

policyfocus

Neighbourhood renewal



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First published in June 2002 by the Audit Commission for Local Authorities and the National Health Service in England and Wales, 1 Vincent Square, London, SW1P 2PN

Printed in the UK for the Audit Commission by CW print group, Essex

ISBN 1 86240 368 6

Preface

1. The concentration of poverty and lack of opportunity in particular places has many complex causes, in particular economic restructuring, the decline of community activity and poor quality public services. It has equally complex consequences, such as a growing fear of crime and increasing disaffection among the young. These, in turn, reinforce the problems facing deprived neighbourhoods as those people who have the power to choose where to live, work and invest go elsewhere.

2. The *New Commitment to Neighbourhood Renewal National Strategy Action Plan*, referred to in the text as the *New Commitment* was produced in January 2001 after wide consultations with a range of stakeholders. It signals the Government's intention to narrow the gap between the most deprived neighbourhoods and the rest of the country so that 'within 10-20 years no one is seriously disadvantaged by where they live' (Ref. 1).

3. The *New Commitment* calls on central government departments and local service providers to take account of the impact of mainstream programmes and strategies on neighbourhoods and to look at the needs of neighbourhoods when planning and delivering programmes and services. In practice, this means local organisations need to change their policies, spending patterns,

services and the way people access services to meet the needs of those living in deprived areas.

4. The *New Commitment* identifies 88 areas facing significant levels of deprivation. These cover 40 per cent of England's population and 70 per cent of its black and minority ethnic communities (Ref. 1). They cover all inner London boroughs, eight outer London boroughs, all metropolitan authorities in Merseyside, South Yorkshire and North Tyneside, seven of the ten metropolitan authority areas in Greater Manchester, and three of the four metropolitan authority areas in West Yorkshire. They also cover 19 district councils located in ten counties.

5. Many national, regional and local agencies are trying to see what the *New Commitment* means for them and the areas they serve. Although it is too early to form judgements on the impact the *New Commitment* has had on the quality of life in neighbourhoods and the quality of local services, it *is* possible for the Commission to identify the progress made in establishing the right conditions to deliver neighbourhood renewal.

6. This paper is one product of a two-phase research project.¹ It aims to inform discussion among key decision-makers. The research focuses on the 88 areas prioritised in the *New Commitment*. It seeks to identify barriers to change and strategies that have overcome or appear to be overcoming these barriers.

7. The paper has five chapters. The Introduction indicates the scale of the challenge facing those seeking to turn around deprived neighbourhoods. It introduces the growing consensus among practitioners that neighbourhood renewal must involve local communities and mainstream services and notes that many at the local level feel this agenda is not new for them but is new for central government.

8. Chapter 2 looks at what central government can do to make further progress in delivering the strategy. It focuses on the different prioritisation given to neighbourhood renewal by individual central government departments and the inconsistent messages they send out to local services. It highlights the local desire for a reduction in the number of special and area-based initiatives to ease planning and joined-up delivery in deprived neighbourhoods. However, it also notes concerns that a speedy reduction in such initiatives might mean that some providers have not had a chance to target mainstream

policies, resources and service delivery into deprived neighbourhoods.

9. Chapter 3 focuses on the role of local strategic partnerships in helping local public services respond to the *New Commitment*. It highlights the range of tasks and ambitions that exist in different areas and the importance of local history, demography and geography. It does this to illustrate the fact that local strategic partnerships have to deal with more than the neighbourhood renewal agenda, that local circumstances vary widely and, therefore, progress on the agenda will vary from place to place. It argues that this variation means local strategic partnerships should not be seen as the sole delivery vehicles for neighbourhood renewal. It argues further that, as a consequence of this variation, individual agencies should look to their established 'change programmes' to respond effectively to the *New Commitment*

1 The first phase investigates: has Government done enough to prepare the way for the *New Commitment*? Are local partnerships prepared for the emphasis on core budgets and services? Do local services have the capacity to respond effectively to the neighbourhood renewal agenda? The second phase looks at how lessons from previous attempts 'to mainstream' regeneration work and other issues, such as equalities, can be applied to local delivery of the *New Commitment*.

and that central government must adopt a differentiated approach to dealings with local strategic partnerships.

10. Chapter 4 highlights the issues facing individual organisations seeking to respond directly to the *New Commitment*. It highlights areas where local practitioners and leaders identify barriers to change: skill-gaps, organisational culture, lack of resources, inadequate information and difficulties joining up neighbourhood renewal with local and national change programmes. It provides examples of where these barriers have or appear to have been overcome and identifies areas for further investigation in the next phase of the project.

11. The Commission thanks those who provided expert advice for this phase of the study (Appendix 1). However, the views expressed in the paper are those of the Commission alone.

1 Introduction

12. This chapter sketches the issues facing those trying to deliver the *New Commitment*. It recognises the complexity of the issues involved and the current arrangements for tackling deprivation in deprived neighbourhoods. The chapter also acknowledges the efforts of both central and local government, in co-operation with others, to learn from previous attempts to regenerate deprived areas and to form a consensus on how to proceed. It suggests a structure for understanding the *New Commitment's* call to the public sector to 'bend the mainstream' and 'mainstream neighbourhood renewal'. It closes by reporting back local views on whether the *New Commitment* represents a significant policy shift in practice, as this provides information on the likelihood of change being delivered.

The issues

13. There are many reasons why deprivation is concentrated in certain areas (**EXHIBIT 1, overleaf**). Two factors dominate local well-being: the health of the economy and the extent of social cohesion. The public sector cannot address these issues alone. Individuals, local groups and private investment offer significant resources to help areas overcome the problems they face and take the opportunities available. However, the scale and quality of public sector assets,

spending and services play a significant part in determining an area's overall attractiveness as a place to live, work and invest. The quality of local leadership and the know-how in pulling resources together are also significant factors in how well areas tackle the daunting task of improving the quality of life for those living in the most deprived neighbourhoods.

