presence at conferences and events throughout the year, culminating in the successful Sustainable Communities Summit in 2005.

Electronic communication

E-communications have become more integrated in both external and internal communications initiatives, such as the five-year plan and Summit 2005, and in improved guidance, discussion forums and e-learning initiatives. Info4local continues to be a market leader in central to local government communications, with subscribers increasing to 41,000 during the year.

Internal communication

Internal communication over the year has been dominated by supporting and communicating ODPM's Excellence in Delivery programme, including introduction of a monthly newsletter to staff and providing all ODPM managers with a resource pack and communications toolkit, with the emphasis on increasing face-to-face communications.

Legal services

The Legal Directorate provides advice and drafting services that contribute to Strategic Priorities and major projects across ODPM. The Directorate's key activities were work on the Regional Assemblies Bill and the Housing Act 2004; drafting secondary legislation; providing advice on major projects and on litigation as required; providing advice and training on the Freedom of Information Act; and rolling out a programme of legal awareness training across ODPM.

Building the evidence base for policy making

Having a robust evidence base for policy making in ODPM is key to the delivery of our objectives. The Analytical Services Directorate (ASD) in ODPM provides a professional and influential analytical service to ODPM. It provides economic advice, the collection, analysis and dissemination of housing and land use statistics, and social research and analytical support for sustainable communities and other aspects of housing, homelessness, urban and planning policy. ASD is also responsible for ODPM's geographic information strategy. We have:

- provided evidence and analysis to support the delivery of PSA targets, including Barker recommendations;

- launched the State of the Cities progress report at the Sustainable Communities Summit held on 1 February 2005;
- produced *2002 Town Centre Boundaries and Statistics* in January 2005;
- published an evaluation of Local Authority Homelessness Strategies in November 2004, together with a policy briefing on the recommendations of the report; and
- delivered ODPM's initial 'Maps-on-Tap' services to intra-government and public audiences by October 2004.

Equality and Diversity Unit

The Equality and Diversity Unit works with ODPM policy areas to ensure that consideration of equality is at the heart of policy development, and that ODPM meets its statutory obligations as a public body. The Unit also has policy responsibility for Human Rights, Public Appointments and 'Learning to Listen', the cross-Government strategy for improving the engagement of children and young people in policies that affect their lives.

In October 2004, the ODPM Board agreed an Equality and Inclusion strategy and a Disability Action Plan. Progress on these is reviewed regularly. The ODPM Race Equality Scheme is available on the ODPM website and will be published in May 2005.

Equality and diversity and public appointments

ODPM currently makes around 417 appointments to 11 Executive NDPBs, six Advisory NDPBs and five Tribunal NDPBs.

Targets for public appointments are reviewed regularly to reflect changing circumstances and necessitated a revision to those published in last year's report.

Current records based on 417 appointments (at 15 February) show our appointments to be 30% women (target 32%), 10% ethnic minorities (target 11%) and 3% disabled people (target 3%) respectively. Public appointments are published on our website.

We continue to undertake specific activities to encourage diversity in public appointments. In March 2004, we held a Disability Seminar aimed at increasing NDPB sponsors' awareness of the Disability Discrimination Act and good recruitment practice towards disabled people. Additionally, ODPM is one of the departments who volunteered to support the Cabinet Office in piloting a shadowing and mentoring scheme for disabled people who might be interested in serving on public bodies.

Departmental reporting on better regulation

Because much of the data on better regulation is only available for the calendar year 2004, rather than the financial year 2004/05, the calendar year has generally been used throughout this Better Regulation report.

Regulatory Impact Assessment

ODPM maintained 100% compliance, as measured by Cabinet Office, with the Regulatory Impact Assessment (RIA) process.

Guidance on the RIA process has been significantly improved during the course of the year, and this, together with an increased level of training and advice, has led to a noticeable improvement in the quality of RIAs. This will be further enhanced by the Better Policy Making website which has recently been set up on ODPM's IT network.

Effective use of the RIA process in EU negotiations has been illustrated by the initial RIA produced after the Communication from the European Commission to the European Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions – *Towards a thematic strategy on the urban environment*. This RIA informed our UK position letter to the Commission and our negotiating position for meetings was based on that letter.

An example of light-touch regulation was given in the High Hedges Bill, where a code, information and guidance were tried prior to the legislative option being adopted. This option is also light-touch as it encourages resolution through negotiation, with local authority powers being used only as a last resort.

We do not have full information on the number of commitments made to review in final RIAs, but policy officials are encouraged to do so and good examples include final RIAs for the Planning and Compulsory Purchase Bill and Small Business Rate Relief scheme. A more detailed report will be available for the 2005/06 annual report.

Consultation

During 2004 ODPM issued 53 public consultations. Of these, 40 lasted for 12 weeks or more. The 13 consultations which were issued for less than 12 weeks were all authorised by the appropriate minister. Of these, only one was for a period of less than eight weeks. Reasons for these deviations were:

- to meet Parliamentary/Local Government timetables (8);
- prior consultation (3);
- technical in nature (1); and
- stakeholder pressure for quick action (1).

There were 16 non-public consultations, the majority of which were consultations with local authorities.

In almost all cases the consultation process influenced the final policy proposals. In particular the consultations on the Northampton Urban Development Corporation (UDC) and the Milton Keynes Urban Development Area led to amendments to the proposed areas covered; the consultation on Park Homes – Implied Terms and Consents led to certain proposals being dropped or amended, while the Providing Indemnities to Relevant Authority Officers and Members consultation resulted in several significant changes to the proposals, including developing separate regulations to clarify the position of elected mayors.

Regulatory reform

At the start of 2004, the Regulatory Reform Action Plan contained 19 active regulatory reform measures owned by ODPM, five of which were Regulatory Reform Orders (RROs):

- four measures have been completed, one of which was an RRO;
- two measures have been dropped, one of which was an RRO; and
- one new measure has been identified, which was an RRO.

Hence this brings the total number of RROs begun by ODPM since the introduction of the Regulatory Reform Act to 10, of which five have been completed and one has been dropped.

Going into 2005 there are 14 measures, four of which are RROs.

Non-RRO measures

A major piece of planning reform was introduced through the Planning and Compulsory Purchase Act 2004, which included a range of measures to simplify and streamline the planning system. Such reforms include the move to spatial planning rather than land use planning. The structure plan and local plan or unitary development plan system has been replaced with a more simplified and flexible system of regional spatial strategy and local development documents.

In *Sustainable Communities: Homes for all*, we announced a Householder Development Consents Review to improve the regulatory regimes that householders face when making minor improvements to their homes. While retaining essential environmental safeguards, the review aims to cut red tape and streamline the application processes.

We have dropped *Building Regulations – Approved Documents* in its current form from the Regulatory Reform Action Plan. The intention now is to use interactive XML computer technology to achieve the same aim, but by a different means; that is, by making it easier to search and use the approved documents.

RROs

The Business Tenancies RRO, which came into force on 1 June 2004, was among the longest and most complex of RROs to date. The most significant change is that landlords and tenants no longer need to get court approval for agreement to exclude security of tenure. The reforms introduced by the RRO should lead to fewer cases going to court and less litigation.

We are also in the final stages of the Regulatory Reform (Fire Safety) Order, which will simplify, rationalise and consolidate existing legislation, removing multiple and overlapping provision with a single risk-based fire safety regime. The proposed in-force date is April 2006, in line with the Common Commencement Dates initiative. The new RRO will repeal or amend just over 50 Acts of Parliament and numerous Statutory Instruments.

Of the RROs listed in the Regulatory Reform Action Plan, it is no longer intended to progress the Tree Preservation Order RRO. As not all of the proposals will be removing/reducing burdens, an RRO could not be used to deliver the full package of reforms, and the remaining burdens to be removed were too minor to justify proceeding at this stage. The proposals are on hold at present.

However a new RRO measure, Building Control – Local Authority Charges, has been introduced and should be in force by 1 April 2006. It will enable local authorities to more accurately relate their charges to the actual costs of carrying out individual building control functions for individual projects, thereby securing 'best value', and concurrently improve local authorities competitive position with private sector approved inspectors.

Transparency of implementation plans for European legislation

ODPM uses the following methods to inform the public of new EU legislation:

- standalone RIAs;
- public consultations, accompanied by an RIA where necessary; and
- press releases, providing an overview of the changes along with links to consultation documents and RIAs where available.

ODPM has also embraced the new 'Regulation Updates' initiative, led by the DTI Small Business Service, and we currently have seven updates being produced at

present. It is our intention to utilise this resource, where suitable, for new EU regulations over the coming year.

Working with the Voluntary and Community Sector

ODPM chaired a further Cross Cutting Review of the Voluntary and Community Sector (VCS) in the SR 2004, building on the VCS Review in the SR 2002. The 2004 VCS Review focused on making a difference in specific areas of service delivery. ODPM's priority was homeless hostel provision. Further outcomes of the Review include a good practice guide, *Effective Local Partnerships*.

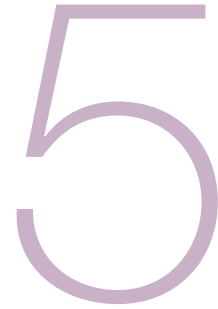
The Spending Review White Paper established the **Local Community Sector Taskforce**, chaired by ODPM, whose role is:

- to ensure that all VCS groups have the capacity to access the full range of government investment available to them; and
- to recommend how Compact activity should progress at the regional level.

The process of engaging the VCS in the development of the 10-year local government strategy began with a national conference in March.

ODPM continued to take forward its commitments from the earlier Cross-Cutting Review. All ODPM units and regional Government Offices have given information about their current engagement with the VCS. This has provided the baseline for developing an action plan to improve partnership working with the VCS and to increase awareness of the Compact.

Executive Agencies and public bodies



Executive Agencies

Fire Service College

The Fire Service College, at Moreton-in-Marsh, is the central training establishment for the UK Fire and Rescue Service. It provides a wide range of operational incident and New Dimension training and a comprehensive suite of courses designed to support all aspects of vocational development, including community fire safety, fire legislation and risk management.

The Planning Inspectorate

The Planning Inspectorate's main work is the processing of planning and enforcement appeals and holding inquiries into local development plans.

It also deals with a range of other planning related casework including:

- listed building consent appeals;
- advertisement appeals;
- reporting on called-in planning applications;
- reporting on inquiries into compulsory purchase orders made under a variety of planning and housing legislation;
- Rights of Way cases; and
- cases arising from the Environment Protection and Water Acts and the Transport and Works Act.

Further information can be found in Chapter 3 of this report.

Queen Elizabeth II Conference Centre

The Queen Elizabeth II Conference Centre (QEIIICC) is a purpose-built venue, specialising in events for 40 to 1,000 delegates, based in the heart of Westminster. It is an Executive Agency with Trading Fund status and its Chief Executive is Ernest Vincent. The QEIIICC has a set of key performance targets progress against which will be reported in its own Annual Report (see www.qeiiicc.co.uk).

Ordnance Survey

Ordnance Survey is Great Britain's national mapping agency. It is responsible for creating and updating the master map of the entire country, from which it produces and markets a wide range of digital map data and paper maps for business, leisure, educational and administrative use. Ordnance Survey is a Government Department and Executive Agency with Trading Fund status in its own right. ODPM has a shareholder interest in Ordnance Survey and, as such, it should pay ODPM a dividend each year to offset capital employed in the business.

Non-Departmental Public Bodies

Audit Commission

The Audit Commission is an independent executive Non-Departmental Public Body (NDPB) which appoints auditors to local authorities and some NHS bodies, carries out inspections of local authorities and registered social landlords, and reports on the performance of local authorities in Comprehensive Performance Assessments (CPAs). The Commission is required to produce an Annual Report, copies of which may be obtained from its website (www.audit-commission.gov.uk).

English Partnerships

English Partnerships is the national regeneration agency helping the Government to support high-quality sustainable growth across the country. English Partnerships is a major contributor to the ODPM vision of creating 'thriving, inclusive and sustainable communities' as outlined in *Sustainable Communities: Building for the future* published in February 2003. Its overall aim is to achieve high-quality, well-designed, sustainable places for people to live, work and enjoy.

Housing Action Trusts

Tower Hamlets Housing Action Trust (HAT) completed its regeneration work in Bow and was dissolved in June 2004. The three remaining HATs – at Castle Vale (Birmingham), Liverpool and Stonebridge (Brent) – are working to complete their 10–12-year programmes of housing renewal, economic and social development, and environmental improvements by June 2005, December 2005 and 2007 respectively. HAT tenants can choose the local authority or a Registered Social Landlord (RSL) as their future landlord, and continue to benefit from services provided by these landlords and HATs' successor organisations.

Housing Corporation

The Housing Corporation registers, regulates and facilitates the proper performance of more than 2,000 not-for-profit RSLs in England. It invests public money in RSLs to provide new or improved homes that meet local needs and contribute to the creation and maintenance of sustainable communities. It carries out its work in ways and to

targets that promote and deliver the Government's wider objectives and policies, notably sustainable communities.

London Thames Gateway Development Corporation

The London Thames Gateway Development Corporation was established in June 2004 to drive forward the regeneration of key opportunity areas in East London, as part of the Government's vision for delivering new sustainable communities in the Thames Gateway. The Corporation's area covers the Lower Lea Valley and London Riverside.

The Corporation has made good progress in setting up its infrastructure and operating systems. Peter Andrews was appointed Chief Executive and took up his post in June 2005.

London Thames Gateway Development Corporation is holding workshops with a range of stakeholders in May and June to discuss their regeneration framework.

Standards Board for England

The Standards Board for England (SBE) is an independent-funded executive NDPB responsible for promoting high ethical standards among members of local authorities and for investigating allegations that members' behaviour may have fallen short of the required standards.

Thurrock UDC

The Thurrock Thames Gateway Urban Development Corporation was established in 2003 to deliver jobs and housing in Thurrock as part of the Government's plans for growth in the Thames Gateway. Chaired by Will McKee, it is developing a wide-reaching strategy for the comprehensive regeneration of the area. Over the last 12 months, the Development Corporation has completed a baseline study of the borough, and is about to complete its Regeneration Framework. The Framework, together with a borough-wide Spatial Plan, will constitute the Development Corporation's main policy framework, which will be fully in place later in 2005.

Valuation Tribunal Service

The aim of the Valuation Tribunal Service is to provide staff, accommodation and other support, including general advice about procedure in relation to proceedings before tribunals, to the 56 Valuation Tribunals in England.

Valuation Tribunals hear and determine appeals against non-domestic rating, council tax valuations and council tax liability.

West Northamptonshire Development Corporation

An Urban Development Corporation (UDC) for West Northamptonshire was established on 15 December 2004. The UDC will work with local partners to deliver sustainable regeneration and growth.

Advisory Panel on Standards for the Planning Inspectorate

The Advisory Panel on Standards (APOS) for the Planning Inspectorate was established as an independent body in January 1993. Its purpose is to advise the Secretary of State and the First Minister for the Welsh Assembly Government on the maintenance and enhancement of professional standards in the Planning Inspectorate Executive Agency.

Advisory Panel on Beacon Councils

The Advisory Panel on Beacon Councils provides independent advice to Ministers on the operation of the Beacon Council Scheme. The Panel's responsibilities include advising Ministers on the cross-cutting service areas to be chosen each year as Beacon themes, advising Ministers on the selection criteria for Beacons and recommending to Ministers a list of potential Beacon authorities.

Beacon authorities share their best practice with others, helping to raise standards of public services across the country.

Boundary Commission for England and Wales

The Boundary Commissions are advisory NDPBs set up by statute to keep under review the Boundaries of Parliamentary constituencies. Following the completion of its 5th General Review, the Welsh Commission presented its report to the Deputy Prime Minister on 31 January 2005. The English Commission is on target to present its report before 12 April 2007 as required by statute.

Building Regulations Advisory Committee

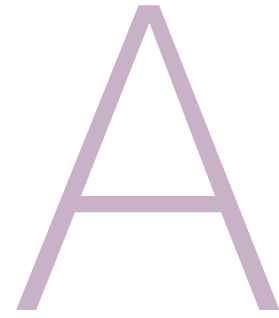
The Building Regulations Advisory Committee (BRAC) was set up to advise the Secretary of State on the making of Building Regulations, and on other connected subjects in England and Wales.

The core of its business is determined by the Buildings Division Work Programme which in turn reflects Ministers' priorities. Members are appointed on an independent basis and are unpaid.

National Community Forum

To provide a community perspective on Tackling Disadvantage Group (TDG) policy and practice and to ensure that community priorities and needs are addressed across all TDG programmes. The National Community Forum acts as a sounding board and a source of ideas for Ministers and officials. Members draw on their 'grass roots' knowledge and experience to provide a fresh and challenging input into work relating to deprived areas.

Annex: Work streams by Strategic Priority



PSA 5 – SR 2002 PSA target

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

Milestones

Low demand: Pathfinder schemes to tackle the areas most acutely affected by low demand to be agreed by end 2004.

High demand: Annual levels of new housing in London and the East of England and South East regions to reach planning (RPG9) levels by 2006/07 and shortfalls from previous years to be recouped by 2011/12.

To reduce the upward trend in homelessness by 2007 and reduce the number of families with children in temporary accommodation by 9,000 to 20,000 in comparison with current levels by 2016.

Performance indicators

Low-demand indicators

- Percentage by which the regional long-term vacant dwellings rate exceeds the national long-term vacant dwellings rate.
- Number of local authorities where a basket of house price comparison measures is substantially lower than equivalent national house price figures.

High-demand indicators

- Numbers of statutory homeless households with children in temporary accommodation.
- The ratio of lower quartile house prices to lower quartile earnings in the regions characterised by high demand.
- Annual net additions to the dwelling stock in the South East, London and East Government Office regions.

Protection of the countryside indicators

- Net change in the area of designated green belt in each region.
- Percentage of housing development on previously developed land created through the conversion of existing buildings. See performance information on the SR 2000 PSA target on sustainable pattern of use.
- Average density of new housing development in each region.

Progress

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

In the 12 months to the end of December 2004, housing completions totalled 152,600, 6% up on the previous 12 months.

We have now committed over £685 million of programme expenditure across the four growth areas. We have also made good progress in embedding our growth proposals within regional planning guidance.

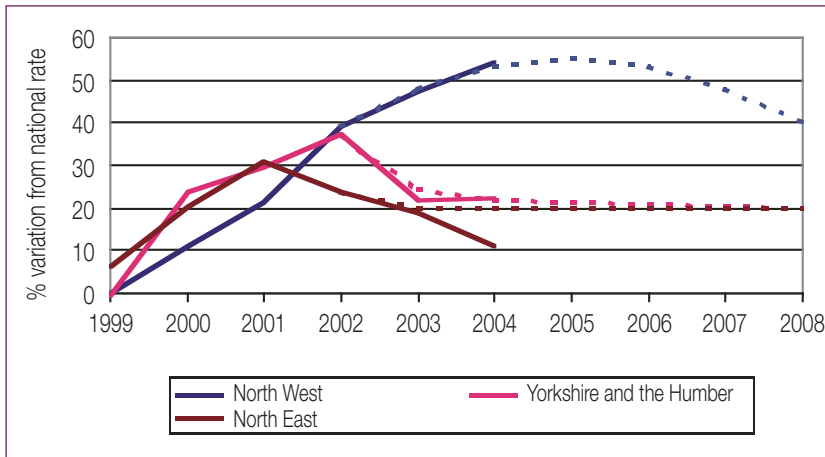
The Thames Gateway Delivery Office is now open and local delivery vehicles have been established for each of the major development zones across the Gateway, including the Thurrock and London Thames Gateway Urban Development Corporation (UDCs). Thurrock UDC is currently developing a comprehensive regeneration framework for the area and a delivery-focused business plan. The Chair and Board of the London UDC have been appointed. The SR 2004 has established the £200 million Community Infrastructure Fund to support transport infrastructure in the growth areas.

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

Indicator 1 – Long-term vacancies

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

Percentage by which the regional long-term vacant dwellings rate exceeds the national rate



Actual performance in each region matches the trajectories we have set ourselves. In practice this means that the North West is the only one of the three regions where relative vacancy rates are currently increasing, although at a reduced rate. We aim to reverse that upward trend by 2006 and to ensure that the region is less than 40% above the national average by 2008.

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

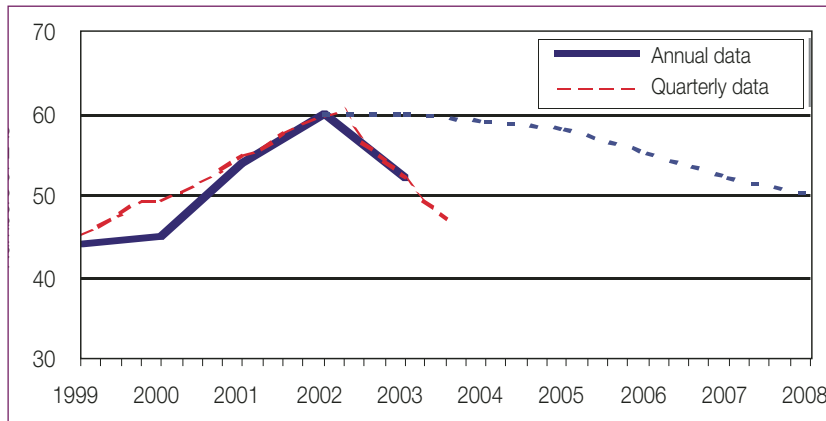
These targets reflect our expectation that, taken with expected changes due to underlying economic cycles, activity in these pathfinder projects should have some impact on long-term vacancies in these regions.

