

## **Briefing Paper**

# **Department for Communities and Local Government – Business Plan 2011-2015**

**February 2011**

### **Introduction**

Communities & Local Government published its business plan for 2011 to 2015 in November 2010.

The Conservative-Liberal Democrat coalition government has given the Department for Communities and Local Government a leading role in setting the agenda for Decentralisation and Localism. This will be an important role in delivering the government's promise of their 'Big Society'.<sup>\*1</sup>

The aim of the Department for Communities and Local Government is to make a radical redistribution of power and funding from government to local people to deliver what they want for their communities and in turn to transform the public services within those communities.

The framework to achieve this has been laid out by the Department for Communities and Local Government, this is for government to decentralise by removing central burdens empowering people to take action, letting local people control public spending, breaking apart monopolies, making public bodies and services transparent, and strengthening accountability.

The government states that this change will make local decisions a normal part of everyday life, giving communities, neighbourhoods, and individuals more of a say and more choice within their own communities.

The Department for Communities and Local Government state that they will decentralise power as far as they possibly can with the effect of turning government upside down and inside out. The coalition government believe that Localism isn't simply about giving power back to Local Government.

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<sup>1</sup> There is a briefing paper on the Big Society on the AWICS website at [http://www.awics.co.uk/documents/briefing\\_papers/public\\_administration/The\\_Big\\_Society\\_19-08-2010.pdf](http://www.awics.co.uk/documents/briefing_papers/public_administration/The_Big_Society_19-08-2010.pdf)

The government will attempt to push power downwards and outwards to the lowest possible level so that power is held by local people within their own neighbourhoods and communities.

Eric Pickles MP Secretary of State for Communities and Local Government said:

*“People want more for less in their services and we will free up councils to make that happen.”*

The coalition government want people to have control over the decisions that affect them. The government hopes that the ‘Big Society’ will encourage family and social responsibility plus civil liberties to create a stronger society.

The hope is that through this people within communities will feel both freer and more powerful to help themselves and their own communities to build Localism. The ‘Big Society’ is also aiming to re-energise and empower people to enable ideas to flow into local enterprises.

Furthermore, the Department for Communities and Local Government hope with this new framework to give greater freedom by streamlining grant funding and removing burdens so that Local Authorities can prioritise and allocate budgets to support public services in ways that meet the needs of local people and communities.

The government considers that this will increase fairness by devolving control over budgets to Local Authorities so they can move towards more personalised and effective provision of services for vulnerable groups, giving responsibility by freeing up funds and reducing bureaucratic controls so that Local Authorities and their partners can focus on their priorities helping to manage demand on services and reduce costs to society.

Localism also gives local authorities the responsibility for deciding which services should be reduced thus avoiding the need for the government to take and justify those decisions. The abolition of regional organisations, structures and policies is presented as localism but it can be argued that regional powers are now being assumed at national level and that this is really centralisation.

## **Main Coalition Priorities**

The Department for Communities and Local Government have identified a number of priorities for structural reform for the coming year as follows:

- Decentralise power as far as possible – Free Local Government from central and regional control, decentralise power, provide greater freedom and flexibilities to Local Government so that they can genuinely lead their communities and simplify and deregulate Local Government finance.

