

SR2000 Government Interventions in Deprived Areas

(GIDA) Cross-cutting Review

April 2000

Executive Summary

The goal of the GIDA review was to take forward the Prime Minister's vision for deprived areas, as set out in the National Strategy for Neighbourhood Renewal (National Strategy):

- To bridge the gap between deprived areas and the rest; and
- To deliver an absolute improvement in 4 key outcomes (health, education, employment and crime.)

This required setting out the spending and service delivery implications of the National Strategy, particularly with reference to the four key outcomes.

The Review has concluded that:

1. Main programmes should bear primary responsibility for tackling deprivation.
2. To do this, main programmes need to be refocused. This means that their PSA targets should stipulate both a national service standard and **a floor/convergence target for tackling deprivation**. It also means **examining and, where necessary, changing funding and process mechanisms** to make sure they deliver an appropriate level of resources to tackle deprivation. Departments have set targets that are broadly in line with the National Strategy's goals, but it is not yet possible to determine whether they and their delivery mechanisms are sufficient to underpin it in SR2000. However, the Review welcomed the work being done by the Local Government Finance cross-cutting review on a possible transitional mechanism for getting resources to deprived areas to underpin the floor/convergence targets.
3. Local Strategic Partnerships, involving public, private and community sectors and building on the new community planning duty and existing cross-sectoral partnerships where possible, should be encouraged in all areas. They would be single "umbrella" partnerships with subgroups focusing as necessary on particular issues such as deprivation. LSPs should agree local priorities that reflect national targets and broker actions. They would be recognised by Government Offices and other Government regional bodies. Ultimate responsibility for delivery would remain with the appropriate local service providers.
4. Targeted initiatives, including holistic regeneration programmes, have a role to play. But they should be part of a clear framework for tackling deprivation, rather than the main tool for doing so. Targeted initiatives, where they have different delivery mechanisms to main programmes (particularly partnerships), should be co-ordinated by LSPs. This should be voluntary for existing programmes, but built into the start of new initiatives.

5. The holistic regeneration programmes should be changed over time so that they carry out a role complementary to the refocused main programmes.

The next stage of work will be crucial. There are a number of areas where further work is required. Departments have been asked by the Chief Secretary to set out how they will deliver on the GIDA principles agreed by PSX, and an assessment will be required of whether the responses mean that the National Strategy is sufficiently underpinned within SR2000.

SR2000 Government Interventions in Deprived Areas (GIDA) Cross-cutting Review

Final Report

Section 1: What is the problem?

1. People's quality of life is much worse in deprived areas. Compared with the rest of England, the 44 most deprived unitary/district authorities have:

- Nearly two thirds more unemployment;
- 30% higher mortality rates; and
- A quarter more children who do not get a single GCSE.

Burglary rates in deprived areas are also three times the national average. And these problems are often more severe for particular groups – such as Black/Minority Ethnic people – who are over-represented in deprived areas.

2. This inequality between districts is very substantial. But the greatest extremes are between neighbourhoods. This is illustrated by statistics from New Deal for Communities (NDC) pathfinders. The table below shows that conditions are much worse in Beswick/Openshaw (the NDC neighbourhood in Manchester) than in Manchester as a whole, which is in turn much more deprived than the national average.

	Beswick/Openshaw	Manchester	England
Standard mortality rate: lung cancer	253	172	100
% disabled/long term sick/incapacitated	30	17.3	13.1
% unemployed	11.7	9.6	4.6
% pupils attaining 5 A*-Cs at GCSE	24.7	28.7	46.3
Domestic burglary per 1000 households	81.3	72.6	22.7

3. Areas with social exclusion problems like low skill levels and high crime rates are unlikely to attract the enterprise, investment and employment necessary for sustainability. Nevertheless, many people who suffer from deprivation do not live in 'deprived areas' – so action should not solely focus on such areas.

Section 2: Why does it happen?

