



Local Government Association

Delivering more for less: maximising value in the public sector



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foreword

All of us who serve the public have a duty to provide the most efficient and effective service possible. In times in which our nation has to repay staggering amounts of public debt, the costs of running public services need once again to come under the microscope. That is true of local and central government.

In this paper, we highlight the central control that holds councils back from really being able to make big savings, such as excessive regulation, inspection, delivery and performance monitoring. Of course some of this is valued, but much simply serves to interfere with the day job for councils, and the costs of it are very high.

It makes sense - both for people who use local services and for the elected politicians who represent them - that public spending is examined by the place where the money is spent rather than by the institution that spends the money. Recent polling by ComRes¹ showed that 65 per cent of people would prefer councillors to make decisions about any local public spending cuts.

By giving democratically-elected councillors oversight of the spending of money in a place, we can not only help to reduce waste and inefficiency but also ensure that we are doing the things that people want locally. If a hard choice has to be made, then local councillors who understand their area should make it.

Town halls are already proven to be the most efficient part of the public sector but that does not mean that we have rested on our laurels; councils up and down the country continue to take steps to save costs wherever possible.

One example of this is the Total Place programme which is led by the Local Government Association (LGA) Group. Local politicians and public sector chief executives in 13 areas have volunteered to be 'pilots'. They are investigating how much public money is spent in their place and then exploring the finances in detail on a particular theme, such as drug and alcohol abuse, care for older people or children's health.

We refer to a number of interim findings from the pilots in this report and believe that they provide a solid foundation from which we can identify further savings. Many councils who are not an official pilot have also adopted this approach.

This paper adds to work already completed by the LGA, which I commissioned, investigating the value for money and accountability of some quangos that overlap with local government (Quango report cards²). We have also looked in detail at the support provided to young people not in work, education and training and made proposals as to how the public money spent in this area could be used more effectively (*Hidden talents II – getting the best out of Britain's young people*³).

The LGA is determined to ask the difficult questions and to undertake valuable work that can contribute to leading this country out of financial difficulties.

Cllr Margaret Eaton

¹ <http://www.lga.gov.uk/lga/aio/4780797>

² <http://www.lga.gov.uk/lga/aio/5592215>

³ <http://www.lga.gov.uk/lga/aio/4919690>

executive summary

This document sets out Local Government Association (LGA) proposals showing how we could save £4.5bn from the public sector by reducing unnecessary Whitehall activity and the burdens it imposes on town halls. This could be easily reduced and will not affect the quality of 'frontline' services. Money would be saved both locally and centrally and put into local services or retained as cash savings.

Local government has an acknowledged track record of improvement and is now recognised as the most efficient part of the public sector. Councils continue to look for savings locally, and the Total Place pilots are already reporting waste and duplication across services, for example, that there are 49 different public sector agencies active in Luton and Central Bedfordshire. These agencies should work more effectively together but this is often complicated and hampered by the volume of initiatives, guidance and performance measurements from the different Whitehall departments that seek to control the local public sector. To find savings, wasteful central government activity that creates unnecessary costs for councils and takes resources away from frontline services needs to be identified and stopped.

Each new initiative from central government costs money, not just in terms of its implementation, central administration and communication costs but also in terms of the burden its new obligations put on local government. These include not just implementation but the ongoing reporting and so-called 'performance management' by the centre that comes with it. At the same time, central government control of local spending adds layers of bureaucracy and makes it harder to spend money effectively.

Our nation, burdened with massive public debt, can no longer afford the same amount of central activity and control of local services. We will need to make hard decisions that come down to: **'what does it achieve and can we afford it?'** Both government and councils may have to stop activities that up to now have been considered important, as well as cut out obvious waste. This is a challenge not to front line services but to the wish of Whitehall and regulators to know about and control aspects of local public services that localities should run for themselves. Greater local control of local spending decisions and services is in line with what research shows that local people want.

This paper kickstarts this process, providing specific examples of unnecessary and costly activity that could be stopped without harming the quality of services that people receive. These examples have been identified by councils, through our experience of working with Whitehall and by analysis of publicly-available information. Even this simple analysis suggests savings in the region of £4.5bn. It is not exhaustive: these savings could be the tip of the iceberg. All political parties must commit to reduce these burdens and allow councils to get on with their primary job of serving their residents.



£4.5bn savings could be made by reducing: ...and what they would protect

- data burdens and regulation of councils;
- unnecessary central government policy activity and prescription;
- central government control over council spending;
- the number of quangos and re-allocating some of their funding to councils.
- 300,000 school places;
- 175,000 personal care packages;
- 36,000 lane miles of road resurfacing.

who's regulating the regulators?

The excessive burden of performance management

Local government is the best performing part of the public sector. Over the last four years, councils have made £5.5bn efficiency savings and in 2008 42 per cent of councils were given the highest performance rating possible; over three quarters were given one of the top two ratings. More than 90 per cent of councils were judged to have performed consistently or well above minimum requirements in their 'use of resources', with none below the minimum requirement.

Yet councils are still subject to onerous performance management requirements that divert money away from providing services. It is difficult to identify exactly how much performance management of local government costs the public sector. This is partly because the range of government monitoring, regulation, and improvement activity is so complex that even government has struggled to map it all out. The National Audit Office (NAO) cited a cost in the region of £2bn⁴; in 2006 PriceWaterhouse Coopers (PWC) estimated that the cost of 'upwards' reporting by councils was £1.8m per authority.⁵

Councils are reducing these costs where they are able to, but PWC identified that 80 per cent of their performance reporting was for central government rather than themselves. Government must therefore do more to reduce the burden of the performance management framework, to free-up money locally as well as centrally.

monitoring by government: data burdens

In 2007, government announced that it was creating a new national indicator set (NIS) of 198 performance indicators for local councils to report on. The previous number of indicators was uncertain: government estimated that there were 1,200 indicators previously, while PWC stated that councils reported on 586 items. In itself, the lack of clarity is telling.

Government's own analysis indicates that the new NIS actually amounts to 261 indicators once the requirement to break down different indicators is taken into account. More significantly, while the number of performance indicators has been reduced, councils are still required to submit many other data returns to government. This burden extends to other local public bodies. Recent research in Leicester and Leicestershire for the Total Place pilot⁶ has identified that over 3,000 performance datasets, reports or evaluations are likely to be processed and reported on by public bodies in the county each year. An estimated 92 full-time staff are involved in servicing these requirements, at an estimated cost of £3.7m.

