Departmental Overview 2019-20

Ministry of Housing, Communities & Local Government





January 2021

This overview summarises the work of the Ministry of Housing, Communities & Local Government including what it does, how much it costs, recent and planned changes, and what to look out for across its main business areas and services.

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Departmental Overview 2019-20

Ministry of Housing, Communities & Local Government

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The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services. The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent. In 2019, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.1 billion.

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About the Department

The Ministry of Housing, Communities & Local Government (the Department) sets out seven objectives in its Single Departmental Plan:

- 1 Deliver the homes the country needs
- Make the vision of a place you call home a reality
- 3 Support local government to deliver high-quality services with sustainable finances
- Create strong communities, socially, economically and with a sense of place
- Secure effective support for those affected by the Grenfell Tower disaster, delivering the changes this tragedy demands, and ensuring that people are safe and feel safe within their homes
- 6 Support a smooth exit from the European Union
- 7 Make the Department an even better place to work

The Department currently has one executive agency and a number of designated bodies

Executive Agencies

Planning Inspectorate

Executive non-departmental public bodies (NDPBs)

- Ebbsfleet Development Corporation¹
- Homes England (trading name of the Homes and Communities Agency)
- Housing Ombudsman
- Leasehold Advisory Service
- Regulator of Social Housing
- Valuation Tribunal Service

Advisory bodies

Building Regulations Advisory Committee

Tribunals

Valuation Tribunal for England

Public corporation

Architects Registration Board

Other bodies not classed as NDPBs

- Local Government and Social Care Ombudsman (officially The Commission for Local Administration in England)
- UK Holocaust Memorial Ltd²

Trading Funds

Queen Elizabeth II Conference Centre

Notes

- 1 From a governance perspective, the Department continues to oversee the policy and operation of the Ebbsfleet Development Corporation, which continues to be accountable to the Department, despite its recent reclassification to the local government sector by the Office for National Statistics.
- 2 UK Holocaust Memorial Ltd was incorporated on 12 July 2019 and has remained dormant during the year. In the meantime, the UK Holocaust Memorial project is being delivered from within the Department.

The Department's relationship with local authorities

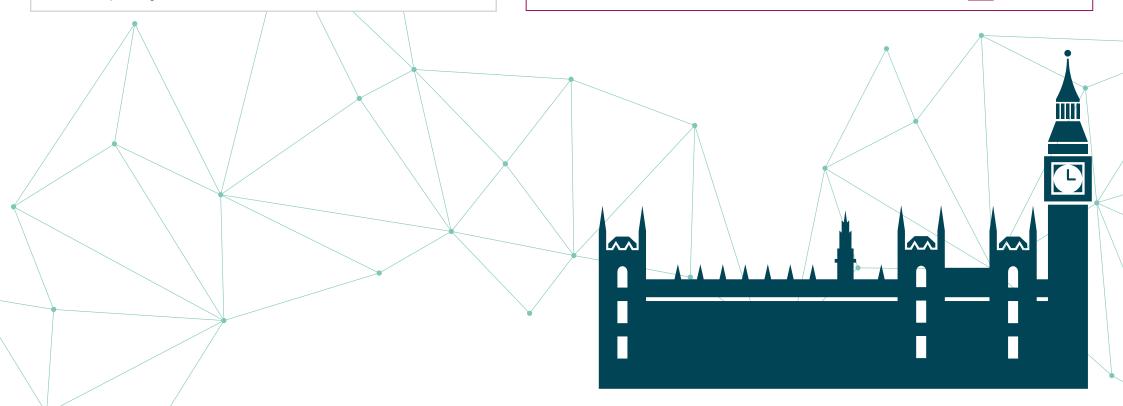
The Ministry of Housing, Communities & Local Government (the Department) has overall responsibility in central government for local authorities' funding. This includes:

- distributing the majority of funding voted by Parliament to support local authorities to deliver services;
- taking the cross-government lead in supporting HM Treasury on decisions about local government funding at major fiscal events; and
- maintaining a system of local accountability that assures Parliament about how local authorities use their resources, including preventing and responding to financial and service failure.

Local authorities are accountable to the public because they are democratically elected bodies. In addition, Parliament votes funding to the Department, which passes this to local authorities in the form of grants. As a result, local authorities are also part of the accountability system under which the Department is accountable to Parliament.

The accountability system between local and central government is complex. The diagram overleaf shows how accountability flows between local authorities and the Department, as well as listing some of the other bodies involved in holding local authorities to account.

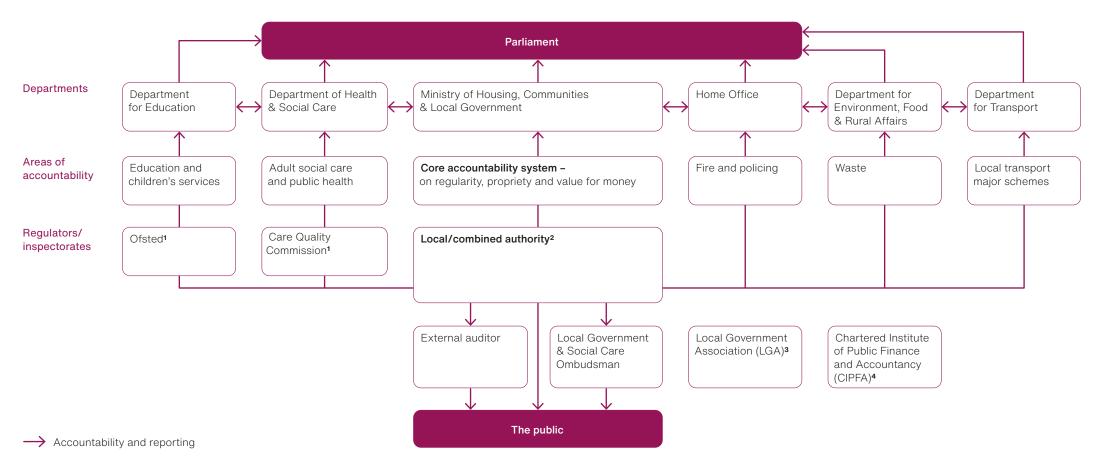
This complex terrain means it can be difficult to identify who is accountable for what. To aid understanding, each department must publish an Accounting Officer System Statement, which sets out its accountability relationships and processes, and is part of the Accounting Officer's personal responsibility to Parliament. The Department's statement covers the overall local government accountability system as well as the accountability system for local growth funding. The statement, which was updated in November 2020, is available here.





The Department's relationship with local authorities continued

The Ministry of Housing, Communities & Local Government (the Department) oversees the core accountability system for local authorities, but other organisations also play important roles



Notes

- 1 The roles of the regulators/inspectorates differ in scope.
- 2 Ultimate accountability lies with the full council, elected mayor or governing body.
- 3 The LGA provides peer challenge and support to local authorities but local authorities are not accountable to the LGA.
- 4 CIPFA produces statutory codes and provides a mentoring role for finance professionals.

Source: Ministry of Housing, Communities & Local Government



How the Department is structured



Note

1 UK Holocaust Memorial Ltd was incorporated on 12 July 2019 and has remained dormant during the year. In the meantime, the UK Holocaust Memorial project is being delivered from within the Department.

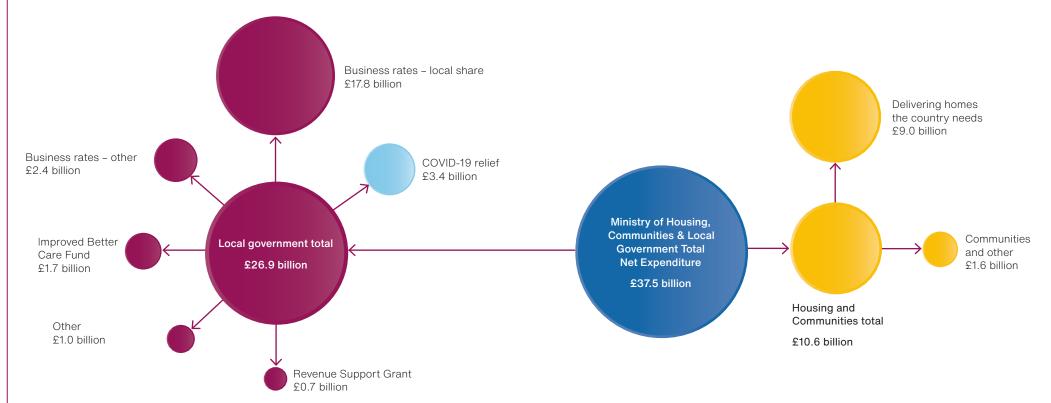
Source: Ministry of Housing, Communities & Local Government



Where the Department spends its money

In 2019-20, The Ministry of Housing, Communities & Local Government (the Department) had a net spend of £37.5 billion, which was split between £10.6 billion within its housing and communities budget and £26.9 billion within its local government budget. There was also £3.4 billion of COVID-19 relief payments brought forward from 2020-21 to relieve the pressures local authorities were facing as a result of the pandemic. The Department uses its **housing and communities budget** to fund programmes such as Help to Buy.

