



Department for Levelling Up,
Housing & Communities

Sarah Healey CB CVO
Permanent Secretary

***Department for Levelling Up,
Housing and Communities***
4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Clive Betts MP
Chair, Levelling Up, Housing and Communities
Committee
House of Commons

www.gov.uk/dluhc

By email

22 March 2024

Thank you for your letter of 1 March. I welcome the Committee's continued engagement, and I remain committed to ensuring contact between our teams is effective and timely.

The Department and the Ministerial team are committed to engaging with the Committee's work, and I want to reiterate that Parliamentary scrutiny is very important to the Department. I am pleased that our responses to the *Financial Reporting and Local Audit in Local Authorities* and *Council Tax Collection* reports were all submitted on time, and that we are on track to submit the *Financial Distress in Local Authorities* report on time. As such, I want to reiterate our commitment to continue responding to the Committee's reports in good time in future.

You also raise several other related points in your letter, which I will take in turn.

The Department's written evidence submissions

Ministers will decide on a case-by-case basis whether to submit written evidence, which they have chosen to do for most of the Committee's inquiries. We would not normally disclose official advice to Ministers, and I do not feel it would be appropriate to break this precedent in this instance.

Supplementary Estimates Memorandum 2023-24

I apologise that the Department's memorandum was submitted to the Select Committee slightly after the deadline, though I understand that colleagues notified Committee staff as soon as they understood that there would be a delay on Tuesday 27 February. The memorandum was then submitted on Thursday 29 February. We remain committed to doing everything we can to avoid delays in the future.

Inquiry: Children, Young People and Built Environment

The Committee's inquiry will be of interest to a number of departments, including, as I suggested at the Committee, most likely the Department for Education since it concerns children and young people. I am aware that Ministerial engagement is currently under discussion with the Committee. I understand that the Chief Planning Officer and the Deputy Chief Medical Officer have confirmed attendance for a separate session on 25 March. We continue to aim for the Committee to receive the most appropriate engagement and will discuss with the clerks separately what we can do to facilitate this.

We have looked into your suggestion that the Department has prevented Home England from engaging with this inquiry and we have not found any evidence that DLUHC ministers or officials suggested to Home England that they should not engage. Home England have also confirmed that DLUHC has not suggested to any of the Agency's staff members that they

should not engage with your inquiry. Officials in Homes England and DLUHC liaise on responses to requests for information to ensure that policy matters are dealt with by the Department and delivery matters by Homes England, so there will occasionally be matters which are directed to the Agency that are in practice responded to by the Department and vice versa. Peter Denton has responded to the questions set out in the Committee Chair's letter of 5 March, as requested.

Departmental engagement

Since the Committee's Special Report, I am aware that there have been increased communications between the Parliamentary Clerk and the Committee staff on a range of issues, and as you noted, there have also been meetings attended by the Director of Strategy and Private Offices, and the Deputy Principal Private Secretary (DPPS).

Dates for regular meetings have been agreed (fortnightly outside of recess), with one taking place on Friday 15 March and the next scheduled for 24 April. It is intended that the Director of Strategy and Private Offices will attend on a monthly basis.

As was discussed with the Committee Clerk in their last two meetings with the DPPS and Parliamentary Clerk, we are happy to facilitate additional meetings with policy teams, where useful to the Committee staff, and await a list of teams that they wish to meet.

We want to make sure our Parliamentary Team has the right structure to facilitate this additional engagement. In addition to the extra resource already secured, we are now recruiting more staff to the Parliamentary Team. The Parliamentary Clerk will remain as the central point of contact, as is standard practice across most departments, with the additional senior support from the DPPS, the Director of Strategy and Private Offices and the additional junior support.

Homes England Targets

The targets within Homes England's 2023/24 Annual Business Plan set out a core range for delivery against each housing supply indicator, specifically: completions, starts, unlocked housing capacity and home ownership. Delivery ranges were set to reflect the uncertain economic conditions and outlook for the housing market and to acknowledge the range of potential outcomes that were possible. These delivery ranges apply only to the overall housing supply indicators, while individual programmes have defined delivery targets over their duration.

Homes England are currently undertaking business planning for 2024/25 and delivery teams within the Agency are working closely with policy teams in the department to determine robust targets for the next financial year.

The performance of Homes England is published on an annual basis within their Annual Report (available [here](#)), which contains a thorough analysis of the delivery achieved over the previous year. We do not publish in-year performance reports to avoid undermining the publication of formal statistical releases which follow annual reports. Government publishes targets for housing delivery programmes as new programmes are announced. We therefore do not publish annual targets for Homes England as these vary between years and delivery partners, instead the Homes England Annual Report provides information on how the agency has performed in contributing to government objectives.

The supported housing target is a sub-target within the Affordable Homes Programme, reported on through programme-level reports, not reported on within Homes England's annual report as a specific delivery target. We will confirm new targets for the Affordable Homes

Programme in due course, when the overall figures are ready to publish. Those figures will include targets for tenure.

Turnover in the Department

You asked what role comparative pay scales have had in the People Survey results and staff turnover. Under the terms of the delegated pay model, departmental pay ranges are adjusted each year based on affordability within the Annual Civil Service Pay Remit. When the annual pay award is announced (the same percentage across government), it moves DLUHC pay scales upwards. Higher paying departments also continue to move further along pay scales.

Our pay benchmarking shows that for the majority of grades we are in the lower quartile across government. This is consistent with the recent NAO report from December 2023 on the Civil Service Workforce regarding pay, recruitment, and retention. Our rolling 12-month turnover rate is currently at 19%. This is not significantly different to similar departments, and many staff leave to take up other roles in the Civil Service.

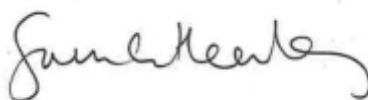
One measure of satisfaction with pay and benefits is the annual People Survey. In 2023, 26% of DLUHC staff scored positively in relation to Pay and Benefits. The Civil Service average was 32%.

Productivity Plans and Local Government Finance Settlement

As your letter notes, we will ask all local authorities to publish productivity plans, setting out their key plans to improve efficiency in their operations. The Minister for Local Government will write to council leaders shortly to clarify expectations and provide questions that authorities may wish to consider when developing their plan. We will use these plans to identify consistent themes and challenges across the sector, and we believe this to be a real opportunity to help councils learn from and support each other. This summer, we will also set up a panel to discuss the key themes emerging from the plans, offering advice to both councils and the Department on how to overcome recurring challenges. This panel will be made up of sector experts, including those experienced in technology and transformation.

We expect councils to monitor progress against the plans themselves, publishing updates on their respective websites. We know that the sector is already doing great work to improve their productivity and that all councils will be approaching this task from a different starting point. As central government, we will therefore not issue any specific targets and will instead ask councils to include their own relevant key performance indicators within their plan, so that progress can be tracked in a transparent manner. The plans made and the progress against them will inform future spending reviews, although it is not our intention to use the plans to decide individual allocations. We will instead use the findings to move councils towards a sustainable financial footing. We will write to you with further detail regarding this work in due course.

Yours sincerely,



SARAH HEALEY