

REDUCED STATISTICS¹

Housing and Communities in England

Alex Fenton

Overview

Among all departments, the Department of Communities and Local Government (DCLG) has had one of the largest (probably the largest) cuts to its budget – 7.8% in the 2010 Budget, with further yearly reductions to 2015. Under the doctrine of 'localism', much of its core policy and analysis work in housing, planning and regeneration in England has been devolved to local authorities. A number of its non-Whitehall agencies which produced statistics have also been abolished or merged.

Its statistical and analytic capacity is already much reduced. Compared to March 2009, it has lost 30-40% of its FTE headcount of all research professions, and 25-32% of its statisticians. Of its three major sample surveys, the Citizenship Survey and the Places Survey have been cancelled, and the English Housing Survey has had a 20-25% reduction in sample size, and a smaller schedule of questions. Its real-terms total expenditure on external research in 2011/12 is down by around 65% relative to 2008/09. DCLG is ceasing publication of a number of housing data series, including some National Statistics. DCLG is also responsible for funding and monitoring local government in England; the National Indicator data set for local authorities and the abolition of the Audit Commission are reductions in research output in this part of DCLG's work.

¹ More information on Reduced Statistics can be found on Radical Statistics' blog: <http://radstats.wordpress.com/reducedstatistics>

Since English local authorities are themselves absorbing cuts in their spending power of up to 10% (with those serving deprived urban areas the biggest losers) it seems unlikely that they will be able to make up the lost analytic and statistical capacity in housing.

Policy & institutional background

The Department for Communities and Local Government has (or had) responsibility for a wide range of housing and related functions: housing need, social housing, private housing markets, homelessness, spatial planning and neighbourhood regeneration. It also has responsibility for local and (erstwhile) regional government and emergency services; a large part of its budget is transferred to local authorities under the local government finance settlement. However, housing and neighbourhoods comprised the largest part of its central policy work.

By the doctrine of 'localism', and the Localism Bill, policy responsibility for much of this is devolved to local authorities 'and beyond', to 'communities'. Districts are now primarily responsible for determining housing need, housing allocations, finance and rents, planning development and so on. Direct grants for the construction of affordable housing are much reduced. There are no longer any national programmes or funding regimes for 'neighbourhood renewal' or 'regeneration' – again, these are wholly a matter for districts. Regional housing, spatial and economic planning has been dismantled, as has the national monitoring and target-setting framework for local authorities.

DCLG's budget in the 2010 settlement was reduced by 7.8%, the largest percentage cut of any department². Its total expenditure is to be further reduced each year to 2015; total expenditure should drop from £28.4bn to £23.6bn (17%)³.

A number of public bodies involved in housing, and producing statistics or research have been abolished:

- ▲ The Tenants Services Agency (TSA) was responsible for regulating housing associations, and produced data on the sector. It has been abolished and its functions and rump staff absorbed by the Homes and Communities Agency (HCA)

2 www.guardian.co.uk/news/datablog/2010/may/24/coalition-government-public-finance

3 http://cdn.hm-treasury.gov.uk/budget2012_chapter2.pdf – Table 2.4

- ⤴ The entire regional layer of government (GORs and also RDAs) has been abolished. GORs coordinated housing need assessments and regional spatial planning.
- ⤴ The National Housing and Planning Advice Unit (NHPAU), which investigated the functioning of housing markets has been disbanded. It had a small staff, but was a substantial commissioner of external research.
- ⤴ The Audit Commission monitored and researched the financial management and operational effectiveness of social landlords and local authorities. It has been abolished.

Staffing and resources

Overall headcount at DCLG has been cut by 27% between Q3 2010 and Q4 2011, according to the Institute for Government⁴. The effects of upheaval on morale on the staff of the department as a whole are reflected in the results of the Civil Service's *People Survey*. Unlike any other major department, DCLG saw large falls in the percentage of staff responding positively to questions about their engagement with their work, their work environment, their confidence in decision-makers and in the management of change, and their desire to remain in their job⁵.

DCLG's research staff are divided into three main 'professions' that are common across the Civil Service: Economics, Social Research and Statistics. There are smaller numbers of other research and analysis specialists, such as geographers and physical scientists. The headcount in the three main professions is given in DCLG's recent 'junior staff' spreadsheets, and can be compared to the figures reported in the last full Annual Report for 2008/09. Estimated figures for August 2010 come from applying the Institute of Government headcount reduction to March 2011 figures (see below).

4 <http://www.instituteforgovernment.org.uk/our-work/more-effective-whitehall/whitehall-monitor> Issue #12

5 Civil Service People Survey, headline results 2011:
http://resources.civilservice.gov.uk/wp-content/uploads/2012/02/csp2011_externalsummary_final_20120201.pdf - page 20

Date	Mar-09	Aug-10	Mar-11	Sep-11	Change 2009 - 2011
Measure	"posts" ⁶	est. FTE	FTE, junior ⁷	FTE, junior ⁸	
Economists	44	44	35	26	-41%
Social Researchers	51	35	28	28	-45%
Statisticians	54	52	42	37	-32%
All research professions	149	130	104	91	-39%

The total analyst FTE is down by about 40%, with social researchers cut the most, and statisticians (relatively) protected. One uncertainty is whether the 'posts' in March 2009 are given as full-time equivalents, and whether they include senior staff. If we assumed, say that 0.9 posts were 1.0 FTE junior equivalent, it would reduce the cut to 30% of all researchers, and 25% of statisticians. Note also that the 2009 Annual Report mentions '18 physical scientists and engineers, 4 operational researchers and 5 geographers among its research capacity'. Whatever the precise detail, it represents a very substantial reduction in analytic capacity.