In 2019-20, it spent the majority of this money on its objective "to deliver the homes the country needs" (£9.0 billion), with much of this funding going to Homes England. The Department spent £1.6 billion on its objective "to create socially and economically stronger and more confident communities". The Department provided £26.9 billion to local authorities in 2019-20 from its **local government budget**, in addition to grants to local authorities from the housing and communities budget. Most of this can be spent on any service. However, some funding, such as the Improved Better Care Fund, which is focused on adult social care provision, is for specified purposes.



Notes

- 1 Figures are rounded. As a result, adding up sub-totals does not always give exactly the same number as is shown for totals.
- 2 The £1.0 billion "Other" bubble includes various funding streams including £0.65 billion for social care, £0.16 billion for the Independent Living Fund, and smaller funding streams.
- 3 The £1.6 billion "Communities and other" bubble includes funding relating to: the Local Growth Fund, City Deals, the Department's staff and infrastructure costs, Troubled Families, and smaller funding streams.

Source: National Audit Office analysis of financial data underlying Ministry of Housing, Communities & Local Government, Annual report and accounts 2019-20



Financial management within the Department



Overall, The Ministry of Housing, Communities & Local Government's (the Department's) expenditure reduced by 11% from £31.9 billion in 2014-15 to £28.4 billion in 2016-17 and then rose by

32% to £37.5 billion in 2019-20. Its 2020-21 expenditure is planned to rise again to £51.4 billion, with an increase of £5 billion in the capital budget and £8.9 billion in the resource budget.

The main drivers of the changes in spending are:

Capital expenditure

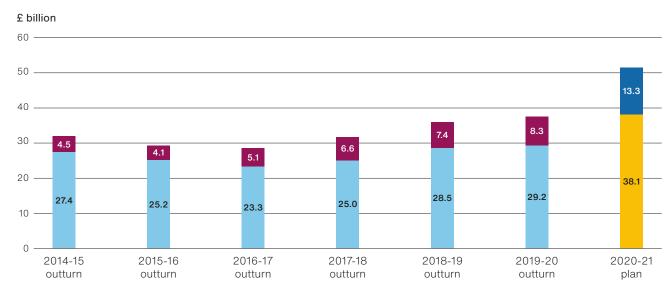
- Housing Since 2017-18, planned expenditure
 has been on an increasing trajectory as a result of
 investments in the National Productivity Infrastructure
 Fund, increased expenditure for cladding remediation
 and Brent Cross Thameslink station. In 2020-21,
 additional expenditure is planned for the removal
 of cladding from high-rise buildings (non-aluminium
 composite material [non-ACM] remediation) of £1 billion
 and the Help to Buy programme (£610 million).
- Decentralisation and local growth the budget for the Local Growth Fund was agreed in the last spending review and expenditure increase in this area is expected in 2020-21 in line with what was agreed.

Resource expenditure

- **Housing** Increased expenditure is planned in preventing homelessness (£57 million) and for the removal of dangerous cladding (£20 million).
- Business rates In response to COVID-19, there will be an increase in Business Rates Relief for 2020-21 of £10.7 billion.

Departmental expenditure outturn 2014-15 to 2019-20, and planned expenditure in 2020-21

The Department's expenditure is forecast to increase significantly in 2020-21 due to COVID-19



Capital outturn

Resource outturn

Capital plan

Resource plan

Note

1 Expenditure is in nominal terms, without adjustment for inflation.

Source: Statement of Parliamentary Supply, Ministry of Housing, Communities & Local Government, Annual Report and Accounts 2019-20 (for expenditure between 2015-16 and 2020-21); Statement of Parliamentary Supply, Ministry of Housing, Communities & Local Government, Annual Report and Accounts 2018-19 (for expenditure in 2014-15).



Financial management within the Department continued



Accounts qualification

The government announced in March that qualifying businesses would receive support in the form of grants to help counteract the adverse financial effects bought about by the coronavirus pandemic. The Department agreed to administer the provision of funding to local authorities who were processing the payments to businesses. At the same time, local authorities themselves faced increased cash flow pressures due to the impact of the pandemic with falling revenues and increased costs. Local authorities confirmed that, for both these reasons, they would be able to benefit from additional funding in late March.

As a result of these cash flow pressures, the Secretary of State issued a ministerial direction authorising the Department to bring forward to late March 2020 two grant funds it was due to pay to authorities in April 2020. This resulted in the Department incurring $\mathfrak{L}3.4$ billion of additional expenditure in 2019-20. The recognition of the $\mathfrak{L}3.4$ billion expenditure meant that the Department exceeded two control totals. These breaches led to a regularity qualification in the Comptroller and Auditor General's audit opinion. The Department is seeking retrospective Parliamentary approval for these grants in 2020-21 through an excess vote.

Grenfell and the Building Safety Programme

Following the tragic events at Grenfell Tower in June 2017, the Department took responsibility for the Tower site in July 2019 and continues to deliver operational, on-the-ground support and policy, including site remediation and ongoing commitments to the Grenfell community. The 2019-20 accounts include an £88.4 million provision, which represents the estimated total future liabilities relating to the Department's responsibilities for keeping the site safe and secure and preparing it for future use.

In response to the Grenfell disaster, the Secretary of State issued a ministerial direction to the Department to implement the Private Sector Remediation Fund for Aluminium Composite Material cladding to fully fund the removal and replacement of unsafe ACM cladding on private sector residential buildings 18 metres or over. This fund was estimated at £200 million and was reported in the 2018-19 Governance Statement. In the 2020 Budget, it was announced that an additional £1 billion fund was to be allocated in 2020-21 to support the removal and replacement of unsafe non-ACM cladding systems. This resulted in a further ministerial direction issued in May 2020 to remove financial barriers to increase the pace of remediation of unsafe non-ACM cladding on high-rise residential buildings that are 18 metres and over.

Financial management within the Department continued



Business rates errors

Errors relating to business rate retention pilots during 2017-18 and 2019-20, and the Hudson Review

Following the identification of an error in the methodology used to calculate the amounts due to local authorities participating in business rate retention pilots back in 2017-18, which led to an overpayment of £36 million, the Hudson review was commissioned by the Department to examine the governance and processes underpinning the Department's oversight of the business rates system. The report was published in October 2018. It found that the business rates system had become much more complex since 2013. It concluded that this had created pressures on the administration of the system, coinciding with a time when resources had been reduced in the Department, local authorities and the bodies that represented local government.

It was reported in last year's annual report that, in correcting the published methodology relating to the previous error, the relevant guidance note was not updated and therefore contained the same original error, in the same formula. As a result, some local authorities in the pilots based their 2019-20 budgets on inaccurate data. This resulted in special payments of £2.26 million, which are reported in 2019-20 financial statements.

Error relating to 2020-21

An error was also identified in 2020-21 datasheets (the NNDR1 form) in February 2020. The form enables local authorities to estimate their business rates income for the year ahead, and it includes estimates of the compensation due to councils for changes to the business rates system. No incorrect payments had been made to authorities, but 24 authorities were affected and may have overestimated the grant due to them by a total of £814,000. All affected councils have been made aware of the error, and all authorities received correct payment reports in the first week of March as planned. The Department is undertaking an internal review to assess what went wrong and reduce the risk of similar errors in future.

This additional error further highlights the complexities of the system and, although the Department does not consider that this error indicates additional underlying weaknesses in its system beyond those already highlighted in the Hudson Review, the Department has accelerated and widened the planned post-implementation review of work done in response to the Hudson Review. This is consistent with the guidance in Managing Public Money, which states that it is good practice for departments to "consider routinely whether particular cases reveal concerns about the soundness of the control systems".

The Department's response to COVID-19

Supporting the national and local response to COVID-19 has been the The Ministry of Housing, Communities & Local Government's (the Department's) top priority since March 2020, according to its annual report and accounts. A Department staff survey found that 53% of employees said their jobs had changed "completely" or "a lot" as a result of the

early response to COVID-19. Key challenges for the Department relating to COVID-19 include the impact of the pandemic on local economies, on housing and homelessness, and on local government finance. This page summarises financial support provided to local areas, from or through the Department.

