National Audit Office

DEPARTMENTAL OVERVIEW 2019

MINISTRY OF HOUSING, COMMUNITIES & LOCAL GOVERNMENT

MARCH 2020

MINISTRY OF HOUSING, COMMUNITIES & LOCAL GOVERNMENT

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

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The National Audit Office (NAO) helps Parliament hold government to account for the way it spends public money. It is independent of government and the civil service. The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. The C&AG certifies the accounts of all government departments and many other public sector bodies. He has statutory authority to examine and report to Parliament on whether government is delivering value for money on behalf of the public, concluding on whether resources have been used efficiently, effectively and with economy. The NAO identifies ways that government can make better use of public money to improve people's lives. It measures this impact annually. In 2018 the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £539 million.

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About the Department

The job of the Ministry of Housing, Communities & Local Government (the Department) is to "help create great places to live and work right across the country and to back communities to come together and thrive". The Department has seven strategic objectives:

1. Deliver the homes the country needs.
2. Make the vision of a place you call home a reality.
3. Deliver a sustainable future for local government, strengthening its connection with the communities it serves.
4. Create socially and economically stronger and more confident communities.
5. Secure effective support for those affected by the Grenfell Tower disaster, delivering the changes this tragedy demands and ensuring people are safe and feel safe within their homes.
6. Support a smooth exit from the European Union.
7. Maintain the Ministry of Housing, Communities & Local Government as a great 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 Corporation
Homes England (trading name of the Homes and Communities Agency)
The Housing Ombudsman
The 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
Commission for Local Administration in England

Trading funds
Queen Elizabeth II Conference Centre

How the Department is structured

The Ministry of Housing, Communities & Local Government

Decentralisation and local growth Director General

- Cities and local growth Director
- European programmes and local growth delivery Director
- Chief Planner Director
- Planning Director
- Housing delivery Director
- Strategy and private office Director
- Communications Director

Local government and public services Director General

- Integration Director
- Local government policy Director
- Local government finance Director
- Grenfell recovery Director
- Homelessness and rough sleeping Director
- Grenfell Tower site Director
- Local government Brexit Director

Housing and building safety Director General

- Housing markets and strategy Director
- Social housing Director
- Leaseholder and private renting Director
- Building Safety Programme: Policy and regulatory system Director
- Building Safety Programme: Reform design and implementation Director
- Chief Scientific Advisor Director

Chief Finance Officer Director General

- Analysis and data Director
- Finance Director
- Digital Director
- People capability and change Director
- Commercial Director

Legal services Director

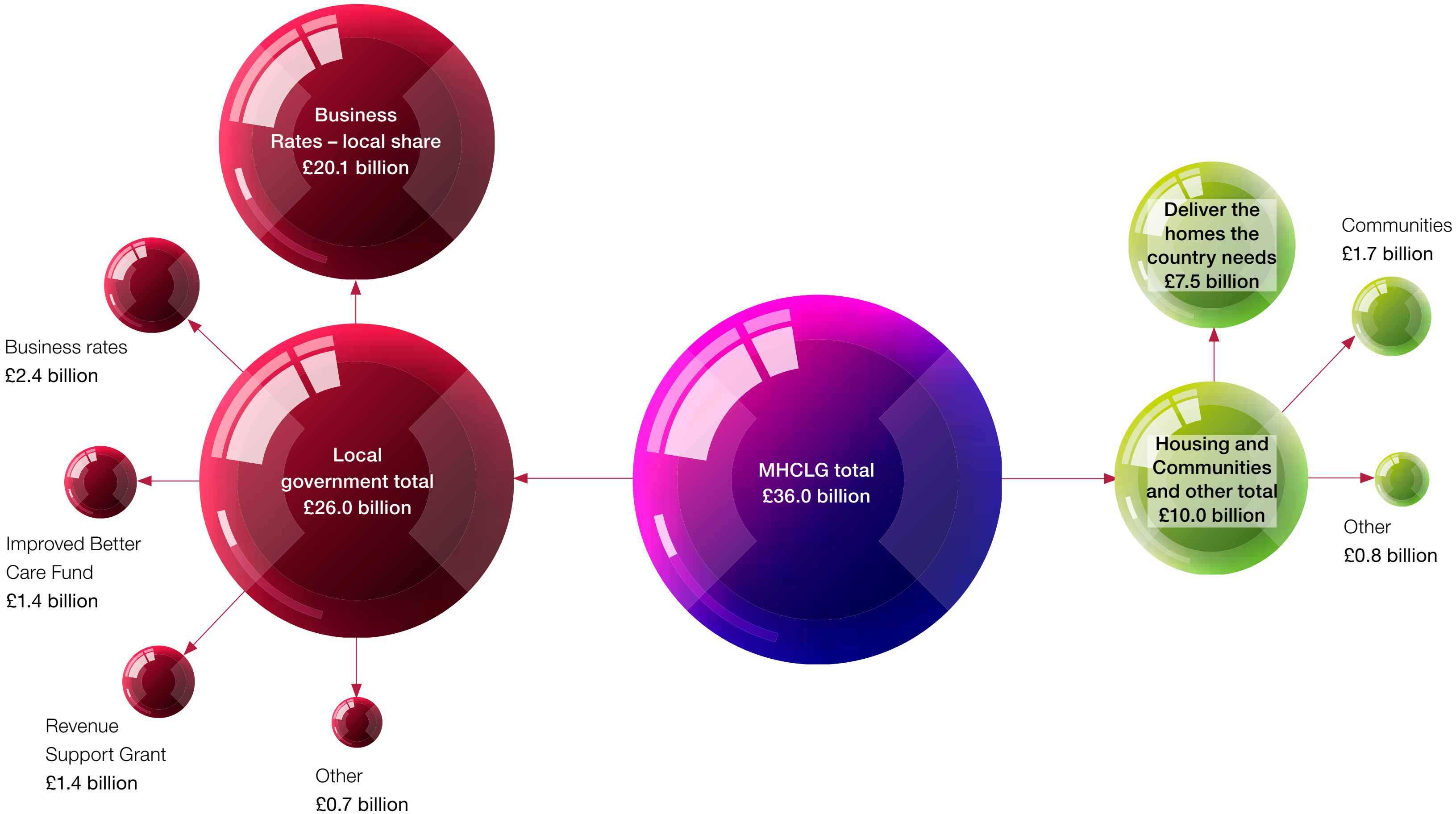
Key:
- Decentralisation and local growth
- Local government and public services
- Housing and Building Safety Programme
- Chief Finance Officer
- Corporate directorates

Where the Department spends its money

In 2018-19, the Department had a net spend of £36 billion, which was split between £9.897 billion within its housing and communities budget, and £26.022 billion in grants within its local government budget.