Government monitoring would be more acceptable if it was clear what the data collected is used for, or what problems might occur if it stopped; but it is unlikely that ending most data collection would have an impact on the services that councils provide. Government would argue that it needs to collect data to provide assurance to ministers that money is being spent on their priorities. But this raises fundamental questions about who is best placed to decide how money is spent locally. Extra costs are incurred – in terms of indicators and government monitoring – when it is central government that decides. Giving councils greater local control over their priorities and spending – with local voters providing the ultimate accountability and assurance test – would significantly reduce the costs of central oversight as well as the monitoring costs to councils.

⁴ NAO response to the Lyons review

⁵ Mapping the Local Government Performance Reporting Landscape, PWC 2006

⁶ The research was conducted by Deloitte between January-August 2009 and covered the following authorities: Leicestershire County Council, Leicester City Council and the seven local district councils; two local PCTs, Leicestershire Police, Leicestershire Fire Service and the Leicestershire and Rutland Probation Trust.



ROLHMO (Register of Licensed Houses in Multiple Occupation)

Since 2006, councils have been required to submit a monthly return to government on the licensing of housings in multiple occupation. The return originally contained 69 data sets; a hugely excessive and unnecessary requirement given that the only information required (if any) is the number of licence applications received and how many have been approved or refused. In December 2006, it was agreed that the ROLHMO should be reduced; following a short consultation exercise, government eventually implemented the changes in February 2009. Of the 69 data sets in ROLHMO, none have been deleted and all have been retained; 38 fields have been 'suspended' – allowing councils to decide whether or not to provide data for them. The remaining fields have been accorded 'mandatory', 'high' and 'low' priorities for collection and return.

Rather than reducing and simplifying data burdens for councils, there is considerable

scope for confusion among councils as to what data is needed and what is not, and government is still suggesting councils could or should collect and supply data that is not mandatory or is a low priority. In addition to the costs imposed on councils, there are costs for government in terms of receiving and monitoring data that is of questionable value. Three years on, ROLHMO remains a significant burden on councils – and the wider public sector - with no obvious benefits; by its own admission, government does not make extensive use of the data.

Financial monitoring

The Lifting the Burdens Task Force referenced 2006 research by PWC highlighting the multiple and overlapping financial information local authorities are required to complete. PWC estimated this cost councils £10m a year to complete, and noted that none of the central government-imposed forms were ones that councils used to manage their finances. LBTF called on government to implement the recommendations of the PWC review, but this has yet to happen.

The Lifting the Burdens Task Force (LBTF)⁷ has already identified how government could reduce bureaucratic burdens on councils. However, the response from government has been disappointing (and in some cases non-existent), in terms of implementation of the recommendations. The final LBTF report in October 2008 noted that over half of local authority chief executives felt there had been little or no progress in reducing national assessment and inspection, with only a third suggesting moderate progress. To save money over the next spending review, government should implement the findings of the LBTF reports and ensure that data burdens across the whole of the public sector are reduced.

⁷ A two year practitioner project set up by the Department for Communities and Local Government (CLG) in 2006 to review the bureaucratic and performance management burdens with the aim of identifying specific recommendations for change in the way in which local services are monitored, regulated and held to account by sponsor departments.

regulation and improvement activity

On top of government monitoring, local government is formally regulated by several organisations. The running costs of the Audit Commission, Ofsted, Care Quality Commission and HM Inspectorate of Constabulary are over £500m a year.⁸ The cost of the nine government offices – which have an overlapping improvement and regulatory role – is around £127m annually.

The regulatory burden on local authorities can be huge. The new Comprehensive Area Assessment (CAA)⁹ was designed to reduce the burden on councils by bringing different regulatory frameworks into line. However, the experience of most councils so far is that CAA has failed to reduce the burden,

⁸ The CQC regulates both health and social care. Based on the former running costs of CSCI (the former social care inspector) we have assumed that £100m of its £166m 2009-10 budget relates to councils.

⁹ Which replaced the old Comprehensive Performance Assessment in 2009.

or has even increased it. The Total Place research across Leicestershire has identified that collectively, public sector bodies in the county are likely to be required to respond to 83 inspections during the year, with an associated staff cost of £3.6m annually. **Meanwhile, the daily cost of the regulation of local authorities has increased by over 100 per cent since 2004.**¹⁰

Local government accepts that there is a need for external regulation, in order to provide some independent validation of how public money is spent. But future regulation must recognise the overall improved performance of councils and adapt accordingly. Improvement – as well as excellence and innovation - is driven from within councils and local government as a whole, rather than by external bodies.¹¹ In recent years, local government has shown that it has the appetite and capability to drive its own improvement agenda. Yet limited funding is allocated to this area. Government departments have created a range of different improvement bodies and field forces focused on local government costing more than £100m per year, while funding for sector-led improvement is around £130m per year.

This means that in the current model of local government regulation, **for every £1 given to local government to help councils to do better, over £6 is spent on telling them how they're doing currently.** It is time for this model to change. Less money should be spent on regulators telling the majority of councils that they are doing well and more on helping the sector to innovate and improve even further.

We should re-focus existing performance monitoring and regulatory arrangements to promote a sector-led system of accountability that is based on more local self-evaluation, peer challenge and sector-wide improvement strategies, accompanied by regulation that is proportionate and focused on high-risk areas.

what does it achieve and can we afford it?

Across every aspect of local government performance management, there is still unnecessary activity that does not achieve enough in terms of delivering or improving services. We cannot afford this; and we could spend less money to better effect.

Councils will commit to freeing up money that currently supports data collection and reporting if government further reduces the burdens it imposes on them. This money could be used locally, for services, or could be used to achieve cash savings. If government was able to reduce the burden to a sixth of its previous level (as indicated when the NIS was created) we estimate that £400m¹² could be saved. Savings would also be made centrally if departments reduced the amount of data they collected and analysed (for example, at the end of 2008, there were over 40 staff in CLG's Local Government Finance Analysis and Data team alone).

Government should also reduce the regulatory burden on councils; cash savings could be made through halving the current cost of regulation. Alongside this, moving resources from central government regulatory/improvement bodies to local government would do more to help the sector to drive its own improvement.



What does it achieve and can we afford it?

High level analysis suggests possible savings in the region of:

- £400m from further reductions in data burdens on councils – equal to £11 per household;
- £250m from halving the direct costs of regulating local government, abolishing government offices and reallocating funding for central improvement bodies to local government¹³

TOTAL: £650m.

10 Based on the number of inspection days carried out by the Audit Commission and funding for local authority assessment (in terms of CLG grant and inspection fees).

11 See case studies in <http://www.idea.gov.uk/idk/aio/9374711>

12 £1.8m per authority is equal to £720m overall. Local authorities advise that there has not been a significant reduction in the data burdens they face. If we assume a reduction worth around £200m has already been made, this suggests a further £400m could be saved.

micro managing the detail: the cost of policy overkill

To ensure affordable and effective services, roles and responsibilities across the public sector must be clearly defined and complementary. Broadly, councils (and other local bodies) are responsible for directly providing services to the public. In contrast, the role of central government is generally to set policy and regulatory frameworks rather than deliver services.

