

National Strategy for Neighbourhood Renewal: a framework for consultation

Report by the
Social Exclusion Unit





**CABINET
OFFICE**

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April 2000

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Foreword by the Prime Minister

The job of renewing and revitalising poor neighbourhoods has consistently been a top priority for this Government. In my first speech as Prime Minister, I set out our new approach to social exclusion. Eighteen months ago, John Prescott and I launched the Social Exclusion Unit's (SEU's) report on deprived neighbourhoods, which set out a powerful analysis of what had gone wrong. It made clear that these neighbourhoods suffered from serious multi-faceted problems that would require action on all fronts.



Since then a great deal of work has been set in hand to tackle the legacy of years of neglect. The New Deal has helped create nearly 100,000 new jobs in metropolitan areas. The Working Families' Tax Credit and Minimum Wage are making work pay for millions of people on low incomes. Schools have sharply improved standards in literacy and numeracy particularly in deprived areas. Steady progress is being made on crime and health too – dealing with the causes of problems as well as their symptoms.

In parallel, the Government has been developing policies to address the needs of deprived neighbourhoods. Following on from the SEU's 1998 report, 18 Policy Action Teams (PATs) have been at work, involving hundreds of people from inside and outside Government, on issues as varied as better management of housing estates, dealing with anti-social behaviour and ensuring investment leads to jobs that last.

Many of their recommendations are already being put into practice – new action to foster employment in high unemployment areas; new support for neighbourhood wardens; and a concerted strategy to bring IT access to all areas.

In developing policy we have sought to be as inclusive as possible. Hundreds of people from outside government were involved in the PATs, and thousands more are being involved in consultations. The reasons are very simple. Good policy depends on tapping into the widest base of ideas, knowledge and experience. Good implementation depends on having the broadest possible support behind what needs to be done so that it can be carried through over a full ten-to-20 years.

This report brings together the main conclusions of the PATs and invites feedback from people involved with deprived neighbourhoods – in public agencies, business and the voluntary and community sectors and residents themselves.

The report reaches a very clear conclusion, that there are four imperatives for successful regeneration. First, to revive the economy: without jobs and businesses creating wealth it is impossible for any area to turn itself around. This cannot be divorced from the economic regeneration of bigger areas – cities and regions. Secondly, to revive and empower the community: unless the community is fully engaged in shaping and delivering regeneration, even the best plans on paper will fail to deliver in practice. Thirdly, to improve the key public services, particularly schools, health and the police, as well as to re-engage private services like shops and banks.

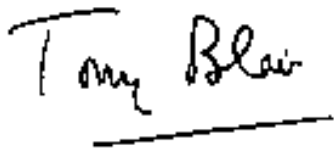
Fourthly, underpinning all of these is a need for leadership and joint working, not just national but also local leadership. This means developing ways to put deprived communities in the driving seat. It also means ensuring all local authorities and other local service providers play their part, with each aspiring to reach the standards of the best in tackling the problems of deprived areas.

The report also stresses the importance of getting priorities right locally. While these will vary, most areas find that early measures to deal with crime and disorder are top of the list, followed by longer-term investment in people and opportunities.

Following the publication of the results of the Spending Review in July, we will set out the final Strategy and give details of how it will be taken forward.

My vision of Britain is of a nation where no-one is left out or left behind, and where power, wealth and opportunity are in the hands of the many, not the few. Investing in that vision is an investment in the future of our whole country, and is in everyone's interests.

I believe that we now have a once in a lifetime chance to put that vision into practice and make a real difference so that everyone can enjoy the prosperity and the opportunities that many people and many neighbourhoods take for granted.



Handwritten signature of Tony Blair, underlined.

SUMMARY

The problem

- 1 Over the last 20 years poverty has become more concentrated in individual neighbourhoods and estates than before, and the social exclusion of these neighbourhoods has become more marked.
- 2 But this is about more than poverty. It is about the fact that compared with the rest of the country many deprived areas have 30 per cent higher mortality rates; 25 per cent more people with low skills and literacy; unemployment rates six times as high; and three times as much burglary.

Why it matters

- 3 The impact of these problems hits hard on the residents of deprived neighbourhoods. But there are many broader effects. The waste of potential holds back the country's prosperity. The taxpayer gets a poor deal as spending on crime and benefits is higher than it needs to be, and housing investment is destroyed by vandalism.
- 4 Deprivation also works against efforts to revive cities and protect the countryside from development. Poor services undermine faith in the political process. And there is an effect on social cohesion as young people and people from ethnic minorities are both disproportionately likely to live in deprived neighbourhoods (people from ethnic minorities are over-represented four-fold).

Causes

- 5 The main driver of neighbourhood decay has, in most areas, been economic. Mass unemployment and the closure of particular industries have devastated communities. New industries have required higher skills, and there has not been enough help for people to adjust to the changing jobs market. Many neighbourhoods have been left almost entirely dependent on state benefits and public money.
- 6 Poverty and unemployment exacerbate a whole range of other social problems, including family breakdown, poor health, youth disaffection, drugs and crime. Faced with a needier or shrinking clientele, private businesses and public services find their task getting harder and may close or come under pressure. The reputation of a neighbourhood falls, and those who can, move out. This erodes the community still further and accelerates decline. Soon, only those with no other option but to live in the area are left. In the process, the very viability of some neighbourhoods comes into question.

Why have Government efforts failed in the past?

- 7 Many people think that Governments have tried everything they could to stem this tide. But, in fact, this report argues that the State response has often been thin and ineffective. Too much reliance has been put on small-scale, short-term regeneration programmes operating in only a few areas. Nothing has been done about the chronic failure of mainstream policies in thousands of neighbourhoods.
- 8 Underlying these policy failures has been a lack of understanding of how neighbourhoods decline, and what could turn them round again. In particular, for too long, deprivation was seen principally as a housing problem to be fixed with bricks and mortar. This missed important dimensions:

- the **economic ghettoisation** of these neighbourhoods, and the need to help the unemployed to help themselves;
- the **erosion of social capital** – the contact, trust and solidarity that enables residents to help, rather than fear, each other;
- **the failure of core services in deprived areas** where public services have been set targets only for improving national averages and not for the outcomes in deprived areas, and their accountability has often been upwards, rather than to the communities they serve. The crucial role of private sector services has been almost ignored; and
- **the lack of clear strategy or concerted joint action**. It has been **no-one's job** – at neighbourhood, local, regional or national level – to ensure that services work together behind common goals, and to measure progress. There has been a failure to pull together all those who could help, and communities themselves have often been left out of the process.

A start has been made

- 9 Many of this Government's flagship policies are already starting to tackle these problems – including the employment New Deals, Education Action Zones, Literacy and Numeracy Strategies, Sure Start, the Crime Reduction and Anti-Drugs Strategies, and measures to modernise the NHS and tackle health inequalities.
- 10 The early results are encouraging. Since 1997, 800,000 new jobs have been created, and unemployment in metropolitan areas has fallen by nearly 100,000. Long-term youth unemployment has more than halved since the New Deal began. Education standards are rising across the board, and attainment in Education Action Zones has risen at double the national rate. Deprived areas made up nine out of the ten most improved areas for numeracy and eight out of ten in literacy in 1998–99. Recorded crime has fallen by seven per cent since 1997, and burglary by 20 per cent.

But more is needed

- 11 There is no room for complacency. The scale of deprivation is substantial and has deep roots. That is why the Prime Minister tasked the Social Exclusion Unit (SEU) with developing a framework for producing integrated and sustainable solutions to the problems of the worst neighbourhoods. This would require simultaneous progress on a range of fronts, working across departments, in and outside the public sector, drawing on the skills and insights of all sorts of people and organisations working in and for deprived neighbourhoods.
- 12 In late 1998, the SEU set up 18 Policy Action Teams (PATs) to fast-track policy thinking on some of the most intractable problems. These have worked alongside other Government policies, as well as experimental 'zones' and regeneration programmes such as the New Deal for Communities (NDC), and work on the Urban and Rural White Papers. The SEU's goal was to develop a National Strategy for Neighbourhood Renewal, pulling the many influences on deprived neighbourhoods behind a single vision and plan. This should be long-term – indeed the Prime Minister talked of it as a ten- to 20-year Strategy.
- 13 This report sets out a framework for the National Strategy, seeking feedback from everyone with an interest in deprived neighbourhoods, as input to the Government's plans and – crucially – to its spending decisions for the next three years. It sets out analysis, ideas and key questions for discussion, and asks other partners to help improve these ideas and think what they could contribute.

The aim

- 14 The aim of the Strategy is to arrest the wholesale decline of deprived neighbourhoods, to reverse it, and to prevent it from recurring.
- 15 Success should be measured against a simple goal – to narrow the gap between deprived areas and the rest of the country by dramatically improving outcomes – with more jobs, better educational attainment, less crime and better health – in the most deprived areas.

The means

- 16 It would be a mistake to concentrate efforts solely on the public services most closely related to the four outcomes. Others, such as housing, transport and child care are critical too in many areas. And the vital contribution of those from outside the public sector needs to be harnessed. A coalition of policies, resources and people needs to be marshalled behind a single Strategy, involving action on four fronts:
 - reviving local economies;
 - reviving communities,
 - ensuring decent services; and
 - leadership and joint working.
- 17 Each chapter sets out a series of key ideas to put these principles into practice. These ideas are under consideration by Ministers, including through the Spending Review. Reflecting the joined up nature of the problems, a great many of the proposals would operate across traditional service lines and achieve multiple goals – e.g. filling service gaps in ways that promote local employment and skills, and which build community ownership. Such policies make more sense to public services' customers, and are likely to be more cost-effective. They also provide a major implementation challenge to traditional service organisations – but mobilising this change is a key task for the National Strategy and an important part of the Modernising Government agenda.

Principle 1: Reviving local economies

- 18 A neighbourhood will not improve without jobs. This means helping people compete for nearby jobs, and nurturing local business. A common theme is ensuring healthy links between neighbourhoods and surrounding areas. Key ideas for helping people compete for nearby jobs include:
 - Key idea 1 **making adult skills a priority in deprived neighbourhoods**, by developing neighbourhood learning centres in deprived areas, possibly built on existing facilities like libraries. These would be run by local people and would offer attractive 'first-rung' courses to tempt people back to learning;
 - Key idea 2 **improving IT in deprived neighbourhoods**, by ensuring at least one publicly-accessible, community-based facility in each deprived neighbourhood by 2002; and encouraging people to use them by employing local champions and offering user-friendly courses;

Key idea 3 **helping people from deprived areas into jobs**, by making quality employment services in deprived areas a high national priority; delivering them through voluntary and private sector bodies as well as public ones; and launching a campaign against racial discrimination in the jobs market; and

Key idea 4 **making sure people know work pays**, through schemes to smooth the transition from benefits to work.

19 Encouraging new business activity is equally important. Key ideas include:

Key idea 5 **keeping money in the neighbourhood**, by looking for ways to ensure more of the money spent by local people is used on local jobs and services; and by making use of the various New Deals to support local service jobs; and

Key idea 6 **supporting and promoting business**, by making quality business support services in deprived areas a high national priority, with the Small Business Service in the lead; helping people move from benefits to business via an 'income bridge'; and funding Community Finance Initiatives (CFIs) which provide funding and support to small businesses.

Principle 2: Reviving communities

20 It is impossible to turn round a deprived area without the help of local residents. But before this can happen, local threats need to be tackled. Key ideas include:

Key idea 7 **tackling anti-social behaviour**, by making prevention a priority (through neighbourhood agreements) and by clarifying who should respond to it (Crime and Disorder Partnerships). Tackling racist crime and harassment would be a high priority;

Key idea 8 **introducing neighbourhood wardens**, who can provide an official presence in the neighbourhood, to reduce crime and fear of crime;

Key idea 9 **improving housing lettings policies**, by focusing local authorities and Whitehall on making communities sustainable, and by looking at giving less needy people access to social housing, to build mixed communities; and

Key idea 10 **reducing neighbourhood abandonment**, by preventing houses from being built where no-one wants them; focusing local authorities on preventing abandonment; and funding selective demolition.

21 A second ingredient is to build community confidence and encourage residents to help themselves. Key ideas, all of which aim to maximise ethnic minority involvement, include:

Key idea 11 **promoting arts and sport in deprived neighbourhoods**, by focusing the spending of bodies such as the Arts Council and Sport England much more on tackling social exclusion, particularly in deprived areas;

Key idea 12 **building community capacity**, by encouraging core public services (e.g. for jobs and housing) to invest in building people's capacity to help themselves, and by building local leadership, for instance by helping community leaders in different places to learn from each other;

Key idea 13 **making it easier for local organisations to get funding**, by rationalising funding sources; introducing common application forms and easy-to-access funding arrangements for very small grants; and piloting neighbourhood endowment funds; and

Key idea 14 **involving community and voluntary sector organisations in service delivery**, by having ‘benchmarks’ for public service spending on or through community organisations, including ethnic minority and faith organisations; and ensuring that new initiatives in deprived areas are influenced or led by the community, such as neighbourhood management (see key idea 25).

Principle 3: Decent services

22 Core public services are often poorest in the poorest communities. But they need to be as good there as anywhere else, to address the substantial challenges that deprivation raises. Key ideas include:

Key idea 15 **targets for core public services in deprived neighbourhoods**, where Government departments could be given clear and challenging targets for improving outcomes – such as better health, less crime, more jobs, better educational attainment, fewer drugs and better access to transport – in deprived neighbourhoods, and asked to implement these locally, in partnership with local authorities and local services. These targets would be part of departments’ main Public Service Agreement (PSA) targets. A leading option would be to have a list of about ten different indicators, and require minimum outcomes everywhere. Whether and how to do this is being examined in the Year 2000 Spending Review; and

Key idea 16 **ensuring services have the resources for the job**, where the Spending Review is also examining whether departments’ overall funding – and the funding formulae to distribute this – can deliver the Strategy’s goals.

23 These changes would put the onus firmly on core public services – like schools, police and health services – to be the Government’s main weapons against deprivation. This means a new role for area initiatives (special pots of money that some deprived neighbourhoods get): innovating and helping to join up core public services, rather than just shoring them up when they fail.

24 Deprived neighbourhoods also need services that are tailored to their particular needs. Key ideas include:

Key idea 17 **increasing ‘Schools Plus’ activities** to help raise attainment in disadvantaged schools. Proposals include ensuring pupils have at least three hours of study support per week; new Schools Plus Teams to support schools; better linkages with communities by employing local people as ‘Community Learning Champions’; increasing the use of ethnic minority mentors and funding supplementary and mother tongue schools;

Key idea 18 **support for families and young people**, where the idea of better family support is something that several PATs have championed. It is being considered in the Spending Review. Ideas include accessible services or referral points (e.g. in schools or health centres) and family/school partnerships; and

Key idea 19 **on-the-spot service delivery**, where there is a case for more service provision within deprived neighbourhoods. Ideas include more on-the-spot housing management, and better use of local buildings.

- 25 But public services are not the end of the story. High-quality, accessible private sector services are also important, but often missing. Key ideas to address this include:

Key idea 20 **helping bring shops back to deprived areas**, by encouraging local retail strategies; focusing crime prevention on deprived areas; and removing planning impediments to shops locating in deprived areas; and

Key idea 21 **improving access to financial services**, by stimulating fast credit union growth in deprived areas; and encouraging more widespread use of 'Insurance with Rent' schemes. This could be complemented by developing the Post Office network to deliver more financial services.

Principle 4: Leadership and joint working

- 26 The problems of deprived areas are joined up. And many organisations have roles to play in addressing them. A joined up response is vital. This means having the right mechanisms in place at several levels. Key ideas include:

Key idea 22 **a central focus in Whitehall**. Policy on deprived areas will need to be properly co-ordinated, and lead responsibility for the National Strategy made clear. One option would be a cross-cutting unit, perhaps within a single department, overseen by a joint Ministerial group;

Key idea 23 **regional co-ordination**. The Performance and Innovation Unit's (PIU's) report, *Reaching Out*, argued for the strengthening of Government Offices for the Regions (GOs) to help join up regional activity. This has potential to assist neighbourhood renewal – working with Regional Development Agencies (RDAs);

Key idea 24 **local strategic partnerships**. The new framework for Community Planning could be used to set in place local strategic partnerships (LSPs) to ensure better joint working in deprived neighbourhoods. LSPs would bring together public sector services – including non-local authority services like the Employment Service and health – as well as private, voluntary and community sector interests. Their goal would be to work up an agreed strategy for addressing these problems, and contribute to the achievement of the targets to which each service is working individually. GOs would support and accredit partnerships. The development of these partnerships would be a key way to recognise and incentivise good local government practice, while supporting areas where joint-working was less well-developed. They could also provide vehicles for the rationalisation of multiple local plans and partnership requirements; for the local co-ordination of area initiatives; for the development of local frameworks to support Urban Renaissance; and would go with the grain of other possible new initiatives, such as PSAs with local authorities; and

Key idea 25 **neighbourhood management**, to give residents a say in service quality and effectiveness; opportunities to run services; and somewhere to turn when things go wrong. These ideas have been worked up into the idea of neighbourhood management, and a Pathfinder programme is proposed to test them.

- 27 Regeneration programmes would need to change to fit the new vision. In the long run, they would need to move away from shoring up poor public services, towards supporting joint working and building up local capacity. But change would be gradual. Any changes would need to promote community and voluntary sector involvement, especially from ethnic minorities, women and faith communities, who have often missed out in the past.

- 28 Similar needs for co-ordination of services have been identified for disadvantaged young people, wherever they live. The key idea to address this is:
- Key idea 26 **better co-ordination of policies and services for young people.** Existing local mechanisms could be better used to co-ordinate youth issues. And in Whitehall, youth issues could be led by a new cross-departmental Ministerial group, supported by a Youth Unit.
- 29 Communities and voluntary sector organisations are vital partners in turning round deprived neighbourhoods, as noted earlier in key ideas 12 to 14. But business, too, has an important and unique role to play.
- Key idea 27 **getting business involved in neighbourhood renewal,** where this needs a better push from Government. Corporate Social Responsibility has now been given a clear Ministerial home to help achieve this. Combined with clearer co-ordination structures (the LSPs described above), this could aid understanding of where and how business can make an impact and the business case for doing so, and promote innovation.
- 30 And work in deprived areas also needs to be underpinned by high-quality data; evidence on ‘what works’; and proper training for staff. Key ideas include:
- Key idea 28 **Neighbourhood Statistics,** where the Office for National Statistics (ONS) could pull together ‘Neighbourhood Statistics’ into an accessible database, enabling a more tailored and better-monitored response to deprived area problems. Parallel changes could improve data on ethnic minority disadvantage;
- Key idea 29 **a National Centre for Neighbourhood Renewal** which would help ensure that those working in deprived neighbourhoods had up-to-date, comprehensive information on ‘what works’; and
- Key idea 30 **better training** where various PATs have put forward proposals to improve the training of public service practitioners in deprived areas, and the training of civil servants who work up policy for these areas.
- 31 These ideas together make up the framework for the National Strategy. This framework is subject to the outcome of the consultation on this report, and also to decisions in the Year 2000 Spending Review which covers public expenditure for 2001–04. Once these decisions are announced, detailed implementation planning will begin, with the aim of finalising the National Strategy and having it up and running by spring 2001. Precise targets for the rate of progress must await these decisions.

What would change?

- 32 Within neighbourhoods themselves, these proposals could mean several big changes: more people getting jobs or starting businesses; really tackling neighbourhood crime; more opportunities for local people to help turn round their neighbourhoods; a comprehensive response to the problems of young people; good quality schools and health services; and more of an on-the-spot presence through super-caretakers, neighbourhood wardens, etc.

- 33 Close attention will need to be paid to getting local priorities right. In the majority of deprived neighbourhoods this will mean concentrating first on restoring order, where it is lacking, without which no change is possible. Once that has been done, attention can shift to longer-term priorities like jobs, a future for young people, educational attainment and health. It will also be important not just to focus on those neighbourhoods that are already extremely deprived, but also to prioritise preventive action in other neighbourhoods that are at risk of decline.
- 34 These changes would make a significant difference to people in deprived neighbourhoods. And they *are* feasible. This report sets out many real-life examples of big changes in all four of the key outcomes – less crime, more jobs, higher educational attainment and better health – in very difficult areas, and many of the key ideas build on proven practice here and abroad. The challenge now is to generalise these achievements, and ensure that within a generation, the ambitious goals of the Strategy are met.

Background and next steps

- 1 This report is a follow-up to the SEU's report on deprived neighbourhoods,¹ which responded to the Prime Minister's remit to examine:

"how to develop integrated and sustainable approaches to the problems of the worst housing estates, including crime, drugs, unemployment, community breakdown and bad schools etc".
- 2 The 1998 SEU report² set out the need for a National Strategy for Neighbourhood Renewal to be an agreed response, across Whitehall and beyond, to the problems of deprived areas. (The Strategy applies to England only but will be drawn upon by the administrations in Scotland, Wales and Northern Ireland in drawing up their distinctive strategies.)
- 3 The main building blocks of the National Strategy would be 18 cross-cutting Policy Action Teams (PATs), set up to take forward an intensive programme of policy development, at the same time as learning from new programmes like the NDC.
- 4 These PATs would not be made up exclusively of Whitehall officials, but would bring in outside experts and people working in deprived areas to ensure that recommendations were evidence-based and reality-tested. The PATs would each have a Ministerial Champion. Five were led by the SEU and 13 by other Government departments. All of these PATs have now reported. Summaries of their findings can be found at **Annex A**.
- 5 As part of its remit, each PAT was asked to look specifically at ethnic minority disadvantage in deprived areas. This is because ethnic minority people are disproportionately concentrated in deprived areas. Many of the PATs' recommendations on ethnic minority issues have been included in this report, and are covered in **Chapters 5–8**. The SEU will also shortly be publishing a brief guide to the ethnic minority aspects of the PAT reports, as well as its other reports.³
- 6 Each of the PATs has made a vital contribution to the Government's understanding of the problems of deprived neighbourhoods, and together they provide an important reservoir of proposals for future Government policy. Some of these recommendations have already been accepted, and some are still being considered.
- 7 This report highlights PAT and other recommendations that are of particular strategic importance, and asks for views on them. The fact that they are mentioned in this document does not imply that they have been agreed. Nor does the fact that something has not been mentioned mean that it will not be pursued. Where recommendations that have been agreed are discussed, this is made explicit.
- 8 Overall, the 18 PATs have made around 600 recommendations. These are being considered in various different ways, for instance by individual departments, in cross-Government groups and in the Year 2000 Spending Review. The SEU intends to publish a document later this year which will track each of the PAT recommendations and explain what was decided about them.
- 9 The Government is currently reviewing how to allocate its spending between different priorities for 2001–04 in the Spending Review. This covers not only the spending of individual Government departments, but also important subjects that cut across the responsibilities of individual departments.
- 10 Several of these cross-departmental Reviews are of relevance to the development of the National Strategy, such as the Review of Welfare to Work and 'ONE',⁴ and the Review of Young People at Risk. But most significantly, a Review is underway on Government Interventions in Deprived Areas,

the goal of which is to propose how the Government should allocate resources and set targets to achieve the goals of the National Strategy. This Review is making a pivotal contribution to working up the Strategy, and a lot of the material in this report draws directly on its work.

- 11 Many of the PATs made use of evidence from abroad. Some particularly interesting examples can be found in **Annex G**. More work will be needed, as the final National Strategy is developed, to ensure that the best ideas from this country and abroad are identified and incorporated, where appropriate.
- 12 At the same time as learning from this experience, the UK is committed to sharing its ideas and experience – from England and from the distinctive strategies being developed in Scotland, Wales and Northern Ireland – with international partners. In particular, the UK is pushing for the issue of social exclusion to climb up the European agenda, and is working closely with European partners on this.

This consultation report

- 13 This is a report for consultation, not the final Strategy, as it:
 - contains proposals, not announcements. These ideas, many of which seek to involve other sectors in delivery, are not set in stone. It is vital that the many people with an interest in this subject get to have a say; and
 - recognises that an effective National Strategy will also require the commitment and independent action of organisations and people from other sectors, such as local government and the voluntary, community and private sectors.
- 14 For these reasons, this consultation framework is asking two basic questions:
 - whether the ideas under discussion are right; and
 - what local authorities, other local service providers and the community, voluntary and private sectors can contribute to the final strategy.
- 15 The debate on these two issues will take the form of a consultation on this framework document. The consultation period will provide an extended opportunity to comment, before the final shape of the Strategy is decided and set out later in the year. The consultation will last until the end of June, and will be accompanied by a programme of events across England.
- 16 A series of questions have been set out at the end of each of **Chapters 5–8** to provoke debate. Views on these issues are very much welcomed. The closing date for receiving these is 30 June 2000.
- 17 There are three ways to feed in views:
 - **In writing**, to:

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Cabinet Office
Room 131^f/1
Horse Guards Road
London
SW1P 3AL

- **By e-mail.** You will find an electronic version of the consultation questions in this report on the SEU website (www.cabinet-office.gov.uk/seu). Responses can be e-mailed to the SEU, once completed. An e-mail address to do this can be found on the website.
- **At one of the SEU's special national, regional and local events** being organised to explain how far the SEU has got in working up the National Strategy, and to seek views on the issues that still need to be decided.

- 18 If you would like additional copies of this report, please ring 020 7270 6315 (which will be operational until the end of the consultation period) or e-mail Jamil Mohamed (jamil.mohamed@cabinet-office.x.gsi.gov.uk).
- 19 The Summary, Background and Next Steps from this document are also available in each of the following languages:

এই প্রচারপত্র বাংলা ভাষায় পাওয়া যায়। Bengali

本單張提供有中文版。 Chinese

આ પત્રિકા ગુજરાતીમાં ઉપલબ્ધ છે. Gujarati

यह पत्रिका हिन्दी में उपलब्ध है। Hindi

ਇਹ ਖਰਚਾ ਪੰਜਾਬੀ 'ਚ ਉਪਲਬਧ ਹੈ। Punjabi

یہ لیفٹ لیٹ اُردو زبان میں دستیاب ہے۔ Urdu

- 20 For a copy in one of these languages, please contact the SEU on the telephone number given above.

WHY A NATIONAL STRATEGY?

■ Chapter 1: The problem – scale, trends and impact

Chapter summary

Many local authority districts suffer from extreme deprivation. But the most severe extremes occur within smaller areas – neighbourhoods.

This is a huge problem, affecting thousands of neighbourhoods and millions of people. And long-term trends suggest that it may worsen rather than improve.

The problem has serious implications for everyone. For instance, it pushes up public spending, undermines social cohesion and puts a brake on prosperity.

- 1.1 The SEU's 1998 report on deprived neighbourhoods⁵ demonstrated that there is huge inequality between places.