Indicator 2 – Numbers of local authorities where house prices are substantially less than average

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

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

Number of local authorities falling within indicator 2

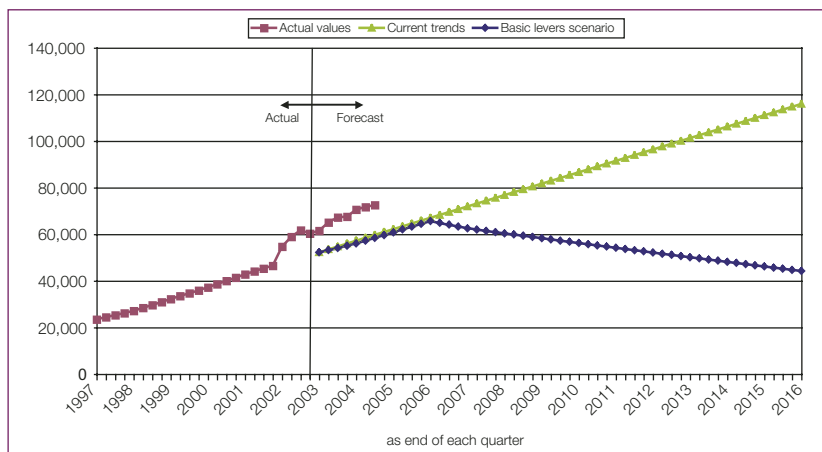


Indicator 3 – Statutory homeless families with children in temporary accommodation

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

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

Homeless households with dependent children in temporary accommodation



However, as the trajectory shows, the use of temporary accommodation is continuing to increase. The current data suggest increases above the trajectory and, with existing social housing constraints in high-demand areas reducing the settled housing options available to move on to, we expect the number of families in temporary accommodation will continue to grow in the short term.

We are working hard to turn this trend round through our policies on prevention and increased social housing investment through the SR 2004.

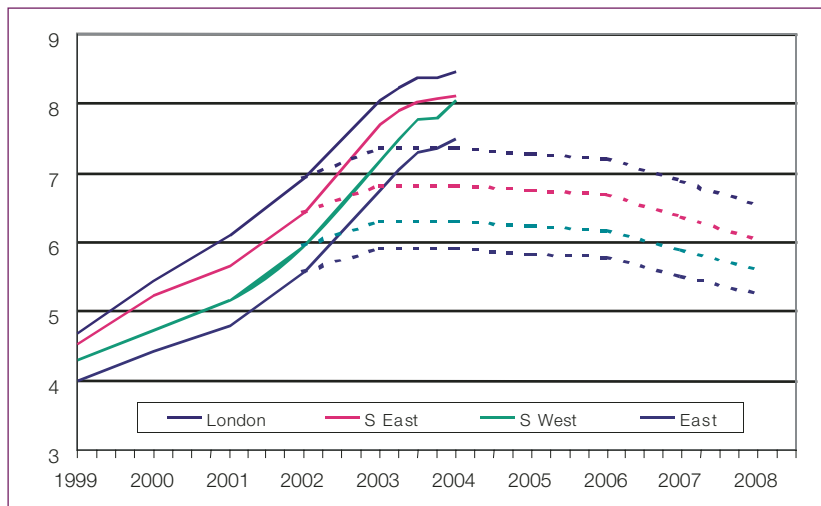
Although it is too early to confirm a sustainable trend, during the first half of 2004, homelessness acceptances have started to fall, reflecting the impact of new homelessness strategies and prevention work. These reductions, if sustained, are ahead of expectations and will reduce the flow of households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

In the longer term we expect our policies to lead to the numbers of homeless households with children in temporary accommodation starting to fall before 2007/08.

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

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

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



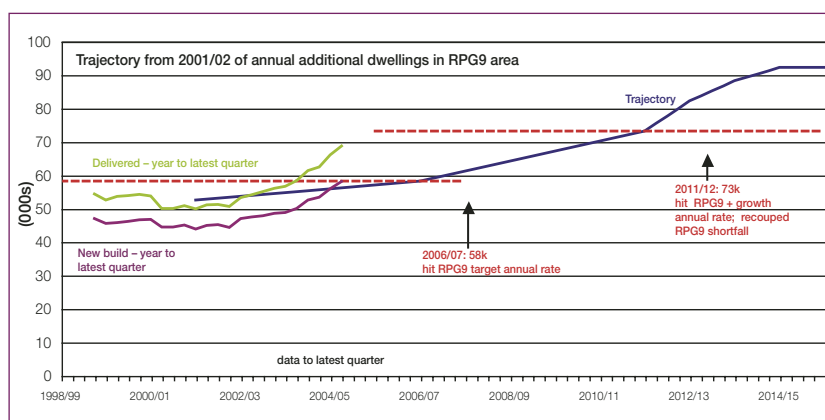
As the trajectory shows, we had expected a modest decrease to the ratio up to 2006. The upward trend in the ratio has, however, continued although it is starting to level off. This is due to short-term fluctuations in house prices and the economy which have not matched the assumptions we used to create this trajectory. We intend to introduce a revised trajectory in the light of the Barker recommendations that reflects longer-term trends rather than short-term fluctuations.

We expect a sharp downturn in the ratio from 2006/08 as the additional homes provided under the Communities Plan start to enter the market. Our ability to meet this trajectory will, however, be heavily influenced by overall economic and housing market conditions. Achieving departure from this trend is unlikely to result from ODPM's activities alone.

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

Our global target is to provide about 1.1 million new homes within the wider South East. Our trajectory assumes that we will reach RPG9 delivery levels by 2007/08 and have recouped previous shortfalls by 2011/12. At this stage we will be starting to see extra growth in the four growth areas, the bulk of which will be delivered in the following four years up to 2015/16.

Housing delivery in the RPG9 area: trajectory and achieved rate



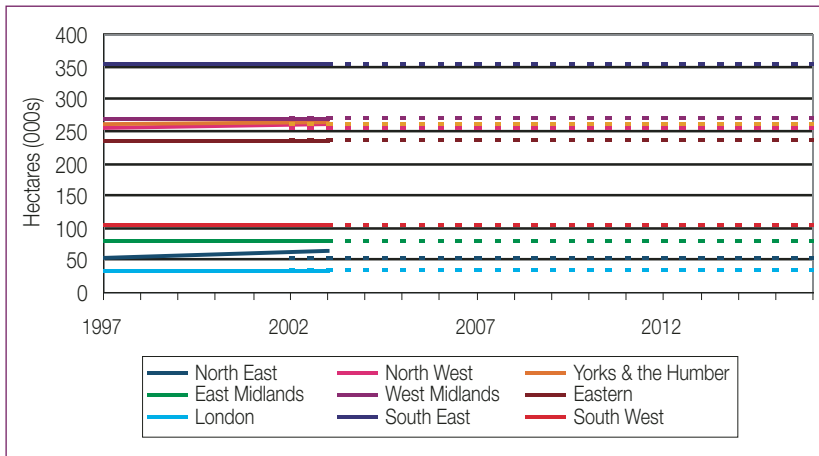
Although recent figures show an upturn in new housing supply, this indicator is highly vulnerable to market forces and there is volatility in the market. We also need to make good previous shortfalls in order to reach our overall target.

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

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

Since 1997, over 30,000 hectares of green belt have been earmarked in draft and adopted versions of local plans. Our specific target is to achieve a positive average annual change in green belt in each region over the period 2002–07, and on a five-year rolling basis thereafter. The baseline for the assessment will be 2002 so that the target cannot be met by reversing the increases in green belt shown between 1997 and 2002.

Green belt by region

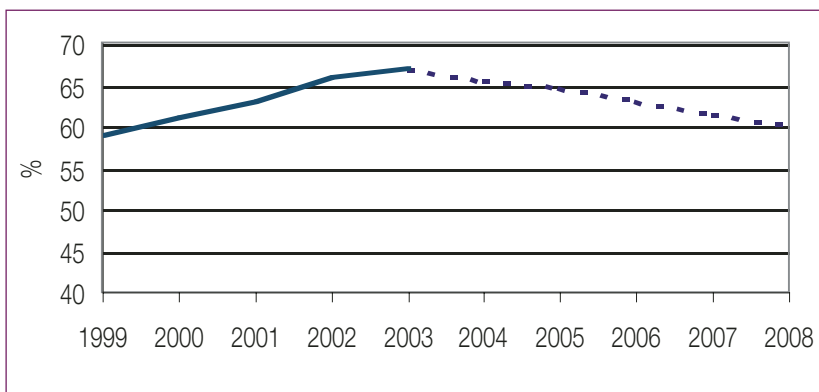


We are on target to ensure a zero annual net change in the green belt. Progress against the target will be monitored annually. However, there are likely to be small fluctuations in the amount of green belt as local plans come up for review, particularly over the period 2004–07 as new Local Development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

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

Planning Policy Guidance (PP6) note 3 gives priority to reusing previously developed land within urban areas, bringing empty homes back into use and converting existing buildings. It sets a target of 60% of all new housing development being previously developed land (PDL), or provided through the conversion of existing buildings by 2008.

Percentage of housing falling within indicator 7

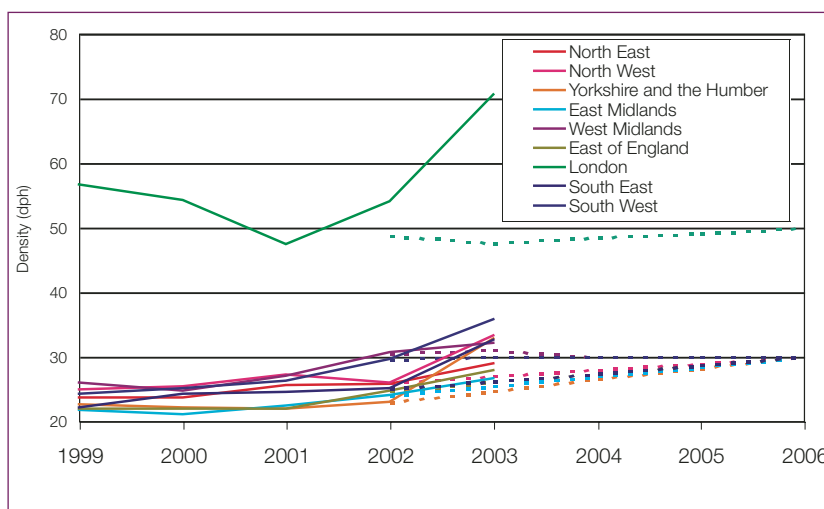


We are currently beating the 60% target set in PPG3. However, the target will come under increasing pressure as house building increases. In the medium term (up to 2008 or thereabouts), performance is likely to be slightly reduced, although strong market conditions in London and the South East, where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

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

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

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



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

Quality of data systems

Data for the above indicators are drawn from a wide range of sources. All are subject to quality assessments carried out by ODPM’s team of statisticians and researchers who also collate the data to reflect the indicators. When necessary, historic data series are revised to reflect any revisions made following these

quality assessments. Where possible, data are also validated against that provided by other sources.

The key data sources are listed below against each indicator:

- **Indicator 1** – statistical returns accompanying local authorities’ housing investment strategies plus annual regulatory statistical returns provided by housing associations.
- **Indicator 2** – Land Registry for average (mean) sale prices.
- **Indicator 3** – quarterly local authority returns. Data on homeless households with children has been collected only since January 2002. Changes to the homelessness legislation in 2002, which widened the protection available to groups who tend to be single households, suggest that there might have been a higher proportion of families with children among households in temporary accommodation in earlier periods.
- **Indicator 4** – Land Registry for sale prices. New Earnings Survey for earnings data.
- **Indicator 5** – quarterly returns from local authorities adjusted to take account of conversions and demolitions in line with local authorities’ annual net addition returns to the Regional Planning Bodies and the ODPM (Housing Flows Return).
- **Indicator 6** – annual national surveys based on digitised maps to monitor the overall designation through the planning system.
- **Indicator 7** – Land Use Change Statistics (percentage of housing on previously developed land) and Housing Statistics (conversions).
- **Indicator 8** – Land Use Change Statistics.

PSA 6 – SR 2002 PSA target

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

Milestones

All local planning authorities will have put in place a Local Development Framework (LDF) scheme within the period prescribed in the Regulations by end March 2005.

The targets for handling planning applications are that:

- 100% of authorities to process a minimum of 60% of major applications within 13 weeks by 31 March 2007, and 85% of authorities to achieve this by 31 March 2006;
- 100% of authorities to process a minimum of 65% of minor applications within eight weeks by 31 March 2007, and 95% of authorities to achieve this by 31 March 2006; and
- 100% of authorities to process a minimum of 80% of other applications within eight weeks by 31 March 2007, and 85% of authorities to achieve this by 31 March 2006.

A further element is an assessment of the impact on average handling times for the three categories of application. This is:

- English local authorities taken together will process an average of 65% of major applications in 13 weeks, 72% of minor applications in eight weeks, and 87% of other applications in eight weeks by 31 March 2007.

From 31 March 2004, 80% of called-in cases and recovered appeals will have been decided by ODPM within 16 weeks from close of inquiry. This performance will be sustained for the remainder of the Spending Review period, following the move (depending on the passage of legislation) to statutory timetables from April 2005.

Performance indicator

Progress towards the milestone targets.

Progress

We are on track to meet the target. Work is continuing with Local Planning Authorities to ensure they deliver Local Development Schemes (LDSs) by the end of March 2005.

Planning system speeded up: major applications determined within 13 weeks up from 43% in 2001 to 55% in 2003; minor applications determined in eight weeks up from 53% to 65%, and all others from 70% to 81%. Trajectory shows continuing increasing performance in the face of the highest number of planning applications since 1988.

Called-in cases and recovered appeals target met, which is half the time taken to decide cases before Planning Central Casework Division (PCCD) was established, and continues to be met.

Quality of data systems

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

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

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

PSA 7 – SR 2002 PSA target

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

Milestone

In the social sector, since 2001:

- by 2004 a reduction of one-third;
- by 2006 a reduction of between 45–50%; and
- by 2008 a reduction of between 65–70%.

In the private sector – by 2006/07 to ensure the proportion of vulnerable private sector households in decent homes is more than 65%, and is more than 70% by 2010.

Performance indicator

The reduction in the number of non-decent social sector dwellings.

Progress towards and attainment of this target will be assessed nationally each year using two combined and overlapping surveys from the English House Condition Survey (EHCS). Monitoring locally will be assessed through progress reported both by social landlords (including through local authority (LA) best value performance indicators and Registered Social landlord (RSL) regulatory returns).

The proportion of vulnerable groups living in decent private sector homes.

Progress will be assessed nationally each year from 2004 using surveys from the annual EHCS.

Progress

Social sector

On course. The baseline for the target is 1.6 million non-decent homes that existed in the social sector in 2001. Of these, 1.17 million were owned by LAs and 470,000 by RSLs. The milestone requires a one-third reduction over the 2001 baseline by April 2004. The EHCS data show that at April 2003 the number of non-decent homes had reduced by 210,000.

Using LA and RSL data shows that at April 2004 we had missed the milestone with an estimated achieved reduction of 22%. We now expect to hit the milestone in spring 2005. This slippage is due to a) a higher 2001 baseline from the revised EHCS data, requiring a greater percentage reduction to meet a one-third reduction, and b) LAs doing less than anticipated in the early stage of the programme. Although there is some early slippage, LAs are getting plans in place that will still allow them to be 'on course' for meeting the 2010 target.

Private sector

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

The EHCS reported that this percentage had risen to 63% by the end of April 2003. This is ahead of trajectory.

Quality of data systems

The concept of a decent home was introduced in 2001, with the final systems definition agreed in March 2002. Both LAs and RSLs have had to refine their information and database systems in order to accommodate the definition, record numbers of dwellings falling below this standard and track progress in the reduction of non-decent homes. We therefore only have data at LA level from 2001 and Housing Association level from 2002. But national estimates for 2001 and earlier years can be constructed from the EHCS.

Data from LAs and RSLs are improving as they adjust their data collection and processing mechanisms to report on decent homes. The data provided by LAs each year now shows a) a revised baseline, b) gross reduction in non-decents, c) decent numbers prevented from becoming non-decent, d) numbers becoming non-decent, e) targets set for reduction, and f) the 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 Housing Association sector and provide advice and good practice guidance on assessing, monitoring and ultimately achieving decent homes.

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

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

PSA 1 – SR 2002 PSA target

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

Milestone

The measure of success for achieving this PSA is that all 13 SR 2002 floor targets are achieved within their respective time frames as set out in their delivery plans.

Performance indicator

‘Floor target’ is a generic term to describe a series of targets that sets a minimum standard, in most cases for disadvantaged groups or areas, or a narrowing of the gap between them and the rest of the country. The floor targets cover a wide range of Government activities described below under ‘Progress’.

Each government department is responsible for the achievement of its own PSA floor targets.

The trajectory for this PSA is the combination of the trajectories contained in individual departments’ delivery plans. The Neighbourhood Renewal Unit (NRU) monitors floor targets both individually and for their combined impact in improving service delivery in deprived areas.

Progress

As described above, the architecture of the PSA 1 target is such that it relies upon the delivery of floor targets across Government. In the key outcome areas the progress achieved is detailed below.

Education¹

- The gap between the average pass rate for five ‘good’ GCSEs (A*–C) in the most deprived (the 88 Neighbourhood Renewal Fund (NRF)) districts and the rest of England has narrowed.
- In Neighbourhood Renewal Areas, 46.1% of pupils attending maintained schools achieved five or more A*–C grades at GCSE and equivalent in 2004, compared to 55.9% of pupils in non-Neighbourhood Renewal Areas. The corresponding figures for 2000 were 39.2% and 51.9% respectively.
- In 2003/04, four local education authorities (LEAs) (all Neighbourhood Renewal Areas – Kingston upon Hull, Bristol, Blackpool and Nottingham) achieved less than the target of 38% of pupils obtaining five or more GCSEs at A*–C (or equivalent) by 2004. In 2000, the corresponding figure was 32 LEAs (31 NRF and 1 non-NRF).

- The four fastest improving LEAs in the country are in London, in NRF areas with high levels of deprivation and historically low results (Islington 7.4 percentage points increase, Lewisham 6.8 percentage points, Lambeth 6.0 percentage points, Hackney 5.9 percentage points).
- The gap in achievement for numeracy and literacy for 11-year-olds has also shrunk.
- Key Stage 2 Level 4 data show that the gap has narrowed between NRF areas and the rest between 1999/00 and 2003/04, moving from 5 percentage points to 4 percentage points for maths and from 6 percentage points to 5 percentage points for English (based on 2003/04 revised data). Achievement in both subjects in NRF areas has improved in absolute terms over the same time period.

Worklessness

- Autumn 2004 data show that between spring 2003 (base line) and autumn 2004, the employment rate in the 30 Local Authority Districts (LADs) with the highest levels of worklessness increased by 1.1 percentage point, and over the same period the gap between target areas and national average narrowed by 0.9 percentage point. This indicates that the Department for Work and Pensions (DWP) are ahead of schedule in meeting their target in the 30 LADs. The autumn 2004 data also confirm the trend in the gap being reduced for black and minority ethnic (BME) and low qualifications groups.
- An extra half a million more people from deprived areas are now in jobs. Employment rates in the 88 NRF districts have increased by 1.7 percentage points since 1997/98. Regional Development Agencies (RDAs) have also contributed to 89,694 new and safeguarded jobs, 6,064 new businesses and 194,380 more learning opportunities.

Health

- England is experiencing rapidly reducing death rates from cancer and cardiovascular disease.
- Teenage pregnancy rates are falling faster in our most deprived areas – dropping more quickly in the 88 NRF districts than the England average. The gap between the two has reduced from 12.6 percentage points to 11.6.

Crime

- The gap between average burglary rates for the 88 NRF districts and the rest of England fell by just under a fifth.
- Robbery rates for England and the 88 most deprived districts have decreased over the last two years.
- Vehicle crime rates in the 88 NRF districts have fallen at a faster rate than the England average, dropping from 27 to 23 for every 1,000 people.

Housing

- The number of non-decent homes has been reduced by one million and £18 billion has been invested in social housing.
- Findings indicate that housing conditions across the 88 NRF areas have steadily improved, with the number of non-decent social sector homes falling by 38% (from 1.4 to 0.8 million) since 1996. This accounts for 66% of the overall reduction in social sector non-decent homes since 2001.
- Increased investment in social housing – up by almost £360 for each property since 1997 and many in NRF areas.

Progress for the Local Strategic Partnerships with the greatest challenge

There are now 17 Local Strategic Partnerships (LSPs) facing the greatest challenge in terms of floor target delivery. For the 17 we are deploying Assignment Managers to work with the LSPs to identify the key issues (thematic and/or partnership issues) and to draw up a clear action plan to resolve these issues.

The process is being managed by NRU, Government Offices and the Assignment Managers.

Key work streams

Support/challenge departments on the delivery of floor targets

Milestones

- Hold quarterly meetings with other government departments to challenge progress and hold Ministerial trilateral meetings.
- Ensure that the neighbourhood renewal agenda is reflected in the priorities and target setting of other government departments.
- Contribute to Social Impact work through a joint project with HM Treasury on deprivation for SR 2004.
- Develop a communications strategy to reach priority Whitehall and agency audiences by summer 2004.