Central government must lead policy areas such as defence, foreign policy and the national economy. It also has a role in setting the frameworks in which services are delivered. But there is ample evidence that it has become too big and is micro-managing the provision of services in areas where only a limited role is needed. In 2008, 3,327 statutory instruments were made, a 44 per cent increase on the 2,279 made in 1987.¹⁴ This level of activity becomes self-perpetuating; the more that central government involves itself in complex, prescriptive policy and detailed guidance, the more resources are required to sustain these frameworks, and the more other parts of the public sector rely on them. **Statistics¹⁵ show that over the last ten years the number of full time employees (FTEs) working in central government has increased at more than double the rate in local government, by 21 per cent compared to 9 per cent.**

We can no longer afford a central government machine that prescribes, oversees, changes and legislates to the extent that it currently does. If we are to protect frontline services, we must reduce the cost of over-centralisation and prescription, using the ***what does it achieve and can we afford it?*** test to determine what is necessary and what is micro-management or initiative-itis that can be reduced or stopped altogether. At the same time as making savings, this would reverse the trend whereby Whitehall officials have more influence on local services than local councillors, increasing democratic accountability in line with local people's wishes.

refocusing the role of Whitehall

Too much central government policy activity complicates and adds costs to the task of delivering

services. Each new policy paper, Act or pilot scheme has a cost, including the money required to develop and oversee it, and the cost to councils of absorbing, understanding and implementing centrally-dictated initiatives and policies.

Some policy development will rightly pass the ***what does it achieve?*** test, but too much or constantly-changing policy also makes it much harder for councils to decipher what they are allowed or expected to do and can detract from the delivery of services they want to focus on. This makes it more difficult to deliver services that people want and that local areas need. Less policy activity would create a



Children's services:

In 2008, the charity Action for Children published research highlighting the huge number of initiatives, strategies, funding streams, pieces of legislation and structural changes affecting services to children and young people since 1987. They identified more than 400, equal to 20 different changes every year. The research noted that this 'policy churn' was increasing, with half of the developments beginning in the last six years and three quarters in the last ten years. On a UK-wide basis, the research cited:

- 98 acts of parliament;
- 40 green and white papers;
- 82 strategies;
- 77 separate initiatives – of 46 initiatives in England, these lasted on average only 3.9 years. 60 per cent have begun since 2004.

Action for Children call for greater stability in policy-making, criticising short-term, headline-driven political processes and policy development characterised by impatience and a reluctance to wait for hard evidence.

¹³ £250m saved from halving £500m costs of 4 regulatory bodies; £230m annual activity cost of government offices and central government improvement transferred to local government to drive its own improvement.

more stable framework in which people working on the front line find it easier to deliver better services.

Similarly, delivering services becomes harder where policy frameworks are inflexible, prescriptive or complex. The example below highlights the sheer complexity of the frameworks that local authorities are required to interpret and implement. It is hard to believe that there aren't opportunities to simplify the current benefits system; or that central government resources should be tied up in producing 74 pages of guidance on how to interact with their local offices, and local government resources in reading it.



DWP Housing Benefit guidance manual

The DWP's Housing Benefit guidance manual, updated in July 2009, comprises four parts (A-D), as well as an introduction to the guide, 8 pages of abbreviations and a 10 page glossary. In total, the guide is 1,300 pages long; additionally, there is a separate 277 page guide to overpayments. The guidance includes 74 pages of information for councils on how they should liaise with local DWP offices, including advice such as making sure signatures are legible and the value of exchanging named contacts and telephone extension numbers.

In their Total Place pilot Luton and Central Bedfordshire note that overall guidance on DWP benefits and housing and council tax benefit amounts to more than 10,000 pages.

A recent Audit Commission report on responses to the recession illustrates central government's tendency to over-manage and the typical problems that arise from this.



The recession: an unco-ordinated response

The report¹⁶ found that a number of different government departments are managing around 50 central government schemes aimed at mitigating the housing, labour market and social impact of the recession. Commenting that simply compiling a list of the initiatives for the report had been complex and time consuming, the commission found that it was difficult for local authorities to keep track of the multitude of schemes, particularly given delays between their announcement and implementation. It stated that the complexity of the schemes 'undermines effectiveness; it would be better to have fewer, larger and more flexible schemes managed against outcomes, such as preventing homelessness.' The commission concluded that local action can be quicker and more effective than central action, and that too few national schemes utilise the local knowledge and targeting that councils can provide. This is a problem endemic across the whole of government.

As well as being less effective, the approach the Audit Commission highlights costs more, as multiple schemes all require dedicated staff time to manage. Assuming each scheme required just one member of staff to administer it, the cost of administering 50 such schemes for a financial year would be just under £3m.¹⁷ If two thirds of this could be saved and diverted to the job in hand, this could be used to create over 300 six-month job placements; a much better use of resources that would achieve greater economic benefit.¹⁸

14 Including local SIs.

15 ONS statistical bulletin, Q1 2009.

16 When it comes to the crunch (Audit Commission) <http://www.audit-commission.gov.uk/nationalstudies/localgov/Pages/whenitcomesto-thecrunch12aug2009.aspx>

17 Based on 2008 average earnings across BERR, CLG, HMT and DWP for a Grade7 post at £47,013 and associated 'on' costs at £11,753.

18 Based on a 6 month job placement at the minimum wage, the funding government has provided for a job placement scheme.

reviewing the review process: is it delivering?

There are numerous examples in recent years of government commissioning independent reviews that it subsequently does not respond to or fails to implement. These reviews cost time and money. While government may sometimes have a basis for not implementing review recommendations, it should be able to demonstrate well-thought out policy reasons for not doing so.



Barker planning review

Between 2005-6, Kate Barker led a year-long strategic review of planning. The report highlighted the volume and complexity of planning legislation - the Planning Encyclopedia (itself comprising eight volumes and 12,000 pages) contains 201 statutory instruments – and recommended that national planning policy should be streamlined (in line with previous commitments) from 800 pages to 200. Despite a white paper in 2007 committing it to a reduction in volume in line with the recommendation, some four years after the Barker review, government has since made little progress in streamlining the planning system. Furthermore, a number of planning policy statements revised since the review have actually missed the opportunity to initiate the new approach, despite local government urging government to do so. Alongside continued central prescription of planning fees (which leave councils subsidising private developers), local government planning continues to be burdened by the extent and direction of central government involvement and policy.