The local authority level

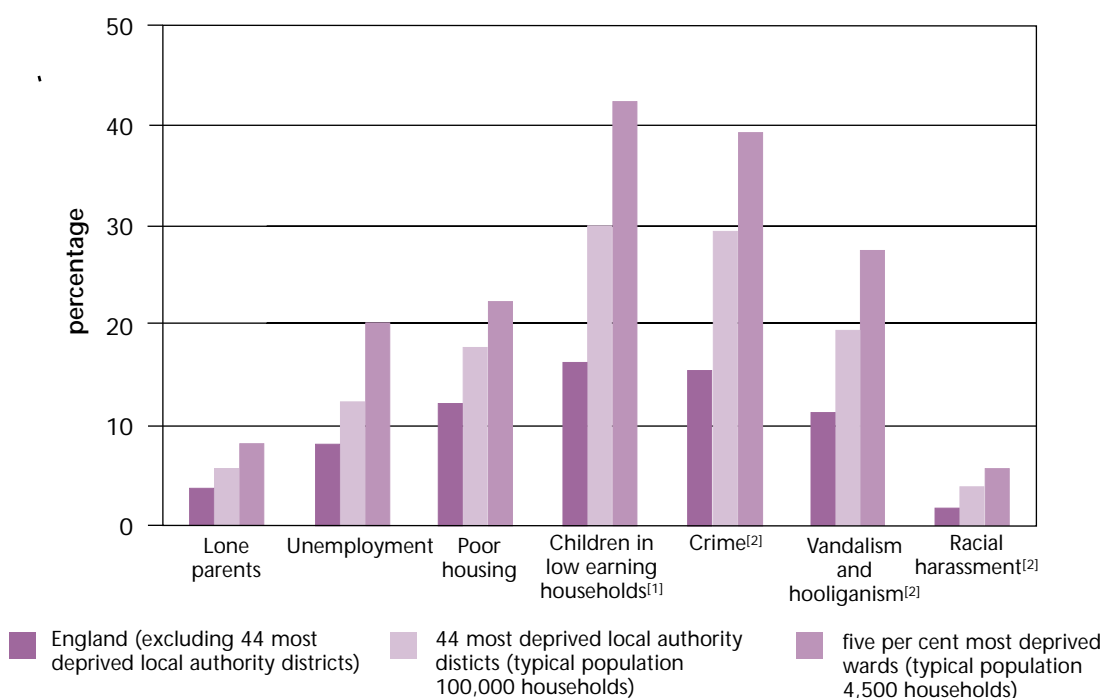
- 1.2 In 1988, compared with the rest of England, the 44 most deprived local authority areas had:⁶
- nearly two-thirds more unemployment;
 - mortality rates 30 per cent higher;
 - a quarter more adults with poor literacy and numeracy;
 - a quarter more children who do not get a single GCSE; and
 - two to three times the levels of poor housing, vandalism and dereliction.
- 1.3 Burglary rates in the most deprived police basic command unit areas⁷ were three times the national⁸ average in 1998–99, and ten times the rate in the lowest-crime areas.⁹
- 1.4 Recent SEU reports confirm this picture. The report on teenage pregnancy¹⁰ found that in the poorest areas in England, teenage conception and birth rates were six times those in the most affluent.
- 1.5 The *Bridging the Gap* report on 16–18 year olds not in education, employment or training¹¹ found that in some deprived districts, such as Knowsley and Salford, non-participation rates were as high as 40 per cent. This compares with a national average of nine per cent.
- 1.6 The Acheson report on health inequalities¹² provided some examples of how health differs between places. Compared with Surrey, Manchester has:
- six years lower life expectancy for men and four years less for women;¹³

- men who enjoy 11 years less of good health, and women nine years less;¹⁴ and
- treble the death rate from coronary heart disease in people under 65.¹⁵

Wards and neighbourhoods

- 1.7 But the greatest poverty and exclusion is seen by looking not at local authority areas but at smaller neighbourhoods. In many areas, particularly London, local authority-wide averages conceal the extent of the problem, as neighbourhoods with extreme deprivation sit next to pockets of prosperity. In other local authority areas there are very few parts that are not severely deprived.
- 1.8 Neighbourhoods are difficult to define, but generally consist of areas of a few thousand people. Because neighbourhoods often cut across administrative boundaries, there is little reliable information on particular estates, as shown by PAT 18 on Better Information.¹⁶
- 1.9 The best proxy for neighbourhoods is therefore the ward. As **Figure 1**¹⁷ shows, poverty, unemployment, lone parenthood, poor housing, crime and problems with racial harassment and vandalism are more concentrated at ward level than at district level.

Figure 1: Comparison of the 44 local authority districts, the rest of England, and the five per cent most deprived wards in England



[1] 'Children in low earning households' is defined here as the percentage of children in households which rely on Income Support.

[2] Perception of whether issues are a serious problem in respondents' local area.

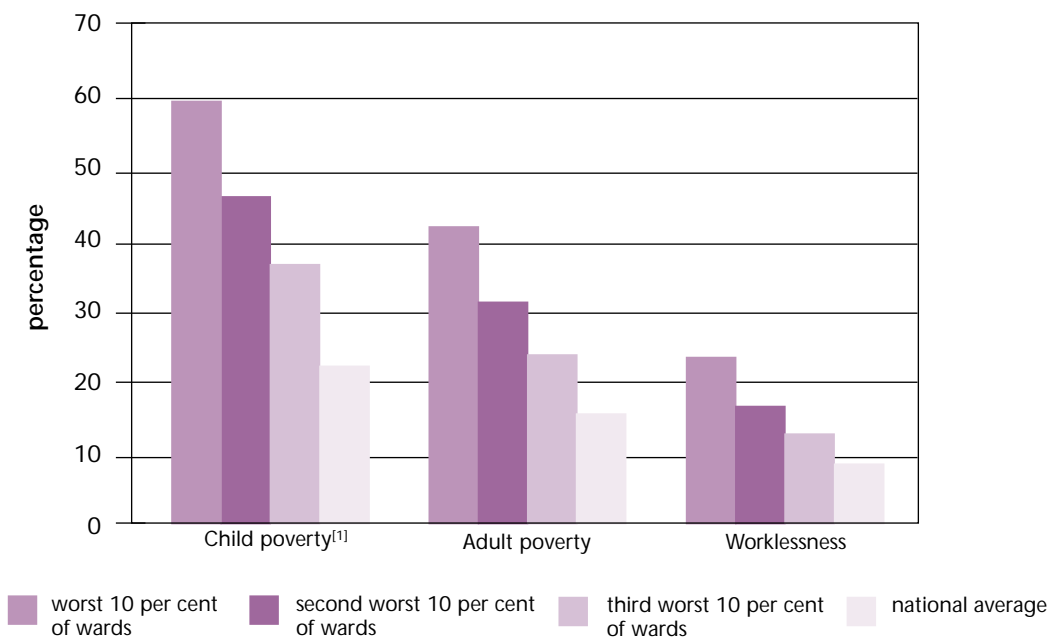
- 1.10 The PAT reports show that the problems in deprived neighbourhoods go wider still. Many people are cut off from basic services such as shops, transport, telephones, and banks, and are more exposed to crime, drugs, and racism. For instance:
- in some housing estates, fewer than 50 per cent of households have a telephone, compared with a national average of 90 per cent who do;¹⁸
 - unemployment rates in the 100 most deprived wards are 20–30 per cent – six times the national average;¹⁹

- there are 488 secondary schools which have more than 35 per cent of pupils entitled to free school meals. Most are in deprived areas. Only 11 of these schools attained national average levels of GCSE passes in 1998;²⁰
- just 24 per cent of students attending these schools gained five or more GCSEs, compared with a national average of 46 per cent;²¹
- one and a half million households (seven per cent) have no bank account or insurance products. The majority of these households live in social housing and are out of work;²²
- the number of independent stores declined by almost 40 per cent in the 11 years between 1986 and 1997, affecting many deprived neighbourhoods;²³
- over 900,000 houses are vacant or in low demand. This accounts for 11.5 per cent of local authority housing stock, eight per cent of registered social landlord stock, and three per cent of private sector stock;²⁴ and
- while there is no firm statistical evidence to associate poor transport provision and deprived neighbourhoods, there are plenty of examples of access to good public transport being a problem on large, isolated estates. The National Travel Survey²⁵ shows that lower income groups are more dependent on public transport than other groups.

How many neighbourhoods are deprived?

- 1.11 The scale of the problem is more substantial than is often imagined. It is not just about a few neighbourhoods. It is about thousands of neighbourhoods, and millions of people. The SEU's 1998 report on deprived neighbourhoods²⁶ suggested that there are several thousand deprived neighbourhoods in England alone.
- 1.12 **Figure 2**²⁷ shows that it is possible to argue that at least 20 per cent of all the wards in England – and possibly 30 per cent – could be described as deprived. For instance, in 20 per cent of wards, rates of child poverty and household worklessness are double the national average.

Figure 2: Deprivation in the three worst bands of the ILD (1999) (all averages are medians)



[1] 'Child poverty' is defined here as children living in households where the main source of income is a means-tested benefit.

The impact of neighbourhood deprivation

1.13 The impact of neighbourhood deprivation bears both on individuals who live there and those who do not. Some of the key effects are:

- **individuals failing to reach their potential:** where people live affects their health, well-being, and employment. For instance, new research²⁸ from the USA shows that when households are moved out of a poor neighbourhood and placed in areas of low poverty, individuals' experience of depression and victimisation reduces sharply, and there is a modest effect on movements into work;
- **a brake on the economy.** The spiral of deprivation in the poorest neighbourhoods helps keep people out of work, putting a brake on national prosperity. It is hard to get a job if you suffer from ill-health and poor education; do not know anyone who works; and employers do not recruit in your area. But this is a huge waste of human potential, makes it harder to fill vacancies, and is a constraint on economic growth;
- **financial costs on others or on the taxpayer.** Where deprived neighbourhoods are also high-crime neighbourhoods, non-residents as well as residents will feel the cost through crime and vandalism. Crime and disorder cost the taxpayer over £50 billion per year,²⁹ but it is estimated that the national crime rate would fall by 25 per cent if the crime rate in this worst 10 per cent of places fell to that in the next worst ten per cent of places.³⁰ Poor skills and unemployment feed into higher benefit bills and lower tax revenues: for instance, Ernst and Young estimate that the cost of illiteracy alone amounts to £10 billion.³¹ To this must be added the cost of wasted housing expenditure where relatively new social housing becomes extremely difficult to let or is built and then swiftly abandoned;
- **effect on social cohesion.** It is also important to remember that the poor conditions in deprived neighbourhoods bear disproportionately on two groups in society, the *young*, and *people from ethnic minorities* – over half of whom live in just 29 local authority areas, all of which are very deprived;³²
- **damage to cities and the countryside.** The Government is committed to building 60 per cent of the new houses needed to accommodate the expansion in the number of households on 'brownfield' sites. This will relieve pressure for new developments in the countryside. But at present, the number of households in the countryside continues to grow. One of the reasons why people will not move back into cities is the presence of deprived neighbourhoods. For instance, people are scared by the crime that is generated in and around these neighbourhoods, and worried by perceptions that services like schools are poorer in or near them; and
- **loss of faith in the political process.** Faced with worsening conditions and poor services, many people in deprived neighbourhoods are losing faith in the State and beginning to feel as if they have little stake in society. For instance, people in deprived areas are significantly less likely to vote than people elsewhere.³³

1.14 In short, everyone pays for the problems of deprived neighbourhoods. People in deprived neighbourhoods have the highest price to pay. But everyone pays in the end, whether as employers, victims of crime, or taxpayers.

Has the problem been getting worse?

- 1.15 The trends have not been going in the right direction. Inequality between neighbourhoods widened over the 1980s and 1990s:
- research carried out for the Joseph Rowntree Inquiry into Income and Wealth³⁴ showed that the already wide gaps between affluent and poor wards in 1981 had widened by the 1991 Census;
 - in 1977, the unemployment rate in the worst ward in Sheffield was twice that in the best. By 1997, it was six times as high;³⁵ and
 - the SEU's 1998 report³⁶ quoted evidence that health inequalities between districts had widened steadily since the 1950s. A recent report from the Joseph Rowntree Foundation concluded that they are continuing to widen.³⁷
- 1.16 Research suggests that these drivers of inequality will persist, and may be joined by new ones. An Economic and Social Research Council (ESRC) study³⁸ of what Britain might be like in 2010 draws attention to "persisting social and economic inequalities with polarisations in cultural, educational and material living standards". It illustrates the geographical dimension of this with the example of schooling, where there is the potential for future trends to "reinforce and even exaggerate present inequalities in educational attainment".
- 1.17 Underlying much of this is a recognition of the possible challenges posed by the continuing shift towards a knowledge-based economy, and the impact of increasingly sophisticated technologies. The Government cannot change the fact that these are there – nor should it try to. But Government policy can be shaped so that it better meets these challenges and harnesses their power in the interests of all in society. This needs a good understanding of what has gone wrong in the past.

■ Chapter 2: Why does it happen?

Chapter summary

The cycle of decline for a neighbourhood almost always starts with a lack of work. This generates other social problems – crime, drugs, low educational attainment and poor health – all of which reinforce one another and speed local decline. The ‘social capital’ of local communities is undermined. All of this makes it hard for essential public services to cope.

Past Government responses have been flawed – with too little effort put into helping people into work; too little protection for communities from serious threats and too little involvement of local people in solving their own problems; too little investment in opportunities for young people; and public services that have been inadequate, poorly co-ordinated and poorly tailored to local needs. Special area initiatives have also failed to make the desired impact, concentrating too much on physical improvements and too little on people; and too often focusing on shoring-up inadequate public services.

Introduction

- 2.1 There have always been some areas that are poorer than others. No doubt there always will be. But, as the previous chapter and the analysis in the SEU’s 1998 report³⁹ show, the problem seems to have worsened substantially. Its scale and intensity, the inequality between neighbourhoods and the extent to which the same places experience the worst problems have become worse than 20 years ago.
- 2.2 This chapter examines why the problem has come about, and why it has not been remedied.

Why has the problem come about?

- 2.3 Each deprived neighbourhood has its own history. But there seem to be some common factors that help to explain why some neighbourhoods have become deprived, and why those that were already deprived have got worse.

Decline in economic activity

- 2.4 The catalyst for the decline of these neighbourhoods was a sharp fall in economic activity. This came about – mainly in the 1980s, but with repercussions throughout the 1990s – because of three main sets of factors:
 - **economic factors**, such as the decline of urban employment. While Britain’s 20 major cities lost half a million jobs between 1981 and 1999, the rest of Britain saw jobs increase by 1.7 million.⁴⁰ These job losses hit certain areas and industries particularly hard. In parallel, there has been a decline in the number of unskilled and manual jobs;
 - **demographic factors**, where more family breakdown has increased poverty, and has often created circumstances which make it difficult for people to take work (e.g. lone parents with child care needs); and

- **housing and benefits**, where job losses were compounded by a benefits system which made low-income work unattractive, trapping many people on benefits.

Increasing social problems and reduced social capital

- 2.5 The impact of these economic shocks on neighbourhoods has been intensified by changes in attitudes to social housing, in its availability criteria and in the standard of the stock, which have combined to concentrate vulnerable, workless people in the same place. This has created areas with little culture of work and few working role models.
- 2.6 The absence of work does not only create poverty. It also feeds a variety of other social problems, such as crime, poor health and low educational attainment. Once these inter-related problems have begun, a vicious dynamic can take hold. Property prices fall. Shops close. Those who can move out, do so. The area attracts a bad reputation, meaning that only the most vulnerable people will agree to live there, and some housing becomes difficult to let or vacant. Employers begin to 'red-line' the area – choosing not to recruit there.
- 2.7 A further twist is given to this process if drugs become a serious problem locally. The presence of a local drug market can be catastrophic for neighbourhoods. Drug markets bring: drug-related crime (opportunistic robberies to feed a habit); environmental hazards (e.g. discarded needles); low-level nuisance and noise (e.g. via the comings and goings of users at all hours); and heightened levels of fear and intimidation.
- 2.8 In parallel, deprived neighbourhoods become increasingly cut off from their surrounding areas. This has obvious further impacts on employment. But it has deeper impacts particularly on young people, who often grow up with a narrow view of life and few positive role models, which can undermine their chance of a successful transition to adulthood.
- 2.9 The process also involves vital resources of 'social capital' – such as trust or community spirit – being undermined by the rapid turnover of people and increased fear of crime. It is on this foundation that social stability and a community's ability to help itself is usually built – and its absence is a key factor in decline.

Pressure on public services

- 2.10 This process leads to ever-increasing reliance on the State – some deprived neighbourhoods rely on the State for over 75 per cent of their income.⁴¹ But the very processes that push communities into this dependence also undermine the ability of the State to help them. Core public services, like schools, the police, health and social services, struggle under a higher and more difficult workload.
- 2.11 These services also face new challenges, as the problems they face become more inter-related. The need to work together becomes more critical. Professionals come to need a wider range of skills – for instance, teachers face a range of social and health problems in the classroom in such areas. And there is a greater need to use innovation and local knowledge to crack persistent, complex problems. But the difficulty of the job makes it more difficult to recruit and retain staff.
- 2.12 This often means that the poorest neighbourhoods get the poorest services. The failure to address this has been a key reason why so little progress has been made in solving the problems of deprived neighbourhoods.

Why hasn't the problem been sorted out?

- 2.13 To see the 'deprived neighbourhoods problem' as it now stands, it might be assumed that previous Governments did little about it. This is not the case. Deprived neighbourhoods have been on the receiving end of many initiatives over the years. And funding formulae for public services (which determine how much money these services get in different areas) are often skewed slightly in deprived areas' favour, to try and meet their needs.
- 2.14 Progress has been made, but it has been far too patchy. This section describes why the efforts of the public sector and others have failed to turn round deprived neighbourhoods. At the very core of this failure is the lack of a coherent strategy to prevent and tackle the problem. But, more disturbingly, there are too many instances where the public sector is part of the problem, not the solution.

Action on jobs has been ineffective

- 2.15 Economic activity is the starting point for decline, but also for renewal. To achieve this, some key barriers need to be overcome:
- **disincentives to work**, caused by the failure of the benefit system to encourage or support a return to work. This has been a particular problem for those on sickness and disability benefits and for lone parents. People in deprived areas often fear that finding work would leave them no better off, or that if they take work and then return to benefits, payments would be reduced or delayed;
 - **lack of qualifications** and the 'soft skills' and IT competence needed for modern jobs;
 - **access problems**, such as lack of support for child care or poor public transport; and
 - **racial discrimination**, where there is evidence that inadvertent or overt racial discrimination plays a part in ethnic minority unemployment. In 1998, 13 per cent of people from ethnic minorities were unemployed, compared to 5.8 per cent of white people.⁴² Rates of ethnic minority unemployment are higher no matter what their qualifications, place of residence or age, and research has shown that people from an ethnic minority background are less likely to get interviews than others.⁴³
- 2.16 Business in deprived areas has not been adequately encouraged or supported, and the economic potential of deprived areas has not been harnessed. Added to this has been the failure of employment and business support services to deliver the intensity of help that deprived neighbourhoods need.

A failure to promote enterprise in deprived neighbourhoods

"Our single most important finding is simply that promoting enterprise in deprived communities does not get the attention it deserves, whether from the different parts of central government, or from the diversity of local and regional institutions or from private sector banks and other firms."

HM Treasury (HMT), *Report of Policy Action Team 3, Enterprise and Social Exclusion*

Communities have been unprotected and uninvolved

- 2.17 Communities themselves ought to be the best advocates of their own interests. And the best solutions will be those that include their input and have their support or participation. But their capacity to do this has been undermined, as shown above.
- 2.18 Effective responses to drugs, crime, and anti-social behaviour are a necessary foundation for the development of communities.
- 2.19 But there is more that the public sector could do to help rebuild this 'social capital', by consulting residents more about local services, or helping them to acquire the skills to help themselves (what is often known as 'community capacity building').⁴⁴ But these important activities often get squeezed out by other funding priorities, demand for short-term results, or because it is no-one's job to do it.
- 2.20 Equally, it is hard for organisations outside the public sector to influence the delivery of public sector programmes, or get involved in delivering them, even when they can do it well. And though there are numerous funding streams for community and voluntary sector organisations, their very proliferation is a problem – breeding bureaucracy and conflicting rules.

The community's voice goes unheard

"Local authority or government-funded programmes...almost always end up with a hierarchical approach to community development that denies all opportunity for such initiatives to be owned by local people."

Inner city priest, in response to recent SEU consultation

The poorest communities have received the poorest services

Private sector services

- 2.21 Services in deprived neighbourhoods – public and private – are often poorer than those elsewhere. Private sector services, which are often not present in deprived areas, are one aspect of this. Deprived neighbourhoods suffer from poor access to shops;⁴⁵ restricted access to financial services;⁴⁶ and late take-up (if any) of new Information and Communications Technologies (ICTs).⁴⁷ This compounds poverty and curtails opportunity.

Core public services

- 2.22 But, as the analysis above showed, public services are also often poorest in the very places where they are needed most. It is perhaps no surprise that a sudden decline in a neighbourhood could catch services unawares. But it is more difficult to understand why, even in areas that have long been deprived, services remain inadequate. There seem to be several reasons:
- **Government departments have never been asked to prioritise these neighbourhoods, nor have they been assessed on the basis of what they achieve there.** Often it almost seems to be assumed that this task falls to area initiatives, despite their limited coverage and short-term nature;

- perhaps as a result, **key services such as health services, training and education spend little more in deprived areas than elsewhere**. This puts them at a disadvantage dealing with needier customers, and in recruiting, retaining and training good staff who may need incentives to work there. Research by Manchester University⁴⁸ found that GPs would be willing to give up over £5,000 income per year to avoid working in a deprived area;
- for some key services, even if funding formulae point money towards the right wider areas, **the money may not reach deprived neighbourhoods within these areas**. For instance, despite some weighting of education funding towards more deprived local authorities, OFSTED has found⁴⁹ wide variations in the amount of funding reaching similarly disadvantaged schools. Some deprived primary schools get twice as much revenue funding as comparable schools; and
- **key services and policies are too often shown up as remote and inadequate** in areas that do not conform to 'mainstream' assumptions. Realistic assumptions and intensive local approaches are needed in areas where: children arrive hungry at school and do not have anywhere to do homework; patients may not share a common language with their doctor; hardly anyone knows anyone who has a job; and significant numbers of families do not have a phone, never mind a car or a computer.

Dissatisfaction with services in Sandwell

In writing a delivery plan for the NDC Partnership in Greets Green Sandwell, local people looked at local public services, and wrote down what they felt was wrong with them. They said "there is strong evidence...that much needs to be done to reshape services to make them more effective in tackling social exclusion...", and identified several problems, including:

- inadequate prioritisation of the neighbourhood by core public services;
- culturally insensitive and inappropriate services;
- hard-to-access information about services; and
- confusion over who does what.

The Greets Green Partnership, *Helping Make Greets Green Great*, 1999

Services for young people

2.23 There have been particular problems with services for young people. Young people are the future of deprived neighbourhoods. But too often, young people are deprived of opportunities and start to be seen as part of the problem. Many of the factors listed elsewhere are important here, such as too little help to get jobs and poor schooling. But the problem goes deeper. The analysis of the PAT on Young People (see box on the following page) describes this.

Young people

The report of PAT 12 on Young People presents clear evidence that a significant minority of young people experience severe disadvantage, that many such problems are getting worse, and that they are worse here than in other advanced countries. Race is a central issue, because the ethnic minority population is disproportionately young, and they face all the problems of other young people, coupled with racial discrimination, and in many cases, a different culture and language. To quote a few particularly telling points:

- one child in five is now growing up in a workless household, compared with one in thirteen, 20 or so years ago;
- the proportion of young people leaving education without a Level 2 qualification (equivalent to GCSE) is 50 per cent higher than the European Union (EU) average and surpassed only by Portugal; and
- however well qualified they are, young people from ethnic minority groups are two to three times more likely to be unemployed than similarly qualified white young people.

Such disadvantage is not only found in poor neighbourhoods. But it is concentrated there. The PAT shows clear links between poor neighbourhoods and: underachievement in education; teenage pregnancy; a range of health issues; and experience of crime as victims and perpetrators.

These disturbing trends are partly the result of social and economic changes such as more frequent family breakdown and the declining availability of unskilled work. However, the public sector has often not responded well:

- there are significant gaps in individual services, particularly those which prevent disadvantage from getting worse, like family support, drug treatment, and leisure;
- services and professionals do not work well with each other or with the community and the private sector; and
- services too often take little account of the special circumstances or wishes of young people.

SEU, Report of Policy Action Team 12, Young People

The lack of an effective strategy

2.24 Underpinning all of these problems is the lack of a coherent national strategy for turning round the most deprived neighbourhoods. The Government has not used its resources in the optimum way, and has failed to generate joined up working. Organisations from other sectors, including business, have not been sufficiently involved. And action has not been underpinned by adequate small-area data; evidence of 'what works'; or training.

The wrong role for regeneration programmes and area initiatives

2.25 Area initiatives – special pots of money which some deprived areas get but affluent areas do not – have often been seen as the Government's main weapons for turning round deprived areas. But, this is the wrong role for them. This view has encouraged a confusion of responsibilities between these area initiatives (such as regeneration schemes) and core public services. Too often, the presence of an area initiative masked the problems of core public services in that area.

- 2.26 As a result, area initiatives have sometimes ended up funding activities which are actually the responsibility of core public services, such as training, and even buying in extra police officers or teachers.

Using area initiatives for the wrong thing

“Efforts have been made through regeneration programmes to sustain local support services. This has simply arrested the decline rather than reversed it.”

Consultation response from a Single Regeneration Budget (SRB) scheme co-ordinator, North East

- 2.27 Secondly, for all their strengths, area initiatives and regeneration programmes are subject to the criticism that their very proliferation has made it harder, not easier, to develop joined-up strategies at local level.⁵⁰
- 2.28 While the extra funds are welcome, different boundaries, fragmented ways of working (e.g. each initiative having to have its own partnership), new rules and information requirements, can all mean that service providers end up spending all their time in meetings with each other. And residents lose any sense of identification with what is happening in their area. In setting up lots of initiatives, each of which tries in isolation to join things up, successive Governments have created new co-ordination problems.

Too many zones?

“Area-based initiatives which are conceived and managed separately by individual central Government departments have created a very substantial bureaucratic burden which those on the ground have to bear.”

PIU, *Reaching Out: The Role of Central Government at Regional and Local Level*, 2000

- 2.29 Thirdly, regeneration programmes have too often concentrated on changing buildings, rather than helping people. Bad housing design and serious disrepair have often been an important part of the problem, but housing is not the whole answer. Past experience has shown that massive investment can be made in building or refurbishing residential or business property, with very little impact on local people.

Lack of joining up

- 2.30 Difficulties in co-ordinating area initiatives and regeneration programmes are just a subset of the wider problem of joining up the large number of organisations and people that make a contribution to turning round deprived neighbourhoods – each one unique and distinct.
- 2.31 This raises difficult issues at all levels of governance, as the PIU’s report on central Government at the regional and local level showed:⁵¹
- the neighbourhood/customer level, where core public services can seem remote from local communities, and can fail to work together even if working with the same individuals;
 - at the local authority level, where core public services often make their key operational decisions, too often ignoring their interaction with one another;

- regionally, where joint-working is once again too rare when faced with difficult cross-cutting issues like tackling unpopular housing; and
- in Whitehall, where there is no sense of a clear strategic framework within which policy for deprived neighbourhoods is developed, despite most departments having an interest in it. Nor is there one department responsible for joining up policy on deprived areas or even collecting comprehensive up-to-date information on its effects.

The failure to join up: what the SEU's recent consultation said

"So many places to go to for different things makes it very confusing – and especially for elderly people or those who have trouble reading."

Brighton resident

"There must be a willingness and ability to understand the language and working practices of other agencies. Much of this involves staff in whatever public service they work for stepping 'outside their boxes' and thinking about their role in a holistic way."

Assistant Chief Constable

"To become effective or improve their effectiveness, public services need to develop a co-ordinated approach...not working in isolation in duplicative or random projects."

National Housing Federation

Failure to involve others

- 2.32 It has already been noted that community and voluntary organisations – and residents themselves – have often played too small a role in attempts to turn round deprived neighbourhoods. This also applies to businesses, which have a rather broader role. Their potential contribution is significant – as both benefactors of the voluntary and community sectors, and as partners in their own right. But too often this role has not been fully understood or effectively encouraged by the public sector.

Inadequate information and training

- 2.33 PAT 18 on Better Information⁵² has shown how the lack of consistent small-area data makes it difficult to diagnose, track and respond to the problems of deprived neighbourhoods. The Government has never routinely collected up-to-date comprehensive information about deprived areas, between the ten-yearly Censuses.⁵³ This has meant that the full scale and concentration of these problems have grown almost unnoticed.
- 2.34 At the same time, another kind of information – on 'what works' in what circumstances – has been under-used, and never gathered systematically in one place. And all of this has been compounded by weaknesses in training those working in deprived neighbourhoods for the challenging and unique tasks that they face there, especially the important task of joint working.⁵⁴

Conclusion

2.35 The key message of this analysis is that there are some fundamental and long-standing public policy failures at the heart of this country's deprived neighbourhoods problem:

- failure to help people into work, or to support and encourage enterprise;
- failure to protect communities, and give them opportunities to help themselves;
- failure to ensure that decent services – public and private – are provided in deprived neighbourhoods; and
- failure to develop goals underpinned by a clear strategy, up-to-date information and effective partnerships.

2.36 Many of these failures are already being addressed by changes that the Government has put in place. These policies – and their effects – are summarised in **Chapter 3**. But more needs to be done, tailored to the needs of deprived neighbourhoods. **Chapters 4–8** describe what this could look like.

Chapter 3: What has the Government already done to help?

Chapter summary

The new policy proposals in this document need to be set against the backdrop of a range of key policy changes and recent achievements, which are already having an impact on deprived neighbourhoods.

These include policies and achievements on tackling crime and drugs, increasing employment, improving educational attainment and health outcomes, and also on other issues which are critical to tackling deprivation, such as transport, housing, and local government reform.

