

The 2007 Comprehensive Spending Review (2007 CSR) delivers 2.9 per cent real growth per year to the Department for Communities and Local Government's (CLG's) budget over the CSR07 period taking CLG's total budget from £10.3 billion in 2007-08 to £12.1 billion in 2010-11. This sustained increase in funding will be accompanied by value for money reforms generating annual net cash-releasing savings of over £880 million by 2010-11. Together, over the period, these provide for the delivery of:

- progress towards achieving the Government's ambition of at least 240,000 net additional homes per annum in England by 2016;
- a 50 per cent increase in construction of new social rented houses to reach 45,000 units per year by 2010-11, with a goal to reach 50,000 in the next spending review period;
- £1.7 billion of targeted funding over the CSR07 period for infrastructure in Growth Areas, the Thames Gateway, New Growth Points and eco-towns, including £300 million to continue the Community Infrastructure Fund;
- £500 million over the CSR07 period for the new Housing and Planning Delivery Grant, to incentivise local authorities to improve housing supply and planning for housing;
- £2 billion for neighbourhood and local renewal programmes, with a new strategic approach strengthening the emphasis on economic development and promoting strong communities; and
- £50 million for places where community relations face challenges from new patterns of diversity, to support the settled community and enable the integration of new arrivals.

Achievements so far **D5.1** CLG's aim is to create sustainable communities - places where people want to live and which promote opportunity and a better quality of life. CLG has made significant gains in these areas. Responding to the housing needs and aspirations of a growing population, housing supply is at its highest level since 1988 and there are over one million fewer social sector non-decent homes.

Responding to challenges ahead **D5.2** Population and household growth, driven by rising life expectancy, smaller household size and migration, will increase pressures on services and infrastructure such as housing in the years ahead. To meet the social and economic challenges of globalisation, CLG will work to equip communities at the regional, city and local level, putting 'place' at the heart of public policy making, through strengthened local governance and leadership. **In this context, CLG has set itself the following Departmental Strategic Objectives for the CSR07 period:**

- support local government that empowers individuals and communities and delivers high quality services efficiently;
- improve the supply, environmental performance and quality of housing that is more responsive to the needs of individuals, communities and the economy;
- build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation;

- develop communities that are cohesive, active and resilient to extremism;
- provide a more efficient, effective and transparent planning system that supports and facilitates sustainable development, including the Government's objectives in relation to housing growth, infrastructure delivery, economic development and climate change; and
- ensure safer communities by providing the framework for the Fire and Rescue Service and other agencies to prevent and respond to emergencies.

D5.3 CLG will lead delivery of the cross-governmental Public Service Agreement (PSA) to build more cohesive, empowered and active communities and improve long-term housing supply and affordability.

RESOURCES AND REFORM

D5.4 CLG's predecessors received significant growth in previous Spending Reviews (with annual average growth of 5.2 per cent and 3.3 per cent in the 2002 and 2004 Spending Reviews respectively), and the 2007 CSR locks in these historical increases and raises spending in real terms by 2.9 per cent over the CSR07 period, taking CLG's total budget from £10.3 billion in 2007-08 to £12.1 billion in 2010-11.

D5.5 This enables increased investment to support housing growth, new social housing and low cost home ownership, as well as continuing investment in decent homes, housing market renewal pathfinder and neighbourhood and local renewal programmes.

D5.6 These resources will be accompanied by value for money reforms generating annual net cash-releasing savings of over £880 million by 2010-11. The programme consists of initiatives including:

- savings estimated at over £730 million from new affordable housing by 2010-11, achieved by utilising Housing Association capacity to allow for more borrowing to finance affordable housing, and the Housing Corporation refining its investment programme;
- continuing the momentum for modernisation in the Fire and Rescue Service to deliver savings of £110 million by 2010-11 through effective risk management and improved procurement methods; and
- achieving a smaller, more strategic central department with delivery functions devolved to the new Homes and Communities Agency and a more streamlined Government Office network to generate savings of £43 million by 2010-11.

DELIVERING SUSTAINABLE COMMUNITIES

D5.7 The Government is committed to creating places where people want to live and work, now and in the future. Recognising that housing growth alone does not create flourishing communities, the Government will ensure that commitments to increase housing supply are supported by the necessary investment in social, transport and environmental infrastructure to meet the diverse needs of existing and future populations.