Elton review of licensing

In 2005, the government commissioned Sir Les Elton to undertake an independent review of licensing fees, following the introduction of the 2003 Licensing Act. The review panel of six people met regularly over the course of August 2005 - December 2006, and was supported with secretarial support from the Department of Culture, Media and Sport. The final report of the Elton review was published in December 2006. DCMS, which commissioned the review, has never officially responded to it. It is understood that the report has been discussed across government, but no agreement reached.

Lyons review of local government

An independent review of local government funding (subsequently extended to cover the role and function of local government) was commissioned in July 2004. The review was headed by Sir Michael Lyons, and followed the government's own Balance of Funding review of local government finance, which took place between July 2003-4. The Lyons review issued an interim report and consultation paper in December 2005, and a second interim report in May 2006. It built on work taking place in other government reviews such as Barker (planning), Eddington (transport) and Leitch (skills). A final report was published alongside the Budget on 21 March 2007. Although government issued a statement about the report on the day it was published, it has never formally responded to it. Parliamentary questions about the review suggest that the cost of staff support and research were in excess of £2m.

Individually, the cost of these reviews may be relatively minor; the examples provided above would in total cost perhaps around three million. But collectively, the cost of similar reviews taking place across the whole of government, and the costs to local government and others from engaging and responding to them, begins to add up.

In future years, we must apply the ***what does it achieve and can we afford it*** test. A smaller government might realistically have a greater need to commission independent reviews and engage independent expertise. But it will not be justifiable to do so unless it is prepared as a minimum to respond to a review's findings; and there will be little point in commissioning such reviews if they may make policy recommendations that government knows it will not accept. In short, a much more prudent approach is required; we cannot afford to pay for reviews which sit in a cabinet and gather dust.

doing less, but doing it better

Finally, there is a strong argument that whatever Whitehall officials do, they need to do it better. Poorly formulated and implemented policy is expensive to manage centrally, and is harder for councils and other bodies to implement, adding unnecessary costs to the process. Yet there are many examples of wasteful policy development and implementation.



The long implementation of Home Information Packs

Regardless of the rights and wrongs of the policy, the implementation of the Home Information Packs regime has taken an enormous amount of effort in terms of officer time and pieces of legislation. The 2004 Housing Act brought in a requirement for HIPs; since June 2007, no fewer than nine separate statutory instruments bringing HIPs into force have been made, as well as an additional five statutory instruments between March 2007 and October 2008 relating to the requirement for Energy Performance Certificates (EPCs). A number of these instruments were amendment regulations, suggesting revisions to earlier instruments made by the government. Over the same period, six different pieces of guidance (some for different audiences) on HIPs were issued by CLG, and eight sets of guidance on EPCs. Some of these documents were revisions of documents published just months earlier.

In a parliamentary question, Margaret Beckett revealed that £2m had been budgeted for supporting the HIP programme between 2008-2011. This does not include costs already incurred in the period 2004-2007. As with the cost of reviews, if this type of approach is replicated across the whole of government, the costs quickly mount up.

Efficiency information on council tax bills

In 2008, government consulted on a requirement for councils to include information about organisational efficiency savings on the face of council tax bills. Responses to the consultation overwhelmingly agreed the principle of councils pro-actively sharing this information but 'almost all' rejected the argument that requiring information on the face of council tax bills was the best way to do so. The LGA argued that this was not the most effective or understandable way of providing information to local residents, but that councils would work to produce their own information leaflet.

Government chose to press ahead anyway, introducing regulations and spending £4.2m funding councils to do so in a tight timescale. Government subsequently reviewed the impact of the requirement, which revealed that residents raised queries about the detail of the figures rather than broader points about efficiency. None of the consumer groups consulted had been contacted about the information.



Following a further consultation, government is now planning to introduce a second set of regulations relating to the requirement. This means that, to an initiative which was overwhelmingly opposed by those who responded to the initial consultation, the following activity (and associated resources) have been devoted:

- an initial consultation paper (43 pages);
- resources allocated by councils in submitting responses which were ignored;
- government's response to the initial consultation paper responses (23 pages);
- statutory instrument introducing the requirements;
- £10m funding for councils to implement the requirement;
- research into impact of requirement;
- consultation on revised set of regulations (40 pages);
- anticipated second statutory instrument finalising the requirement for future years.

It is unclear from government's own research what, if anything, all this activity has achieved.

what does it achieve and can we afford it?

Calculating the cost of excessive policy activity and what can be saved is inevitably difficult. In his 2004 review of public sector efficiency¹⁹, Sir Peter Gershon identified policy, funding and regulation of devolved public services as a key area of potential savings, arguing that 'the cost of these activities [must be] proportionate to their added value.' He concluded that there was 'significant scope for greater efficiency in these areas.'

Since then, government departments have reported that they have met their Gershon efficiency, staffing reductions and relocation targets. Yet it is striking how many of the issues that Gershon found²⁰ remain relevant today, five years later, including: the plethora of funding and regulatory bodies local service bodies have to deal with; the complexity of funding and grant systems and costs of accessing funding; requirements to provide and repackage statistics for funding bodies; and the fact that the costs of regulation appear disproportionate to the risks to service users. Government has made some progress in attempting to introduce more targeted inspections and audits; but there is much more that could be done.

Consequently, we do not believe that all of the efficiencies that are possible have been delivered. There is also evidence that in some departments, headcount has increased in recent years; **for example, CLG originally reported a 10 per cent increase in permanent staff in 2008-9**²¹. Some burdensome activity may have been reduced, but other activity has moved in to fill the vacuum, with the result that things have not, on balance, changed.

Gershon did not set a specific target for efficiencies in this area, and the evidence in this report suggests that departments have not gone far enough. There is a need for further reduction of unnecessary public sector policy, funding and regulatory activity, since what Gershon envisaged has not yet eliminated this inefficiency.

¹⁹ http://www.hm-treasury.gov.uk/spending_sr04_efficiency.htm

²⁰ See B.25, page 45, Gershon review

²¹ Following publication of this report, CLG contacted the LGA to confirm that, due to an administrative oversight, their 2009 Annual Report originally reported the Department's permanent staff numbers incorrectly. A correction slip showing revised figures has now been published on the CLG website (see <http://www.communities.gov.uk/publications/corporate/annualreport09>); the revised figures now indicate a decrease in permanent staff numbers of 1% between 2007-8 and 2008-9. Incorporating additional fixed term appointments, the overall reduction in staff numbers is 0.26%.

We recognise that overall Whitehall has delivered on the 2004 commitment to cap administration costs at their 2005-6 cash level (although not all individual departments managed to). But in 2005-6, overall departmental administration costs had risen significantly, in cash and real terms, since the turn of the century. There is a need to be more ambitious and government must look to further reduce its administration and paybill costs by reducing the level of unnecessary activity it undertakes. Accepting that some of government's current activity is unnecessary could also generate further savings in terms of government's programme (non-staffing) spend.