- 3.1 The National Strategy will contain new policy proposals. The detailed options for these – and the principles behind them – are described in **Chapters 4–8**.
- 3.2 But these new ideas must be seen in context. Much of the foundation for the Strategy has already been laid, in the form of policies that the Government is already implementing.
- 3.3 Some of these are focused on the Strategy's four core outcomes of less crime, more jobs and better educational attainment and health. Others address cross-cutting issues, or issues that underpin the success in achieving the main four outcome targets, such as housing and transport.
- 3.4 All of them are an integral part of the approach to addressing the problems of deprived neighbourhoods. Many are already having a demonstrable impact. And together, they provide a platform on which to build new, tailor-made policies for the most deprived neighbourhoods.
- 3.5 This chapter describes these existing policies, and traces the impact they are already having, both in deprived neighbourhoods and across the country. Policy changes that have been made in response to PAT recommendations are largely addressed in subsequent chapters.

The four key outcomes

Crime

- 3.6 Much has already been done to tackle crime and its causes.

Crime reduction strategy

- 3.7 In November 1999, the Government published its Crime Reduction Strategy.⁵⁵ Each Police Authority has set challenging targets for reducing burglary, vehicle crime and, in the case of the large metropolitan areas, robbery. Progress against these targets will be checked through rigorous inspection of performance. Delivering the Strategy will depend on effective joint working. There are Local Crime and Disorder Partnerships in every area of the country and they will be supported by Regional Crime Reduction Directors and a National Crime Reduction Task Force.
- 3.8 All of this has been backed up by significant investment, such as the extra £1.24 billion for the police over the 1999–2002 period.⁵⁶

3.9 Another core element of this Strategy is to find out ‘what works’ in reducing crime, and implement it more generally. A total of £400 million is being invested in a Crime Reduction Programme to help achieve this. The package has included:

- £150 million for CCTV (from the Capital Modernisation Fund);
- £30 million for the On-Track initiative⁵⁷ to reduce youth crime in disadvantaged areas; and
- over £50 million for the Reducing Burglary Initiative,⁵⁸ to cover two million households in 500 high-crime neighbourhoods.

3.10 The Government has also given the police and local authorities new powers⁵⁹ to seek Anti-Social Behaviour Orders.

Tougher penalties for persistent offenders

3.11 The Government has introduced a range of new measures⁶⁰ to crack down on persistent offenders:

- a new progressive system of cautioning for young offenders, the Final Warning Scheme, which shows young people that repeat criminal behaviour is unacceptable and will lead to Court action;
- new sentences for repeat drug traffickers and repeat serious sexual offenders, as well as Sex Offender Orders, which keep track of sex offenders in the community; and
- automatic three-year prison sentences for third-time burglars.

3.12 Many of these initiatives are making a contribution to achieving the goal of halving the time between arrest and sentence for persistent young offenders.

Tackling racism

3.13 In the light of the Macpherson report⁶¹ and other work, the Government has introduced a number of initiatives to help stamp out racism.⁶² These include a simplified definition of racially motivated incidents, with common recording practices; a long-term programme to improve ethnic minority recruitment and retention in the police; and the introduction into law of nine new racially aggravated offences.

Anti-drugs strategy

3.14 Following the appointment of the first UK Anti-Drugs Co-ordinator, the Government launched its ten-year Anti-Drugs Strategy in 1998.⁶³ The Strategy’s objectives include reducing the proportion of under-25s using illegal drugs; reducing repeat offending among those misusing illegal drugs; increasing the participation of problem drug misusers in treatment; and reducing availability of drugs.

3.15 An extra £217 million is being invested in this over three years. An integrated approach is being taken, including piloting Drug Treatment and Testing Orders (a new form of community penalty made available to the Courts); extending the coverage of arrest referral schemes; increasing NHS and community care services for drug misusers; and improving drug education in schools.

Results: crime and drugs

- recorded crime is seven per cent lower than it was in 1997;⁶⁴
- domestic burglary is 20 per cent lower than in 1997;⁶⁵
- vehicle crime is 14 per cent lower than in 1997;⁶⁶
- the average time between arrest and sentence for persistent young offenders has fallen from 142 days to 110 days;⁶⁷
- positive drug tests in prison have fallen by 25 per cent in three years;⁶⁸
- nine out of ten secondary schools now have a drug education policy in place;⁶⁹ and
- pilot Drug Treatment Orders have reduced the average number of crimes per month committed by problem drug misusers from 107 to ten.⁷⁰

Jobs

- 3.16 Giving people opportunities to work is a very high priority for the Government. This has been approached in various ways, all of which have benefited deprived neighbourhoods.

Better help to get people back to work

- 3.17 The New Deal is one of the main ways in which the Government has helped people back into work. There are different New Deal programmes aimed at helping different groups (for example, people aged over 25, or who are disabled, or lone parents) find work. The New Deal for 18–24 year olds was the first of these programmes and is the tool for delivering the Government's commitment to moving 250,000 young people into work during the lifetime of this Parliament. In the 2000 Budget,⁷¹ the Chancellor announced that the New Deal for 25 plus would be extended to provide a more intensive programme based on the principles of the New Deal for 18–24 year olds, on a national basis from April 2001.
- 3.18 **Employment Zones** are being introduced in high unemployment areas, which often contain deprived neighbourhoods. These zones bring welfare, training and Employment Service funds together into flexible personal job accounts.
- 3.19 In the 2000 Budget,⁷² the Chancellor also announced the creation of 20 **Action Teams** for the communities with highest unemployment and lowest employment. The Teams will have access to a £40 million fund to work with long-term unemployed people in these areas, to identify suitable vacancies in neighbouring areas and bring the two together. This is a response to the PAT on Jobs⁷³ (see **Chapter 5**).
- 3.20 The new **job-matching services on the Internet** will help link workers without jobs to jobs without workers.⁷⁴ The new scheme will give job seekers access to a wide range of vacancies, through touch-screen kiosks in Jobcentres and Internet terminals in libraries, colleges and other locations.

Making work pay

- 3.21 It is essential that Government policy helps to make work pay. To help this, several reforms have been introduced, such as:
- a minimum wage of £3.60 per hour for those over 21 and £3.00 per hour for 18–21 year olds. These rates will increase to £3.70 (in October 2000) and £3.20 (in June 2000) respectively;
 - the Working Families' Tax Credit, which provides more generous in-work support for working families, paid through the wage-package;
 - a new job grant of £100 for those moving from welfare to work (from spring 2001);
 - measures to help people move from the informal to the formal economy, like those proposed by Lord Grabiner⁷⁵ (e.g. a confidential telephone line to advise people on how to move to the formal economy); and
 - the National Childcare Strategy,⁷⁶ to help ordinary working families afford the child care they need, by making available money to create new child care places and promoting good-quality care.

Stimulating business

- 3.22 Most of the jobs created in or near deprived neighbourhoods are in the private sector, many of them in small businesses. The Government is improving support for this by creating a single body in Government dedicated to the interests of small business – the Small Business Service, with a remit that includes reaching out to business in disadvantaged areas. The new £30 million Phoenix Fund,⁷⁷ a response to the Business PAT,⁷⁸ is described in **Chapter 5**.
- 3.23 And new Entrepreneur Scholarships will be offered to budding entrepreneurs in deprived areas from September 2001, to equip them with the management and business skills needed to turn their aspirations into successful businesses. Pilot schemes will run in London, Cornwall and Manchester later in 2000.⁷⁹

Results: jobs

- 800,000 more people are in employment than in 1997 and numbers are growing in every region;⁸⁰
- 185,250 young people have found work through the New Deal⁸¹ (including around 20,000 from ethnic minorities);⁸²
- unemployment fell by 96,000 in metropolitan areas between December 1997 and December 1999;⁸³
- unemployment has fallen by 25 per cent in Manchester; and 15 per cent in the London Borough of Tower Hamlets and Birmingham;⁸⁴
- this fall in unemployment has benefited even the very most deprived neighbourhoods. In Sheffield's 15 worst wards, unemployment fell by an average of 16 per cent between 1997 and 1999;⁸⁵
- the Employment Zones prototypes have helped more than 2,000 unemployed people to get jobs;⁸⁶ and
- in two years, the Government created three times as many child care places as were created in the previous 18 years.⁸⁷

Education

3.24 The Government has invested significantly in better education, with an extra £19 billion over the years 1999–2002,⁸⁸ as well as extra spending in the coming year of £1 billion.⁸⁹

Improving school standards

3.25 The Government is committed to raising standards in both primary and secondary schools. In primary schools, it has:

- given a major boost to standards of literacy and numeracy by ensuring all schools have daily teaching on these subjects, using tried and tested methods;⁹⁰ and
- committed itself to ensuring by September 2001 that no five to seven year old is taught in a class of over 30 pupils.

3.26 A new approach has recently been introduced to tackle underachievement in secondary schools. The aim is to ensure that by 2006, no school has less than 25 per cent of pupils achieving five GCSE passes at grades A*–C.⁹¹ There are currently 530 schools which would fail to meet this target, many of which are in deprived areas. Measures to achieve this include: piloting the use of experienced headteachers, to work with three to five schools each to tackle failure and raise standards; expanding the National Mentoring Project; considering a fresh start for any school with less than 15 per cent of pupils getting five good GCSE passes for three consecutive years; and allowing alternative service providers from the voluntary, faith and business sectors to take over or replace weak schools with City Academics.

3.27 This approach builds on other education initiatives which are already addressing social exclusion issues:

- the **Excellence in Cities** programme⁹² has been introduced to modernise inner-city comprehensive schools and liberate the potential of young people. A total of £350 million is being invested over three years in six conurbations. Measures include Beacon Schools,⁹³ learning mentors and summer schools for gifted students;
- **Education Action Zones**⁹⁴ have been established to develop imaginative approaches to raising standards in disadvantaged urban and rural areas. There are 73 zones which cover 1,400 schools;
- a national target has been set of **reducing school truancy and exclusion** by a third (following an SEU report⁹⁵). There is a strong focus on reducing exclusions of ethnic minority children. Measures include on-site learning support units for disruptive pupils and electronic monitoring of attendance; and
- **working with community-based supplementary schools** to help ethnic minority pupils at risk of underachievement or exclusion. A total of £1 million has just been given to set up support services and bursaries for these schools.⁹⁶

Further education and skills

3.28 The Government is modernising post-16 learning to: drive up standards; meet the needs of business and communities; and create a learning society for all.⁹⁷ There will be an extra 700,000 learners annually by 2001. A National Learning and Skills Council – with 47 local arms – will plan and fund post-16 education. Rigorous inspection by OFSTED and a new Learning Inspectorate will raise standards.

3.29 In addition, more priority is being given – through the New Deal and the new ONE service⁹⁸ – to early diagnosis of poor basic skills, followed by quick access to literacy, numeracy and IT skills training.⁹⁹

3.30 A range of measures to tackle poor adult basic skills were set out in the recent Moser report.¹⁰⁰ These include new adult curriculae, qualifications and teacher training.

3.31 And £252 million is being invested to provide 700 new ICT Learning Centres, which will provide skills in all areas of new technology in accessible places.¹⁰¹ Community groups, the private sector and others can apply to set up these Centres. Priority will be given to bids from deprived areas and to rural areas with particular social exclusion problems, and to projects targeting disadvantaged people who have low ICT skills.

Young children

3.32 The new Sure Start programme has been set up to promote the health and well-being of children, and ensure that they are ready to thrive at school. In total, 129 areas have been invited to develop Sure Start. Of these, 57 have been approved and are starting to deliver services. All are in deprived areas. A total of £452 million is being invested in this programme in 1999–2002.¹⁰²

Young people

3.33 A new Connexions Service is being introduced¹⁰³ (following a recent SEU report¹⁰⁴) to provide integrated careers advice and support for young people. The Service will provide a single point of access for young people to previously fragmented services. Connexions is about to be piloted in a variety of areas.

Results: education

- from January 1997 to January 1999, the proportion of children in Key Stage 1 classes of 31 pupils or more fell from 29 per cent to 22 per cent and by September 1999 had dropped to 11 per cent for five to seven year olds;¹⁰⁵
- some 77 per cent of mainstream primary schools – including those in deprived areas – improved their overall National Curriculum test scores in 1999 compared with 1998;¹⁰⁶
- on literacy tests for 11 year olds, eight of the ten most improved areas are disadvantaged areas;¹⁰⁷
- in Key Stage 2 maths, nine out of the ten most improved local education authorities are inner-city areas. The London Borough of Tower Hamlets is the most improved, with the proportion of 11 year olds reaching Level 4 rising from 45 per cent to 62 per cent in 1998–99;¹⁰⁸
- GCSE results in Education Action Zones (which started in September 1998) have improved at twice the national average rate;¹⁰⁹
- between 1993 and April 1997 it took an average of 25 months to turn round a school on Special Measures. This has dropped to less than 18 months between May 1997 and July 1999;¹¹⁰ and
- permanent exclusions from school fell by three per cent between 1996–97 and 1997–98. Exclusions of Black children fell by three and a half per cent.¹¹¹

Health

3.34 The Department of Health (DH) is taking forward the Government's three overarching strategies to improve health and well-being, which are aimed at:

- **improving health and tackling health inequalities.** The White Paper *Saving Lives: Our Healthier Nation*¹¹² sets out goals to: improve the health of the population by increasing the length of people's lives and the number of years spent free from illness; and to improve the health of the worst-off in society and narrow the health gap. Targets have been set for reducing deaths by 2010 from: coronary heart disease and strokes; cancer; accidents; and suicide;
- **modernising all aspects of care and treatment, and providing fast and convenient services.** The strategy for achieving this was set out in the White Paper *The New NHS: Modern, Dependable*.¹¹³ It involves securing provision of comprehensive, high-quality care for all those who need it, regardless of ability to pay or where people live, and ensuring greater consistency of access across the country; and
- **improving care for vulnerable people,** by modernising social services, as set out in the White Paper *Modernising Social Services*.¹¹⁴ This involves securing responsive social care and child protection for those who lack the support they need. Better working with the NHS is a key means to this end.

3.35 A number of programmes and initiatives support these strategies:

- **National Priorities Guidance,** which sets out national priorities and objectives for improvement of health and social services, to be factored into local Health Improvement Programmes (HIMPs – see below);

- **review of the NHS funding formula** to produce a fairer formula, more suitable for the NHS of the future. Social exclusion is being taken into account;
- **National Service Frameworks**, which set out nationally applicable approaches and minimum standards on key issues like cancer, paediatric intensive care, coronary heart disease, and mental health. Two more are planned – on older people (2000) and diabetes (2001);
- **Primary Care Groups and Health Improvement Programmes**. The new Primary Care Groups/Trusts have been given clear responsibility for meeting the health needs of their population. In tandem, every Health Authority has a lead responsibility for developing a HImP and ensuring the involvement of a variety of local partners;
- **Personal Medical Services pilot schemes**, which are testing out more flexible ways of offering primary care services, with a particular focus on deprived areas. They aim to address the problems of recruitment and retention of GPs, and are attracting more GPs to deprived areas by offering them the opportunity of salaried employment (rather than the usual contract);
- **incentives for GPs to provide services to vulnerable groups**, via Section 36 Local Development Schemes;
- **NHS Direct**, which is a new, round-the-clock, telephone advice service. It provides people with health information and advice at home, so that they are better able to look after themselves when it is safe to do so, and directs them to the most appropriate level of care when they need professional help. This is of particular help in reaching disadvantaged people: research shows that patients living in deprived areas make 70 per cent more out-of-hours calls to their GP than those living elsewhere.¹¹⁵
- **Healthy Living Centres**, funded by £300 million from the Lottery, to provide integrated help to improve health and reduce health inequalities in deprived areas. They will eventually be available to 20 per cent of the population;
- **Health Action Zones**, which are seven-year, multi-agency programmes between the NHS, local government, the voluntary and private sectors and community groups to tackle health inequalities in the most deprived areas; and
- the **Quality Protects** initiative to improve services for children at risk. The key elements are: new national Government objectives for children's services; an important role for local councillors in delivering the programme; an annual evaluation of local authority performance against Action Plans; and a new children's services grant of £375 million. A key aim is to ensure that children leaving care are not isolated, and can participate socially and economically as citizens as they enter adulthood.

Teenage pregnancy

- 3.36 The SEU's 1999 report *Teenage Pregnancy*¹¹⁶ ushered in a new approach to the problem, focused on: a national campaign to improve understanding and change behaviour; joined-up action; better prevention; and better support. There are now 150 local teenage pregnancy co-ordinators, and pilot Sure Start Plus schemes are being set up to offer advice to pregnant teenagers and support to teenage parents in 20 places.¹¹⁷

Results: health

Health is different from crime, jobs and education, because it takes longer for better Government policies to feed into better results. But the following have already been achieved:

- a 35 per cent increase in health funding over the next four years has just been announced, including an immediate £2 billion increase;¹¹⁸
- this builds on the announcement in the 1998 Comprehensive Spending Review of the biggest-ever cash injection to the NHS, amounting to £20 billion over three years;¹¹⁹
- waiting lists and times are down. For instance, between October and December 1999, the number of patients waiting for more than 13 weeks for a first outpatient appointment fell by 16,000. The number waiting for inpatient treatment has fallen by 39,000 since March 1997;¹²⁰
- by April 2000, savings of £498 million will have been made by reducing bureaucracy, allowing extra investment in health services;¹²¹
- 600,000 patients are covered by Personal Medical Service pilot schemes, which help to increase the quality and quantity of GP services in deprived areas;¹²² and
- Health Action Zones now cover 13 million people.¹²³

Other policy areas

Transport

3.37 An extra £700 million is being invested over three years to allow local authorities to introduce integrated local transport strategies.¹²⁴ These will reduce congestion, improve safety and the environment, and increase accessibility. The contribution through the New Deal for Transport¹²⁵ has included the introduction of bus travel for elderly people at no more than half-fare; and the provision of nearly 2,000 new or enhanced bus services in rural England.

Housing

3.38 New measures for housing have included:

- the release of £5 billion of local authority housing capital receipts, which is helping to reduce the backlog of council housing repairs; and
- a comprehensive approach to estate regeneration. This has helped improve housing management and resident involvement.

Local government reform

3.39 Many of the changes discussed so far are underpinned by fundamental reform of local government. This includes new political structures, the Beacon Council initiative,¹²⁶ and a new power to promote economic and social well-being. But of particular relevance is the new Best Value regime,¹²⁷ which is a new performance management regime for local authorities, which will ensure continuous improvement in service provision for local authority and police services.

Urban regeneration

3.40 The Government has invested significantly in programmes that tackle the multiple problems of deprived areas in an integrated way:

- the NDC is providing intensive help to reduce crime, improve health and educational attainment, and help more people get jobs in some of England's most deprived neighbourhoods;
- the SRB is providing over £2.4 billion from 1999 to 2002 for partnership-based regeneration initiatives. £770 million of this is 'new' money, and Round 5 (1998) will attract over £2.4 billion of private sector and EU money; and
- in summer 2000, the Government will be publishing the first Urban White Paper for 20 years.¹²⁸ The Government's response to the Urban Task Force¹²⁹ will inform the White Paper. A parallel White Paper on rural policy will also be published.

3.41 Together, these reforms provide a solid foundation for the new ideas in the National Strategy. **Chapters 4–8** set out what these might look like.

WHAT WOULD A NATIONAL STRATEGY LOOK LIKE?

■ Chapter 4: What's the vision?

Chapter summary

The wholesale decline of deprived neighbourhoods needs to be arrested, reversed and prevented from recurring. Success should be measured against a simple goal – narrowing the gap between deprived areas and the rest of the country on jobs, educational attainment, crime and health, by dramatically improving these outcomes in the most deprived neighbourhoods.

This would be done by marshalling a coalition of policies, resources and people behind a single Strategy which will focus on: reviving local economies; reviving communities; ensuring decent services; and leadership and joint working.

What are the goals of the National Strategy?

- 4.1 The aim of the National Strategy is to arrest the wholesale decline of the most deprived neighbourhoods, reverse this decline and then prevent it from recurring.
- 4.2 The test of the Strategy's success or failure will be progress towards the two specific goals the Prime Minister set out in the 1998 SEU report on deprived neighbourhoods.¹³⁰

The goals of the National Strategy

In the 1998 report on deprived neighbourhoods, the Prime Minister set out two goals for deprived neighbourhoods. These were:

- to bridge the gap between the poorest neighbourhoods and the rest of the country; and
- in all the poorest neighbourhoods, to have common goals of: lower long-term unemployment and worklessness; less crime; better health; and better qualifications.

- 4.3 These are ambitious goals. In particular, bridging the gap between deprived neighbourhoods and the rest involves reversing powerful long-term trends. It is possible – as **Chapter 9** tries to show – but the ideas in this report must be seen as a vital and large first step, rather than the final word. The final National Strategy, to be set out later this year, will add figures to these targets.

Rationale

- 4.4 The Strategy's goals have two themes at their heart: reducing inequality; and ensuring absolute improvement in living standards in deprived neighbourhoods. These goals have been widely supported, as they go to the heart of what marks out deprived neighbourhoods and keeps them poor.

- 4.5 Some neighbourhoods will have other severe problems too, such as poor housing, poor transport, inadequate child care, racial discrimination or problems of rural exclusion, but these are more variable between areas and are almost always *in addition* rather than *instead*. But it does mean that in many places, it will be impossible to improve the four key outcomes without addressing other problems.
- 4.6 For all deprived areas, better outcomes on improving health and educational attainment, getting people into jobs and reducing crime, will have short-term benefits in terms of quality of life, and long-term benefits in preventing later poverty. Together with the Government's broader objectives to reform the tax and benefit system, and in particular to end child poverty, these goals represent a comprehensive approach to the UK's extreme inequalities in income and life chances.
- 4.7 Progress against these goals will need to be measured. Better information is a high priority for the National Strategy, as described in **Chapter 8**. **Annex C** looks at the issues that this raises, along with issues around target-setting raised in **Chapter 7**.

How will this be achieved?

- 4.8 Change of this kind needs to be championed and supported by central Government but cannot be imposed. A broad coalition of policies, resources and people will need to be marshalled behind these common goals.
- 4.9 But the public sector clearly has a key contribution to make. The following chapters spell out the various elements of this. But two key changes that underpin many others would be:
- high expectations for services in deprived areas, set out in targets. **Chapter 7** describes how national targets for core public services could be adapted to drive improvements to services in deprived areas; and
 - better joint working. **Chapter 8** sets out how the Strategy could build on what is already there, to ensure co-ordinated joint action to tackle deprivation at every level and involving every sector. This would mainly involve building on existing mechanisms.

Four principles for the National Strategy

- 4.10 The next four chapters set out various proposals for change to help turn round deprived neighbourhoods. They are based on four basic principles which need to be at the heart of the National Strategy: reviving local economies; reviving communities; decent services; and leadership and joint working. The tables overleaf set out what these principles mean and the milestones for achieving them.

NATIONAL STRATEGY – PRINCIPLES

- 1 **Reviving local economies.** Isolation from the economic mainstream is all too common in deprived neighbourhoods. This needs to be reversed. This means helping people acquire the skills needed for the modern jobs market, linking them better with jobs, and tackling racial discrimination. And it also means helping business – local and external – to thrive in and near deprived neighbourhoods.
- 2 **Reviving communities.** The involvement and leadership of local people is vital to turning round deprived neighbourhoods and helping them to thrive. This means staving off threats to local stability like anti-social behaviour, drugs, crime and the downward spiral of neighbourhood abandonment. But it also means encouraging and harnessing the creative side of community life, building up local people's ability to get involved in decisions that affect them, and giving them opportunities to do so.
- 3 **Decent services.** Deprived communities need good services (public and private) more than many places, but in deprived neighbourhoods these services are often overwhelmed or even absent. This must be addressed. In terms of core public services, like schools and the police, this means ensuring that services are as good as elsewhere, if not better, and tailoring what is provided to the needs of the neighbourhood. In terms of private services, it means encouraging a service presence in the neighbourhood, or coming up with more creative solutions to generating a local market.
- 4 **Leadership and joint working.** Turning round deprived neighbourhoods needs more than just effort and ideas. It needs the right mechanisms, the right participants and the right support. It is important that mechanisms are put in place to encourage a joined up response to the problems of deprived areas at every level of government, to bring together public, private, voluntary and community sectors, including ethnic minority groups. It is also important to involve others – including business – in helping to address problems. And it is vital that efforts are underpinned by accurate data, good training and a knowledge of 'what works'.

Timing

4.11 Key milestones for the Strategy's roll-out are as follows:

Date	Action
July 2000	Decisions on Spending Review announced.
Autumn 2000	Detailed implementation planning for the National Strategy begins.
2001–2004	Period covered by Year 2000 Spending Review, including new PSA targets.
2001–2011	Possible ten-year targets for the Strategy.

Conclusion

4.12 This chapter has set out the goals and principles of the National Strategy. The next four chapters look in detail at how these might be put into practice, focusing on 30 key ideas.

■ Chapter 5: Reviving local economies

Chapter summary

This chapter includes proposals to help revive the economies of deprived areas in two main ways:

- **helping people compete for jobs**, by improving adult skills, including IT skills; matching people with available jobs; and making work pay – and making sure people know that it does; and
- **increasing employment opportunities and business activity**, by helping to retain money in deprived neighbourhoods and supporting new and existing business.

Introduction

- 5.1 **Chapter 2** showed how deprived neighbourhoods have become detached from the economic mainstream, with low employment and little business activity. Vital links with the surrounding areas have been lost, making it doubly hard to turn neighbourhoods round. And deprived neighbourhoods have often been written off as places to site economic activity, or as potential markets for goods and services.
- 5.2 This is a very significant problem. Work is by far the best way out of poverty, and enterprise – large and small – is at the heart of local prosperity. **Chapter 3** described the range and impact of existing Government policies on this key issue, which are already making a difference in deprived areas.
- 5.3 This chapter looks at what more can be done to help revive the economies of deprived neighbourhoods.
- 5.4 This approach to the most deprived neighbourhoods will be complemented by proposals in the forthcoming Urban White Paper to develop the competitiveness of towns and cities.

Helping people to find work

- 5.5 There are three important ingredients in helping people in deprived neighbourhoods to compete for available jobs:
 - improving skills and knowledge;
 - matching up people and employers; and
 - making sure work is seen to pay.

Skills and knowledge

- 5.6 The economy has changed rapidly in recent years. Employers in all sectors of the economy are demanding ever-higher levels of skills, knowledge and experience. Many look for three particular types of skills: literacy and numeracy; 'soft skills' like communication and team-working; and up-to-date specialist expertise and knowledge, including IT skills.
- 5.7 These developments do not bode well for the many people with poor skills, many of whom live in deprived areas.

Adults

- 5.8 Changes in schools are vital to ensure that future generations are well-skilled. **Chapter 7** sets out some of the PATs' thinking on that. But action also needs to be taken to help adults with poor skills, who find it increasingly tough to compete in the jobs market.
- 5.9 The PAT on Skills¹³¹ considered the particular skills problems facing those in deprived areas. Its recommendations centre upon making learning attractive and accessible.

KEY IDEA 1

Making adult skills a priority in poor neighbourhoods

PAT 2 on Skills set out an aspirational target of raising significantly the number of people in poor areas with Level 3 qualifications, and cutting the number of non-learners. This is to be achieved by:

- **more 'first-rung' learning opportunities.** Disadvantaged people have often had a negative experience of school, and need encouragement to start learning again. A good way is for them to start with the kind of learning that does not necessarily lead to qualifications (often known as 'first-rung provision');
- **neighbourhood learning centres.** Learning opportunities that are geographically or culturally distant can be offputting. An alternative is to provide opportunities to learn in a deprived neighbourhood itself, with facilities run by local people. Neighbourhood learning centres would be designed to do this. They could be built on existing provision (e.g. libraries);
- **tackling deprivation as a core objective of the new Learning and Skills Councils.** The White Paper *Learning to Succeed*¹³² set out proposals for the establishment of a central Learning and Skills Council with 47 local arms to run post-16 education. The PAT recommended that tackling poor skills in deprived areas should be built into the objectives of these; and
- **better training for further education (FE) professionals.** The PAT recommended that the Further Education National Training Organisation (FENTO) should help draw up an action plan for helping FE professionals gain the skills they need to tackle the special problems of deprived areas.

These ideas could work well alongside new measures within the New Deal programmes to identify basic skill problems at an early stage. These are described in **Chapter 3**.

Department for Education and Employment (DfEE),
Report of PAT 2: Skills for Neighbourhood Renewal – Local solutions

Information and Communication Technologies (ICT)

- 5.10 Deprived neighbourhoods are also at great risk of being left behind by the accelerating ICT revolution, which could further disadvantage local people in the jobs market. PAT 15 on Information Technology¹³³ looked at how to ensure that ICTs could be made more accessible in deprived neighbourhoods, and how people could be encouraged to make use of it.