4. The Government is committed to addressing the problems of deprived areas. But these are complex, long term and stubborn, and many areas have failed to turn round. Structural economic and demographic issues are outside this Review's remit, but the changes proposed here will not happen in isolation from the broader social and economic picture.

Why does it happen? A: Problems with public services

5. Public services are often poor in deprived areas, where they are needed most. Poor performance by main expenditure programmes contributes to deprivation and social exclusion. There is no single critical issue; failure to join up, under-funding (in some cases), poor management or performance management, and lack of explicit floor/convergence targets for services in deprived areas are all crucial. Research on financial flows into deprived areas concludes that they get marginally more money than elsewhere, but that most of the extra money is ameliorative (e.g. social security benefits) rather than tackling the causes of deprivation. Annex A outlines this in more detail. Issues like programme inflexibility (where centralised prescription of process restricts a local service deliverer's ability to address problems in a locally appropriate way) and training also matter.

6. However, poor public services should not be stigmatised as the sole cause of deprivation. Even the broad factors listed in paragraph 4 above are not the only other reasons. And it is important to recognise and encourage good work where it exists.

Why does it happen? B: Problems with joining up

7. Research by the Social Exclusion Unit (SEU), the Performance & Innovation Unit (PIU) and others shows that main services need to work together to improve outcomes. This does not yet happen enough (though much is being achieved in some places.) Silo working is prevalent partly because individual services and initiatives have structures, processes incentives and targets that mean they take a narrow perspective, and do not have the flexibility to work jointly. Even where strategic partnerships exist (notably the LGA's New Commitment to Regeneration, and Health Action Zones (whose broad focus sets them apart from other interventions)), their roles often overlap with other bodies. This creates confusion and a further lack of co-ordination.

Why does it happen? C: Problems with targeted interventions

8. The Government has launched many initiatives to tackle the problems of deprived areas. Individual projects have made a real impact. However, research (including PIU report on the Role of Government at Regional & Local Level, and the interim report of the DETR research into the co-ordination of area-based initiatives (ABIs)) confirms that there are several consistent criticisms of ABIs:

- Shoring up rather than being additional. Targeted initiatives are largely supposed to be additional to main services. In reality, they often take over the role of failing programmes;
- Not fitting in to the strategic picture. ABIs often do not fit into a clear local or regional strategic framework for achieving national aims;
- Co-ordination. ABIs are regularly co-located, and engage the same actors in partnerships. But they frequently have conflicting objectives, relate poorly to main programmes in process terms, and have varying monitoring and accounting requirements; and
- Rigidity. Practitioners argue that both the process and outcomes of ABIs are too tightly defined, allowing little flexibility for local innovation, adaptation and prioritisation.
- Being time limited and often withdrawn before the task is complete.

Why does it happen? D: Problems with holistic regeneration

9. The 1998 CSR confirmed there remained a social and economic case for providing additional Government interventions to tackle multiple problems in the most deprived areas. These are provided by the two holistic regeneration initiatives: the New Deal for Communities (NDC) and the Single Regeneration Budget (SRB), managed by DETR on behalf of all Departments. The NDC (administered by the Government Offices for the Regions (GORs)) focuses on small-scale neighbourhood areas whereas the SRB (administered by Regional Development Agencies (RDAs)) delivers outcomes over wider areas including towns, subregional and regional areas. They both encourage a comprehensive, joined-up approach but, as targeted interventions, they can suffer from the problems discussed above. There is also scope for rationalising them, since (alongside a wider range of activities) they both provide comprehensive interventions in deprived areas.

Section 3: What is our goal?

10. The Review's aim is to provide the SR2000 underpinning for the SEU's National Strategy, for which the Prime Minister set two goals:

- To bridge the gap between deprived areas and the national average; and
- To improve four key outcomes in deprived areas (crime, jobs, health and education).

The Government will measure the success of the National Strategy on these criteria.

