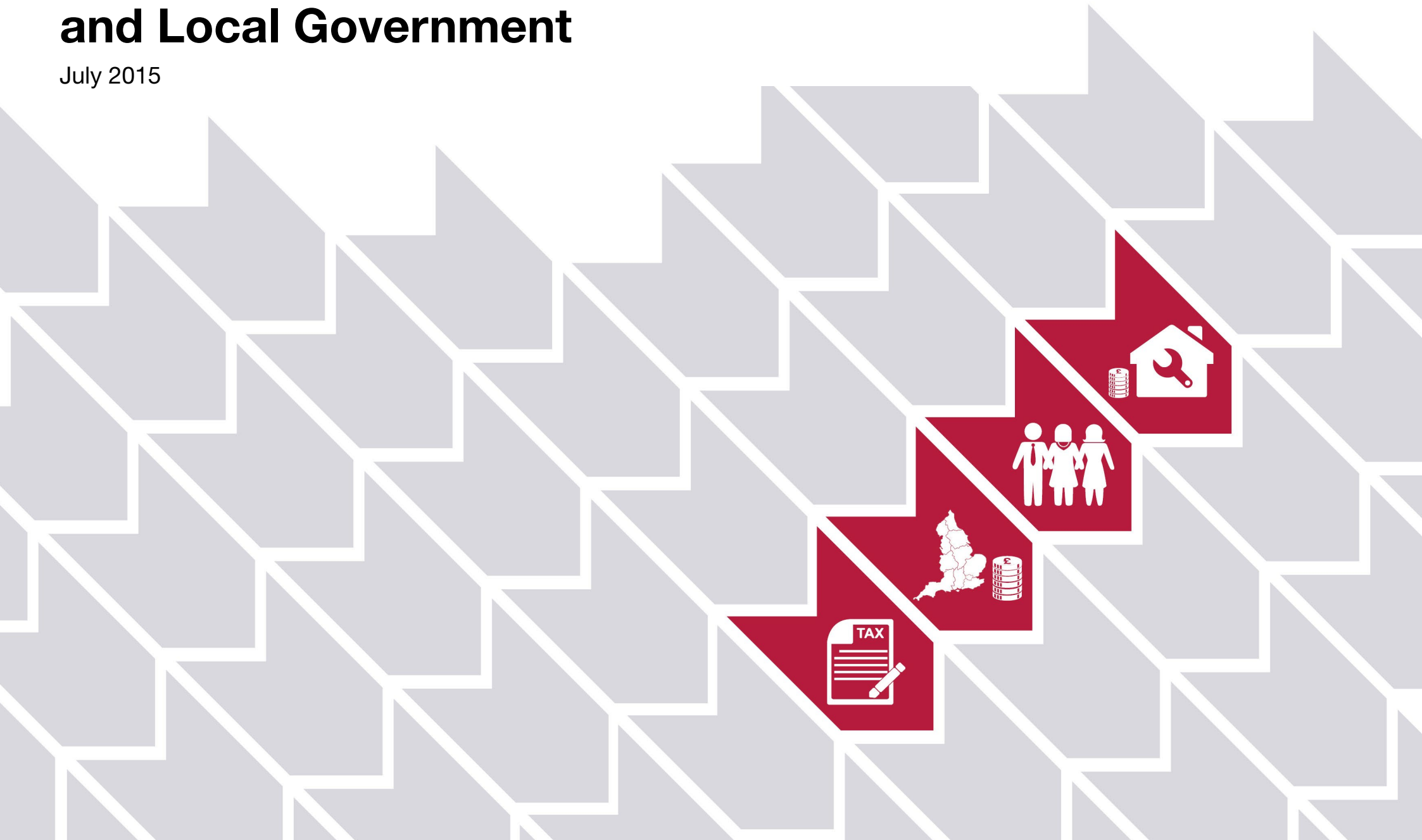


A Short Guide to the **Department for Communities and Local Government**

July 2015



National Audit Office



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- | Contact details



The National Audit Office scrutinises public spending for Parliament and is independent of government. The Comptroller and Auditor General (C&AG), Sir Amyas Morse KCB, is an Officer of the House of Commons and leads the NAO, which employs some 810 people. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy. Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of £1.15 billion in 2014.

This Short Guide summarises what the Department for Communities and Local Government (DCLG) does, how much it costs, recent and planned changes and what to look out for across its main business areas and services.

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Interactive

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60%
fall in the Department's number of staff (average full-time equivalent) since 2009-10



37%
fall in central government funding to local authorities in real terms, and on a like-for-like basis, between 2010-11 and 2015-16



29%
fall in the Department's spending in real terms between 2010-11 (£40.1 billion) and 2015-16 (£28.5 billion)



25%
fall in local authorities' income in real terms once council tax is included between 2010-11 and 2015-16



11
number of arm's-length bodies the Department has, reduced from 26 in 2010



3.1%
fall in council tax income in real terms for single tier and county councils between 2010-11 and 2013-14



£2.1 billion
spend in 2013-14 by the Homes and Communities Agency on a range of programmes to support housebuilding and home ownership



£3.9 billion
spend between 2011-12 and 2014-15 on new local economic growth schemes following the closure of the Regional Development Agencies

Key facts

The Department sets policy on supporting local government; communities and neighbourhoods; regeneration; housing; planning, building and the environment; and fire and rescue. It has an important role in supporting local development and promoting economic growth.

About the Department for Communities and Local Government

The Department's priorities are to:

- decentralise power as far as possible;
- reinvigorate accountability, democracy, participation and transparency;
- support and incentivise local growth; and
- meet people's housing aspirations.

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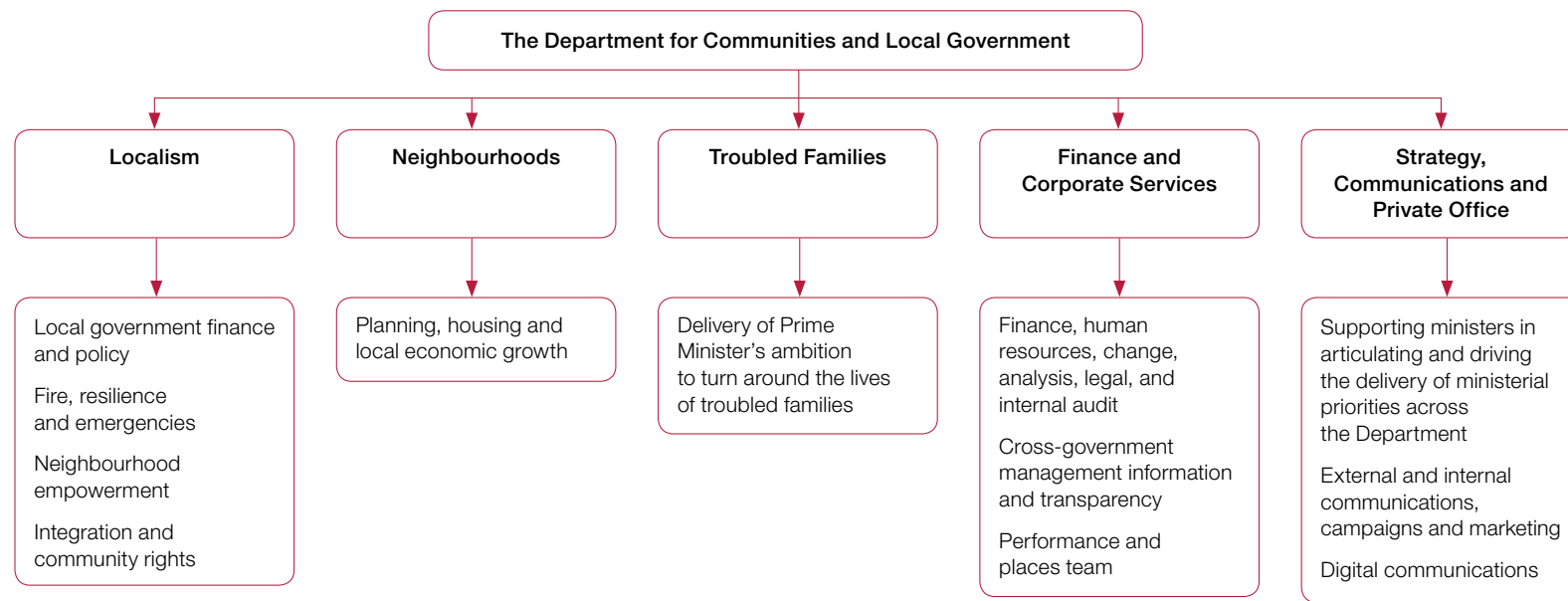
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How the Department is organised