- Reinvigorate accountability, democracy, and participation within communities – Trust people to take control of the decisions that affect them by devolving power closer to neighbourhoods, increasing citizen participation, promoting community ownership, lifting inspection burdens on councils and unnecessary regional administration.
- Increase transparency by letting people see how their money is being spent – Let local people know who is spending their money and what it is being spent on by publishing financial and performance data online –‘show me the money’.
- Meet people’s housing aspirations – Meet people’s housing aspirations, including by providing Local Authorities with strong and transparent incentives to facilitate housing growth, as well as making the provision of social housing more flexible.
- Put communities in charge of planning – Give local people and communities far more ability to determine the shape of the places in that they live by radically reforming the planning system.
- Supporting Local Government – Radically transforming Local Government, freeing it from central regulation and regional control, so that elected councils are free to deliver essential services according to local needs.
- Communities and neighbourhoods – Aim to ensure that citizens are able to make the best of their communities, removing barriers so that they are able to take action to overcome difficulties such as community conflict, extremism, and deprivation, with neighbourhoods as the building blocks for action.
- Regeneration – Aim to support regeneration and reduce disadvantage and deprivation, ensuring value for money for taxpayers from European Union programmes, decentralising the Thames Gateway and working with London’s Mayor to ensure a lasting legacy from the 2012 Olympic and Paralympic Games.
- Housing – Department for Communities and Local Government oversee housing and homelessness policy in England to meet the aspirations of a growing and ageing population and support the most vulnerable and disadvantaged in communities.
- Planning – Department for Communities and Local Government are responsible for planning policy and building regulations in England. The Department are ensuring that the planning system, building regulations, the building control system and energy performance certificate regimes support government ambitions for a low-carbon and eco-friendly economy.
- The Fire and Rescue Service – Work with the Fire and Rescue Service and the wider fire sector to support them in preventing deaths and injuries from fire, promote fire prevention and respond to major national emergencies.

### **Changes in the Department for Communities and Local Government**

The Department for Communities and Local Government will no longer hold onto power at a national level.

The Department are doing away with Regional Strategies with their centrally imposed top-down housing targets and will give more powers for housing and planning to local communities. However, a court has recently ruled that the abolition of Regional Strategies is illegal without primary legislation. They therefore remain in place pending the passing of the Localism Bill. In the meantime government has advised local authorities to be mindful of the planned abolition of regional strategies in the taking of their decisions.

The government will stop what they regard as the expensive and unpopular Comprehensive Area Assessment with its excessive inspection and micromanagement of Local Authorities. Instead, it will increase accountability of Local Authorities to local people and businesses through the reforms.

Also the ring-fencing of local authority grants will be scrapped.

The Department for Communities and Local Government will stop sponsoring certain regional organisations or those that they regard as unnecessary, such as Regional Development Agencies and Regional Leaders' Boards, when Local Authorities or neighbourhoods can be empowered to carry out their functions.

The 27 Department for Communities & Local Government-sponsored unelected arm's-length bodies will be reduced by two-thirds through abolition, merging or transfer of functions.

Spending money on what the government regards as ineffective programmes will end. For example, the Housing and Planning Delivery Grant with financial incentives to Local Authorities to increase housing supply will be replaced.

Suspension and abolition of Home Information Packs will be carried out to encourage sellers back into the market by reducing unnecessary cost and inconvenience when selling homes.

Places will be able to apply for funding from the Regional Growth Fund to support key capital projects that also deliver economic growth.

In addition, the New Homes Bonus and the Tax Increment Financing will give Local Authorities the freedom to borrow against tax revenues. Local Authorities will be given greater flexibility for local spending decisions, according to their local priorities.

Critics of this approach to planning have called it a 'Charter for Nimbyism' while others have pointed out that the abandonment of the collection of detailed performance information will make it more difficult to identify where levels of service are deteriorating.

## **Structural Reform**

The Coalition states that it is committed to a programme of reform that will turn government on its head. The government want to bring about a power shift, taking power away from Whitehall and putting it into the hands of people and communities, and a horizon shift, making the decisions that will equip Britain for long term success.

The Coalition Government believe that for too long citizens have been treated as passive recipients of centralised, standardised services.

This Government feels that it is putting citizens back in charge, and Structural Reform Plans are part of this shift of power from government to people.

Structural Reform Plans within the Department for Communities and Local Government are key tools for holding Departments to account for the implementation of Programme for Government commitments, replacing the old top-down systems of targets and central micromanagement - the coalition government believes.

Each month, the Department for Communities and Local Government publishes a simple report on its progress in meeting these commitments. This will not stop.

### **Departmental Expenditure after Reforms**

The Coalition Government believe the Department for Communities and Local Government with new reforms will be spending taxpayers' money as clearly and transparently as possible.