11. The four key outcomes are at the heart of this Review. However, they do not cover all the important issues; housing, the physical environment, transport, business support, benefits and access to sporting and cultural facilities can all be important to communities. The necessity of getting these right should not be lost in the focus on key outcomes. They can make crucial contributions.

12. Achieving the National Strategy's goals depends not only on this Review, or the SEU's wider work on the Strategy, but also on a number of other workstreams:

- the urban & rural White Papers;
- Crime Reduction Strategy;
- the ongoing review of Local Government Finance;
- Best Value/modernising local Government;
- Welfare to Work Programme;
- local ownership of targets/local government PSAs/response to the Local Government Association's Local Challenge; and
- efforts to encourage community/voluntary activity.

Links need to be made between these in policy development and implementation.

13. This report does not consider issues such as race equality, diversity, and sustainable development in detail. However, this is because the Review expects that such issues will be mainstreamed within Departmental SR2000 proposals, including targets covering deprived areas.

Section 4: Delivering the vision

Delivery A: Main Programmes

What is the goal?

14. The Review endorses the view that main services should be the Government's principal weapons for tackling deprivation. Targeted interventions have neither the resources nor the remit to do so nationally. Core public services should be in proportion to need, so in deprived areas they must to be as good as, or even better than, they are elsewhere.

What needs to change

15. Main services frequently fail to deliver outcomes in deprived areas. At present, targeted initiatives often shore them up. This should change, so that deprived areas get the main programme priority they need.

How do we change it?

16. There are several ways of ensuring improvement in main programme delivery in deprived areas:

- setting targets;
- better resource allocation;
- better partnership working (covered in paragraphs 30 - 47 below); and
- better performance management structures.

Targets

17. Incentives, resources and structures are needed to get the improvements Government wants. Setting targets is often the simplest way of doing this. But this will not be enough to deliver solutions, even when combined with resources skewed to deprived areas.

18. The interim report recommended that Departments set PSA targets to reflect the aims of an absolute improvement in outcomes and of bringing deprived areas closer to 'the rest', and that targets should be national rather than apply to a restricted 'list' of deprived areas. The form of target (including whether it should be 'floor' or 'convergence') would depend on its nature and intended outcome. Targets should cover the period of this SR. Where this is not appropriate, longer-term targets should be set with, where possible, a series of progress checks. These checks should include 2004. The Review's reasoning is set out in Annex B.

19. In general, the targets Departments have proposed for their draft PSAs are broadly in line with the National Strategy's twin aims of absolute improvements and narrowing the gap between deprived areas and the rest. However, it is as yet unclear how they will be implemented. Departments will need to ensure their local service providers are given the goals, resources and performance management structures to deliver on the national targets, while striking a balance between central prescription and local flexibility. To do this, Departments should review their funding formulae and their delivery and performance management arrangements, to ensure resources can get to deprived areas and deliver the desired outcomes. Departments considering making more intensive use of an existing ABI or targeted initiative, or introducing a new one, should take account of the Review's recommendations on such delivery mechanisms as set out in paragraphs 52-54. Departments planning to use local partnerships should link these to the Review's proposals for LSPs.

20. In their examination of their funding formulae, Departments using local authorities as their local delivery mechanisms will have to allow for the implications of the wider programme

of work on local government finance. This includes both the longer term work which DETR have been carrying out with the Local Government Association on possible reforms to the distribution of RSG, as well as the concern in the Cross-cutting Review of Local Government Finance about the proposed increase in the use of specific grants and the work in that review on the possible development of local PSAs. The Local Government Finance review is currently considering a mechanism for channelling to deprived areas any additional resources needed to underpin the floor/convergence targets. It would probably be a transitional measure pending longer term reforms that might emerge from the grant distribution review. The Review welcomes this proposal and will work with the Local Government Finance Review on the implementation details.

21. Until Departments report on how their targets will be delivered, the Review cannot take a view on whether the present proposals are sufficient to underpin the National Strategy within the Spending Review. The Chief Secretary has written to Departments asking them to provide this information by mid-May. It will be vital that the returns are then assessed against the Review's principles and the aims of the National Strategy, as set out in Section 5, 'Future Work'.