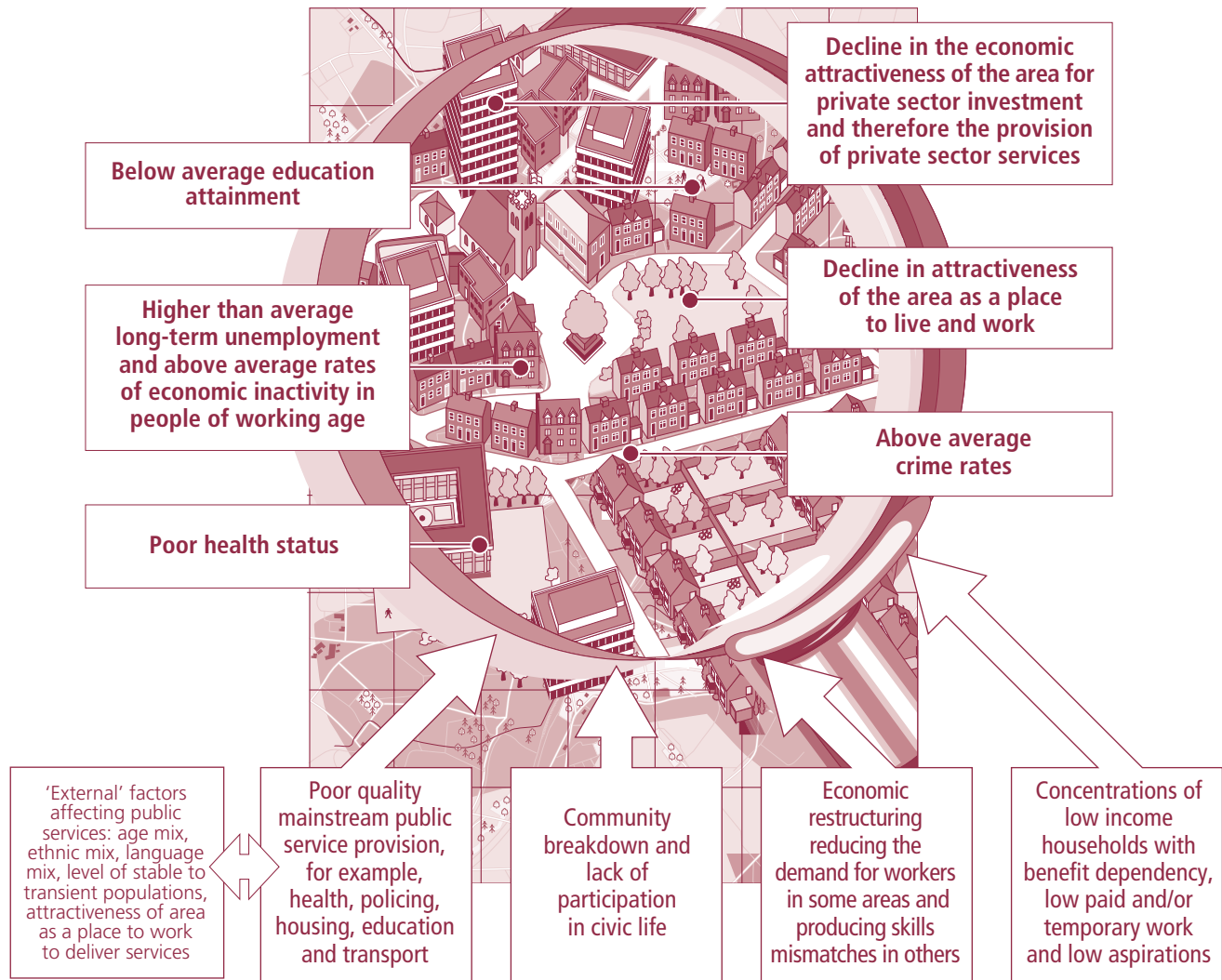
The response

14. In 1998, central and local government, along with a range of stakeholders, sought to respond to the challenge of regenerating local economies and communities by learning from the experiences of past interventions and pilots of new approaches (Refs. 1, 2, 3, 4, 5, 6 and 7).

15. These efforts produced a consensus among practitioners on how to tackle the problems of deprived neighbourhoods (Refs. 1 and 7). While recognising the importance of wider social and economic factors for the success of local regeneration activity, the *New Commitment* highlights the need for local regeneration activity to engage local communities, as citizens, service users and neighbours. It also flags up the need to engage local public services, such as schools, public transport, health care, social housing, policing, probation, fire and employment advice. It is this emphasis on public services that forms the focus of our research.

EXHIBIT 1 Drivers of decline and their consequences in deprived neighbourhoods

There are many reasons why deprivation is concentrated in certain areas.



Source: Audit Commission

16. The overall vision set out in the *New Commitment* is that ‘within 10-20 years no one should be seriously disadvantaged by where they live’ (Ref. 1, p8). The vision has two long-term goals, namely, that ‘in all the poorest neighbourhoods to have common goals of lower worklessness and crime, and better health, skills, housing and physical environment’; and to ‘narrow the gap on these measures between the most deprived neighbourhoods and the rest of the country’ (Ref. 1, p8).

17. In order to deliver the *New Commitment*, central government uses a number of specific levers for change (**BOX A**). These tools are used alongside national programmes and strategies, such as Welfare to Work, and the use of local public service agreements, agreed between local authorities and central government departments to stretch and reward local service providers in the drive to improve services.

18. Central government has also established new administrative arrangements, in order to take the *New Commitment’s* messages to agencies operating at national, regional and local levels. The Neighbourhood Renewal Unit is part of the Department of Transport, Local Government and the Regions; its role is to ‘provide leadership and oversight of the National Strategy within Whitehall and outside’ (Ref. 1, p55). Government offices in the

regions work with local organisations operating in deprived neighbourhoods (Ref. 1, p56). Regional development agencies work with business, the public sector and community and voluntary organisations to link economic development activity to social inclusion policies (Ref. 8). The following section looks at the *New Commitment’s* key message to local service providers.

BOX A New national initiatives to assist the delivery of the *New Commitment*

Neighbourhood Renewal Fund

To help improve core services in deprived areas
£200m 2001-02; £300m 2002-03; £400m 2003-04.

Community Empowerment Fund

To support community involvement in local strategic partnerships
£35m 2001-04

Community Chest

To support local initiatives
£50m 2001-04

The focus on 'core' budgets and services

19. The need for central and local government to refocus regeneration activity on core budgets and services, rather than on short-term initiatives, stands out as one of the key lessons from past regeneration activity. Government has responded to this with its call to 'bend the mainstream'. However, fieldwork indicates a degree of confusion

about what the calls 'to bend the mainstream' and 'to mainstream neighbourhood renewal' mean in practice. In order to bring some clarity to the terms 'bending' and 'mainstreaming', we suggest four possible responses. Local agencies could change corporate policies, patterns of resource allocation, the services provided, and the way services and facilities are accessed. Fieldwork identifies some early examples of each type of response (**BOX B**).

BOX B Four possible responses to the call to 'mainstream' neighbourhood renewal

Changing corporate policies

A local public sector employer may change its recruitment and retention policy to respond to the need to tackle concentrations of unemployment.

Some local authority jobs may be advertised in priority areas, where local agencies have prepared candidates for interview.

Re-allocating resources

Where poor 'outcomes' indicate that more spending is required in a priority neighbourhood, service providers may re-allocate resources.

A local police division may re-allocate officers to a New Deal for Community area, in order to provide a dedicated community policing function, part funded by the New Deal partnership and part funded by the police.

Reshaping services

Services may be changed or enhanced to meet local needs, where they differ from those met by standard mainstream services.

General practitioners may provide a 'sign-posting' service to patients who are not accessing all the benefits to which they are entitled, thereby increasing patients' incomes and the area's overall spending power.

Improving access

Where those living in priority neighbourhoods are not accessing facilities and services, for whatever reason, providers may alter access arrangements to meet their needs.

A general practitioner service may be located in an Accident and Emergency ward, so that non-emergency cases may receive the service they need at the point they prefer to access it.

Source: Audit Commission

20. Our research also indicates some differences of opinion among local decision-makers over how radical a shift the approach to mainstream services represents. This is important, as it may mean they are underestimating the challenge the policy sets them or it may mean central government has overestimated the impact the policy could have.

Perceptions of change

21. The *New Commitment* argues that its approach is a significant break with the past. In his Foreword, the Prime Minister outlines four reasons why the policy is different from its predecessors (Ref. 1, p5):

First, the true scale of the problem is being addressed... Second, the focus is not just on housing and the physical fabric of neighbourhoods, but the fundamental problems of worklessness, crime and poor public services... Third, the Strategy harnesses the hundreds of billions of pounds spent by Government departments, rather than relying on one-off regeneration spending. Fourth, the Strategy puts in place new ideas including Neighbourhood Management and Local Strategic Partnerships for empowering residents and getting public, private and voluntary organisations to work in partnership.

22. Our telephone survey and fieldwork test local strategic partnership members' views on how much of a shift the *New Commitment* represents.¹ It indicates a gap between the national view and local perceptions. Of those interviewed in our telephone survey, only 36 per cent see the neighbourhood renewal strategy as 'a fundamental shift in regeneration policy'. A majority, 57 per cent, views the strategy as an evolution of previous activity.

1 During February and March 2002, 232 local strategic partnership members in 79 of the 88 *New Commitment* areas were interviewed by telephone for 15 minutes. Over February and April, 44 local strategic partnership members, or officers working with members, took part in face-to-face interviews. Interviewees included local authority leaders; executive members and lead scrutiny members; chairs of primary care trusts; chief executives and directors of local authorities and primary care trusts; chief superintendents of police; voluntary and community sector representatives; and representatives from learning and skills councils and Sure Start partnerships.

23. Most of those members of local strategic partnerships taking part in our face-to-face interviews recognise and welcome central government's appreciation that change takes a long time and its emphasis on the roles of communities and public services in turning around deprived neighbourhoods, rather than physical development. However, many refer to the lack of additional mainstream resources to tackle neighbourhood renewal and to the marginal nature of the Neighbourhood Renewal Fund in bringing about change in large public spending programmes. Experienced practitioners are also concerned that the importance of physical regeneration is now being unnecessarily, or even mistakenly, downplayed.