Housing supply and infrastructure **D5.8** The Government has set a target to increase housing growth to at least 240,000 net additional homes per year by 2016. This would deliver two million homes by 2016 and a further million by 2020. The 2007 CSR provides:

- £1.7 billion of targeted funding over the three year period for infrastructure in Growth Areas, the Thames Gateway, New Growth Points and eco-towns, including £300 million to roll forward the Community Infrastructure Fund.
- £500 million of incentives over the three year period via the Housing and Planning Delivery Grant to drive improvements in housing supply and ensure that by 2011 Local Planning Authorities have the necessary development plan documents in place to support housing delivery.

Planning reform **D5.9** Building on the Barker Review of Planning¹ and taking forward the Planning White Paper², the 2007 CSR provides funding of over £175 million over the period to increase the efficiency and effectiveness of the planning system, including implementation of reforms to the planning regime for major infrastructure, improving the capacity of Local Planning Authorities, sector-led support and ensuring the planning system effectively contributes towards combating climate change.

Affordable homes **D5.10** Building on the 50 per cent increase in social housing supply funded in the 2004 Spending Review, the 2007 CSR will provide for another 50 per cent increase, delivering 45,000 units of social housing per year by 2010-11. Government will be investing over £6.5 billion in social housing over the next three years, supported by the realisation of savings arising from greater efficiencies and better use of housing association assets. It will also directly assist 120,000 households to enter homeownership by 2010-11.

Homes for all **D5.11** The Government will ensure all have access to decent housing, through:

- **reducing the number of households in temporary accommodation by 50 per cent by 2010-11**, compared with the end of 2004;
- **the Decent Homes programme**, which by 2010-11 will have reduced the number of non-decent social rented homes by a further 500,000; and
- **the Supporting People programme**, with continuing investment ensuring that disadvantaged and vulnerable groups receive the help and support they need, and a reformed allocation formula to better match need.

Prosperous communities **D5.12** The Review of sub-national economic development and regeneration (SNR) recommended reforms that place local government at the heart of creating prosperous communities. CLG will support Local Authorities in this role, continuing to lead on regeneration and renewal across government and setting a clear tasking framework for the new Homes and Communities Agency.

D5.13 To support the most deprived areas **the 2007 CSR provides over £2 billion for neighbourhood and local renewal**. This includes continuing the New Deal for Communities partnerships, a new programme to strengthen communities during estate transformation and a new enterprise and renewal fund to target resources more intensively according to neighbourhood deprivation. In line with the recommendations in the SNR, the new fund will have a stronger emphasis on tackling worklessness, promoting enterprise and improving skills, and will include a reward element to strengthen incentives to improve performance.

¹ http://www.hm-treasury.gov.uk/media/3/A/barker_finalreport051206.pdf

² <http://www.communities.gov.uk/documents/planningbuilding/pdf/320546>

D5.14 For communities to thrive, economic prosperity needs to be accompanied by a shared sense of purpose and belonging in which communities are empowered. Increasing diversity has brought enormous economic benefits, but that change and new migration patterns have also created challenges. In light of recommendations from the Commission on Integration and Cohesion, CLG will work with local partners to help create communities in which people from different backgrounds develop a shared sense of belonging and citizenship.

D5.15 Many people do not believe they can influence decisions that affect their localities, undermining local democracy and reducing satisfaction with local services. To give people a real sense of civic power, CLG will be taking forward an ambitious community empowerment programme to reconnect citizens with local public institutions. The challenge is to spread good practice established by many Local Authorities, so that more communities can benefit and local democracy can thrive. CLG will lead work across government to increase participation in a range of services; change attitudes and perceptions; and improve local public services and quality of life.

The Fire and Rescue Service

D5.16 The 2007 CSR provides sustained investment in the Fire and Rescue Service (FRS) to improve fire safety and prevention, build on progress in reducing accidental domestic fire related deaths, and strengthen the FRS's national fire resilience capability, through delivery of the New Dimension civil resilience programme, Fire Link radio communication, and Fire Control infrastructure projects.

Table D9: CLG Communities baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	4,224	127	293	436
<i>of which near-cash</i>	4,096	102	224	353
<i>of which administration</i>	287	-6	-13	-20
Capital DEL	6,105	870	1,232	1,419
Total DEL¹	10,281	995	1,523	1,839

	£ billion			
	Estimate	Projections		
	2007-08	2008-09	2009-10	2010-11
Housing UK ²	12.0	12.5	13.1	13.7
<i>of which housing investment</i>	8.1	8.7	9.1	9.5
Housing England	8.8	9.1	9.6	10.0
<i>of which housing investment</i>	6.0	6.4	6.7	7.0

¹ Full resource budgeting basis, net of depreciation

² UK and England Housing and Community Amneties measured consistently with international definitions from the UN classification of the functions of government (COFOG). Actual outturns are subject to spending decisions by local authorities.