KEY IDEA 2**Improving IT in deprived neighbourhoods**

PAT 15 on IT recommended that:

- **ICT facilities should be more widely available.** By 2002, there should be at least one publicly-accessible community-based facility in each deprived neighbourhood. All public services will be available on-line by 2005.¹³⁴ ICT facilities could be built onto existing provision (e.g. libraries);
- **sustained local marketing and outreach activities** should be used to encourage local people to use these facilities. Local mentors or 'champions' could help, and a good proportion should be from ethnic minority groups; and
- these ICT facilities should offer **locally-tailored ICT familiarisation courses**, to help overcome people's fears and lack of experience of ICT.

Department of Trade and Industry (DTI) Report of PAT 15: Closing of the Digital Divide: information and communication technologies in deprived areas

- 5.11 One of the key success factors for all these initiatives would be the ability to work together – to integrate rather than duplicate. Where new facilities are to be set up, they should be co-located and co-ordinated as far as possible.

Linking people to jobs and jobs to people

- 5.12 PAT 1 on Jobs¹³⁵ found that the biggest challenge in most deprived neighbourhoods is not the lack of jobs, but the task of linking up people who do not have jobs with employers who have jobs to offer. Traditional Government employment programmes have often failed to do this for people in deprived areas, by failing to:

- **engage and motivate local people.** It is not enough just to offer programmes to people in deprived areas. Effort must be made to ensure that the neediest people are getting help from them, and that people are enthused and motivated by programmes, rather than cynical about them;
- **meet the needs of employers.** Unless employers feel that organisations helping the jobless can also help them, they will recruit through other channels, such as recruitment agencies and informal contacts;
- **overcome local mobility problems.** For some people, mobility problems result from inaccessible, infrequent or expensive public transport. For others, the problem is one of perception or poor information about services. For still others, mobility problems are the result of disability. But the effects are the same – a difficulty in getting to a place of work;

- **provide access to child care.** Many parents, particularly lone parents, find their opportunities to work reduced by lack of access to high-quality, affordable child care; and
- **tackle racial discrimination in the jobs market.** Racist attitudes and practices – overt or otherwise – are still too common, putting ethnic minority groups at a major disadvantage when competing for some jobs.

5.13 The PAT on Jobs¹³⁶ has built on existing Government action such as the New Deal by proposing ways to address the specific problems found in deprived areas and among ethnic minority communities.

KEY IDEA 3

Helping people from deprived areas into jobs

PAT 1 on Jobs recommended two aspirational employment targets for deprived areas. These were to halve the difference between the unemployment (and employment) rates in:

- the most deprived local authority **districts** and the national average; and
- the most deprived **wards** in any local authority and the local average.

It recommended a similar target for **ethnic minority employment**: to bring about equality in employment and unemployment rates for people of the same age in the same area with broadly similar qualifications regardless of ethnic origin.

Recommended changes include:

- **new ways of reaching out to jobless people in deprived areas**, placing staff or offices in deprived areas, or by working through ‘intermediary bodies’ – voluntary or private sector organisations which are already working in deprived areas. Many of these are based in ethnic minority or faith communities. The Government has decided to establish an experimental Intermediaries Fund¹³⁷ covering 11 inner-city areas – at a cost of £5 million over three years – to support the work of these organisations;
- **more involvement of employers in designing employment programmes** at the local level – ensuring their needs are met; and
- **a concerted attack on racial discrimination in the jobs market**, including a major campaign to convince business of the value of diversity, and the building of fair recruitment procedures into the Investors in People and Business Excellence Models.

DfEE, Report of PAT 1: Jobs for All

- 5.14 The Action Teams, to help match jobseekers with jobs in the most deprived areas, announced in the 2000 Budget (see **Chapter 3**), are part of the Government’s response to the recommendations of the PAT on Jobs.
- 5.15 Three measures will help address the transport elements of these employment problems. First, the Government is using the Year 2000 Spending Review to look at how to give sufficient weight to employment and transport services in deprived areas, and to make explicit what should be expected of these services. This is discussed in more detail in **Chapter 7**.

- 5.16 Secondly, the SEU and DETR have been looking at transport problems in deprived areas, focusing on the 1998 Integrated Transport White Paper¹³⁸ requirement on local authorities to produce Local Transport Plans every five years. Guidance for authorities on how to draw up these Plans has been amended to meet these concerns, and includes a requirement to take into account the needs of deprived neighbourhoods and wider social inclusion issues. These changes have been made in time to influence the Plans that local authorities will produce later this year.
- 5.17 Thirdly, there is the possibility that the local strategic partnerships (LSPs) described in **Chapter 8** could play a role in local transport planning, and that the neighbourhood managers (described in **Chapter 8**) could identify local transport needs, and broker solutions.

Making sure work pays

- 5.18 People will not take work if it does not pay to do so, or is not perceived to pay. The Government's reforms (discussed in **Chapter 3**) are already making a big difference in this regard. But PAT 1 on Jobs¹³⁹ found that more could be done to tackle the continuing false impression – among some people – that work does not pay. Their proposals focus on piloting changes to benefit rules and benefits administration.

KEY IDEA 4

Making sure people know work pays

PAT 1 on Jobs recommended piloting a number of benefit changes that could have an impact on reassuring people that work pays. These include proposed changes to benefit rules:

- ensuring that if someone on housing benefit takes a job, their benefit will start again immediately if they lose that job. In response, the Government announced in the Budget that it has agreed to suspend, for 12 weeks (rather than end), Jobseeker's Allowance or Income Support when claimants get a job. Similar changes are being considered for housing benefit; and
- giving people new freedom to earn a little casual income or participate in a Local Exchange and Trading Scheme (LETS) without affecting their benefit entitlement.

On improving benefits administration, the PAT recommended:

- that the Benefits Agency should give high priority to its work to develop a reliable 'integrated benefits information system', accessible to anyone who wants to work out what would happen to their benefits if they took work; and
- better publicity about 'linking rules', so people on incapacity-related benefits are reassured that if they lose a job, they can get their old level of benefit back.

DfEE, Report of PAT 1: Jobs for All

Increasing employment opportunities and business activity

- 5.19 Conventional wisdom suggests that governments can do relatively little to create more jobs in the local economy. Their key tasks are to maintain a stable economic environment, help people become employable, and ensure that jobseekers and employers are effectively matched up.

5.20 However, the work of the PATs and external research suggests there are additional measures which can increase the number of jobs in or near deprived areas. These include:

- keeping money in the neighbourhood; and
- encouraging and supporting local businesses.

Keeping money in the neighbourhood

5.21 It is often assumed that deprived neighbourhoods are devoid of money and of economic activity. In many cases, this is inaccurate. A huge amount of public and private investment enters these neighbourhoods, notably from core public services and state benefit payments.

5.22 The problem is not necessarily that too little money flows into a neighbourhood. Rather it is with what consumers, public services and business do with that money. Too often, it is spent on goods and services with no local presence, and therefore immediately leaves the neighbourhood.

5.23 One example is that many deprived neighbourhoods have very poor local shopping facilities.¹⁴⁰ Local people have to go to other neighbourhoods to shop. Their spending supports jobs elsewhere, and not locally. Another is that most public service professionals who work in deprived areas do not live there. This means that their salaries are mostly spent elsewhere.

KEY IDEA 5

Keeping money in the neighbourhood

Better analysis is needed to tackle this issue. NDC Pathfinders could do a detailed analysis of how money circulates around a neighbourhood, to give a better idea of the kind of opportunities for local people in plugging the gaps. Some early analysis has been done of this sort, both in the USA and in the UK by Torbay Council in Devon.¹⁴¹

Analysis of this kind can highlight new opportunities such as:

- community-owned **shops** to cut household costs and promote local jobs;
- energy **insulation**, to cut fuel bills and create jobs in insulation; and
- programmes that give people jobs in **child care** and enable parents to work outside the home.

Given the large amount of investment in neighbourhoods already, which could increase, there is considerable potential for local job creation. This could achieve multiple goals. The potential of the various New Deals to support local service jobs is frequently overlooked: this could be given a higher profile amongst the New Deal options.

Encouraging and supporting local business

5.24 Many residents have hidden resources of enterprise that could and should be tapped, given the many economic opportunities within reach of most deprived neighbourhoods. Self-employment is a key route out of poverty – it is the destination for nearly ten per cent of those moving off Jobseeker's Allowance.

- 5.25 PAT 3 on Business¹⁴² and PAT 1 on Jobs¹⁴³ found that residents of deprived areas knew far too little about self-employment or business start-up opportunities. These were not actively promoted to them, support was inaccessible, finance hard to access, and the benefits regime was seen as a major barrier.
- 5.26 The Business PAT¹⁴⁴ also found that it was not just start-up businesses that were missing out on the help they needed – support for existing businesses was also inadequate.

KEY IDEA 6

Supporting and promoting business

PAT 3 on Business recommended that:

- **responsibility for promoting enterprise in deprived areas should be clarified**, with the DTI in charge nationally and the new Small Business Service (SBS) locally. As an interim step, the 29 Business Links covering the 44 most deprived districts should draw up special plans to encourage enterprise in deprived neighbourhoods;
- **the management of the business support system should include representatives of deprived communities and groups** at all levels (e.g. SBS, national and local councils);
- **people from deprived areas should get more help moving into self-employment.** Self-employment in deprived areas needs to be pushed harder in the Government's public awareness strategy for enterprise, and the Government should consider piloting an 'income bridge' for those moving from benefits to business;
- **the Government should offer experimental support to Community Finance Initiatives (CFIs)** which can provide businesses in deprived areas with tailored finance and support. The Prince's Youth Business Trust and CEED in Bristol are two examples of how this might work. In response to this, the Government has established the 'Phoenix Fund',¹⁴⁵ which will provide £30 million to encourage entrepreneurship in deprived areas. Its four key elements are:
 - a new national Challenge Fund which will invite applications from CFIs;
 - loan guarantees to help co-finance commercial lending to CFIs;
 - an Enterprise Development Fund which will promote innovative ways of providing support in disadvantaged areas, e.g. business incubators; and
 - a National Mentoring Scheme, operated by a new Business Volunteer Mentor Association, which will place experienced business mentors with start-up businesses.¹⁴⁶ DTI hope to have 1,000 business mentors operating in 25,000 businesses by April 2001; and
- **social businesses should be recognised as legitimate businesses to support.** These organisations exist for their communities, rather than just for profit. Consultation question 5.6 asks what more the Government can do to ensure social enterprises get the support they need.

HMT, *Report of PAT 3: Enterprise and Social Exclusion*

- 5.27 As with jobs and schools, these proposals need to be considered alongside the proposals detailed in **Chapters 7 and 8**. These are looking to ensure that core public services in deprived areas – like business support – get the help and priority they need; and that there is a single forum into which local businesses could plug their often disparate regeneration activities and which could develop better strategies to encourage businesses back into these areas.

WHAT DO YOU THINK?

- 5.1 Is this the right vision for reviving the economies of deprived neighbourhoods?
- 5.2 Are the proposed changes the right ones? Will they be effective in addressing the disadvantage faced by ethnic minority groups in deprived areas?
- 5.3 Have important issues been missed?

In particular:

- 5.4 What further measures would help to improve access to transport for people in deprived neighbourhoods?
- 5.5 What measures can help money to circulate within a deprived neighbourhood, rather than immediately to leave it?
- 5.6 How can the Government ensure that social enterprises get the support they need? And how can it ensure that they get the same level of support as other enterprises?

■ Chapter 6: Reviving communities

Chapter summary

The proposals in this chapter would help revive communities in deprived areas by:

- **helping residents tackle problems that threaten to undermine the community**, by bearing down on anti-social behaviour; using neighbourhood warden schemes to reduce crime and fear of crime; improving housing lettings policies; and tackling neighbourhood abandonment;
- **stimulating community activity**, by promoting arts and sport in deprived neighbourhoods; and encouraging more meeting places and opportunities, such as shops, community facilities or community activities; and
- **helping residents get involved in turning round their neighbourhoods**, by building community capacity and leadership; making it easier for community and voluntary organisations to get funding; and encouraging local involvement in service delivery.

Introduction

- 6.1 The recommendations in this chapter are designed to help create communities which are safe, secure and crime-free, in which residents feel pride and belonging.
- 6.2 The view of many of the PATs is that communities function best when:
 - they contain a broad social mix;
 - residents have an agreed set of rules which are consistently applied;
 - there are places and facilities where people can interact;
 - residents are consulted and involved in how the neighbourhood is run; and
 - there is an on-the-spot presence to tackle problems swiftly and deter crime.
- 6.3 This chapter looks at what the Government could do to help achieve this vision. At its heart is the recognition that thriving communities are those which interact with their surroundings, rather than build walls against them. Volunteering is an excellent example of this. It often brings people into contact with those outside their normal circle, broadening horizons and raising expectations, and can link people into informal networks through which work is more easily found.

Tackling the threats that undermine communities

- 6.4 It is extremely hard to build community spirit when residents live under the shadow of threats such as crime, drugs, racism, and anti-social behaviour.
- 6.5 These threats often feed, and are fed by, the growing problem of neighbourhood abandonment, an issue looked at by PAT 7 on Unpopular Housing.¹⁴⁷ This PAT found that in areas where there is low demand for housing, nearly a third of people thought that the local 'sense of community' had worsened recently.
- 6.6 But problems can also be created or exacerbated by insensitive local lettings policies for social housing.
- 6.7 This section looks at three particular issues which reinforce one another:
- anti-social behaviour and crime;
 - housing lettings policies that concentrate the most vulnerable people together; and
 - neighbourhood abandonment.

Anti-social behaviour and crime

- 6.8 Anti-social behaviour and crime are at the top of any list of residents' concerns about deprived areas. Crime and fear of crime are very high in many deprived neighbourhoods. And anti-social behaviour feeds crime, contributes to an atmosphere of lawlessness and creates misery in its own right.

Cracking down on anti-social behaviour

- 6.9 PAT 8 on Anti-Social Behaviour¹⁴⁸ identified how the problem of anti-social behaviour goes hand in hand with crime in residential areas. But, to the frustration of many local people, there is no clear responsibility for dealing with this serious problem, either nationally or locally, which means that it goes unremedied in many places.
- 6.10 Understanding of this complex area is currently in its infancy, but the PAT set out a strategy for greater local and national focus on preventing and tackling anti-social behaviour, which can help tackle wider disorder. The PAT's approach builds upon existing policy, such as the new ASBOs.¹⁴⁹

KEY IDEA 7

Tackling anti-social behaviour

PAT 8 on Anti-social behaviour recommended:

- **more work to prevent anti-social behaviour from happening in the first place.** Neighbourhood agreements are a good example. These allow residents to define the standards of behaviour that should be expected locally, and then sign up to delivering them;
- **putting someone in charge of tackling anti-social behaviour,** both nationally (the Home Office) and locally (Crime and Disorder Partnerships), and making it a priority for each;
- **special help to tackle the distinct problems of deprived neighbourhoods,** in the form of a group of experts commissioned by the Home Office and linked to the National Crime Reduction Task Force, to provide practical advice to Crime and Disorder Partnerships on 'what works' in reducing anti-social behaviour; and
- **setting out options on tackling anti-social behaviour in private sector housing, and preventing persistent offenders offending again in another tenure.** This will take the form of a public consultation, whose outcome will be published before the end of the year.

SEU, *Report of PAT 8: Anti-social Behaviour*

Racist crime

- 6.11 Racist crimes are an important and frequently under-reported element of anti-social behaviour. A 1997 study estimated that 13 per cent of people from an ethnic minority had been subjected to some form of racial harassment in the last 12 months.¹⁵⁰ Racist crimes are also often a cause of the decline of ethnic minority-run shops in deprived areas.¹⁵¹ Several PATs recognised the importance of tackling racist crime. The PAT on Anti-social Behaviour made specific recommendations (see **Annex B**).

Drugs

- 6.12 One of the main drivers of anti-social behaviour and crime in deprived areas is drug abuse. Like crime, the issue of drugs is always high on residents' lists of concerns. **Chapter 3** outlines the Government's Anti-Drugs Strategy.¹⁵²
- 6.13 None of the PATs was given a specific remit to look at drugs in deprived areas. But the idea of neighbourhood management, which is described in **Chapter 8**, could provide a vehicle to help services and communities work together to tackle local drug problems. It could also help to link up problem drug-users with treatment.
- 6.14 The ideas on Family Support Services and Young People's Services set out in **Chapters 7 and 8** could have a particular focus on helping to divert young people away from drugs and the drug market. More work will need to be done on these issues in the development of the final National Strategy.

Crime

- 6.15 The Government has taken a number of important steps in tackling crime across England; these were described in **Chapter 3**.
- 6.16 The proposals in **Chapter 7** would build on this, by ensuring that crime reduction in the very worst areas would be a high priority for the police, local authorities and others involved in tackling crime.
- 6.17 The police will always be at the heart of preventing and responding to crime. But some communities have found that locally-run neighbourhood warden schemes can help too – working in partnership with the police – by bringing a reassuring official presence back to deprived neighbourhoods.¹⁵³
- 6.18 Schemes differ, but most have in common the aim of reducing crime and fear of crime. Some wardens also play useful roles in making environmental improvements, tackling anti-social behaviour and helping with housing management. Some schemes have even provided a stepping-stone back to work for long-term unemployed people.

KEY IDEA 8

Introducing neighbourhood wardens

PAT 6 on Neighbourhood Wardens found that warden schemes can often be cost-effective and work well with the local police.

The PAT and the Association of Chief Police Officers agreed a list of principles on how warden schemes should be run to ensure that warden activity is complementary to that of the police.

It has been announced that the Home Office and DETR will set up a unit to promote neighbourhood warden schemes with some pump-priming funding, helping to test and evaluate them further.

Home Office, *Report of PAT 6: Neighbourhood Wardens*

Housing lettings policies

- 6.19 The way in which local authorities allocate social housing can reinforce or even cause problems, by concentrating the most vulnerable people in one place.
- 6.20 But imaginative use of lettings policies locally can sometimes help to create more mixed communities, where problems reduce and a wide range of people want to live.
- 6.21 The Housing Green Paper¹⁵⁴ has looked at ways of improving the choice offered to tenants in where they live, and put tenants at the heart of the decision-making process. Three of the PATs – PAT 5 (Housing Management),¹⁵⁵ PAT 7 (Unpopular Housing)¹⁵⁶ and PAT 8 (Anti-social Behaviour)¹⁵⁷ – made recommendations which called for the Green Paper to incorporate more open access and more tenure and income diversification into the social housing stock.

KEY IDEA 9

Improving housing lettings policies

The three main PAT recommendations to the Housing Green Paper were that:

- local authorities and registered social landlords should take into account the need to create sustainable communities in forming their housing lettings policies;

SEU, *Report of PAT 8: Anti-social Behaviour*

- The Department of the Environment, Transport and the Regions (DETR) and the Housing Corporation should examine whether current central policy and guidance gives local authorities and housing associations enough flexibility to do this; and

DETR, *Report of PAT 5: Housing Management*

- there should be a consultation on a new form of tenancy (assured shorthold) that makes it easier for less vulnerable people to get social housing, bringing a broader social mix to deprived areas.

DETR, *Report of PAT 7: Unpopular Housing*

These recommendations are being taken forward as part of the Housing Green Paper's consultation on increasing choice in social housing.

Vacant and unpopular housing

- 6.22 It is now clear that neighbourhood abandonment is a serious and growing problem in some parts of the country, with some 900,000 properties in England in low demand, notably, but not exclusively, in the North.¹⁵⁸ This can lead to a waste of resources. For example, there have been a few cases of new housing being built which has been demolished as little as five years later. And community spirit is hardly likely to flourish among properties that are boarded up, gutted or used as a base for crime.
- 6.23 This is a vital issue, not only for local communities but for the success of the National Strategy itself. In particular, there is no point in targeting help on unsustainable areas in which no-one wants to live. PAT 7 on Unpopular Housing¹⁵⁹ has put forward a strategy for addressing this problem.

KEY IDEA 10

Reducing neighbourhood abandonment

PAT 7 on Unpopular Housing recommended that to reduce neighbourhood abandonment:

- **the first step would be to stop building new housing where none is needed.** There is a key regional element to this, to be done by careful co-ordination between regional planning bodies and groups of local authorities, and proper enforcement of existing planning regulations and guidance;
- **local authorities should develop strategies to prevent abandonment,** looking at all kinds of housing. Prevention should include intensive management of unpopular neighbourhoods – for instance, via on-the-spot housing managers or neighbourhood wardens – to tackle the root causes of unpopularity, as well as flexible lettings and rent policies, such as, allowing the stock to be used for student accommodation;
- **selective demolition should be considered and funded in extreme circumstances.** Housing Corporation resources for building new houses should be able to be used – in certain restricted circumstances – for the selective demolition of the most unpopular areas; and
- **low demand should be tackled through economic and social programmes, as well as physical improvements.** And regeneration strategies should tackle poor condition housing in the private sector as well as the social sector, to help prevent areas sliding into disrepair and potential abandonment.

DETR, *Report of PAT 7: Unpopular Housing*

The broad thrust of these ideas has been taken up in the recent Housing Green Paper. Decisions on future policy will be taken in the light of the response to the Green Paper's consultation.

- 6.24 Most unpopular neighbourhoods can be turned round. But a small minority are so plagued by abandonment, crime, drugs and stigmatisation that this may not be possible. No-one wants to live in areas like this, and most people would happily take the opportunity to move elsewhere, or have already done so.
- 6.25 This is a problem that has often crept up on areas, with no-one taking responsibility for identifying if a neighbourhood is about to deteriorate, and responding if it is. Local authorities need to develop a clear, co-ordinated strategy and vision for each area, with realistic aims and buy-in from all relevant partners. Authorities have a range of options for dealing with low-demand areas, including major regeneration and renewal. However, if the conclusion is that decline cannot be arrested, then consolidation or selective demolition need to be considered – although only as a last resort.
- 6.26 The recommendations of PAT 7 on Unpopular Housing¹⁶⁰ and the LSPs discussed in **Chapter 8** provide a way of getting together local authorities and their local partners to consider these issues, and come to the right decision, in the light of local factors.

Stimulating community activity

6.27 Reducing the threats posed to communities by problems like drugs, anti-social behaviour and racism would be a massive achievement. But it is also vital to provide positive opportunities in such communities, as an active alternative, particularly for young people. A frequent and major complaint expressed by the people who live there is that there is nothing to do and nowhere to go.

6.28 This section examines two potential opportunities:

- arts and sport; and
- somewhere to meet.

Arts and sport

6.29 The PAT on Arts and Sport¹⁶¹ looked at the role of arts and sport in promoting regeneration. It found that these activities were not only hugely enjoyable to local residents, contributing to increased individual and community confidence, but that they could also help improve employment, educational attainment, health and community safety.

KEY IDEA 11

Promoting arts and sport in deprived neighbourhoods

PAT 10 on Arts and Sport recommended a range of action to help foster arts and sport in deprived areas, including:

- changing the objectives of the bodies that fund arts and sport projects – such as Sport England, the Arts Council of England and the National Lottery – to tighten their focus on social inclusion, especially in deprived neighbourhoods;
- encouraging local authorities to factor leisure, tourism and culture into regeneration activities; and to map leisure provision by ward to identify gaps; and
- ensuring active consideration across Government of the use of arts and sport to help achieve key outcomes in deprived areas.

Department for Culture, Media and Sport (DCMS), *Report of PAT 10: Arts and Sport*

Somewhere to meet

6.30 Community cohesion is built by contact between people. Sometimes this is via chance contact, e.g. in a shop or in a leisure centre. At other times, it is planned contact, perhaps in a faith community, community centre or school.

6.31 Deprived neighbourhoods suffer from deficiencies on both counts. They often have fewer and poorer facilities than other places (e.g. shops). And community facilities can also be few and far between, or subject to stringent rules on usage. Added to this is the fear of crime, which can reduce how often people leave home and increase the reluctance of those who own facilities to let them be used.

- 6.32 PAT 10 on Arts and Sports¹⁶² has recommended that National Lottery distributors¹⁶³ respond to this sort of problem by finding ways to fund community-run, multi-purpose 'community venues' in areas with poor access to facilities (see key ideas 19 and 20). These would be available for flexible use, not just for arts and sport.
- 6.33 Other proposals in this report would help add more places to meet, such as the proposals on shops and on public service provision at locations within the neighbourhood (both in **Chapter 7**).

Getting residents involved in turning round the neighbourhood

- 6.34 The ideas so far would all contribute to rebuilding 'social capital' in deprived neighbourhoods. But there are many more direct ways to get residents involved in turning round their neighbourhoods. In some cases, this is about influencing how others provide services locally. Being a school governor is a traditional example of this. In other cases, it is about taking independent action to improve things, such as setting up a community credit union.
- 6.35 This approach clearly bears fruit. Tenant management is now an established model for running social housing, and other initiatives such as Neighbourhood Watch and food co-ops are proving successful. Early feedback from the NDC Pathfinders reinforces the importance of community leadership.
- 6.36 Self-help is a vital ingredient in sustainable change in a deprived neighbourhood. But there are several reasons why it does not happen as much as it could:
- **lack of capacity.** Residents sometimes do not have the skills or confidence (often known as 'capacity') to get involved in self-help, and are not supported in doing this;
 - **perceived barriers in the benefit rules.** Unemployed people can be deterred from taking part in voluntary activity by the '48-hour rule'. This requires those claiming Jobseeker's Allowance and engaging in voluntary activity to be available for work within 48 hours of being offered a job;
 - **complex and bureaucratic funding.** It is often hard to access public funding for community self-help activities, for a range of reasons, including the fragmented and bureaucratic nature of funding; and
 - **restricted opportunities for involvement.** Most opportunities for community involvement are either in the form of consultation or input into temporary area initiatives. There are few opportunities for more direct involvement in influencing or running core public services. Ethnic minority voluntary groups and faith communities have particular problems in this respect.
- 6.37 The PAT reports – particularly PAT 9 on Community Self-Help¹⁶⁴ – have responded to each of these concerns, as the boxes that follow show.
- 6.38 But the Government can only ever be a facilitator or enabler of community self-help. Other sectors can also help, such as the voluntary and private sectors. And community and faith organisations also have a key role to play.
- 6.39 The consultation questions at the end of this chapter seek feedback on the ideas set out in this chapter. But they also ask the voluntary and community sectors what they themselves can contribute to the National Strategy. Getting this right will be a crucial underpinning for the Strategy.

KEY IDEA 12

Building community capacity

PAT recommendations included that:

- effort should be put into developing the capacity of local organisations – including ethnic minority, voluntary and faith organisations – which have the potential to help get residents of deprived neighbourhoods into work;

*DfEE, Report of PAT 1: Jobs for All
HO, Report of PAT 9: Community Self-Help*

- local training programmes in community leadership should be piloted;

DfEE, Report of PAT 2: Skills for Neighbourhood Renewal: Local Solutions

- start-up and loan funding should be provided for social entrepreneurs, and support networks of entrepreneurs should be encouraged;

SEU, Report of PAT 16: Learning Lessons

- the 48-hour rule for volunteers on Jobseeker's Allowance should become a one-week rule.

DCMS, Report of PAT 10: Arts and Sport

KEY IDEA 13

Making it easier for local organisations to get funding

Recommendations made by PAT 9 on Community Self-Help and PAT 10 on Arts and Sport included:

- the Home Office's Active Community Unit (ACU) should be responsible for working with departments and agencies with the aim of getting proper co-ordination of funding for voluntary and community groups;
- ACU should develop a single, simple funding application form, and harmonise checks on the financial management and stability of organisations applying for funds;
- there should be easier access to small amounts of money via a Community Resource Fund (providing grants of £50–£500);
- wider access to funding. Ethnic minority and women's organisations need fairer access to funding, and a more pragmatic approach should be taken to funding faith organisations;
- piloting Neighbourhood Endowment Funds, which would be capital sums to yield interest which local residents could decide how to spend in the community; and

HO, Report of PAT 9: Community Self-Help

- payment of voluntary sector organisations in advance, rather than in arrears, and providing support for development workers in priority areas.