24. It should also be noted that those working in areas facing widespread deprivation see central government as the organisation with the most to do to respond to the *New Commitment*. They believe they have been doing neighbourhood renewal for a long time and see the *New Commitment* as an example of central government policy catching up with local practice.

Neighbourhood renewal is our core business!

Councillor, local authority

It is not radical for us. It's radical for central government.

Officer, local authority

25. Thus, some regard the *New Commitment* as a radical and different policy and others see it as an evolution of policy, but for many at the local level it appears to mean 'more of the same'. Local views on the scale of change required will affect delivery of the *New Commitment*. However, before looking at local arrangements, we review some of the key issues our research flags up for central government.

2 Central government policy and local delivery of neighbourhood renewal

26. Local attitudes to the *New Commitment* may vary from place to place; however, central government's approach to policy delivery and to communication with local service providers still has a significant impact on local activity. Its impact can be seen in two main areas:

- the way departments set and communicate priorities to local services; and
- departments' reliance on special initiatives to bring about change in local service delivery.

27. This chapter explores the impact of these two factors on the delivery of neighbourhood renewal.

Inconsistencies in central government's practices and messages

28. The absence of a common message across Government is one of the clearest signals to emerge from the first phase of the project.

29. Our telephone survey indicates that 53 per cent of local strategic partnership members think that government departments are inconsistent in their approach to neighbourhood renewal. This has a very clear impact on the likely success of the *New*

Commitment: local agencies will respond to the steer they receive from their sponsor departments.

30. The setting of performance targets reinforces these differences. Different government departments set targets for local agencies that reflect their particular priorities. Our fieldwork shows that local decision-makers think the priority accorded to performance indicators relating to neighbourhood renewal varies between departments and that this is affecting delivery of the policy.¹ Only 53 per cent of those taking part in our telephone survey thought that the Government has established sufficient incentives to encourage the public sector to prioritise deprived neighbourhoods.

31. However, views differ about the significance for local activity. One group takes the view that 'what gets measured gets done'. Another group places great importance on the local commitment to change things.

¹ The way that performance information is collected may also affect the delivery of neighbourhood renewal. For example, measuring the performance of council services at the authority level does not 'incentivise' authorities to tailor delivery towards deprived areas.

32. The first group believes that, for some key providers, the absence of neighbourhood renewal targets and the emphasis on high-level targets mean that they do not have adequate 'space' to respond to the neighbourhood renewal agenda. They feel, therefore, unable to contemplate restructuring delivery to benefit priority areas as their capacity is fully employed in responding to national targets. Fieldwork interviews with health bodies, in particular, indicates that it is waiting-list targets that drive local activity, rather than, say, public health issues, associated with tackling health inequalities. It was also clear that social services departments are being encouraged to stick to their 'core business', which sometimes hampers their ability to get involved in neighbourhood renewal.

Targets do indicate whether an issue is seen as important by Government and partners.

Chief superintendent, Police

The health service is driven by the target to cut waiting lists and balance the books.

Chief executive, primary care trust

There are some difficulties for us where inter-agency working does not contribute to performance indicators.

Chief superintendent, Police

33. The second group sees individuals as the most important factor in driving change. Good relations with partner bodies are often the consequence of local leaders being committed to the neighbourhood renewal agenda, rather than the existence of complementary targets. And a 'can do' attitude in a determined group of people may achieve a local consensus around which issues and neighbourhoods to focus on, and what steps need to be taken.

If the person leading a service is willing, you can get around nationally imposed restrictions/targets.

Officer, local authority

*There are two aspects to this: a) whether internal and external partners are **willing** to co-operate and b) whether partners are hindered or helped in doing so by their sponsoring department's targets or priorities.*

Officer, local authority

34. For example, there are instances of local players using the tools already available, such as local public service agreements, to ‘incentivise’ support for neighbourhood renewal activity across the board (**BOX C**). Phase 2 of the project will research other examples, such as joint-target setting and shared reporting arrangements.

35. The purpose behind national targets is to promote high standards, not remove local bodies’ flexibility to respond to differing circumstances. Our research found evidence to suggest that where there is the local will to restructure services to benefit deprived areas, agencies and partnerships are finding ways to do so. It should be possible for providers to work towards national performance targets at the same time as contributing to the aims of the neighbourhood renewal agenda.

36. However, it would be helpful to have some consistent national impetus behind the neighbourhood renewal agenda. Local agencies are not helped in the difficult task of realising the ambitions of the *New Commitment* by confused messages emerging across Government. There is therefore a need to ensure that the momentum built up by the Social Exclusion Unit’s work is not compromised by a dilution of the message across government departments.

BOX C Local public service agreements as tools to deliver neighbourhood renewal

Kent County Council set up a ‘learning set’ with other authorities and health bodies to discuss how to deliver its local public service agreement, which set specific targets for closing the gap between the deprived areas of Shepway and Thanet and the rest of the county (Ref. 9). The ‘learning set’ was used to improve understanding of the perspectives of different communities and public agencies operating in the area and to promote a more collective ownership of local problems and an inter-agency approach to addressing them. The issue of public agencies working to their own targets was highlighted and was seen to have ‘a powerful influence on where management attention is focused (for example, reducing waiting lists)’. The ‘learning set’ agreed that in order to reach their collective aims and to address problems with multiple causes, there was a need to relax ‘respective organisational aspirations’.

Government policy on area-based and special initiatives

37. The task of ‘mainstreaming neighbourhood renewal’ is further complicated by the introduction, since 1997, of a series of new initiatives by different government departments aimed at addressing deprivation. The outcome, albeit unintended, has been the creation of an extremely complex operating environment for local service deliverers. The experience of one authority illustrates the problem (**BOX D**).

BOX D Central government initiatives complicate local operations

We are having to deliver Neighbourhood Renewal Fund projects, Children’s Fund, a community strategy, a Neighbourhood Management Pilot, an Education Action Zone, an SRB 6 programme and a European Objective 2 programme. And at the same time, respond to the Government’s modernisation agenda for individual services. This ties up huge quantities of staff, partner and community time preparing financial and output monitoring of the programmes. These staff are the most knowledgeable and, instead, should be allowed to get on with the complex issue of delivering cross-cutting solutions against the most difficult ‘wicked issues’.

Source: Officer, local authority

38. Our research indicates a growing local appetite for a rationalisation in the number of special and area-based initiatives. The current system poses a range of practical problems. Not only is it very complex, but it injects a large degree of uncertainty into the planning process. Progression in policies, resource and service planning is therefore difficult, as agencies feel obliged to respond to the launching of initiatives with different criteria, planning cycles, objectives, geographical coverage and reporting and evaluation arrangements. Further problems such as retaining staff in the run-up to the end of a project’s funding cause operational difficulties.

39. But the system as it stands does not only cause practical problems for local agencies. It also undermines the fundamental aims of the neighbourhood renewal agenda. The plethora of initiatives distracts providers from the task of aligning their mainstream services with the needs of those living in priority neighbourhoods. It detracts from the message that mainstream budgets and services are the key to change. And the sheer volume of projects with which local bodies have to deal often makes the ‘mainstreaming’ of learning a hit and miss affair. Local organisations simply do not have time to incorporate the lessons from short-term initiatives into their

local policies, spending, services and methods of service delivery. A reduction in initiatives would therefore seem to be a prerequisite for a shift to using mainstream programmes to tackle deprivation.

There are so many initiatives to respond to and this has to be done on top of people's day job. The system is currently too complex and not user-friendly.

Councillor, local authority

We would welcome fewer thunderbolts from Whitehall with pots of money to spend immediately.

Officer, local authority

We are ambivalent about the value of short-term initiatives – politicians only seem to be interested in the new. This can be very demotivating for voluntary organisations delivering core services.