The Department uses its **housing and communities budget** to fund programmes such as the New Homes Bonus. In 2018-19, it spent the majority of this money on its objectives to deliver the homes the country needs (£7.5 billion), with much of this funding going to Homes England, and to create socially and economically stronger and more confident communities (£1.7 billion).

The Department provided £26.022 billion to local authorities in 2018-19 from its **local government budget**, in addition to grants to local authorities from the housing and communities budget. The majority of this can be spent on any service. Some funding, such as the Improved Better Care Fund, which is focused on adult social care provision, is for specified purposes, however.



Source: Ministry of Housing, Communities & Local Government, *Annual report and accounts 2018-19*

Major programmes and developments

Financial sustainability

October 2018

The Hudson Review – *Local government finance: review of governance and processes* – commissioned by the Department reports. Ministers accept recommendations around managing complexity, governance, capacity and capability, openness and culture. This includes a recommendation that the provisional local government settlement should be published no later than around 5 December.

September 2019

The Department confirms that it will aim to implement reforms to the local government finance system in 2021-22, including the outcome of the Fair Funding Review – the Review of Local Authorities' Relative Needs and Resources – and increasing the level of business rates retained by local government to 75%.

Housing and homelessness

October 2018

The Department removes the borrowing cap on local authorities' housing revenue accounts, enabling councils to borrow more money for investment in building new homes.

Homes England produces its 2018 to 2023 strategic plan designed to accelerate the provision of housing in England (outside of London where much of this role is devolved).

March 2019

Tenants gain powers to hold their landlords to account if they fail to keep their property fit for human habitation through the Homes (Fitness for Human Habitation) Act.

June 2019

Redress for purchasers of new-build homes and New Homes Ombudsman consultation launched by the Department.

The Tenant Fees Act, which banned lettings fees paid by tenants and capped tenancy deposits to reduce hidden costs, comes into force.

Local governance and audit

December 2018

The Kingman Review, an independent review of the Financial Reporting Council (FRC) commissioned by the Department for Business, Energy & Industrial Strategy, recommends that the FRC be replaced with an independent statutory regulator (the Audit, Reporting and Governance Authority).

May 2019

The Department publishes statutory guidance for councils and combined authorities on overview and scrutiny.

July 2019

The Department launches the Redmond Review, an independent review of the effectiveness of local authority financial reporting and audit regime.

September 2019

The Department establishes, and convenes the first meeting of, the Local Authority Governance and Accountability Framework Panel. This group brings together key local government stakeholder bodies to discuss and review governance and oversight issues.

Devolution and growth

January 2019

The Department publishes a new *National Local Growth Assurance Framework* that mandates the minimum standards for Local Enterprise Partnership (LEP) governance, accountability and transparency. This framework also includes guidance for mayoral combined authorities (and other combined authorities) with a single pot fund.

Exiting the European Union

The Department's objectives

The Department said in its Single Departmental Plan, published in June 2019, that it aims to support a smooth exit from the European Union (EU) through the following:

- ensuring legislation is in place to enable a smooth exit from the EU;
- delivering a programme to understand and manage the implications of EU Exit on our housing delivery objectives;
- ensuring there are comprehensive contingency plans to enable support for local authorities, communities and local economies in a no-deal scenario;
- delivering a programme to support local authorities and places to manage the opportunities and implications of EU Exit; and
- delivering a programme to manage the UK's exit from European funding programmes, in line with the UK's objectives and negotiation plans.

Government guarantee

In July 2018 the UK government announced an extension of its guarantee of EU-funded projects after the UK has left the EU. The guarantee was originally announced in 2016 and was intended to be called on only in the event of the UK leaving without a deal. The guarantee included the full allocation for structural and investment funds, which provide funds to help local areas to grow, over the 2014–2020 funding period. On 31 January 2020 the government announced that the guarantee would no longer be required following the ratification of the Withdrawal Agreement.

The UK Shared Prosperity Fund

The government has said that it will establish a UK Shared Prosperity Fund to reduce inequalities between communities across the UK once it has left the EU. Funding will be allocated through Local Industrial Strategies, which the government aims to have agreed with all mayoral combined authorities and LEPs by early 2020.

Implementation

The Department established a network of nine local authority chief executives to share information with councils on Brexit preparations and policies that impact locally. Guidance to assist local authorities in preparing for EU Exit was also issued in January 2019.

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 'full and robust' consideration of local impacts.

The government agreed additional funding for local areas to prepare for EU Exit

DEC 2018 HM Treasury (HMT) allocated the Department £35 million for spending on EU Exit in 2019-20.

JAN 2019 The Department committed £56.5 million of funding to support local authorities in their preparations for EU Exit. This included the £35 million allocated by HMT. The Department added an extra £21.5 million of funding using finance from its 2018-19 budget.

FEB 2019 The Department announced £3.1 million for local authorities containing major ports, £1.5 million from the amount committed in January and an additional £1.6 million from elsewhere in the Departmental budget.

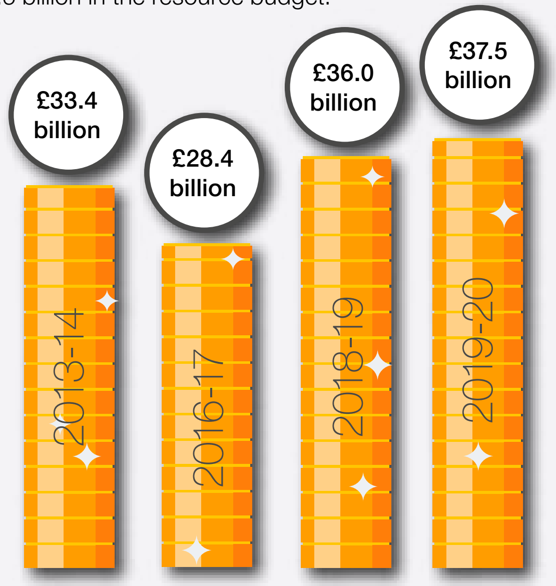
AUG 2019 The Department announced £20 million of funding for all local authorities in England to help support EU Exit preparations, including £10 million of new funding and £10 million which had previously been announced as part of the January 2019 allocation but held back for spending in 2019-20. A further £5 million was made available for authorities that either have or are near to a major air, land or sea port, and an additional £4 million made available to Local Resilience Forums.