Milestones repeated in bold below.

Progress

Hold quarterly meetings with other government departments to challenge progress and hold Ministerial trilateral meetings.

Ensure that the neighbourhood renewal agenda is reflected in the priorities and target setting of other government departments.

Progress against these two:

In addition to the improvements in outcomes for deprived areas detailed earlier, the NRU has made further progress through its support and challenge role across Whitehall, raising the profile of neighbourhood renewal. The following achievements capture this:

- In addition to board level meetings and quarterly progress meetings, NRU is engaging more effectively on the delivery of Home Office (HO), DWP, Department of Health (DH) and DfES floor targets through participation on their delivery boards and better information sharing.
- DfES and NRU have agreed to do further work exploring how to join up better to improve outcomes in deprived areas.
- NRU has assisted DH with the emphasis it is making on tackling health inequalities within its public health white paper delivery plan.
- NRU set up a mini-summit of Ministers involving HO, DWP and DfES, addressing the barriers to service delivery identified by the Places project which focuses on Manchester, Nottingham and Southwark.
- Target framework agreed for RDAs to deliver employment and enterprise in deprived areas and assessed by NRU as contributing positively to PSA 1.
- Joint strategy agreed with DTI on enhancing business engagement within deprived areas.
- Tour completed of the NRF areas most at risk of failing to deliver the decent homes target. This is contributing to the development of a more focused NRU approach towards enabling and supporting those priority authorities in both the option appraisal phase and, ultimately, timely delivery of this target.
- *Smarter delivery, better neighbourhoods* pamphlet explaining the new PSA 1 and floor targets.
- The ODPM and Strategy Unit produced the *Improving the prospects of people living in deprived areas in England* report in January 2005. This study addressed the impact of the Government's strategies and highlighted strategies to create a cycle of improvement in our most deprived areas.
- Production of *Making it Happen*, the revised national strategy for neighbourhood renewal, which was released in January 2005.
- Six workshops held by ODPM's Tackling Disadvantage Group at the Sustainable Communities Summit, influencing a wide range of key stakeholders.

Contribute to Social Impact work through a joint project with HM Treasury on deprivation for SR 2004.

- The SEU/NRU/HM Treasury joint project on deprivation led to the spending review outcomes that were secured for neighbourhood renewal.

As we move into the delivery of the new SR 2004 PSA 1 target, with its accompanying refined list of SR 2004 floor targets, the focus will be on closing the gap in the six key outcome areas, namely health, education, housing, worklessness, crime and liveability.

Key work streams

Support development of effective and inclusive Local Strategic Partnerships (LSPs)

Milestones

Ensure LSPs have performance management frameworks in place and annual performance reviews are held between Government Offices and LSPs.

Progress

The 88 LSPs identified in the National Strategy for Neighbourhood Renewal are required to develop Local Neighbourhood Renewal Strategies (LNRS), though the targets in these strategies are delivered by individual service deliverers such as the LA or the police. As the co-ordinating body, the LSP supports that delivery through more effective and integrated strategic planning and by helping joint working to tackle cross-cutting issues.

LSPs in the 88 most deprived areas have been spending NRF to tackle deprivation and to kick-start mainstreaming. Now NRF LSPs are established they are focusing on delivering improvements within their most deprived neighbourhoods.

To help NRF LSPs focus on delivery, they developed and implemented a Performance Management Framework (PMF) for the first time in April 2004. LSPs were able to use any framework they liked as long as it met the three core requirements:

- review of delivery;
- review of partnership working; and
- improvement planning.

LSPs self-assessed their performance against delivering national floor targets and local targets and the effectiveness of their partnership. From these reviews they set out priorities for the coming year in their Improvement Plan.

60 LSPs (the 26 in receipt of extra NRF and others that receive over £10 million NRF 2001–06) then had their performance management framework validated by the Audit Commission to assess whether the LSPs had carried out robust reviews and to ensure their PMF met the core requirements.

All NRF LSPs had an annual review with their Government Office to celebrate success and identify areas for further improvement.

Transparent support packages have been agreed with those LSPs that are underperforming, including:

- Neighbourhood Renewal Advisors;
- delivery skills training;
- delivery seminars with Ministerial and senior official input; and
- on-line tools such as renewal.net and the LSP Delivery Toolkit.

We have taken lessons from the first round of performance management to develop the process for 2005/06 by making the core requirements more focused on neighbourhoods and outcomes. We are also making links between the NRF LSP PMF and other initiatives including LAAs and Safer and Stronger Communities Fund.

The NRU also delivered a national LSP conference in March 2005 with a focus on sharing learning and best practice to improve performance.

Key work streams

Influence government departments and local service delivery agents to make mainstream services work better in deprived neighbourhoods

Milestones

- Ensure that Government Offices, Regional Development Agencies and Regional Assemblies encourage the improvement of mainstream services at neighbourhood level.
- Use the Permanent Secretaries Group (PSG) and Neighbourhood Renewal Interdepartmental Group work plans to focus on mainstreaming.
- Promote neighbourhood renewal through local services' improvement and planning mechanisms.
- Work on the race equality strategy including holding regular meetings of the Race Equality Action Group and finalise monitoring by early summer. Final phase of race awareness training ongoing.
- Develop links between ERDF and other funding streams at neighbourhood level.

Progress

Ensure that Government Offices, Regional Development Agencies and Regional Assemblies encourage the improvement of mainstream services at neighbourhood level.

- Closer working across the Government Offices is resulting in floor target action groups in some Government Offices which maintain the specific focus of the deprivation related targets across all teams in ODPM. A new performance management reporting system for PSA 1 maintains focus on working across ODPM and influencing mainstreaming at a regional as well as local level, in addition to encouraging Government Offices to share examples of barriers with NRU Policy teams.
- Target framework agreed for RDAs to deliver employment and enterprise in deprived areas and assessed by NRU as contributing positively to PSA 1.

Use the Permanent Secretaries Group (PSG) and Neighbourhood Renewal Interdepartmental Group work plans to focus on mainstreaming

Promote neighbourhood renewal through local services' improvement and planning mechanisms

Progress on the above two:

During 2004/05, PSG has focused on what key departments are doing to contribute to neighbourhood renewal with a particular focus on mainstreaming. For 2005/06, it has been agreed that there should be a focus on particular places which are failing on a number of floor targets.

Mainstreaming in the context of neighbourhood renewal means 'influencing mainstream departments to make them work better in deprived neighbourhoods, by shaping and resourcing them for the task, and making them focus explicitly on the places and people most in need of their support'.

Key achievements are as follows:

- The announcement of the Safer and Stronger Communities Fund (SSCF) and the local authority pilot areas for Local Area Agreements. These will provide an important and different approach that will reduce bureaucracy and therefore release resources to deliver neighbourhood renewal at a local level.
- Local authorities producing community strategies embracing neighbourhood renewal issues, addressing increased opportunity, reduced poverty and establishing a long-term vision.
- CPA 2005 key lines of enquiry, guidance for inspectors and pre-site analysis to include greater focus on deprivation as part of the overall assessment process.

- Research published on mainstream spending flows tracking the flow of mainstream funds to local areas and on measuring outcomes achieved by this funding.

Work on the race equality strategy including holding regular meetings of the Race Equality Action Group and finalise monitoring by early summer. Final phase of race awareness training ongoing

- Four Race Equality Action Group (REAG) meetings were held during the year, where REAG members offered helpful advice on specific Government policy related to neighbourhood renewal and race and also NRU delivery.
- Ethnicity monitoring guidance, for monitoring BME outcomes and involvement, was published in October 2004 and tested with five LSPs.
- Race awareness training on the implications of the Race Relations Amendment Act was completed in the Government Offices for the Regions.

Key work streams

Government Offices to drive change to secure delivery of floor targets on the ground

Milestones

Introduce a new Government Office performance management framework for PSA 1 including the development of a strategic framework agreement that will set out the Government Office contribution to the targets and milestones that appear in the NRU delivery plan

Progress

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

Neighbourhood renewal teams in regional Government Offices (GOs) oversee local renewal strategies, administer funding, facilitate partnership working, and join up government policy. The teams offer expert knowledge on projects, provide intelligence and inform Whitehall of what works in their region.

Key achievements include:

Revision of the strategic framework agreement for GOs setting out clear priorities for activity that will support PSA 1 delivery.

Ongoing work with LSPs in the most deprived areas to both challenge and support their performance informally and also through formal annual performance reviews.

Leading the negotiation and agreeing outcomes for the Safer and Stronger Communities Fund and the pilot local area agreements, including the NRF and local public service agreement elements of those.

Key work streams

Ensure delivery is built upon a firm evidence base:

- **skills and knowledge;**
- **neighbourhood renewal programmes; and**
- **research and evaluation;**

Milestones

- Deliver a programme of activity at national and regional level to ensure that those who deliver neighbourhood renewal do so effectively, including development of renewal.net, a comprehensive training programme and the deployment of around 170 Neighbourhood Renewal Advisers.
- Achieve sustainability and mainstreaming of a majority of Round 2 Neighbourhood Warden Schemes.
- Ensure that the New Deal for Communities scheme achieves their full spend in 2004/05.
- Develop and disseminate neighbourhood statistics and other deprivation data, maintain and develop the Indices of Deprivation, and carry out a comprehensive research and evaluation programme.

Progress

Skills and knowledge

Deliver a programme of activity at national and regional level to ensure that those who deliver neighbourhood renewal do so effectively, including development of renewal.net, a comprehensive training programme and the deployment of around 170 Neighbourhood Renewal Advisers

Neighbourhood Renewal Advisers are helping the LSPs facing the greatest challenge to develop strategic plans to achieve floor target convergence.

Access has been provided to a range of published toolkits that can help with planning and delivery in deprived neighbourhoods together with knowledge on how others have tackled similar problems.

The NRU has provided a repository of information and knowledge, available through a dedicated all-in-one website: www.renewal.net. Over 1,200 people each day now use renewal.net. Over 75% of them say they use documents from the site to help them base their own programmes on what has worked elsewhere.

The Delivery Skills Training Programme has offered intensive learning for practitioners on a range of key issues for neighbourhood renewal delivery.

Research and evaluation

This element of our work includes formative evaluation of LSPs and the long-term evaluation of NDCs, Business Brokers, the Deprived Urban Post Office Fund and the overall national strategy. Additionally it involves performance analysis of progress on the delivery of floor targets; the development of neighbourhood level statistics and the strengthening of evidence-based approaches to neighbourhood renewal activity.

Develop and disseminate neighbourhood statistics and other deprivation data, maintain and develop the Indices of Deprivation, and carry out a comprehensive research and evaluation programme

Small area statistics have been freely available on the Internet for three years. Using administrative data collected by various government departments, Neighbourhood Statistics provides the local evidence regeneration users need.

- Neighbourhood Statistics continues to grow with over 50 datasets available alongside the 2001 Census and the Indices of Deprivation, with more added all the time.
- Tools and support are provided to the government departments who supply their data to the service.
- A new statistics geography has been developed. Super Output Areas (SOAs) provide a consistent measure of population in an area over time. Lower-layer SOAs contain an average of 1,500 people. This allows users to build their own 'neighbourhoods' by adding SOAs together.
- The website averages 30,000 unique visitors per month.

Other key achievements are as follows:

- Floor Targets Interactive, a web-based system for monitoring progress towards national PSA targets, is well established and very popular amongst users at a local, regional and national level.
- It now receives over 100 visits a day, demonstrating its value and popularity.
- An evaluation of the *National Strategy for Neighbourhood Renewal* has been commissioned.
- Annual evaluation reports have been produced for NDCs, Neighbourhood Management, the Community Facilitation programme and Resident Consultancies.
- Four Strengthening Evidence for Local Delivery (SELD) pilots have been commissioned for the North East, North West, West Midlands and South

West regions – to improve support to local practitioners on gathering and using evidence to deliver PSA 1.

- Evidence roadshows have been completed across the regions promoting and disseminating the NRU evidence base, with a wide range of regeneration practitioners invited to participate.
- Understanding change: analyses of neighbourhood change using data from Indices of Deprivation (autumn 2004).
- Mainstream spending flows: a research team has been established to take forward work on tracking the flow of mainstream funds to local areas and on measuring outcomes achieved by this funding.
- Identify the main areas of programme expenditure in the key government departments and understand how that money is reaching deprived areas, as part of the mapping of the mainstreaming work.
- The 2004 Indices of Deprivation were released. The Indices draw from a wide range of data presented in lower layer SOAs. They are used to help focus resources in areas of greatest need.

Neighbourhood renewal pathfinder programmes

Achieve sustainability and mainstreaming of a majority of Round 2

Neighbourhood Warden Schemes

Ensure that the New Deal for Communities scheme achieves their full spend in 2004/05

Progress:

- Of the Round 1 Neighbourhood Warden Schemes, 83% have achieved sustainability and are to be mainstreamed.
- The NDC scheme has achieved its full spend for 2004/05.

The following update offers further detail as to the progress we have made on the full range of programmes. The three neighbourhood renewal pathfinder programmes make an important contribution to developing the evidence base for the delivery of PSA 1. These programmes (Neighbourhood Management Pathfinders; New Deal for Communities; and Neighbourhood Wardens) are testing out the new approaches outlined in the *National Strategy for Neighbourhood Renewal*. They enable us to learn practical lessons about how to deliver neighbourhood renewal effectively, which can be spread to other deprived neighbourhoods through LSPs and their local neighbourhood renewal strategies.

We have seen significant progress towards our poorest neighbourhoods becoming places where people want to live, places that promote opportunity and places that provide a better quality of life for all.

Progress to date includes:

- A considerable (28%) drop in the overall rate of crime where Neighbourhood Warden Schemes operate.
- Quality of life in warden scheme areas has improved. 25% of residents have reported an increase in satisfaction with their neighbourhoods.
- Wardens are also successfully addressing the problem of fear of crime in deprived communities, particularly among older residents. Residents who note the presence of wardens are less worried about being robbed or mugged, and targeted action by wardens has reduced the fear of distraction burglary.
- Residents in warden areas have an improved perception of their local environment owing to targeted work on graffiti, fly-tipping, litter and dog fouling. The greatest impacts are seen in schemes where wardens have a good relationship with agencies responsible for the environment.
- Youth anti-social behaviour (ASB) remains one of the most serious issues in warden areas and continues to be the main reason for resident dissatisfaction. However, there are positive signs that perceptions of ASB are changing. The link between wardens and reduced ASB is clear. People who say that wardens make them feel safer are more likely to say the problem of teenagers has got better.
- Wardens have been particularly successful in their role as 'linker' between residents and service providers. Although few warden schemes have community development as an explicit objective, the most successful have adopted a community-based approach.
- Positive progress in worklessness, education, crime, housing and environment and health in New Deal for the Community areas compared to national figures.
- Progress in mainstreaming: the 2004 National Evaluation report shows that the 20 Round 1 Pathfinders are making good progress towards the mainstreaming of interventions and changing local services to meet the needs of the community; Round 2 Pathfinders have completed the first stage of implementation.
- Changing lives: the National Evaluation shows that the Neighbourhood Management Pathfinder (NMP) approach is making real progress in changing community attitudes on a range of issues and offering sustainable improvements for residents in deprived communities.
- Community engagement: all boards have resident members and many have a resident chair. Seven Pathfinders have a resident majority board. By the end of the second year, five NMPs had held elections for residents to be elected

to the Board. In elections, 25% of eligible residents voted and this exceeded levels for local elections.

- New ways of funding: the new Safer and Stronger Communities Fund (SSCF) brings together a number of ODPM and HO funding streams to enable local partners to work more closely together with the local community to tackle crime, ASB and the poor quality of public spaces, and in disadvantaged neighbourhoods to make services more responsive to local needs. The NMPs will be included in these arrangements.
- Residents in New Deal Community (NDC) areas are showing improved satisfaction with their local areas, and greater support for NDC partnerships. NDC areas now enjoy:
 - 2,702 more police officers/wardens;
 - 183 new and/or improved health facilities;
 - 150,109 pupils benefiting from projects to boost educational attainment;
 - 43,819 people receiving job training;
 - 9,929 homes improved and/or built; and
 - 384 new and improved community facilities.

Business programmes

The business programmes have made good progress. The report of the Private Sector Advisory Panel on neighbourhood renewal, and the Government response, was published in December 2004. The final evaluation of the Business Brokers pilot programme found that they had been instrumental in securing a threefold increase in business engagement in neighbourhood renewal in the first two years. The pilots ended in March 2005 and the lessons learned will be rolled out to LSPs and RDAs along with the offer of ongoing support from Neighbourhood Renewal Advisers and Business in the Community for new Brokers setting up.

Preliminary findings from the Underserved Markets project, which promotes commercial investment in deprived areas, were published in February 2005, and the first pilots will be announced shortly. The preliminary evaluation of the Deprived Urban Post Office Fund found the scheme was being successful in sustaining post offices in the most deprived areas with benefits to local communities.

Community Facilitation Programme (conflict resolution and community cohesion)

The Community Facilitation Programme was established in July 2001 as a quick response to the serious disturbances in Northern cities that summer. It was focused on providing conflict resolution expertise and training in the selected areas. Regional co-ordinators for public order and community cohesion were

appointed in all Government Office regions. They are tasked with deploying community facilitators and promoting training and support for this role.

The Tavistock Institute's evaluation of this programme has shown that conflict resolution offers real solutions to fractured communities and that a capacity for conflict resolution is necessary in developing community cohesion. The evaluation has drawn out good practice case studies and lessons learnt that will be disseminated on the ODPM/NRU website renewal.net and shared with other government departments and agencies.

The NRU has also established a dedicated pool of Neighbourhood Renewal Advisors with expertise in conflict resolution who can be deployed to areas and programmes as and when conflicts arise. A conflict analysis training course has been developed and delivered to members of various programmes and partnerships in Neighbourhood Renewal areas.

Community Participation (Single Community Programme)

The Community Empowerment Fund, Community Chests and Community Learning Chests were established in 2001 in the 88 most deprived areas. Community Empowerment Networks bring together, and give a voice to, local community and voluntary sector organisations on the LSP.

To ensure that the local community can participate in this way, Community Chests and Community Learning Chests help develop active communities by providing small grants and resource involvement in neighbourhood-level partnerships to drive change on the ground.

From 2004, the three programmes merged into the Single Community Programme. The merger has simplified access to funding and re-focused the programme in a more strategic and neighbourhood-focused way. £43 million each year has been allocated to the Single Community Programme to 2005/06 since 2001. It has so far supported around 25,000 separate community projects in the country's most deprived neighbourhoods. 88% of these projects contribute directly to neighbourhood renewal targets and communities, and individual public sector service providers are increasingly working together with community groups. Local solutions to local problems are being successfully developed by bringing together sub-groups of networks with service providers.

The National Audit Office Value for Money study of the Single Community Programme confirmed that community participation was vital to ensure value for money in public services. Initial outcomes from the national evaluation show:

- the Programme builds capacity, confidence and social capital through supporting local community groups;

- it makes a significant contribution to neighbourhood renewal through small-scale activities and learning; and
- it improves cohesion and co-ordination.

Tackling social exclusion

Key work streams

To promote social inclusion by finding solutions to cross-cutting social problems

Milestones

- Completion of the work set out in the discussion document, published in March 2004, on *Impacts and Trends in Social Exclusion*. A final report to be published in summer 2004, informing the future focus of SEU work for 2004/05 and 2005/06.
- Publication in summer 2004 of the *Mental Health and Barriers to Employment and Enterprise* report.
- Identification by July 2004, and completion by summer 2005, of a number of projects, short studies and other work streams to tackle key policy and delivery challenges in areas where barriers remain to achieving social inclusion (referred to below as the new SEU Work Programme). These to flow from the analysis contained in the *Impacts and Trends* report.
- Agreement by July 2004 of the scope and timetable of work of a set of short studies on social exclusion to assist policy development across Government. The work to be delivered before April 2005.

Progress

- The *Mental Health and Social Exclusion* and *Jobs and Enterprise in Deprived Areas* reports were published in June and September 2004 respectively.
- The *Breaking the Cycle – taking stock of progress and priorities for the future* report (formerly referred to as *Impacts and Trends*) was published in September 2004. It showed that, although good progress has been made for many, the worst-off have benefited least from improvements in public services. The findings from this report were used to inform the future focus of SEU work for 2004/05 and 2005/06, and in particular the new SEU work programme.
- The new SEU work programme was finalised by Ministers in July 2004 and launched alongside the *Breaking the Cycle* report in September 2004. It focuses on improving the delivery of services to the most vulnerable groups in society, in order to narrow inequalities and improve life chances for the most

disadvantaged people. The work programme concentrates on the following groups with multiple disadvantages (each of which is an interlinked project):

- *Young Adults with Troubled Lives* (due to be published in October 2005);
- *Better Service Delivery for People who Move Frequently* (due to be published in November 2005);–
- *Excluded Older People* (due to be published in December 2005);
- *Better Service Delivery for Disadvantaged Adults* (focusing on the following groups: people with poor basic skills; those with chronic health problems and disability; and disadvantaged ethnic groups) (due to be published in winter 2006);

and two short studies cutting across all of the above:

- *Inclusion through Innovation: Social Exclusion and Technology* (due to be published in July 2005); and
 - *Asset Inequality and Life Chances* (currently an internal government paper).
- Consultation documents or information-gathering exercises were launched in October and November 2004 for each new project from the new SEU work programme.