Category	Description	Amount (£m)
Social care and other services	Non-ringfenced funding to support pressure on social care in local government.	4,607
Other exceptional	Funding to local authorities to support their clinically extremely vulnerable people where shielding guidance was introduced.	33.6
service support	Funding for local authorities to increase their compliance work and enforcement checks on businesses.	30
	Grant funding to local authorities and voluntary organisations to support communities disproportionately affected by COVID-19 ('Community Champions' funding).	25
	Funding for local authorities for innovative digital projects to improve services to the public.	0.8
	Support to faith organisations. Part of the charities support package, for which the Department and the Department for Digital, Culture, Media & Sport (DCMS) share responsibility.	0.125
Lost income	Reimbursing lost income: where losses are more than 5% of a local authority's planned income from sales, fees and charges, the government will cover them for 75p in every pound lost.	Cost not yet known1
Support for individuals	Additional funding for the Hardship Fund. Enables local authorities to reduce the 2020-21 council tax bills of working-age people receiving Local Council Tax Support.	500
Local economies	Reopening High Streets Safely Fund: a new fund to help English local authorities prepare for the safe reopening of high streets and other retail spaces.	50 1
	Grants to small- and medium-sized businesses in England of between £1,000 and £5,000 for new equipment and technology, and specialist advice.	201
	Kick-starting Tourism Package: funding to boost tourism in England for renewal and recovery.	10 ¹
	Support to local business partnerships: business improvement districts across England will receive support to help cover their day-to-day costs. Repurposed from the Towns Fund and the Future High Streets Fund.	6
Homelessness, rough	Funding to accommodate rough sleepers to help them self-isolate and prevent the spread of coronavirus. This includes the Next Steps Accommodation Programme, launched on 18 July 2020.	538
sleeping and insecure housing	Keeping rough sleepers safe in winter.	27
	Support to vulnerable people currently in emergency accommodation to access specialist help for substance misuse issues.	16
	Support for domestic abuse safe accommodation charities. Part of the charities support package, for which the Department and DCMS share responsibility.	9.7
	Financial assistance to local homelessness organisations. Part of the charities support package, for which the Department and DCMS share responsibility.	6
	Emergency Rough Sleepers Fund: helping rough sleepers to self-isolate (re-allocated from existing budgets).	2.8 3

Notes

- 1 The government paid out £528 million in November 2020, the first of three tranches under the 2020-21 scheme.
- 2 These are funded from the European Regional Development Fund through the Department, with no effect on its budget.
- 3 £2.8 million claimed from a £3.2 million fund.
- 4 This page includes funding where the Department has policy responsibility. Funding channelled through the Department, where other departments have policy responsibility, is not included here. Other departments have allocated money to support local authority services. Estimates were current at 6 December 2020.

Source: Ministry of Housing, Communities & Local Government. More information, including more detail about the funding above, is online in our COVID-19 cost tracker: www.nao.org.uk/covid-19/cost-tracker.

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The Department's response to COVID-19 continued

On this page, we set out examples of the non-financial support, powers and guidance that the Department has provided to local authorities in response to the pandemic

Key actions to support local authorities' financial management

The Department oversees local authorities' financial sustainability and statutory obligations, both of which have been significantly affected by COVID-19. The Department has aimed to respond to these challenges by, for example:

- carrying out voluntary data collection to gather information about the impact of COVID-19 on local authority finances. According to the data from this exercise published in December 2020, local authorities anticipated additional expenditure due to COVID-19 totalling £6.2 billion for 2020-21. They anticipated non-tax income losses due to COVID-19 of £2.8 billion over the same financial year.
- relaxing requirements for short-term financial discipline. In July 2020, the government announced that local authorities can spread the repayment of their local council tax and business rates deficits over three years instead of repaying them in one year.

Major responses to service and strategic challenges caused by COVID-19

The Department has introduced guidance and legislation with the intention of maintaining essential services and systems. We include here some major examples.

Shielding the clinically extremely vulnerable

• The Department coordinated a shielding programme to deliver food, medicines and basic care to people shielding because of COVID-19. It reports that the programme delivered over 4.3 million food boxes between 28 March and 1 August 2020.

Planning, house building and building safety

- Guidance on planning and building safety, including on progressing remediation of high-rise buildings with unsafe cladding during COVID-19.
- Guidance on moving home during the pandemic.
- The government is extending the current Help to Buy scheme to address delays in construction due to COVID-19.

Homelessness, rough sleeping and insecure housing

- Emergency legislation so that landlords would not be able to start proceedings to evict tenants (first announced in March 2020, extended in August 2020), and a temporary extension to the notice period landlords are required to give their tenants if they intend to end the tenancy.
- May 2020: announcement of a rough sleeping taskforce to be led by Dame Louise Casey.

Local economies

- A reduction in application fees for pavement and street café licences (up to £100) and a reduction in the consultation period for applications for licences. This initiative was included in the Business and Planning Act 2020, published on 22 July 2020.
- Protection for commercial tenants from eviction (announced in <u>March 2020</u> and extended in <u>September 2020</u>).

Other major service areas are overseen by other government departments and are therefore not covered here – for example, the Department of Health and Social Care oversees adult social care.



Exiting the European Union

On 31 January 2020, the United Kingdom left the European Union and, under the terms of the Withdrawal Agreement between the UK and the EU, entered a transition period during which existing rules continued to apply. New rules on trade, travel and business between the UK and the EU came into effect on 1 January 2021.

Implementation

In 2019, The Ministry of Housing, Communities & Local Government (the Department) established arrangements to prepare for EU exit, which have broadly remained in place:

- A network of local authority chief executives to share information on transition preparations.
- In August 2019, local authorities were asked to designate a 'Brexit lead' to oversee preparation for, and delivery of, EU exit.
- Local Resilience Forums were asked to produce Brexit plans with "robust" consideration of local impacts.

The government has said that it will establish a **UK Shared Prosperity Fund** to reduce inequalities between communities across the UK after leaving the EU. The Fund is intended to replace the European Structural and Investment Funds that provide funding for local regeneration. The UK will continue to spend money from the European Structural and Investment Funds until 2023, according to the EU-UK Withdrawal Agreement that came into effect in February 2020. In the autumn 2020 spending review, the government confirmed that the total domestic UK-wide funding from the Shared Prosperity Fund will at least match receipts from EU structural funds, on average reaching around £1.5 billion per year. In addition, to help local areas prepare over 2021-22 for the introduction of the Fund, the government has promised to provide £220 million of additional UK-wide funding to support communities to pilot programmes and new approaches. The government plans to set out further details in a UK-wide investment framework to be published in the spring. The fund will be delivered jointly by the Department and the Department for Work & Pensions.

Our report findings

Our November 2020 report The UK border: preparedness for the end of the transition period found:

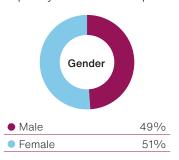
- There is a risk that those responsible for import controls on animals, plants and their products, including local authorities, may not have all the necessary staff in place by 1 July 2021 (the date by which the government plans to implement full import controls).
- The emergency response to COVID-19
 has placed strain on local authorities'
 ability to plan and put in place contingency
 arrangements. Disruption at the border
 may be harder to manage if it also happens
 alongside further COVID-19 outbreaks and
 a background of economic uncertainty.

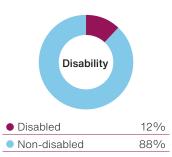
Our March 2020 report The cost of EU exit preparations identified the following:

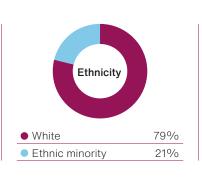
- Government departments had allocated around £104 million to local authorities, ports, health authorities and other local organisations to support preparations.
- Of this, the Department had provided a total of £78.5 million, primarily relating to the 2019-20 financial year. The Home Office, the Department for Transport and the Food Standards Agency had also made funding available to support local authorities' preparedness in specific policy areas.

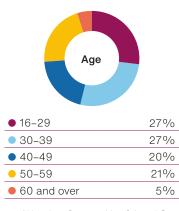
Staff and Pay

Equality data: core Department









Source: Civil Service Statistics 2020, available at: www.gov.uk/government/statistics/civil-service-statistics-2020. Figures are for The Ministry of Housing, Communities & Local Government (the Department) excluding agencies, as at 31 March 2020.