OCT 2019 A further £1.35 million was made available for regional representatives drawn from local authorities in the nine regions to support intelligence coordination of key risks at the regional level.

A **total of £78.5 million** has been made available by the Department to help local areas prepare for EU Exit.

Managing public money

Overall, the Department's expenditure reduced by 15% from £33.4 billion in 2013-14 to £28.4 billion in 2016-17 and then rose by 27% to £36.0 billion in 2018-19. 2019-20 expenditure is planned to rise again to £37.5 billion, when an increase of £3.3 billion in the capital budget is offset by a reduction of £1.6 billion in the resource budget.



Two of the main drivers of the changes in spending are:

Housing

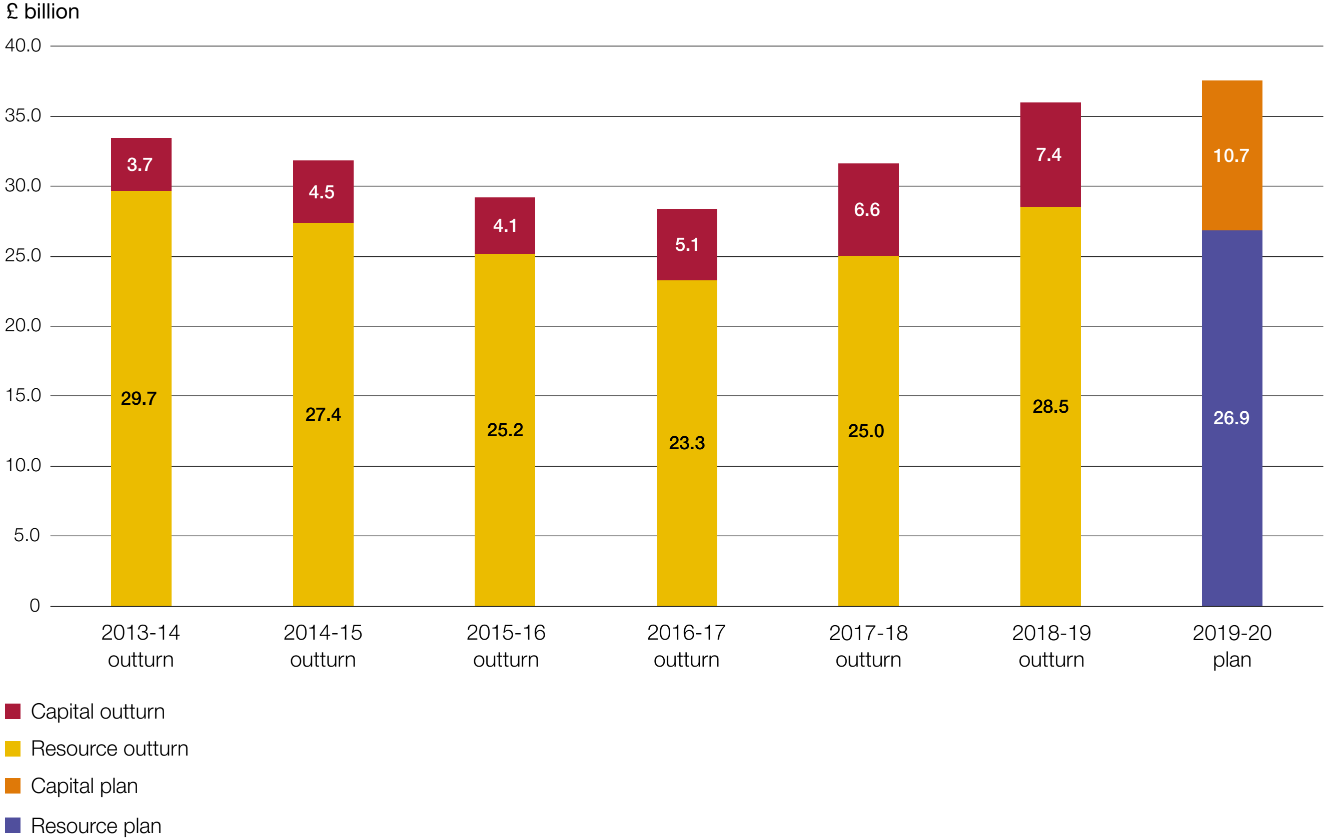
Increased capital expenditure is planned for 2019-20, including £3.3 billion on Help to Buy, as part of the additional £10 billion announced in the Autumn Budget 2017.

Business rates

The Department's annually managed expenditure (AME) budget for business rates is expected to fall from £21.2 billion in 2018-19 to £18.0 billion in 2019-20 as a result of the changes to business rates retention piloting from 100% retention pilots to 75% retention pilots.

Departmental expenditure outturn 2013-14 to 2018-19, and planned expenditure in 2019-20

The department's expenditure fell between 2013-14 and 2016-17, and has increased in 2017-18 and 2018-19