The Department's planned spending over the spending review period is split into money spent on administration (including the cost of running Departments themselves) and programmes (including the frontline), and capital (for instance new buildings and equipment).

As soon as possible, the Department for Communities and Local Government says it will include the proportion of this expenditure that goes to the voluntary and community sector and to small businesses.

By April 2011, each Department will publish a bubble chart setting out in detail how its settlement will be allocated for the 2011/12 financial year, across its key programmes and activities.

### **Transparency within the Department for Communities and Local Government**

Greater transparency across government is at the heart of the government's commitment to enable the public to hold politicians and public bodies to account, to reduce the deficit and deliver better value for money in public spending.

Information will be provided that is intended to enable users of public services to choose between providers, and taxpayers to assess the efficiency and productivity of public services, holding them more effectively to account.

By publishing a wide range of data, the government intends to enable the public to make up their own minds about how Departments are performing. They intend to use transparency to facilitate the choice and democratic accountability that will replace top-down targets and micromanagement.

All this data will be made available free of charge, and the government will regularly review whether their published data meets the needs of the public.

## Strategy

The Government wants to create a new era of accountability and openness where bureaucratic accountability is replaced by democratic accountability and where the public have a clear right to know and a right to challenge.

The Department for Communities and Local Government is charged with driving this agenda.

The government considers that putting more data in the public domain is central to making this happen and ensuring that 'the people are the 'boss'.

The Department for Communities and Local Government put transparency at the heart of their work to redistribute power from government to local people and communities by ensuring greater accountability in the way taxpayer's money is spent.

The priority for the Department for Communities and Local Government is to ensure that the public is able to see where their money goes and what it delivers.

As such, a key structural reform priority for the Department is to – 'Let local people know who is spending their money and what it is being spent on by publishing financial and performance data online – 'show me the money'.

Transparency is championed by the Department for Communities and Local Government through David Prout, as Director-General.

This means the Department is committed to publishing data in line with the Public Data Principles.

As such, all data will be published and registered on [www.data.gov.uk](http://www.data.gov.uk), although the government will continue to protect what is deemed to be sensitive data.

It is also expected that the Department's Arm's Length Bodies will continue to follow the Department for Communities and Local Government's strong lead in ushering in the new era of accountability and openness within new policies.

The operating principle of transparency will apply to the whole Departmental family and form a condition of funding in letters of delegation to Arm's Length Bodies.

The government considers that greater openness and transparency is critical to root out waste and inefficiency within the Department for Communities and Local Government as well as being more democratic.

Putting information online is a simple step that will drive smarter spending says the government.

The pledge of further transparency has made the ongoing commitment to be open and transparent with expenditure information even more important. Also, the Department are attempting to match the expectation set for Town Halls by publishing expenditure over £500 rather than £25,000.

To show greater transparency the Department for Communities and Local Government have published online grant data and procurement data on spending over £500 for the years 2008/09 and 2009/10.

The main Departmental Arm's Length Bodies have opened their books too. From November, data for the Department for Communities and Local Government and the Arm's Length Bodies will be published online monthly.

The Department for Communities and Local Government are also committing to transparency in their relationship with contractors and all new Department for Communities and Local Government tender documents over £10,000 will be made available to the public free of charge from December 2010.

The Department has pledged to be transparent in sharing their financial and operational management information on a prompt and regular basis to the wider public.

The impact and input indicators from the coalition government have been selected from many datasets relating to the Department for Communities and Local Government to enable the public to judge whether the investment that the Department is making to deliver its ambitions will enable better services for less money.

The Department for Communities and Local Government have also put into action a campaign on transparency to build awareness amongst the general public of the right to access data, to increase demand for its use and to encourage innovative uses of data by web application developers.

This idea has the aim to harness the feedback and ideas generated through this campaign to improve the Department's transparency further and to identify further opportunities for releasing data.

In addition, it is recognised that there is a need to implement the 'Right to Data' and this will be put in place in advance of legislation with the Department to welcome direct requests from the public for data, through the Department for Communities and Local Government Freedom of Information team.