DCMS, Report of PAT 10: Arts and Sport

KEY IDEA 14

Involving community and voluntary sector organisations in service delivery

PAT recommendations included that:

- there should be targets for community spending built into regeneration programmes;
- a validation or accreditation programme should be introduced for organisations working closely with the local community. This might work like a Charter or an Investors in People programme;

HO, Report of PAT 9: Community Self-Help

- local 'community champions' and 'Community College' status should be used to improve school/community links;

DfEE, Report of PAT 11: Schools Plus

- intermediary bodies should play a bigger part in employment policy, and Employment Service managers should have more discretion to contract with local organisations (especially those from ethnic minority communities); and

DfEE, Report of PAT 1: Jobs for All

- new schemes like neighbourhood learning centres, neighbourhood management and neighbourhood wardens should maximise community involvement and leadership, with strong ethnic minority involvement in areas with ethnic minority populations.

DfEE, Report of PAT 2: Skills for Neighbourhood Renewal: Local Solutions
SEU, Report of PAT 4: Neighbourhood Management; and
HO, Report of PAT 6: Neighbourhood Wardens

WHAT DO YOU THINK?

- 6.1 Is this the right vision for reviving communities?
- 6.2 Are the proposed changes the right ones? Will they be effective in addressing the disadvantage faced by ethnic minority groups in deprived areas?
- 6.3 Have important issues been missed?

And in particular, having considered the proposals in this chapter:

- 6.4 What more can be done to tackle the threats that undermine deprived communities, and particularly drugs?
- 6.5 Are there further barriers to community and voluntary organisations delivering public services, even when they are best placed to do so?
- 6.6 What more can be done to help build the capacity of people in deprived neighbourhoods to get involved in turning round their neighbourhoods?

And, in terms of community and voluntary sector contributions to the National Strategy:

- 6.7 Which public services can voluntary and community sector organisations help deliver and in what circumstances?
- 6.8 How could voluntary and community sector organisations work better with the Government, with each other and with business?
- 6.9 How can voluntary and community sector organisations establish a presence in deprived neighbourhoods which currently lack this sort of activity?
- 6.10 How can voluntary and community sector organisations help to build up the capacity of local residents?
- 6.11 How can the new regional voluntary sector networks contribute to tackling neighbourhood deprivation?

Chapter 7: Decent services

Chapter summary

This chapter sets out ideas about:

- **raising the standards of all public services in deprived neighbourhoods** through specific targets;
- **using the Year 2000 Spending Review** to get resources to back this up;
- **designing services to make them more neighbourhood focused and more preventive**; and
- **improving private services** such as shops and banks.

Introduction

- 7.1 **Chapter 2** set out how public and private services often come under pressure in a neighbourhood suffering from economic decline. This rapidly creates a vicious circle, as poorer services hamper efforts to regenerate the neighbourhood and attract new residents.
- 7.2 Decent basic services in poor neighbourhoods are fundamental to: promoting community cohesion; preventing crime, youth disaffection and abandonment; and reassuring businesses that it is safe to invest. Conversely, without decent basic services, it is unlikely to be possible to prevent or reverse decline, and more costly solutions may become unavoidable.

High expectations: targets for performance in deprived neighbourhoods

- 7.3 In the past, core public services (and the Government departments and agencies that run or fund them) have not been accountable for the specific outcomes in deprived areas. Government departments have only been given targets to improve the national averages. Indeed, Government still cannot measure many outcomes at ward level. But as **Chapter 1** showed, a key problem over the last 20 years has been that national averages have concealed the intensity of deprivation, masking areas which have not shared equally in rising living standards, skills levels and employment.
- 7.4 The failure to set specific targets for deprived areas has meant that outcomes in the poorest areas have not been prioritised by core public services. As **Chapter 2** argues, it has often been assumed that area-based initiatives should shoulder the burden of regenerating poor areas, rather than core public services.
- 7.5 However, the message from the PATs, from consultees, and from work in the Spending Review is clear: neighbourhood renewal will not work without core public services taking their fair share of the strain. Their resources dwarf those of area initiatives, and, unlike area initiatives, they are permanent and operate everywhere. So core public services need to be the Government's main weapons against deprivation.
- 7.6 The Government has already done a great deal to start to refocus core public services on tackling the difficulties in deprived areas, as noted in **Chapter 3**. It has also introduced national frameworks and initiatives which will need to be implemented with particular vigour in deprived areas.

- 7.7 But more could be done. There is everything to be said for building high expectations for deprived neighbourhoods into the way departments account for their performance and direct their resources. The Public Service Agreement (PSA) process introduced in the last Comprehensive Spending Review offers a promising mechanism for doing this, as the box below sets out. DfEE's recent announcement that, at every secondary school in the country, at least 25 per cent of pupils will be expected to get five good GCSE passes by 2006 illustrates how targets might look in practice.

KEY IDEA 15

Targets for core public services in deprived neighbourhoods

A special Deprived Neighbourhoods Team within the Year 2000 Spending Review is looking at setting clear, specific and achievable targets for key departments' performance in deprived neighbourhoods. These targets would be:

- focused on changing outcomes (e.g. better health, less crime, more jobs, higher educational attainment, fewer drugs and better access to transport), not simply *inputs* (like money or staff) or *outputs* (like the number of unemployed people who receive training);
- built into departments' main PSA targets. This would ensure that they were at the centre of the Government's agenda;
- set as national minimum targets, so that nowhere in the country should outcomes fall below a certain level. An alternative would be to set specific targets for named areas. But in either case the aim would be to help bridge the gap between deprived areas and the rest; and
- reflected in new performance regimes such as Best Value, following discussion with local partners.

At the moment the aim is to arrive at a list of ten or so key targets of this kind, adding a neighbourhood or district dimension to key national targets.

The results of the Spending Review will be announced in July.

Delivery

- 7.8 Being able to deliver these targets would depend on several things:
- **local buy-in:** it is important that targets for delivery in deprived areas are locally-owned and not seen as imposed from outside. This is discussed below, and also in **Chapter 8** and **Annex D**, where the issue of local joint-working is also discussed in more detail;
 - **a clear role for area-based initiatives**, which need to be part of an overall strategy to improve outcomes in deprived areas;
 - **resources.** Lack of resources is not always the problem in poor service performance in deprived areas. But in some places, it *is* part of the problem and needs to be recognised as such;

- **innovative service design:** in some cases, it is clear that services need to be designed in a different way, or delivered in a different intensity, to work well in deprived areas. It will require greater flexibility for front-line staff to tailor services and be creative in this way; and
- **intelligence-led services:** improved information about the problems of deprived neighbourhoods, more access to evidence of 'what works', and better training will all help to improve outcomes. This is discussed in **Chapter 8**.

Working with local government and other local partners

- 7.9 The effectiveness of core public services depends to a large extent on the organisations that deliver them locally. Some of these services are delivered by central Government agencies, e.g. the Employment Service or the Benefits Agency. Others are delivered or influenced by local government, such as social services, education and transport. Others are delivered by organisations such as housing associations or by voluntary community organisations, which are supported by the Government and/or local authorities.
- 7.10 In all cases, clear local ownership of priorities is crucial to success. And locally-tailored approaches have much to contribute in many circumstances, as many local authorities and others are already demonstrating. A recognition of this is at the heart of the Government's agenda for modernising local government, a ten-year strategy for reform which will fundamentally reshape the way local government makes decisions, reviews and continuously improves its services, and promotes the well-being of local communities.
- 7.11 This raises the important issue of how targets for central Government departments can be translated into local priorities. The Government will need to work sensitively and carefully with local authorities and the police to ensure any new national targets are reflected in the Best Value framework. As an aid to this, PAT 17 on Joining It Up Locally¹⁶⁵ has recommended that a small group of key Best Value targets should be broken down to the neighbourhood level, to facilitate comparison.
- 7.12 There are other ways in which central and local government can work together to place a continued and high local priority on helping to turn round the most deprived neighbourhoods, building on local government reform, such as the Beacon Council initiative and possible future initiatives like local PSAs. These are discussed in detail in **Annex D**.

Area initiatives

- 7.13 Area initiatives are special pots of money which some deprived areas get, but which affluent areas do not. One group of area initiatives – regeneration programmes like the SRB – are not tied to any particular department (e.g. DfEE) or outcome (e.g. employment). Their use is discussed in **Chapter 8**.
- 7.14 But other area initiatives are tied to individual departments and outcomes, such as Health Action Zones and Education Action Zones. These 'zones' can provide a useful way to complement what core public services are already doing in deprived neighbourhoods, for instance by innovating, targeting funds and enhancing the flexibility of main services. This means that they may be valuable tools for helping departments achieve the kind of challenging targets for deprived areas discussed above.
- 7.15 Many of these 'zones' are already achieving a lot in deprived neighbourhoods. But to achieve their full potential, they need to:
- be linked into clear departmental targets;

- have the flexibility to be tailored to meet local conditions and priorities;
- focus more on innovation and joining up, rather than simply shoring-up inadequate main services;
- be simple, unbureaucratic, fewer in number and overlap less;
- join up with each other better; and
- maximise the contribution of the private, community and voluntary sectors.

7.16 Proposals for the better co-ordination of area initiatives are discussed in **Chapter 8**. Decisions on this, and the future of regeneration programmes, will be taken in the current Spending Review.

Getting the resources for the job

7.17 There are many problems in deprived areas where the need is not for more money, but for better use of it and/or less tolerance of service failure. But in some cases, it is clear that lack of funding is one of the main causes of public service ineffectiveness in deprived neighbourhoods. As well as giving services the right targets, departments will need to consider in the Spending Review whether they are getting resources to the right places.

7.18 Consultations in developing the National Strategy and work in the Spending Review have highlighted some specific examples which deserve further examination.

7.19 On health, for example, the funding formula for GPs incentivises those who have a long list, and many feel that providing additional services to needy patients is not rewarded. As **Chapter 2** pointed out, research has found that, on average, doctors would sacrifice income of over £5,000 a year¹⁶⁶ not to work in a deprived area. Some deprived areas have no GP, despite the pressing health needs.

7.20 Education also illustrates some striking examples. On schools, OFSTED report that there is relatively little difference in the levels of overall funding between schools in disadvantaged and advantaged areas. For secondary schools funding levels vary by less than ten per cent.¹⁶⁷ For primary schools, the difference is even less and the average conceals a significant variation in the funding for schools in similarly deprived neighbourhoods as shown in **Chapter 2**.

7.21 In response to these concerns, PAT 11 (Schools Plus)¹⁶⁸ has made a number of recommendations on resources, which are being considered in the Year 2000 Spending Review. These are that:

- LEAs should be encouraged to ensure that funding for schools in deprived areas reflects their relative needs;
- schools taking pupils outside the normal year of intake who need high levels of support should get immediate additional funding in recognition of this; and
- there should be a general review of funding regimes for disadvantaged schools to ensure they have sufficient resources and that these are productively used.

7.22 DfEE is looking at these matters, but the issue of funding goes wider, and will be looked at for all core public services (e.g. police, schools, health and employment services) as part of the Spending Review. Proper funding can be crucial in various respects, such as for staff recruitment and retention.

KEY IDEA 16

Ensuring services have the resources for the job

The 2000 Spending Review is examining the case for new targets for core public service performance in deprived areas. The Review will examine whether the total funding for each department, and the formulae which divide funding up between different areas, will be sufficient to achieve these targets.

Innovative service design

- 7.23 It is not just the overall amounts of money available to a service that will determine its effectiveness. Just as important is what the money is spent on, and whether programmes are designed in a way that recognises the distinct needs and problems of deprived neighbourhoods.
- 7.24 **Chapter 5** and **Chapter 6** have already touched on some important ways in which services can be better designed to work in deprived neighbourhoods. Employment services can make more use of intermediaries and voluntary organisations; neighbourhood warden schemes can be used to tackle and prevent crime; benefit changes can support the return to work.
- 7.25 Other PATs looked at other key services such as schools, family and youth services, and housing management and made the recommendations set out below.

Schools and families

KEY IDEA 17

Increasing Schools Plus activities

PAT 11 on Schools Plus concluded that attainment could be raised in schools in deprived areas in the following ways, which build on the changes the Government has already made to schools policy:

- all pupils in disadvantaged schools to have the opportunity of at least three hours' per week study support (e.g. homework clubs, sports activities, community volunteering);
- new Schools Plus teams to help staff implement this approach, and extended opening hours in some schools;
- a new Community Education Fund to help school/community links;
- Community Learning Champions to develop relationships between schools and local parents, businesses, and voluntary organisations;
- specialist Community College Status to recognise schools which are working closely with their communities to raise standards;
- funding for supplementary and mother tongue schools; and
- an expanded programme of mentoring for those from ethnic minorities, and a move towards more monitoring, evaluating and target setting for raising ethnic minority achievement.

DfEE, *Report of PAT 11: Schools Plus*

KEY IDEA 18

Support for families and young people

Ways of improving family support – highlighted as a priority by a number of PATs – included:

- services or referral points in places where they are easily accessible, for example, schools, health centres, family centres and in the workplace. This would involve co-location of professionals from different services;
- promoting family/school partnerships;
- particular measures to reach ethnic minority parents, and increase their engagement with schools; and
- encouraging community and leisure activities that support young people's development and develop parenting skills.

*DfEE, Report of PAT 11: Schools Plus
SEU, Report of PAT 12: Young People*

Family Support is being considered in the Spending Review, in a special Review on Young People at Risk.

On-the-spot delivery

- 7.26 Several PATs such as PATs 4 (Neighbourhood Management)¹⁶⁹ and 13 (Shops),¹⁷⁰ identified the low number of public and private services available in the neighbourhoods themselves as a problem. Lack of neighbourhood services contributes to the atmosphere of desertion, and reduces the number of comings and goings that build communities and enable residents to keep an eye out for things that go wrong. By contrast, neighbourhood-based services can provide a reassuring on-the-spot presence in a deprived neighbourhood, and act as a gateway to other services and a channel for residents' concerns. On-the-spot housing management has a particular role to play here.
- 7.27 As the box overleaf shows, on-the-spot delivery can take many forms, such as creating new posts or premises in the neighbourhood, or building additional functions round an existing person or place. It would be difficult, expensive and unnecessary for all services to be represented in all neighbourhoods. But clubbing together – including between public and private sectors – would maximise benefits and reduce the costs.
- 7.28 This is an issue on which progress will only be made through joint working and co-ordination: the ideas in **Chapter 8** suggest how local partnerships and communities could find mutual benefit in working together on issues like these. Central Government could give stronger signals to the services it runs to indicate that more neighbourhood delivery was not only acceptable but also desirable. A number of departments are keen to push forward or pilot ideas described overleaf.

KEY IDEA 19

On-the-spot service delivery

Housing management

PAT 5 on Housing Management recommended that DETR should promote high-quality, on-the-spot housing management, because of its contribution to reducing social exclusion and improving quality of life; its ability to provide tenants with a crucial first point of contact on service issues; and its potential as a route for tenant involvement and a foundation for non-housing activities like crèches or credit unions.

DETR, *Report of PAT 5: Housing Management*

Education

PAT 2 on Skills and PAT 15 on Information Technology proposed that there should be accessible centres within deprived neighbourhoods to help people acquire various skills, and outreach to encourage this. PAT 11 on Schools Plus proposed the establishment of one-stop family centres on school sites. (See key idea 17.)

DfEE, *Report of PAT 2: Skills for All*
DfEE, *Report of PAT 11: Schools Plus*; and
DTI: *Report of PAT 15: Closing of the Digital Divide: information and communication technologies in deprived areas*

Buildings

PAT 9 on Community Self-Help identified the role that 17,000 existing multi-purpose community buildings in England could play as a base for a number of community, voluntary and statutory activities and services.

Home Office, *Report of PAT 9: Community Self-Help*

PAT 10 on Arts and Sport recommended that National Lottery distributors should find ways to finance more multi-purpose community buildings in deprived areas. The location of new buildings needs to take account of the vital need to build links between deprived neighbourhoods and their surrounding areas.

DCMS, *Report of PAT 10: Arts and Sport*

People

PAT 6 on Neighbourhood Wardens identified that warden schemes could be effective. At the heart of each scheme is the desire to reduce crime and fear of crime. But other functions include housing management and maintenance, environmental improvements and tackling and deterring low-level anti-social behaviour. (See key idea 8.)

Home Office, *Report of PAT 6: Neighbourhood Wardens*

Neighbourhood management

Finally, key idea 25 in **Chapter 8** sets out more radical ideas for neighbourhood management that go beyond merely delivering core public services in the neighbourhood, towards a new relationship between services and communities.

SEU, *Report of PAT 4: Neighbourhood Management*

Improving access to private sector services

- 7.29 So far, this chapter has focused on public services. But private sector services also come under pressure when neighbourhoods decline. High levels of crime and declining purchasing power have had a huge impact on the profitability of shops, banks and insurance services in deprived neighbourhoods. For example, eight independent shops disappeared every day between 1986 and 1996,¹⁷¹ and many of these were in deprived neighbourhoods.
- 7.30 As with public services, there is a vicious circle, and the disappearance of each private business makes neighbourhood decline still worse, with higher prices, reduced job opportunities, one less presence to deter crime, and one less natural meeting point for residents.
- 7.31 The proposals in **Chapter 5** on jobs and business, and in **Chapter 6** on reducing the fear of crime should have an indirect but important impact in supporting private businesses in poor areas. But more direct measures may be needed to help people in deprived areas to have the same access to goods and services that others enjoy elsewhere, as the boxes that follow set out.

Shops

KEY IDEA 20

Helping bring back shops to deprived areas

PAT 13 on Shops found that the decision for retailers about whether to locate in deprived areas is often a marginal one. They can be deterred by factors like crime and insensitive local planning. In response, the PAT recommended that:

- LSPs and, where they exist, neighbourhood managers should establish local retail forums, to draw up local retail strategies. This would involve auditing local retail provision, consulting local consumers, and identifying local assets, such as vacant property;
- the planning system should play a more proactive role in developing local shopping facilities. The forthcoming Urban White Paper should look at ensuring that local planners take account of the needs of deprived communities for shops, and consider the case for rate relief for shops in deprived areas; and
- crime and fear of crime should be tackled, including by focusing the HO's Crime Reduction Programme more on retail crime in deprived areas.

DH Report of PAT 13: Improving Shopping Access for People Living in Deprived Neighbourhoods

Financial services

- 7.32 As **Chapter 1** set out, access to financial services like bank accounts and insurance tends to be lower in deprived areas. PAT 14 on Financial Services¹⁷² found that some people would be more willing and able to get a bank account if it were one that did not allow an overdraft to be run up. Such basic accounts are a fruitful avenue for further development.
- 7.33 For others, mainstream bank accounts may not be the best answer, and a useful alternative is to join a community credit union. These are small, community-run financial services organisations which can encourage small-scale savings, provide low-cost credit and, over time, give people the chance to build up a good credit record, enabling them to move on to more sophisticated

financial products from elsewhere. The credit union movement covers only a fraction of one per cent of the population, but the Government is committed to promoting credit unions and has proposed setting up a new Central Services Organisation in charge of their promotion and development.¹⁷³

- 7.34 For insurance too there are new ideas – Insurance with Rent schemes – which allow people to pay a little extra with their rent to obtain home contents cover. The landlord’s block purchase of insurance makes this affordable.

KEY IDEA 21

Improving access to financial services

PAT 14 on Financial Services recommended that:

- banks and building societies and other providers should continue to develop and promote basic account services. The Post Office network should be developed as an alternative delivery route for financial services.

To encourage credit union growth in deprived areas:

- the new Central Services Organisation for credit unions should be tasked with ensuring fast growth of credit unions in deprived areas; and
- the Financial Services Authority should ensure that the fees are fair.

To encourage better access to insurance products in deprived areas:

- DETR should promote Insurance with Rent schemes in deprived neighbourhoods, working with the Housing Corporation, the Local Government Association (LGA) and the insurance industry; and
- the possibility of offering other kinds of insurance to tenants in this affordable way should be considered.

HMT, *Report of PAT 14: Financial Services*

WHAT DO YOU THINK?

7.1 Is this the right vision for ensuring decent services in deprived neighbourhoods?

7.2 Are the proposed changes the right ones? Will they be effective in addressing the disadvantage faced by ethnic minority groups?

7.3 Have important issues been missed?

And in particular:

7.4 How can targets be developed for public services in deprived areas which are both challenging and locally owned?

7.5 In what ways can core public services be delivered more flexibly in order to achieve better outcomes in deprived areas?

7.6 Is there scope to improve substantially support for families and young people in deprived areas, aiming to prevent problems before they happen or become acute?

■ Chapter 8: Leadership and joint working

Chapter summary

The changes envisaged for the National Strategy will not happen of their own accord. This needs leadership at all levels. There are three elements to this:

- **clear and inclusive mechanisms for joint working** at national, regional, local authority and neighbourhood levels;
- **a commitment to involving those outside Government in neighbourhood renewal.** This chapter builds on the discussion of the community and voluntary sectors in **Chapter 6** by examining the scope for involving business more and building on its strengths; and
- **a better focus on outcomes and effectiveness** by pulling together annual Neighbourhood Statistics; compiling and disseminating evidence of 'what works'; and providing better training for all involved in neighbourhood renewal.

Introduction

- 8.1 This chapter is about the 'nuts and bolts' of ensuring that deprived neighbourhoods are turned round. The analysis in **Chapter 2** shows how the effectiveness of core public services in deprived neighbourhoods is compromised by their failure to work with each other and with organisations from other sectors. It also shows how service providers and other organisations are often 'flying blind' in deprived neighbourhoods, due to the lack of small-area information, information on 'what works' and training on how to work in the difficult situations in deprived areas.
- 8.2 This chapter focuses on how to respond to these failings, by looking in turn at:
- learning to work in partnership;
 - involving others; and
 - developing information and expertise.

Learning to work in partnership

- 8.3 **Chapter 7** examined how individual services can improve their performance; this is badly needed.
- 8.4 But to tackle the problems of deprived neighbourhoods effectively will require communication and joint working across a whole range of borders:
- **between services** such as education, employment, health, crime, social services, housing etc;
 - **between levels of government**, such as central, regional, sub-regional, local and neighbourhood;
 - **between providers and customers**; and

- **between sectors, institutions and communities** – including the public, private, voluntary, and community sectors, as well as faith groups and different ethnic minority communities.
- 8.5 The public sector has had some success in initiating new partnerships in recent years and much has been learnt from this. But as **Chapter 2** points out, many of these initiatives have been set up in isolation from one another without an overarching framework: as they proliferate, partnerships can start to become part of the problem rather than the solution.
- 8.6 This is a problem at all levels of Government, extensively documented in the PIU's report *Reaching Out*.¹⁷⁴
- at **national level**, where there is no co-ordination of the overall impact of different departments' policies on deprived areas, and where central Government is not well designed to engage with local players on cross-cutting issues like neighbourhood deprivation;
 - at **regional level**, where departments' regional networks are fragmented; there are confusing overlaps between the role of GOs and RDAs in tackling social exclusion; and there is little regional input into policy development within central departments;
 - at **local level**, where the 'silo' mentality replicates that found in Whitehall, within local authorities and other public service providers. And routine co-ordination between local providers of core public services such as health, police, the Employment Service, the Benefits Agency and local authorities is rare; and
 - in the **neighbourhood** itself, where the impact of services is almost never co-ordinated, despite the huge potential advantage of doing so; and where the residents' voice is often unheard or ignored.
- 8.7 The result is a perverse one: lack of structure and failure to establish clear co-ordination mechanisms, which hampers the potential for residents, business and voluntary sector to make a contribution to turning round deprived neighbourhoods. Too much time has to be spent on negotiating the system, rather than on delivering results. Lack of leadership often gets in the way of partnership.
- 8.8 Aspects of this issue have been looked at by a number of PATs, as well as in the PIU report.¹⁷⁵ And the cross-cutting Spending Review on Government Interventions in Deprived Areas has a role in drawing the threads together. A possible structure to rationalise the task of co-ordination, be more inclusive and improve outcomes, is now emerging.
- 8.9 The structure that might make most sense is summarised in **Figure 3** on page 81. It has four key levels, described in more detail in the following boxes.

The national level

KEY IDEA 22

A central focus in Whitehall

Ministers are considering how to ensure that policy on deprived areas is co-ordinated and properly overseen within Whitehall, and that lead responsibility is made clear for implementation of the National Strategy for Neighbourhood Renewal.

One option would be a cross-cutting Unit which might be based in a single department. There would be a range of different options for Ministerial oversight, including traditional departmental reporting lines, or a joint Ministerial group with rotation of the chairmanship. Whichever route was chosen, success would depend on vital contributions from all departments, and joint ownership of any cross-cutting work. The links with and role of the new Regional Co-ordination Unit¹⁷⁶ would need to be considered.

The idea would not be to cut across existing responsibilities for main services or take responsibility for programme expenditure. Instead, value would be added to the work of main spending departments by:

- monitoring progress and threats;
- running common infrastructure (e.g. the proposed National Centre for Neighbourhood Renewal);¹⁷⁷
- contributing to more joined-up policies and initiatives; and
- supporting a more strategic dialogue with regional and local players, including the voluntary, community and private sectors, and representatives of ethnic minority groups.

The Unit could also broker agreement on cross-cutting implementation issues such as reducing bureaucracy and negotiating new freedoms and flexibilities for local services. It could have a role in monitoring important themes such as the involvement of the community, private and voluntary sectors in neighbourhood renewal. It could have a role in continued policy development on some of the 'loose ends' that an agenda the size of the National Strategy will undoubtedly uncover, and ensuring that new Government policy is assessed for its impact on life in deprived areas.

The idea will be considered further in the Spending Review and in the light of consultation on this report.

*The regional level***KEY IDEA 23****Regional co-ordination**

GOs are going to be strengthened in the wake of the PIU report *Reaching Out*.¹⁷⁸ Ministers are considering giving them explicit responsibility for co-ordinating and influencing regional activity that impacts on deprived neighbourhoods, and supporting activity at more local levels. This would mean:

- helping to ensure joint-working between key services in the Regions;
- contributing to local strategies to tackle deprivation and administering any incentives that are available to encourage the development of LSPs;
- delivering (or influencing the delivery of) area initiatives and regeneration funding for deprived areas;
- providing technical assistance and training to those involved in renewing deprived neighbourhoods; and
- linking up with national, local and neighbourhood counterparts, and with the business and voluntary sectors.

This role would require close working with the RDAs, whose work is critical to tackling social exclusion. But other regional partners would also need to be involved, such as the Housing Corporation and NHS Regional Offices, and the emerging Regional Voluntary Sector Consortia.

*The local authority level***KEY IDEA 24****Local strategic partnerships (LSPs)**

Ministers are considering ways of promoting co-operation at local authority level. The idea is to encourage a mechanism (an LSP) that would help core public services (both local authority and central Government services) achieve their individual targets for deprived areas via joint working. LSPs would provide the mechanism to help services to work with each other, with communities, and with the private and voluntary sectors. They could also help to simplify some of the complexity of existing planning and partnership requirements. They might add value by:

Rationalisation

- build on Community Planning, taking opportunities to draw together existing, overlapping local partnerships and plans;

Inclusiveness

- involving and consulting communities and being a focus for their ideas and concerns, with sensitivity to the local ethnic mix;
- providing a structure with which business and the voluntary sector find it easier to engage. One option would be to employ paid voluntary sector co-ordinators;

Joint analysis

- analysing the key trends and risks in their area, sharing views and using information better;
- identifying neighbourhoods that need special help, and, in extreme cases, those that are unsustainable;

Joint action

- agreeing individual and joint action for all partners to increase their combined effectiveness;
- identifying and harnessing public, private and voluntary resources that could contribute to neighbourhood renewal (e.g. unused facilities and buildings, volunteer time, businesses);
- looking at how services could club together to support each others' services or share premises;
- providing services within neighbourhoods that otherwise no-one might fund individually, like community capacity-building, or neighbourhood warden schemes;
- identifying a resource to act as a recognisable, on-the-spot presence within each deprived neighbourhood. In some cases, this might involve initiating neighbourhood management, and finding funding for it;
- developing better strategies to encourage businesses and shops back into an area;
- responding to new cross-cutting issues that would otherwise require tailor-made solutions; and
- bidding for, and joining up, area initiatives. New area initiatives could be required to work with the LSP, and existing ones could be encouraged to do so. In some cases, the LSP would be a good delivery vehicle for an area initiative. **Annex D** provides further details.