22. Every Department currently considers that achieving the targets they have suggested for narrowing the gap will require their SR2000 bids across all their programmes to be met in full, and have not provided information on how marginal changes in assumptions about the level of their total SR settlement would impact on these targets. The lack of information means the Review cannot take a view on this or on the overall resource implications of the Review's proposals. Nonetheless, given generally limited resources, there will be a tension between funding improvement in deprived areas and elsewhere. Decisions will be necessary on the relative importance of these aims in the Spending Review and beyond.

Delivery B: Joining up

Background

23. Views on local partnership working have evolved over the course of this Review. Originally, the Review proposed Local Strategic Partnerships (LSPs) focused on deprivation. But, as other cross-cutting reviews also recommended local partnership solutions to joining-up problems, GIDA was remitted to take the work forward on a broad front. The Local Government Bill has also changed, giving local authorities a 'duty' (rather than a 'power') to be covered by a community strategy.

What is the goal?

24. Improving public services is a necessary step towards improving outcomes. But it is not sufficient. Better co-ordinated, more strategic working is also required:

- Nationally – good cross-Whitehall working will be needed for implementation of the National Strategy, and to minimise the undesirable effects of targeted initiatives;
- Regionally – the enhanced role of the Government Offices discussed in the PIU report 'Reaching Out' will assist at this level; and
- In cities/towns – Service providers need to work with each other, local residents, voluntary groups and the private sector in order to achieve maximum improvement.

25. National and regional co-ordination is not within the GIDA remit. (Ministers are considering how to ensure that policy on deprived areas is co-ordinated and properly overseen within Whitehall, and that lead responsibility for implementation of the National Strategy is made clear.) The rest of this section deals with local issues. As a baseline, Annex C sets out the position agreed in the National Strategy.

26. The body of evidence gathered in the course of the National Strategy, in evaluating the Single Regeneration Budget and elsewhere, shows that partnership working with strong community involvement helps core public services tackle deprivation. (Some of this evidence is summarised in Annex C.) The aim is to ensure that LSPs are in place to do this. Their tasks would include:

- developing strategic plans and local priorities (including deprivation) in line with national priorities;
- brokering concrete actions that help services to work together and meet community concerns (without being responsible for delivery of the actions);
- determining which neighbourhoods need special help using national and local statistics, and local knowledge;
- providing a structure into which area based initiatives and partnerships mechanisms could fit. In due course, they could rationalise other partnerships within this structure – with Whitehall approval as necessary – using the powers in the Local Government Bill; and
- linking with national, regional and neighbourhood counterparts.

27. In particular, people from deprived communities - alongside voluntary organisations and businesses - need a strong voice on each LSP, to help service providers understand the issues facing deprived communities. They must play a key role in bringing forward approaches that meet their needs and challenging the usual ways of doing things. LSPs will in part be judged on their effectiveness in engaging communities (see paragraph 38 on recognition/incentivisation).

28. But neighbourhood deprivation is not alone in requiring local co-ordination:

- other cross-cutting issues - many of which are addressed in cross-cutting SR2000 reviews - require a similar approach. These include crime reduction, youth, children, drugs, rural issues and urban renaissance; and
- area-based initiatives (many of which are focused on deprived areas) could become more effective if better co-ordinated locally.

29. This could result in duplication of joined-up working machinery at local level, which would be undesirable. Fewer overlapping partnerships are needed, not more. Therefore the Review recommends that single 'umbrella' partnerships are needed, with sub-groups focusing on particular issues as necessary.

What needs to change?

30. Analysis shows that many deprived areas are covered by some form of strategic partnership (including community planning partnerships, the LGA New Commitment to Regeneration, and Health Action Zones) or are working to implement one. More will do so as a consequence of the duty to be covered by a community strategy. It would be a mistake to create a new, completely separate mechanism as a result of the local co-ordination issues highlighted in SR2000. Where suitable partnerships exist, they should therefore be built on rather than replicated or replaced. Where they do not exist, Government should actively encourage their formation.