Officer support to local strategic partnership members,
Council for Voluntary Services

40. Central government recognises these problems and the amount of time service procurers and providers have to dedicate to navigate this system. The recent Local Government White Paper acknowledges the need to rationalise the number of special initiatives, and the Regional Co-ordination Unit is currently undertaking a review of area-based initiatives (Refs. 10 and 11).¹ Commission research suggests there is scepticism locally about whether there will be a rationalisation of initiatives. Consequently, local agencies are reluctant to wind up the processes and partnerships currently in place to manage these initiatives. Many organisations are keeping their specialist staff in funding and regeneration teams, as they assume new grant schemes will replace old initiatives. None of the local strategic partnerships visited in the course of the research have significantly reduced the number of partnerships or local initiatives; despite this being one of the reasons for their establishment.

¹ The Local Government White Paper 2001 states 'the Government will extend opportunities for the pooling of [area-based initiative] budgets at the local level to deliver initiatives more effectively', (Ref. 10, para. 4.38).

41. While fieldwork indicates some disillusion about the benefits of area-based initiatives relative to their costs, interviewees also acknowledged their advantages (**EXHIBIT 2**). Moreover, we found a considerable degree of nervousness locally about the potential consequences of a speedy reduction in the use of special initiatives. Fieldwork interviews identified three key concerns:

- trepidation that the loss of area-based initiatives may mean target areas lose out as institutional difficulties will hamper the redirection of funds that are not ‘ringfenced’;
- fear of losing the ‘space’ that area-based initiatives give local providers to experiment and innovate in the services they provide and the methods they use to deliver them; and
- anxiety among some partners that a switch from short-term initiatives that are open to competitive bidding between providers to a focus on ‘the mainstream’ poses a threat to non-public sector providers, where ‘the mainstream’ is interpreted as ‘in-house provision’.

There is no chance that the partners would direct resources to the deprived areas if the money was just part of the mainstream budgets.

Local strategic partnership member

42. The evidence suggests that the Government faces a challenge in reducing the complexity which time-limited and area-based initiatives represent for some local agencies. It will have to try to reconcile a range of perspectives on their value. Commission research indicates that a blanket cull of such initiatives would not be unanimously welcomed at this stage. Instead, there is a clear need to retain the option of area-based and special initiatives while rationing their use by, for example, only establishing initiatives that fund innovation or that tackle a specific time-sensitive problem, such as a mass redundancy or environmental crisis.

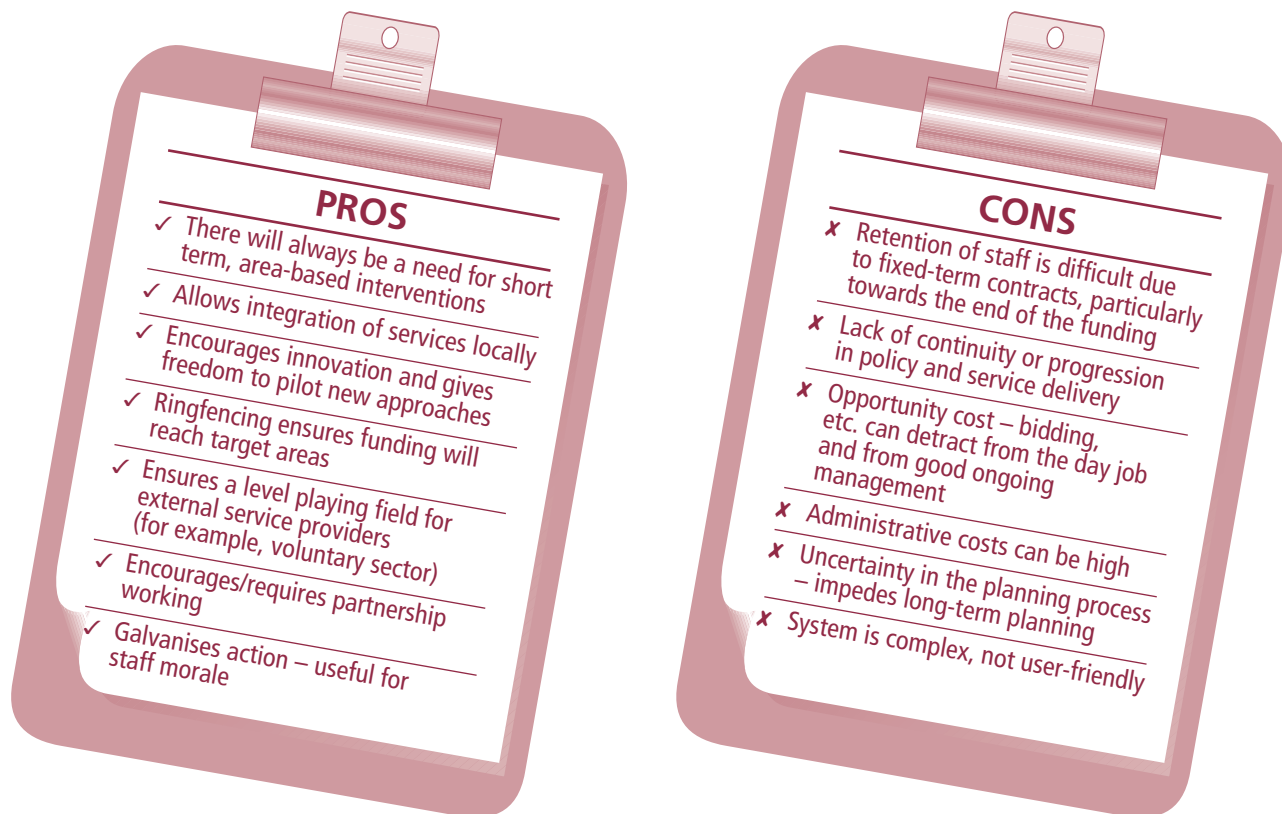
43. A lack of consistent messages emanating from government departments, alongside the proliferation of area-based and other special initiatives, makes for a complicated operating environment. Consequently the task of renewing neighbourhoods is made even more difficult. One way the Government has tried to reduce this complexity and simplify

structures and initiatives has been the introduction of local strategic partnerships tasked with leading the development of the local neighbourhood renewal strategy. The

ways in which these partnerships are responding are dealt with in the following chapter.

EXHIBIT 2 Pros and cons of using area-based initiatives to tackle deprivation

While fieldwork indicates some disillusion about the benefits of area-based initiatives relative to their costs, interviewees also acknowledged their advantages.



Source: Audit Commission

3 Local partnerships and networks

44. A major factor in effecting change in deprived communities is the local capacity to bring together the skills, know-how, assets, services and spending of individuals, grass-roots and voluntary groups, businesses and the public sector. The *New Commitment* highlights the importance of local strategic partnerships in bringing these factors together to benefit deprived neighbourhoods and communities (Ref. 1, p28 and pp44-46).¹

45. This section looks at the basic tasks facing the local strategic partnerships in the 88 priority areas; the importance of local history, demography and geography in the development of local strategic partnerships; and members' different ambitions for the partnerships.

The basic tasks facing local strategic partnerships

46. Local strategic partnerships in the 88 target areas carry out a number of key tasks. They are required to develop local neighbourhood renewal strategies with a high level of community involvement. They are charged with co-ordinating and rationalising local partnership and delivery arrangements, across a range of different local and central government initiatives. They also work with local authorities to help meet their duty to produce a community strategy. As well as these basic tasks, the partnerships

tackle local priorities and strive to meet nationally determined accreditation criteria, using a self-assessment process that is reviewed by government offices in the regions.

47. It is important to understand that the development of local strategic partnerships will be determined by the diversity of local problems and opportunities and the local capacity to respond. Our fieldwork indicates that different partnerships respond to the challenges in different ways. Each has had to prioritise its work programme. Some focus on the community strategy, with the local neighbourhood renewal strategy treated as one among several key components. Others centre on the local neighbourhood renewal strategy as the primary focus of activity. To date, few appear to have set about reducing

¹ Our telephone survey indicates that the vast majority of partnerships, nearly four-fifths, are chaired by local authorities. Face-to-face interviews suggest that in most cases, whether it is chairing the partnership or not, the local authority is facilitating the partnership's activities.

the number of partnerships locally.¹ Although many are mapping local arrangements to deepen understanding of the local partnership infrastructure.