	Core Department	Homes England	Planning Inspectorate	Commission for Local Administration in England	Regulator of Social Housing	Housing Ombudsman	Queen Elizabeth II Conference Centre	Architects Registration Board
Staff breakdown 2019-20								
Staff numbers	1,942	914	725	176	150	55	49	29
				•	•	•	•	•
Total employment cost (£m)	137.4	80.1	43.1	9.3	14.4	4.0	3.0	1.6
Pay multiples 2019-20								
Ratio	4.6	4.8 ¹	5.2 (support staff) 2.4 (inspectors)	3.2	3.0	2.6	3.3	3.6
Band of highest-paid director's total remuneration (£000)	175–180	250-255 ¹	140–145	135–140	150–155	115–120	135–140	135.1 (mid-point of band)
Median total remuneration (£000)	39.2	52.5	27.2 (support staff) 58.8 (inspectors)	43.3	50.0	45.8	41.5	37.8

Notes

- 1 The highest-paid director at Homes England in 2019-20 was employed on a temporary basis through a recruitment agency. The banded remuneration of the highest-paid director on a permanent contract in 2019-20 was £215,000-£220,000. Excluding the director employed on a temporary basis, the median pay ratio for the year was 4.1.
- 2 2019-20 accounts for the Ebbsfleet Development Corporation, the Valuation Tribunal Service and the Leasehold Advisory Service had not been published when this publication was finalised, and we have therefore not included information about them in this figure. Other bodies under the Department's umbrella, listed on page 3, are excluded because they do not have salaried employees Valuation Tribunal England, Building Regulations Advisory Committee, UK Holocaust Memorial Ltd.
- 3 Staff numbers reflect the average number of full-time equivalent permanent staff; employment costs include social security and pension costs.

Source: 2019-20 annual report and accounts for each organisation. (The Architects Registration Board annual report and accounts is for the 2019 calendar year.)

Civil Service Annual People Survey

Results from the most recent Civil Service People Survey suggest a small downturn in civil servants' attitudes to, and experiences of, work in the Department, between 2018 and 2019.

Theme		Result in 2019	Change since 2018	Difference between the Department and the 2019 civil service median
		(%)	(Percentage points)	(Percentage points)
<u>88</u>	Employee engagement index	65	₩ -1	<u> </u>
	My work	78	₩ -4	<u></u> 1
6	Organisational objective and purpose	83	₩ -4	o o
9 a	My manager	73	₩ -3	<u> </u>
	My team	86	o o	<u>\$</u> 5
	Learning and development	61	₩ -2	<u> </u>
2	Inclusion and fair treatment	82	₩ -2	<u></u> 3
	Resources and workload	74	o o	<u></u> 1
5	Pay and benefits	39	₩ -1	<u>\$</u> 5
70	Leadership and managing change	58	₩ -2	10
Response	rate	97	+3	

The biggest changes since 2018 are in the "My work" and "Organisational objective and purpose" themes. For both these, the proportion of positive responses has fallen by 4 percentage points.

However, comparing the Department with other civil service organisations, the Department's civil servants are generally more positive than average. In particular:

- For the "Leadership and managing change" theme, the Department's result is 10 percentage points higher than the civil service median.
- On "Learning and development", the Department's result is 7 percentage points higher than the civil service median.

Notes

- 1 All reported differences are statistically significant at a 95% confidence level, according to Cabinet Office analysis.
- 2 Figures are rounded. This explains apparent discrepancies in the percentage point change and difference figures.
- 3 The employee engagement index methodology is available in the Cabinet Office's technical guide to the survey.
- 4 For all other themes, we provide the proportion of respondents giving an "agree" or "strongly agree" response to questions on these subjects.

Source: See full survey results, available at: Civil Service People Survey







Major programmes and developments

This page mainly refers to The Ministry of Housing, Communities & Local Government's (the Department's) routine business. Its management of COVID-19 is covered on pages 11 and 12 and transition out of the European Union is covered on page 13.

Financial sustainability: the pandemic has caused delays and exacerbated financial difficulties

The Department announced in April 2020 that there would be **delays to planned financial reforms** in local government. The Department had intended to implement reforms to the local government finance system in 2021-22 – including increasing the level of business rates growth retained by local government to 75%, and making changes to how funding is distributed between local authorities through the Review of Relative Needs and Resources. The Department has not yet announced when it now plans to implement the reforms.

Local authorities' external auditors have issued **Public Interest Reports**. Through these reports, an auditor can bring significant concerns to the attention of the audited body and the public. The local authority is then required by law to consider the report. The Public Interest Reports issued in 2020 expressed auditors' concerns about:

- Nottingham City Council in August 2020, regarding the governance of Robin Hood Energy, a not-for-profit subsidiary of the council.
- the London Borough of Croydon in October 2020, regarding the council's overall financial position and related governance. The council's finance director issued a section 114 notice in November 2020, followed by a second in December, indicating that the authority was at risk of spending more than the resources it had available. This required the council to pause and publicly reconsider its spending decisions and budgets.

Local governance and audit

In September 2020, the Department published the findings from the <u>Independent Review</u> into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting, led by Sir Tony Redmond. The review made recommendations, including that:

- a new small, focused regulatory body should be established to be responsible for the procurement, contract management, regulation and oversight of local audit;
- local authorities should review their governance arrangements;
- all auditors engaged in local audit should be given relevant skills and training, regardless of seniority; and
- the fee structure for local audit should be revised to ensure adequate resourcing of audits.

On 1 April 2020, a **new Code of Local Audit Practice** came into effect. The National Audit Office (NAO) has updated the guidance with regard to the value-for-money opinion recorded by local auditors. Where auditors were previously required to reach a binary audit opinion, they must now provide a commentary on:

- financial sustainability;
- governance; and
- improving the economy, efficiency and effectiveness of services.

The NAO has published (November 2020) a <u>mapping tool</u> showing where auditors have issued non-standard reports in local government in England and in local NHS bodies. Auditors issue non-standard reports when they are not satisfied that financial statements give a true and fair view or that the arrangements in place secure value for money.

Major programmes and developments continued

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Housing

Planning reforms

Between August and October 2020, the government consulted on reforms proposed in the Planning for the Future white paper.

Housing building, ownership and standards

Home Building Fund: The government announced an extra £450 million for the fund in July 2020.

The **Brownfield Housing Fund**, announced in the March 2020 Budget, promises £400 million to bring more brownfield land into development.

Affordable Homes Programme 2021 to 2026: the Department announced in September 2020 that it would make £11.5 billion of grant funding available from April 2021. Through this funding, the government aims for up to 180,000 affordable homes to be built by March 2026, "should economic conditions allow".

The government proposes that the **First Homes** scheme will provide discounts to first-time buyers of at least 30% on new-build properties. The government published its consultation response in August 2020.

The Affordable Homes Guarantee Scheme will guarantee up to £3 billion of borrowing to help finance affordable homes across England. The government announced in October 2020 that the investment management firm ARA Venn will manage the scheme.

The **new Help to Buy scheme**, which will replace the current one, will run from 1 April 2021 until March 2023. The new scheme introduces property price caps and is restricted to first-time buyers only.

The Department continues with its **Building Safety Programme**, announced following the June 2017 Grenfell Tower disaster:

- January 2020: a new Building Safety Regulator, which has been established within the Health and Safety Executive.
- March 2020: a £1 billion Building Safety Fund to remove dangerous cladding from residential buildings over 18 metres tall.
- April 2020: response to the Building a Safer Future consultation about the building safety regulatory system.
- December 2020: a new £30 million fund to pay for the costs of installing an alarm system in buildings with unsafe cladding. The fund aims to improve safety and cost-efficiency, relieving affected leaseholders of the high costs of 'waking watch' safety measures.

Devolution and growth

The government had planned to publish a **white paper on devolution and local recovery** in September 2020 – but this has not yet been published.

In October 2020, the Department invited Cumbria, North Yorkshire and Somerset local authorities to submit plans for **unitary local government**.

On the £3.6 billion Towns Fund, first announced in July 2019, developments are as follows:

- In January 2020, the Department announced allocations for 14
 pilot areas for the High Streets Task Force, which will work with
 places receiving money from the Future High Streets Fund, part of
 the Towns Fund.
- In June 2020, the Department issued guidance to the places selected for a Town Deal. (See pages <u>29</u> and <u>30</u> for information about our study on the selection process for these areas.)

The March 2020 Budget announced that the **Local Growth Fund** would continue in 2021-22, with a budget of up to £387 million for that year. However, this money is now being redirected, in part, to the Getting Building Fund.

The government has agreed a **devolution deal with West Yorkshire** to establish a mayoral combined authority with a directly elected mayor from May 2021.

In June 2020, the government invited Local Enterprise Partnerships to put forward projects for the $\mathfrak{L}900$ million **Getting Building Fund**. This funding was allocated in August 2020.

In the November 2020 Spending Review, the government announced a new **Levelling Up Fund**, worth £4 billion for England. It is intended to invest in local infrastructure and support economic recovery. All local areas in England will be eligible to bid for money from the fund. The government has said it will prioritise bids from places in need, facing particular challenges, and areas that have recently received less government investment.



About local authorities

Local authorities

There are a number of different types of local authorities.