31. Existing partnerships are broadly in line with the need to tackle deprivation and social exclusion. But they do not necessarily focus systematically on deprived areas or consistently on the four key outcome goals - health, education, employment and crime. To help deliver neighbourhood renewal, LSPs (or their sub-groups) will need to do so, and in a way that ensures community priorities are met.

How do we change it?

LSPs and Community Planning Partnerships

32. The Local Government Bill will give local authorities a broad power to promote the social, environmental and economic well-being of their area. To advance this, they will have a duty to be covered by and committed to a community strategy. This will set local priorities and provide a strategic context within which related and cross-cutting issues can be effectively taken forward. It is to be drawn up in partnership with others. The statutory guidance issued to authorities should make clear that communities must have a central role in the partnership.

33. Partnerships will focus on deprivation where it is a key local issue, but it is unlikely that they will determine how to tackle it in great detail. This will remain the job of individual

agencies and partners, or groups of them as appropriate, who would be expected to act with regard to what the partnership sets as local priorities. They must have sufficient flexibility from central Departments to allow for this, balanced against Departments' need to ensure national targets are achieved.

34. Though the community planning guidance will not precisely prescribe an LSP-style body, authorities will create or adapt partnerships to produce the strategy. Their broad base and strategic outlook means that these partnerships would be natural vehicles to take on the wider umbrella role of LSPs.

Boundaries

35. If this case, most LSPs will have local authority boundaries. There is a question as to whether LSPs in two-tier authorities should be at the same level, and, if so, what this should be (e.g. always at county level.) The range of existing partnerships shows that no single model is universally present or appropriate. In many cases the issue will not be major for deprived areas, which are mostly in unitary authorities. Though every local authority will have to be covered by a community strategy, the Bill does not prescribe on the boundary issue. Partnerships could be formed at either level in different places, and even from groups of districts or unitary authorities such as London Boroughs. Therefore, the boundary issue will be resolved locally as community planning is rolled-out.

SR2000 consequences

36. In terms of SR2000, moving towards single umbrella LSPs would mean that:

- all reviews proposing new co-ordination of services at the local level (e.g. rural, DETR (urban renaissance)) should use LSPs – or sub-groups of them – as their mechanism;
- agencies of central Government should be made to engage with LSPs and given the programme freedom necessary to do so;
- the reorganisation of Drug Action Teams (DATs) to local authority boundaries should involve them becoming sub-groups of LSPs where possible;
- any new role and resources for Crime and Disorder Partnerships (CDPs) should involve them becoming sub-groups of LSPs;
- there is an opportunity to merge existing partnerships (particularly in unitary authorities, where boundary problems are not as severe); and
- all new area-based initiatives, or extensions to existing ones (e.g. Sure Start), should be required to work through sub-groups of LSPs as their delivery vehicles.

37. Beyond SR2000, other local partnerships could be brought progressively under the wing of LSPs. Existing area-based initiatives would be an exception. As set out in paragraph 52, they should voluntarily co-ordinate action within frameworks set by LSPs.

Incentivisation & recognition

38. If LSPs are to address all of these issues over the whole country, they will need to be rolled-out nationally. There should be national incentives to ensure this. However, the GIDA Review has a particular interest in encouraging them and ensuring their success in deprived areas, so it recommends stronger incentives for these places.

39. Nationally-applicable incentives could include:

- provisions within statutory community planning guidance, under the Local Government Bill (e.g. rationalisation of plans). The guidance will help specify the nature and functions of local authority involvement in partnerships, and encourage take-up; and
- conditionality of SR2000 spending settlements, as discussed above.

40. Further incentives for deprived areas could include:

- funding partnerships in the most deprived areas, primarily for community and voluntary sector involvement, and equipping the public sector to work with these organisations; and
- making the LSP's strategy a key distribution determinant for future regeneration funding, with the possibility of some LSP activities being funded under that programme.