The importance of local history, demography and geography

48. Local history, demography and geography influence the development of local strategic partnerships. They determine areas' problems and opportunities and the level of resources they have to address them. For example, those areas facing extensive deprivation view their challenges and opportunities differently to those tackling concentrated 'pockets' of deprivation. Furthermore, areas have different levels of experience in carrying out regeneration activity. Some areas have had a positive experience of bringing agencies and communities together to regenerate deprived neighbourhoods, others have seen a heightening of tensions between communities and between communities and local agencies, and some areas have little experience of working across services to regenerate areas.

49. Those areas with a long history of regeneration and a positive inheritance have a well-established 'local institutional infrastructure'. This ensures effective communication and co-operation between different agencies, and between agencies and

different 'communities of interest', user groups and geographic communities, whether located in neighbourhoods or dispersed across a wider area. In these areas the *New Commitment* is often not seen as a significant policy shift for partners. Local leaders already effectively link area-based interventions to wider plans to improve the area and public services to all groups/'communities of interest' in their area.

50. Where efforts to regenerate areas have produced disappointment and conflict, individuals, local groups and local institutions need time to build trust and mutual understanding. The most extreme examples of these difficulties lie in places such as Burnley, Oldham and Bradford, which experienced disturbances in 2001, where area-based interventions have acted as a lightning rod for wider social and economic tensions. In these areas community leadership is key and area-based approaches need to be developed as part of a wider vision for the area.

I Often central government departments are reluctant to allow partnerships managing different schemes in the same area to merge, as they fear losing clear lines of responsibility and accountability to ministers. Furthermore, local organisations are often reluctant to see established working arrangements disrupted, and, therefore, maintain established networks and partnerships.

51. Previous Commission research suggests that those with limited experience of inter-agency working to use mainstream services in regeneration will take time to build trust between partners. They will also need time to agree a shared vision and goals with adequate monitoring arrangements, set boundaries for the operation of the partnership, agree leads on certain key issues and establish good communications between members' organisations and with the public (Ref. 12).^I

52. According to our telephone survey, two-fifths of local strategic partnerships are adaptations of established partnerships, that is have altered their membership in some way; two-fifths are continuations of existing partnerships, that is, have maintained an established membership; and one-fifth are new. The last group includes both those partnerships with relatively less experience of linking regeneration to 'core business', and partnerships with a long history of activity that are moving away from established practices, for one reason or another. Thus, while all partnerships are coming to terms with a new role, in three out of five partnerships, members are also getting to know, and coming to trust some or all of their members.

53. There are some issues that are common to all partnerships and are a cause for concern.

For example, only one-half of those taking part in the telephone survey say their partnership has a communications strategy for its local neighbourhood renewal strategy. Previous work has highlighted the importance of community engagement as a factor to success (Refs.1 and 14). Furthermore, fieldwork suggests many local partners are sceptical about communities' interest in 'neighbourhood renewal', and its ability as a topic to engage disengaged and disaffected people.^{II}

54. Another common problem appears to be the absence of monitoring arrangements. Only one-half of those taking part in our telephone survey say their partnership has established monitoring arrangements. The absence of such arrangements will hamper both learning and decision-making at the partnership level.^{III}

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- I If crime and disorder reduction partnerships – with a narrower focus and less disparate memberships – are used as a benchmark, it could take local strategic partnerships more than three years to produce measurable improvements (Ref. 13).
 - II Many government offices are encouraging local strategic partnerships to develop communication strategies, as part of the accreditation process.
 - III Many local strategic partnerships are developing baseline data and monitoring arrangements following the self-assessments conducted as part of the accreditation process.

55. A third common problem is the lack of experience of ‘mainstreaming activity’. Only just over one-half of those taking part in our telephone survey could draw on personal examples of previously successful efforts to integrate and sustain innovative regeneration projects into mainstream services. This suggests many members of local strategic partnerships will need support in getting to grips with the practicalities of taking the learning from short-term initiatives and using it to change core policies, spending and service delivery. An associated concern is the difficulty many partnerships have in engaging private sector representatives. Our research indicates that where business people are involved, they cast a (friendly) critical eye over the long-term viability of regeneration proposals.¹

56. Fieldwork also indicates that the way partnerships are put together and the way meetings are run may act as a barrier to getting the most out of all partners. In particular, many partnerships are struggling to balance the need to be ‘inclusive’ and ‘efficient’. Some areas appear to have approaches that overcome these barriers **(BOX E, overleaf)**.

Different ambitions for partnerships

57. Our fieldwork indicates that, notwithstanding the need to act on their three basic tasks – to develop a community strategy, rationalise local partnership arrangements and develop a local neighbourhood renewal strategy – members of local strategic partnerships have different ambitions for their partnerships. Three broad groups with different ambitions are clear. One group wants an ‘operational focus’, another wants a ‘hands-off strategic approach’, and a third group wants to adopt a ‘network approach’.

58. Some members seek an operational focus, where partners make and ‘broker’ shared decisions on operational matters affecting individual services. One interviewee suggests local partners should develop a partnership ‘brand’, and hopes that the partnership performs a ‘quasi-commissioning function’ across all public services. In a similar vein, another interviewee wants the partnership to become a company limited by guarantee, with its own assets and income streams, giving partners some autonomy of action and tackling the public sector’s ‘dependency culture’ on short-term grants.

1 The Local Government Association has issued guidance on engaging the private sector in local strategic partnerships (Ref. 15).

BOX E Emerging practice on running local strategic partnerships and their meetings

- Person specifications for members – to indicate the skills and commitment required
- Openly advertised, competitive interviews for key sector representatives
- Individual coaching and support for members – to build members' capabilities
- Officer briefings for all members prior to meetings – so that no partners feel left out of the information loop during meetings
- Change of venues for meetings – so they don't come to resemble council committee meetings
- Visits and tours around target areas with follow-up meetings to set out what individuals and their organisations can do – so that members become engaged in the process
- Changes to the format of meetings to engage all members, for example, 'planning for real' exercises, brain-storming sessions, away-days and open meetings
- with questions from the public, as well as formalised business meetings with agendas and minutes where key decisions are taken
- Reviews of membership – so that individuals don't become complacent about their role and partnerships don't become closed
- Local information on partnership activities, for example, press briefings, local 'road-shows', regularly posting minutes and papers on the internet

Source: Audit Commission

59. Other interviewees express a hope that their local strategic partnership acts as a 'board', setting an overall vision, appointing thematic and project champions and establishing key indicators with reporting mechanisms, leaving operational issues to individual agencies and established partnerships. They want the partnership to bring coherence and shape to local activity, while respecting individual agencies' roles

and lines of accountability to boards, ministers and local electorates.

60. A third group of interviewees see the local strategic partnership as a key network, among many other networks, that creates the space to develop a shared vision for the area and enables better communication and improved understanding between established networks. They see the partnership as one of

several important venues where neighbourhood renewal, and other concerns, can be pursued by local organisations and communities. They hope the partnership enhances local flexibility and responsiveness and improves local lobbying capacity in a range of national, regional, sub-regional, local and area-based fora.

61. No clear typology has yet emerged, but within partnerships certain members are pushing for them to be operational bodies, local boards or networks. Over time this may:

- result in more clearly defined types of partnerships;
- produce tensions between partners where expectations are not met; or
- lead to some partnerships that try to perform all possible functions being overburdened.

62. This, in turn, will affect which tasks local strategic partnerships have the ability or desire to perform. Central government and government offices in the regions will need to be sensitive to these issues as they seek to work with local strategic partnerships in the future. They may also need to clarify the resource implications of the tasks they want local strategic partnerships to undertake, so that progress is not limited by inadequate support. The variation in local strategic partnerships' challenges and capacity to

respond means that central government needs to adopt a differentiated approach to its relationships with these partnerships. Furthermore, it should not assume that local strategic partnerships will be the most effective vehicle for delivering neighbourhood renewal in all places at all times. For individual local services seeking to respond to the *New Commitment*, the variations in local challenges and partnership capacity means that they may need to look to their current change programmes and established partnerships to see how they can respond effectively to the *New Commitment* in the short term. The issues facing individual providers in making changes are the subject of the next chapter.