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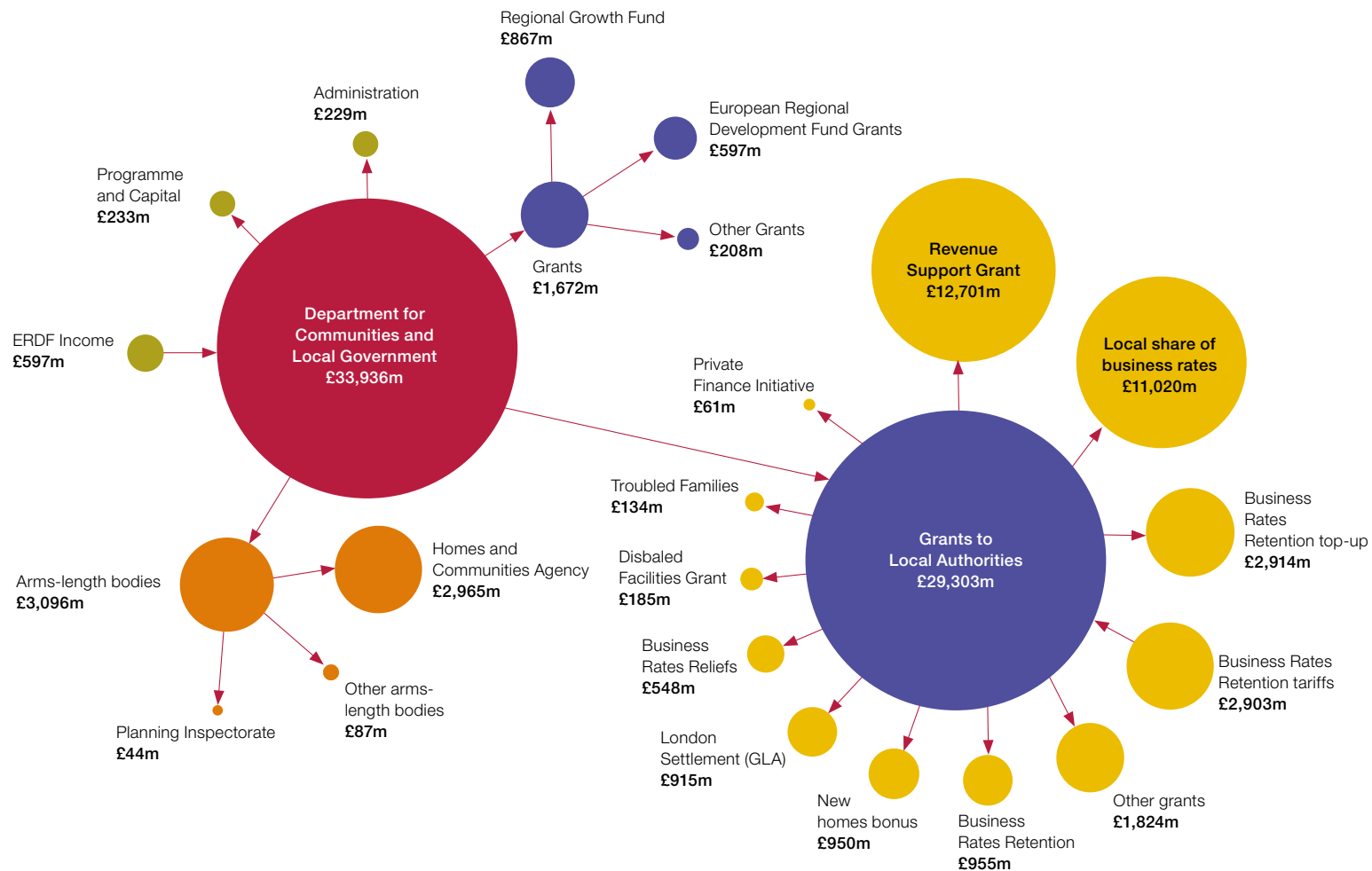
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Where the Department is estimated to spend it's money in 2014-15



Note

1 On 4 June 2015 the Chancellor announced £4.5 billion of new measures to bring down public debt in 2015-16. The measures included in-year savings of £230 million from the Department for Communities and Local Government, to be achieved through increased receipts from sales of public sector land.

Source: The Department's 2014-15 Supplementary Estimate

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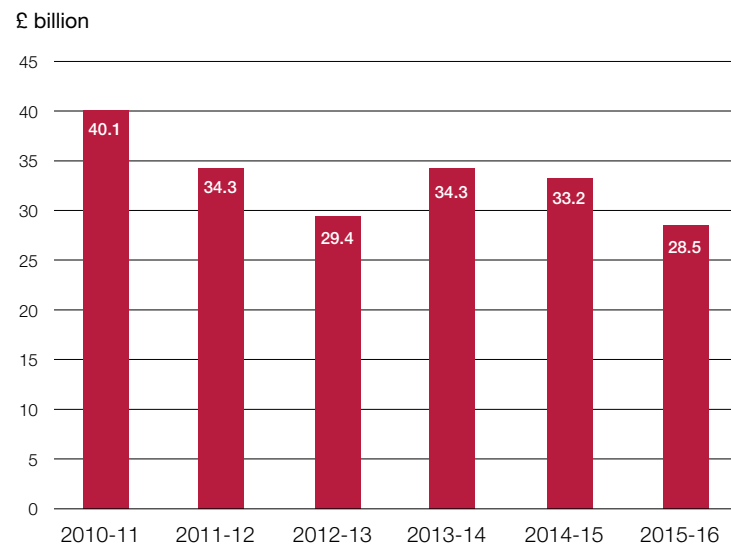
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The Department's overall budget reduced by 29% in real terms over the course of the last Parliament, from £40.1 billion in 2010-11 to £28.5 billion in 2015-16 (figure right). The reduction masks the movement of some grants both in and out of the Department's budget, eg £3 billion of police funding moved to the Home Office in 2013-14, while in the same year the Department introduced the £3.3 billion council tax support grant.

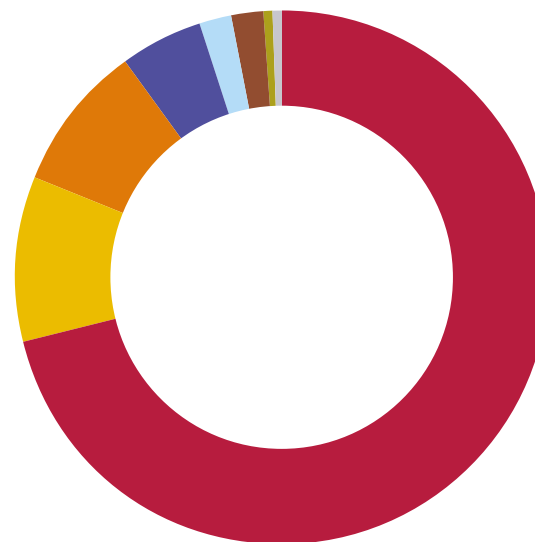
Of the eight departments that fund local government, the Department for Communities and Local Government provides the most funding (figure below). The government as a whole has reduced its funding to local authorities by 37% in real terms (on a like-for-like basis) between 2010-11 and 2015-16. This equates to 25% of local authorities' total income when taking into account council tax receipts.

The Department's budget between 2010-11 and 2015-16



Which departments funded Local Government in 2013-14 (revenue and capital)

- £96m – <1%**
Department for Environment, Food & Rural Affairs
- £116m – <1%**
Department for Business, Innovation & Skills
- £596m – 2%**
Department for Work & Pensions
- £653m – 2%**
Home Office
- £2bn – 5%**
Department for Transport
- £3.2bn – 9%**
Department for Education
- £3.8bn – 10%**
Department of Health
- £26.6bn – 72%**
Department for Communities and Local Government



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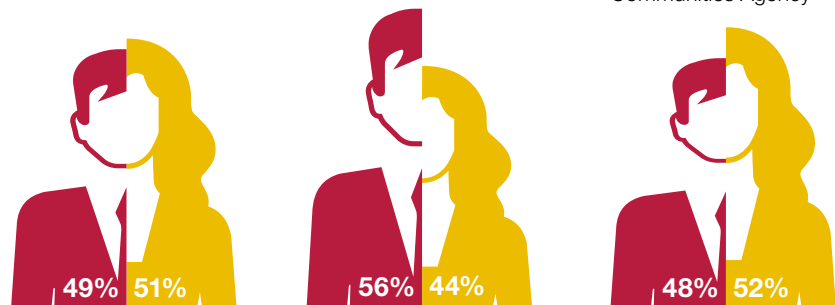
The Department has transformed into a smaller organisation that is focused on influencing and enabling its delivery partners. Since 2009-10, the Department has reduced its average full-time equivalent (FTE) staff by 60%, from 4,172 to 1,679. The Department's arm's-length bodies have also made reductions in the same period, and the Department has reduced the number of such bodies from 26 to 11.

Workforce in the DCLG 2013-14

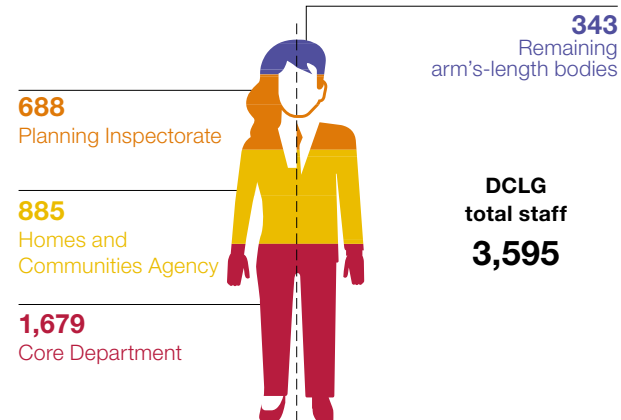
Gender
DCLG

Planning Inspectorate

Homes and Communities Agency



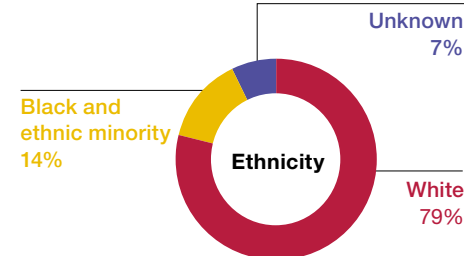
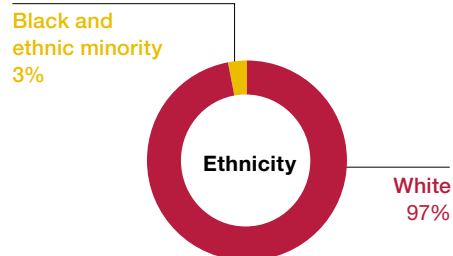
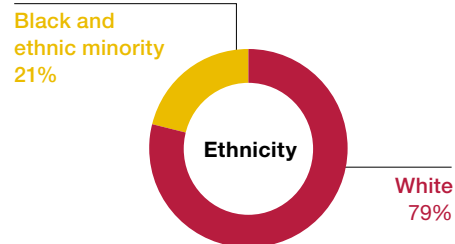
DCLG staff breakdown 2013-14