Source: National Audit Office

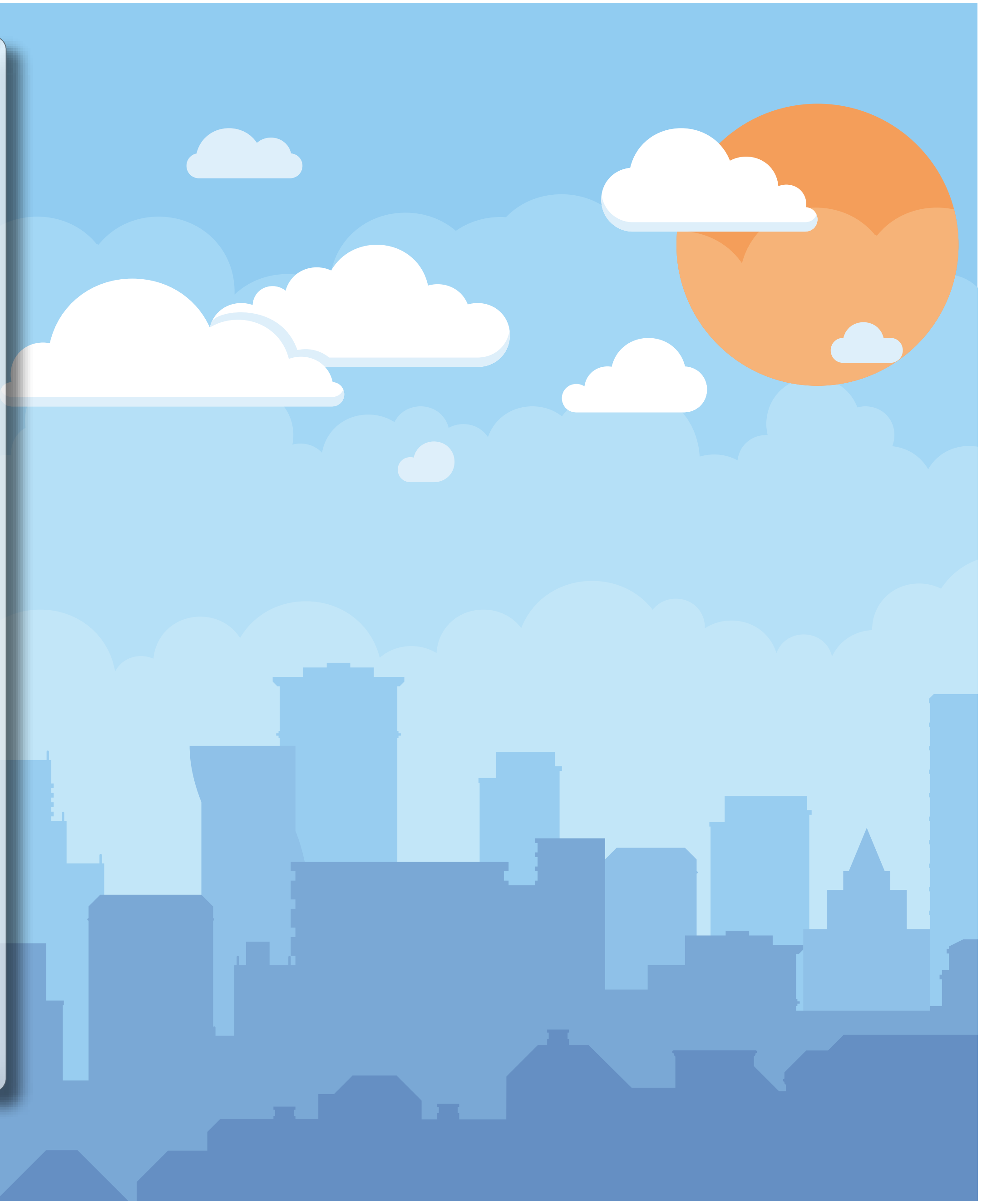
Managing public money *continued*

Business rates

During 2017-18, the Department identified an error in the methodology used to calculate the amounts due to local authorities participating in business rates retention pilots. This led to the Department overpaying the local authorities involved by £36 million. The Secretary of State made a Ministerial Direction not to reclaim this overpayment, and the amount was correctly disclosed as a loss in the 2017-18 accounts. The Department commissioned an independent review (the Hudson Review) 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 has become much more complex since 2013. It concluded that this has created pressures on the administration of the system, coinciding with a time when resources have been reduced in the Department, local authorities and the bodies which represent local government.

Our 2018-19 audit of the Department's financial statements did not find any repeated or similar errors in any of the calculations or payments relating to business rates pilots. However, the Department identified that, in correcting the published methodology relating to the previous error, officials failed to update the relevant guidance note. As a result, the guidance note for 2019-20 (which was issued to local authorities on 17 December 2018) contained the same original error, in the same formula. As a result, local authorities in the pilots may have based their 2019-20 budgets on inaccurate data. The Department is therefore considering making special payments to a number of local authorities on a goodwill basis during 2019-20. The Department expects that the final sum of these special payments will be less than £15 million.

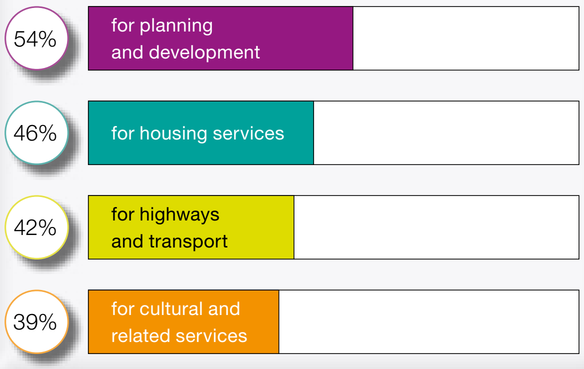
The Department does not consider that this further error indicates additional underlying weaknesses in its system beyond those already highlighted in the Hudson Review. It has, however, accelerated and widened the planned post-implementation review of work done in response to the Hudson Review, and intends to appoint external advisers to assist with this. This is consistent with the guidance in *Managing Public Money*, which requires departments to "consider routinely whether particular cases reveal concerns about the soundness of the control systems".