4 The readiness of local organisations

63. If local strategic partnerships cannot, in the short term, be the sole vehicles to lead the neighbourhood renewal agenda then the role of individual service providers is key. Our research identifies a number of internal organisational issues that potentially constrain the local capacity ‘to mainstream neighbourhood renewal’. These relate to skill-gaps and culture; the availability of sufficient resources and accurate and timely information; and the way links are being made between national and local improvement agendas to neighbourhood renewal. Our research also identifies examples of local bodies developing strategies to overcome these barriers and other constraints. Phase 2 of the work will look in more depth at learning from previous and current efforts to mainstream neighbourhood renewal and regeneration work.

Skills and culture

64. Our research highlights a series of issues relating to skills and culture that affect local service providers’ capacity to respond to neighbourhood renewal.

65. First, is the issue of skills and understanding. One authority told us ‘conceptually the issues are understood at senior management level but the organisational capacity is not there to respond’. According to our telephone survey,

the aims of the Government’s policy on neighbourhood renewal have reached the majority of local strategic partnership members and senior managers. However, our evidence suggests that it may not have reached *all* top levels and is often unlikely to have reached middle managers or frontline staff. Some senior managers we spoke to regretted their own and their organisation’s failure to communicate with middle managers and frontline staff about the work of the local strategic partnership and the implications of the *New Commitment* for them and the way they work. This is a potentially significant block on the implementation of the policy. The agenda will have to be ‘owned’ at all levels in the organisation if it is to stand a chance of being implemented. Where awareness is low, there is a clear need for training; with the onus on either the local providers or the local strategic partnership (the advantage of joint training initiatives with other local strategic partnership members may be the opportunity to address some of the cultural barriers referred to below).

66. There are some positive signs that local players have identified a lack of knowledge of neighbourhood renewal throughout their organisations as a problem and are starting to address it: one authority is setting up networks or ‘learning sets’ for middle

managers involved in those services that need to respond to the neighbourhood renewal agenda. Organisations have a range of options for tackling these issues, many of which have been flagged up in previous Commission studies (**BOX F**).

67. Connected to the need for better awareness and communication is the more intangible concept of cultural change. Our research found a number of aspects to this.

BOX F Good practice in working with staff to deliver change

Previous Commission research found that staff preferred face-to-face communication with colleagues and that therefore the best way to ensure that the need for change is accepted across the organisation is to deal with the issue in core staff meetings. (Ref. 16, p44). The study also highlighted the importance of involving all levels of the organisation in implementing change, in other words, letting everyone have a say in how things should change: ‘self-generated change has a much better chance of taking root and delivering sustained improvements in performance’.

68. The *New Commitment’s* emphasis on seamless local delivery, joint delivery mechanisms, client-led approaches and community involvement can pose challenges to existing and accepted work cultures and practices. Local experience suggests that while the ‘partnership talk’ is deployed in meetings, there is a tendency for staff to revert to individual professional ‘mindsets’ once they are back in their offices. For example, there may be a reluctance to change working hours, locations, practices or to work with different agencies. This might be due to a simple resistance to change or a strongly held belief that what has worked in the past is still effective and should continue. In addition, within organisations the agenda may also be seen as a potential threat to departmental and management boundaries, budgets and influence.

There are lots of hearts and minds to win over.

Officer, local authority

69. Another cultural barrier to change can be the result of years of responding to, and relying on, round after round of special initiatives. This can create a style of management and delivery that responds effectively to short timescales, deadlines and bidding, but may be less effective in delivering long-term, continuous

improvement through mainstream programmes. This can make it difficult for organisations to adjust to the new call to use mainstream programmes. One local authority officer told us:

It is difficult for agencies to think about mainstreaming because they are in a bidding mindset or habit – they are used to responding to the Single Regeneration Budget or Objective 1. Mainstreaming is not, therefore, their automatic response to the end of a funding programme.

70. Related to this, we were told that good practice from previous initiatives such as the Single Regeneration Budget was often valuable in informing future service delivery but that the effect was limited to 'subsequent rounds of Single Regeneration Budget projects and did not have any effect on the mainstream'. There is clearly, therefore, a need to ensure that learning from special initiatives is disseminated throughout the mainstream rather than contained within regeneration departments or partnerships.

71. A further cultural issue, that may require work at the national as well as the local level, is the existence of formal professional boundaries or job descriptions as set down by employers and agreed with trade unions and professional associations. Traditional definitions of posts (and these can relate to

occupations as diverse as social workers, midwives and refuse collectors) can pose a real threat for the development of a more multi-agency, multidisciplinary model of service delivery. One local strategic partnership member described the problem as 'professional tribalism'. In particular, the introduction of neighbourhood managers may require functions previously carried out by different individuals, departments or organisations to be wrapped up in a single job description. Some service providers had concerns that trade unions and professional organisations are starting to see such new models of working as compromising their members' pay and conditions, professional status or prospects for career progression.

72. Many of the local service providers we spoke to recognise that the implementation of the *New Commitment* requires significant cultural change. Work is already happening at the national and local levels to address this issue. Some local services are making progress. There is also much to be learned from providers with experience of running regeneration programmes. For example, one local authority recognised that there was a need to address the 'bidding mentality.' It ensures that projects funded under short-term initiatives are included in departmental budgets and planning processes, so that successful services and projects can be sustained.

73. There is also evidence of progress on the issue of job descriptions and professional boundaries.¹ One authority we spoke to is starting to sit down with trade unions to discuss the development of potential new roles under a neighbourhood management pilot. Similarly, a primary care trust is starting to think creatively on these matters:

We may need to create a new pay structure to develop a well-being officer that could be drawn from a number of different professional backgrounds – nursing, social work etc. – so that people don't feel threatened by moving out of their normal career structures.

Chief executive, primary care trust

Resources

74. It is very difficult for those individual service providers that have significant budgetary difficulties to 'bend their spend'. Where organisations are already having to take decisions that will result in cuts in existing services, re-allocating resources on top of this is often seen as one step too far. According to fieldwork, this situation is particularly prevalent among social service departments and primary care trusts, several of which are reporting difficulties in responding fully to the calls to mainstream neighbourhood renewal because of budgetary pressures (and a national steer to stick to 'core business').

To mainstream projects you need a rising budget, this is not in place for us.

Councillor, local authority

75. However, this may not necessarily be a bar to 'mainstreaming neighbourhood renewal'. We have found evidence of local bodies which are experiencing financial pressures but that are still finding ways to respond to the agenda. Focusing on neighbourhood renewal does not necessarily require additional resources to be funnelled into priority neighbourhoods (although it may do). Delivering different, but more relevant, services, or delivering existing services but in a different way may, in some circumstances, be more effective in meeting local needs than pumping in more money. Furthermore, some agencies are using performance management systems to identify efficiency savings that enable a redirection of resources to priority areas.

-
- I The Neighbourhood Renewal Unit is meeting professional organisations and national training agencies with a view to 'mainstreaming' the concept of neighbourhood renewal within the training and continuing professional development of professions key to neighbourhood renewal.

The issue is what and how services are delivered, not how much is spent. For example, many poor areas suffer from poor GP services – older GPs, single practices, in poor quality premises. People in these areas deserve a higher standard of service.

Officer, local authority

Our new project does not involve any significant increase in resources, just a re-engineering of processes.

Chief superintendent, Police

76. One particular resource constraint that is causing difficulty for local agencies is labour shortages. In many areas these are particularly acute in the services critical to neighbourhood renewal. Where ‘bending’ or reconfiguring delivery to respond better to the needs of deprived areas involves extra staff or new types of jobs, issues of public sector recruitment and retention become key. For example, our research indicates that authorities are experiencing difficulties in recruiting people for the new post of neighbourhood managers. We are told that ‘currently lots of authorities are scrabbling around for staff.’ This shortage may become more acute if the neighbourhood management pilot is rolled out to more local authorities, unless action is taken to increase the supply of suitably qualified staff.¹

Information

77. If service providers and procurers are to change policies, patterns of resource allocation, the services provided and the way services and facilities are accessed to improve the way they meet the needs of the priority neighbourhoods, they will need robust data. This is necessary to convince local service providers, politicians and the community to sign up to an approach to service delivery that may favour some neighbourhoods over others. By clearly demonstrating (via deprivation indicators, for example) which are the most deprived neighbourhoods, local ownership of the principles of neighbourhood renewal can be generated.