This overview concentrates on **principal local authorities** –

London borough councils, unitary authorities, metropolitan councils, county councils and district councils.¹ As of 1 April 2020, there were 339 principal authorities (a reduction from 343 in the previous year, after local authorities in Buckinghamshire became a unitary authority). The principal authorities provide a wide range of services, either delivered themselves or by commissioning other providers. Among other functions, they:

- provide services such as planning, housing, waste collection, and sports and leisure facilities;
- support many people in vulnerable circumstances, such as adults in receipt of local authority social care and children in need of help and protection; and
- aim to enable local economic growth.

There are a range of other types of local authority:

Combined authorities are corporate bodies formed of two or more local government areas, established with or without an elected mayor. They enable groups of councils to take decisions across boundaries on issues that extend beyond the interests of any one local authority.

Fire and rescue authorities carry out a range of duties including responding to fires, road traffic accidents and other emergencies, and undertaking preventative activities to reduce the risks of fire.

Police and crime commissioners, in consultation with their chief constables, set objectives for their police force; allocate the funds needed to achieve them; and hold police forces to account on behalf of the public.

Function

Adult and children's social care, transport, planning, highways, public health

Local tax, housing, planning, leisure, waste collection and environment

Joint working across geographical areas

Fire and rescue

Policing

Conservation and the promotion of scenic areas

Local facilities, eg management of town and village centres

Organisation

33 London borough councils

57 unitary councils

36 metropolitan borough councils 25 county councils

188 district councils

This includes 10 combined authorities, the Greater London Authority, and 5 joint waste authorities. Local authorities are key partners in the 38 Local Enterprise Partnerships.

Forty-five fire and rescue authorities including 28 stand-alone bodies, 14 within county councils, and separate arrangements for Greater Manchester, London and Northamptonshire.

Thirty-six elected police and crime commissioners. There are separate arrangements for the Metropolitan Police, Greater Manchester and the City of London.

10 national parks.

There are around 10,000 parish and town councils, although these do not exist in all areas.

Note

How local government is funded

Local authorities receive revenue¹ funding from a range of sources, including The Ministry of Housing, Communities & Local Government (the Department), the Department for Education and from council tax. Some of this income is **controllable**, meaning that local authorities have some say over how the funding is used locally. Other income streams are **non-controllable**, and are passed through local authorities directly to other bodies and individuals, such as schools and benefits claimants, without local authorities having any say in this.

Non-controllable income (which local authorities pass directly to others) – £47.1 billion in 2018-19

- Frontline schools funding £28.2 billion.
- Funding passed to other bodies and individuals
 £18.9 billion.

Controllable income (over which local authorities have some say in how it is spent) – £63.4 billion in 2018-19²

- Government grant: in 2018-19, local authorities received £25.9 billion (including locally retained business rates income).
- Council tax: in 2018-19, local authorities generated £25.2 billion.
- Sales, fees and charges: in 2018-19, local authorities generated £10.9 billion (excluding education services).
- Trading surplus and investment income: in 2018-19, local authorities generated £1.5 billion.

Other income and reserves

Local authorities may build up **reserves**. Local authorities had £18.8 billion of revenue reserves as at 31 March 2019 (including earmarked and unallocated reserves; excluding schools, public health and Dedicated Schools Grant reserves).

Local authorities also receive **other income** in the form of transfers and payments from other public bodies including other local authorities.³

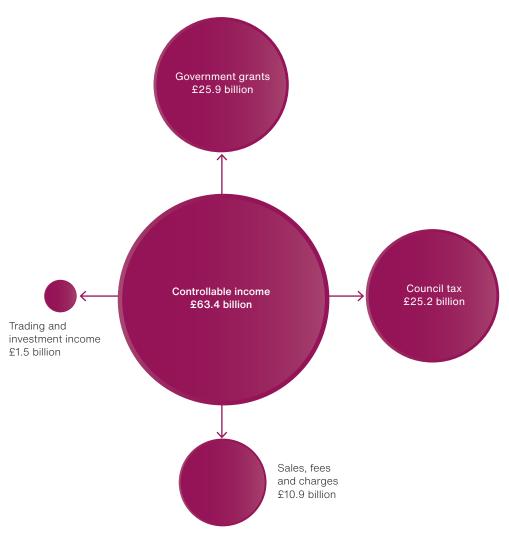
Local authorities that have retained their social housing stock also generate rental income. This in turn is used to maintain their housing stock. This income is managed primarily through their housing revenue accounts (HRAs).4

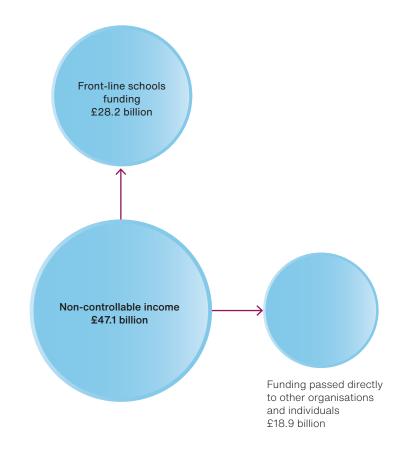
Notes

- 1 Analysis on this page excludes sources of income to support capital spending.
- 2 All figures on this page relate only to the 353 principal authorities as of 2018-19. These are London borough councils, unitary councils, metropolitan borough councils, county councils and district councils.
- 3 We do not show data on this income stream in this document.
- 4 We do not show any data relating to authorities' HRAs in this document.

How local government is funded continued

English local authority revenue income 2018-19





Notes

- 1 The figures in the diagram do not add up due to rounding differences.
- 2 Analysis on this page excludes sources of income to support capital spending.
- 3 All figures on this page relate only to the 353 principal authorities as of 2018-19. These are London borough councils, unitary councils, metropolitan borough councils, county councils and district councils.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data on local authorities' revenue outturn

Where local government spends its money

Adult social care is the largest area of service spend for local authorities

Local authorities

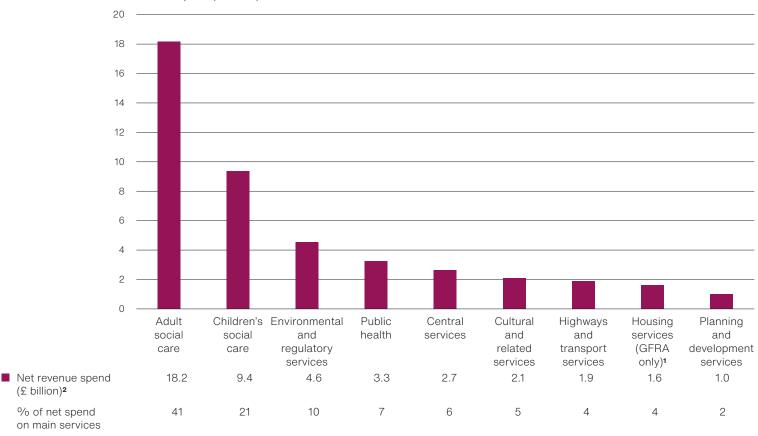
In 2018-19, 41% of local authority revenue spend on services (excluding education) was used to fund adult social care. Children's social care accounted for 21% of service spending.

Other service areas such as planning and development (2%), housing services (4%) and cultural and related services (5%) account for much smaller shares of net revenue spending on services.

In addition to spend on services, local authorities also incur revenue spend on non-service areas such as servicing debt costs or the payments of levies to other public bodies.

Local authority spend by main service area, 2018-19





Notes

(£ billion)²

- GFRA is the General Fund Revenue Account
- 2 This excludes spend on education, fire and other services and includes NHS Digital estimate of Better Care Fund expenditure on adult social care (£2.1 billion).
- Data shown is only for the 353 principal authorities as of 2018-19. These are London borough councils, unitary councils, metropolitan borough councils, county councils and district councils.
- 4 Figures are net of spend supported by income from sales, fees and charges.

Source: National Audit Office analysis of local authority revenue expenditure and financing data



Part One

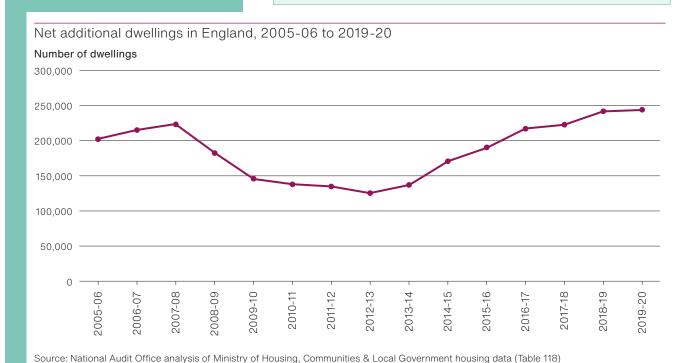
Housing

Housing supply: an update

The Ministry of Housing, Communities & Local Government (the Department) has an ambition that there will be 300,000 net additional dwellings per year by the mid-2020s.