Financial sustainability: Financial sustainability of local authorities 2018

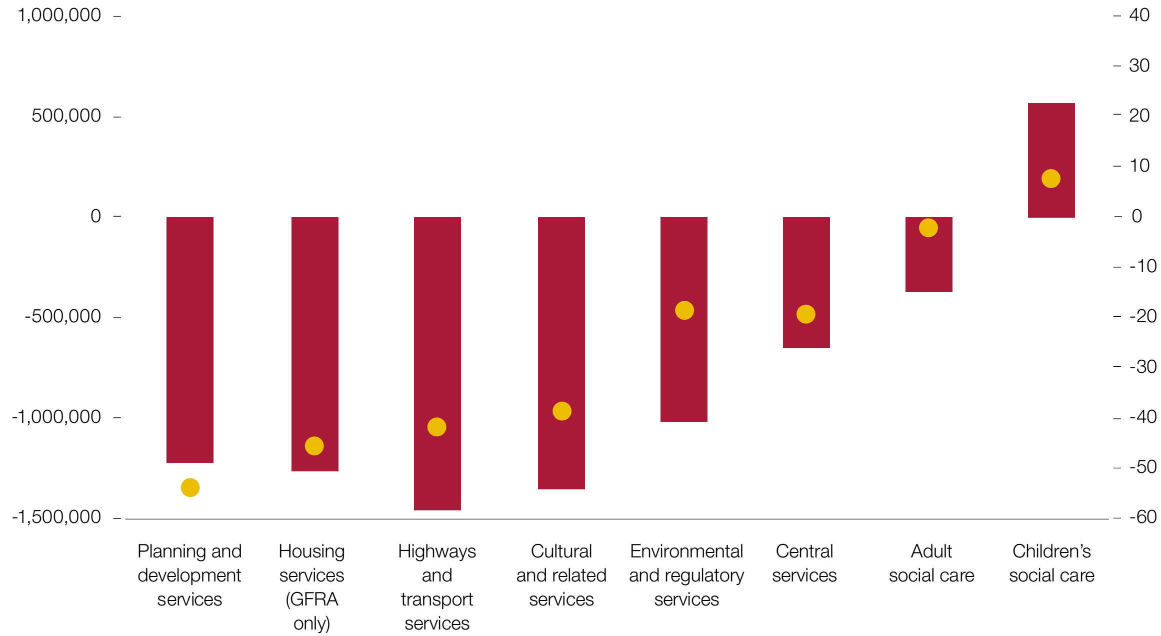
Local authorities have faced a combination of funding and service demand pressures since 2010-11. Our report *Financial sustainability of local authorities 2018* (March 2018) found that local authorities have sought to protect service areas, such as adult and children's social care, where they have significant statutory responsibilities.

Updated data for change in spend from 2010-11 to 2017-18 show adult and children's social care services have seen a reduction of 2% and an increase of 8% in real terms, respectively. Spending on environmental services, which include statutory duties to collect and dispose of waste, has also seen smaller spending reductions than other services. Some other service areas have seen substantial reductions in spending over the same period, however, with real-term **reductions** of:



Change in revenue spending by English local authorities by service area, 2010-11 to 2017-18

Local authorities have sought to protect spend on statutory responsibilities



	Planning and development services	Housing services (GFRA only)	Highways and transport services	Cultural and related services	Environmental and regulatory services	Central services	Adult social care	Children's social care
Change in spend (£m) (real terms at 2017-18 prices)	-1,223	-1,265	-1,460	-1,355	-1,018	-654	-374	569
Change in spend (%) (real terms at 2017-18 prices)	-54%	-46%	-42%	-39%	-19%	-19%	-2%	8%

Notes

1 Data shown are net current expenditure. However, for adult social care we also include transfers from healthcare bodies. This includes the element of the Better Care Fund received and used by local authorities.

2 GFRA is the General Fund Revenue Account. This provides revenue funding for the bulk of local authority services and is funded primarily by government grants, business rates and council tax. It is separate to the Housing Revenue Account, which is used to maintain local authority housing stock and is funded primarily through rental income.

3 Data shown are only for the 353 principal authorities as of 2017-18.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data, see standalone methodology

Housing and homelessness: The Help to Buy – Equity Loan scheme

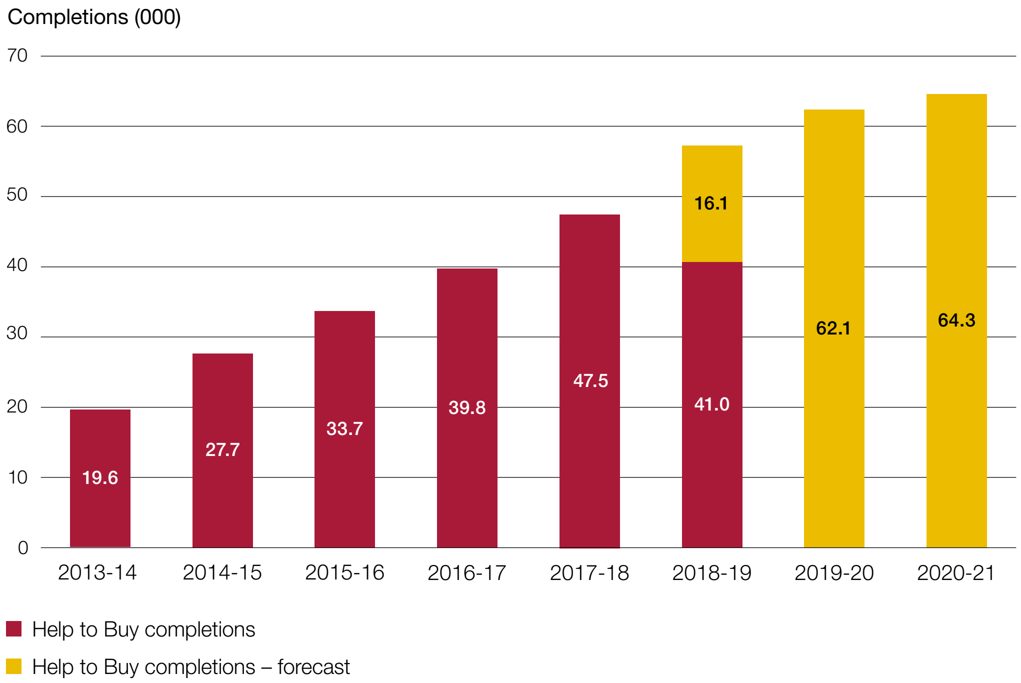
Government introduced the Help to Buy: Equity Loan scheme in April 2013 to address a fall in property sales following the financial crash of 2008 and the consequent tightening of regulations over the availability of mortgages.

Through the scheme, home buyers receive an equity loan of up to 20% (40% in London since February 2016) of the market value of an eligible new-build property, interest-free for five years. The value of the loan changes in proportion to changes in the property's value. The loan must be paid back in full on sale of the property, within 25 years or in line with the buyer's main mortgage if this is extended beyond 25 years. The scheme enables buyers to purchase a new-build property with a mortgage of 75% (55% in London) of the value of the property. The current scheme is not means-tested and is open to both first-time buyers and those who have owned a property previously. Buyers can purchase properties valued up to £600,000. The Department is planning a successor scheme from April 2021 to March 2023, which will be restricted to first-time buyers and will introduce lower regional caps on the maximum property price while remaining at £600,000 in London.