Ethnicity
DCLG

Planning Inspectorate

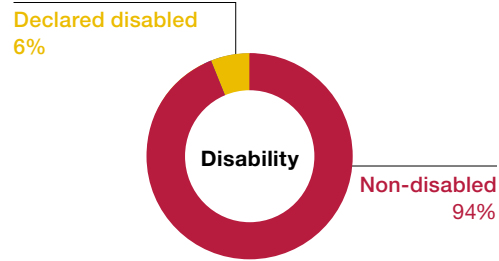
Homes and Communities Agency



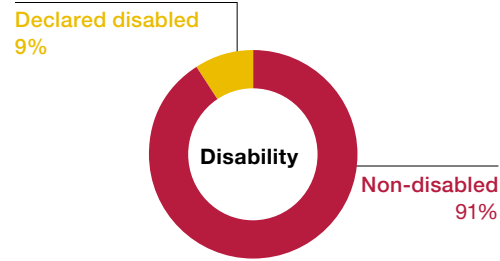
Workforce in the DCLG 2013-14 *continued*

Disability status

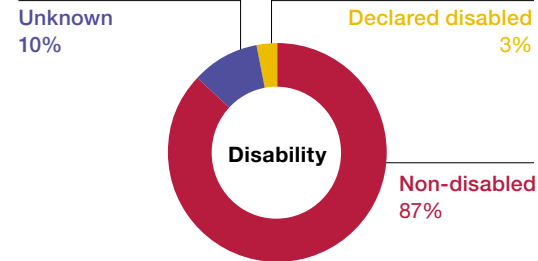
DCLG



Planning Inspectorate



Homes and Communities Agency



Remuneration 2013-14

Ratio of highest to median remuneration	4.6:1	3.5:1	7.9:1	4.0:1
Highest remuneration	£172,000	£197,500	£197,500	£167,500
Median remuneration	£37,875	£57,517	£25,261	£41,678
	DCLG	Planning Inspectorate (Inspectors)	Planning Inspectorate (Admin)	HCA

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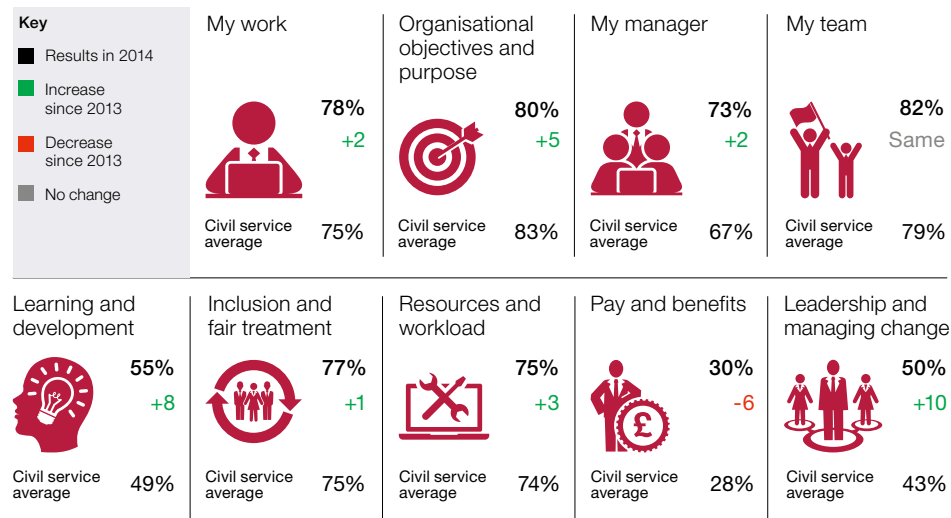
The government has conducted its Civil Service People Survey annually for the past five years. The most recent survey was carried out during October 2014 (figure right).

The Department for Communities and Local Government has improved or maintained its score on all but one theme since 2013, and is now above the civil service average in eight out of nine themes.

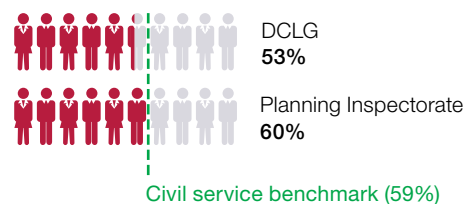
The main measure from the people survey is the **employee engagement index** which measures an employee's emotional response to working for their organisation (figure right).

The core Department scored less than the civil service average for employee engagement (59%). Although improved from the previous year, it remains one of lowest scores across central government departments.

Attitudes of staff in 2014 compared with 2013 – DCLG



Engagement index 2014



Sources: Civil Service People Survey 2013 and 2014

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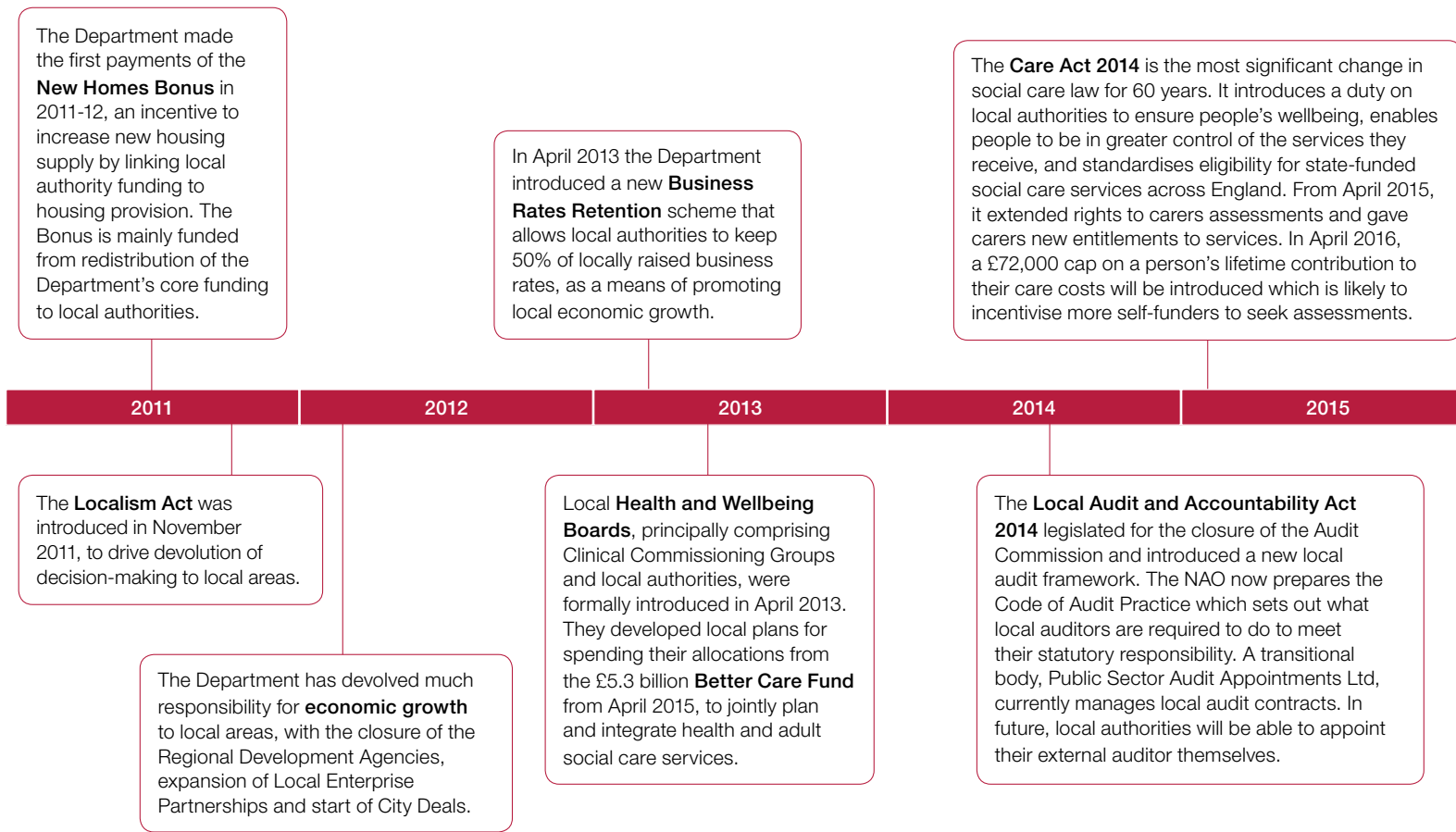
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Devolving responsibilities to cities in England: Wave 1 City Deals (July 2015): The government's Wave 1 City Deals were an important catalyst for cities to develop their capacity to manage devolved funding and increased responsibility for economic growth. However, it is too early to tell whether the deals will have any overall impact on growth.

Care Act first-phase reforms (June 2015): The first phase of the Care Act has been implemented well, but this places new responsibilities on local authorities whose core funding is being significantly reduced.

Local government new burdens (June 2015): The Department has taken steps since November 2014 to improve its understanding of new burdens on local authorities.

Disposal of public land for new homes (June 2015): A programme to sell enough government land by March 2015 to build a potential 100,000 homes did not collect information on the amount of money raised or how many homes have been built.

Financial sustainability of local authorities 2014 (November 2014): Local authorities have worked hard to manage reductions in government funding. However, the Department needs to be better informed about local authorities' particular situations in order to head off serious problems before they happen.

Planning for the Better Care Fund (November 2014): The Better Care Fund is an innovative idea but the quality of early preparation and planning did not match the scale of the ambition.

Local government funding: Assurance to Parliament (June 2014): It is not clear that the Department knows whether its oversight system for local government is effective in securing value for money.

The Help to Buy equity loan scheme (March 2014): The Department implemented the scheme well, but has found it difficult to demonstrate the added value – it was unable to say how many households who are buying a home through the scheme would have been able to do so without the government's support.