Externally funded research

DCLG has also reduced its expenditure on external research and consulting. The restructuring of the department means it's not possible to compare expenditure on particular areas (e.g. housing).

6 DCLG Annual Report 2009, p172, www.communities.gov.uk/documents/corporate/pdf/1281142.pdf

7 www.communities.gov.uk/publications/corporate/dclgstaffdata032011 (Junior Post Dataset). Note that 'junior' in this context means 'non-senior' and comprises the majority of posts and employees

8 www.communities.gov.uk/publications/corporate/dclgstaffdata092011 (Junior Post Dataset)

The reported expenditure on research (presumably not including internal salaries) in 2008/09 was broken down by 'strategic area'⁹:

DSO	Title	OutTurn £,000	%
DSO1	Local Government	£1,460	6.1
DSO2	Housing	£13,071	54.5
DSO3	Prosperous Communities	£1,673	7.0
DSO4	Cohesive Communities	£3,321	13.9
DSO5	Planning	£648	2.7
DSO6	Safer Communities	£3,110	13.0
	Cross-Cutting	£683	2.8
Total		£23,967	100.0

So, the department spent around £24m on external research. No figures are available for 2009/10, because only a limited annual expenditure report was produced, because of the election and change of government. We can compare this with the reported expenditure for 2010/11 and 2011/12¹⁰:

	2008/09	2009/10	2010/11	Mar 2011 – Jan 2012	2011/12 projected	Change, 2008/09 to 2011/12
Nominal (£m)	24.0	-	22.8	7.3	8.8	-63%
Real (£m) ¹¹	24.6	-	23.1	7.3	8.8	-64%

The Department for Business, Innovation and Skills has a longer time series of R&D expenditure by Civil Service departments, although it is wholly comparable to the figures above. It shows that in the years

9 DCLG Annual Report 2009, p173,
www.communities.gov.uk/documents/corporate/pdf/1281142.pdf

10 From DCLG's departmental expenditure spreadsheets

11 Expenditure are adjusted by the Q3 2011 Services Producer Price Index for "Market Research": www.ons.gov.uk/ons/rel/ppi2/services-producer-price-indices/quarter-3-2011/tsd-services-producer-price-index---quarter-3-2011.html

2002/03 to 2006/07, DCLG's R&D expenditure was in the range £30-£35m (in 2009/10 prices); in 2007/08 to 2009/10, the range was £26m to £28m (again, 2009/10 prices).

DCLG no longer publishes an annual programme of research, but will commission *ad hoc*. Some of the reductions reflect changes in the major sample surveys run by DCLG:

- The *English Housing Survey* (EHS) is a household survey with a dwelling survey on a subset of the sample. It has run annually (as SEH) since 1994/5 and is a prime source for housing researchers in England. To save money, its sample is being reduced by 20-25% (from around 18,000), which will further reduce the accuracy of estimates for population sub-groups. Some items (e.g. neighbourhood satisfaction) that have been continually asked will no longer be included every year. It has withdrawn from contributing to the Integrated Household Survey (a combined large dataset on core socio-economic topics).
- The *Citizenship Survey* asked about trust, community relations, participation, and was run every other year from 2002. It has been cancelled. Some relevant items have been included in waves of *Understanding Society*, the new UK Household Longitudinal Study.
- The *Places Survey* aimed to measure the performance of local authority services. It has been cancelled.

Additionally, some externally commissioned statistical services have been cancelled and taken in-house by DCLG or its agencies. The Regulatory Statistics Service (of the stock and activities of housing associations) was provided by Cambridge University, and will now be done by the Homes and Communities Agency (HCA).

Discontinued series

Following a consultation, DCLG has announced that it will cease publication of several series¹²:

- ▲ The Electronic Survey of Empty Homes
- ▲ Neighbourhood Statistics on Vacancies and Second Homes

12 www.communities.gov.uk/documents/corporate/pdf/2101434.pdf

△ Houses in Multiple Occupation

Also, the future of other data series, on social housing stock and lettings, homelessness and sales transactions is unclear. DCLG has proposed ceasing all regional disaggregations, reflecting the end of regional government.

Additional datasets

From 2012, the Land Registry's price-paid dataset of individual house sales transaction is 'open' rather than subject to a fee. I'm not aware of any other additional 'open data' bar that on DCLG's expenditure. However, these expenditure data are pretty much useless since the 'activity' categorisations are wrong – or rather, they presumably reflect internal accounting procedures rather than areas of work comprehensible to an external user of the data.

The Valuation Office Agency is publishing some new data on private rents and council tax lists, and has committed to maintaining the Neighbourhood Statistics series on dwelling counts, which had been cancelled by DCLG.

Implications

DCLG and its research and analysis capacity has been more severely reduced than other departments. One net effect is likely that it will be much harder or impossible to appraise the overall effect of the radical changes to housing policy, and particularly how they are working in different places. There is a continuity here between 'localism' as doctrine and statistical capacity. One aspect of the central production of statistics is the design and maintenance of standard taxonomies and classifications, of metadata that permit comparison between places, and support in the interpretation of raw data. In so far as these are reduced, the comparability of locally produced data is also reduced.

The Housing Statistics Network considered that DCLG's programme showed a “lack of recognition of the importance and value of statistics to users other than the Government” and an “absence of a strategic approach evidenced by the lack of principles, criteria, assessment of future needs or development of the use of administrative data”¹³. The

13 <http://housingstatisticsnetwork.org/node/104>

Housing Studies Association took the view that the cumulative changes were “biased against independent academic research”. Given the cuts to local authority budgets, it seems likely that they will not be able to make good the reductions in national statistics, and this will affect their newly enhanced housing management and strategy role.

Alex Fenton, London School of Economics

Email: alex.fenton@pressure.to