### **Local Government Transparency**

Another initiative that will be put into action through the 2011/15 business plan of the Department for Communities and Local Government is Town Hall transparency.

This is to ensure that council business is out in the open. The government hopes that this will revolutionise Local Government and help to facilitate the 'Big Society' plans.

Transparency is the foundation of accountability the Department for Communities and Local Government have stated.

It is said in their business plan that local people should be able to hold politicians and public bodies to account over how their council tax is being spent, and decisions made on their behalf.

Ministers have made it clear since taking power that in their eyes councils should not rely on government guidance but press on as quickly as possible to get a range of data in the public domain for the public to see at any given time.

In particular the coalition government have stated that councils and others, including Fire and Rescue Authorities, should publish details of all spending over £500 in full and online.

In October 2010, the Local Government Association published advice about how councils should publish their spending details.

All councils and Fire and Rescue Authority's the Coalition believes should be doing this as a matter of course by the start of 2011, as well as publishing invitations to tender and final contracts on projects over £500, senior salaries and organisational information.

Alongside this information, councils and Fire and Rescue Authority's are also encouraged to publish a wide range of data online including: councillor allowances and expenses; minutes and papers of council meetings; job vacancies; frontline service information and performance data.

Not all local authorities published this information in accordance with the deadline of February 2011. Some maintain that it is a bureaucratic imposition that conflicts with the principles of localism.

The government has stated that it wishes to enable an army of 'armchair auditors' to scrutinise local government expenditure. There are fears that this will lead to individuals who wish to pursue particular issues or who wish to criticise the Council being able to use data out of context to the detriment of effective local government.

It is said that whilst national government will still have a role to play in aggregating some data of critical national importance, or to guarantee Parliamentary accountability for public funds, the onus must be on Local Authorities to provide local residents with the data they need.

The Department for Communities and Local Government say that they fully support the work being done by the Local Government Association to develop effective benchmarking tools to allow citizens to compare their local council's performance against others.



## **Timetables**

The Business plan also sets out the timetable for the Department for Communities & Local Government to implement reforms. Some of the more significant milestones are summarised below:

### Local Government

- Departments start phasing out ring-fencing of government grants – Complete
- Comprehensive Area Assessment abolished – Complete
- Localism Bill introduced – November 2010
- List of government grants to local government published at the time of the local government finance settlement for 2011/12 - February 2011
- Strategy in place for all public sector assets and capital – March 2011
- Barriers identified, including those that prevent decentralisation – March 2011
- First phase of community budgets launched in 16 places - April 2011
- Council Tax rates frozen in England for one year – April 2011
- Local Government resource review work on local business rate retention concluded – July 2011
- Bill introduced to implement Tax Increment Financing – July 2011
- Single data list published of requirements placed on local government by the centre – April 2012
- Referendums held in each of England's 12 largest cities – May 2012
- Community budgets start to be available across the country – January 2013
- Evaluation published of community budgets – March 2013
- First annual data release on spending in community budgets – April 2012

### Housing

- Policy Paper on Reform of Social Housing – November 2010
- Publish details of how the 'affordable rent scheme' will work – January 2011

- Publish responses to the earlier Housing Revenue Account reform consultation - overdue (July 2010)
- Publish detailed proposals for Housing Revenue Account reform – already started, to be completed January 2011
- Consult on final self-financing Housing Revenue Account settlement – November 2011 to January 2012
- Final determinations published – January to April 2012
- Consult on New Homes Bonus Scheme – November to December 2010
- Abolish the Tenant Services Authority – November 2011

## **Conclusions**

The radical reforms that are planned to facilitate David Cameron's 'Big Society' will have a major impact on the way the Local Government system works.

There are conscious efforts to promote transparency in the system through this new business plan.

The goals included in the Department of Communities and Local Government's milestones over the next few years are ambitious.

**Adam M. Waite**

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## **About 'AWICS'**

'AWICS' provides a full range of ethical management consultancy and training services, principally to those who are involved in public services

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We are big enough to make a difference – but are small enough to care!

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