DETR, *Report of PAT 17: Joining It Up Locally*

- 8.10 This idea goes with the grain of local government reform. Local authorities would have a key role to play in each partnership, but not always the lead role. This approach would provide effective ways to recognise and incentivise good local government practice, while supporting weaker authorities.
- 8.11 In particular, the idea would need to be an integral part of the new Community Planning framework, for which the Government is currently legislating.¹⁷⁹ This would mean that joint-working on neighbourhood renewal would develop as part of broader partnership-working, within a single partnership (and often to evolve from one that already exists, such as the LGA's New Commitment to Regeneration¹⁸⁰ Partnership). These broader partnerships would also provide a framework to support Urban Renaissance. Many areas might use these changes as an opportunity to rationalise existing partnerships, using the new powers from the same legislation.
- 8.12 **Annex D** sets out some of the more detailed considerations about how this might work, drawing on the work of PAT 17 on Joining It Up Locally.¹⁸¹ This includes discussion of how the Government might encourage the formation and effective performance of partnerships. This could be done by giving these new activities a strong emphasis within guidance on the new framework for Community Planning, and possibly by funding partnerships and/or refusing to grant new regeneration money to an area until an effective LSP was in place or on the way.
- 8.13 GOs would oversee the application of these incentives. They would be responsible for the accreditation of partnerships. Partnerships would be responsible for a variety of strategic and joint-working issues. The idea is that better joint-working would contribute to improved outcomes on educational attainment, crime, jobs and health. But there would be no question of partnerships displacing or blurring accountabilities of lead service providers. Nor would they be able to overrule national priorities for those delivering core public services.
- 8.14 It would be important to ensure that partnerships struck the right balance in their priority-setting between central and local priorities. Views are requested on how this balance could best be achieved (see question 8.5 at the end of this chapter).

The neighbourhood level

- 8.15 Proposals for addressing the low number of public and private services available in deprived neighbourhoods were outlined in **Chapter 7**.
- 8.16 Putting some of these ideas into practice could provide a reassuring on-the-spot presence in a deprived neighbourhood, and act as a gateway to other services and a channel for resident concerns.

8.17 But some proposals go beyond this, towards developing a new relationship between services and communities. The idea of neighbourhood management¹⁸² is one example of this. This is set out in the box below.

KEY IDEA 25

Neighbourhood management

Elements of neighbourhood management have been developed in a number of areas, mainly in social housing initiatives. But in its full form it is untried. PAT 4 on Neighbourhood Management believes it could be very cost-effective because it would prevent problems, empower residents and press mainstream services to deliver better. It could also work with the grain of local government reform. A programme of pathfinders is recommended to test the following model:

- **putting someone in charge.** People in deprived communities often do not know where to turn when they face a problem. Neighbourhood managers could fill this gap, and so would need the clout to do something about the problems that residents bring to them;
- **applying a 'toolkit' of solutions in a systematic, planned way.** The manager would be expected to find out what the key local problems were, and work out what to do about each of them. Options would include:
 - making agreements with service providers about how services are run;
 - running a service locally, e.g. housing management;
 - putting pressure on higher tiers of government to shift blockages or barriers, e.g. through the LSPs described earlier;
- **community involvement and leadership.** Without this, the idea will fail. Neighbourhood management is about giving more power to local people, to influence the services that affect their quality of life; and
- **using the most effective local organisation.** The job would need to be done by someone with strong links into a deprived community, who could put their case effectively. In many places, such organisations already exist.

SEU, Report of PAT 4: Neighbourhood Management

8.18 The ideas and insights that this approach brings could also be tried out through other on-the-spot delivery vehicles, and this will undoubtedly happen. But one important task will be to ensure that the roll-out of these ideas is properly co-ordinated. Ideally, most deprived neighbourhoods would have *someone* performing an on-the-spot role of this kind, rather than some neighbourhoods having several initiatives and others having none. This is partly about Whitehall departments and regional players talking to each other, and partly about proper joint-working within LSPs.

8.19 **Figure 3** (opposite) summarises the structure which paragraphs 8.10–8.18 (including key ideas 22–25) have described.

Figure 3: Who is going to help join things up?



Regeneration programmes

- 8.20 Regeneration programmes like the NDC and the SRB have a unique contribution to make to the National Strategy. But, in the long run, it may not be the same contribution that they make at present, although just as valuable.
- 8.21 Over time, it would be less necessary for these programmes to fund intensive services in deprived areas, as core public services would take the strain. But improving core public services will take time, and, given the scale of deprivation in these areas, it would be perverse to spend less on area regeneration programmes in the immediate future. There would be a continued need to support economic regeneration activity. And in the short term, they would also need to have a new focus on testing out some of the ideas highlighted in this report.
- 8.22 Whatever happens, it would be important to ensure that regeneration funding is used in a way that maximises the involvement of the community and voluntary sectors, and that groups that often have not done well out of regeneration funding, e.g. ethnic minority-led groups, women and faith communities, are given fair opportunities.

Co-ordinated support for young people

- 8.23 All of these changes involve highlighting the area dimension of Government policies for which different central and local services are responsible. PAT 12 on Young People¹⁸³ identified a similar structural issue in the development of policy on young people. It saw a case for joining-up policy for disadvantaged young people everywhere, not just in deprived areas. Its proposals are set out in the box below.

KEY IDEA 26

Better co-ordination of policies and services for young people

Recommendations from PAT 12 on Young People included:

- more effective working together at the local service planning level, bringing together existing mechanisms such as Children's Services Planning and the new Connexions Service;
- the publication by the Government of a strategy document and annual report on policies for young people;
- a standing cross-departmental committee or group on children's and youth affairs chaired at Cabinet level to carry forward the strategy; and
- a dedicated support unit, which could be a common resource for departments, to help Ministers monitor and develop the strategy and to maintain a dialogue with young people and professionals, the voluntary sector and business on issues affecting them.

These ideas are under discussion in the Youth at Risk cross-cutting Spending Review.

SEU, Report of PAT 12: Young People

Involving others in turning round deprived neighbourhoods

- 8.24 **Chapter 6** looked at how community and voluntary organisations and local residents could play a bigger role in turning round deprived neighbourhoods. Evidence shows that this makes success much more likely. The structures described above all envisage a major role for such organisations.
- 8.25 Business also has a crucial role and a huge amount to contribute in helping to turn around deprived neighbourhoods. Deprived neighbourhoods need business to bring jobs, prosperity and new opportunities. And business needs deprived neighbourhoods as a source of new customers, employees and innovation opportunities. Some businesses have also gained from applying their skills in deprived neighbourhoods, through, for example, improved staff motivation and higher brand profile.
- 8.26 Business needs recognition and encouragement as a partner on issues such as schools, health, tackling crime, and building communities in deprived areas. The Government is already working closely with organisations like Business in the Community to promote the business case for community involvement. The Government is keen to see an increase in the number and range of businesses which are actively engaged in addressing the problems of deprived neighbourhoods. But the Government needs to be sensitive to the frustrations that can come from 'partnership fatigue' or the public sector's lack of clarity about what business can best offer. The questions at the end of this chapter ask for views on what else the Government could do to encourage business engagement in the community.

KEY IDEA 27

Getting business involved in neighbourhood renewal

Possible ideas to improve partnership with business included:

- the suggestion of PAT 3 on Business of a Ministerial Champion for Corporate Social Responsibility, to improve Whitehall understanding of what this means and how it can best work. This has now been taken up, with this role being added to the portfolio of the Minister for Consumer Affairs and Corporate Governance in DTI;

HMT, Report of PAT 3: Enterprise and Social Exclusion

- clearer structures nationally, regionally and locally (as discussed earlier in this chapter) so that businesses have a natural point of contact for cross-cutting issues and can get advice, if they wish, on where their input might make the most difference; and
- the possibility of departments setting themselves targets to develop a mixed economy in service provision, actively looking for ways to try out private sector solutions in new service areas.

Developing information and expertise

8.27 Services and organisations that are otherwise excellent can be undermined by small but significant failings, such as a poor understanding of what is going on in a deprived neighbourhood; an ignorance of what has worked in similar circumstances elsewhere; and a lack of appropriate training.

Better data

8.28 Better small-area data is a key input to improving outcomes in deprived neighbourhoods. The lack of quality, up-to-date information on small areas hampers the Government's ability to target the most appropriate solution on the most deprived areas and to monitor their improvement. This is a problem at every level of government.

8.29 The PAT on Better Information¹⁸⁴ has found that resolving this key problem is feasible, and has set out recommendations on how to do it. This would build on many initiatives already under way in departments and local authorities, and the improvements in information that have gone to produce successive versions of DETR's Index of Local Deprivation (ILD).¹⁸⁵

KEY IDEA 28

Neighbourhood Statistics

PAT 18 on Better Information argued that communities and professionals would be able to tackle neighbourhood deprivation better if information on social exclusion were easily available for small areas. This is a huge gap at the moment, because it is no-one's job to assemble neighbourhood information and the Census is only once every ten years.

The PAT proposed that the ONS, with a range of other partners, should lead the task of pulling together Neighbourhood Statistics – breaking down some existing statistics by smaller area, and collecting some new ones. This would cover key topics such as unemployment, health, educational attainment, skills and training, housing, crime, physical environment, access to services, and community well-being, as well as offering the chance to greatly improve data on ethnic minority groups – a key theme of many PATs – and on gender.

An initial version of Neighbourhood Statistics (a national ward-level dataset) would be disseminated electronically, ideally at nil cost to users. More customised analyses – by smaller areas or to different boundaries – could be made available for a charge. There would be robust safeguards to prevent unduly small areas being analysed, to protect privacy. The PAT 18 report details how this could be achieved.

SEU, *Report of PAT 18: Better Information*

Doing what works

8.30 Other kinds of information are also useful for those helping to turn round deprived neighbourhoods, not least information on which approaches work best, and in what circumstances. The PATs have pulled together a huge range of ideas that have worked well in individual communities, and other innovations have come from some of the Government's 'zones' and pilot programmes, or have been tried abroad with success. **Annex G** lists some domestic and international best practice examples which underpin the key ideas in this report. But getting hold of the evidence is nowhere near as easy as it should be for those who want to make a difference in their community. To address this, the PAT on Learning Lessons¹⁸⁶ has recommended setting up a National Centre for Neighbourhood Renewal.

KEY IDEA 29

A National Centre for Neighbourhood Renewal

PAT 16's vision for a National Centre for Neighbourhood Renewal (within DETR) has several elements. One key element would be to set up and manage a national 'knowledge management' system to help those working in deprived neighbourhoods understand 'what works' in what conditions. This would make use of the Internet. DETR has put a feasibility study on the idea out to tender.

There would be an important regional dimension to this role, possibly played by GOs. Alternatively, the National Centre could have responsibility for accrediting a network of regional centres, to ensure that the support provided to localities and neighbourhoods, and the criteria applied to the approval of local arrangements and plans, is consistent and of a high quality.

SEU Report of PAT 16: Learning Lessons

Staff and training

- 8.31 **Chapter 7** looked at the issue of getting funding to the services that need them in deprived neighbourhoods. But these are not the only resources that matter. People matter as much as money in delivering a quality service, and, crucially, in helping services to work together. **Chapter 7** noted the role that extra financial resources could play in helping to recruit and retain staff. But special training is often needed to cope with the challenging conditions and extra aspects to the job that characterise work in deprived neighbourhoods. Several of the PATs have responded to this key issue of training.

KEY IDEA 30

Better training

Three different PATs have noted the importance of public service professionals being trained properly for the challenges they face. They have recommended that:

- the proposed new National Centre for Neighbourhood Renewal, within DETR, should have a strategic role in improving the training of public sector professionals and practitioners who work in deprived areas;
- there should be a substantial increase in the numbers of civil servants with experience outside their home departments. *All* civil servants working on regeneration issues should have some direct experience of poor neighbourhoods;

SEU, Report of PAT 16: Learning Lessons

- a programme of training and support is needed to ensure that further education teachers in deprived areas are equipped for the job;

DfEE, Report of PAT 2: Skills for Neighbourhood Renewal – Local Solutions

- initial teacher training should provide experience of working in poor neighbourhoods and cover ethnic minority issues; and

DfEE, Report of PAT 11: Schools Plus

- several PATs have also noted the importance of all organisations working in deprived neighbourhoods having effective race equality policies, covering issues such as recruitment, retention, promotion, training and ethnic monitoring. This enables effective working in areas that are often multicultural. The related issue of tackling racial discrimination in the jobs market is tackled in **Chapter 5**.

WHAT DO YOU THINK?

8.1 Is this the right vision for promoting leadership and joint working in deprived areas?

8.2 Are the proposed changes the right ones? Will they be effective in addressing the disadvantages faced by ethnic minority groups in deprived areas?

8.3 Have important issues been missed?

And in particular:

8.4 What changes would be needed to enable GOs to play the role envisaged for them?

8.5 How could LSPs be given the room to develop local priorities without undermining their focus on national priorities?

8.6 What incentives could be provided to encourage LSPs to perform effectively? (A range of options is outlined in **Annex D**.)

8.7 What role could LSPs play in co-ordinating local area initiatives? (A range of options is outlined in **Annex D**.)

8.8 What are the key elements needed to make neighbourhood management work?

8.9 How could the ideas in this chapter be implemented in a way that ensures that lessons are learned on the way? Which elements should be piloted?

8.10 What safeguards are required to ensure that community and voluntary organisations do not lose out from any changes in regeneration programmes?

And, in terms of the contribution of business to the National Strategy:

8.11 How can businesses do more to:

- take up business opportunities in deprived areas;
- offer commercially-viable services in deprived areas;
- solve recruitment and other problems from the resources in these areas; and
- exercise corporate social responsibility within deprived areas.

8.12 How can the Government help to increase business involvement in deprived communities? In particular:

- what action should the Government be taking to encourage businesses to be more active in deprived areas?; and
- how can Government highlight best practice and explain the competitive advantages for businesses of engaging in helping to turn round deprived communities?

■ Chapter 9: The neighbourhood perspective – impact and priorities

Chapter summary

This chapter, by way of conclusion, examines what the Strategy would actually change in deprived neighbourhoods themselves; looks at what its priorities might be when being put into practice in these neighbourhoods; and argues that the Strategy can work, citing evidence of changes in the four key outcomes even in the most difficult areas.

What would change in deprived neighbourhoods?

- 9.1 Many of the changes discussed in the previous chapters would not necessarily be obvious in the neighbourhoods themselves, for instance changes in the way that Whitehall works, or in the interaction of organisations at the local authority level.
- 9.2 But the Strategy would have failed if these changes did not lead to corresponding changes within deprived neighbourhoods. This section sets out what changes the Strategy might bring on the ground.

More opportunities for enterprise and employment

- 9.3 The proposals in **Chapter 5** would begin to strip away many of the barriers to people in deprived areas taking jobs. For instance, they would enable people to update their skills, including for ICT, within the neighbourhood itself. And they would build on the Government's existing reforms to make it even clearer that work pays.
- 9.4 But they would also provide new jobs and opportunities for local people to develop as entrepreneurs, for instance on the back of the considerable public spending in deprived neighbourhoods. And self-employment would be better promoted and understood, and would be perceived as a more credible route off benefit.

Prevention of major problems – but a swift response if they happen

- 9.5 Problems such as anti-social behaviour and vacant or unpopular housing can ruin people's lives. **Chapter 6** summarises proposals for dealing with these two issues, primarily by ensuring that it is someone's job to address them – by preventing them from happening in the first place, and by responding robustly if they do happen. These proposals would bring together all of the relevant agencies to tackle the problem, rather than leaving it to fall through the gaps.

More opportunities for local people to help themselves

- 9.6 Genuine change requires local people to champion their neighbourhood. A number of the proposals in **Chapter 6** would make this easier and provide more opportunities for local self-help.
- 9.7 One example is that many of the innovations that have been proposed by the PATs – such as neighbourhood learning centres to encourage local people into lifelong learning – would be looking for local people to run them. Another example is that it would become easier and less bureaucratic to access funding for good ideas, especially for small amounts of money.

A comprehensive response to the problems of young people

- 9.8 **Chapter 7** sets out ideas for improving opportunities for young people, and responding better when things go wrong. The ideas cover not just deprived neighbourhoods but disadvantaged young people everywhere.
- 9.9 If implemented, they could help more young people succeed in education, move into work, stay out of trouble and feel they have a stake in society. This could have the important by-product of reducing the sense of threat and fear that other residents feel about young people.

High quality and accessible core public services

- 9.10 The proposals in **Chapter 7** on core public services have a simple theme at their heart – to make sure that services such as the police, schools, health services and housing services are as good in deprived neighbourhoods as they are elsewhere. They should serve everyone well in these communities, including ethnic minority groups. This is a formidable challenge, but if achieved, it would mean:
- **schools at which attainment is constantly improving**, because good staff are recruited and retained, parents and communities are involved and the best ‘Schools Plus’ approaches are used to complement strong leadership and teaching;
 - **employment services that connect with local people and employers**. The vision of PAT 1¹⁸⁷ on Jobs is that employment services in deprived neighbourhoods should meet the needs of employers for job-ready people to fill their vacancies, as well as the needs of residents for services delivered by people they trust that link them up to suitable opportunities;
 - **a robust response to crime**. This would be driven by increasing the priority that the police give to high-crime areas, backed up by locally run initiatives such as neighbourhood wardens; and
 - **better and more accessible health services**. One of the main impacts of making deprived areas a more explicit priority for health services would be to ensure the presence of high quality primary health care services.
- 9.11 In all of this, there would be a strong focus on providing services within the neighbourhood where possible – for instance through neighbourhood learning centres or on-the-spot housing management – getting them to share premises or operate side-by-side.

An on-the-spot presence with connections to local decision-makers

- 9.12 **Chapter 7** and **Chapter 8** also propose that all deprived areas should have some form of recognisable, on-the-spot presence to help deter trouble, react quickly to local problems and act as a line of communication to people making decisions about local services.
- 9.13 This would take different forms in different places. In some areas it might be neighbourhood wardens. In others, housing managers. In yet others, it could be a dedicated neighbourhood manager who would run some services and influence others. But in all cases, the role would be accountable to local people, or even done by them, and would meet the crucial need that many residents feel for someone on the spot whom they can approach when something is wrong.

What would the priorities be locally?

- 9.14 So far, the dynamic element of the Strategy has not been spelled out. But the order in which things are done is a critical issue, particularly at the local level. The very comprehensiveness of the ideas in this report could easily make it hard for those charged with renewing deprived communities to set priorities.
- 9.15 Faced by a host of interlocking problems and potential solutions, many communities do not know where to start. This report gives some ideas about what might work, many of which could be implemented at once (see **Annexes E and G**). A clear idea of priorities is needed, because if everything seems to be a priority, then little will get done.
- 9.16 To some extent, priorities will differ between areas. But the core of the problem – crime, jobs, educational attainment and health – is the same in most deprived neighbourhoods.
- 9.17 The evidence that the SEU has drawn together indicates that successfully turning around a deprived neighbourhood usually involves several stages:
- **restoring order.** It is impossible to focus on jobs, education and health when there are serious threats to order and safety. The first priority for any neighbourhood in this situation is to restore order, tackle crime, drugs and anti-social behaviour;
 - **early wins.** The confidence of residents can often be boosted by quick and visible changes to local quality of life. Restoring order is the most important and most obvious. But other, more minor changes, can have a big impact, such as ensuring streets are clean and housing damage is quickly repaired;
 - **addressing economic decline.** Steps need to be taken to revive the economic capacity of residents, by helping them to work, earn and create wealth. Economic renewal is at the heart of turning neighbourhoods around, just as economic decline was at the heart of neighbourhood decline. This is often a particular issue for young people, for whom wider issues also need to be addressed as an early priority; and
 - **addressing longer-term issues.** There are two main priorities here. First, core public services need to be improved, especially those that affect young people, such as schools. Secondly, the confidence and ability of residents to help themselves needs to be built up.
- 9.18 These priorities need to be enshrined in the strategies that LSPs develop for their areas – which will be delivered and managed by various partners. These strategies would need to be carefully monitored and adjusted in the light of experience. And there would need to be a strong focus on linking neighbourhoods much more closely with their surrounding areas.
- 9.19 In most areas, a parallel priority would be to focus on prevention. Addressing the needs of one neighbourhood can easily lead to or coincide with the decline of others. Partnerships would need to note the warning signs from other neighbourhoods, and ensure adequate action was taken to address problems before they became serious.

Can it work?

- 9.20 This is a big vision, and the changes proposed are significant. It is not the kind of commitment that the Government and its partners should enter into casually. A key need is to prove that it can work.

- 9.21 But proving that the Strategy can work goes deeper than analysing the logic of its institutions or proving that it would get money to the right areas. It is the more fundamental question of whether the most disadvantaged people and places can ever change.
- 9.22 **Annex G** sets out a range of examples to show where the ideas in this report are already being tried and found to work. **Chapter 3** shows the results already being achieved by new initiatives and programmes, particularly on crime, jobs and education. But four particularly striking examples, all in very deprived areas, serve to make the point.

JOBS

Local Employment Access Projects, Harlesden, London

A well-paid job is clearly the best route out of poverty and disadvantage. This may seem a long way off for residents of deprived neighbourhoods where unemployment is high and employment is low. But much can be done to help local people find work.

Local Employment Access Projects (LEAP) in Harlesden is an excellent example. LEAP is a Black-led, not-for-profit organisation that was set up as part of the City Challenge initiative¹⁸⁸ in 1993, in an area of high unemployment and ethnic minority disadvantage.

LEAP works with over 100 local employers, seeking to match local residents with jobs (paying not less than £4.50 per hour). It offers support – ‘radical support’ in some cases – to people who have previously struggled to find work. It operates a personal adviser system, with many advisers having themselves had experience of unemployment.

LEAP has secured jobs for 1,800 local people. Seventy per cent of its clients find work, and 90 per cent of these are still in work three months after taking it up. It has been particularly successful at helping Black people (25 per cent of its client group) into work.

C. Evans, R. Katis, et. al., *Improving the employment prospects of low-income jobseekers: the role of labour market intermediaries – case studies*, New Deal Task Force, 1999

EDUCATION

Garibaldi School, Mansfield, Nottinghamshire

Education is the key to the future of deprived neighbourhoods. Popular mythology suggests that schools in or near these neighbourhoods are doomed to poor achievement, numerous exclusions of pupils and high disruption. But there are some startling examples of where disadvantaged schools have been turned around in a very short space of time.

Garibaldi School in Mansfield is an excellent example. In 1989, it had the third lowest GCSE pass rate in Nottinghamshire, only eight pupils in the sixth form, an average of 50 pupils leaving to go to other schools each year, and difficulty in recruiting teachers.

A new headteacher introduced a range of changes such as increasing parental involvement, marketing of the school in the community, opening up the sixth form to adults and changing the staff structures.

The results have been spectacular: GCSE pass rates are now at the national average and there are 180 pupils in the sixth form.

DfEE, Report of PAT 11: Schools Plus

CRIME

Neighbourhood Warden Scheme, Central Estate, Hartlepool

Crime is usually the number one concern for the residents of deprived neighbourhoods. It is not only a problem in itself. It also fuels other problems such as area abandonment and poor shopping facilities.

But crime can be quickly reduced, even in the most deprived neighbourhoods. One example is the Central Estate in Hartlepool. By the early 1990s, this estate faced crime rates of 179 per 1,000 population, compared with an average of 139 in the town, and 120 in Cleveland as a whole. In 1994, fear of crime was a major concern for 92 per cent of residents.

A package was put together locally to respond to this, involving a combination of Neighbourhood Watch, CCTV, design improvements, a 'dedicated' police officer and neighbourhood wardens of the kind described in **Chapter 6**.

As a result, recorded crime on the estate fell by 35 per cent between 1994 and 1997. At the same time, the estate has become more popular – lettings went up, and voids down.

Home Office, Report of PAT 6: Neighbourhood Wardens

HEALTH

Community Health Project, Redbridge and Waltham Forest, London

There is often a particular defeatism about efforts to improve poor health in deprived neighbourhoods. It is argued – with some justification – that improving the health of a population takes a long time.

But there are examples of where ill-health is beginning to be tackled in deprived neighbourhoods, such as the Redbridge and Waltham Forest Community Health Project in London. This was set up as part of the Waltham Forest Housing Action Trust.

An initial survey revealed a depressing picture of poor health and poor access to health services. For instance, 50 per cent of those attending GP surgeries presented mental health problems. In one tower block, people were registered with nearly 50 different GPs, and the area had a high number of single-handed practices, often with closed lists.

The Project, run as a partnership, introduced a number of changes and additional services, which have had an impact on local health. For instance:

- prescribed medication has fallen by 33 per cent among those using a new counselling service;
- GP usage has fallen by 50 per cent and prescribed medication by 31 per cent among those accessing complementary therapies;
- a young people's access clinic – providing a range of health-related services – won a 1999 NHS Beacon award for health improvement; and
- of the 86 local GPs, 77 refer clients to the project.

SEU Health Seminar, November 1999 and Community Health Project, *Making a Difference*, 1997

ANNEXES

■ Annex A: Summaries of Policy Action Team reports

Policy Action Team contacts

Copies of more detailed summaries of the PAT reports are available from the SEU by telephoning 020 7270 6315 or by looking at the SEU's website: www.cabinet-office.gov.uk/seu.

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Key findings and recommendations

1. Jobs

Jobless people in deprived neighbourhoods and from ethnic minority backgrounds face distinct disadvantages in competing for jobs. Key recommendations covered:

- improved efforts to engage with and support long-term jobless people;
- a concerted assault on racial discrimination in the labour market;
- more active involvement of employers in designing local employment schemes;
- the removal of further and perceived financial disincentives to taking a job; and
- involvement of local organisations in providing services to unemployed people.

DfEE, Report of Policy Action Team 1: Jobs for All

2. Skills

People in deprived neighbourhoods have disproportionate problems with the skills needed in the modern jobs market. Recommendations included:

- an increase in the amount of 'first-rung' skills provision, to help re-engage people with learning;
- this and other provision to be offered through locally-run 'neighbourhood learning centres'; and
- the new Learning and Skills Council and its local arms to prioritise skills in deprived areas.

DfEE, Report of Policy Action Team 2: Skills for Neighbourhood Renewal – Local Solutions

3. Business

Promoting enterprise in deprived areas is critical to the revitalisation of these areas. The PAT has recommended that:

- the Small Business Service should have a clear remit to promote enterprise and business growth in such areas by harnessing all available support and providing a clear lead; and
- the Government should encourage new initiatives to provide finance for enterprise activity and promote self-employment.

HMT, Report of Policy Action Team 3: Enterprise and Social Exclusion

4. Neighbourhood Management

Neighbourhood management is a new idea about how to help deprived communities improve local outcomes by helping local services to join up and respond to local needs. The PAT recommended that there should be:

- a set of core principles for successful neighbourhood management; and
- a substantial pathfinder programme to test and develop these ideas, and particular models of them.

SEU, Report of Policy Action Team 4: Neighbourhood Management

5. Housing Management

Good housing management, with an on-the-spot presence, can make a real contribution to tackling deprivation. Success requires good training, and is aided by branching out into non-housing functions. The new Best Value regime is seen as the major instrument for change. Recommendations included:

- DETR to promote high-quality, on-the-spot housing management;
- the implementation of more sensitive lettings policies;
- greater involvement of tenants in managing their own housing;
- the wider use of concierges and caretakers; and
- targets on race and service delivery to ensure ethnic groups are treated fairly.

*DETR, Report of Policy Action Team 5:
Housing Management – effective housing management in the most deprived areas*

6. Neighbourhood Wardens

High crime and anti-social behaviour in deprived areas are exacerbated by the reduction of an official presence in many neighbourhoods, as agencies have withdrawn front-line staff. Neighbourhood wardens are a good way of filling this gap and can play an important role in reducing crime, disorder, anti-social behaviour and the fear of crime. The PAT proposed:

- setting up a dedicated team to encourage and support such schemes, with some additional funding;
- promoting high standards – which have been agreed with Chief Police Officers; and
- moves to help establish strong links between schemes and local police.

Home Office, Report of Policy Action Team 6: Neighbourhood Wardens

7. Unpopular Housing

Practitioners report that low demand for housing affects around 11.5 per cent of local authority stock; eight per cent of registered social landlord stock; and three per cent of private sector stock. The PAT proposed:

- better co-ordinated housing planning at regional, sub-regional and local authority level;
- the need for local authority housing strategies to cover all tenures, link into other service providers, and increase the involvement of ethnic minority communities;
- more intensive local housing management;
- more flexibility in rent and lettings policies for social housing to encourage a social mix; and
- selective use of demolition.

DETR, *Report of Policy Action Team 7: Unpopular Housing*

8. Anti-Social Behaviour

Anti-social behaviour can shatter fragile neighbourhoods, and is on the rise. Key recommendations included:

- using Neighbourhood Agreements to set clear standards of behaviour;
- putting the Home Office and Crime and Disorder Partnerships in charge of responding to anti-social behaviour at national and local levels respectively;
- clarifying best practice on sharing information about anti-social residents;
- providing specialist help for the most deprived areas;
- Home Office and others to develop key indicators for measuring anti-social behaviour, monitored through Best Value and PSAs; and
- a strong priority on tackling racist crime and harassment.