Historically, the supply of new homes has been considerably lower than this. On average, between 2005-06 and 2019-20, there were 186,000 net additional dwellings per year. The number of net additional dwellings per year will need to be over 23% higher than the level in any recent year to meet the Department's ambition.

In 2019-20, there were 244,000 net additional dwellings delivered, the highest number this century. Of these, 12,000 were a change of use to residential under permitted development rights.



Planning for new homes

The planning system is a key element in enabling the Department to meet its ambition. Our report <u>Planning for new homes</u> (February 2019) assessed how the planning system works to provide new homes. Our work has found that, from the setting of the need for new homes to the reductions in local authority capability, the underperforming Planning Inspectorate and failures in the system to ensure adequate contributions for infrastructure, the system is not working well. The Department understands the shortfalls in the planning system.

The government proposed changes to the system, in its August 2020 Planning for the future white paper. The white paper set out plans to:

- replace existing planning legislation, to simplify
 Local Plans and to create firmer deadlines for local authorities' and the Planning Inspectorate's decisions;
- encourage the use of digital tools and data during the planning process, aiming to increase efficiency and improve local engagement with planning;
- improve building design and sustainability through (for example) the National Planning Policy Framework, locally set design codes and energy efficiency standards;
- reform developer contributions introducing a new 'Infrastructure Levy' to simplify the existing regime for developer contributions;
- increase the land available for development for example, by creating a new nationally determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. Following consultation, the Department decided not to take the proposal of a binding target forward.

Contents O — O O —

Remediating dangerous cladding from high-rise buildings

On 14 June 2017, a fire in Grenfell Tower claimed the lives of 72 people.

Housing

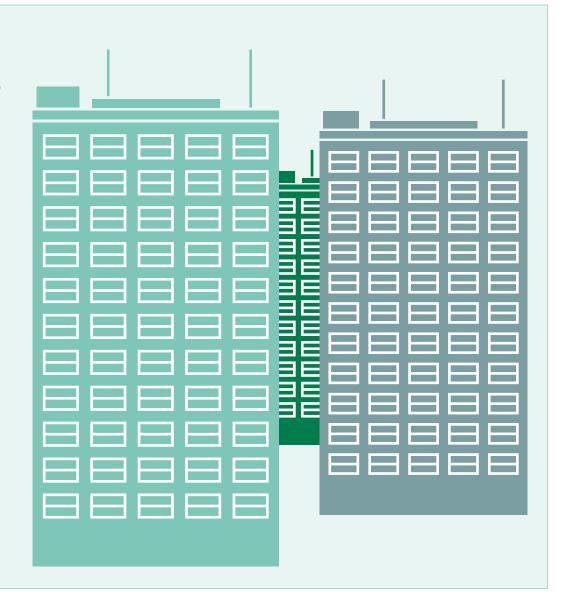
Phase 1 of the Grenfell Tower Inquiry concluded that the principal reason why the flames spread so rapidly was the building's combustible aluminium composite material (ACM) cladding. Our <u>Investigation into remediating dangerous cladding from high-rise buildings</u>, examined the Department's progress in overseeing the replacement of ACM cladding from over 450 other tower blocks.

We reported that, as of March 2020, the Department was estimating that all high-rise residential buildings with unsafe ACM cladding would be fully remediated by mid-2022, with more than 95% of buildings fully remediated by the end of 2021. In these estimates, it was expecting a large number of building works (over 50) to be finished in the first quarter of 2021.

These forecasts lag behind the Department's expectation, in July 2019, that all but exceptional cases would be completed by June 2020. In addition to difficulties in working with private building owners, shortages of skills and available contractors have also been observed as an issue. The Department has sought to increase the pace of remediation through a range of measures, including providing construction expertise.

Its biggest interventions have been the provision of two funds to finance the replacement of ACM cladding from high-rise residential buildings: a £400 million fund for the social housing sector and a £200 million fund for private leasehold buildings. At the end of April 2020, the Department had paid out £1.42 million (0.7%) and approved applications for a further £24.98 million (12.5%) from the private sector fund, and paid out £133 million (33.3%) from the social sector fund.

Since we published our investigation, the Department has published further data. These indicates that, as of 31 October 2020, remediation works to remove and replace unsafe ACM cladding have either completed or started on 79% of all identified high-rise residential and publicly owned buildings in England; 257 buildings (56% of all identified buildings) no longer have ACM cladding systems; 202 (44% of all buildings) have fully completed remediation.¹



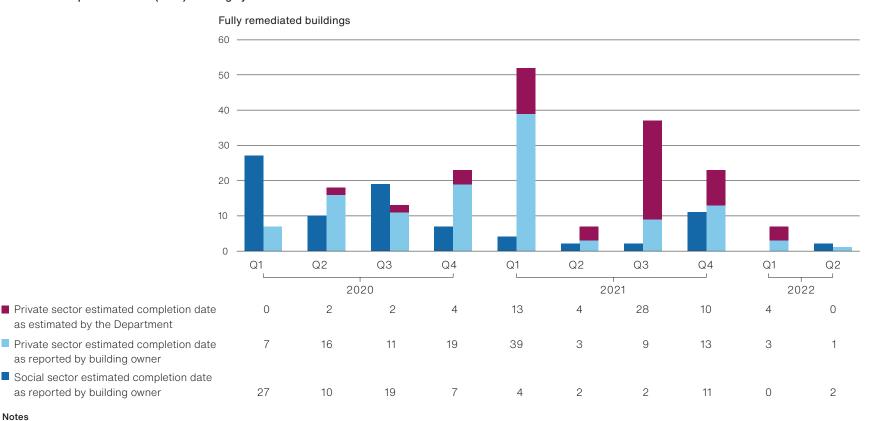
Note

Housing

Remediating dangerous cladding from high-rise buildings continued

Estimated completions of remediation works for social and private sector residential buildings, in England as at March 2020

The Department is estimating to have fully remediated all social and private residential buildings 18 metres and over with unsafe aluminium composite material (ACM) cladding by mid-2022



Notes

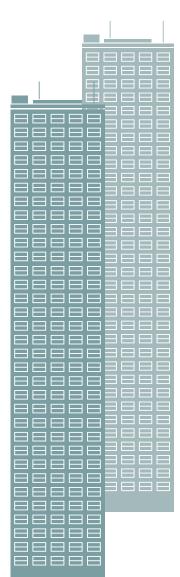
- Data are based on information supplied by building owners to the Department as at March 2020.
- Private sector residential buildings total 188. As at April 2020, 180 private sector residential buildings were yet to be remediated.
- Social sector residential buildings total 84. As at April 2020, 82 social sector residential buildings were yet to be remediated.
- Quarters cover calendar years.

as estimated by the Department

as reported by building owner

as reported by building owner

Source: Ministry of Housing, Communities & Local Government data



Starter Homes



The November 2015 Spending Review set out the government's plan to build 200,000 Starter Homes, to be sold at a 20% discount to young first-time

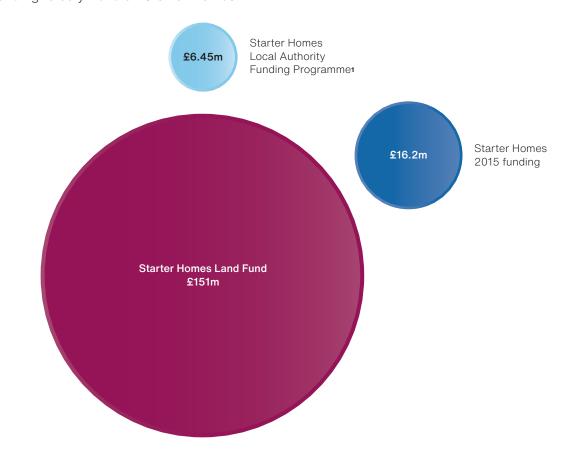
buyers, with a £2.3 billion fund to support the delivery of up to 60,000 of these.

Our Investigation into <u>Starter Homes</u> reported that no Starter Homes had been built or sold. The funding intended for Starter Homes had instead been spent on preparing brownfield sites for housing more generally, some of which was planned to be affordable housing. Between 2015-16 and 2017-18, the Department spent £174 million preparing sites originally intended for Starter Homes, through three funding sources (chart, right). Actual spend was less than the available funding from all three sources.

The statutory framework for Starter Homes, the Housing and Planning Act (2016), received Royal Assent in May 2016, but the relevant sections of the Act have not come into force. The Department expected to introduce the necessary secondary legislation and planning guidance required for Starter Homes in 2019, but it did not do so.