Key work streams

To develop and support implementation of joined-up policy to enable departments to deliver effectively to those in the greatest need and promote social inclusion

Milestones

- Continuation of support for the implementation of past reports across Government and dissemination to stakeholders.

Progress

- We have continued to champion and support the implementation of past reports (particularly *Reducing Re-offending by ex-prisoners*, *Transport and Social Inclusion*, *A Better Education for Children in Care*, *Mental Health and Social Exclusion*, and *Jobs and Enterprise in Deprived Areas*) by working closely with government departments and key service delivery agencies to ensure action points are taken forward in a timely and effective manner, and are disseminated to stakeholders (ongoing).

In addition, we have drawn on existing expertise from past projects to assist policy development and public service reform across Government, by championing the 'bottom 10%' and ensuring that other government departments prioritise action on deprivation (ongoing).

Tackling homelessness

Key work streams

To sustain the targets in the reduction in rough sleeping and the use of bed and breakfast accommodation for homeless families with children

Milestones

- Work with DWP on Housing Benefit subsidy proposals for temporary accommodation to ensure they complement B&B reduction policy by September 2004.
- Hold good practice seminars in all regions by December 2004.
- Publish revised *B&B Reduction Handbook* with focus on sustainability by December 2004.
- Publish 2004 national estimate of rough sleeping by September 2004.
- Develop, in consultation with stakeholders, a strategy for reconfiguring voluntary sector hostel provision to ensure more effective outcomes for formally homeless residents by end of 2004.
- Develop a detailed delivery plan, in line with PSA 5, Child Poverty Review and SR 2004 settlement, to achieve reductions in the number of homeless families with children in temporary accommodation by the end of 2004.

Progress

The two-thirds reduction in the level of rough sleeping has been sustained and is currently at the lowest ever recorded level (around 500 people on a night).

The long-term use of B&B accommodation for homeless families with children has been virtually eliminated, with 95% fewer families with children living in B&B accommodation for over six weeks at end September 2004 compared with March 2002 when the target was announced.

- DWP Ministers agreed levels of thresholds/caps for Housing Benefit Subsidy in line with recommendations to sustain reductions in the use of B&Bs.
- Regional Roadshows held in all regions.
- Publication postponed until spring 2005 so that the *Homes for All* objectives can be reflected.
- Published September 2004.
- £90 million Hostels Improvement Programme announced in December 2004.
- Ministerial Committee on Homelessness reconvened to oversee development of strategy. Main elements set out in *Homes for All*, published Jan 2005.

Key work streams

To deliver the Supporting People (SP) programme to secure effective, quality and consistent support services across the country to vulnerable groups

Milestones

- Contribute evidence to SR 2004 on the size of the SP budget based on research and Audit Commission inspections (announcement on funding levels by October 2004).
- Develop a greater understanding of the costs of services provided, value for money and possible cost-shunting through a programme of research and analysis by July 2004.
- Consult and develop a new distribution formula for SP grants to enable fair and transparent allocations in 2005/06 and beyond by October 2004.
- Initiate work to consider the longer-term approach to housing for older people by March 2005.

Progress

- The Audit Commission was commissioned to inspect 19 high cost SP Administering Authorities including an assessment of value for money issues. Additionally, Matrix Research and Consultancy Limited (MRCL) were commissioned to undertake work on the efficiency of the SP programme (the 'Service Package' work). The results of this work helped inform SR 2004 discussions. Overall funding levels were announced on 31 August 2004.
- Extensive work was undertaken to develop the SP distribution formula. The formula was used to inform allocations (announced on 2 December 2004) for 2005/06. Further work and full consultation is planned for 2005/06.
- ODPM are supporting the work of DH in its Green Paper on *Adult Social Care* and DWP in its Green Paper on *Growing Older...21st Century*. We are also contributing to the consideration of the Ministerial Committee on Older People.

PSA 4 – SR 2002 PSA target

Improve delivery and value for money of local services by:

PSA 4 Part 1

Introducing comprehensive performance assessments and actions plan, and securing a progressive improvement in authorities' scores.

Milestones

- Publish second CPA refresh results in December 2004.
- Complete district council assessments by December 2004.
- Consultation on revised CPA for 2005 completed and approach agreed, and published by February 2005.
- First CPA results using revised approach to be published in December 2005.

Performance indicator

Average combined CPA score for unitary authorities and county councils.

CPA brings together individual service assessments and an assessment of corporate capacity for each authority to give an overall view of how well it is performing and how well placed it is to deliver improvement.

Success will be measured by the change in the average combined scores for service delivery and corporate capacity over the period to 2006 in unitary authorities and county councils. To assess the effect of these changes we will check to see, by the end of the 2005/06 period, that a smaller number of authorities are classified as either poor or weak, and a higher number of authorities as good or excellent. Details of CPA measurement can be found in the Technical Note for PSA 4 on the ODPM website² and on the Audit Commission website.³

Progress

- Third year of CPA results for single-tier and county councils published in December 2004:
 - 52 councils moved to a higher CPA category in December 2004.
 - Two-thirds of single-tier and county councils were categorised as either 'excellent' or 'good' compared to just over half when CPA was first introduced in 2002.
 - Only 16 councils were categorised as either 'weak' or 'poor' in 2004 compared to 35 in 2002.

2 Technical Note for PSA 4:

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

3 CPA measurement on the Audit Commission website: www.audit-commission.gov.uk/cpa

- Of the 15 councils entering engagement with ODPM in 2002, only one remains ‘poor’.
- The average combined score for service delivery and corporate capacity in unitary and county authorities was 69.87 in December 2002, 72.11 in December 2003 and 76.03 in December 2004.
- Results for 237 out of 238 District Council CPAs published by December 2004 show that nearly half of all district councils (48%) were assessed as either ‘excellent’ or ‘good’.
- Consultation on the revised CPA methodology has now been completed. A decision was taken to co-ordinate the rollout of CPA 2005 with that of Joint Area Reviews of services for children and young people, and this has influenced the timetable for delivery of the methodology.
- The joint ODPM/LGA capacity-building programme has now committed £32 million in support of local government improvement, which has included the launch of a new Local Government Leadership Centre.
- The role of regional directors of practice (RDPs) is now increasingly well-established in relation to poorly-performing authorities and in developing the overall approach to capacity-building across all local authorities. Work on ‘voluntary engagement’ has shown that a close relationship can be effective where authorities are not in the bottom performance category. Further development of the role of RDPs and of more strategic relationship management is being taken forward in the context of the local government strategy.
- Since December 2004, there have been an additional seven corporate assessments that have further improved the position. By the end of the year, the number of single-tier and county councils in each category as measured by the CPA were: 46 excellent, 56 good, 33 fair, 14 weak and one poor.
- The Audit Commission is currently developing a new CPA methodology, in conjunction with central Government, to be implemented in 2005. Final details of the methodology will be announced later in the year.

Quality of data systems

The Audit Commission has an extensive database of CPA scores and analysis for each authority accessible through its website.⁴ Best Value Performance Indicators (BVPIs) have been set annually for all local authorities since 2000/01.

External auditors appointed by the Audit Commission audit the data. It is also Quality Assured by the Audit Commission. ODPM has analysed and published audited outturn data from 2000/01, 2001/02 and 2002/03 on the BVPI website⁵.

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

5 BVPI website: www.bvpi.gov.uk

PSA 4 Part 2

Overall annual improvements in cost effectiveness of 2% or more.

Milestones

- Second measurement against 2001/02 baseline for 2003/04 in December 2004.
- Prepare and deliver implementation plan for the outcome of the Efficiency Review by September 2004.

Performance indicator

Success is measured by the extent to which local authorities collectively achieve improvements in cost effectiveness over the spending period equivalent to 2% per annum in real terms relative to the GDP deflator for the years in the period.

Cost effectiveness is measured as an aggregate across all local government. It is a simple ratio of performance against cost. Performance data are based on a basket of Key Performance Indicators (largely BVPI) and expenditure data are drawn from Local Authority Revenue Outturn and Housing Revenue Account databases. The baseline figure for 2000/01 to 2001/02 was 1.004.

Progress

There has been an increase in performance of 12.4% between 2000/01 (the baseline year) and 2003/04 as measured by the Performance Indicators, with improvement occurring across all service areas. Waste and culture management was particularly strong. There has been a positive trend in overall performance across all local authority types and all CPA categories, with authorities rated as 'poor' or 'weak' in the 2004 CPA assessment showing the most rapid improvement. However, this has been offset by increases in local government expenditure, and the cumulative change in cost-effectiveness since the baseline year is -0.31%.

Quality of data systems

BVPIs provide robust externally audited and Quality Assured data – see above.

PSA 4 Part 3

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

Milestones

- Local authorities' Implementing Electronic Government Statements (IEG 4) due in November 2004.
- Secure local authority commitment to delivering priority service outcomes by December 2004.
- All national projects to be completed with successful rollout and marketing by end 2004.
- Priority services to be e-enabled in ways people will use by end March 2006.

Performance indicator

Authorities' progress in collectively achieving 100% e-enablement of priority services.

Success was measured collectively, as recorded in local authorities' returns for BVPI 157 (covering interactions with the public capable of electronic service delivery). It was also measured individually, as they report progress in delivering priority services electronically and achieving increased take up in their Implementing Electronic Government (IEG) statements assessed against baselines set out in 2002 IEG statements.

Progress

IEG Round 4 returns, providing evidence of progress in priority delivery, were received in November 2004. They confirm that local government is on track to meet the PSA 4 target. Councils are on average 79% e-enabled and at December 2005 expect to be 98% e-enabled on average. 81% of councils should be 100% e-enabled and less than 5% should be under 80% e-enabled (and these councils are receiving additional support).

21 of the 22 national projects were completed and successfully rolled out by the end of 2004. These covered the key priority services and infrastructure building blocks, such as:

- Planning and Regulatory Services;
- Environmental Services;
- Customer Relations Management Systems; and
- websites, providing ready-made products for all local authorities to adopt.

The IEG programme is still on course for completion in March 2006. It will have assisted local government in transforming services, renewing local democracy, promoting economic vitality and delivering e-Government. As a direct result of the programme, local authorities are on target to have e-enabled services to the public and modernised internal processes by December 2005.

Quality of data systems

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

CSR PSA target

An improvement in fire service efficiency of 2% a year through:

- increased co-operation and collaboration between fire brigades, including sharing resources between them and other emergency services; and
- the introduction of modern standards of fire cover (subject to the outcome of trials).

Milestones

- Establish Regional Management Boards (RMBs) in all English regions outside London.
- Consult on National Procurement Strategy.
- FiReControl project – issue and receive responses to both the accommodation Invitation to Tender (ITT) and infrastructure services Invitation to Submit Outline Proposals (ISOP). Prepare accommodation shortlists for each region; and begin evaluation of ISOP responses.
- All Fire and Rescue Authorities (FRAs) in England to publish Year 2 Integrated Risk Management Planning (IRMP) action plans.
- Develop and publish Fire Comprehensive Performance Assessment framework.

Performance indicator

Fire and Rescue Service Best Value Performance Indicator (BVPI) data for 2003/04 will be published in May 2005.

Progress

RMBs continued to prove a light-touch mechanism for FRAs to fulfil their responsibilities for securing public safety and improving economy, efficiency and effectiveness, through collaboration in the six areas listed in the 2004/05 Fire

and Rescue National Framework (regional control centres, resilience, procurement, specialist services, training and human resources).

Production of the National Procurement Strategy for the Fire and Rescue Service and establishment of the entity FiReBuy to deliver key elements of that Strategy is intended to rationalise procurement activity within the Service and allow the development of binding national specifications for key items of operational equipment. A draft National Procurement Strategy was published on 8 September 2004, with the consultation document following on 30 September 2004. Consultation closed on 31 December 2004.

The FiReControl Project has progressed in consultation with Fire and Rescue Service personnel. Location criteria have been developed to ensure security, resilience and good working conditions. Site submissions were invited from both public and private sector and shortlists prepared in each region.

A detailed specification for the control centre technology and infrastructure was drawn up and an ISOP issued to potential prime contractors. Responses to this are under evaluation. It is intended to select a prime contract by autumn 2005.

Progress has been made on the financial and governance arrangements for the control centres. A finance and governance working group, comprising representatives from ODPM, LGA and each type of Fire and Rescue Authority, met throughout summer 2004 and issued a consultation document in November 2004. The ODPM responses to the comments received will be issued as circumstances permit, and the working group is to be reconstituted to discuss some of the issues in more detail.

From April 2003, local IRMPs replaced the national standards of fire cover. IRMPs set out an authority's assessment of local risk to life and how it will deploy its resources to tackle that risk and improve the safety of all sections of society. In 2004/05, all FRAs in England published their Year 2 action plans setting out how they will make efficient and effective use of their resources in 2005/06, including using more efficient working practices where appropriate.

The Fire CPA framework was published in January 2005. Fire CPA is currently being implemented across 46 FRAs, the outcome of which will be published in August 2005.

Quality of data systems

2% financial efficiency is already built into the annual revenue grant given to FRAs, as this is deducted in advance.

However, new systems of validating efficiency are being put in place. For example, Fire CPA will help to broaden the concepts of – and evidence base for – efficiency. It will also include other measures, for example, quality of service delivered.

The Key Lines of Enquiry used in CPA will consider FRAs' capacity in terms of

resources and value for money, including how successful their financial management arrangements are, as well as their delivery of value for money and partnership working.

Key work streams

Maintain and develop a framework for local government finance, which supports local engagement and flexibility and the delivery of shared government priorities

Milestones

- Enable local government to operate flexibly and to plan effectively by minimising central controls, simplifying systems and reducing bureaucracy.
- Provide a stable long-term funding basis for local services.
- Provide a firm financial framework for economic development through Non-Domestic Rates, Business Improvement Districts and Local Authority Business Growth Incentives.
- Maintain and modernise the grant distribution system and deliver the annual grant settlement.
- Provide robust and timely statistics.
- Protect taxpayers' money through stewardship of the Local Government Pension Scheme.

Performance Indicator

Provide robust and timely statistics

- Ensure that required deadlines and standards for statistical and administrative data collections, and their dissemination, are met.
- Project-manage development of a new IT system for Revenue Support Grant calculation.
- Establish robust analytical support function to support Sir Michael Lyons' inquiry into local government financing.
- Lead local government contribution to Whole of Government Accounts work programme.

Progress

Prudential borrowing

From April 2004 the Government introduced a new local government capital finance system, the Prudential System. This delivers a major new freedom for local government by removing the previous requirements under which authorities

could only borrow with specific Government permission. Authorities now take their own borrowing decisions, subject only to the borrowing being affordable.

This allows authorities to plan their capital programmes more efficiently and to undertake additional investment, including invest to save projects. Authorities have also been given new freedoms to enter into leasing arrangements and in the financial investments that they can undertake.

Council tax

The Government has reduced pressures on council tax by £1 billion in 2005/06 through providing more resources and by increasing flexibility, reducing ring-fencing and lessening obligations on local government. The total of ring-fenced grants has been brought down from 11.1% in 2004/05 to 8.9% in 2005/6. Ministers made clear that they expected the average council tax increase in England to be less than 5% in 2005/06 and that they were prepared to use their capping powers again if necessary. In the event, the average increase was 4.1%.

Balance of Funding Review and the Lyons Inquiry

For the longer term, the Balance of Funding Review, chaired by Nick Raynsford, reported on 20 July 2004. The Review concluded that council tax has important advantages as a local tax and should be retained, but that it needs reform to address its impact on those on low incomes and the impact of revaluation. The only way identified by the Review to achieve a major shift in the balance of funding is supplementing a reformed council tax with either re-localised business rates or a local income tax or a combination of both. None of these options would be easy and further work would be required.

The Government agreed that council tax should be retained but reformed, and that further work was required. It commissioned an independent inquiry, being undertaken by Sir Michael Lyons, to consider the detailed case for changes to the present system of local government funding in England and to make recommendations on any changes that are necessary and how to implement them. He is due to report to the Deputy Prime Minister and the Chancellor of the Exchequer by the end of 2005.

Council tax revaluation 2007

We have continued to work closely with the Valuation Office Agency, in particular on preparations for council tax revaluation in 2005, which will take effect in 2007. The structure of the council tax, for the purposes of revaluation, will be informed by the findings of the Lyons Inquiry. An ODPM official is the Senior Responsible Officer (SRO) for this important project.

Business rates

Arrangements have been put in place to provide for new valuations of all business properties in England to take effect from 1 April 2005. A transitional relief scheme has been made to cushion the impact on bills for those whose rateable values have increased as a result of revaluation, and a special website has been set up jointly by ODPM and the Valuation Office Agency to provide information to business ratepayers. A new small business rate relief scheme, which will provide relief of up to 50% for qualifying businesses, has been developed and will also take effect from 1 April 2005.

The Government has introduced Business Improvement Districts, which allow businesses in an area to vote to raise supplementary rates to pay for specific improvements to their local areas. The enabling legislation was completed in September and, by the end of March 2005, nine schemes had balloted successfully. Following a consultation exercise and a dry run, arrangements were finalised for the new Local Authority Business Growth Incentives scheme which will encourage authorities to work with business by allowing them to keep part of the growth in local business rate revenue from 2005/06 onwards.

Provide robust and timely statistics

All survey outputs were produced to time, for use in the Local Government Finance settlement and by the Office for National Statistics (ONS) and HM Treasury. Revenue outturn data supply was accelerated by two months.

We delivered, tested and signed-off a new RSG calculation system in March 2005.

The support team for the Lyons Inquiry was recruited and trained up, and analytical models were ready to use by December 2004.

First dry run forms were issued to local authorities by March 2005.

Local Government Pension Scheme (LGPS)

The stocktake of the LGPS has, since 2001, developed a series of policy and regulatory changes for the Scheme to ensure its affordability and sustainability. A radical modernisation of the existing arrangements to bring forward a new-look LGPS for 2008 has already begun with the issue of a national consultation paper in October 2004.

Key work streams

Local government research

Milestones

Ensure effective use is made of research and analytical activity by ODPM and external stakeholders, and ensure a robust and reliable evidence base is produced to inform the development, delivery and evaluation of all major local government (LG) policies and initiatives.

Progress

- The 2004/05 local and regional government research programme consisted of 69 projects. Within this, 28 new projects were to be set up and 27 projects were to be completed.

The type of uses made of research on local government during 2004/05 include:

- **in-house analytical work:** measurement of PSA 4 cost-effectiveness target and BVPI trends analysis; publication and analysis of user satisfaction BVPI data and results; developing the methodology for the measurement of LG efficiency gains;
- **research to support LG Strategy:** underpinning evidence to neighbourhood and leadership daughter documents and key research support on the future of local services project and visioning;
- **dissemination of research findings:** through joint dissemination strategy with LGA, Audit Commission, IDeA, SOLACE and EO; via standard research reports and seminars/presentations by contractors; via senior staff presentations; and speeches by Ministers and members of the research unit;
- **programme of process and impact evaluations on all aspects of the LG modernisation agenda:** contributing evidence to support policy thinking and delivery on new council constitutions/political leadership, LAAs, LSPs, Intervention and Recovery Support;
- **specific, ad-hoc pieces of research:** on modelling transitional arrangements and small business rate relief; central–local e-communications; LG equality and diversity; and
- **research-based advice and briefing:** on topics as wide-ranging as barriers to recruitment of councillors, public attitudes towards LG and analysis of local authority markets.

Quality of data systems

An external review of ODPM analytical activity undertaken during 2004/05 found that both internal and external stakeholders considered that effective use was being made of research on LG and that it was providing a reliable evidence base.

SR 2000 SDA target

To ensure continuous improvements in customer satisfaction with the overall service provided by their authority.

Milestones

Baseline established for 2000/01 in terms of Best Value Performance Indicator (BVPI) user satisfaction surveys carried out by all local authorities in England. These surveys – the general (covering corporate, environmental, waste, transport and cultural services), tenants’, planning, benefits’ and libraries’ surveys – have been repeated in 2003/04.

Performance indicator

Statutory indicators of user satisfaction with local government and its services are contained within the 2003/04 BVPI suite. These repeat the same user satisfaction indicators included in the 2000/01 set of BVPIs. These are:

(All local authorities in England need to monitor their performance against these indicators)

Indicator	Survey for collection
BV 3, BV 4, BV 89, BV 90, BV 103, BV 104, BV 119	General survey
BV 80	Benefits’ survey
BV 111	Planning survey
BV 118	Libraries’ survey
BV 74, BV 75	Tenants’ survey

Progress

The second triennial survey of LA customer satisfaction was completed in 2003/04. National and regional aggregate results published on 30 June 2004 show that the level of satisfaction with LAs overall has declined on average by 10 percentage points over the past three years.

Results for different services are more mixed: with satisfaction declining in 7 of the 14 BVPIs collected by the survey, and increasing in the remaining 7 indicators. Preliminary analysis shows that there is a relationship between feeling well informed about an authority and being satisfied. Those who feel ‘very’ or ‘fairly well informed’ are more likely to think that the authority has got better over the last three years.

We have developed a work programme for improving customer satisfaction. This includes disseminating the results of the survey to LGs and holding bi-laterals with Whitehall Departments; conducting further analysis of the

2003/04 results at a national level and developing a toolkit to help local authorities analyse their own results; and developing ideas for improving satisfaction. We have established a cross-Whitehall project group to co-ordinate and oversee this work programme.