Looking at the seven departments that most closely interact with local government (DCSF, Home Office, CLG, Health, DWP, DCMS and Defra) we believe that it is a reasonable ambition to reduce departmental administration costs (including paybills) by a further 20 per cent, through reducing unnecessary activity that creates costs but adds little value. This would save just under £1.5bn, and take the overall costs of departmental administration for these departments to just less than its 2000-1 level.

Reducing unnecessary policy activity would not just affect administration costs; it could also reduce the money required to fund resource (effectively programme) budgets. Even a small decrease in the resource spend of these departments, for example 1 per cent savings, would save a further £1bn. It is recognised that such savings could be allocated directly to frontline service providers; but given the savings required (and in the context of the proposals we make in the following sections) they could be used to generate cash savings.

Making these savings centrally would also have an impact locally, as reducing central government activity would have a corresponding effect on local government activity. Local government would welcome the opportunity to free-up local resources (to be used either for services or cash savings) currently tied up in responding to central initiatives and prescription. Councils will commit to freeing up their own resources if government can scale back the over-prescriptive demands it makes of them.



What does it achieve and can we afford it?

High-level analysis suggests possible savings in the region of:

- £1,500m from reducing the departmental administration costs of seven departments with close links to local authorities by 20 per cent;
- £1,000m saving on the departmental resource budgets through reducing unnecessary policy activity.

TOTAL: £2.5bn

the hidden cost of counting out the cash

Local government has consistently argued that it should have greater freedom to choose how to spend money, rather than have central government tell it how to. Research shows that local people would prefer councillors to decide how money is spent in their areas: they know that they are the best people to understand the needs of their areas and reach the right spending decisions. Yet more than three quarters of British public spending is spent centrally and 'ring-fencing' of local spending has nearly trebled over the last decade. This prevents local councils and other organisations from making decisions which could reduce the overall amount of money spent locally. This is an issue that the Total Place pilots are looking at and will report on at Budget 2010.

the allocation of funding

As we face increasing spending constraints, there is an important affordability dimension to the case for greater local control. The way in which central government allocates funding to councils and local bodies is inefficient. Too many central resources are tied up in allocating and monitoring local spending: **for example, at the end of 2008 there were more than 120 staff employed in CLG's local government finance team, and a recent DCSF circular identified over 50 members of staff that local authorities should contact in relation to 70 different grants**²² At the other end of the process, too many local resources are spent trying to access money and reporting on how it is spent.

This approach uses up money that could be spent on services, increases the complexity of funding arrangements and is self-reinforcing, requiring ongoing resources to manage it over a period of time. The complexity leads to delayed grant announcements, making it harder for councils to spend money effectively; for example, some 2009-10 grant allocations had still not been announced by mid-November. Excessive complexity and over-management can also mean that government fails to allocate the money that is available.



Housing and Planning Delivery Grant (HPDG)

HPDG is a grant worth around £440m over CSR07. The grant was introduced to incentivise housing delivery and effective planning processes by local authorities; however, the incentive mechanism within the grant is weakened by the fact that it is overly complicated and backward rather than forward-looking.

Although HPDG was only introduced in 2008-9, the impact of the recession on housing and planning meant that that government was forced to consult on a revised allocation mechanism for 2009-10 and 2010-11. Although consultation responses were submitted in June 2009, the government has yet to announce the changes to the grant or what allocations will be received in these years. This makes financial planning extremely difficult, and anecdotally we understand that the uncertainty has led to job losses.

Funding complexity could be reduced where there are multiple grants or complex arrangements, for example by merging or simplifying them. There is no evidence to suggest that councils spend formula grant (which they can spend how they choose) any less competently than other grants - the main difference is that government relinquishes control over how the money is spent. Yet formula grant is worth £27bn, compared to £46bn of specific grants which central government imposes controls on. Reducing central control over more local government funding would make local resource management more straightforward and would achieve savings by reducing the central administration required to manage and monitor funding.

²² <http://www.dcsf.gov.uk/everychildmatters/news-and-communications/local-authority-circulars-2008-2011/lac1707090002/>



Children's services funding

The number of different funding streams for children's services creates probably the most complex map of funding for any local government service. In 2009-10, there were around 70 children's services revenue streams, including over 20 funding streams in the Area Based Grant. £36.5bn of funding was made up of ring-fenced and other specific grants (including individual components of overarching grants) as well as project, pilot and pathfinder funding; four grants alone accounted for £33.4bn (91 per cent) of this. Twenty funding streams were less than £5m, and seven were less than £2m. Keeping track of such a complex map of funding is invariably difficult; between 4 March and 13 July 2009, government made nine announcements about funding for different grants, projects and pilots - all in the context of a three year settlement announced some 18 months previously. Managing these different funding streams imposes administrative costs for councils, as well as central government. Many of the pilot/project grants have DCSF 'field forces' attached to them, and costs are also incurred in evaluating the pilots/grant at the end of the process. It follows that creating a single grant for councils to spend on children's services could entail administration savings at the very least.

Housing funding

Durham's Total Place pilot has identified that there are at least 47 funding streams relating to housing investment, 18 of which now rest with the Homes and Communities Agency. The report also showed that there are 25 housing agencies delivering services for this largely rural county, which has a below-average population density.

The main council housing funding stream, the Housing Revenue Account, is an example of the problems that can arise from complex funding mechanisms that restrict councils' flexibility. The formula for allocating money is complicated and is frequently changed by government, making it difficult for councils to plan effectively. Councils are required to manage a bureaucratic, complex process that they administer but do not control. The allocation formula creates perverse incentives, for example, if a council pays off its housing debt, reduces the level of crime on its housing estates or reduces the vandalism of its stock, it is liable to lose subsidy with the result that council house tenants, some of the poorest members of our communities, are currently paying some £200m into the Treasury.

For 20 years, HRA has both imposed huge bureaucratic burdens on councils and stopped them planning and managing their housing stock to meet the needs of local people. We welcome government's decision in principle to dismantle the HRA but it is vital it now presses on to turn this into reality as soon as possible.