78. We came across many examples where an evidence-based approach has won round initially sceptical local players. However, this is happening in spite of the quality of the data. The current evidence base is often out of date (for example, 1991 census data), may not be at the right level (for example, ward-level rather than neighbourhood-level) and is far from comprehensive (for example, it is difficult to identify public sector spend at neighbourhood-level). Furthermore, it is often focused on mapping needs and spending,

¹ A Commission report addressing public sector recruitment and retention is due out in the autumn.

rather than opportunities and indicators for improvement that will help track change. This may over time make the ‘marketing’ of areas to current and potential residents and investors more difficult than it needs to be.

79. Some agencies are biding their time and awaiting the results of the Office of National Statistics Neighbourhood Statistics exercise (Ref. 17). Our research also found many areas are setting up their own projects to tackle the issue.

80. The importance of data in making decisions about which short-term projects to fund was also raised as an issue. One authority pointed out that area-based or short-term initiatives should not automatically be incorporated into mainstream provision once their funding ends. Instead decisions should be based on robust evaluation data that show which projects are effective in influencing the quality or quantity of services.

Until you get outcome information, it is difficult to mainstream.

Councillor, local authority

81. If local service providers are to assess the effect they have on deprived neighbourhoods and are to have the ability to respond to the needs of those living in deprived neighbourhoods they must improve their data

collection and analysis of needs, spending, opportunities and outcomes at the neighbourhood level.

Linking national and local improvement agendas to neighbourhood renewal

82. The policy set out in the *New Commitment* is only part of the Government’s overall reform agenda. Local service providers are being asked to respond to a much wider change programme. The capacity to respond to the neighbourhood renewal agenda will therefore be determined by local service providers’ attitude and ability to change and their ability to make the connections between neighbourhood renewal and the wider modernisation agenda.

83. There are opportunities to use existing performance management frameworks (for example, best value or the European Excellence Model) and new political structures in local government to secure service improvements for those living in deprived neighbourhoods. Our research found that some service providers link service improvement to efforts to tackle deprivation. For example, one authority offers an ‘area-based challenge’ for all best value reviews. This tests the impact of the services under review on the city’s most deprived areas. On a similar theme, another authority

periodically reviews a basket of services being delivered to an area, as part of its overall improvement programme, and is using these reviews to highlight where improvements or 'bending' could take place.

84. However, these examples are few and far between – most interviewees can make no real link between national targets and service improvement plans on the one hand and local neighbourhood renewal work on the other. Few interviewees link their local authority's or police force's best value programme to the work on meeting the needs of those living in deprived neighbourhoods. Furthermore, there would seem to be some confusion about how the neighbourhood renewal agenda fits with central government's modernising programmes.

85. In particular, some interviewees seem to view the different change programmes as in some way competing with each other and that time spent on one is at the expense of the other. Instead, it is important that links are made between the different strands of the Government's modernising agenda. If policies are seen as alternatives that need to be traded off against each other, the neighbourhood renewal agenda may get lost.

We are sure there is a link between best value and neighbourhood renewal, but we are not sure yet what it is.

Councillor, local authority

The best value process has been developed for internal processes and procedures, and is not linked into the local strategic partnership or neighbourhood renewal.

Chief superintendent, Police

The council's thinking is still developing on the links [between best value and neighbourhood renewal].

Officer, local authority

5 Conclusions and recommendations

86. Policies should be judged by their impact, not by the intentions behind them. It is too early to test whether the *New Commitment* has achieved its goals by measuring changes in the quality of life or identifying improvements in services. However, it is possible to measure progress on the steps taken to implement changes. In the first phase of this two-part research project, the Audit Commission looks at whether the Government has done enough to prepare local service providers for its emphasis on the use of mainstream budgets and services in turning around deprived neighbourhoods; whether local partnerships are prepared for the new emphasis; and the capacity issues facing local service providers in responding to the agenda.

87. Research in phase one of the study shows that the Social Exclusion Unit's initial work has raised awareness of deprived neighbourhoods as a political priority. A majority of local strategic partnership members think that the Government's message on neighbourhood renewal is clear. However, government departments are inconsistent in their approach to neighbourhood renewal and in the importance they accord the agenda. This is manifest in the setting of performance targets for local agencies that can make it

difficult for providers to work to common goals. We recommend that:

- **The Government re-affirms its commitment to reducing the gap between the poorest neighbourhoods and the rest.**
- **The Government ensures that a 'corporate' approach is taken to neighbourhood renewal by agreeing consistent messages on this across all central government departments.**
- **The Government introduces neighbourhood-based targets for central government departments as part of the 2002 spending review.**
- **Local public service agreements include targets that aim to close the gap between their deprived neighbourhoods and the rest of the area on a number of key performance indicators.**

88. Central government departments have increased the complexity of the task facing local agencies through their use of area-based and special initiatives. This expansion of initiatives has two significant practical implications for the call to focus on mainstream services in tackling neighbourhood renewal. First, the sheer volume of initiatives makes it difficult for local organisations to evaluate and assimilate the learning from these initiatives into their

mainstream programmes. Second, the reliance on special initiatives undermines the message that mainstream services should be the focus of activity to tackle deprivation. However, local organisations also have various concerns about a speedy reduction in the finances coming through targeted initiatives. We therefore recommend that central government:

- **develops a clear policy on special and area-based initiatives in which only those that support innovation or that tackle time-bound or physical problems are retained or introduced; and**
- **reduces the number of area-based and special initiatives and tapers off the amount of funding channelled through such initiatives over three to five years.**

89. The first phase of the project also looks at the preparedness of local strategic partnerships to respond to the call to ‘bend the mainstream’ and ‘mainstream neighbourhood renewal’. The partnerships have been assigned a range of tasks, and high expectations have been placed on them to deliver change. However, due to varying local circumstances and ambitions some local strategic partnerships have made more progress than others. In the short term, most will not be able to make significant headway in securing practical changes to benefit those living in deprived neighbourhoods, as they

focus on partnership processes rather than on meeting needs. Thus, we recommend that central government:

- **adopts a differentiated approach to the support it offers local strategic partnerships and the tasks it sets them, based on the partnerships’ ambitions and level of development; and**
- **should not view local strategic partnerships as the sole vehicle to deliver neighbourhood renewal in the short term.**

90. Instead, individual local service providers should look to their own capacity to respond to the *New Commitment* in the short term. Our research has found that, in order to do so, they will need to overcome a number of barriers. Not only are there ‘cultural barriers’ within organisations to making neighbourhood renewal a key part of local service providers’ decision-making processes and practices, but there is also sometimes a failure to communicate with middle managers and frontline staff about the implications of the *New Commitment* for the way they work. Budgetary constraints and problems in accessing reliable data on needs and public spending at the neighbourhood level also make responding difficult. Perhaps the biggest threat to the short-term delivery of the *New Commitment* is the confusion over how it ‘fits’ with central government’s other priorities and with other local priorities. Many

interviewees could make no link between national targets and service improvement plans and neighbourhood renewal.

91. These weaknesses will need to be addressed if the New Commitment is to make a difference to the operation of local services. We therefore recommend that:

- **Employers, trade unions and professional associations work together to overcome the barriers to changing job descriptions, person specifications and work processes associated with neighbourhood renewal.**
- **Local service providers reward the positive responses from departments and individual members of staff to the neighbourhood renewal agenda.**
- **Local service providers discuss with staff the implications of the neighbourhood renewal agenda for working practices.**
- **Local service providers link service improvement and neighbourhood renewal, so that they are seen as complementary activities rather than competing demands on service providers' time and resources.**

92. Phase 2 of the research will focus on learning from previous efforts to 'mainstream' regeneration work and other policy issues, such as equalities in local services, in order to address the key issues – skills, communication, resources, culture and information – highlighted in Phase 1.