SEU, *Report of Policy Action Team 8: Anti-Social Behaviour*

9. Community Self-Help

Effective self-help is a vital component of community regeneration. Key recommendations included:

- a new Community Resource Fund to make grants to small or emerging community groups;
- changes to the benefits system to remove barriers to increased volunteering;
- a Community Charter Mark/Investors in Communities award to raise the competence of agencies who work with local communities;
- piloting Neighbourhood Endowment Funds; and
- rationalisation and simplification of funding streams, and improved capacity-building, especially for ethnic minority groups.

Home Office, *Report of Policy Action Team 9: Community Self-Help*

10. Arts and Sport

Arts and sport, and cultural and recreational activity, can make important contributions to improving key outcomes in deprived areas. Recommendations included:

- measures to increase the role of arts and sport in regeneration programmes;
- leveraging arts and sport funding towards social inclusion activities; and
- exploiting Best Value as a means of ensuring change happens at the local level.

DCMS, *Report of Policy Action Team 10: Arts and Sport*

11. Schools Plus

Tackling pupil underachievement is economically and socially cost-effective and benefits individual pupils, their families and wider communities. Recommendations included:

- ensuring that all pupils in disadvantaged schools have the opportunity of at least three hours of study support each week;
- extending school opening hours to permit access to study support-type activities;
- creating Schools Plus Teams to support schools in developing Schools Plus activities;
- a network of Family Support Centres to provide an integrated service on the school site;
- initial teacher training to reflect the importance of Schools Plus activities, and the challenges of working in multicultural and disadvantaged areas;
- OFSTED to consider how community activity can be highlighted through its school and LEA inspections; and
- a general review of funding for disadvantaged schools to ensure they have sufficient resources and that these are productively used.

DfEE, Report of Policy Action Team 11: Schools Plus – building learning communities

12. Young People

Too many young people in deprived neighbourhoods – especially ethnic minority young people – find themselves apparently destined for a life of underachievement and social exclusion. Figures for England are worse than elsewhere in the EU, and the trend is towards greater disadvantage. To address this the PAT recommended:

- a new cross-Government approach to youth at risk and structures to deliver it;
- a shift in emphasis from crisis intervention to prevention;
- steps to improve individual services and fill service gaps;
- a new approach to designing and delivering services based on consultation and involvement with young people; and
- more use of evidence of 'what works'.

SEU, Report of Policy Action Team 12: Young People

13. Shops

Shops in deprived areas have declined due to low local demand, and high crime. The lack of local competition provides little incentive to sharpen prices and improve the quality of goods and services. Recommendations included:

- developing local retail strategies;
- providing more tailored business and financial support to small retailers;
- reducing tax and regulatory burdens;
- giving higher priority to tackling crime against local retailers, including racist crime; and
- more proactive community planning to meet local community needs.

*DH, Report of Policy Action Team 13:
Improving Shopping Access for People Living in Deprived Neighbourhoods*

14. Financial Services

About one and a half million low-income households use no financial services. Some of these services would make their lives easier and reduce their expenses. To address this, the PAT recommended:

- developing the Post Office network as an alternative delivery channel for financial services;
- encouraging the development and growth of credit unions;
- promoting and developing Insurance with Rent schemes;
- exploring the scope for further reform of the Social Fund;¹⁸⁹ and
- improving access to financial education and money advice.

HMT, Report of Policy Action Team 14: Access to Financial Services

15. Information Technology

Information and Communication Technologies (ICTs) are an increasingly important route to education and training, employment, communication, and goods and services. To ensure people who live in deprived neighbourhoods benefit from them, the PAT recommended that:

- each neighbourhood should have at least one publicly accessible, community-based facility building on what already exists or is planned, to complement any home access;
- access should be encouraged through local 'champions'; and
- the plethora of funding mechanisms should be rationalised.

*DTI, Report of Policy Action Team 15:
Closing the Digital Divide – Information and Communication Technology in Deprived Areas*

16. Learning Lessons

The PAT spelt out how to achieve the new ways of working that effective neighbourhood renewal will require, including:

- better funding and peer training to encourage more local residents to take up leadership roles and become 'social entrepreneurs';
- oversight of national training to help local practitioners and professionals become more effective at their core jobs and better at working with each other and with local communities;
- more and better secondment and interchange for national policy-makers to encourage better understanding, from personal experience, of the deprived communities they serve; and
- a national 'knowledge management' system to spread knowledge of 'what works'.

SEU, *Report of Policy Action Team 16: Learning Lessons*

17. Joining it up Locally

Effective joint-working at the local authority level is essential to tackling deprivation. Recommendations to generalise this kind of working included:

- creating Local Strategic Partnerships within the new community planning framework;
- building neighbourhood renewal into the vehicles of the local government reform agenda; and
- breaking down Best Value data to the neighbourhood level to compare local outcomes.

DETR, *Report of Policy Action Team 17: Joining It Up Locally*

18. Better Information

The National Strategy will require the availability of good quality small-area information that can accurately describe social exclusion at the neighbourhood level. Recommendations included:

- the development of Neighbourhood Statistics which would bring together, from various sources, a range of data about poor neighbourhoods;
- this would be taken forward by the ONS, overseen by a Ministerial group to ensure its implementation and integration into a coherent cross-Government information policy and strategy; and
- ONS, in conjunction with other lead agencies, to prepare guidance on the sharing of statistical data.

SEU, *Report of Policy Action Team 18: Better Information*

■ Annex B: Ethnic minority social exclusion

The disproportionate exclusion of ethnic minority people

- 1 This annex draws out PAT recommendations of specific relevance to ethnic minority groups. The SEU will shortly publish a short guide to the ethnic minority aspects of the PAT reports as well as its other reports.¹⁹⁰
- 2 There is a significant lack of data about ethnic minority groups. But it appears that people from ethnic minority backgrounds are disproportionately deprived. They are more likely than the rest of the population to live in poor areas, be unemployed, have low incomes, live in poor housing, have poor health and be victims of crime. They make up around six per cent of the population, but, for example:
 - over half live in 29 local authority areas, all of which are among the 44 most deprived areas in the country;¹⁹¹
 - the 44 most deprived areas in the country contain four times as many people from ethnic minority groups as other areas;¹⁹²
 - over 80 per cent of Pakistani and Bangladeshi households have incomes that are less than half the national average, compared to 28 per cent of white households;¹⁹³
 - 13 per cent of ethnic minority people of working age were unemployed in 1998, compared to less than six per cent of white people;¹⁹⁴
 - Pakistani and Bangladeshi people are one and a half times more likely to suffer ill-health than white people, and African-Caribbean people a third more likely;¹⁹⁵ and
 - 15 per cent of ethnic minority households live in overcrowded conditions, compared with two per cent of white households.¹⁹⁶

Why are ethnic minority people so excluded?

- 3 Ethnic minority people experience all of the problems that affect other people in deprived neighbourhoods, such as changes in the jobs available and failures in Government policies and public services. But these problems are made worse by:
 - direct and indirect racial discrimination;
 - an inadequate recognition and understanding of the complexities of ethnic minority groups, and hence services that fail to fit their circumstances; and
 - language, cultural and religious differences.

What should be done about it?

- 4 Building on what is already being done, each PAT put forward recommendations specifically aimed at addressing ethnic minority deprivation. These recommendations fall into five categories:
 - tackling racial discrimination in the labour market;
 - involving people from ethnic minority communities more in the design and delivery of policies and services;
 - implementing targeted programmes;
 - tackling racist crime; and
 - improving information about ethnic minority people.
- 5 The specific actions recommended within each of these five categories are illustrated below.

Tackling racial discrimination in the labour market

- 6 There is strong evidence that racial discrimination contributes to higher rates of unemployment among ethnic minority people. It is unacceptable and inefficient that opportunities in the labour market should be determined on criteria other than merit.
- 7 Much has already been done to convince employers of the benefits of having equal opportunities policies and there is a foundation of guidance and practice to work from. But, many employers are not committed to race equality and more needs to be done. PAT 1 on Jobs¹⁹⁷ has recommended that DfEE and DTI should work with others to:
 - launch a high-profile and sustained campaign to ensure that employers are much more aware of the benefits of effective race equality policies;
 - provide practical help to employers in implementing race equality policies;
 - build fair recruitment and promotion standards into the Investors in People and Business Excellence models; and
 - explore whether it would be possible to make race equality a condition of receiving Government grants and procurement contracts.¹⁹⁸
- 8 All of this should be marshalled in support of a national aspiration to bring about equality in employment and unemployment rates for all people, regardless of ethnic background with broadly equivalent qualifications, of roughly the same age and living in the same area.
- 9 If organisations working in deprived neighbourhoods are to ensure they have the best people for the job and that they provide services that are relevant to ethnic minority people, they too must operate effective race equality policies.¹⁹⁹ Perhaps surprisingly, such policies are not widespread among these organisations. But, where they have been strongly pursued, both relations with clients and outcomes have improved. It is, therefore, recommended by a number of the PATs that these organisations should ensure they have effective race equality policies with respect to recruitment, training, promotion, retention and outcome monitoring.²⁰⁰

Involving people from ethnic minority communities more in the design and delivery of policies and services

- 10 People from ethnic minority backgrounds who live in deprived communities should be included more in the development of policies and services, so these policies and services are more relevant to their particular circumstances. But ethnic minority people are often under-represented in formal consultative groups.²⁰¹ Specific mechanisms for involving them may therefore be needed, particularly for those whose English is limited or whose culture discourages public involvement.²⁰²
- 11 One way of involving ethnic minority people is to work with local ethnic minority voluntary groups and faith organisations. But again, particular efforts may be needed to make joint working of this kind possible. Examples include:
- providing long-term and capacity-building funding to ethnic minority organisations;
 - giving more discretion to local public service managers to contract with such organisations; and
 - simplifying contracting procedures, particularly audit procedures.²⁰³

Implementing targeted programmes

- 12 Given the nature, scale and persistence of the gap between ethnic minority communities and others, specifically targeted action may also be needed. This can take various forms. For example, having mentors, advisers, champions and role models drawn from ethnic minority communities can be very effective and a number of the PATs recommend their greater use.²⁰⁴ Targeted resources can also help. For example, PATs recommended that:
- the Home Office and DETR examine the scope for pump-priming funding for neighbourhood warden schemes that try to address racial harassment and/or to promote the involvement of ethnic minorities; and
 - DfEE, working with others, ensure funding is available to promote supplementary and mother tongue schools.²⁰⁵
- 13 It is also important to identify and address possible language and/or cultural barriers to accessing services and information.²⁰⁶ For example, access to technology can be one escape route from deprivation and it has been recommended by PAT 15 that DfEE:
- reviews whether there is adequate software for teaching English as a second language;
 - identifies gaps in software in minority languages and seeks partnerships with software houses to fill them; and
 - encourages software developers to provide non-text based solutions by, for example, establishing appropriate awards for them.²⁰⁷

Tackling racist crime

- 14 There are still many incidents of racially motivated crime and harassment, and such incidents are still under-reported, particularly in deprived neighbourhoods.²⁰⁸ They play an important role in anti-social behaviour and in the decline of shops in deprived areas. Improved reporting and responses are needed and the PATs recommend that:

- the Home Office should take the lead in establishing a 'zero tolerance' policy towards racist actions, through Crime and Disorder Partnerships; improving reporting, recording and monitoring; and ensuring tough action is taken;²⁰⁹ and
- further attempts should be made by the British Retail Consortium and others to target advice at those businesses at greatest risk of repeat victimisation.²¹⁰

PAT 8's (Anti-social Behaviour) recommendations on tackling racist crime

PAT 8 on Anti-Social Behaviour highlighted very uneven practice between areas and housing authorities, and recommended that:

- a much higher profile should be given to tackling and monitoring racist crime amongst landlords and in Crime and Disorder Partnerships;
- local Crime and Disorder Partnerships should set in place strategies to improve the reporting of racist incidents;
- all tenancy agreements should include 'no harassment' clauses and make clear the consequences if these are breached;
- Crime and Disorder Partnerships should set in place strategies and 'neighbourhood agreements', which would include a statement of intent to tackle racist incidents and a plan setting out what each agency would do; and
- that the availability of witness protection and victim support schemes should be increased.

Improving information about ethnic minority people

- 15 PAT 18 (Better Information)²¹¹ showed that much of the information that Government collects does not record whether people are from ethnic minority backgrounds or not. Where such information is collected, a distinction between different ethnic minority groups is often not made. This means that it is not possible adequately to diagnose problems, target actions or monitor impact.
- 16 A more systematic approach is needed to all the administrative data collected by Government. Further work on established data sets should include ethnicity, and new data sets should include ethnicity from the start.²¹² In addition, the Government needs better ways of ensuring people can access such data.

■ Annex C: Targets and measurement

The goal

- 1 **Chapter 4** reiterated the Prime Minister's goals of bridging the gap between the most deprived neighbourhoods and the rest of the country, and improving key outcomes there: more jobs, less crime, better health and improved educational attainment. The SEU's 1998 report²¹³ set out how this would be a ten- to 20-year Strategy, although short-term milestones would also be needed.

Measuring whether it is achieved

- 2 Three things would be needed to measure the success of the Strategy:
 - targets, as benchmarks of success or failure;
 - information to determine whether targets had been met or not; and
 - someone to keep track of whether targets are being met.

Targets

- 3 The broad form of the targets for the National Strategy has already been decided – and is enshrined in the Prime Minister's twin goals for deprived areas. But this leaves two questions of detail: what figures and timescale should be put in the targets; and which areas the targets should cover.
- 4 It is not possible to answer either of these questions fully at this stage, as the detail of the targets has not yet been decided by Ministers, and is being discussed as part of the Government's Year 2000 Spending Review. This will decide whether this sort of target-setting is appropriate; which outcomes should be covered; and the level and timescale for which targets should be set.
- 5 The choice of areas to be covered by targets is a slightly different issue, and is partly dictated by the form that the targets take, for which there are two main options:
 - targets for a list of named areas. For each of these areas, targets could be set either for improvement or achievement for all major outcomes; or
 - a set of outcome 'floor' targets for everywhere in the country. One example is DfEE's new target that all secondary schools should ensure at least 25 per cent of pupils gain five GCSE at grades A*–C by 2006.
- 6 In the first case, the number of areas covered would be decided by the length of the list (for instance, targets could be set for the worst five per cent of wards, or the worst ten per cent or 20 per cent).
- 7 In the second case, the number of areas covered would be decided by the level at which the 'floor' target was set. For instance, many more schools are covered by the target requiring 25 per cent of pupils to gain GCSE passes in every school than would have been by one that required only ten per cent to achieve this.

- 8 There are advantages and disadvantages to each approach. The first option (targets for named areas) would have the advantage of focusing everyone's effort on the same places, but it also has major disadvantages, all of which could prejudice achievement of the overall goal. For example:
- it could stigmatise the chosen areas and be seen as unfair by others;
 - there is more chance of perverse effects. For instance, concentrating effort on certain areas might mean that other areas are allowed to worsen. There might even be temptations to make decisions on where to house people simply to achieve these targets;
 - if it worked, it would make the worst areas better. But once this had happened, they would still benefit from greater resources and intensiveness of intervention, even if, by then, other areas needed this help more; and
 - there would be difficulties for those just above the cut-off, or who disagreed with the indices the Government used to measure which areas were most deprived.
- 9 The second option (a set of outcome 'floor' targets) also has disadvantages. For instance, places which were worst for jobs might not be worst for crime, and so on. This might mean that core public services prioritised different places. But, overall, this seems a more promising approach.
- 10 Targets would need to be set in different ways for different outcomes, to reflect differences in the quality of data, the length of time it takes to change an outcome, and the linkage between an outcome and wider economic factors.
- 11 Work is continuing on setting targets for the right indicators and at the right level. Decisions will be announced in July, alongside the other results of the Year 2000 Spending Review. Whichever option is chosen, the targets will support the broader objectives of the National Strategy, i.e. to narrow the gap between the most deprived neighbourhoods and the rest of the country.
- 12 But as well as deciding *which* areas are covered by targets, decisions also need to be made about *the size* of area that will be covered.
- 13 **Chapter 1** explained that the severest extremes of deprivation are between neighbourhoods of a few thousand people. Of all the administrative boundaries that the Government uses, electoral wards are probably the most like neighbourhoods. For instance, the average population of an English electoral ward is 5,880.
- 14 But even wards are not a perfect way to capture information about neighbourhoods. Many neighbourhoods straddle ward boundaries. Wards also vary a lot in size – even among the five per cent most deprived wards, ward populations range from 1,160 to 34,852.
- 15 Despite these drawbacks, wards are the best boundaries that exist for tracking outcomes in small areas. In the long run, the success of the Strategy should be judged by looking at outcomes and inequality at ward level.

Information

- 16 Some information (e.g. for crime) is not yet available at ward level. This means that it may not be possible to set short-term targets (e.g. for the 2001–04 period) at the ward level for all outcomes. Some may need to be set for larger areas (e.g. local authority districts).

- 17 However, this does not have to be the case in the long term. The inadequacy of information on small areas was highlighted and investigated by PAT 18 on Better Information. It proposed that the problems could be alleviated by creating an annually updated ward-level data set for key indicators of social exclusion.²¹⁴ This would be ready at the latest by April 2001. This is discussed in more detail in **Chapter 8**.

Someone to monitor targets

- 18 The main responsibility for keeping track of whether targets were being met or not would lie with Government departments. For instance, achieving targets on crime in deprived areas would be the responsibility of the Home Office, who would need to monitor progress.
- 19 But departments would need assistance with this. First, they would need better information. PAT 18 on Better Information has recommended that someone in Whitehall needs to be in charge of pulling together the information needed for a ward-level data set on social exclusion. Its preference is that this should be the ONS.
- 20 Secondly, someone might be needed to look at the big picture, and check whether all of the targets that underpin the National Strategy were being achieved. Much of this could fall to the Treasury, especially as many targets would be built into the PSA framework by which the Treasury holds departments to account for the money they are given. But there may be a further role for a central focus in Whitehall (key idea 22) to play on this. This is discussed in more detail in **Chapter 8**.

■ Annex D: Local strategic partnerships

The local authority level

What's the job?

- 1 A mechanism would be needed to help core public services achieve their individual targets for deprived areas by helping them work together, with residents and with other local partners. It would not deliver services. Nor would it force changes on services who did not want them, or undermine national priorities. Instead, it would provide a forum for brokering agreed changes to services in deprived neighbourhoods.

What would it involve?

- 2 There would be several tasks:
 - pulling together the core public services at local authority level, and involving business, the voluntary sector and communities;
 - finding out which neighbourhoods need special help using national and local statistics, and local knowledge;
 - agreeing concrete actions that help services to work together and meet community concerns;
 - providing a coherent framework into which local area initiatives could fit; and
 - linking with national, regional and neighbourhood counterparts.

Who should do it?

- 3 Bringing service providers, local organisations and residents together into a partnership can be a good way to encourage joint working. It can also help to concentrate minds on addressing cross-cutting issues such as deprivation. For these reasons, PAT 17 on Joining It Up Locally²¹⁵ argued that the role should be played by Local Strategic Partnerships (LSPs).
- 4 These LSPs would need to involve representatives of core public services (e.g. education, the police, health and the Employment Service), the voluntary and private sectors, and local communities, including ethnic minority groups and women. The Government Offices for the Regions (GOs) would need to offer close support in some cases.
- 5 The obvious way to establish this sort of partnership working would be to embed it in the new Community Planning process. Local authorities are being given a framework – under new legislation²¹⁶ – for drawing up Community Plans, in consultation with local partners. These Plans are likely to have several cross-cutting themes, among which social exclusion and neighbourhood renewal would be expected to figure.
- 6 In most deprived areas, the partnerships that would draw up Community Plans would be built on existing partnerships (e.g. the LGA's New Commitment to Regeneration Partnerships and Health Action Zones). In many places, the development of Community Planning will provide an opportunity to rationalise the current proliferation of local partnerships, if this makes sense locally, and does not cut across national policy priorities (using new well being powers).

- 7 This means that in most places, the creation of LSPs would mean existing partnerships (or those that were going to happen anyway) taking on new roles, rather than the appearance of totally new partnership bodies (to add to the large number already in existence in many areas).

The role of local authorities

- 8 Local authorities would have a key role in this, given their central role in the Community Planning process. A local authority is the main democratically accountable body in each location, whose role goes beyond mere service provision. It is important that the local response to neighbourhood deprivation builds on the local government reform agenda, which looks to develop the capacity of local authorities to help lead their communities; and to reward the best authorities and help the weaker ones to improve.
- 9 More generally, high standards and high levels of involvement by local authorities in tackling neighbourhood renewal could be encouraged by building on other elements of the local government reform agenda, for instance:
- adopting neighbourhood renewal as a theme for a future round of the Beacon Council initiative; enabling the best authorities to spread good practice on service delivery and strategic issues; and to gain flexibilities to aid their own continued improvement; and
 - prioritising the reduction of neighbourhood deprivation within future developments in the Government's relationship with local authorities. Various ideas are being explored at present about how to give the most effective local authorities more operational discretion in return for a commitment to achieve challenging outcome targets. The LGA's 'Local Challenge'²¹⁷ proposals and the idea of local authority PSAs are two good examples of this approach.

What specific things would each partnership need to do?

- 10 The Government should not dictate to local residents and local services how to co-operate. But there will be some common threads, necessary in all areas. Five of these are identified in the following box. These would need to be brought together into a joint local action plan or strategy – as part of the wider Community Plan.

Five Common Steps for LSPs

Step 1. Identify which neighbourhoods need special help

The aim would not be to choose one lucky area to get regeneration funding. It would be to identify *all* the local neighbourhoods that currently need help or are likely to. In some areas, it may be a number of areas. The obvious approach would be to identify the places where the outcomes are worst. In future, better information could be available to help with this task, as a result of PAT 18's proposals²¹⁸ (see **Chapter 8**). For now, the Index of Local Deprivation²¹⁹ could help, supplemented by local information, including shared data on needs and service performance (e.g. Best Value data).

It would be important to get local agreement that these were the right neighbourhoods. This sounds hard but similar things have been done in some places. The Bristol Regeneration Partnership successfully organised a city-wide residents' Community Conference to select their NDC neighbourhood.²²⁰ It would also be important to ensure that the identified neighbourhoods were sustainable. The partnership would be a good place for frank discussion of options such as demolition in extreme cases.

Step 2. Find out what can be done to improve outcomes in these areas

The idea would be to get partners to discuss how individual and joint action could address the particular problems of deprived neighbourhoods. This might involve:

- identifying unused or underused resources – anything from buildings to businesses;
- ensuring joined up service delivery – anything from joint staff to joint premises;
- taking on board community concerns about the manner or effectiveness of services;
- finding ways to let local groups play a bigger role in service delivery (when best placed to do so);
- joint-training for all partners in partnership working; and
- providing services that no single partner could be expected to fund alone.

There would be particular requirements that all partnerships would be expected to meet:

- ensuring some form of recognisable, on-the-spot presence in every deprived neighbourhood; and
- responding to gaps in shopping and community facilities in such neighbourhoods.

Step 3. Agree a response which addresses these concerns

Each partner would receive suggestions from other partners – including residents – about actions it could take to tackle local deprivation. Some would be feasible. Others would not. And some might not be appropriate, especially if they interfered with national priorities such as school standards. Agreed actions would be worked up into a strategy, which would be part of a wider Community Plan.

Step 4. Align resources behind cross-cutting needs

In some deprived neighbourhoods, there would be needs which service providers would find it hard to meet, because they were not part of anyone's core job. Examples might include community capacity-building, or establishing a neighbourhood warden scheme. Identifying gaps in this way would be a good way to decide priorities for area initiative bids or the use of pooled budgets. Proposals for using LSPs to tie area initiatives together are discussed below.

Step 5. Monitor and evaluate progress and maintain dialogue

The work of the partnerships should not stop at a one-off Strategy or plan. They would need to monitor and evaluate the impact of their Strategy. And over time, their work would need to be embedded into the financial and other planning mechanisms of individual service providers and other partners, without undermining national policy priorities. Interventions would need to develop as the challenges facing deprived neighbourhoods evolved.

How could this activity be encouraged?

- 11 This kind of joint working will not happen without some encouragement. Providers of core public services need to feel that it is worthwhile to do it, and to take it seriously. Giving them specific targets for deprived neighbourhoods would help (as proposed in **Chapter 7**). Some of them would react by seeking the help of colleagues and residents, to try and hit these targets.
- 12 But this would not be the case everywhere. Further incentives and sanctions would be needed. The core incentive would be provided by the new framework for Community Planning. It is proposed that tackling neighbourhood deprivation is made a key part of the forthcoming statutory guidance on this. But further impetus for start-up, effective operation and intensive joint working may be needed in the most deprived places. This could be achieved in a range of ways, for instance by:
- funding LSPs. Money has often been successfully used to 'glue' partnerships together, and catalyse their formation and effective operation. In this case, the partnership could use the money to provide additional resources for joint working between services, to help them achieve their targets and to help community and voluntary organisations get involved. The amount of money given to each partnership could be related to levels of deprivation in the local area;
 - refusing to grant new regeneration money to an area until an effective LSP had been formed, or until good progress was being made towards its formation;
 - giving LSPs leverage over local area initiatives. The options range from getting the partnerships to run their initiatives, right through to ensuring that they are all heading in the same strategic direction. This is discussed below;
 - making this kind of partnership working a part of the deal for any group of local service providers that wants to trade freedom from regulations for a commitment to meet demanding targets. Several ideas of this kind are being considered at the moment, including the LGA's Local Challenge and local authorities' PSAs;
 - instructing service inspectorates such as OFSTED to consider whether this kind of working is present when inspecting services in deprived neighbourhoods; and
 - rewarding senior players within local public services for encouraging this kind of joint working and achieving results through it, or making it part of their job (e.g. in personal objectives) to help other people with theirs.

How could they be held to account?

- 13 Partnerships would not be responsible for delivering changes in outcomes, such as lower crime or better educational attainment. That responsibility would lie with core public services. If one of these services is failing, there are clear ways to tackle it, for instance through inspectorates such as OFSTED and sanctions such as those in the new Best Value regime (e.g. the power to take away an LEA's education responsibilities for a while if it is failing badly).
- 14 Instead, partnerships would be responsible for joint action in pursuit of neighbourhood renewal targets, individual and shared, and to do this in certain ways (e.g. involving the local community). If the partnership was failing to join services up, to involve the community, to bring coherence to area initiatives, or to involve the full range of relevant local service providers, the simple way to tackle this would be to withhold or delay any incentives for which it might otherwise qualify, such as funding. The GOs could 'police' this.

- 15 But a lot of steps would be taken to ensure that services and partnerships did not fail in their tasks, such as support from GOs and from the proposed National Centre for Neighbourhood Renewal, which is discussed in **Chapter 8**.

How many LSPs should there be and where?

- 16 Community Planning partnerships are likely to be everywhere. The only decision to be made is about which ones should benefit from extra incentives and help.
- 17 This is quite a new way of working and the idea would need to be tested and honed. The LGA's New Commitment to Regeneration has made a good start on this. It is recommended that the Government builds on this, and other existing partnerships in developing ideas.

What should their boundaries be?

- 18 The PAT on Joining It Up Locally has recommended that LSPs should be set up on local authority boundaries. This seems right. It works for other partnerships. And it is in line with the commitment in the White Paper *Modernising Government*²²¹ to rationalise boundaries towards local authority boundaries as and when there are opportunities.
- 19 The vast majority of severely deprived neighbourhoods are in unitary authorities. But some areas are in two-tier local authorities (with both district and county tiers). In these areas, there is a question mark over which tier's boundaries should be used. This is an issue that will need to be addressed in the development of Community Planning.

How would this fit with area initiatives?

- 20 **Chapter 7** argued that area initiatives can, in many cases, usefully complement core public services in helping to turn round deprived neighbourhoods. But it also pointed out that a threat to their effectiveness was their overlap and duplication, which threatens to clog up the system in many deprived areas.
- 21 LSPs could make an important contribution to co-ordinating these initiatives, and maximising their effectiveness. They would do this by providing a common, locally agreed agenda to which initiatives could work. Clearly, this should not cut across the objectives that departments set for individual area initiatives. But many initiatives are focussed on the same areas, and it makes sense for them to pull in the same direction. This approach would provide local players, for instance business, with a more coherent and intelligible structure into which to plug, if interested in helping to tackle deprivation.
- 22 There are various different options for how an LSP could play this role:
- it could be the delivery mechanism for an area initiative;
 - a subset of its members could be the delivery mechanism for an area initiative;
 - it could be the local body responsible for disbursing area initiative money to other organisations;
 - it could have powers to veto or influence the delivery plans, objectives and location of an area initiative; or
 - it could identify priority neighbourhoods and objectives which an area initiative would have to bear in mind before it was established in that locality.