Development work has also started on an annual tracker survey to begin in spring 2005, which provide data between the three-yearly BVPI surveys and will include an in-depth qualitative study giving us a better understanding of what drives people's views of satisfaction.

Tenant satisfaction continues to be monitored through the two national Best Value Indicators. BV 74 collects information on tenant satisfaction with overall landlord service and BV 75 collects information on tenant satisfaction with opportunities for participation.

As stated in the SDA description, the data are required at least every three years (starting with 2000/01) and information was last collected in 2003/04. The Audit Commission collect and validate the data. However ODPM will be assessing the latest findings in due course and in particular looking for emerging trends.

The target setting for these indicators is local.

Quality of data systems

External auditors appointed by the Audit Commission audit the data. It is also quality assured by the Audit Commission.

Maintaining Fire and Rescue Services

Report on Progress Against the Fire and Rescue National Framework

Under section 25 of the Fire and Rescue Services Act 2004, the Secretary of State is required to report on progress against the Fire and Rescue National Framework.⁶

All Fire and Rescue Authorities (FRAs) published an Integrated Risk Management Plan (IRMP) for their areas, following local consultation. Most FRAs are making use of the research embodied in the Fire Service Emergency Cover Toolkit to support and inform their IRMP process.

From the information provided by some FRAs in connection with the Home Fire Risk Check Initiative, 27 FRAs purchased and installed smoke alarms supported by home fire risk checks and funded by the capital funding from ODPM in the latter part of the year. Since October 2004, at least 90,000 smoke alarms have been installed through the Initiative. As reported in *Evaluation of interventions with arsonists and young firesetters* (ODPM, 2005), 32 FRAs ran young firesetter programmes. In addition, 31 FRAs ran arson reduction initiatives funded by the Arson Control Forum Implementation Fund.

Since the publication of the 2004/05 Fire and Rescue National Framework, Regional Management Boards have identified and begun taking forward the work required of them. Progress has been made in all areas, but has varied from region to region; Regional Management Boards have appointed regional project directors and regional project managers for the FiReControl project to establish Regional Control Centres. They have also responded to ODPM's consultation on Finance and Governance and have indicated their preferred governance vehicle. Most actions are for later reporting periods. ODPM's Business Change Managers have established links with key stakeholders in a number of areas, such as Crime and Disorder Partnerships and Local Strategic Partnerships.

A number of co-responder schemes have been established by FRAs. Response to major incidents, such as the flooding in Boscastle and in Carlisle, has shown the Fire and Rescue Service working co-operatively with other emergency services, the Environment Agency and regional Government Offices. The Civil Contingencies Act received Royal Assent on 18 November 2004. It delivers a

6 Section 25 reads:

- (1) The Secretary of State must report to Parliament on:
 - (a) the extent to which fire and rescue authorities are acting in accordance with the Framework prepared under section 21;
 - (b) any steps taken by him for the purpose of securing that fire and rescue authorities act in accordance with the Framework.
- (2) The first report under subsection (1) must be made before the end of the period of two years starting on the date when the Framework as first prepared is brought into effect.
- (3) Every subsequent such report must be made before the end of the period of two years starting on the date on which the last such report was made.

single framework for civil protection in the UK to meet the challenges of the twenty-first century. FRAs – as Category 1 Responders – have a duty to work in co-operation with each other to assess, plan, share information and inform. Part 1 Regulations and Guidance are planned to come into effect in November 2005 – there is no available evidence to indicate how FRAs are progressing until after the Regulations and Guidance are published in summer 2005. All FRAs participate in Regional Resilience Forums.

The Audit Commission's Fire Comprehensive Performance Assessment (CPA) framework contains specific diagnostics for equality and diversity and the Integrated Personal Development System. Fire CPA reports will be published in August 2005.

FRAs used formula, transitional and specific funding from central government, and the council tax that they raised to meet the cost of the pay award and to invest in modernisation, such as increased fire prevention measures to increase their efficiency and effectiveness. Combined FRAs also started to build reserves.

Many FRAs have provided details of research undertaken as part of the stakeholder consultation exercise for the Fire Research Academy. FRAs continue to provide comprehensive information on fires and associated casualties and detailed operational data. In addition, FRA representatives have been active in helping to progress the e-data collection project.

The Deputy Prime Minister has taken no formal steps to secure that FRAs act in accordance with the 2004/05 National Framework.

SR 2000 SDA target

To reduce sickness absence, and sustain improvement thereafter, in the Fire Service by 2005 to a level consistent with or better than those presently achieved by the best quartile of employers, e.g. an average of 6.5 shifts for firefighters and 5.4 shifts for control room staff.

Performance indicator

Shifts lost through sickness absence.

Progress

For 2003/04, levels of absence due to sickness were 10.4 shifts per person for full-time firefighters and 13.5 shifts for control room staff. There has been a slight increase in sickness levels for full-time firefighters and control room staff.

Quality of data systems

All FRAs now record and monitor sick absence data. Ownership may vary. Some systems are managed within the brigade, some by the county council and others are contracted-out services.

SR 2000 SDA target

Reduce the number of building fires in England and Wales by 10% by March 2004 from the 1998/99 baseline by, for example, development of fire safety communication materials and national campaigns alongside supporting brigades in local initiatives and technical research.

Milestones

	Building fires
1999/00	93,627
2000/01	91,716
2001/02	89,806
2002/03	87,895
2003/04	85,984

Progress

A total of 90,553 building fires were recorded in 2003/04, which is a 5% decrease compared with 1998/99. Within the total, the number of dwelling fires has fallen by 10% since 1998/99.

Quality of data systems

Incident information collected from FRAs and validated by Fire and Rescue Service statistics' team. As these are national statistics, they have to comply with the National Statistics Code of Practice.

SR 2000 SDA target

Fire Service to set a target of achieving 9% women amongst uniformed staff by 31 March 2004.

Minority ethnic target of 3.6% (uniformed and non-uniformed combined).

Performance indicator

This information is derived directly from the statistical returns submitted by individual FRAs to the statistical branch of the Fire Research and Statistics Division within ODPM. Statistical information is also collected on recruitment retention and progression. Targets for career progression and retention have

been set on the basis that the percentage of women and ethnic minority staff promoted or leaving the Service should be equal to the percentage of white men.

Progress

On 31 March 2004, women formed 2.4% of the operational workforce (firefighters). The target was therefore **not met**. However, since the employment targets were set in 2000, there has been a steady improvement in the representation of women. A Home Office Legacy Target, set in 1999, aims to increase the percentage of women amongst operational staff to 15% by 2009.

On 31 March 2004, minority ethnic staff formed 2.4% of all staff (uniformed and non-uniformed combined). The target was therefore **not met**. There has been a steady improvement in the representation of minority ethnic staff, however. A Home Office Legacy Target, set in 1999, aims to increase the percentage of minority ethnic staff within the Fire Service to 7% by 2009.

Quality of data systems

Data collected from FRAs and validated by the Fire and Rescue Service statistics team.

SR 2000 SDA target

To operate effective occupational health policies and sound management practices so that within the terms of the pension scheme criteria, levels of ill-health retirement are reduced by 2005 and are consistent with, or better than, the best quartile of 6.9 retirements per 1,000 employees for the Fire Service.

Milestones

10.9 retirements per 1,000 employees by end-2004; 6.9 by end-2005.

Performance indicator

Number of ill-health retirements per 1,000 employees.

Progress

Ill-health retirements

In 2003/04, there were 15.3 ill-health retirements for full-time fire fighters per 1,000 employees. This is an improvement on the previous year.

Not all the statistics for 2004/05 are available. However, early indications show a marked improvement over 2003/04; for example a reduction in ill-health retirements as a percentage of retirements from 70% to 44% in one FRA. This improvement reflects the changes in the pension scheme from

13 September 2004, which allow the redeployment of firefighters to non-operational roles.

Quality of data systems

Returns were validated by:

- checking that no data was missing;
- correlating different returns from the same brigade; and
- looking at the previous year's return for any major differences.

Civil resilience

The Civil Resilience Directorate (CRD) was established in June 2003 to co-ordinate ODPM resilience programmes. Resilience means ensuring that the country is well prepared to detect, prevent and respond to major emergencies, including terrorist attacks.

Key work streams Resilience Policy

Milestones

- To ensure that ODPM is prepared to respond effectively to any contingency.
- To have robust contingency plans for disposal of rubble and other debris from a catastrophic incident by autumn 2004.
- To achieve better contingency planning arrangements by:
 - completing a secure communications room by May 2004;
 - preparing a Civil Contingencies Manual by June 2004; and
 - establishing a suitably equipped Emergency Operations Centre by June 2004.

Performance indicator

Performance is measured against the delivery of programme milestones. In particular:

- completion of consultation and scoping on the disposal of rubble;
- completion of secure communications room;
- provision of first draft of Civil Contingencies Manual for internal review; and
- completion of procurement and operation procedures for Emergency Operations Centre.

Progress

Since its establishment CRD has ensured that ODPM is fully involved in the Government's resilience agenda. We have lead on providing the FRS with the capabilities to respond to major catastrophic incidents. The introduction of the Fire and Rescue Services Act 2004 provided the Fire and Rescue Service with the statutory cover to respond to such incidents. We have been working closely with the Fire and Rescue Services and other stakeholders to determine the detail as to the nature of the emergencies to which they should respond.

Within the department, we have updated our own response capabilities.

A secure communication room was completed on time in May 2004. All procurement, planning and operating procedures for the Emergency Operations Centre are also complete and training is underway for staff. The Civil Contingencies manual was prepared for July 2004 and is now being refined and revised. Guidance on the disposal of rubble is being revised and refined. The revisions focus on satisfying stakeholders over the most effective risk assessment process for delivering an effective response. The revised guidance will be rolled out in spring 2005.

Quality of data

Data are drawn from programme management activity and ongoing monitoring against programme milestones. As yet no formal quantitative measures are in place.

Key work streams

New Dimension – Phase II

Milestones

- To enhance the resilience capability of the UK Fire and Rescue Service by delivering urban search and rescue equipment and training.
- To develop the interim National Co-ordinating Centre (NCC) which will be responsible for managing a national crisis involving the deployment of New Dimension equipment.
- To begin the rollout of Detection, Identification and Monitoring (DIM) equipment from April 2004.
- To provide high volume pumping equipment with an initial capability from July 2004.
- To provide interim urban search and rescue vehicles to the Fire and Rescue Service in London, South West and North East regions by summer 2004.
- To contract for the provision of a comprehensive water safety programme for the Fire and Rescue Service by September 2004.
- To begin the rollout of permanent urban search and rescue vehicles from November 2004.

Performance indicator

Performance is measured against the delivery of programme milestones:

- Delivery of interim urban search and rescue capability into service.
- Acquisition and rollout of high volume pumping equipment into service.

- DIM training and equipment into each region.
- Delivery in service of Prime Movers.
- Interim NCC operational.

Progress

- Targets on urban search and rescue equipment were met and exceeded with urban search and rescue capability delivered to all regions.
- 10 initial high volume pumps are now in service and initial DIM basic detection capability has been rolled out in the regions.
- The interim NCC became operational in April 2004 for incident response unit tracking. This enables the central management of incident response.
- The module contract was awarded in February 2004.

Quality of data

Data are drawn from programme management information. Equipment numbers are taken from procurement data.

Key work streams

Firelink

Milestones

- To deliver a wide-area radio system which delivers interoperability within the Fire and Rescue Service and between Fire and Rescue Service and the other emergency services.
- Begin construction of the network in the first region by November 2004:
 - complete construction of network in five further areas by the end of 2005.

Performance indicator

- Invitations to be issued to the bidders in March 2005 for them to submit their best and final offers, with a view to evaluating the submissions and awarding to contract by June 2005.
- Programmes to be completed to ensure the continuing effectiveness of existing radio systems until the replacement system is introduced.

Progress

Good progress is being made in most areas.

The programme involves the procurement of a national wide area radio system for England, Wales and Scotland with planned completion by the end of 2008. The project also includes operational continuity of existing systems until completion of the **Firelink** roll-out.

Firelink will replace the wide area radio systems currently operated by the Fire and Rescue Service in England, Scotland and Wales with a new digital one, providing capabilities for national roaming and inter-operability both between brigades and with the other blue light emergency services. The competition to select a supplier is progressing behind the originally announced schedule, but is planned to have the new system in place and operational by the end of 2008.

The National Channel Plan has been achieved and existing systems remain operation as new systems come online. There has been some slight delay around the completion of negotiations with potential suppliers, although two strong potential suppliers have been identified and are competing for the Firelink contract. Contract Award is now targeted for May 2005.

Quality of data

Data are drawn from programme management information. No formal quantitative data are gathered for the programme at present.

Key work streams

Regional resilience

Milestones

- Develop methodology to be used in assessing risk at both national and regional level.
- To deliver plans for enhancing regional resilience in each region.
- To ensure the risk assessment methodology is complete by late summer 2004.
- To analyse regional risk by the autumn of 2004.
- To develop regional delivery plans to enhance resilience by late autumn 2004.
- To complete implementation of regional delivery plans, which is already ongoing.

Performance indicator

Indicators are drawn against the delivery of the milestones.

Progress

- Methodology for risk assessments was agreed and rolled out across the regions in autumn 2004.
- Regional risk assessment completed in January 2005.
- Development of regional delivery plans delayed pending further work by lead government departments. Now due to be agreed in spring 2005.

Quality of data

Data are reported against programme milestones from programme management information. No formal quantitative measures are in place at present.

Strategic Priority 5

Promoting the development of English regions

PSA 2 – SR 2002 PSA target

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

Joint target with HM Treasury and DTI.

Milestone

Identification of six to ten key measures to improve economic performance, to be published by July 2004.

Performance indicator

The headline measure for this PSA target is the trend rate of growth in Gross Value Added (GVA) per head. Trend growth for the baseline 1989–2002 period, for individual regions and for the top three and bottom six regions, is available on the ODPM, DTI and HM Treasury websites. The gap in the growth rates will be measured by comparing the average growth rate of regions that currently have above average GVA per head (top three regions) with the regions that currently have below average GVA per head (bottom six regions). This measurement involves comparing average growth for London, South East and East with average growth for North East, North West, Yorkshire and the Humber, West Midlands, East Midlands and South West, weighted by population. Measurement of trend rates of growth per head will use a similar methodology to that used by HM Treasury to estimate national trend GDP growth, i.e. by calculating average growth rates between points when the national economy can be identified as being ‘on trend’. For the baseline period, this involves looking at average growth between 1990/91 and 2001. As the baseline data show that trend growth in the three leading regions (in cash terms) was 5.2%, and 4.7% in the six lagging regions, the gap in growth rates is 0.5 percentage points.

As well as comparing the growth rates between these aggregations of regions, growth rates for individual regions will also be monitored to ensure that the part of the target that requires the performance of all regions to improve is being met.

Supporting indicators, including business surveys, employment statistics, unemployment rates, earnings growth, VAT registrations, and other indicators of the performance of the five drivers of productivity, are available to monitor performance, and will inform updates of performance, at six-monthly intervals. Improvements in the majority of these indicators (taking into account cyclical

influences) will be considered as evidence that progress is on track. An overall assessment of progress will also be made in 2006 with the latest data for GVA and other indicators then available. Where the indicators are not National Statistics, the indicators will be checked internally and agreed between the three departments. A suite of indicators to track progress on the PSA are available at www.rcu.gov.uk/reppsa

Progress

Significant progress has been made with the delivery of the Regional Economic Performance PSA over the past year:

- The identification of key measures to improve regional economic performance, based around the key drivers of economic growth – employment, skills, innovation, enterprise, investment and competition. These measures were published in the Technical Note for the PSA in July 2004 which can be viewed on the ODPM, DTI and HM Treasury websites.
- The publication of a summary of the background research by Frontier Economics that underpinned the work to develop these measures, which can be viewed on the regional overview section of the ODPM website.
- The publication, at the Sustainable Communities Summit on 1 February 2005, of *Realising the Potential of All Our Regions: the way forward* which sets out how the Government and RDAs are working together to deliver the REP PSA. *Realising the Potential of All Our Regions: the story so far*, which describes the measures already in place in more detail, is available on the ODPM website.
- The establishment of three demonstration projects to deliver some of the key PSA policy propositions on: addressing inactivity in the North East, especially amongst the sick and disabled; encouraging enterprise in the North West; and improving skills in Yorkshire and Humberside.
- The Secretaries of State for Education and Skills, for Transport, and for Work and Pensions have set out their commitment to seek to: reduce regional skills disparities; narrow regional disparities in employment rates; and to ensure that our transport system fully supports improved regional economic performance.

It is early days in the delivery of the PSA, but already we have:

- announced that we will match fund the RDAs' contribution to create a £100 million Northern Way Investment Fund to help close a £29 billion productivity gap with the rest of the country. This was alongside the publication of *Moving Forward: The Northern Way*, on 20 September 2004. *Smart Growth: The Midlands Way* and *The Way Ahead: Delivering sustainable*

communities in the South West were both published by the RDAs for those regions in January 2005;

- devolved responsibility to the RDAs for the delivery of Business Link services, R&D grants, business university links and promoting enterprise in disadvantaged areas from April 2005;
- given the RDAs substantial funding flexibility to allow them to respond to regional priorities and increase their funding from £1.6 billion in 2002/03 to £2.3 billion in 2007/08;
- will be investing £11 billion per year by 2007/08 on post-16 education and skills (excluding HE) across the English regions and enabling the RDA Chief Executive and Regional Local Skills Council Director in each region to adopt joint budgeting and planning of the adult skills budget, where they want it. (In the three Northern regions, this is worth £634 million in 2004/05);
- announced that the Government will examine new ways to integrate transport, economic and spatial development strategies in each region, within a framework of indicative funding allocations for each region; and
- announced an expansion to the 'Pathways to Work' pilots – an initiative to help people on Incapacity Benefit into work.

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

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

Quality of data

To measure performance against the regional economic performance target, the trend rate of growth in Gross Value Added (GVA) per head in each region will be estimated for the period 2003–2008. The gap in growth rates will be measured by comparing the average growth rate of regions that currently have above average GVA per head with the average growth rate of regions that currently have below average GVA per head. Annual GVA per head data for each region are only available after a 12-month lag so performance against this target will be reported in 2010.

The publication in March 2004 of *Productivity in the UK 5: Benchmarking UK productivity performance* proposed the publication of a suite of national and regional productivity indicators to help keep track of delivery of the PSA. The

Government response was published in October 2004 and a suite of indicators are now available at www.rcu.gov.uk/reppsa

Christopher Allsopp was commissioned to carry out an independent review of the regional information and statistical framework needed to support the Government's objective of promoting economic growth in all the regions and reducing the persistent gap in growth rates between the regions. The Allsopp Review¹ issued its final report in March 2004 and made a number of recommendations accepted by the Government. In response, the Office for National Statistics will, beginning with new surveys in 2006, deliver reliable baseline GVA estimates by region, a framework that better reflects economic diversity and change, and put statisticians in every region by March 2007 to strengthen links with devolved administrations and regional bodies.

PSA 3 – SR 2002 PSA target

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

Milestones

Completion of local government reviews:

- Preparation for the first assembly referendums and the local government referendums including all the necessary secondary legislation.
- Preparation of draft Regional Assemblies Bill.
- Development and implementation of a communications strategy to raise awareness and encourage voter turnout.
- Holding of referendum in North East.

Performance indicator

Whether referendums are held before the end of this Parliament.

Progress

The referendum in the North East was held on 4 November 2004. The people of the North East voted against the establishment of an elected regional assembly. Turnout was nearly 48%. After reflecting on this result, and taking into consideration the impact of a long period of uncertainty on local government in Yorkshire and the Humber and the North West, the Government has decided not to bring forward orders for referendums to be held in either of these regions.