Progress report on the Regional Growth Fund (February 2014): After a slow start to spending on local economic growth, the Department made improvements to the way the Regional Growth Fund operates.

Council Tax support (December 2013): The changes to the way the Department administers Council Tax Support were well implemented. It is unclear though whether some of the longer-term objectives of the change will be achieved.

Programmes to help families facing multiple challenges (December 2013): The Department must work with local authorities to build an evidence base to show which interventions work best.

Funding and structures for local economic growth (December 2013): The transition from the old to the new growth schemes, such as local enterprise partnerships, was not well managed and there was a significant dip in growth spending.

The New Homes Bonus (March 2013): The scheme redistributes funding between local authorities in relation to the success at promoting new housing, introducing substantial financial risk to some authorities.

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Key themes from recent NAO reports

Our recent value-for-money reports found that the Department has implemented those projects and programmes we reviewed effectively:

- The Help to Buy equity loan scheme; Council Tax support; Financial viability of the social housing sector: introducing the Affordable Homes Programme: We found these three schemes to have been well implemented and to have got off to a good start. Overall, we found more positive examples of implementation compared to our reports that covered policies and programmes implemented in the previous parliament.
- Progress report on the Regional Growth Fund: After a slow start to spending on local economic growth the Department made improvements to the way the Regional Growth Fund operates.

However, the Department has often found it difficult to demonstrate the impact or added value of its projects and policies, which is key to value for money:

- The Help to Buy equity loan scheme: The Department was unable to say how many households who are buying a home through the Help to Buy equity loan scheme would have been able to do so without the government's support.
- Local government funding: Assurance to Parliament: It is not clear that the Department knows whether its oversight system for local government is effective in securing value for money.

The shift from funding delivery bodies through grants to using financial instruments (covered in [Housing 4/5](#)) has created new information and management challenges:

- The Help to Buy equity loan scheme: The Department and the Homes and Communities Agency have improved their governance arrangements and begun to recruit people with required specialist skills.

DCLG's funding and oversight of Local Government

How much money does government provide?

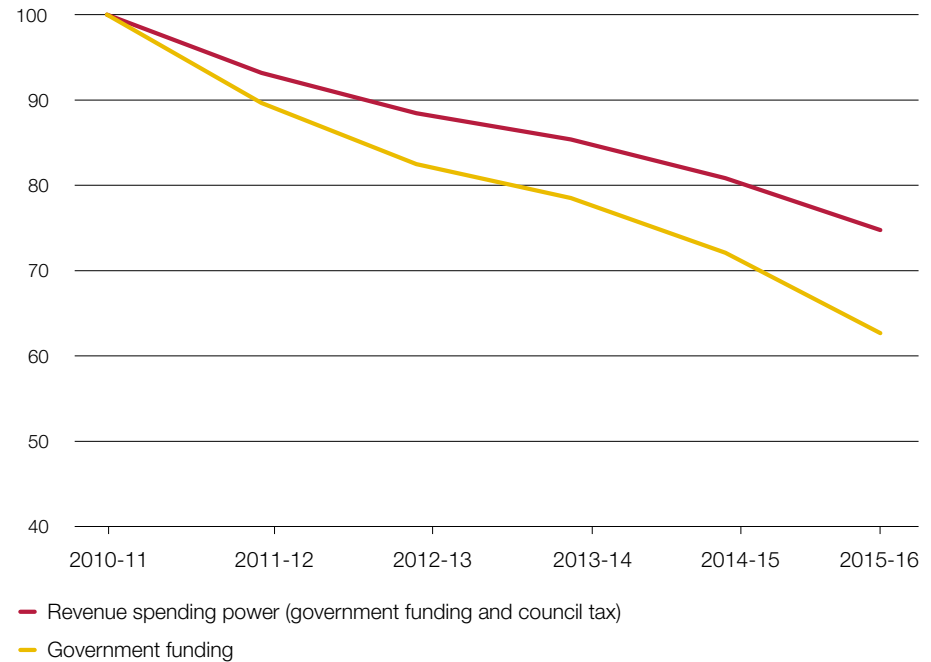
In 2013-14, the government gave local authorities £36.1 billion in funding (excluding funding passed directly to schools and directly to individuals through housing benefit). Revenue funding accounted for £32.0 billion, with £4.1 billion in capital funding. Eight different departments contributed. The Department for Communities and Local Government, which coordinates funding to local authorities, gave £26.5 billion (73%).

This funding complemented a range of non-departmental sources of funding used by local authorities such as council tax receipts, income from sales, fees and charges and capital receipts. The term **spending power** includes both the funding local authorities receive from central government and council tax income. It gives a more accurate picture of the funding available to local authorities, but excludes some funding streams and late changes to government funding.

Government funding to local authorities has fallen by 37% between 2010-11 and 2015-16 on a like-for-like basis (figure right). Over the same period, local government spending power has fallen by 25%. However, locally raised income has fallen and has not offset reductions in government funding. For example, real-terms council tax income fell by 3.1% for single tier and county councils between 2010-11 and 2013-14.

Change in government funding to local authorities compared with local authority spending power, 2010-11 to 2015-16

Percentage change at 2012-13 prices (indexed: 2010-11=100)



Source: National Audit Office analysis of Department for Communities and Local Government data

DCLG's funding and oversight of Local Government

Types of grant

In the 2010 spending review, the government set out policy changes to give local authorities more control over their funding, enabling them to allocate resources to meet local priorities, intended to give authorities flexibility to fulfil their statutory duties despite funding reductions. The government also wanted to reduce the reporting burden on local authorities and reward certain behaviours. These changes increased local authorities' financial flexibility by reducing the number and value of ring-fenced grants (figure right).

The government has:

- Removed direct conditions (ring fences) and reporting mechanisms from some grants.
- Withdrawn some frameworks for monitoring local authority spending and performance.

In 2013-14, £25 billion (78%) of total government revenue funding to local authorities was through non ring-fenced general grants (figure right), £4.2 billion (13%) was paid in non ring-fenced targeted grants. In both cases, there are no conditions requiring local authorities to use funding for a specific purpose. Ring-fenced grants amounted to £2.8 billion (9%).

Ring-fenced grants

Local authorities must spend this on a specific activity and report to government on how they have met the grant conditions.

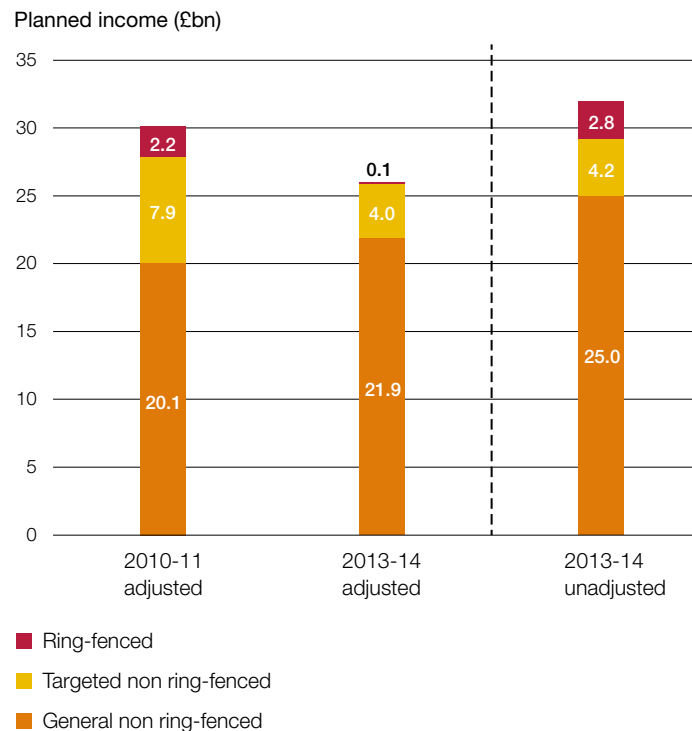
Non ring-fenced general grants

There is no expectation or monitoring of how local authorities spend this funding, other than they should spend it lawfully.

Non ring-fenced targeted grants

Departments provide these grants for local authorities to fund specific activities. Although local authorities can reallocate the grants to other areas of work to meet local priorities. The Department does not have to monitor how local authorities use these grants, but often does so through existing datasets.