The housing white paper in 2017 replaced the target of 200,000 Starter Homes with a target to help 200,000 households into home ownership through a range of government-backed schemes, including Starter Homes, shared ownership, Right to Buy and Help to Buy. The November 2017 Autumn Budget reallocated Starter Homes funding to the £9 billion Shared Ownership and Affordable Homes Programme and the Land Assembly Fund. The Department confirmed in early 2020 that the Starter Homes policy had been abandoned.

Spending to July 2019 on Starter Homes



Note

1 Spending by the Greater London Authority is shown as part of the Starter Homes Local Authority Funding Programme.

Source: Ministry of Housing, Communities & Local Government

Public health

Childhood Obesity

The government aims to halve childhood obesity by 2030 and reduce the gap in obesity between children from the most and least deprived areas. The Department of Health & Social Care oversees and coordinates the childhood obesity programme, and several other departments, including the Department, are involved. Local authorities reported that they spent $\mathfrak{L}61.7$ million on childhood obesity interventions, including the National Child Measurement Programme, in 2018-19.

Our September 2020 report, <u>Childhood obesity</u>, found that in 2018/19 nearly one tenth of 4- to 5-year-olds and more than a fifth of 10- to 11-year-olds were obese. We estimated that roughly 1.4 million children aged between 2 and 15 were classified as obese in 2018.

We found that government departments have made varying progress with projects within the scope of the childhood obesity programme. Public Health England has made some progress with encouraging industry to reduce sugar levels in certain products. However, this has not been the case across all products and government will not meet its ambition to have industry reduce sugar by 20% in certain products by 2020.

Few of the interventions in the programme specifically address deprivation. The Department of Health & Social Care and Public Health England consider that population-wide measures, such as the Soft Drinks Industry Levy, can have disproportionately positive effects upon reducing obesity among the most deprived communities. However, it is not clear if the programme will have sufficient positive impact on obese children in more deprived areas.

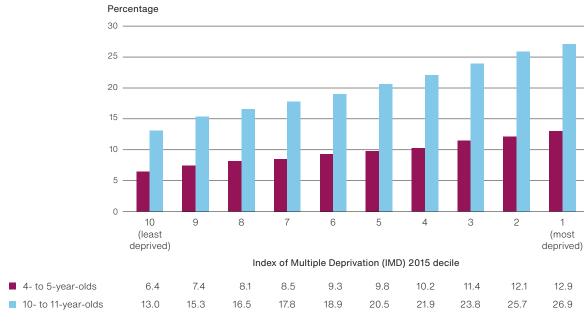


Departmental Overview 2019-20 ● MHCLG

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Rates of obesity in children by age group and level of deprivation in England in 2018-19

Children from the most deprived areas are more likely to be classified obese than those in the least deprived areas



Notes

- The (IMD) 2015 is the official measure of relative deprivation for small areas (lower super output areas) in England.

 IMD deciles are calculated by ranking the 32,844 small areas in England from most deprived to least deprived and dividing them into 10 equal groups. These range from the most deprived 10% of small areas nationally (decile 1) to the least deprived 10% of small areas nationally (decile 10). Further details are available at: www.gov.uk/government/statistics/english-indices-of-deprivation-2015
- 2 The IMD data are presented by location of the school.

Source: NHS Digital, National Child Measurement Programme, England in the 2018/19 school year [Accredited National Statistics], October 2019, available at: https://digital.nhs.uk/data-and-information/publications/statistical/national-child-measurement-programme/2018-19-school-year

Investigation into pre-school vaccinations

While health bodies have primary responsibility for vaccination programmes, local authorities have a role in outreach and coordination with regard to some communities under-represented in vaccine uptake.

Public health

Our Investigation into pre-school vaccinations found that, for nearly all routine pre-school vaccinations in England, NHS England had missed the Department of Health & Social Care's performance standard of 95% uptake. For example, in 2018-19:

- the 4-in-1 pre-school booster had the lowest uptake of all pre-school vaccinations at 84.8%; and
- for children receiving the second dose of the Measles, Mumps and Rubella (MMR) vaccine by age 5, uptake was 86.4%.

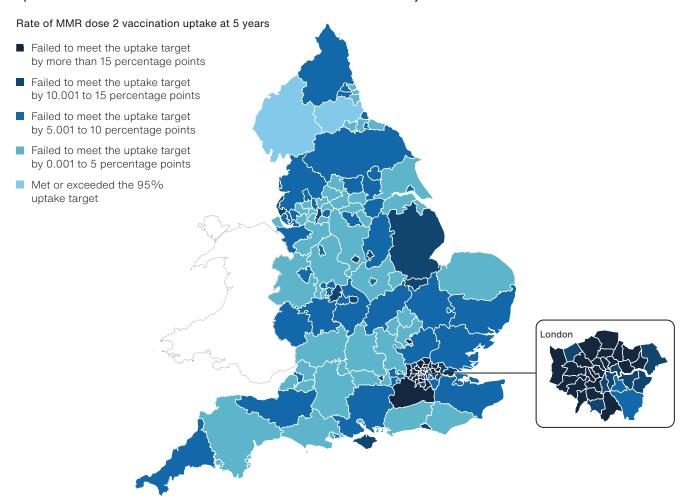
NHS England monitors the uptake of pre-school vaccinations. Following increases from 2008-09, uptake of nearly all routine pre-school vaccinations has fallen, since peaks in 2012-13. NHS England data show that two of our three case study vaccinations had regional variations in uptake in 2018-19. (See map opposite about MMR.)

Overall, we found that NHS England and Public Health England have an overview of the issues and of probable causes of variation in vaccination uptake. Since 2016, they have developed several actions that aim to improve uptake. They do not have evidence that all their actions will address the causes of the decline.

In July 2019, in the Advancing our health: prevention in the 2020s green paper, the Department of Health & Social Care announced that it would launch a new strategy on vaccination by spring 2020. The Prime Minister subsequently requested that it be brought forward to autumn 2020. However, a new strategy has not yet been published.

Uptake of the second dose of the Measles, Mumps and Rubella (MMR) vaccination at age 5 in 2018-19 in England

Uptake of 95% or more of the second dose of MMR is seen in two local authority areas in 2018-19



Source: NHS Digital, Childhood Vaccination Coverage Statistics – England 2018-19, 2019. Available at: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-immunisation-statistics/england-2018-19

Note

1 Protection against diphtheria, tetanus, whooping cough and polio.



Part Three

Local authority investment in commercial property

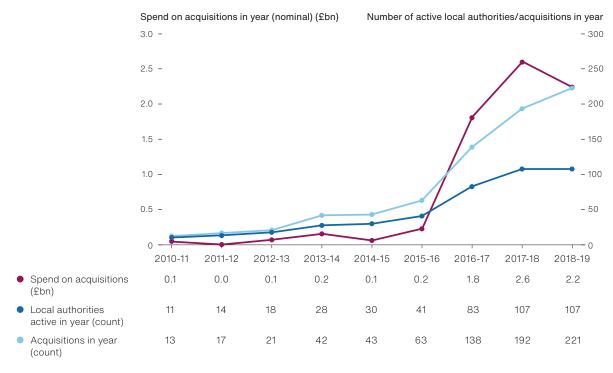
In response to substantial falls in funding since 2010-11, local authorities have made reductions in revenue spending on services. Increasingly, authorities have also sought to offset funding reductions by generating new income. One strategy has been the acquisition of commercial property, often funded by borrowing. Our report Local authority investment in commercial property found that:

- authorities spent £6.6 billion on commercial property from 2016-17 to 2018-19: 14.4 times more than in the preceding three-year period;
- 80% of the cumulative spend in the sector over the period 2016-17 to 2018-19 is accounted for by only 49 local authorities;
- district councils are disproportionately active relative to their size; and
- authorities in the South East accounted for 52.9% of acquisitions by value from 2016-17 to 2018-19.

Borrowing has played an important role in supporting the acquisition of commercial property but it is not possible for the precise extent of this to be quantified. However, for the £6.6 billion spent on commercial properties from 2016-17 to 2018-19, we estimate that between a maximum of £6.0 billion (91.2%) and a minimum of £2.5 billion (38.5%) of this spend was financed by prudential borrowing.

Commercial property purchases by English local authorities, 2010-11 to 2018-19

Spend on acquisitions has increased significantly in the period 2016-17 to 2018-19



Notes

- 1 These figures include acquisitions by companies owned by authorities.
- 2 Acquisitions may be a portfolio of properties. The analysis classes a portfolio as one acquisition.
- 3 Authorities that are 'active in year' are those that purchased commercial property in that year.

Source: National Audit Office analysis of CoStar data

Some local authorities are now heavily indebted. A small group of district councils (8.5% of district councils) that have been most active in the acquisition of commercial property saw their median gross external borrowing levels grow from 3% to 756% of their spending power from 2015-16 to 2018-19.