Bus subsidies

Independent research commissioned in summer 2009 confirmed the LGA's view that government could make funding for bus subsidies more efficient. The research highlighted the seven different funding subsidies to the bus industry, arguing that better value for money could be achieved if they were combined into one pot. The report found that the existing subsidies did not offer best value for money, and did not facilitate co-ordinated action. Combining the subsidies would reduce duplication and costs and avoid perverse effects whereby different subsidy streams cancel out each others' impacts. It could also generate substantial efficiencies by increasing flexibility for councils to join-up funding around local priorities for improving bus services and achieving policy objectives. Given total subsidies of £2.485bn a year, if even just three per cent savings could be made, this would generate £75m annual savings. In addition, savings would be achievable from reduced administration of the seven subsidies (the cost of central administration of just one of the subsidies is £0.8m a year) both centrally and locally.

monitoring and reporting requirements

Data and monitoring burdens created by government often relate to grant conditions and oversight. There is scope to review government monitoring processes and the impact on individual councils, with a view to increasing consistency and reducing burdens in this area.



Local authority regulatory services (ie environmental health or trading standards) can apply for a variety of grants from central government departments and agencies. Grants range from a few hundred pounds to hundreds of thousands of pounds per council, but the level of grant reporting required by central government is inconsistent and often burdensome. Reporting requirements vary from scheme to scheme and often within government departments. Any work on reports back to central government draws resources away from services working in the community.

For example, the funding provided by the Department of Health for work on smoking cessation by councils has no obligatory reporting processes. This means that the money received by councils is focused entirely on the delivery of agreed outcomes through front-line services. In contrast, councils receiving money from Defra to fund statutory animal health duties have to complete annual profiles, detailed invoicing on a quarterly basis and carry out detailed service planning. Such processes draw an estimated one day a month of administration time for an average county council away from delivering services vital to rural communities. The Local Better Regulation Office has estimated that each council employs half a full time post to provide reports back to central government on regulatory services (a relatively small service) alone.

If some government departments can provide vital grants to councils without administrative burdens then this approach should be adopted across government to free up resources for front-line services.

Some improvements have been made: the LBT highlighted a recent reduction in the number of grants requiring an external audit certificate following an earlier significant increase. But again, there is still scope for improving the return from external audit processes that are in place in relation to government grants.



Grant certification process

Some grant-paying government bodies ask the Audit Commission to certify that grants paid to local authorities are applied to the purposes for which they were intended. The Audit Commission recently published a report claiming that certification work provides important and valuable assurances to taxpayers over public funds, and that since revised arrangements were introduced in 2004 the level of errors found by auditors is almost five times the cost of the work.

The Audit Commission did not include in its report any detailed analysis of its work on each of the grants it certifies. The LGA therefore asked the commission to supply this information, so that the value of the £19.6m a year now spent could be properly evaluated. The detailed analysis supplied by the commission showed that in 2007-08 it audited 28 different types of grant claim covering £44bn of public funds. Of these 28 grant streams:

- for nine grants and a supplementary return, no adjustments to the claimed amounts were made for any local authority and £1.25m was spent in establishing this;
- for a further nine grants, the fees charged by the commission totalling £2.5m were in each case more than the total adjustments found to be necessary;
- in eight cases involving fees charged by the commission totalling £12m, the total adjustments were in each case less than 0.5 per cent of the grant claimed, a level well below that normally regarded as constituting material error;
- only in the case of one grant (General Sure Start Grant totalling £1,212m) were the adjustments (£8.1m in that case) both substantial in absolute terms and in relation to the cost of the audit (£0.7m in that case).

The conclusion is clear: local authorities can be trusted to spend money for the purposes for which it is given, and the cost of providing this kind of detailed 'assurance' is an unnecessary luxury.

what does it achieve and can we afford it?

The main purpose of current funding arrangements is to retain central government control over how councils spend money. But this does not always help achieve the best local outcomes in terms of providing high-quality public services. Furthermore, it is not clear that we can still afford such a centrally-prescribed approach when the money available to the public sector is reducing.

Another approach would be to consolidate grants and allow councils more flexibility about how they spend the money. This would generate administrative savings; if administrative savings equal to 0.1 per cent of the 2009-10 value of specific grants could be made, nearly £50m would be saved.

We also believe that a more flexible approach might allow councils to spend less money to better effect. Local government accepts that public spending has to be reduced. Councils are willing to manage their share of the reductions, but would be better placed to if they had greater flexibility about how they spend the money that is available. In return for control over how they spend money to meet local needs and priorities, councils could accept a reduction in overall specific grant funding of, for example, two per cent. This could save over £900m. Councils will be better placed to manage these challenges if they are able to locally manage their own responses in line with what local people want.



What does it achieve and can we afford it?

High-level analysis suggests possible savings in the region of:

- £50m savings from reduced administration of specific grants
- £900m savings from giving councils greater spending flexibility

TOTAL: £0.95bn

the complex map of government

The UK public sector has grown significantly over the last decade, with the result that it is now a complex map of government departments, agencies and local delivery bodies.

The official Cabinet Office directory of Non-Departmental Public Bodies for 2008 identified 790 quangos²³ responsible for over £43bn of public expenditure – equivalent to £2,000 for every household in the country. While the number of quangos may have fallen over the last decade, the expenditure controlled by them has increased significantly, rising from £24bn in 1998. Local government's view is that this trend reduces democratic accountability; while councils, police and hospitals are all subject to regular – indeed excessive – inspection, quangos are rarely subject to any kind of performance appraisal or inspection. Nor are they held to account at the ballot box.



The regional quango state

One local body has measured the number of staff and budgeted spending for five agencies in its region, identifying over 1,600 jobs and £1.8bn annual spend sitting outside local democratic processes. The five bodies are the: Strategic Health Authority (ie NHS management rather than services), which spends £150m per year on a leadership development programme; Regional Development Agency; Highways Agency; Homes and Communities Agency; and Environment Agency

The recent Counting Cumbria report revealed that total public expenditure in Cumbria in 2006-7 was £7.1bn, or £14,200 per head. Just over a quarter, £1.9bn, was controlled by or directed through Cumbrian-based bodies. Of national government's £5.2bn, non-departmental public bodies spent £2.3bn, significantly more than local Cumbrian bodies.

Allocating funding through quangos can add unnecessary costs, through bypassing existing structures for providing services and reducing the scope for economies of scale. Sometimes this is necessary; in other cases, it is clearly not. A key issue here is role clarity; it makes no sense to set up more than one public body to do the same job. At best, it duplicates overheads. At worst, it results in money being spent in ways that conflict with each other and are impossible for clients to understand.

The LGA has recently published *Who's in charge? The quango report cards*. This discusses the track record on value for money, accountability and openness of quangos compared with local government. It includes report cards based on analysis of eleven quangos of particular significance for local government, which use a traffic light (red/amber/green) scoring system. Only a third of the quangos score green for value for money overall. The report provides evidence of duplication and role overlap in relation to nine of the eleven quangos investigated. All of the quangos have a higher proportion of staff on high salaries, compared to local government.