Change in budgeted revenue funding by grant type between 2010-11 and 2013-14



Note

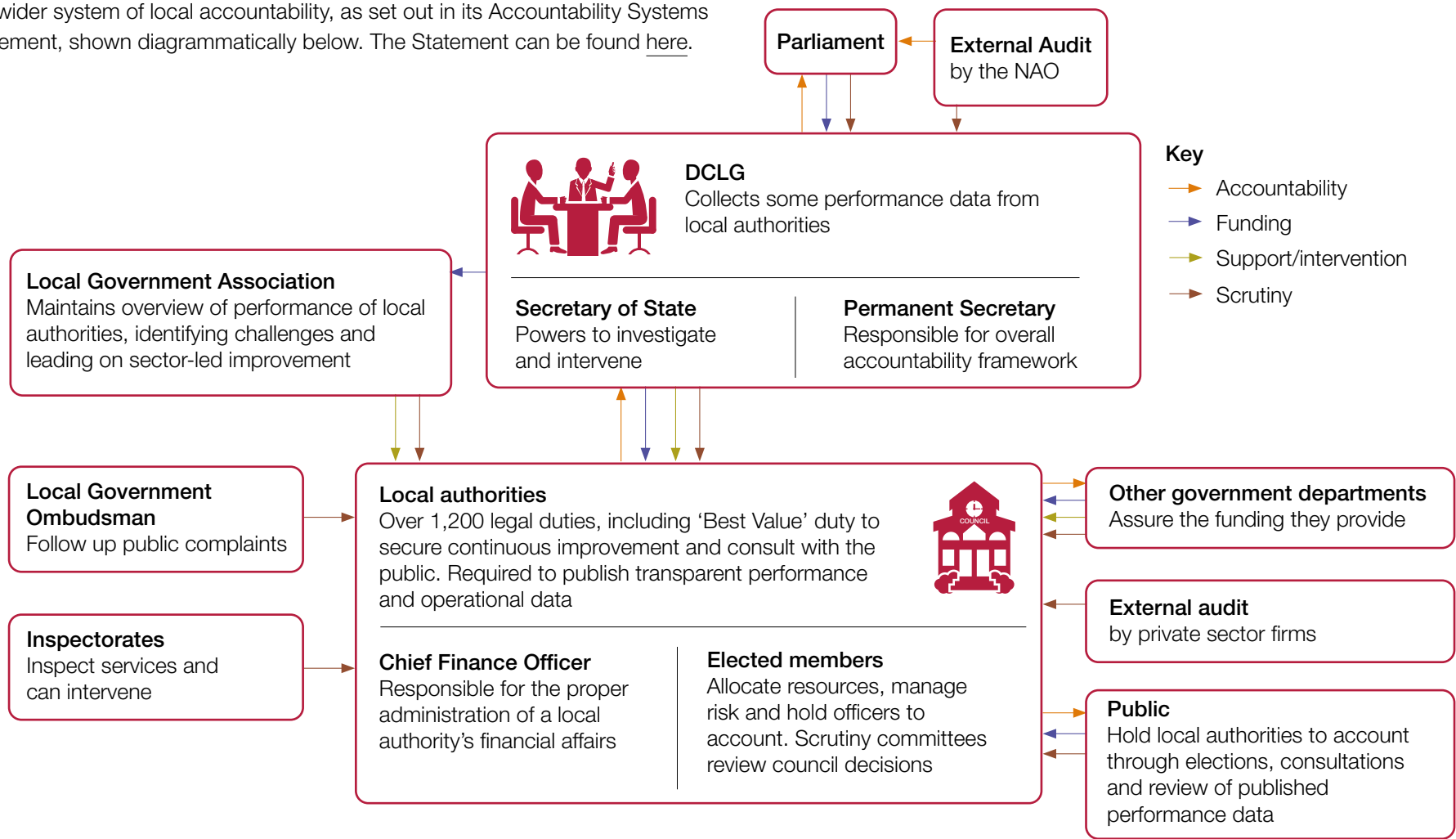
1 Over this period authorities started receiving some additional grants, eg the public health grant transferred from the NHS – the central column above adjusts for this by removing new grants to show a like-for-like comparison between years.

Source: National Audit Office analysis of Department for Communities and Local Government's data

DCLG's funding and oversight of Local Government

Assurance on how authorities spend funding

The new assurance and funding arrangements provide the Department with less information on how local authorities spend government grants and other funding and whether they achieve the intended outcomes. The Department relies on the wider system of local accountability, as set out in its Accountability Systems Statement, shown diagrammatically below. The Statement can be found [here](#).



DCLG's funding and oversight of Local Government

What are the things to look out for?

Will local authorities be able to deliver their statutory duties with reduced funding?

So far authorities have coped through improving efficiency and reducing service levels.

The Department recognises that transforming how local services are delivered will be necessary to meet the future funding challenge. It leaves the nature of this transformation to local decision-makers.

Would the Department's oversight of local authorities alert it to the risk of financial failure?

Our report [Financial sustainability of local authorities 2014](#) found that the Department has a limited understanding of the financial sustainability of local authorities and the extent to which they may be at risk.

Does the Department's oversight of local government give it sufficient insight into whether its policies are achieving their aims and if value for money is being achieved?

The Department is clear that local authorities' prime accountability is to their local electorates, and that councillors are best placed to decide what is value for money locally.

The Department sees its role as assuring itself that the local accountability system is effective, rather than to monitor local spending. It has reduced the reporting burden for local authorities and no longer receives intelligence from local authorities' external auditors via the Audit Commission, which closed in March 2015.

The Department expects value for money to be driven by pressure on local authorities to improve outcomes, reduced incomes and greater transparency of their spending decisions.

How will accountability work as, increasingly, organisations pool funding and make spending decisions collectively?

Local Enterprise Partnerships comprise public and private sector bodies which work together across a region.

Social care and health budgets are pooled locally through the Better Care Fund. Spending decisions are overseen by Health and Wellbeing Boards comprising local health bodies, local authorities and other local partners.

Our [Short Guide to Local Government 2015](#) discusses how local authorities are funded in more detail.

The NAO's reports [Financial sustainability of local authorities 2014](#), [Local government funding: assurance to Parliament](#), [Departmental Overview: The performance of the Department for Communities and Local Government 2013-14](#), [Funding and structures for local economic growth and Planning for the Better Care Fund](#) present a fuller discussion of the issues presented here.

Housing

How the Department and the Homes and Communities Agency support housing



The government estimates that around 230,000 new homes are needed each year in England. It has sought to address the widening gap between household formation and housing supply (figure right) through its housing strategy Laying the Foundations, published in November 2011, which sets out the three main barriers to home ownership:

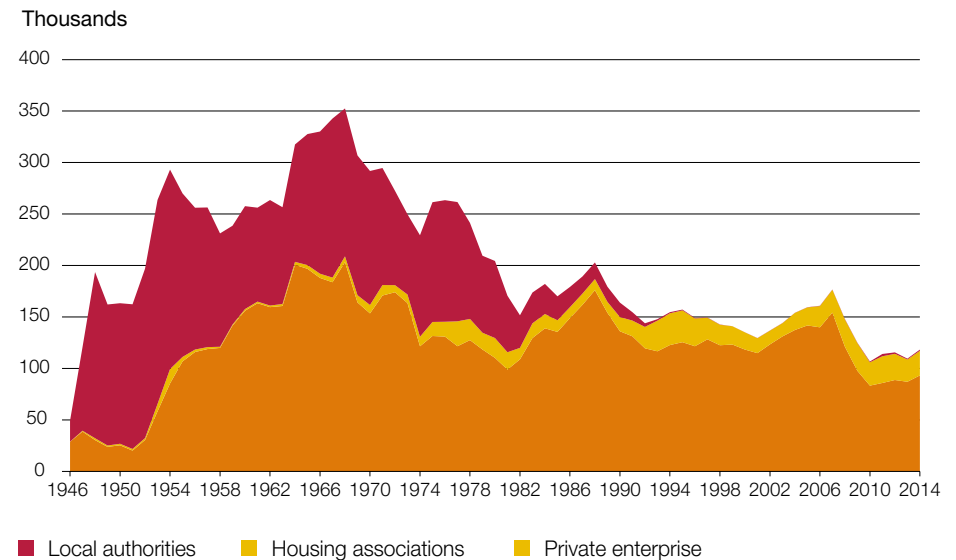
- Potential buyers cannot afford mortgage finance.
- Lenders require big deposits from buyers.
- Developers do not build enough new homes.

The Department has supported housebuilding through a range of grants and loans to housing associations, developers and buyers. For example, it has supported affordable home building through the **Affordable Homes Programme**. The Programme is intended to build housing with a third of the grant per home of earlier affordable housing schemes. It will involve housing providers spending some £12 billion on new homes, funded by a combination of government grant (£1.8 billion), borrowing by providers supported by rents on the new properties (about £6 billion), and funding from other sources (about £4 billion).

We reported on the launch of this programme in 2012 (Financial viability of the social housing sector: introducing the Affordable Homes Programme) and concluded that while the launch had been successful, the achievement of value for money will depend on how successful the Department is in managing risk throughout the programme.

The **Homes and Communities Agency (HCA)** is the largest of the Department's arm's-length bodies and is the national housing and regeneration agency for England. In 2013-14, the Agency had net spending of £2.1 billion, mainly financed by the Department through grant-in-aid. This supported a range of programmes, the two largest being Help to Buy (£858 million) and the Affordable Homes Programme (£373 million).

New homes completed in England, 1946 to 2014



Source: Department for Communities and Local Government, live tables on housebuilding, table 244 'Permanent dwellings completed, by tenure, England, historical calendar year series'

Housing

The New Homes Bonus

The Department has sought to create incentives for local authorities to boost new housing supply by linking local authority funding to housing provision through the **New Homes Bonus**. The Bonus is a non ring-fenced payment the Department has paid, since April 2011, to local authorities for every home added to their council tax register, equivalent to the national average for that home's council tax band every year for six years. The total size of the annual Bonus fund has increased from £200 million in 2011-12 to almost £1 billion by 2014-15.

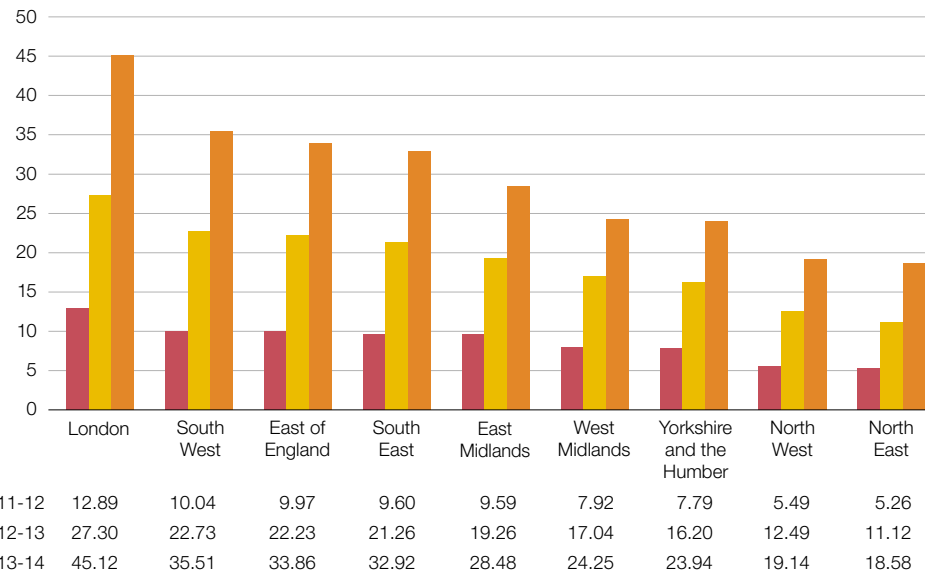
The Department published its first evaluation of the Bonus in December 2014. It concluded that it will take some time before the Bonus's full potential to increase the rate of housebuilding can be assessed. It found evidence that the Bonus was part of a number of factors that were encouraging and supporting a more proactive approach to new house building among local authorities.