- 23 Views are sought on which roles would be appropriate for which initiatives. The proposals here are that:
- a voluntary regime should exist for area initiatives that are up-and-running. But it might be worth rewarding them for co-operation in some way; and
 - it might be best to tie regeneration schemes in more closely than 'zones', given their greater resources and more explicit focus on deprivation. One leading option would be to withhold regeneration money until an effective LSP had been established, or was on the way, and until the fit of the funding with local priorities could be demonstrated.
- 24 It would be wrong to pretend that this approach would solve local co-ordination problems. Two other elements are needed.
- 25 First, appropriate regional and national co-ordination arrangements. PIU's *Reaching Out*²²² study has recommended models for this.
- 26 Secondly, more use of existing arrangements to run new initiatives. In most places, people do not mind when new area initiatives bring extra money to help tackle deprivation, even if it comes in different pots. Nor do they mind providing opportunities to test out new, more flexible ways of working. They *do* mind when a new initiative requires the creation of a new delivery partnership, following different rules and different timetables from other initiatives.
- 27 So the other element in any local co-ordination arrangements would be that new area initiatives should not insist on setting up new delivery partnerships unless it is absolutely necessary. They should use existing ones where possible (so long as they are doing their existing job well and are suited for the new one). An example of where this has happened in Plymouth is shown in **Annex G**.

■ Annex E: What could be done now?

- 1 Many of the proposals in this report would need Government policy to change before they could happen. But a lot do not. There is much that people in deprived communities and those serving them could do now that could begin to make a difference. This annex describes some of these, giving contact details for further information. Best practice examples for each of these ideas can be found in **Annex G**.

Neighbourhood Wardens

- 2 Neighbourhood warden schemes are a way to bring an official presence back to deprived neighbourhoods. This was discussed in **Chapter 6**. Schemes differ, but most have in common the aim of reducing crime and fear of crime. At the same time, wardens also play useful roles in many places in making environmental improvements, tackling anti-social behaviour and helping with housing management. Some schemes have even provided a stepping-stone back to work for people who are long-term unemployed.
- 3 It is important that neighbourhood wardens are set up to work with the local police, rather than in competition with them. As a contribution to PAT 6 on Neighbourhood Wardens,²²³ the Association of Chief Police Officers drew up a list of principles on how warden schemes should be run to achieve this.
- 4 You can get more information on setting up a neighbourhood warden scheme by contacting (from May 2000):

Sue King
Neighbourhood Wardens Unit
DETR
Eland House
Bressenden Place
London
SW1E 5DU

Tel: 020 7890 3000
E-mail: sue_king@detr.gsi.gov.uk

- 5 If you would like information before May 2000, please contact Jon Bright, New Deal for Communities Unit, at the same address and telephone number. Jon's e-mail address is jon_bright@detr.gsi.gov.uk

Housing Management

- 6 PAT 5 on Housing Management²²⁴ showed how high-quality, intensive housing management with an on-the-spot presence can make a big contribution to turning round the fortunes of a deprived neighbourhood. It also showed how some of the best housing management can be provided by residents themselves.
- 7 There are various ways in which social housing tenants can become involved in the management of their homes. These can be locally negotiated through Tenant Participation Compacts between local authority landlords and their tenants; or through equivalent arrangements agreed by social landlords and their tenants. It is for tenants to look at the options and decide which one suits them best.

- 8 Since 1994, local authority tenants have had a statutory right to manage their own housing if they want and are competent to do so. Situations differ, and it requires careful thought before people can decide that it is right for them and for their neighbourhood, once they have considered the options. But a lot of people in deprived areas have found this is an important first step towards putting their vision for where they live into practice.
- 9 Tenants should first get in touch with their landlord for information about the options for getting involved in management. More details on how council tenants can obtain independent advice on options for becoming involved in management, including tenant-led housing management, can be obtained from:

Katie Haime or Jerome John
 Tenant Participation Branch
 DETR
 Eland House
 Bressenden Place
 London
 SW1E 5DU

Tel: 020 7890 3484/3488
 E-mail: tp@detr.gsi.gov.uk

Credit Unions

- 10 People in deprived neighbourhoods can find it difficult to open bank accounts. This happens for a variety of reasons.
- 11 An increasing number of deprived communities have found that setting up a community credit union can help to address this problem. Community credit unions are locally-run schemes to allow people to save money regularly, and also to borrow it when they need to, in safe circumstances and at reasonable interest. They can also be a good way to build up residents' confidence about their ability to help themselves, as they are usually run by residents and other local people.
- 12 Details about setting up a community credit union can be obtained from:

Association of British Credit Unions
 Holyoake House
 Hanover Street
 Manchester
 M60 0AS

Tel: 0161 832 3694

Local Exchange and Trading Schemes

- 13 Local Exchange and Trading Schemes (LETS) are basically 'local currencies'. They enable people to exchange whatever services they can offer – be it hairdressing or plumbing – without using money. A LETS can be a useful way of building up communities in deprived neighbourhoods, and of helping people who have been out of work for a long time to renew their experience of work.

- 14 More information about setting up and running a LETS can be obtained by writing to the following address (sending £1 in stamps in the envelope):

LETSLINK UK
54 Campbell Road
Southsea
Hampshire
PO5 1RW

Tel: 023 9273 0639
E-mail: lets@letslink.org

Community Shops

- 15 People in deprived neighbourhoods often suffer from having little choice about where to shop, if there are shopping facilities in or near the neighbourhood at all. This is compounded in many cases by poor public transport and low car ownership, making access to cheaper city centre and out-of-town shops more difficult.
- 16 Some communities have responded to this by setting up their own shops. This sounds like a daunting task, but people usually start small, and receive a lot of help from national organisations which exist to support this sort of activity, such as Community Owned Retailing.
- 17 More information on Community Owned Retailing can be obtained from:

Toby Peters
Director, Community Owned Retailing
The Oast House
Glaziers Forge
Dollington
East Sussex
TN21 9JJ

E-mail: toby@easynet.co.uk

Community Associations and Centres

- 18 Community associations are multi-purpose organisations set up and run by local people to respond to the educational, recreational and social needs of their communities. Many community associations manage a community centre as a base for their activities, and act as an umbrella group for smaller, neighbourhood groups in their locality or community of interest.
- 19 More information about setting up and running a community association or similar multi-purpose community organisation can be obtained from:

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■ Annex F: Consultation on public services in deprived areas

- 1 In autumn 1999, the SEU carried out a consultation exercise to discover more about the effectiveness of core public services in deprived areas, an issue which a number of PATs highlighted. A total of 178 responses were received, coming from a variety of organisations (voluntary sector, community groups, local authorities and area initiatives). Replies were received from most regions, but were particularly concentrated in four (London, Yorkshire and Humberside, North West and South East).
- 2 The consultation generated a wide range of responses. A fuller summary of these can be found on the SEU website (www.cabinet-office.gov.uk/seu), and is also available direct from the SEU, on request (please contact Sasha McFarquhar on 020 7270 6986). This section summarises both the cross-cutting themes that came out in the consultation, and some of the key messages that respondents wanted to get across.

Cross-cutting themes

- **Funding and resource allocation.** Many people identified cuts in expenditure as underpinning service ineffectiveness, where it occurs. But few saw the solution as simply one of more resources. Key funding issues included: funding stability over time; scope for local allocation of resources; budget pooling locally; tying special regeneration resources more closely to mainstream budgets; and linking allocations to outcome targets, but with local flexibility on how those outcomes are achieved.
- **Staff training.** Many of the criticisms of front-line service delivery concerned the attitudes and insensitivity of staff. Training was a widely canvassed solution, with 'equalities' training and joint multi-agency training being common suggestions.
- **The different cultures of different professions.** Professional cultural divides were felt to contribute to institutional fragmentation. Possible solutions included more multi-disciplinary teams, cross-boundary secondments and joint training.
- **Co-ordination of services across agencies.** A lack of joint working was felt to be hampering service effectiveness. Respondents argued that there is scope within current rules to improve joint working, but that this could be speeded up by changes in the duties (or even reporting obligations) of the key agencies.
- **Recruitment difficulties.** Some respondents referred to difficulties recruiting staff, but more alluded to the difficulties in retaining staff, and the consequences of high turnover and the discontinuities it generates. Various solutions were put forward including enhanced remuneration packages for staff working in deprived areas.
- **Suitability of services to the needs of the community.** There were frequent references to the inadequacy of the processes by which services are designed, and the lack of contact with service beneficiaries. Many argued that a potential solution was to increase the involvement of service users in service design. This would make it more likely that those services would be suitable for local needs.

Key messages

- **Staffing.** A constant theme for respondents was the quality, motivation and attitudes of staff responsible for service design and delivery. Central to this was instability of staffing, particularly in 'front office' functions. This was seen, variously, as a result of poor or even dangerous local conditions; inadequate levels of pay; and career structures that provided incentives for staff to move out as they moved up, with no incentives to stay put.
- **Joint working.** As noted above, lack of joint working can undermine public service effectiveness in deprived areas. The critical issue is how to design the policy levers that create an appropriate mix of carrot and stick to ensure that real joint working is given appropriate priority locally.
- **Localised delivery and decision-making.** Service effectiveness can be improved by letting local people influence and even deliver services. This involves not only creating opportunities for involvement in service design and delivery, but also providing adequate capacity-building support to ensure that customers are able to engage effectively.
- **Avoiding 'stigmatisation' while identifying and tackling need.** Many respondents expressed concern that the processes of regeneration funding add to the already stigmatised character of disadvantaged neighbourhoods. The imperatives of fundraising lead to the exaggeration of deprivation to get the money, even though regeneration programmes are concerned to improve area-image and self-esteem. The two things can be inconsistent.
- **Greater flexibility.** There was a strong feeling that without local freedom to determine priorities, greater local involvement is meaningless. Respondents wanted flexibility to set local priorities to reflect local conditions. But they detected little Government willingness to consider the case for this.
- **Social exclusion issues need to be built into Best Value processes.** The new Best Value regime provides a powerful performance management tool for many local services providers (e.g. local authorities and the police). It is imperative that it makes social exclusion a priority, rather than an add-on. It was felt that some progress on this had already been made but that more needed to be done.
- **Aligning special funding more closely with the mainstream.** Respondents argued that more needs to be done to use area initiative money to influence the delivery of mainstream programmes, rather than working separately and to separate priorities. To some extent, this was already felt to be reflected in the guidance for SRB Round 5. However, many respondents were critical of the distance between special funding regimes and main programmes, which was felt to have consequences for the sustainability of regeneration activity.

■ Annex G: Domestic and international best practice

- 1 Many of the 30 key ideas developed in this report are based on good practice both within the UK and internationally.
- 2 This annex sets out some domestic and international case studies which have particularly influenced the development of ideas in the report, many of which have featured in the PAT reports. Many of the best ideas originate from the USA, which has been particularly innovative in the field of urban policy and community development.

Key idea 3: helping people from deprived areas into jobs

Pecan in Peckham

Peckham has been transformed in the 1990s. Crime has fallen dramatically, unemployment is now below the inner-London average, and the housing is drastically improved. Part of this has been the impact of a local SRB project, which has helped rebuild the estates. But another major contribution has come from a long-term project to reduce unemployment by Pecan, a local charity. This was set up by local churches to try to bridge the gap between local unemployed people and local employers. Five factors underlie its success:

- going out to the people. Pecan knocks on around 15,000 doors a year to find people who are missed by other employment/training provision;
- keeping an employer's perspective in mind;
- tackling the low self-esteem of job-seekers, to help them market themselves to employers;
- treating clients with dignity and respect, to increase their sense of value; and
- monitoring progress, to discover 'what works', by accumulating a database of all of the people who have been on Pecan courses.

Key idea 4: making sure people know work pays

Bexley Local Exchange and Training Scheme (LETS)

Bexley LETS was set up in 1997 by the users of Bexley Centre for the Unemployed (BCU) with support from the BCU and Greenwich Council.

Its objective is to offer people on low incomes the opportunity to enjoy goods and services that might otherwise be beyond their reach. The LETS also gives people from all walks of life an opportunity to use their skills and talents, and to build friendships with other local people.

The majority of the members are lone parents, long-term unemployed and disabled people. But members are also drawn from other segments of society, such as those in work.

Key idea 5: keeping money in the neighbourhood

Buying local in Oregon

A Community Development Corporation in Eugene, Oregon, was the birthplace for a simple but extraordinary idea in the early 1980s. One of its board members, Alana Probst, asked ten local businesses each to list 40 items purchased outside of the State. She then contacted other local businesses that might be interested in bidding on items from the list. In its first year, this initiative generated \$2.5 million in new local contracts and 100 new jobs. In 1987, this simple programme blossomed into a State-wide computer-based service that matched all interested purchasers with Oregon suppliers.

Energy insulation in Iowa

A typical community spends more than 20 per cent of its gross income on energy and, according to energy analysts Amory Lovins, 80 per cent of this money leaves the local area. Plugging this leak can put massive sums of money back into the local economy. For example, the town of Osage in Iowa ploughed \$7.8 million back into its local economy between 1974 and 1991, thanks to a series of energy efficiency measures. These have generated local jobs and saved consumers, public services and businesses money. For instance, the University of Iowa spent \$7,000 to install efficient showerheads. It now saves \$67,000 each year on water heating.

Key idea 6: supporting and promoting business

Micro credit: Grameen Bank in Bangladesh

The Grameen Bank provides small business loans of as little as \$50. It has helped literally millions of low income people to improve their material well-being. It has given out a total of more than \$1.5 billion to about 2.4 million borrowers. It has a default rate of less than three per cent. Such figures have helped to convince many that poor people are not necessarily bad credit risks.

The success of the Bank is put down to the proactivity of the programme workers, who travel from door-to-door to advertise the service, and the speed with which money is given out. Whereas US programmes take up to 90 days to provide cash, less-developed world microcredit programmes come up with money in a week or less.

Key idea 8: introducing neighbourhood wardens

The Dutch Civic Warden Scheme

Warden schemes first started over ten years ago in Holland and now exist in over 150 municipalities. Wardens have no special powers, but rely instead on their uniformed presence and powers of persuasion to achieve their objectives. The schemes have brought three main benefits. They have: reduced the fear of crime and anti-social behaviour; enabled the police to concentrate their time on serious matters; and provided employment and training opportunities for the unemployed. A high percentage of wardens have secured permanent jobs after completing their year on the schemes. It is also worth noting that about 40 per cent of wardens come from ethnic minority backgrounds.

Aylesbury Estate, London

Residents in Southwark's Aylesbury Estate put on pressure for security patrols to deter crime on the Estate. The local authority responded by hiring a local security firm to do this. The police have helped train these wardens, and changes were made to the fabric of the Estate to 'design out' crime. The scheme is still running, and has led to sharp falls in crime, with the Estate now having crime rates lower than many other parts of Southwark.

Key idea 11: promoting arts and sport in deprived neighbourhoods

Raising educational standards in Southwark

At Dog Kennel Hill School in Southwark, over 50 per cent of pupils are eligible for free school meals, and 30 per cent do not have English as a first language. By placing art, drama and music at the centre of the curriculum, the school now achieves standards of English above the national average, and science and maths at the national average.

Key idea 12: building community capacity

Chase Action Group, Nottingham

Chase Action Group persuaded their local council and local regeneration project (City Challenge) to set up a community centre, when it became clear that existing plans would not meet local needs. A survey of community needs was carried out to demonstrate the need for a facility of this kind.

The centre has provided jobs for 30 people, and houses activities as diverse as language classes and the sale of vegetables from local allotments.

Key idea 17: increasing Schools Plus activities

Full-Service Schools

Schools remain the community institution with the most universal and influential presence for young people. The growth of Full-Service Schools in the United States has shown the potential for integrating services and opportunities around the school as a community hub. For instance, in New York, a partnership between the Children's Aid Society and the City School Board has stimulated the creation of several schools where education is co-located alongside health, recreational, family, pre-school and social services. Career Academies within schools are also integrating formal learning, work experience and mentoring. One evaluation of school-to-career programmes suggests that participation, attainment and future earnings are significantly improved with particularly striking results for African Americans.²²⁵

Key idea 19: on-the-spot service delivery

Tenants' democracy and super-caretakers in Denmark

In Denmark, the first port of call for repairs, dispute settlements, planning improvements, supporting vulnerable tenants and organising the changeover of tenants is an estate-based super-caretaker. The super-caretakers are highly skilled both technically and socially, and are an affordable and effective way of dealing with most problems.

Housing associations in Denmark also have substantial tenant involvement. By law, tenants have a majority on the managing boards of housing associations and their agreement is required for major financial decisions. More rights for tenants also bring more responsibilities. Each estate is an independent budget unit and the costs of empty properties fall on the tenants, so they have an interest in keeping the estate attractive. At the margins, the tenants can choose the level of service they want, for example hiring an additional super-caretaker or taking on some of the cleaning themselves. Budgets and responsibility can also be delegated right down to a few tenants on a staircase. Feelings of community have been strengthened, and vandalism, graffiti and housing turnover have reduced.

Tenant-led housing management in Holly Street

In the previously unpopular Holly Street Estate in Hackney, residents have set up a Joint Management Board (JMB). The JMB includes representatives of both tenants and management staff from each Housing Association. Its role is to provide feedback on housing designs, and the sort of play, community and youth facilities tenants want. The JMB has received funding from the Housing Corporation, and has set up a local office on the Estate for three staff. All the homes on the estate are managed from this local office, which provides a unified service to all the tenants, irrespective of who their individual landlord may be.

Key idea 20: helping bring shops back to deprived areas

Ohio City Community Development Corporation

For 30 years, in the Ohio City neighbourhood of Cleveland, residents had to endure lengthy trips to buy their food. Now, the residents of this neighbourhood benefit from a full-service grocery store on their doorstep, thanks to the work of the Ohio City Community Development Corporation, in partnership with Neighbourhood Progress Inc. Together they formed their own development company and took responsibility for everything from arranging financing and overseeing construction to finding a tenancy. Armed with a market study documenting the community's population density, household income and buying patterns, the development team targeted Dave's Supermarkets, a home-grown chain of grocery stores, with an excellent track record of employing local residents. This led to a Dave's Supermarket opening in the neighbourhood. This has created more than 100 jobs for local residents, attracted nearly \$9 million in new private investment and captured local dollars that once were spent in suburban stores.

Community Owned Retailing

Community Owned Retailing (COR) aims to provide the community with a range of healthy food, products and services, which are tailored to their needs. COR is community-driven. The neighbourhood stores are owned and run by the community, on a commercial basis (including properly salaried staff). The profits are re-invested back into the community.

COR aims to promote access to those foods which form part of a healthy and balanced diet, e.g. pasta, low fat dairy products and fruit and vegetables. The first pilot store was opened recently in Longley, Sheffield. The Department of Health is looking at the feasibility of rolling out the programme further.

Key idea 21: improving access to financial services

Speke Community Credit Union, Merseyside

Speke Community Credit Union was established in 1989 to serve the needs of people living in a very deprived area of Merseyside. In 1996, the Credit Union re-established itself in former bank premises in the main shopping centre. At the same time, it expanded the range of services on offer, to include standing orders, direct debits and payroll deduction facilities, through a banking partnership.

Since 1995, membership has grown from 420 to 1,850. Members' savings have gone up from £76,000 to £170,000; and total loans have risen from £67,000 to £142,000. One of the keys to its success is working with more mainstream financial service providers (such as Britannia Building Society, Home Owners Friendly Society and CUNA Mutual (a USA insurer)), enabling it to offer a wide range of products.

Key idea 24: local strategic partnerships

Versatile use of a partnership in Plymouth

Plymouth Education Action Zone Partnership was set up in January 1999. To avoid duplication, when the Sure Start programme was launched, Plymouth decided to use its existing Education Action Zone partnership to bid for Sure Start, rather than creating a new partnership for this new purpose.

Key idea 25: neighbourhood management

Neighbourhood management in France: Régies de Quartier

Régies de Quartier (RQs) are not-for-profit organisations located in social housing neighbourhoods. Their membership includes the local authority, local residents, community organisations, social landlords and employees.

When RQs first developed in the 1980s, their core services included cleaning, bulk refuse removal, repairs and improvements, cleaning and maintenance of common areas and open spaces, security and tenant liaison. These were delivered under contract or service level agreement with the local authority or social landlord. But many RQs have become more ambitious. Many have developed services ranging from transport provision, laundry and community cafés to mechanical workshops, dog training and social mediation. Since 1991 the title Régie de Quartier has become a registered trademark, and validated RQs observe a National Charter. There is now a network of 130 RQs. They employ a total of 6,000 salaried staff and on average serve a population of 8,000. Sixty per cent of RQs are led by presidents drawn from local people.

Key idea 26: better co-ordination of policies and services for young people

Co-ordination of youth policies in European countries

A survey of EU countries shows that only Denmark, the Netherlands and the UK do not have a Minister for Youth. With the exception of Spain, these Ministers for Youth are based within a Ministry for Youth. EU countries also have other mechanisms for co-ordinating youth policy, including clear statements of youth policy objectives and Parliamentary committees on young people.

Key idea 27: getting business involved in regeneration

KaBOOM! in Washington DC

In 1995, retail chain KaBOOM! asked Home Depot (a new non-profit organisation) for help in building a playground in Washington DC. Since then, they have co-operated in building more than twenty playgrounds in inner cities throughout the United States. KaBOOM! values the partnership because Home Depot helps the organisation achieve a corporate social responsibility element of its mission statement – to “inspire individuals, organisations, and business to join together to build much needed, safe and accessible playgrounds”. KaBOOM! encourages company employees to be involved in volunteer projects, which increase their loyalty to the firm and improve community relations. One vital factor in the success of the partnership is their shared social philosophy.

Key idea 28: Neighbourhood Statistics

Cleveland's planning for welfare to work

National Neighbourhood Indicators Partnership in Cleveland, Ohio, USA analysed where benefits recipients lived. They found that claimants were tightly concentrated in a few neighbourhoods and were not in the same places as the jobs. The State is now addressing this ‘spatial mismatch’ by redesigning transport links. The State is also investigating the location of child care facilities, job-linkage services and the availability of affordable housing.

Notes

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- 4 'ONE' provides a single work-focused gateway to benefits for all claimants, and is at present being piloted in 12 areas.
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- 147 DETR, op. cit., 1999a.
- 148 SEU, op. cit., 2000b.
- 149 Under the Crime and Disorder Act, 1998. Details of a number of ASBOs which have been taken out, can be found in Annex C of PAT 8's report.
- 150 T. Modood, R. Berthoud, J. Lakey, J. Nazroo, P. Smith, S. Virdee and S. Beishon, *Ethnic Minorities in Britain: diversity and disadvantage*, PSI. 1997.
- 151 DH, op. cit., 1999a.
- 152 Cabinet Office, op. cit., 1998.
- 153 Home Office, *Report of PAT 6: Neighbourhood Wardens*, 2000b.
- 154 DETR, *Quality and Choice: a decent home for all – The Housing Green Paper*, TSO, 2000a.
- 155 DETR, *Report of PAT 5: Housing Management*, 1999c.
- 156 DETR, op. cit., 1999a.
- 157 SEU, op. cit., 2000b.
- 158 DETR, op. cit., 1999a.
- 159 Ibid.
- 160 Ibid.
- 161 DCMS, *Report of Policy Action Team 10, Arts and Sport*, 1999.
- 162 Ibid.
- 163 The current National Lottery Distributors are: The Arts Council of England; Sport England; the Heritage Lottery Fund; the National Lotteries Charities Board; and the New Opportunities Fund.
- 164 Home Office, op. cit., 1999a.
- 165 DETR, *Report of Policy Action Team 17, Joining It Up Locally*, 2000b.
- 166 T. Gosden, et al, op. cit. (forthcoming working paper).
- 167 OFSTED, op. cit., 2000.
- 168 DfEE, op. cit., 2000a.
- 169 SEU, *Report of PAT 4: Neighbourhood Management*, TSO, 2000e.
- 170 DH, op. cit., 1999a.
- 171 Ibid.
- 172 HMT, op. cit., 1999a.
- 173 Ibid; and HMT, Taskforce Report, *Credit Unions of the future*, 1999d.
- 174 PIU, op. cit., 2000.
- 175 Ibid.
- 176 Ibid.
- 177 The National Centre for Neighbourhood Renewal was proposed in PAT 16's report.
- 178 PIU, op. cit., 2000.
- 179 Local Government Bill, 1999.
- 180 The New Commitment to Regeneration has been developed by the LGA – along with other partners – to help local partnerships prepare comprehensive regeneration strategies and establish new relationships between central and local government. To date, 22 partnerships have been announced.
- 181 DETR, op. cit., 2000b.

- 182 SEU, op. cit., 2000d.
- 183 SEU, op. cit., 2000c.
- 184 SEU, op. cit., 2000a.
- 185 The ILD is an index of deprivation drawn from administrative and other sources to give a score and ranking to areas to assess how deprived they are. More details may be found in Annex A of the SEU's 1998 report on deprived neighbourhoods. DETR leads on the ILD and is currently reviewing it.
- 186 SEU, op. cit., 2000d.
- 187 DfEE, op. cit., 1999a.
- 188 City Challenge was the then Department of the Environment's first holistic regeneration programme. In 1994 it was brought into the SRB.
- 189 The Social Fund offers an alternative to commercially-provided credit for people with low incomes. It is administered by DSS.
- 190 Details of each of the SEU's reports may be found in endnote 3.
- 191 J. Lakey, 'Neighbourhoods and Housing' in T. Modood, et al, op. cit., 1997.
- 192 DETR analysis (see also SEU, op. cit., 1998a).
- 193 PSI, *Fourth National Survey of Ethnic Minorities 1994, 1997*.
- 194 DfEE, op. cit., 1999a.
- 195 J. Nazroo, *The Health of Britain's Ethnic Minorities, 1997*.
- 196 DETR, *English House Condition Survey 1996, 1998b*.
- 197 DfEE, op. cit., 1999a.
- 198 DfEE, op. cit., 1999a; DfEE, op. cit., 1999f.
- 199 DfEE, op. cit., 1999a; HMT, op. cit., 1999b; DETR, op. cit., 1999c; HO, op. cit., 2000b; SEU, op. cit., 2000c; HMT, op. cit., 1999a; DTI, op. cit., 2000; SEU, op. cit., 2000e; and DETR, op. cit., 2000b.
- 200 DfEE, op. cit., 1999a; DETR, op. cit., 1999c.
- 201 DETR, op. cit., 1999a.
- 202 SEU, op. cit., 2000c.
- 203 DfEE, op. cit., 1999a; Home Office, op. cit., 1999a.
- 204 DfEE, op. cit., 1999a; HMT, op. cit., 1999b; DfEE, op. cit., 2000a; and DTI, op. cit., 2000.
- 205 Home Office, op. cit., 2000b; DETR, op. cit., 1999a; DfEE, op. cit., 2000a.
- 206 DETR, op. cit., 1999b; and DfEE, op. cit., 2000a.
- 207 DTI, op. cit., 2000.
- 208 The report of PAT 8 (Anti-social behaviour) gave some examples.
- 209 SEU, op. cit., 2000e.
- 210 DH, op. cit., 1999a.
- 211 SEU, op. cit., 2000a.
- 212 Ibid.
- 213 SEU, op. cit., 1998a.
- 214 SEU, op. cit., 2000a.
- 215 DETR, op. cit., 2000b.
- 216 The Local Government Bill, 1999.
- 217 Local challenge is an idea being developed by the LGA whereby local authorities could commit to deliver outcome targets and, in return be given greater freedom about how to do this by central Government.
- 218 SEU, op. cit., 2000a.
- 219 For an explanation of the ILD, please see endnote 185.
- 220 For further details, please contact Dominic Murphy, Bristol NDC, 202 Avonvale Road, Barton Hill, Bristol BS5 9SX.
- 221 Cabinet Office *Modernising Government*, TSO, 1999.
- 222 PIU, op. cit., 2000.
- 223 Home Office, op. cit., 2000b.
- 224 DETR, op. cit., 1999b.
- 225 The School-to-Career initiative demonstrates significant impact on young people (*Jobs for the Future, 1998*).