Annex: Core tables

B

B1 – Total Public Spending for ODPM

Table 1: Total public spending for the Office of the Deputy Prime Minister

£000s

	1999/00 outturn	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans	2007/08 plans
Consumption of resources									
Housing Supply and Demand	1,326,945	1,271,016	1,106,911	1,431,846	2,103,616	2,007,075	2,375,941	2,611,785	3,043,465
Decent Places to Live	574,450	560,126	471,093	387,884	351,194	203,253	336,397	292,178	244,325
Tackling Disadvantage	30,802	79,031	167,771	316,550	2,204,560	2,220,271	2,098,466	2,141,624	2,189,121
Better Services	8,101	3,739	10,848	88,797	70,046	107,320	111,682	95,121	181,451
Development of English Regions	571,349	652,033	452,368	1,068,789	1,015,234	1,169,956	1,198,334	1,259,653	1,288,207
Admin	137,241	179,145	174,891	118,989	182,302	217,535	206,925	200,965	198,845
Government Office Administration	66,049	70,756	104,156	110,690	133,858	141,392	103,160	103,102	103,102
European Structural Funds - Net	61,243	93,141	45,720	91,977	141,022	185,937	69,666	106,570	106,570
European Structural Funds - ODPM	63,503	1,238	2,452	7,745	2,814	533	5,003	5,002	5,002
Ordnance Survey	-	-	-	-	-	-	-20	-20	-20
Queen Elizabeth II Conference Centre	-	-	-	-	-	-	-	-	-
Executive Agency	-740	-747	-819	-183	-1,724	1	-1,406	-1,409	-1,409
Local and Regional Government	34,121,393	35,330,845	37,420,099	37,565,314	41,219,741	43,815,725	46,863,132	49,020,709	51,531,427
Total resource budget	36,960,336	38,240,323	39,955,490	41,188,398	47,422,663	50,138,998	53,367,280	55,835,280	58,890,086
<i>of which</i>									
Resource DEL (1)	36,288,175	37,730,147	39,102,847	40,777,407	46,915,379	49,591,307	52,534,147	55,315,931	58,371,125
Capital spending									
Housing Supply and Demand	330,195	401,963	468,044	500,227	387,551	800,360	471,340	436,118	428,819
Decent Places to Live	1,258,950	2,150,700	742,380	1,414,138	1,259,928	1,926,973	2,300,116	2,257,408	2,224,682
Tackling Disadvantage	66,723	84,451	114,064	163,558	221,026	223,419	208,088	226,432	215,686
Better Services	26,419	33,520	56,775	47,839	108,716	106,974	137,134	165,296	128,296
Development of English Regions	133,056	153,962	657,135	255,433	523,787	299,710	300,000	308,570	341,727
Admin	5,979	9,252	8,189	6,723	11,103	10,256	61,716	20,800	20,920
Government Office Administration	1,041	2,863	947	1,143	2,118	5,439	2,860	2,860	2,860
European Structural Funds - Net	46,809	144,310	117,258	102,664	128,894	123,747	110,406	142,713	142,713
European Structural Funds - ODPM	58,612	5,768	29,680	31,234	-	-	1	-	-
Ordnance Survey	-	-	-	-	-	-	-	-	-
Queen Elizabeth II Conference Centre	-	-	-	-	-	-	-	-	-
Executive Agency	-82	-82	-82	-113	-82	-	-82	-82	-82
Local and Regional Government	272,298	55,544	133,797	257,692	339,303	296,644	348,751	248,751	248,751
Total capital budget	2,200,000	3,042,251	2,328,187	2,780,538	2,982,344	3,793,522	3,940,330	3,808,866	3,754,372
<i>of which</i>									
Capital DEL	2,179,003	2,787,060	2,278,187	2,176,722	2,766,055	3,164,963	3,324,330	3,192,866	3,138,372
Total public spending (1)	39,153,338	41,272,333	42,269,774	43,959,891	50,390,860	53,906,796	57,294,844	59,613,476	62,607,961
(1) Total public spending calculated as the total of the resource budget plus the capital budget, less depreciation									
Spending by local authorities on functions relevant to the department									
Current spending	5,048,694	5,563,168	5,958,359	6,233,869	7,775,222	8,915,623			
<i>of which</i>									
financed by grants from budgets above	34,021,214	35,266,631	37,388,880	37,667,828	43,204,273	45,887,976			
Capital spending	664,329	920,303	1,378,945	1,039,709	897,530	2,412,165			
<i>of which</i>									
financed by grants from budgets above	2,146,729	2,981,827	1,859,340	2,674,044	2,513,077	3,246,756			

B2 – Resource Budget for ODPM, incl. contingency planning work

Table 2: Resource budget for the Office of the Deputy Prime Minister

£000s

	1999/00 outturn	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans	2007/08 plans
Housing Supply and Demand	1,326,945	1,271,016	1,106,911	1,431,846	2,103,616	2,077,075	2,375,941	2,611,785	3,043,465
<i>of which</i>									
Housing Supply and Demand	1,326,945	1,271,016	1,106,911	1,431,846	2,103,616	2,077,075	2,375,941	2,611,785	3,043,465
Decent Places to Live	574,450	560,126	471,093	387,884	351,194	203,253	336,397	292,178	244,325
Tackling disadvantage	30,802	79,031	167,771	316,550	2,204,560	2,220,271	2,098,466	2,141,624	2,189,121
Better services	8,101	3,739	10,848	88,797	70,046	107,320	111,682	95,121	181,451
Development of English Regions	571,349	652,033	452,368	1,068,789	1,015,234	1,169,956	1,198,334	1,259,653	1,288,207
Admin	137,241	179,145	174,891	118,989	182,302	217,535	206,925	200,965	198,845
<i>of which</i>									
Central Admin	137,241	179,145	174,891	118,989	182,302	217,535	206,925	200,965	198,845
Government Office Administration	66,049	70,756	104,156	110,690	133,858	141,392	103,160	103,102	103,102
European Structural Funds – Net	61,243	93,141	45,720	91,977	141,022	185,937	69,666	106,570	106,570
European Structural Funds – ODPM	63,503	1,238	2,425	7,745	2,814	533	5,003	5,002	5,002
Ordnance Survey	–	–	–	–	–	–	-20	-20	-20
Queen Elizabeth II Conference Centre Executive Agency	-740	-747	-819	-183	-1,724	1	-1,406	-1,409	-1,409
Local and Region Government	34,121,393	35,330,845	37,420,099	37,565,314	41,219,741	43,815,725	46,863,132	49,020,709	51,531,427
Total resource budget	36,960,336	38,240,323	39,955,490	41,188,398	47,422,663	50,138,998	53,367,280	55,835,280	58,890,086

B3 – Capital Budget for ODPM

Table 3: Capital budget for the Office of the Deputy Prime Minister

£000s

	1999/00 outturn	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans	2007/08 plans
Housing Supply and Demand	330,195	401,963	468,044	500,227	387,551	800,360	471,340	436,118	428,819
<i>of which</i>									
Housing Supply and Demand	330,195	401,963	468,044	500,227	387,551	800,360	471,340	436,118	428,819
Decent Places to Live	1,258,950	2,150,700	742,380	1,414,138	1,259,928	1,926,973	2,300,116	2,257,408	2,224,682
Tackling disadvantage	66,723	84,451	114,064	163,558	221,026	223,419	208,088	226,432	215,686
Better services	26,419	33,520	56,775	47,839	108,716	106,974	137,134	165,296	128,296
Development of English Regions	133,056	153,962	657,135	255,433	523,787	299,710	300,000	308,570	341,727
Admin	5,979	9,252	8,189	6,723	11,103	10,256	61,716	20,800	20,920
<i>of which</i>									
Central Admin	5,979	9,252	8,189	6,723	11,103	10,256	61,716	20,800	20,920
Government Office Administration	1,041	2,863	947	1,143	2,118	5,439	2,860	2,860	2,860
European Structural Funds – Net	46,809	114,310	117,258	102,664	128,894	123,747	110,406	142,713	142,713
European Structural Funds – ODPM	58,612	5,768	29,680	31,234	-	-	1	-	-
Queen Elizabeth II Conference Centre Executive Agency	-82	-82	-82	-113	-82	-	-82	-82	-82
Local and Region Government	272,298	55,544	133,797	257,692	339,303	296,644	348,751	248,751	248,751
Total capital budget	2,200,000	3,042,251	2,328,187	2,780,538	2,982,344	3,793,522	3,940,330	3,808,866	3,754,372

B4 – Capital employed

Table 4: Office of the Deputy Prime Minister capital employed

£000s

	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Forecast	2005/06 Projected	2006/07 Projected	2007/08 Projected
Assets on balance sheet at end of year:								
Fixed assets								
Intangible Fixed Assets		49	57	361	370	379	390	400
Tangible Fixed Assets								
Land and Buildings		26,696	29,088	26,748	30,588	34,429	35,826	36,902
Plant, equipment and other		27,013	29,080	93,758	143,391	223,878	282,650	261,418
Vehicles		0	10,757	23,736	32,240	40,743	39,960	39,182
Investments		24,729	24,627	46,591	46,451	46,310	45,501	44,872
Current Assets		2,378,391	1,284,082	974,089	1,130,724	615,950	615,780	615,570
Creditors (< 1 year)		-3,302,313	-1,398,375	-1,186,186	-1,523,646	-1,427,685	-1,418,428	-1,417,165
Creditors (> 1 year)		0	-2	-8,868	-9,086	-9,315	-9,571	-9,835
Provisions		-331,452	-41,479	-56,668	-46,961	-41,600	-40,309	-39,996
Capital employed within main department		-1,176,886	-62,165	-86,439	-195,930	-516,912	-448,202	-468,652
NDPB net assets	706,162	725,658	641,024	752,758	899,770	1,182,000	1,457,000	1,639,494
Total capital employed in departmental group		-451,228	578,859	666,319	703,840	665,088	1,008,798	1,170,842

Notes:

- Prior to the creation of ODPM the first audited figures were produced as comparatives (2001-02 Outturn) during the preparation of ODPM's first set of audited accounts (2002-03 Outturn). 2000-01 audited figures are available only for the NDPBs already in existence before ODPM's formation.
- Years 2001-02 to 2003-04 exclude figures for the Rent Service which was transferred to the Department for Work and Pensions on 1 April 2004.

B5 – Administration costs for the ODPM

Table 5: Administration costs for the ODPM

£000s

Year end for financial year	1999/00 outturn	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans	2007/08 plans
Administration expenditure									
Paybill	126	126	110	149	174	200	171	168	165
Other	46	105	156	92	140	155	127	128	129
Total Administration Expenditure	172	231	266	241	314	355	298	296	294
Administration Income	-4	-4	-8	-15	-25	-29	-11	-11	-11
Total Administration Budget	168	227	258	226	289	326	287	285	283
Analysis by activity									
Central administration	89	145	142	113	152	182	181	179	177
Government Offices ⁽¹⁾	66	71	104	111	134	141	103	103	103
PSA services: central	11	9	10	0	1	0	0	0	0
Rent Assessment panels	2	2	2	2	2	3	3	3	3
Total Administration Budget	168	227	258	226	289	326	287	285	283

(1) The plans for the Government Offices do not include PES transfers from sponsor Departments which have been agreed in principle but not yet undertaken. These transfers would increase the GO baseline to approximately £140 million.

(2) Total administration costs reflect significant changes to the cost of capital.

B6 – ODPM staffing table

Table 6: Office of the Deputy Prime Minister staffing table (1)

	2004/05	2005/06	2006/07
	Actual	(Estimated)	(Estimated)
ODPM¹			
CS FTEs	2,366.56	2,428.52	2,273.77
Overtime (FTE staff)	N/A	N/A	N/A
Casuals	41	27	18
Total	2,407.56	2,455.52	2,291.77
ODPM staff in the Government Offices			
CS FTEs	965	894	839
Overtime (FTE staff)	N/A	N/A	N/A
Casuals	22	22	22
Total	987	916	861
Planning Inspectorate			
CS FTEs	695.7	695.7	715.7
Overtime (FTE staff)	175	175	175
Casuals	52.55	52.55	52.55
Total	923.25	923.25	943.25
QEII Conference Centre			
CS FTEs	49.5	54.3	54.3
Overtime (FTE staff)	32	32	32
Casuals	2	0	0
Total	83.5	86.3	86.3
The Fire Service College			
CS FTEs	297.7	284.3	284.3
Overtime (FTE staff)	N/A	N/A	N/A
Casuals	7	5	5
Total	304.7	289.3	289.3
Total ODPM	4,706.01	4,670.37	4,471.62

1 CS FTEs include permanent staff; staff on inward loan and secondments. Figures may differ from those in previous years due to adoption of new definition.

B7 – Expenditure on services

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

£ million

	1999/00 Outturn	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Plans	2005/06 Plans	2006/07 Plans	2007/08 Plans
North East	177.7	181.4	244.6	265.0	324.3	320.4	350.5	372.5	414.7
North West	460.3	429.2	430.7	527.2	587.6	697.7	782.4	832.3	901.6
Yorkshire and Humberside	253.1	241.1	316.5	363.8	431.9	411.9	458.4	498.5	548.5
East Midlands	144.2	130.7	138.0	209.6	270.1	282.1	287.9	302.2	317.8
West Midlands	245.1	238.7	293.7	373.9	444.3	416.6	474.1	505.2	532.4
South West	154.1	154.8	176.3	217.5	313.1	289.3	301.4	323.5	351.7
Eastern	111.0	113.2	138.6	166.2	278.7	290.9	273.9	294.3	332.1
London	1009.4	1008.9	832.4	887.9	1126.7	1029.0	1026.6	1111.3	1246.9
South East	218.2	218.8	208.2	339.8	513.9	594.1	477.1	483.9	527.1
Total England	2773.0	2716.7	2778.8	3350.9	4290.8	4332.0	4432.3	4723.9	5172.7
Scotland	0.3	0.1	0.4	-11.0	0.2	0.0	0.0	0.0	0.0
Wales	1.5	0.9	1.2	7.4	10.1	5.9	5.6	9.0	12.8
Northern Ireland	0.0	0.0	0.0	-4.9	0.1	0.0	0.0	0.0	0.0
Total UK identifiable expenditure	2774.8	2717.8	2780.5	3342.4	4301.2	4338.0	4437.9	4732.9	5185.6
Outside UK	0.1	0.0	0.2	0.1	0.0	5.0	5.0	5.0	5.0
Total identifiable expenditure	2774.9	2717.8	2780.6	3342.5	4301.2	4343.0	4442.9	4737.9	5190.6
Non-identifiable expenditure	330.0	335.0	340.0	336.0	404.0	613.9	567.0	443.2	459.8
Total expenditure on services	3104.9	3052.8	3120.6	3678.5	4705.2	4956.9	5009.9	5181.1	5650.4

B8 – Expenditure on services per head

Table 7: Identifiable expenditure on services, by country and region, per head **£s per head**

	1999/00 Outturn	2000/01 Outturn	2001/02 Outturn	2002/03 Outturn	2003/04 Outturn	2004/05 Plans	2005/06 Plans	2006/07 Plans	2007/08 Plans
North East	69.4	71.1	96.2	104.3	127.8	126.2	138.2	147.1	164.0
North West	67.8	63.4	63.6	77.8	86.6	102.5	114.9	122.0	132.0
Yorkshire and Humberside	51.1	48.6	63.8	73.1	86.5	82.2	91.3	99.0	108.6
East Midlands	34.9	31.5	33.1	50.0	64.0	66.3	67.3	70.3	73.6
West Midlands	46.5	45.3	55.7	70.8	83.8	78.3	88.9	94.6	99.4
South West	31.8	31.7	35.9	44.0	63.0	57.9	59.9	63.9	69.0
Eastern	20.9	21.2	25.8	30.8	51.4	53.2	49.8	53.2	59.6
London	142.9	141.0	115.0	121.3	152.9	139.3	138.2	148.7	165.8
South East	27.7	27.5	26.1	42.4	63.9	73.5	58.7	59.3	64.2
Total England	56.8	55.4	56.4	67.8	86.4	86.9	88.5	94.0	102.5
Scotland	0.1	0.0	0.1	-2.2	0.0	0.0	0.0	0.0	0.0
Wales	0.5	0.3	0.4	2.5	3.5	2.0	1.9	3.0	4.3
Northern Ireland	0.0	0.0	0.0	-2.9	0.1	0.0	0.0	0.0	0.0
Total UK identifiable expenditure	47.5	46.3	47.2	56.5	72.5	72.8	74.2	78.9	86.1

B9 – Identifiable expenditure on services, by function and region, for 2003/04

Table 9

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	England	Scotland	Wales	Northern Ireland	UK Identifiable expenditure	OUTSIDE UK	Total Identifiable expenditure	Not Identifiable	Totals	
General public services																			
Public and common services	16.0	25.2	18.4	15.4	18.9	19.9	18.7	27.3	22.9	182.7	0.0	0.3	0.0	183.0	0.0	183.0	396.0	579.0	
Total General public services	16.0	25.2	18.4	15.4	18.9	19.9	18.7	27.3	22.9	182.7	0.0	0.3	0.0	183.0	0.0	183.0	396.0	579.0	
Defence																			
Civil defence	1.0	1.0	0.0	1.0	1.0	1.0	1.0	2.0	1.5	9.5	0.0	0.0	0.0	9.5	0.0	9.5	6.0	15.5	
Total Defence	1.0	1.0	0.0	1.0	1.0	1.0	1.0	2.0	1.5	9.5	0.0	0.0	0.0	9.5	0.0	9.5	6.0	15.5	
Public order and safety																			
Fire	2.7	3.9	1.7	2.0	2.8	2.8	2.4	5.4	4.4	28.1	0.2	1.7	0.1	30.1	0.0	30.1	2.0	32.1	
Total Public order and safety	2.7	3.9	1.7	2.0	2.8	2.8	2.4	5.4	4.4	28.1	0.2	1.7	0.1	30.1	0.0	30.1	2.0	32.1	
Enterprise and economic development																			
Regional policy	228.2	379.6	306.9	164.0	282.1	132.8	99.0	87.7	63.2	1,743.5	0.0	0.0	0.0	1,743.5	0.0	1,743.5	0.0	1,743.5	
Total Enterprise and economic development	228.2	379.6	306.9	164.0	282.1	132.8	99.0	87.7	63.2	1,743.5	0.0	0.0	0.0	1,743.5	0.0	1,743.5	0.0	1,743.5	
Housing and Community amenities																			
Local authority housing	14.3	29.0	18.8	12.0	18.6	7.2	7.9	84.3	10.9	203.0	0.0	0.0	0.0	203.0	0.0	203.0	0.0	203.0	
Other housing and community services	10.8	26.7	16.6	13.7	17.9	31.1	26.9	143.5	88.0	375.2	0.0	1.5	0.0	376.7	0.0	376.7	0.0	376.7	
Other social housing	42.7	112.1	68.0	54.9	92.0	107.2	116.0	744.7	311.3	1,648.9	0.0	0.0	0.0	1,648.9	0.0	1,648.9	0.0	1,648.9	
Total Housing and Community amenities	67.9	167.8	103.4	80.6	128.5	145.5	150.8	972.5	410.2	2,227.2	0.0	1.5	0.0	2,228.7	0.0	2,228.7	0.0	2,228.7	
Health																			
Medical services	7.6	7.6	0.0	5.7	9.5	9.5	5.7	9.5	9.5	64.6	0.0	6.7	0.0	71.3	0.0	71.3	0.0	71.3	
Total Health	7.6	7.6	0.0	5.7	9.5	9.5	5.7	9.5	9.5	64.6	0.0	6.7	0.0	71.3	0.0	71.3	0.0	71.3	
Social protection																			
Personal social services	0.8	2.5	1.5	1.3	1.5	1.6	1.0	22.3	1.9	34.4	0.0	0.0	0.0	34.4	0.0	34.4	0.0	34.4	
Public sector occupational pensions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.3	
Total Social protection	0.8	2.5	1.5	1.3	1.5	1.7	1.1	22.3	2.2	34.9	0.0	0.0	0.0	34.9	0.0	34.9	0.0	34.9	
Total for: Office of the Deputy Prime Minister	324.3	587.6	431.9	270.1	444.3	313.1	278.7	1,126.7	513.9	4,290.6	0.2	10.1	0.1	4,301.0	0.0	4,301.0	404.0	4,705.0	

Footnote to Table 9

DR Dept Group	Total Budgets 2003/04				Remove:				Add:				EU transactions	Total CG/PC spending on services			
	Res DEL	Cap DEL	Res AME	Cap AME	Finance to LAS	Finance to PCs	Financial transactions	Non-cash items in DEL	Non-cash items in AME	Profit/loss of PCs	Other items not in TME	Interest and dividends			PC capex	Trust Debt	Public sector debt interest
Crown Prosecution Service	513	7														518	
DCA	2,986	127	58		-315		112	-69								2,899	
DCMS	1,279	147	1,592	841	-910	0	-150	1			70		122			2,992	
DEFRA	2,716	350	2,168	1	-120	-1	-125	-23					5			4,971	
DFES (incl. OFSTED)	23,049	3,297	6,842	4	-8,977		-25	-5,921								18,269	
DfT	7,850	4,539	3,088		-5,152	-19	-514	-3,088			22	5	25			6,748	
DH	62,549	2,536	5,395		-1,948		-2,403	-7,478			705	0	5	-831		58,527	
DTI	4,231	576	1,062	50	-100		-23	-136				96	670			6,089	
DWP	8,237	226,100,932		90	-11,220	-7	-76	-121					5			97,976	
HM Customs & Excise	1,144	54					-44				2					1,156	
Home Office	11,683	927	40		-4,582		-357				45		9			7,765	
Inland Revenue	2,887	175	19,896				-99	-421			11	-2				22,447	
ODPM	45,627	2,527	2,088	216	-45,717	-68	-35	0				21	64			4,707	
Office of Rail Regulator	0	0					0				15					15	
Other depts	75,219	9,411	18,549	-378	-11,004	-68	-11,403	-9,484			87	244	624	-66	22,746	92,711	
DR dept group	Total Outturn 2003-04																
	as at December 2004																
Res DEL	45,627																
Cap DEL	2,527																
Res AME	2,088																
Cap AME	216																
Remove:	50,458																
Finance to LAS	-45,717																
Finance to PCs	-68																
Financial transactions	-68																
Non-cash items in DEL	-16																
Interest and dividends	-35																
Other items not in TME	21																
Profit/loss of PCs	-45,815																
Non-cash items in AME																	
Non-cash items in DEL																	
Financial transactions																	
Non-cash items in DEL																	
Non-cash items in AME																	
Profit/loss of PCs																	
Other items not in TME																	
Interest and dividends																	
PC capex																	
Trust Debt																	
Public sector debt interest																	
EU transactions																	
Total CG/PC spending on services																	
Add:																	
PC capex	64																
PC capex	64																
Total CG/PC spending on services	4,707																

Footnotes/Explanatory Text

- The spending data shown in these tables is consistent with the country and regional analyses (CRA) published by HM Treasury in Public Expenditure Statistical Analyses (PESA). PESA contains more tables analysed by country and region, and also explains how the analysis was collected and the basis for allocating expenditure between countries and regions.
- The tables include the spending of the department and its NDPBs on payments to private sector and subsidies to public corporations. They do not include capital finance to public corporations but do include public corporations capital expenditure. They do not include payments to local authorities or local authorities own expenditure.
- The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.
- The tables do not include depreciation, cost of capital charges or movements in provisions that are in DEL/AME. They do include salaries, procurement expenditure, capital expenditure and grants and subsidies paid to individuals and private sector enterprises.
- The figures were collected about three months before the figures in the other tables, and therefore may not show the latest position.
- Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the departments area of responsibility, usually England, compare. So the analysis shows the regional outcome of spending decisions that have on the whole not been made primarily on a regional basis.
- The functional categories used are the standard United Nations Classifications of the Functions of Government (COFOG) categories. This is not the same as the strategic priorities used elsewhere in the report.