The Bonus is mainly funded from redistribution of the Department's core funding to local authorities. As such it redistributes funding between local authorities. Our 2013 report [The New Homes Bonus](#) found local authorities in the south of England generally receive more Bonus per household than in the north (figure right).

Bonus allocations per household by region

Local authorities in London and the south of England generally receive more Bonus per household than in the north

New homes Bonus per household (£)



Source: National Audit Office analysis of Department for Communities and Local Government's data on New Homes Bonus allocations and the Office for National Statistics 2011 census data



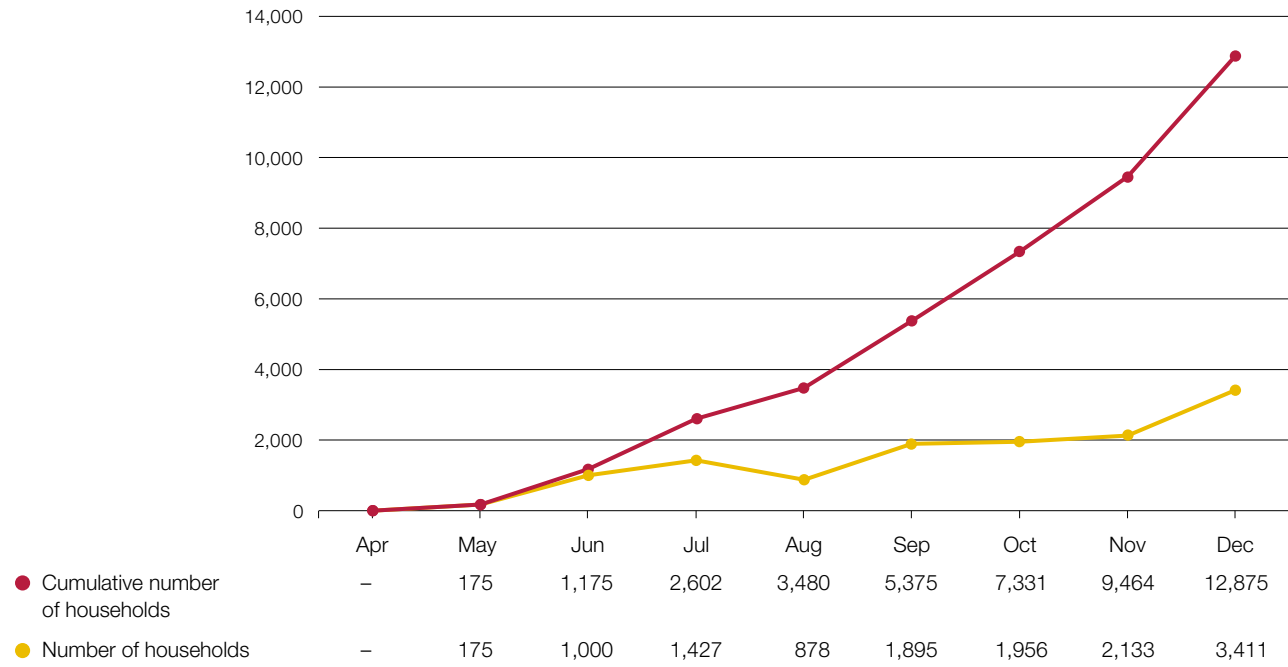
Housing

Help to buy and other schemes

The Department has supported private housing developers to supply new housing through a wide range of programmes such as **Kickstart**, **Get Britain Building**, and **Build to Rent**. It has promoted home ownership through revisions to **Right to Buy**, and through financial support to homeowners through schemes such as **Help to Buy** and its predecessors, **FirstBuy** and **NewBuy**.

Our report [The Help to Buy equity loan scheme](#) (March 2014) showed that, over the first nine months of the scheme between April and December 2013, the number of buyers accessing the scheme increased steadily (figure right). We reported that the Department aims to help 74,000 households across three years, and that based on early uptake it was on target to do so. In March 2015, the Department reported that in the first 23 months (to 28 February 2015), 44,471 properties were bought with the support of the scheme.

The number of buyers accessing the scheme increased steadily between April and December 2013



Source: National Audit Office analysis of Homes and Communities Agency data

In our report we raised some concerns about the Help to Buy equity loan scheme:

- The Department expected to recover its investment after 15 years, but its return will depend on market factors and the timing of repayments, over which it has limited influence.
- The scheme is demand-led and the Department must pay out on all valid applications. Cash flow will therefore vary from year to year, and in some years the impact could be unaffordable for the Department.
- Demonstrating the impact of the scheme will be difficult as the Department did not have a joined-up approach to evaluating the combined impact of its housing market initiatives.



Housing

The increasing use of financial instruments

The Department and its arm's-length bodies are moving away from giving grants to local authorities and others, and are increasingly using financial instruments to fund their programmes. Financial instruments are contracts between the Department or arm's-length body and the authority/organisation/individual that involves the exchange of money or monetary value, eg loans, financial guarantees, investments, or more complex arrangements.

In 2013-14, the Homes and Communities Agency invested £1,554 million through recoverable financial investments, for the first year exceeding the amount it paid in grants (£1,052 million).

The Department's financial instrument projects and programmes are expected to increase from around £2 billion in 2014 to around £24 billion by 2021.

The Department has, so far, mainly used financial instruments to support the supply of new housing through payments the Homes and Communities Agency has made to local authorities, developers, and individual homeowners.

Help to Buy equity loan scheme – recoverable financial investments in the market value of homes bought by individuals. Has a budget of £9.7 billion through to 2021.

Affordable Homes and Private Rented Sector guarantee schemes – guarantee to banks of debt held by housing associations and housing developers to enable them to build new homes. Total budget for financial guarantees is £10 billion through to 2021.

Some £4.2 billion through to 2021 for other loans and investments, mainly through the **Build to Rent** and **Large Sites schemes**.

Uncertainty over the amount and timing of its financial returns, how the housing market will perform and when homeowners might repay their loans has a significant impact on the Department's ability to forecast how much money it will receive from its investments. Consequently, when planning its budget, the Department will find it difficult to know how much funding it needs to request from HM Treasury to run its programmes.



Housing

What are the things to look out for?

How is the Department managing the risks introduced by its increasing use of financial instruments?

- Using financial instruments introduces risks to financial returns, eg the ability of recipients to pay back, and the state of the economy. The timing of financial returns is also uncertain.

Are the Department and the HCA recruiting people with the right skills and capabilities needed to manage the increasing portfolio of financial instruments?

- They have needed new information systems and new skills to manage their portfolio of financial instruments.

Will the Department's schemes for boosting housebuilding succeed?

- The New Homes Bonus has yet to realise its potential to increase the rate of housebuilding.
- The New Homes Bonus can have a strong effect on the finances of some local authorities.

Will the Department achieve its aims for creating more affordable homes?

- The Department is intending to spend a further £1.7 billion on Affordable Homes in the period 2015–2018.
- The new government plans to extend the right to buy to housing association tenants.

How will changes to the welfare rules and eligibility affect householders' ability to keep up their rent or mortgage payments?

- Tenancy failure is a major cause of homelessness.
- Changes to the way housing associations charge rent, for example the introduction of 'affordable rents' at 80% of market rental levels, affects the overall cost of housing benefit.

The NAO's reports [Departmental Overview: The performance of the Department for Communities and Local Government 2013-14](#), [The New Homes Bonus](#) and [The Help to Buy equity loan scheme](#) present a fuller discussion of these issues.

Local economic growth and planning

How the Department promotes local economic growth

The government set out its policy for local economic growth in the 2010 White Paper [Local growth: realising every place's potential](#). It called for an economy less dependent on a narrow range of sectors and new business opportunities balanced across the country driven by private sector growth.

Since 2010, the Department has:

- Abolished the Regional Development Agencies.
- Supported the introduction and development of **Local Enterprise Partnerships**, business-led strategic bodies for local growth.
- Agreed **Growth Deals** with Local Enterprise Partnerships totalling £2 billion in 2015-16.
- Designated areas as **Enterprise Zones** within Local Enterprise Partnership areas, where businesses receive incentives to start up or expand, eg tax allowances.
- Introduced the **Growing Places Fund**, providing loans for small infrastructure projects.
- Introduced the **Regional Growth Fund**, a competitive fund open to businesses, Local Enterprise Partnerships and local authorities to encourage sustainable private sector-led growth.
- Introduced **City Deals**, agreements between central government and cities which give local decision-makers new powers, freedoms and funding channels. In 'Wave 1', deals were agreed with the eight largest cities outside London. Deals are in development with a further 20 cities.

A significant recent change in how the Department funds local authorities was the **business rates retention scheme**, which the Department introduced in April 2013. Under this scheme local authorities keep a portion of business rates growth in their area (currently 50%) as an incentive to promote growth. Local authorities kept £10.8 billion in business rates in 2013-14. Under the previous scheme, business rates were collected by central government and redistributed to local authorities using a needs-based formula.

Our [Short Guide to local government 2015](#) discusses how local authorities support infrastructure development and drive local economic growth in more detail.