Appendix 1: Advisory Group, lead Commissioners and study team

Advisory Group

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Study team

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Appendix 2: List of the 88 local authorities targeted under the *New Commitment to Neighbourhood Renewal*

| | | | |
|-----------------------|------------------------|----------------------|------------------|
| Allerdale | Dudley | Leeds | Sandwell |
| Ashfield | Ealing | Leicester | Sedgefield |
| Barking and Dagenham | Easington | Lewisham | Sefton |
| Barnsley | Enfield | Lincoln | Sheffield |
| Barrow-in-Furness | Gateshead | Liverpool | South Tyneside |
| Birmingham | Great Yarmouth | Luton | Southampton |
| Blackburn with Darwen | Greenwich | Manchester | Southwark |
| Blackpool | Hackney | Mansfield | St Helens |
| Bolsover | Halton | Middlesborough | Stockton-on-Tees |
| Bolton | Hammersmith and Fulham | Newcastle upon Tyne | Stoke-on-Trent |
| Bradford | Haringey | Newham | Sunderland |
| Brent | Hartlepool | North Tyneside | Tameside |
| Brighton and Hove | Hastings | Nottingham | Tower Hamlets |
| Bristol | Hyndburn | Oldham | Wakefield |
| Burnley | Islington | Pendle | Walsall |
| Camden | Kensington and Chelsea | Penwith | Waltham Forest |
| Coventry | Kerrier | Plymouth | Wandsworth |
| Croydon | Kingston upon Hull | Portsmouth | Wansbeck |
| Derby | Kirklees | Preston | Wear Valley |
| Derwentside | Knowsley | Redcar and Cleveland | Westminster |
| Doncaster | Lambeth | Rochdale | Wigan |
| | | Rotherham | Wirral |
| | | Salford | Wolverhampton |

Appendix 3: Public service agreement targets of relevance to neighbourhood renewal

| Issue | Govt lead | Local lead | Target ^I |
|-----------|--------------------|---|--|
| Jobs | DWP ^{II} | Employment Service, New Deal Partnership, Action Teams for Jobs | <i>1. Over the three years to 2004, taking into account the economic cycle, increase the employment rates of the 30 local authority districts with the poorest initial labour market position – and reduce the difference between their employment rates and the overall rate.</i> |
| | DTI ^{III} | Small Business Service | 2. Generate more sustainable enterprise in disadvantaged communities. |
| | DWP | Employment Service, New Deal Partnership, Action Teams for Jobs | 3. Over the three years to 2004, taking into account the economic cycle, increase the employment rates of people with disabilities, lone parents, ethnic minorities and over-50s, and narrow the gap between these rates and the overall rate. |
| | DTI | Regional development agencies | 4. Improve the economic performance of all regions, measured by the trend growth in each region's gross domestic product per capita. |
| Crime | Home Office | Crime and disorder reduction partnerships | <i>5. Reduce domestic burglary by 25 per cent, with no local authority district having a rate more than three times the national average (by 2005).</i> |
| Education | DfES ^{IV} | Schools and local education authorities | 6. Close further the achievement gap between different parts of the country by expecting all local education authorities to have at least 78 per cent of their 11 year olds at level 4 or above in English and mathematics by 2004. |
| | DfES | Schools and local education authorities | <i>7. Increase the percentage of pupils obtaining five or more GCSEs at A*-C (or equivalent), with at least 38 per cent to achieve this standard in every LEA by 2004.</i> |

^I The five floor targets are in italics

^{II} Department for Work and Pensions

^{III} Department of Trade and Industry

^{IV} Department for Education and Skills

| Issue | Govt lead | Local lead | Target |
|-----------------------------|-----------------------|---|--|
| Health | DH ^{VI} | Health authorities/ primary care trusts and primary care groups/ local authorities | <p>8. To develop targets in 2001 to narrow the health gap in childhood and throughout life between socio-economic groups and between the most deprived areas and the rest of the country:</p> <ul style="list-style-type: none"> Starting with health authorities, by 2010 to reduce by at least 10 per cent the gap between the quintile of areas with the lowest life expectancy at birth and the population as a whole. By 2010, to reduce the conception rate among under 18s in the worst quintile of wards by at least 60 per cent, thereby reducing the level of inequality between the worst quintile and the average by at least 26 per cent by 2010. <p>Health inequalities target: starting with children under one year, by 2010 to reduce by at least 10 per cent the gap in mortality between manual groups and the population as a whole.</p> |
| Housing and the environment | DTLR ^{VII} | Local authorities and registered social landlords | <p>9. Ensure that all social housing meets set standards of decency by 2010, by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004, with most of the improvements taking place in the most deprived local authority areas as part of a comprehensive regeneration strategy.</p> |
| Environment | DEFRA ^{VIII} | Local authorities | <p>10. Improve air quality in the most deprived areas by meeting our National Air Quality Strategy targets for carbon monoxide, lead, nitrogen dioxide, particles, sulphur dioxide, benzene and 1-3 butadiene, in line with the dates set out in the Strategy.</p> |
| | DEFRA | Local authorities | <p>11. Increase by 2003 the recycling and composting of household waste as set out in the Government's Waste Strategy, with 17 per cent of household waste to be recycled or composted by 2004.</p> |

V Department of Health

VI Department of Transport, Local Government and the Regions

VII Department for Environment, Food and Rural Affairs

Source: (Ref. 18)

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Summary

While recognising that it is still relatively early days for the Government's *New Commitment to Neighbourhood Renewal*, this Policy Focus argues that:

Local strategic partnership members...

- have heard the Government's message on neighbourhood renewal;
- welcome the emphases on the role of communities and public services in making sustainable improvements in deprived areas;
- support the Government's recognition that 'narrowing the gap' between the most deprived areas and the rest of the country will take time;
- demonstrate a lot of commitment to neighbourhood renewal; and
- are making headway in identifying and tackling local barriers to improvement.

However, many local strategic partnership members...

- fear that the plethora of initiatives and their complexity makes it difficult to use mainstream services to meet the needs of those living in deprived neighbourhoods;

- are concerned that the volume of initiatives makes 'mainstreaming' the learning from projects funded by short-term grants more difficult than it should be;
- are sceptical that there will be a significant reduction in the use of special initiatives in favour of mainstream budgets and are not currently prepared to respond if special funding ends;
- are uncertain about local strategic partnerships' roles and responsibilities with regard to service priorities and delivery;
- find it difficult to link neighbourhood renewal to wider service improvement initiatives; and
- have concerns that the neighbourhood renewal message is not getting through to middle managers and frontline staff.

Furthermore, of the 232 local strategic partnership members taking part in our telephone survey...

- one-third don't think that the Government's message on neighbourhood renewal is clear (two-thirds say it is clear);

- one-half think that Government departments are inconsistent in their approach to neighbourhood renewal (only 16 per cent think they are consistent, the rest say they don't know);
- only one-half think that there are sufficient incentives to prioritise deprived neighbourhoods (one-third say there aren't enough incentives, the rest don't know);
- just one-half say that their local strategic partnership has a communication strategy for local neighbourhood renewal;
- one-half say that their partnership hasn't established monitoring arrangements; and
- one-half have no direct personal experience of successfully 'mainstreaming', that is, sustaining changes once short-term grants end.

Therefore...

- the Government needs to ensure consistency between central departments;
- adopt a differentiated approach to local strategic partnerships, taking account of their needs and capacity to respond to the agenda relative to the challenges they face; and
- local service providers need to link their service improvement programmes to neighbourhood renewal, in order to bring practical changes in the short term.

This paper is one of a series of Audit Commission products looking at neighbourhood renewal. It acknowledges the challenges facing organisations and communities trying to turn around deprived neighbourhoods. It highlights ways in which central government could more effectively support local activity and shares local strategic partnership members' views on their progress in responding to the challenge of linking neighbourhood renewal to mainstream service provision.

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