B10 –

Table 10: Departmental expenditure on services by country and region, for 2003/04

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	Scotland	Wales	Northern Ireland	OUTSIDE UK	Not Identifiable	£s Millions
Main Programmes (RfR1)															
Housing Supply and Demand															
061105	0.3	0.8	0.6	0.5	0.6	0.6	0.6	0.8	0.9	0.0	0.0	0.0	0.0	0.0	5.6
061106	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
061107	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070205	42.7	112.1	68.0	54.9	92.0	107.2	116.0	744.5	311.1	0.0	0.0	0.0	0.0	0.0	1,648.4
070205	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.3
070212	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2
070213	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
070407	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.4
070702	0.3	0.3	0.1	0.3	0.3	0.2	0.4	4.3	0.4	0.0	0.0	0.0	0.0	0.0	6.4
070712	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
070715	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.6
070716	0.2	0.5	0.4	0.3	0.4	0.2	0.3	0.6	0.3	0.0	0.0	0.0	0.0	0.0	3.2
070721	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
070723	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	1.3
070724	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070725	0.0	0.0	0.0	0.0	0.3	5.5	10.1	98.2	58.2	0.0	0.0	0.0	0.0	0.0	172.3
070728	7.0	30.0	3.5	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.5
070735	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070737	0.1	0.1	0	0.1	0.1	0.1	0.1	1.4	0.1	0.0	0.0	0.0	0.0	0.0	2
070738	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070739	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070740	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070742	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070744	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080224	0.6	1.6	1.1	1.1	1.2	1.1	1.3	1.7	1.9	0.0	0.0	0.0	0.0	0.0	11.6
080227	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.9	0.4	0.0	0.0	0.0	0.0	0.0	2.0
080228	0.0	0.0	0.0	0.0	0.0	0.0	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5

B10 –

Table 10: Departmental expenditure on services by country and region, for 2003/04

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	Scotland	Wales	Northern Ireland	OUTSIDE UK	Not Identifiable	£'s Millions
080229	New Horizon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
080231	Thames Gateway (SEEDA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080234	Other Growth Areas (SEEDA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080236	Other Growth Areas :EP/JURA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080238	thames Gateway: Thurrock UDC	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2
080240	Thames Gateway (Housing Corp)	0.0	0.0	0.0	0.0	0.0	4.7	5.4	2.3	0.0	0.0	0.0	0.0	0.0	12.4
080242	Planning Land use Statistics (Research)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080619	Planning inspectorate executive agency	0.7	3.0	2.0	1.8	2.6	3.8	5.9	6.7	0.0	1.0	0.0	0.0	0.0	32.1
080663	PINS Admin: Outside Admin Costs Limit	0.0	0.4	0.2	0.3	0.4	0.7	0.6	1.2	0.0	0.2	0.0	0.0	0.0	5.0
080818	SCDU communications	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.6
080908	Commission for the New Towns	11.4	9.5	5.4	8.9	7.5	5.2	-14	8.4	0	0	0	0	0	-19.8
080908	Commission for the New Towns	15.2	2.6	1.5	0.7	0.4	1.6	0.4	1.4	0.6	0.0	0.0	0.3	0.0	25.0
081103	EP : Urban Regeneration Agency	9.5	11.8	23.9	8.4	2.8	8.2	0	1.6	0	0	0	0	0	86.8
081103	EP : Urban Regeneration Agency	-15.2	-2.6	-1.5	-0.7	-0.4	-1.6	-0.4	-1.4	-0.6	0.0	0.0	-0.3	0.0	-25.0
081104	SRB : Inner City Task Forces	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
081140	Urban Development Corporation post windup	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total Housing Supply and Demand	73.0	170.5	105.4	76.9	116.4	133.8	127.7	894.6	324.0	0.0	1.2	0.0	1.0	2,023.9
	Decent Places to Live														
070103	HRAS - Housing Revenue Account Subsidy	14.3	29.0	18.8	12.0	18.6	7.2	7.9	84.3	10.9	0.0	0.0	0.0	0.0	202.9
070704	Housing management grants (incl. - Tenant Participation)	0.6	1.6	0.6	0.6	0.8	0.7	0.6	0.6	0.0	0.0	0.0	0.0	0.0	6.5
070705	Housing,urban & European research, publicity and publications (inc. supporting people)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070710	Building Regulation	0.3	0.8	0.6	0.5	0.6	0.6	0.8	1.0	0.0	0.3	0.0	0.0	0.0	6.0
070726	Safer Committees Supported Housing Fund	0.7	2.8	0.9	1.9	0.9	8.6	1.6	4.1	4.9	0.0	0.0	0.0	0.0	26.5
070727	CABE (Commission for Architecture and the Built Environment)	0.4	1.0	0.7	0.6	0.8	0.7	0.8	1.2	1.2	0.0	0.0	0.0	0.0	7.4
070732	Black and Minority Ethnic Registered Social Landlords	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070741	Procurement Efficiency and Social Housing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080218	Trees and Hedges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Table 10: Departmental expenditure on services by country and region, for 2003/04

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	Scotland	Wales	Northern Ireland	OUTSIDE UK	Not Identifiable	£'s Millions
080222 Design Awards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080225 Urban Design Skills	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2
080226 Liveability Fund	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.0	7.0
080237 Living Spaces	0.4	0.7	0.6	0.4	0.7	0.7	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	5.5
080631 Groundwork	0.8	4.0	1.6	1.8	0.9	1.2	0.2	1.8	0.7	0.0	0.0	0.0	0.0	0.0	13.0
080815 Special grants programme	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.4	0.3	0.0	0.0	0.0	0.0	0.0	2.1
081107 HATs - Housing Action Trusts	0.0	24.6	0.0	0.0	18.8	0.0	0.0	28.1	0.0	0.0	0.0	0.0	0.0	0.0	71.5
Total Decent Places To Love	18.4	65.6	24.7	18.7	43.1	20.7	13.4	122.8	21.0	0.0	0.3	0.0	0.0	0.0	348.6
Tackling Disadvantage															
070709 Homelessness and emergency housing grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070720 Homelessness	0.1	0.3	0.2	0.2	0.3	0.3	0.1	19.6	0.3	0.0	0.0	0.0	0.0	0.0	21.4
070722 Supporting people Administration	0.7	2.2	1.3	1.1	1.2	1.3	0.9	2.7	1.6	0.0	0.0	0.0	0.0	0.0	13.0
080649 NDC - New Deal for Communities	0.7	0.6	0.6	8.0	0.6	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	12.9
080650 Coalfields Regeneration Trust	2.8	1.4	6.0	4.8	1.9	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	17.2
080661 New Ventures Fund	10.4	16.9	9.1	4.9	10.2	4.1	4.2	17.1	3.1	0.0	0.0	0.0	0.0	0.0	79.9
080659 Social Exclusion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Tackling Disadvantage	14.7	21.4	17.2	19.0	14.2	6.3	5.8	40.0	5.9	0.0	0.0	0.0	0.0	0.0	144.4
Better Services															
070703 Housing mobility grants	0.1	0.2	0.2	0.1	0.2	0.1	0.1	0.3	0.2	0.0	0.0	0.0	0.0	0.0	1.4
070717 Efficiency improvements in local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
070734 Best Intervention in Housing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
070736 Payments to the Audit Commission for RSL Inspections	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	1.0
080220 Fire Publicity	0.5	0.9	0.5	0.4	0.6	0.6	0.5	1.4	0.9	0.0	0.4	0.0	0.0	0.0	6.9
081301 Fire Service Statistics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
081302 Fire Services	0.6	1.1	0.6	0.5	0.8	0.7	0.6	1.7	1.1	0.0	0.4	0.0	0.0	0.0	8.3
081304 Fire Service College	0.3	0.6	0.3	0.3	0.4	0.3	0.3	0.9	0.6	0.0	0.0	0.0	0.0	0.0	4.1
081305 Fire Service Superannuation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
081306 Fire Pay Dispute	0.3	0.5	0.3	0.2	0.4	0.3	0.3	0.8	0.5	0.2	0.2	0.1	0.0	0.0	4.1

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Table 10: Departmental expenditure on services by country and region, for 2003/04

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	Scotland	Wales	Northern Ireland	OUTSIDE UK	Not Identifiable	£'s Millions
081307 Firelink	0.9	0.7	0.0	0.6	0.6	0.9	0.6	0.5	1.2	0.0	0.7	0.0	0.0	0.0	6.6
081310 Emergency Fire Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
081314 Firelink (CMF AA = 101)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
081308 New Dimension - Mass Decontamination	7.6	7.6	0.0	5.7	9.5	9.5	5.7	9.5	9.5	0.0	6.7	0.0	0.0	0.0	71.3
081309 New Dimension - Search & Rescue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0
081311 Medical Appeals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
081313 New Dimension Search & Rescue (CMF AA = 101)	1.0	1.0	0.0	1.0	1.0	1.0	1.0	2.0	1.5	0.0	0.0	0.0	0.0	0.0	9.7
220322 PRIVATISATION OF PSA BUILDING MANAGEMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
220135 Privatisation of Building Research Establishment Executive Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Better Services	11.4	12.7	2.0	8.9	13.6	13.5	9.2	17.3	15.7	0.2	8.4	0.1	0.0	8.0	122.0
Development of English Regions															
080503 Regional Development Agencies - ODPM Support	170.7	272.5	210.1	110.8	194.9	109.5	93.0	0.0	112.1	0.0	0.0	0.0	0.0	0.0	1,273.8
080506 Regional chambers	0.8	1.2	0.8	0.8	0.8	0.9	0.9	0.0	0.9	0.0	0.0	0.0	0.0	0.0	7.1
080604 Mersey Basin	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
081139 Residual SRB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Development of English Regions	171.5	274.2	210.9	111.6	195.7	110.4	93.9	0.0	113.0	0.0	0.0	0.0	0.0	0.0	1,281.4
Administration															
071301 Payment for Mapping Data and Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.0	26.0
080601 Central administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	105.0	105.0
080601 Central administration	4.7	8.4	6.2	3.9	6.4	4.5	4	16.2	7.4	0	0.1	0	0	61.6	61.6
080640 PSA services: central	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080652 RENT OFFICER SERVICES AGENCY	2.2	6.5	3.8	2.7	3.5	4.1	3.2	8.2	5.1	0.0	0.0	0.0	0.0	39.3	39.3
080662 Central Admin: Outside Admin Costs Limit	1.0	1.8	1.3	0.8	1.4	1.0	0.9	3.5	1.6	0.0	0.0	0.0	0.0	13.3	13.3
Total Administration	7.9	16.7	11.3	7.4	11.3	9.6	8.1	27.9	14.1	0.0	0.1	0.0	0.0	131.0	245.2
Government Office Admin															
080653 Government Offices Administration	12.7	18.6	13.6	11.5	13.8	14.9	13.7	17.6	15.4	0.0	0.0	0.0	0.0	131.8	131.8
080664 Government Offices Admin: Outside Admin Costs Limit	0.4	0.0	0.0	0.0	0.0	0.0	0.1	1.6	0.0	0.0	0.0	0.0	0.0	2.1	2.1

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Table 10: Departmental expenditure on services by country and region, for 2003/04

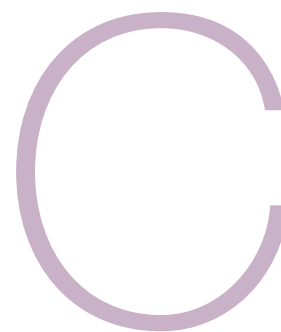
	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	Scotland	Wales	Northern Ireland	OUTSIDE UK	Not Identifiable	Totals £s Millions
Total Government Office Admin	13.1	18.6	13.6	11.5	13.8	14.9	13.8	19.2	15.4	0.0	0.0	0.0	0.0	0.0	133.9
European Structural Funds - net															
080214 ERDF Expense (ODPM)	13.2	4.9	44.4	14.5	33.8	1.5	4.4	1.6	1.2	0.0	0.0	0.0	0.0	0.0	119.4
Total European Structural Funds - net	13.2	4.9	44.4	14.5	33.8	1.5	4.4	1.6	1.2	0.0	0.0	0.0	0.0	0.0	119.4
ERDF - ODPM															
080215 ERDF Losses and Write-offs etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080216 INTERREG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total ERDF - ODPM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Queen Elizabeth II Conference Centre Executive Agency															
080644 QE2 Conference Centre Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
080647 QEII Conf Centre Executive Agency Trading Fund Short Term Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
Total Queen Elizabeth II Conference Centre Executive Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
Local and Regional Government (RfR2)															
Valuation Services															
080616 Valuation Office Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	148.0	148.0
Total Valuation Office Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	148.0	148.0
Best Value Inspection Subsidies to Public Corporations & Best Value intervention costs															
081057 BEST VALUE INSPECTORATE	1.1	3.1	2.3	1.9	2.4	2.2	2.4	3.3	3.6	0.0	0.0	0.0	0.0	0.0	22.3
081061 Best Value intervention costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Total Best Value Inspection Subsidies to Public Corporations & Best Value intervention costs	1.1	3.1	2.3	1.9	2.4	2.2	2.4	3.3	3.6	0.0	0.0	0.0	0.0	1.0	23.3
Local Government Research and Publicity, Mapping costs and Electoral Law															
081205 Local Government Review Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0
081044 Local Government Publicity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Table 10: Departmental expenditure on services by country and region, for 2003/04

	North East	North West	Yorkshire and Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	Scotland	Wales	Northern Ireland	OUTSIDE UK	Not Identifiable	£'s Millions
081202 Local government research	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0
081062 LGC mapping costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
081204 Electoral Law PBC (Parliamentary Boundary Commission)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
081065 Local Government ON LINE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Local Government Research and Publicity, Mapping costs and Electoral Law	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	7.0
Local Governance															
081046 GLA Preparation Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
081051 GLA Election Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
081070 Mayoral Referendums	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
081060 GLA transitional costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
081063 GLA election returning officers expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Local Governance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Other Grants and Payments (Resource Grant)															
081073 CAPACITY BUILDING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
081065 Local Government ON LINE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Grants and Payments (Resource Grant)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
Non Departmental Public Bodies															
081056 Local Government Standards Board	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0	9.0
080617 Valuation tribunals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	11.0
Total Non Departmental Public Bodies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0
Non Voted															
080614 National non-domestic rate payments - collection costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	84.0	84.0
080909 Audit Commission															
Total Non Voted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	84.0	84.0
Grand Total	324.3	587.7	431.8	270.4	444.3	312.9	278.7	1,126.9	513.9	0.2	10.0	0.1	0.0	404.0	4,705.3

Annex: Other tables



C1 – ODPM recruitment statistics

Recruitment is carried out through fair and open competition in compliance with the Civil Service Commissioners' Recruitment Code.

Table C1: Recruitment statistics¹ for ODPM

Grade	Non-civil servants	Fixed term appointments	Permanent	Casual ²	Females	Ethnic ³ minority	Disabled
Pay band EM1	–	–	1	5	–	–	–
Pay band EM3	–	–	2	–	–	–	–
Pay band 1	–	–	2	1	2	–	–
Pay band 2	1	2	69	21	51	–	–
Pay band 3	1	6	68	37	50	2	1
Pay band 4	3	18	74	14	64	4	1
Pay band 5	15	7	23	4	24	–	–
Pay band 6	7	5	1	–	1	2	–
Pay band 7	23	12	52	4	36	–	–
SCS	–	7	16	–	10	–	–
Totals	50	57	308	86	238	8	2

Notes

1. For all staff recruited from 1 January 2004 to 31 December 2004.
2. Casual staff are employed for short periods of up to 12 months to fill a vacancy temporarily or to undertake a particular piece of work.
3. This information was not disclosed by the majority of staff recruited.

C2 – Exceptions to the Recruitment Code

Table C2: Exceptions to the Recruitment Code for ODPM

Category	Number
Casual appointments extended over 12 months	12
Recurrent short-term appointments	–
Short-term appointments where highly specialised skills requested	–
Conversion of short-term appointments to permanency (or extension beyond publicised period)	2
Inward secondments	109
Outward secondments	37
Extensions to secondments	–
Re-appointments of former civil servants	–
Transfers of staff with work	–
Transfers of staff from other public services without work	–
Surplus acceptable staff	–
Disabled candidates	–
Exceptions reserved for the Commissioners	–

C3 – Distribution of senior civil service salaries in ODPM

Table B3: Distributions of senior civil service salaries in ODPM as at 31 March 2005

£000	Staff numbers
45–50	0
50–55	15
55–60	16
60–65	16
65–70	13
70–75	22
75–80	6
80–85	9
85–90	13
90–95	8
95–100	3
100+	11

C4 – Administration costs for larger NDPBs

Table C4: Administration costs for larger NDPBs¹**(£000)**

NDPB	1999/00 outturn	2000/01 outturn	2001/02 outturn	2002/03 outturn	2003/04 outturn	2004/05 estimated outturn	2005/06 plans	2006/07 plans
English Partnerships:								
Commission for the New Towns	14.3	16.7	18.4	15.9	18.8	17.1	17.8	18.5
Urban Regeneration Agency	13.8	11.7	11	13.8	17.6	15	15.6	16.2
Housing Action Trusts (£000)								
Castle Vale	3.9	3.8	3.9	3.4	3.4	4.9	0.2	
Liverpool	3.8	3.9	3.8	3.9	3.4	3.7	3.4	
North Hull ²	–	–	–	–	–	–	–	
Stonebridge	3.1	3.6	3.8	4.4	4.2	4.3	2.5	2.5
Tower Hamlets	1.5	1.4	1.5	1.8	1.2	1.3	–	
Waltham Forest ³	1.4	1.3	0.9	–	–	–	–	
HATs Total	13.7	14.0	13.9	13.5	12.2	14.2	6.1	2.5
Housing Corporation	29.9	30.6	34.1	37.9	39.4	40.0	36.8	36.8
Standards Board for England ⁴	–	–	2.7	6.5	8.9	8.9	8.0	8.0

Notes

1. 'Larger' here means a body with at least 25 staff and which normally relies on grant-in-aid for at least 50% of its income or trades mainly with government departments.
2. North Hull HAT ceased operating in March 1999.
3. Waltham Forest HAT ceased operating in April 2002.
4. Tower Hamlets HAT was formally dissolved at the end of June 2004.
5. Standards Board for England began operating in March 2001. The figures refer to the amount of grant-in-aid paid to the Standards Board.

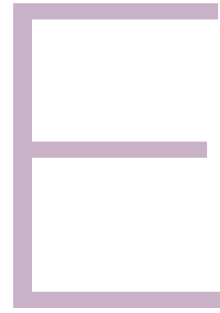
Annex: ODPM's approach to asset management



The main aim of ODPM's asset management is to ensure that appropriate fixed assets are held to meet ODPM's objectives. All assets are treated in accordance with the following consistent underlying principles:

- ensure assets are retained in the public sector only where it is effective and efficient to do so;
- actively explore the scope for securing greater value from assets, including through innovative techniques, information technology, sharing of assets, outsourcing and public private partnerships;
- maintain ODPM's asset base in the condition necessary to meet its objectives;
- maintain, either directly or through bodies sponsored by ODPM, firm management of assets, including strategies for disposing of assets that are not needed for delivering services; and
- continue to investigate incentives, such as hard charging, to achieve better utilisation of assets.

Annex: Office (Departmental) Investment Strategy



What is the Departmental Investment Strategy?

ODPM published its Departmental Investment Strategy (DIS) for 2005–2008 in January 2005 (available at www.odpm.gov.uk/departmentalinvestmentstrategy).

The DIS sets out ODPM's capital investment plans resulting from the 2004 Spending Review. It also outlines how ODPM's existing assets are being utilised and managed, and the systems ODPM employs to safeguard its investment and to ensure that its investment plans deliver the intended outcomes.

The DIS covers the period from 2005/06 to 2007/08. It deals with all planned capital investment funded from ODPM's Departmental Expenditure Limits, including: direct capital investment by ODPM and its sponsored bodies; capital grants to local authorities, the private sector and other bodies; supported capital expenditure by local authorities; and capital investment supported through the Private Finance Initiative.

Summary of the Departmental Investment Strategy

Chapter 1 summarises the strategic context for ODPM's investment plans. It sets out what has been achieved through ODPM's investment since the 2002 DIS was published and summarises ODPM's future investment plans and explains how they will contribute to delivering ODPM's Strategic Priorities.