²³ Public Bodies 2008 defines quangos as executive, advisory and tribunal Non-Departmental Public Bodies and Independent Monitoring Boards. Executive Agencies under direct ministerial control, and National Health Service bodies are excluded from this definition.



Reducing the regulatory burden but increasing the costs

In 2008, the government set up the Local Better Regulation Office. One of its functions is running a statutory primary authority scheme to provide business and other councils with a lead council responsible for providing regulatory advice to multi-site businesses. The function was intended to improve a voluntary local government scheme administered by LACORS* and through which councils had delivered consistency in advice to businesses and made savings through reducing duplication. Currently the local government home authority scheme, which costs circa £10,000 pa to administer, has in excess of 10000 members.

After six months the LBRO primary authority scheme, which costs £900,000 pa to administer, has 11 businesses signed up to it.

Setting the environmental agenda

The LGA's recently published quango report card for the Environment Agency raised concern about possible duplication with central government and other Quangos. This reflects the complex delivery arrangements central government retains in this area. In the area of environment policy there are two government departments (Defra and DECC) plus a Sustainable Buildings and Climate Change Directorate in Communities and Local Government. There are also a wide range of Quangos: Natural England, Sustainable Development Commission, WRAP, Energy Saving Trust and Carbon Trust. The Agency's policy work and advocacy on climate change, climate adaptation and waste management is part of a confusing landscape for councils. However, the Environment Agency's role in national strategic co-ordination of flood defences is an example where there is a good case for a Quango to perform an essential function.

* Local Authority Coordination of Regulatory Services

Despite increasing awareness of the financial constraints the public sector is facing, there is still a default tendency in Whitehall to create new bodies, incurring start up, communications, branding and staff costs along the way.



A regulatory framework for animal health

In March – June 2009, Defra's third consultation in a series on responsibility and cost-sharing for animal health proposed creating a new body to oversee animal health. This body would be in addition to the animal welfare team in Defra, as well as the Animal Health Executive Agency. Local government's response²⁴ to the consultation highlighted that this would increase complexity for councils working on animal health and welfare, as there would be three bodies with policy responsibility and reporting requirements. The response also raised concern about the proposal to split responsibility for animal health and animal welfare between the new body and Defra, despite the fact that the two issues are managed alongside each other on the ground. It is unclear why it would be necessary to incur the costs of establishing and administering a new body when there are other organisations undertaking related work, particularly given that the Animal Health Executive Agency was only formed in 2007 and went through restructuring earlier this year. The outcome of the consultation is awaited in a draft bill later this year.

Post-16 education and training

The Learning and Skills Council was established in 2001, taking over the roles of the Further Education Funding Council and the Training and Enterprise Centres. In 2010, it will be abolished, and replaced by the Young People's Learning Agency (which will have oversight and budget control for 16-19 education and training), Skills Funding Agency (responsible for commissioning and funding post-19 education and training) and National Apprenticeships Service (responsible for commissioning and funding apprenticeships). As part of the changes, legal responsibility for planning and providing 16-19 education and training is being transferred from the LSC to councils. However, despite this transfer of responsibility, nearly 500 people will still be employed in the YPLA to oversee the work that councils do.



A new structure for overseeing housing and regeneration

The Homes and Communities Agency and Tenant Services Authority are two new quangos that were created in 2008. The HCA is the national agency responsible for housing and regeneration, with over 1,000 staff including the chief executive, five corporate directors and nine regional directors. The TSA is the regulator for affordable housing and aims to raise the standard of service for tenants. As a new regulator, it is vital that it takes the opportunity to start as it means to go on as a new model lean regulator; yet it employs 250 staff including a six-strong executive team, with executive directors supported by assistant directors and several managers.

It is hoped that the HCA will evolve in a way that increases the clarity of its role, given that there are potential overlaps with the role of other bodies. CLG have retained sizeable 'sponsorship' and 'policy' functions alongside HCA's HQ and programme design functions, while regional development agencies also have a role in regeneration. In theory the HCA is responsible for housing-led regeneration and the RDAs for non housing-led regeneration. In reality this risks being an artificial distinction. There is further potential for duplication with the National Housing and Planning Advice Unit, which provides advice on affordable housing, but is a separate quango and not part of the HCA. In relation to the TSA, it is unclear why 250 staff are required to implement a strategic and selective approach to regulation, especially when inspection will actually be carried out by other bodies.

Skills and worklessness: a confusing picture

Responses to unemployment and worklessness are the responsibility of the Department for Work and Pensions and its agency Jobcentre Plus. Skills policy and provision is split between the Department for Business, Innovation and Skills and the Department for Children, Schools and Families and (currently) its Learning and Skills Councils. The Regional Development Agencies (RDAs) similarly have an interest and a role in improving skills. Local authorities also have a keen interest in promoting the skills in their local workforce and tackling the deprivation caused by worklessness; therefore Communities and Local Government (CLG) is taking an increasing role in encouraging councils through its regeneration framework and Working Neighbourhoods fund. Add in the businesses community's own interest in developing its workforce and organisations such as Sector Skills Councils and the result is muddled accountability and inefficiency.

what does it achieve and can we afford it?

Many quangos have varied and important responsibilities, and abolishing them would not simply free up all of the money they spend. But our value for money test must be applied as rigorously to the quango state as to the rest of the public sector. With research showing that local people would prefer local councillors (65 per cent) rather than quangos (three per cent) to take decisions about local public spending and cuts, it is time to question who is in charge and whether so much money should be spent at one remove from democratic control.

Identifying what proportion of the £43bn quango spend is spent on administration and running costs is difficult, because administration costs vary significantly across different quangos.²⁵ We acknowledge the progress many quangos have made in reducing their overheads in recent years. Nevertheless, it is likely that a number of quangos could be consolidated, or that councils or other bodies could absorb some of their responsibilities, which would help to generate savings. Based on an assumption of administration/running costs equal to five per cent of total quango spend (£2,150m), if these costs could be reduced by 20 per cent, this could free up £430m.

But our argument is not just about the administration of quango funding; there are questions to be asked about who is best placed to decide how much of this funding is spent. We believe there is a strong case that some (although not all) of this money could be spent more effectively by councils, and that joining this funding up with the other linked areas councils have responsibility for could help generate savings. If savings worth just two per cent of the total £43bn controlled by quangos could be made through this approach – arguably not an ambitious target - this would free up a further £860m of savings for the public sector.



What does it achieve and can we afford it?

High-level analysis suggests target savings in the region of:

- £860m from reducing £43bn quango spending by two per cent;
- £430m from reducing quango administration costs by 20 per cent (assuming these costs are currently equal to five per cent of overall spend).