Local economic growth and planning

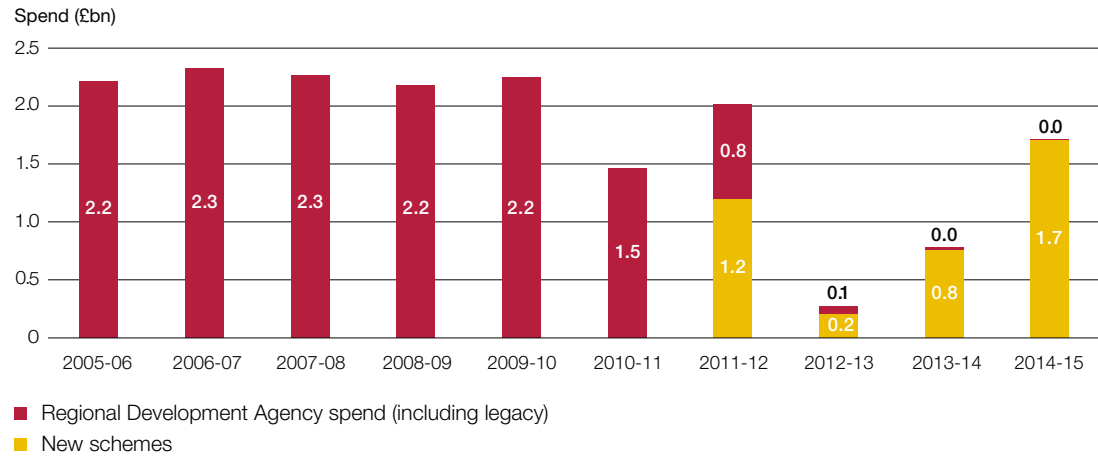
How much does the Department spend?

In our report [Funding and structures for local economic growth](#) (December 2013) we estimated that between 2011-12 and 2014-15, £3.9 billion would be spent on new local economic growth schemes following the closure of the Regional Development Agencies.

We found that, while the Department had closed the Regional Development Agencies effectively, the new structures and programmes were making progress at different rates. This led to a decrease in spending on local growth during 2012-13 (upper figure right). Also, money that the Department had transferred to delivery partners such as banks and LEPs was not being distributed quickly to businesses that could create jobs.

In our [Progress report on the Regional Growth Fund](#) we found that the Department (with the Department for Business, Innovation & Skills) had improved the Fund's governance and sped up the process of making final offers to bidders whose projects were selected for support. However, beneficiaries were not always able to spend their funding as quickly as they had anticipated and that the majority of the Fund remained unspent. The lower figure right shows the change in budget between June 2012 and December 2013, which led to an expectation that the Department will spend £1.4 billion in 2014-15.

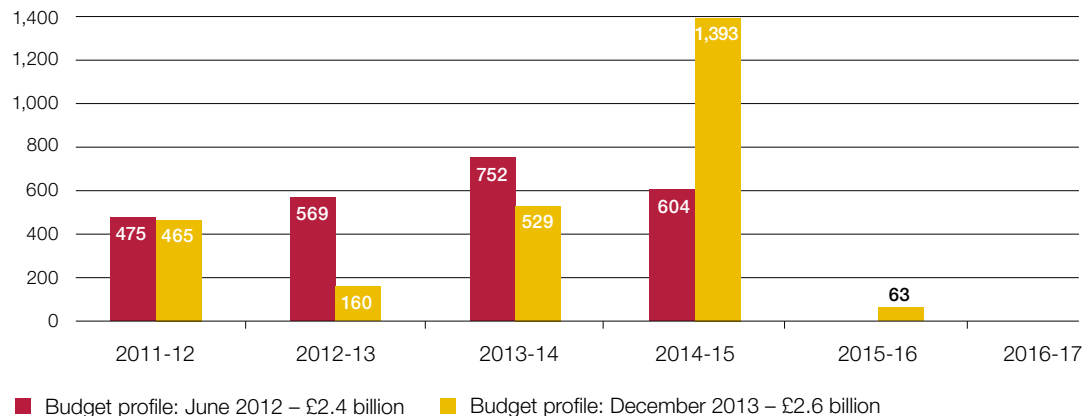
Government spending on Regional Development Agencies and new local growth funds and structures, 2005-06 to 2014-15



Fund budget by financial year

The budget profile has become more challenging because money has been allocated to the fund faster than it has been spent

Regional Growth Fund budget (rounds one to four, £m)



Source: National Audit Office analysis of Secretariat data

Local economic growth and planning

The planning system

The Department sets planning policy. In March 2012, it set out reforms to planning in the **National Planning Policy Framework** for England. The most important part of the framework is a presumption in favour of sustainable development ie growth which is socially, environmentally and economically sustainable. Through the framework the Department aims to simplify the planning system, and allow local people and councils to produce local and neighbourhood plans which reflect the needs and priorities of their communities.

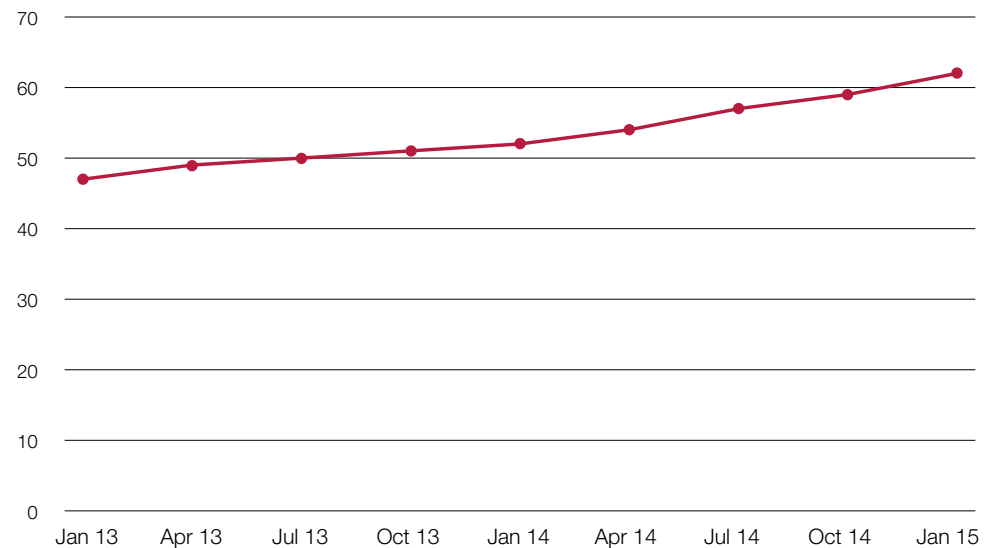
Local planning authorities (unitary authorities, districts and National Parks) administer much of the planning system. They prepare Local Plans (plans for the development of the local area which guide planning applications and approvals), determine planning applications and carry out enforcement against unauthorised development.

The Department delegates oversight and national aspects of the planning system to an executive agency, the **Planning Inspectorate**, which deals with:

- National infrastructure planning applications for large-scale projects such as harbours, power stations and wind farms, and electricity transmission lines.
- Appeals – planning, listed building consents and advertisements.
- Examination of Local Plans.
- Planning applications that are called in for the Secretary of State for Communities and Local Government to decide.
- Rights of way orders.

The Department reports quarterly on the proportion of local planning authorities that have a Local Plan which has been examined and found to be sound by the Planning Inspectorate (figure right).

The proportion of local planning authorities that have an adopted Local Plan has been steadily increasing



Local economic growth and planning

What are the things to look out for?

How will the Department demonstrate the added value from its local growth spending?

- Our report [Funding and structures for local economic growth](#) (December 2013) found that the Department does not have a clear plan to measure outcomes and evaluate performance, and therefore show value for money, across the programme of local growth spending.
- In October 2013, the What Works Centre for Local Economic Growth was set up as part of the [What Works Network](#) to analyse which policies are most effective in supporting and increasing growth.

Will the Department's accountability framework for Local Enterprise Partnerships provide adequate assurance?

- In December 2014, the government published a national assurance framework for [Local Enterprise Partnerships](#) to support accountability, transparency and value for money.

Will new local structures use funds and flexibilities effectively to deliver the intended outcomes?

- The Department has introduced Local Enterprise Partnerships and Enterprise Zones, and negotiated deals with local areas including City Deals and Growth Deals.
- The new government plans greater devolution to cities and regions, for example the 'Northern Powerhouse'. The government is still working through the details of devolution.

Will the proportion of planning authorities with adopted Local Plans continue to increase?

The NAO's reports [Funding and structures for local economic growth and Progress report on the Regional Growth Fund](#) present a fuller discussion of these issues.

Troubled Families

The Department's Troubled Families programme

In the last Parliament, the Department's Troubled Families programme aimed to turn around 120,000 families facing multiple problems over three years from April 2012 to May 2015.

A troubled family:

- is involved in youth crime and antisocial behaviour;
- has children of school age not in school; and
- has an adult on out-of-work benefits.

The government estimated that the annual cost to the taxpayer of troubled families was about £9 billion for the spending review period of 2010–2015, before the programme was introduced.

The Troubled Families programme was a cross-government programme, led by the Department's Troubled Families team. Its aim was to reduce truancy, antisocial behaviour, youth offending, worklessness, and the fiscal costs associated with the families.

The programme's budget was £448 million, for distribution to the 152 upper tier local authorities in England through a payment-by-results mechanism over the programme's three-year life.