Our report *Help to Buy: Equity Loan Scheme – progress review* (June 2019) found that by December 2018 nearly 211,000 homeowners had used the scheme to help obtain mortgages and buy new-build properties. Through the increased demand for new-build properties, the scheme has led to a 14.5% increase in the rate of house-building. However, around three-fifths of buyers could have bought a property without the support of the scheme, and 4% of buyers had household incomes of more than £100,000.

Total and forecast Help to Buy sales in England, 2013-14 to 2020-21

By December 2018 the scheme had been used to support nearly 211,000 sales. Homes England forecasts that around 352,000 sales will have been made with support from the scheme by April 2021



Notes

1 Based on Homes England's forecast as at December 2018.

2 Completion figures may not sum to exactly 211,000 due to time lags in updating forecasts for actual sales.

Source: National Audit Office analysis of data from Homes England

Housing and homelessness: The Help to Buy – Equity Loan scheme *continued*

Our report *Help to Buy: Equity Loan scheme – progress review* (June 2019) found that demand for the scheme has exceeded initial expectations. The Department's independent evaluations of the scheme show it has increased home ownership and housing supply.

We concluded that the scheme was likely to continue to increase home ownership and housing supply, provided there is no significant change in the housing market. We concluded that the scheme was therefore delivering value so far against its own objectives.

We found that the scheme had not led to people paying more for homes when using the scheme than they would otherwise. The scheme has, however, contributed to the general increase in the number of sales of new-build properties and thereby has supported the recovery of the housing market – which has in turn contributed to an increase in profits for housing developers. Between the start of the scheme in April 2013 and September 2018, 38% of new-build sales were supported by the scheme.

The Department acknowledges that there is less need for the scheme now the housing and mortgage markets have improved. The scheme is planned to end in 2023, which the Department believes gives the sector enough time to adapt to a regime without the scheme.

New-build and existing-build property sales in England, 2000 to 2017

The proportion of new-build property sales has increased since the scheme began in 2013

Note

1 Data accessed in April 2019. Office for National Statistics data for new-build sales and existing-build property sales originate from the Land Registry, which is subject to long delays.

Source: National Audit Office analysis of Office for National Statistics data on new-build sales and existing dwelling sales

Housing and homelessness: Investigation into the government's land disposal strategy and programmes

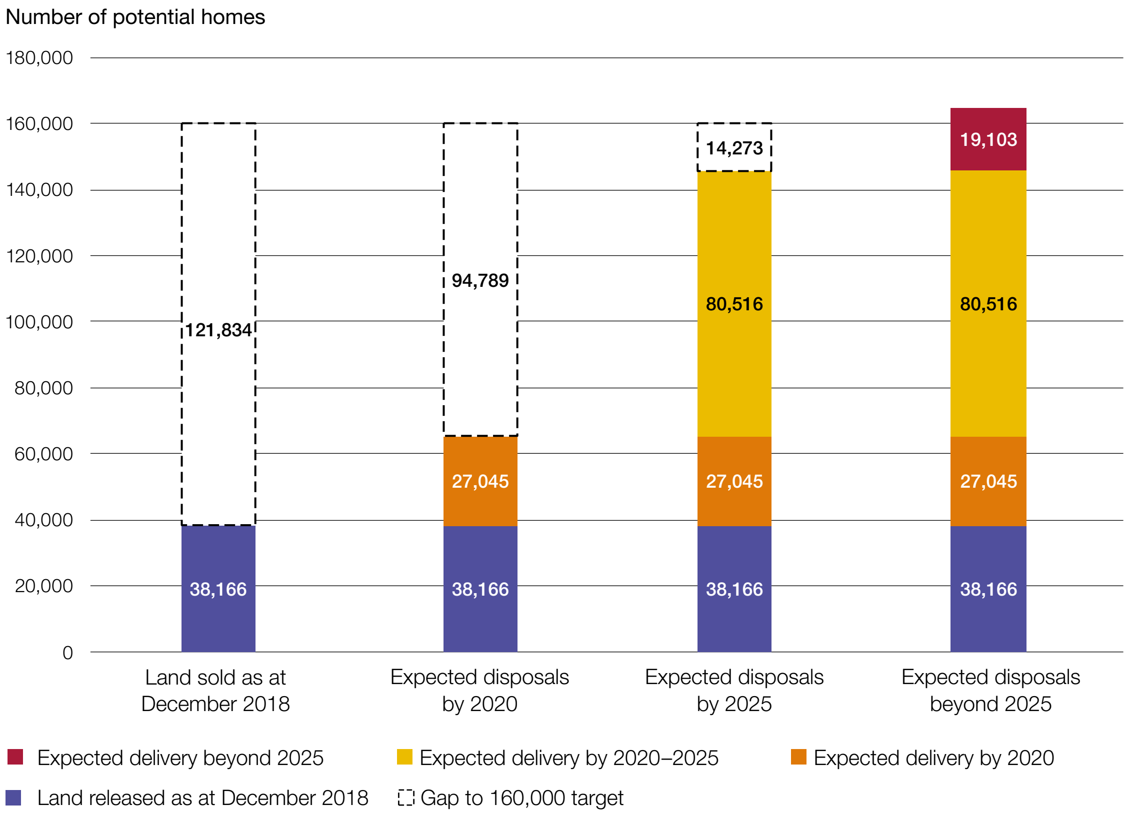
The government plans to deliver 300,000 homes a year by the mid-2020s. This is supported by the Department's Public Land for Housing Programme, which aims to "increase housing supply by releasing surplus public sector land for at least 160,000 homes in England between 2015 and 2020".