Chapter 2 looks at the management of ODPM's own assets and those of its sponsored bodies. It describes how ODPM's existing asset base contributes to its Strategic Priorities and how its assets are managed (including the approach to asset maintenance, replacement and disposal).

Chapter 3 provides more detail about ODPM's future investment plans, setting out:

- specific outcomes to be delivered by ODPM's investment plans;
- how they will contribute to ODPM's Strategic Priorities, Public Service Agreement (PSA) targets and efficiency targets;
- longer-term funding arrangements;
- evidence underpinning the investment plans;
- key performance measures, in addition to Strategic Priorities and PSA targets; and
- information on ODPM's major forthcoming contracts.

Chapter 4 outlines ODPM's systems and procedures used to ensure effective delivery of ODPM's investment programmes.

Future Investment Plans

ODPM plans to invest over £17 billion of capital expenditure between 2005/06 and 2007/08. Table E1 below sets out the level of investment which will be directed in support of each of ODPM's Strategic Priorities.

Table E1: Summary of ODPM Capital Investment¹ – 2005/06 to 2007/08

Planned Investment by Strategic Priority – ODPM DEL²			
	2005/06	2006/07	£ million 2007/08
Housing supply and demand	2,889	3,004	3,414
Decent places to live	1,453	1,403	1,366
Tackling disadvantage	213	231	221
Better services	149	174	137
Development of English regions	1,104	1,147	1,200
Investment in central assets	20	20	20
Total investment – ODPM DEL	5,828	5,977	6,356
Planned investment by Strategic Priority – Local Government DEL³			
	2005/06	2006/07	£ million 2007/08
Better services	349	249	249
Total investment – LG DEL	349	249	249

1 Note: For accounting purposes, the Government defines its own capital expenditure and capital to local authorities as 'capital' expenditure, whereas capital grants to the private sector and related bodies are defined as 'resource' expenditure.

2 ODPM is responsible for two Departmental Expenditure Limits (DELs): ODPM DEL and Local Government DEL. ODPM DEL covers the main programmes for which ODPM has lead responsibility.

3 Local Government DEL covers the Government's Revenue Support Grant for local authorities, and a number of local government-related programmes which cut across service boundaries.

In addition to direct capital investment, ODPM will support Private Finance Initiative (PFI) schemes undertaken by local authorities to provide: housing; assets for the Fire and Rescue Service; and joint service centres, providing multi-agency, multi-service premises to offer more joined-up services.

Table E2

Planned investment through the Private Finance Initiative			
	2005/06	2006/07	£ million 2007/08
Housing supply and demand/decent places to live	360	610	610
Better services	115	130	140
Private Finance Initiative – Total	475	740	750

The main highlights of ODPM's future investment plans are as follows:⁷

A better balance between housing supply and demand

- a £2 billion annual investment in new affordable housing, delivering an extra 10,000 homes annually by 2007/08 – a 50% increase;
- helping over 80,000 people into home ownership by 2010, including a new First Time Buyers' Initiative to help an extra 15,000 people;
- capital investment of more than £800 million in the Thames Gateway and other Growth Areas over the SR 2004 period, contributing to the delivery of 200,000 extra homes in the South East by 2016;
- a new £200 million Community Infrastructure Fund to provide transport infrastructure in areas of housing development, complementing mainstream transport investment;
- more than £1 billion further investment in the Housing Market Renewal Fund to support the nine Market Renewal Pathfinders and tackle other areas of low demand;
- more than £850 million for English Partnerships to support its enhanced role in increasing the supply of affordable housing, reducing low demand and increasing private sector investment in housing and regeneration;
- £100 million capital investment in planning through the Planning Delivery Grant, with additional investment in e-planning; and
- expanded PFI programme, providing at least 6,000 new homes by 2008.

Decent places to live

- more than £3.7 billion for PFI schemes, Arms-Length Management Organisations and stock transfer schemes to bring all social housing into a decent condition by 2010;

⁷ Spending figures in this section are for the period 2005/06 to 2007/08, unless otherwise specified.

- setting up a network of local procurement consortia to enable social landlords to maximise efficiencies throughout the supply chain and reduce the cost of housing capital works – £33 million between 2004/05 and 2007/08;
- some £250 million to invest in local environment services to produce cleaner, greener and safer public spaces.

Tackling disadvantage

- approximately three-quarters of ODPM's overall budget will continue to contribute directly to tackling disadvantage;
- over £300 million capital investment in 39 deprived neighbourhoods in the SR 2004 period, through the New Deal for Communities programme – part of a £900 million capital investment programme over 10 years;
- investment to regenerate coalfield communities through the Coalfields Enterprise Fund and Coalfields Regeneration Trust;
- £90 million to improve the quality of hostel accommodation; and
- around £350 million committed to the Disabled Facilities Grant to adapt housing for disabled people.

Delivering better services through strong, effective local government

- greater financial freedom and discretion for local authorities through the new prudential capital finance system;
- £233 million annual investment in the Local PSA Pump-Priming Grant to deliver real improvements across a variety of services;
- PFI credits of £65 million a year to support private sector investment in the Joint Service Centre programme – multi-agency and multi-service centres to improve access to information and frontline services;
- investment in the Fire and Rescue Service with a focus on prevention through a new single national digital radio system, much improved resilience and communications interoperability with other services, rationalisation of the 46 control rooms to nine regional centres and £25 million investment in free smoke alarms for around 1.25 million vulnerable households;
- over £39 million in 2005/06 for search and rescue resources and equipment ready for use in civil emergencies; and
- additional investment in the Fire and Rescue Authorities through supported capital expenditure and PFI credits of over £480 million.

Promoting the development of the English regions

- over £2.89 billion in capital projects through ODPM's contribution to the Regional Development Agencies, including on regional regeneration and regional inward investment; and
- capital investment through the European Regional Development Fund on ODPM priorities of over £525 million to stimulate economic development in the least prosperous regions.

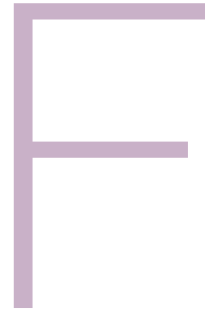
Systems and procedures

The systems and procedures ODPM uses to ensure its investment programmes are delivered effectively include performance and financial management; programme and project appraisal; formal resource allocation systems; implementation of a Corporate Procurement Strategy; two-way communications between ODPM and industry; the application of the Gateway Review process to all acquisition-based mission-critical and high-risk programmes and projects; programme and project management; risk management and evidence-based evaluations.

The ODPM Board has prioritised strengthening these areas. This has led to the following improvements:

- greater Board involvement in monitoring key programmes and projects, and in risk management;
- a drive to improve programme and project management capacity across ODPM;
- enhanced budgeting guidance for all staff;
- improved forecasting, with significantly reduced underspending;
- improved appraisal systems;
- action to derive better results from procurement, including greater use of the Gateway Review process; and
- strengthened central sources of professional advice and more extensive training.

Annex: SR 2004 and its outcome



The outcome of SR 2004 was announced in July 2004. The Spending Review settlement provides ODPM with an annual average increase in funding of 3.3% over and above inflation between 2004/05 and 2007/08. This has placed ODPM in a strong position for continued delivery of its sustainable communities agenda.

Specifically, the settlement included **(all figures are from 2004/05 unless otherwise stated)**:

- an extra £400 million per annum for new social rented housing by 2007/08, enabling a 50% increase in the annual supply of new social rented homes and turning round the rise in homelessness;
- a trebling of spending to tackle low housing demand to £450 million in 2007/08;
- extra funding for the Fire and Rescue Service, including extra funding for our major civil resilience projects (Firelink and New Dimension);
- action to increase housing supply, and help improve affordability, in high-demand regions – funding the Communities Plan to deliver 200,000 additional homes in the Thames Gateway and the other growth areas, and responding to new proposals for sustainable growth where there is demand locally. By 2007/08, we will have invested some £850 million in the Thames Gateway and £425 million in the other growth areas;
- a new £200 million Community Infrastructure Fund, responding to the Barker Report recommendation, to provide transport infrastructure to support the development of new sustainable communities;
- funding to reduce the number of non-decent social rented homes by 1.6 million between 1997 and 2008, sustaining progress towards tackling all 2.1 million by 2010;

- continued NRF funding of £525 million per annum providing sustained targeted investment in the most deprived communities and a new suite of floor targets to support the Government's aim of narrowing the gap between those communities and the rest of the country;
- increased funding for the RDAs in order to promote economic development in the regions; and
- for the first time, a specific liveability target, backed by streamlined funding, providing an increased focus on improving the quality of the local environment.

Annex: SR 2004 Public Service Agreement targets



Current SR 2002 target

SR 2004 targets

PSA 1 – Neighbourhood renewal

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

PSA 1 – Neighbourhood renewal

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

PSA 2 – Regional economic performance

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

PSA 2 – Regional economic performance

Make sustainable improvements in the economic performance of all the English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006 (shared with the Department of Trade and Industry and HM Treasury), including by establishing elected regional assemblies in regions which vote in a referendum to have one.

PSA 3 – Elected regional assemblies

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

Elected regional assemblies

See PSA 2.

PSA 4 – Local government performance

Improve delivery and value for money of local services by:

- introducing comprehensive performance assessments and action plans, and securing a progressive improvement in authorities' scores;
- overall annual improvements in cost effectiveness of 2% or more; and
- assisting local government to achieve 100% capability in electronic delivery of priority services by 2005, in ways that customers will use.

Also supported by PSA 1.

PSA 4 – Local government performance

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

Current SR 2002 target

SR 2004 targets

PSA 5 – Housing markets

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

PSA 5 – Housing markets

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

PSA 6 – Planning

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

PSA 6 – Planning

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

PSA 7 – Decent homes

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

PSA 7 – Decent Homes

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

Fire SDA targets

To reduce the number of accidental fire-related deaths in the home by 20% averaged over the 11-year period to March 2010 compared with the average recorded in the five-year period to March 1999 – with a floor element that no local authority fire brigade will have a fatality rate more than 1.25 times the national average by March 2010.

To reduce by 10% the number of deliberate fires by 31 March 2010 from the 2001/02 baseline figure.

PSA 3 – Fire

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

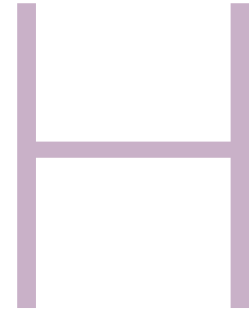
Liveability

N/A

PSA 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.

Annex: Public Accounts Committee recommendations



Public Accounts Committee recommendations

English Regions: An early progress report on the New Deal for Communities programme

NAO Report, 11 February 2004 (HC309)

PAC Hearing, 24 March 2004

PAC 38th Report, 14 September 2004 (HC492 2003-04)

Treasury Minute, 10 November 2004 (Cm 6355)

Nine recommendations and conclusions emerged in the Committee's report:

- Working with other government departments – ODPM should work with other departments to streamline area-based initiatives aimed at deprived communities; specifically looking at ways to better co-ordinate the different funding streams.
- Review of the wider impact on social cohesion of targeted and piloted approaches to neighbourhood renewal – The Committee was concerned that initiatives which favour particular neighbourhoods may cause resentment in neighbouring communities which do not receive targeted funding and that problems in New Deal Community (NDC) neighbourhoods are addressed and not displaced into adjacent communities. Evaluations should take account of the programme's impact on neighbouring communities.
- Enabling successful community engagement in the programme by ensuring community representatives on NDC boards have the authority to represent their community – The Committee recommended that existing governance arrangements for NDC boards should be reviewed and strengthened.
- ODPM need to clarify the role of local authorities in NDC partnerships – The Committee recommended clearer guidance on the role of the local authority as the accountable body which would help clarify matters and reduce possible tensions.

- Increasing business activity in NDC areas – The Committee recommended that NDCs should take more active steps to bring businesses into deprived areas. For example, identify what skill shortages exist in local businesses and target training to meet these needs. They could also identify what barriers there are to businesses moving into their areas.
- Evaluation should focus on identifying the additional benefits from the specific approach adopted – ODPM need to identify and evaluate the specific benefits that arise as a direct result of the community partnership approach of the NDC programme compared to other approaches to neighbourhood renewal.
- Need to track consistent data for all regeneration initiatives – To determine the relative success of the different approaches to neighbourhood renewal.
- Government Offices should ensure that NDC funds should not be used to replace existing resources provided by local statutory agencies – The Committee recommended that Government Offices need to monitor spending on projects to uphold ODPM's requirement that this money should not be used to finance projects that should be supported by existing public or private sector grants.
- NDC partnerships should plan how momentum is to be maintained after the programme has ended – NDC partnerships need to work closely with service delivery agencies to agree long-term strategies and funding to continue successful projects and initiatives once programme funds have ended. Government Offices should, if necessary, act as brokers between the partnerships and service agencies to help secure realistic funding for the future.

ODPM response

ODPM responded positively to the various conclusions and recommendations, highlighting many of the positive changes to the programme that had taken place between the evidence meeting and the publication of the report. In particular ODPM noted the following:

- There was a need to co-ordinate the approach to regeneration – and this had been offered through the Safer, Stronger Communities Fund announced in the SR 2004 plus the Local Area Agreement Pilots that were launched last year.
- The National Evaluation for NDCs was already designed to address the concerns raised by the Committee.
- ODPM had already taken steps to alleviate the concerns raised by the Committee about Board nominations through the publication of Governance Guidance.
- Two documents had been issued clarifying the role of the Accountable Body with a view to hold Accountable Body training for those local authorities in most need.

- There was a need to develop further the business and job opportunities within NDC neighbourhoods, and as a result ODPM proposed a worklessness event in conjunction with DWP and Jobcentre Plus. In addition, it was recognised that there were general initiatives to promote business engagement and employment opportunities, including improved targeting of Regional Development Agencies on enterprise creation and employment rates in deprived areas and that Business Brokers contribute to promoting links with the private sector.
- The national evaluation of NDC is already designed to address the impact of community involvement. First, a 'community involvement' index across all 39 areas has been created, enabling the evaluation to identify the degree to which change at the NDC level is associated with greater or lesser community involvement by individual NDC partnerships. Second, all changes in NDC areas will be benchmarked against changes in other similarly deprived neighbourhoods.
- The collection of consistent small area data of deprivation-related indicators is being taken forward through the Neighbourhood Statistics Initiative.
- Regional Government Offices work closely with Local Strategic Partnership to ensure planned delivery of local projects, including evaluating performance and value for money and monitoring spend. Government Offices will continue to scrutinise local plans to eliminate any misdirection of funds.
- Planning work is already in progress to ensure that successful initiatives from the NDC programme continue past the end of the 10-year central funding. ODPM is also currently working to develop events at which NDC partnerships and mainstream agencies will be invited, in order to help all parties engage more effectively and develop positive working relationships.

Annex: Useful addresses

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Executive Agencies

Fire Service College

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The Planning Inspectorate

Customer Support Unit
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Temple Quay
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Fax: 0207 798 4200
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Non-Departmental Public Bodies
Advisory Panel on Standards for the
Planning Inspectorate

APOS Secretariat
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E-mail: rebecca.simpson@odpm.gsi.gov.uk

Building Regulations Advisory
Committee

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Boundary Commission for Wales

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Fax: 02920 395250
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Audit Commission

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Fax: 0207 976 6187
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www.englishpartnerships.co.uk)

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The Standards Board for England

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London SE1 2QG
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Liverpool Housing Action Trust

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Stonebridge Housing Action Trust

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Fax: 0208 961 0291
E-mail: contact@stonebridgehat.org.uk

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542–544 Roman Road
London E3 5ES
Telephone: 0208 983 5280
Fax: 0208 983 5281
E-mail: (links available on website:
www.that.co.uk)

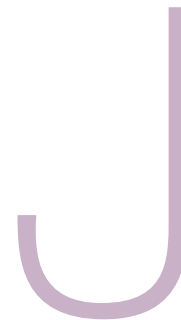
Advisory Panel on Beacon Councils

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Community Forum

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Annex: How to obtain publications



ODPM publications

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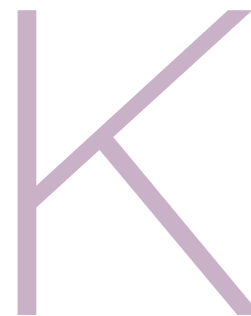
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Annex: List of abbreviations



ABI	Area Based Initiative
ADP	Approved Development Programme
AEF	Aggregate External Finance
ALMOs	Arm's Length Management Organisations
APOS	Advisory Panel on Standards
ATWP	Air Transport White Paper
B&Bs	Bed and breakfasts
BD	Building Division
BIDs	Business Improvement Districts
BME	Black and minority ethnic
BQS	Better Quality Services
BRAC	Building Regulations Advisory Committee
BSCF	Business Safety Community Forum
BVPIs	Best Value Performance Indicators
CABE	Commission for Architecture and the Built Environment
CACFOA	Chief and Assistant Chief Fire Officers' Association
CAPAM	Commonwealth Association for Public Administration and Management
CDRPs	Crime and Disorder Reduction Partnerships
CLGF	Commonwealth Local Government Forum
CoE	Centre of Excellence
CPAs	Comprehensive Performance Assessments
CRD	Civil Resilience Directorate
CSR	Corporate Strategy and Resources unit
DA (SER)	Domestic Affairs (Social Exclusion and Regeneration)
DATs	Drug Action Teams
DCA	Department for Constitutional Affairs
DCMS	Department for Culture, Media and Sport
DDA	Disabilities Discrimination Act
Defra	Department for Environment Food and Rural Affairs

DEL	Departmental Expenditure Limit
DfES	Department for Education and Skills
DfT	Department for Transport
DoC	Directorate of Communication
DPM	Deputy Prime Minister
DRIU	Departmental Regulatory Impact Unit
DTI	Department for Trade and Industry
DTLR	Department for Transport, Local Government & Regions
DWP	Department for Work and Pensions
EDRM	Electronic Document and Records Management
EDU	Equality and Diversity Unit
EHCS	English House Condition Survey
EMS	Environment Management System
ENCAMS	Environmental Campaigns
EO	Employers' Organisation for Local Government
EP	English Partnerships
ERDF	European Regions Development Fund
ESD	Electronic Service Delivery
ESRC	Economic and Social Research Council
ETP	Employer Training Pilots
EU	European Union
FGR	Formula Grant Review
FRESA	Frameworks for Regional Employment and Skills Action
FSC	Fire Service College
FWC	Families with Children
GASPS	Grants and Subsidies Payment System
GLA	Greater London Authority
GOs	Government Offices
GVA	Gross Value Added
HA	Highways Agency
HATs	Housing Action Trusts
HMFSI	Her Majesty's Fire Service Inspectorate
HMO	Houses with Multiple Occupation
HMT	Her Majesty's Treasury
H&S	Health & Safety
ICRC	Inner Cities Religious Council
ICT	Information and Communication Technology
IDeA	Improvement and Development Agency
IEG	Implementing Electronic Government
IMS	Investment Management Systems
IPDS	Integrated Personnel Development System
IRMP	Integrated Risk Management Plans
LAA	Local Area Agreement

LAs	Local authorities
LDF	Local Development Framework
LG	Local government
LGA	Local Government Association
LNRS	Local Neighbourhood Renewal Strategies
LPA	Local Planning Authority
LPSA	Local Public Service Agreement
LSPs	Local Strategic Partnerships
LSVT	Large Scale Voluntary Transfer
MPGs	Minerals Planning Guidance
NDC	New Deal Communities
NDPBs	Non-Departmental Public Bodies
NGC	Northern Growth Corridor
NHS	National Health Service
NRF	Neighbourhood Renewal Fund
NRU	Neighbourhood Renewal Unit
ODIS	Office Departmental Investment Strategy
ODPM	Office of the Deputy Prime Minister
OFT	Office of Fair Trading
OGC	Office of Government Commerce
ONS	Office for National Statistics
PAC	Public Accounts Committee
PCT	Primary Care Trusts
PDG	Planning Delivery Grant
PFI	Private Finance Initiative
PI	Performance Indicators
PINS	Planning Inspectorate
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
PSA	Public Service Agreement
PSRE	Public Sector Research Exploitation
QEIIIC	Queen Elizabeth II Conference Centre
RCU	Regional Co-ordination Unit
RDA	Regional Development Agency
RED	Regional Emphasis Documents
RES	Race Equality Scheme
RIA	Regulatory Impact Assessment
RPG	Regional Policy Group
RRAP	Residential Rehabilitation Assistance Programmes
RRO	Regulatory Reform Order
RSLs	Registered Social Landlords
R&D	Research and Development
SBE	Standards Board for England

SBS	Small Business Service
SCS	Senior civil service
SDA	Service Delivery Agreement
SEU	Social Exclusion Unit
SFLG	Small Firms Loan Guarantee
SHI	Starter Home Initiative
SMES	Small and medium size enterprises
SoLACE	Society of Local Authority Chief Executives and Senior Managers
SR 2000	Spending Review 2000
SR 2002	Spending Review 2002
SR 2004	Spending Review 2004
SRO	Senior Responsible Officer
THP	The Housing Partnership
TRS	The Rent Service
UDC	Urban Development Corporation
UGST	Urban Green Spaces Taskforce
URA	Urban Regeneration Agency
URC	Urban Regeneration Companies
VCS	Voluntary and Community Sector
VOA	Valuation Office Agency
VTS	Valuation Tribunal Service



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