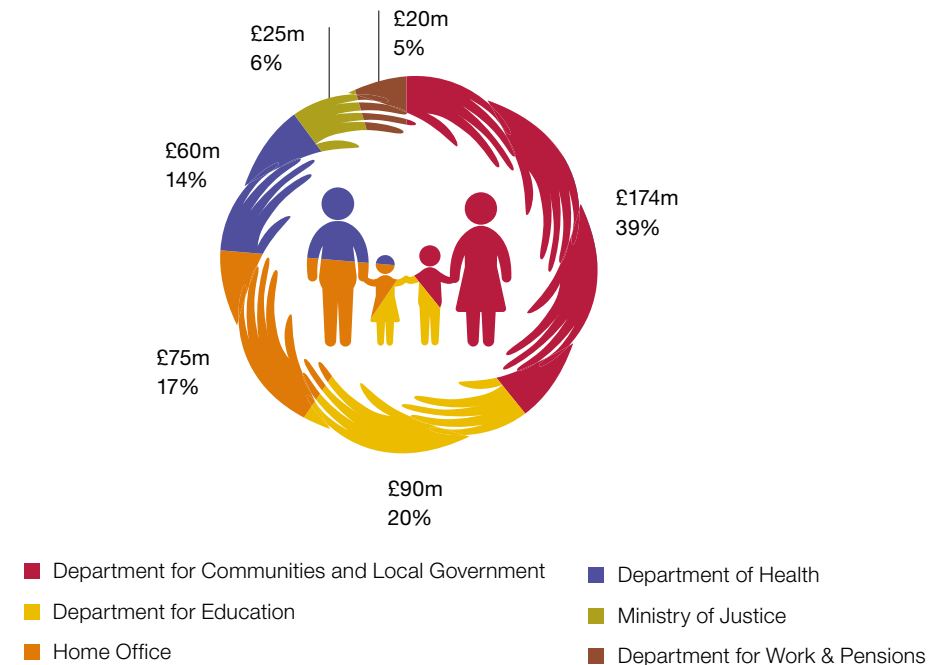
In March 2015 the Department reported on the progress of the programme:

- **117,910** families worked with by December 2014;
- **95,163** families achieving crime/antisocial behaviour/education result by February 2015; and
- **10,508** families achieving continuous employment result by February 2015.

In total:

- **105,671** families turned around by February 2015.

Funding for the Troubled Families programme came from six departments



Troubled Families

What are the things to look out for?

We took an early look at the Department's Troubled Families programme in our report [Programmes to help families facing multiple challenges](#) (Dec 2013), as well as the Department for Work & Pensions' parallel Families with Multiple Problems programme.

We concluded that, while it was too early at the time of our report to make a definitive statement about value for money, the Troubled Families programme was starting to help some families address complex challenges.

Are all local authorities performing well at turning around troubled families?

- We found large variations in performance between local authorities. The highest performing local authority had engaged with 170 % more families than the number agreed with the Department in the first year of the programme, whereas the lowest performing authority had missed its target by almost 67%.
- In the first year, 107 local authorities failed to engage with the number of families to which they committed. The latest data from the Department show improvement and indicate that a third of authorities have turned around all the families in their schemes, and while there is still local variation it is not as great as it was.

Will the Department continue to commit sufficient resources to turning around troubled families?

- In June 2013, the government announced plans to expand the Troubled Families programme for a further five years from 2015-16 and to reach up to an additional 400,000 families across England. Some £200 million has been committed to fund the first year of this proposed five-year programme, while later funding will be determined at the next spending round.

Will the Department learn from and build on the experience of the current programme after 2015?

- We concluded that helping troubled families is a complex area in which all relevant departments need to make a consistent effort to understand what works and target their programmes at incentivising that activity.
- We found that the lack of up-to-date data on the location of troubled families and the issues they faced was potentially inhibiting the Department and local authorities ensuring that they had identified all the families in most need of assistance.



Troubled Families

Upcoming NAO reports relevant to DCLG and local government – 2015



Care leavers' transitions to adulthood: Examining how local authorities oversee and coordinate services for young people leaving their care

Financial sustainability of Fire and Rescue Authorities/Services: A comparative analysis of the impacts of recent funding changes on finances and services

Local welfare provision: Will examine how local authorities have administered welfare support, and contrast alternative approaches to test whether local welfare assistance supports value for money

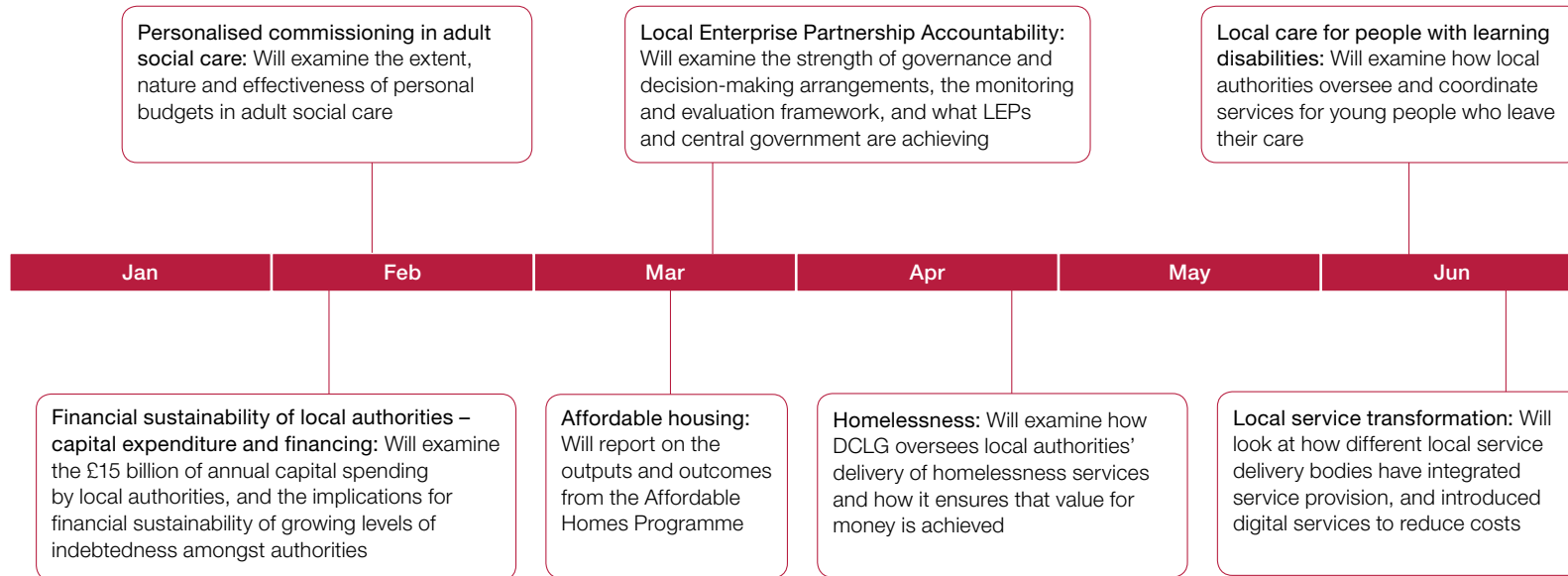


Note

1 The timing of publications, particularly further into the future, is uncertain and subject to change.

Troubled Families

Upcoming NAO reports relevant to DCLG and local government – 2016



Appendix One

DCLG sponsored bodies

The Department currently has 11 arm's-length bodies (ALBs). For all but the largest, the Homes and Communities Agency, sponsorship activities are undertaken by a team in the Finance Directorate, liaising with policy colleagues.

<u>Architects Registration Board (ARB)</u>	ALB type: Public Corporation	ARB was established in 1996 as the independent statutory regulator of all UK registered architects. Its duties include: prescribing the qualifications to be an architect; establishing the standards of professional conduct of registered architects; and investigating complaints against its members and also against those who unlawfully call themselves an architect.
<u>Building Regulations Advisory Committee (BRAC)</u>	ALB type: Advisory NDPB	The Committee's role is to give independent expert advice and views to the Secretary of State and other ministers on matters related to building regulations. In practice, the Committee is also used by the Secretary of State as a sounding board on a wide range of building regulations and other related issues, and its advice is sought on the development of policy proposals.
<u>Commission for Local Administration in England (known as the Local Government Ombudsman)</u>	ALB type: Other public body	To provide the Local Government Ombudsman scheme to investigate complaints relating to local authority functions.
Ebbsfleet Urban Development Corporation	ALB type: Executive NDPB	An Urban Development Corporation set up in April 2015 to deliver a garden city settlement of up to 15,000 homes at Ebbsfleet in Kent.
<u>Homes and Communities Agency (HCA)</u>	ALB type: Executive NDPB	Helps create successful communities by making more homes and business premises available to the residents and businesses that need them. Regulates social housing providers in England.
<u>The Housing Ombudsman</u>	ALB type: Executive NDPB	To provide the Housing Ombudsman scheme to investigate disputes between landlords and tenants in England.
<u>Leasehold Advisory Service (LEASE)</u>	ALB type: Executive NDPB and a Company Limited by Guarantee	Sponsored and funded by DCLG and the Welsh Government to provide a front-line independent advice service to the public and others on residential leasehold issues across England and Wales. It also provides a free front-line independent, advice and information service on the law, rights and obligations applying to park homes in England.
<u>Planning Inspectorate (PINS)</u>	ALB type: Executive Agency	The work of the Planning Inspectorate includes national infrastructure planning; processing planning and enforcement appeals; and holding examinations into local plans and community infrastructure levy charging schedules. PINS' remit also includes a variety of other planning related casework such as listed building consent appeals, advertisement appeals, and reporting on planning applications called in for decision by DCLG.
<u>Queen Elizabeth II Conference Centre</u>	ALB type: Executive Agency and trading fund	Provision of high quality event space in Westminster. A trading fund comprising room booking, audio visual and IT services provision and catering. The building is owned by DCLG.
<u>Valuation Tribunal for England (VTE)/ Valuation Tribunal Service (VTS)</u>	ALB type: VTE – Tribunal NDPB VTS – Executive NDPB	Two separate but interlinked ALBs. The VTE is an independent appeals tribunal which hears council tax and rating appeals in England. It provides a free service and local hearings, and the members who hear appeals are volunteers. The VTS provides the administrative functions for the VTE.