Part Four

The Towns Fund









The £3.6 billion Towns Fund is expected to support towns that currently do not have the right conditions to develop and sustain strong local economies. It aims to provide these towns with funding to address issues such as ageing populations, limited regional economic opportunities and lack of investment.

Our report Review of the Town Deals selection process considered one of the three strands of the fund: the process and evidence for selecting the 101 towns invited to develop Town Deals. We reported on the two-stage selection process as follows:

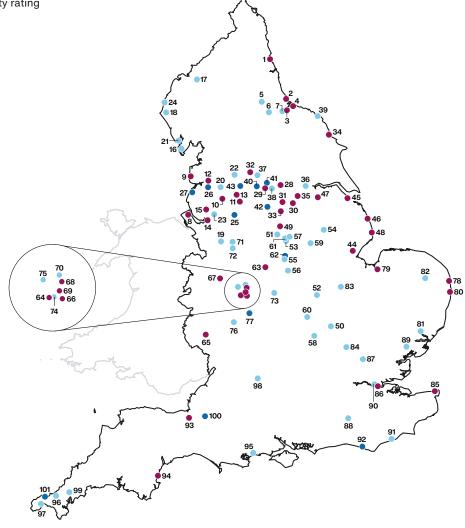
- Departmental officials identified the 541 towns with income deprivation above the median as potentially eligible for Town Deals. After scoring based on seven criteria, officials divided the towns into groups. This produced a long list of 40 high-priority, 318 medium-priority, and 183 low-priority towns.
- Ministers then selected all 40 towns in the high-priority group, 49 towns from the medium-priority group, and 12 towns from the low-priority group.

Officials concluded that ministers' selection of towns met the requirements of HM Treasury's Managing public money.



Towns selected for the Towns Fund by priority rating

- High priority
- Medium priority
- Low priority



1 The towns were classified into regions of England by The Ministry of Housing, Communities & Local Government.

Source: Ministry of Housing, Communities & Local Government

The Towns Fund continued

North East				
High	1	Blyth		
Priority	2	Hartlepool		
	3	Middlesbrough		
	4	Redcar		
Medium	5	Bishop Auckland		
Priority	6	Darlington		
	7	Thornaby-on-Tees		
2 North West				
High	8	Birkenhead		
Priority	9	Blackpool		
	10	Bolton		
	11	Oldham		
	12	Preston		
	13	Rochdale		
	14	Runcorn		
	15	St Helens		
Medium	16	Barrow-in-Furness		
Priority	17	Carlisle		
	18	Cleator Moor		
	19	Crewe		
	20	Darwen		
	21	Millom		
	22	Nelson		
	23	Warrington		
	24	Workington		
Low Priority	25	Cheadle		
	26	Leyland		
	27	Southport		

3 Yorkshire and the Humber				
High Priority	28	Castleford		
	29	Dewsbury		
	30	Doncaster		
	31	Goldthorpe		
	32	Keighley		
	33	Rotherham		
	34	Scarborough		
	35	Stainforth		
Medium	36	Goole		
Priority	37	Shipley		
	38	Wakefield		
	39	Whitby		
Low Priority	40	Brighouse		
	41	Morley		
	42	Stocksbridge		
	43	Todmorden		
4 East Midland	ls			
High	44	Boston		
Priority	45	Grimsby		
	46	Mablethorpe		
	47	Scunthorpe		
	48	Skegness		
	49	Staveley		

4 East Midlands continued			
Medium	50	Bedford	
Priority	51	Clay Cross	
	52	Corby	
	53	Kirkby-in-Ashfield	
	54	Lincoln	
	55	Long Eaton	
	56	Loughborough	
	57	Mansfield	
	58	Milton Keynes	
	59	Newark-on-Trent	
	60	Northampton	
	61	Sutton in Ashfield	
Low Priority	62	Stapleford	
5 West Midlan	ds		
High	63	Burton upon Trent	
High Priority	63 64	Burton upon Trent Dudley	
		· · · · · · · · · · · · · · · · · · ·	
	64	Dudley	
	64 65	Dudley Hereford	
	64 65 66	Dudley Hereford Smethwick	
	64 65 66 67	Dudley Hereford Smethwick Telford	
	64 65 66 67 68	Dudley Hereford Smethwick Telford Walsall	
Priority	64 65 66 67 68 69	Dudley Hereford Smethwick Telford Walsall West Bromwich	
Priority	64 65 66 67 68 69	Dudley Hereford Smethwick Telford Walsall West Bromwich Bloxwich	
Priority	64 65 66 67 68 69 70	Dudley Hereford Smethwick Telford Walsall West Bromwich Bloxwich Kidsgrove	
Priority	64 65 66 67 68 69 70 71 72	Dudley Hereford Smethwick Telford Walsall West Bromwich Bloxwich Kidsgrove Newcastle-under-Lyme	
Priority	64 65 66 67 68 69 70 71 72 73	Dudley Hereford Smethwick Telford Walsall West Bromwich Bloxwich Kidsgrove Newcastle-under-Lyme Nuneaton	
Priority	64 65 66 67 68 69 70 71 72 73	Dudley Hereford Smethwick Telford Walsall West Bromwich Bloxwich Kidsgrove Newcastle-under-Lyme Nuneaton Rowley Regis	

6 East of England				
High	78	Great Yarmouth		
Priority	79	King's Lynn		
	80	Lowestoft		
Medium	81	lpswich		
Priority	82	Norwich		
	83	Peterborough		
	84	Stevenage		
7 South East				
High	85	Margate		
Priority	86	Tilbury		
Medium	87	Harlow		
Priority	88	Crawley		
	89	Colchester		
	90	Grays		
	91	Hastings		
Low Priority	92	Newhaven		
8 South West				
High	93	Bridgwater		
Priority	94	Torquay		
Medium	95	Bournemouth		
Priority	96	Camborne		
	97	Penzance		
	98	Swindon		
	99	Truro		
Low Priority	99 100	Truro Glastonbury		



Part Five

Readying adult social care in England for COVID-19

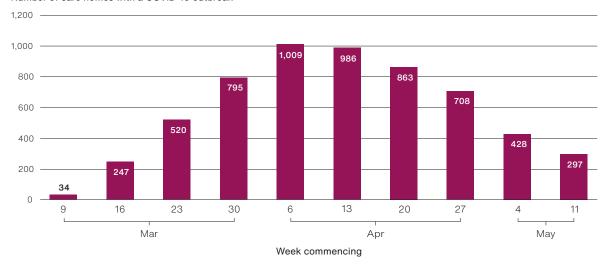
In June 2020, we published our report Readying the NHS and adult social care in England for COVID-19. Here we summarise the key points relating to adult social care. We found that:

- It is not known how many care home residents had COVID-19 but, between 9 March and 17 May, around 5,900 (38%) care homes across England reported an outbreak.
- Between 17 March and 15 April, around 25,000 people were discharged from hospitals into care homes. It is not known how many had COVID-19 at the point of discharge.
- Care home providers reported having sufficient capacity between 20 April and 15 May, although some had closed to new admissions.
- Absence rates in adult social care rose due to COVID-19 with average absence rates in care homes around 10% between mid-April and mid-May. Measures have been taken to protect staff well-being but, by its nature, the COVID-19 emergency has placed great additional stress on care workers.
- The central stockpile of personal protective equipment (PPE)
 was designed for a flu pandemic and a range of bodies across
 health and social care expressed concern about PPE supply.
- Under the government's testing policy, care workers became eligible for COVID-19 testing from mid-April (including workers without symptoms from the end of April). The Department of Health & Social Care capped the daily amount of care home tests at 30,000 (to be shared between staff and residents).

Overall numbers of care homes in England reporting an outbreak of COVID-19, by week between 9 March and 17 May

Outbreaks in care homes peaked in the first week of April before steadily declining

Number of care homes with a COVID-19 outbreak



Notes

- This dataset is derived from reports to Public Health England of infectious disease outbreaks in care homes. Care homes include residential and nursing homes registered with the Care Quality Commission. As the details of an outbreak are investigated, data will be subject to revision and the numbers in this dataset may change in future publications.
- 2 Any individual care home will only be included in the dataset once. If a care home has reported more than one outbreak, only the first is included in this dataset.
- 3 This dataset contains no indication of whether reported outbreaks are still active.
- 4 Each weekly total refers to a period from Monday to Sunday.

Source: National Audit Office analysis of Public Health England data on weekly number and percentage of care homes reporting a suspected or confirmed outbreak of COVID-19. Available at:

www.gov.uk/government/statistical-data-sets/covid-19-number-of-outbreaks-in-care-homes-management-information