Our report *Investigation into the government's land disposal strategy and programmes* (May 2019), which follows previous reports in 2015 and 2016, found:

- between April 2015 and December 2018, government had released land with capacity for 38,166 potential homes (see figure);
- by 2020 the Department expects departments to have released enough land for around 65,000 homes – a shortfall of 95,000 homes against the target. The target may not be achieved until beyond 2025;
- the Department has identified several key reasons why the target will be missed:
  - for many sites identified for disposal the public bodies are still using the land to provide services, and disposal depends on other policy decisions;
  - departments may not legally own or control all of the sites that could potentially count towards their targets;
  - some sites require decontamination before they can be sold; and
- since the first Public Land for Housing Programme in 2011, which aimed to release enough land for 100,000 potential homes, the Department has made limited improvement to the data it collects and publishes. The Department commissioned the collection of data on the number of homes brought to market following a Committee of Public Accounts recommendation. However, it does not collect data on the number of affordable homes built and the number of homes made available to key workers.

Current and expected disposals of public land with housing capacity[1]

Government will not deliver its commitment to sell land by 2020 for at least 160,000 potential homes. Land with capacity for 94,789 homes is expected to be outstanding at 2020[2]



Notes

1 Forecast figures are subject to change as risks to delivery are mitigated or new ones identified.

2 The numbers above include sites transferred by departments to Homes England. Upon transfer Homes England take on responsibility for the disposal of the site. A transferred site only scores against the programme once Homes England has disposed of the site. Scoring requires a conditional contract and planning certainty to be in place.

3 These data include sites transferred to Homes England. Homes England estimates disposing of 8,160 housing units from sites transferred to it by other government departments over the course of 2015–2020 and beyond 2025. This is broken down as follows: 291 units disposed as at December 2018, 3,167 units expected by 2020, 3,377 units expected by 2020–2025 and 1,325 units beyond 2025.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data

Local governance and audit: Local auditor reporting in England 2018

In our report *Local auditor reporting in England 2018* (January 2019) we found that, in the context of increasing financial and demand pressures, local bodies need strong arrangements to manage their finances and secure value for money. External auditors have a key role in determining whether these arrangements are strong enough.

Our report *Local auditor reporting in England 2018* (January 2019) found that nearly one in five single-tier authorities and county councils received qualified conclusions on their arrangements to secure value for money locally. We warned that this is a risk to public money and undermines confidence in how well local services are managed. Local bodies need to demonstrate to the wider public that their organisations are being managed effectively, and take local auditor reports seriously. Those charged with governance need to hold their executives to account for taking prompt and effective action. Local public bodies need to do more to strengthen their arrangements and improve their performance.

Local auditors need to exercise the full range of their additional reporting powers where this is the most effective way of highlighting concerns, but especially where they consider that local bodies are not taking sufficient action. Departments need to continue monitoring the level and nature of non-standard reporting, and formalise their processes where informal arrangements are in place.

Types of local government, police and fire bodies receiving qualified conclusions

Single-tier local authorities and county councils have more qualifications

Type of body	Except for	Adverse	Total qualifications	Total number of bodies	Percentage of qualifications (%)
Single-tier authorities and county councils	23	4	27	152	18
District councils	9	0	9	201	4
Other (including police and fire)	3	1	4	142	3

Notes

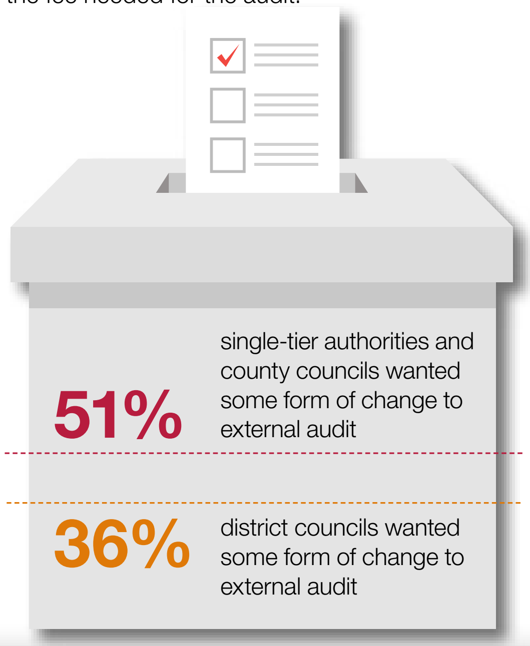
1. Single-tier local authorities and county councils include unitary authorities, London boroughs, metropolitan district councils and county councils.
2. Other bodies include police and crime commissioners, chief constables, fire authorities and other bodies such as combined authorities.
3. For single-tier local authorities and county councils, the equivalent percentage as a proportion of conclusions issued up to 17 December 2018 is 19.3%. For district councils the equivalent is 4.6%.

Source: National Audit Office analysis of published qualified value-for-money arrangements conclusions

Local governance and audit: Local authority governance

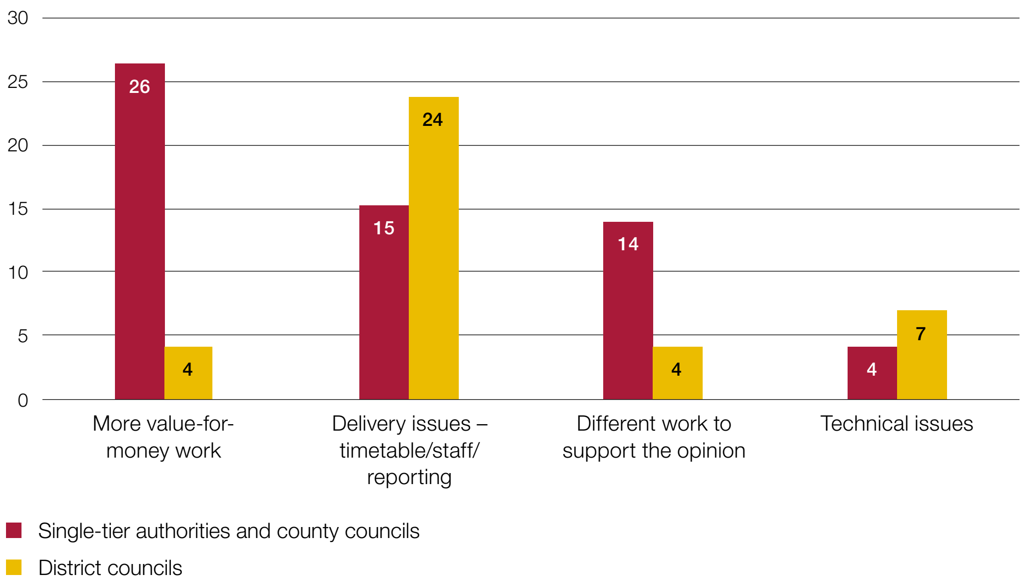
Our report *Local authority governance* (January 2019) found the following:

- A significant proportion of respondents to our survey of section 151 officers indicated that they would like some change in external audit. Overall, 51% of respondents from single-tier authorities and county councils wanted some form of change. For district councils the figure was 36%.
- Respondents from district councils mainly raised concerns about the timeliness of work and the quality of audit staff (see figure right). In contrast, a number of respondents from single-tier authorities and county councils wanted less time spent on the valuation of assets and unusable reserves in the opinion on the accounts. Many wanted to see more of a focus on value-for-money issues, particularly in relation to financial sustainability. However, it was not clear whether these needs could only be met through audit rather through other elements of support.
- Our external auditor focus group indicated that they recognised the demand within certain local authorities for more work on value-for-money and financial sustainability issues. However, they were clear that their work must conform to the auditing standards they are assessed against and any additional activity may have implications for the fee needed for the audit.



Areas of external audit where section 151 officers would like change

There are marked differences between section 151 officers from district councils and single-tier authorities and county councils in the areas of external audit where they would like change



Notes

1 N=144.

2 Based on classification of free text responses.

Source: National Audit Office survey of section 151 officers

Devolution and growth: Local enterprise partnership progress update

Local enterprise partnerships (LEPs)

LEPs are private sector-led partnerships between businesses and local public sector bodies. They were established in 2011 to drive economic growth in local areas. There are 38 LEPs in England, each operating across more than one local authority. The government has committed £12 billion to local areas in England between 2015-16 and 2020-21. Of this, £9.1 billion has already been allocated through Growth Deals negotiated between central government and individual LEPs. The Department is accountable overall for the Local Growth Fund and the delivery system within which LEPs invest this funding.

Progress report into the accountability and oversight of Local Enterprise Partnerships

Our report *Local Enterprise Partnerships: an update on progress* (May 2019) (see Figure on page 17) found that:

- the Department faces an inherent tension between developing a system of governance over a delivery model based on the devolution of funding and responsibilities to ad hoc, business-led partnerships;
- the Department has implemented the recommendations made by Mary Ney's review into LEP governance and transparency;
- while the assurance framework is stronger, backed up by checks on compliance, the Department acknowledges that it cannot mitigate entirely the risk of a failure similar to the Greater Cambridgeshire Greater Peterborough LEP; and
- the Department has made no effort to evaluate the value for money of nearly £12 billion in public funding nor does it have a robust plan to do so.

Devolution and growth: Local enterprise partnership progress update *continued*

A series of reports recommended strengthening LEP governance, transparency and oversight

Timeline of key events

A series of reports recommend strengthening LEP governance, transparency and oversight

2017

Jan 2017
The Ministry of Housing, Communities & Local Government (the Department) commissions a national review (the Mary Ney Review) of Local Enterprise Partnerships (LEP) governance and transparency

Mar 2017
Stephen Barclay MP writes to the National Audit Office (NAO) and the Department with concerns over governance and transparency in the Greater Cambridge Greater Peterborough LEP (GCGP LEP)

Oct 2017
The Ney Review into LEP governance publishes with 17 recommendations

Nov 2017
The NAO reports in its investigation into GCGP LEP

2018

Jan 2018
The Department publishes a best-practice guide for LEPs, reflecting four of the recommendations made in the Ney Review

Mar 2018
The Committee of Public Accounts (the Committee) publish its report into governance failings in the GCGP LEP

Jun 2018
The Department's accounting officer writes to the Committee to confirm that they have accepted the recommendations of the Ney Review as well as the results of its 'deep dive' reviews into the governance of 11 LEPs

Jul 2018
The Department publishes its policy paper *Strengthened Local Enterprise Partnerships* clarifying the role and remit of LEPs in driving local growth and expectations for stronger leadership, accountability and governance

2019

Jan 2019
The Department publishes a new *National Local Growth Assurance Framework* that mandates the minimum standards for LEP governance, accountability and transparency

Source: National Audit Office analysis

What to look out for

01 Financial sustainability

Fair Funding Review (Review of Local Authorities' Relative Needs and Resources): ahead of the proposed introduction of the new funding formula in 2020-21 the Department will be completing its work, and is likely to consult on its proposals.

Business rates: ahead of the proposed increase in local government's retention of business rates from 50% to 75% from 2021-22, the Department will be continuing to work with the sector on reforms to the way the business rates retention system works and is likely to consult on proposals.

02 Local governance and audit

Redmond Review of local audit: This review will examine the effectiveness of local authority financial reporting and auditing regime.

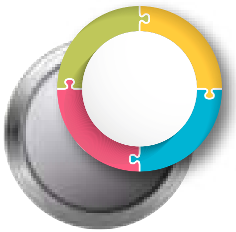
New Code of Audit Practice: The National Audit Office will produce a new Code of Audit Practice to be laid in Parliament in time for it to come into force no later than April 2020.

New unitary authority for Buckinghamshire: The new authority will replace existing councils from 1 April 2020.

03 Devolution and growth

Local Industrial Strategies: The government is inviting mayoral combined authorities and LEPs to develop Local Industrial Strategies, which are intended to provide distinctive and long-term visions of how a place will maximise its contributions to UK productivity.

UK Shared Prosperity Fund: The government intends to establish a UK Shared Prosperity Fund to reduce inequalities between communities across the UK once it has left the EU and no longer has access to EU Structural Funds.



04 Housing and homelessness

Implementing major planning reform package: The Department will be publishing an Accelerated Planning Green Paper to look at how greater capacity and capability within local authorities can accelerate the planning process.

New Help to Buy scheme: A new scheme, to follow on immediately from the current scheme for two years to March 2023, will be restricted to first-time buyers and will introduce lower regional caps on the maximum property value while remaining at £600,000 in London.

05 Social care

Adult social care: In the October 2019 Queen's Speech the government committed to bringing forward substantive proposals to fix the crisis in social care. This will include setting out legislative requirements.