TOTAL: £1.3bn

²⁵ For example, the HCA reports running costs of £86m compared to programme expenditure of £5,113m – less than 2 per cent - while the Arts Council spends 9 per cent of its budget on administration costs.

conclusion

This report has outlined illustrative savings that could be achievable by applying the **what does it achieve and can we afford it?** test across a range of public sector activity. There are many other areas that could and should be included in the scope of such a test, and the report does not pretend to provide an exhaustive approach. Nevertheless, even this high-level review indicates that savings in the region of £4.5bn could be achievable through re-focusing the work of the public sector.



What does it achieve and can we afford it?

- £400m from further reductions in data burdens;
- £250m from halving direct costs of regulating local government, abolishing government offices and reallocating funding for central improvement bodies to local government;
- £1,500m from reducing the departmental administration costs of seven departments with close links to local authorities by 20 per cent;
- £1,000m saving on the departmental resource budgets through reducing unnecessary policy activity;
- £50m savings from reduced administration of specific grants;
- £900m savings from giving councils greater spending flexibility;
- £430m from administration savings equal to 0.5 per cent of total Quango spend;
- £860m from reducing quango spending by two per cent.

TOTAL: £4.5bn*

* It is likely that the savings that could be achieved from these measures would overlap. We have therefore rounded the overall savings total down to reflect this.

The significance of these types of saving is that they would have much less of an impact on the services that are delivered to the general public than cuts to funding for services. Reducing data burdens would actually free up council resources to devote to services, while reducing the cost of central departmental administration should have a minimal impact – given that it is councils that are responsible for delivering the services rather than central government. Stopping some unnecessary government activity and reducing programme spend could have a minimal impact. Finally, some of the savings we have identified are based on the principle that councils or other bodies could spend less money more effectively if they had greater control over it; effectively, savings for devolution.

Most importantly, freeing up £4.5bn from unnecessary administration and devolving funding means £4.5bn worth of services could be protected. Divided across three different services, this is equivalent to:

- 300,000 school places;
- 175,000 personal care packages; and
- 36,000 lane miles of road resurfacing;

These are the types of services that the public sector exists to deliver. They, rather than the structure and processes of the public sector, are what must be protected in the coming years.

appendix:

key facts and examples

Research in 2006 found that councils spend on average £1.8m reporting to government.

Recent research looking at public authorities in Leicestershire (nine councils, two PCTs, the fire service, police authority and probation service) revealed that 3,000 performance datasets, reports or evaluations are likely to be processed and reported on, involving an estimated 92 full time staff at an estimated cost of £3.7m. They are likely to be required to respond to 83 inspections during the year, with an associated staff cost of £3.6m annually.

Government spent £2m on the **Lyons review** of local government; but has never formally responded to the final report, published in March 2007. It has never responded to the **Elton review** of licensing (published in December 2006). It has failed to implement the recommendations of the **Barker review** (published in 2006), which recommended that government streamline the volume and complexity of planning legislation: the Planning Encyclopedia (itself comprising eight volumes and 12,000 pages) contains 201 statutory instruments, and the review found that national planning policy should be streamlined from 800 pages to 200.

The DWP's **Housing Benefit guidance manual** is 1,300 pages long, including 74 pages of guidance on how councils should liaise with local DWP officers. Additionally, there is a separate 277 page guide to overpayments. Overall guidance on DWP benefits and housing and council tax benefit amounts to more than 10,000 pages.

The charity Action for Children has highlighted more than 400 initiatives, strategies, funding streams, pieces of legislation and structural changes affecting services to children and young people since 1987, including:

- 98 acts of parliament;
- 40 green and white papers;
- 82 strategies;
- 77 separate initiatives – of 46 initiatives in England, these lasted on average only 3.9 years. 60 per cent have begun since 2004.

On a related issue, **in 2009-10, there were around 70 children's services revenue streams**, including over 20 funding streams in the Area Based Grant. £36.5bn of funding was made up of ring-fenced and other specific grants (including individual components of overarching grants) as well as project, pilot and pathfinder funding; four grants alone accounted for £33.4bn (91 per cent) of this. Twenty funding streams were less than £5m, and seven were less than £2m.

Durham's Total Place pilot has identified that there are at least **47 funding streams relating to housing investment**, 18 of which now rest with the Homes and Communities Agency. The report also showed that there are 25 housing agencies delivering services for this largely rural county, which has a below average population density.

The Audit Commission reported recently that government departments are managing around **50 central government schemes aimed at mitigating the impact of the recession**.

Implementing government's policy on **Home Information Packs** required no less than nine separate statutory instruments, as well as an additional five statutory instruments relating to the requirement for Energy Performance Certificates (EPCs), between June 2007 and April 2009. Over the same period, six different pieces of guidance (some for different audiences) on HIPs were issued by CLG, and eight sets of guidance on EPCs.

Government has undertaken two consultations, drafted two sets of regulations and is spending more than £10m **implementing a requirement to force councils to include efficiency information on council tax bills**. This is despite almost all respondents to the original consultation opposing the proposal, and the LGA offering to work with councils to develop a more user-friendly and interesting information leaflet.

In Spring 2009, Defra consulted on creating **a new body to oversee animal health**; despite the existence of the animal welfare team in Defra, as well as the Animal Health Executive Agency, which was only established in 2007 and restructured in early 2009. This would mean there would be three bodies with policy responsibility and reporting requirements in this area.

The Learning and Skills Council is being abolished in 2010 and replaced by three new agencies. Despite legal responsibility for planning and providing 16-19 education and training being transferred from the LSC to councils, one of the successor bodies, the **Young Person's Learning Agency**, will employ nearly 500 people to oversee the work that councils do.

The new **Tenant Services Authority** is the regulator for affordable housing and aims to raise the standard of service for tenants. It is proposing to operate as a new model lean regulator, yet employs 250 staff; despite the fact that inspection will be carried out by other bodies.

The Local Better Regulation Office (LBRO) has estimated that each council employs **half a full-time post** to provide reports back to central government on regulatory services alone (a service that accounts for one per cent of local government spending).

The **LBRO** runs a scheme to provide business and other councils with a lead council responsible for providing regulatory advice to multi-site businesses. The function was intended to replace a voluntary local government scheme that local government already operated. Currently the local government scheme, which costs circa £10,000 pa to administer, has in excess of 10,000 members. After six months the LBRO primary authority scheme, which costs £900,000 a year to administer, has 11 businesses signed up to it.



The Local Government Association is the national voice for more than 400 local authorities in England and Wales. The LGA group comprises the LGA and five partner organisations which work together to support, promote and improve local government.



The 'Who's in charge?' campaign is calling for more accountability and greater value for money within the public sector.

This is one of the LGA's corporate campaigns for 2009/10. More information on this and other LGA campaigns can be found at www.lga.gov.uk/campaigns

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