41. Recognition and incentivisation of LSPs would be done by GORs, (in partnership with other Government regional bodies, such as NHS Executive Regional Offices). This would include a process to ensure that LSPs are properly set up, fulfil requirements (e.g. for community representation) and are capable of doing what is needed of them. Recognised status would be used as a trigger for holistic regeneration funding (see Annex E). The GORs should also be advisors, facilitators and partners (though their ability to commit to delivering some aspects of strategies will necessarily be limited.)

42. Non-local authority service providers (who are not covered by the community planning duty) also have to be actively engaged. Departments should require their participation via SDAs. GORs should be able to pursue parent Departments on behalf of partnerships if local service providers do not co-operate. Partnership funding could also be used to play this role, as discussed in paragraph 40.

43. Ensuring LSPs involve voluntary, community and business representatives is essential. It could be facilitated through recognition and the statutory guidance, but incentivising these groups to get involved is more difficult. LSPs in deprived areas could be offered some resources for encouraging participation. The opportunity of influencing local service provision should also be a strong incentive.

44. The detail of the roles of both the LSPs and the GORs in relation to them needs developing and disseminating. Hilary Armstrong has been asked by the Chief Secretary to take the lead in doing so. LSP guidance will have to be closely linked to the community planning guidance and it may be possible to combine the two. Although the guidance could

not be settled before the publication of the finalised versions of the community planning guidance (if they are not the same) and the National Strategy, the draft LSP guidance would need to go out for consultation with the LGA and other interested parties as soon as possible. This in itself should help stimulate local consideration of the options.

Timing

45. Once the necessary guidance is available, LSPs should be rolled-out, rather than piloted. Too many policy objectives rely on them, and strategic partnerships are present in too many places, to need extra piloting of the core concepts. In any case, all local authorities will be covered by a community planning partnership. However, the rationalisation powers to be available under the community planning legislation may be piloted.

46. The Local Government Bill could receive Royal Assent either side of the summer recess. The aim is to publish the key statutory guidance in draft in June, with the final text ready by the autumn. This will expect local authorities to produce their community strategies by September 2002. Authorities with existing (non-statutory) strategic plans and well-established partnerships should be able to deliver to a tighter timetable. Many deprived areas should be in this group. Some will take longer.

47. To keep up the momentum for the National Strategy, GORs should start encouraging the formation of LSPs as soon as the draft guidance on LSPs is circulated for consultation. A system needs to be in place whereby GORs are able to report on partnerships in deprived areas by December 2000, with an expectation that a LSP of some form should be in place in all deprived areas by April 2001. This depends on the GORs having sufficient direction and resources to do it.

Delivery C: Targeted initiatives, pilots and ABIs

What is the goal?

48. The Review does not believe it is acceptable or practicable in the long-term for deprived areas to rely on attracting rationed, specially targeted, time limited or challenge-based interventions. It would be too expensive to provide such interventions in every area, and against the ethos of providing universal high-quality services through main expenditure programmes.

49. As main programmes start tackling deprivation more effectively, targeted interventions should become additional to them, rather than shoring them up. Their roles would include:

- Encouraging innovation where needed and the use of best practice where available;
- Targeting special resources where quality main services are not sufficient and more intensive interventions are required;
- Promoting joining up;
- Kick-starting change;
- Allowing local flexibility; and
- Facilitating voluntary initiatives and community involvement.

What needs to change?

50. The design and delivery of targeted initiatives needs better local co-ordination (see above), particularly for those ABIs that have separate partnership/delivery mechanisms.

51. Departments need to move away from interventions that substitute for main programmes. Any interventions should be as part of a clear strategy, alongside public services, to hit outcome targets in deprived areas.

How do we change it?

52. The newly announced Regional Co-ordination Unit will provide better systems of consideration for new initiatives and ensuring they link to main programmes. In addition to the usual hurdles of collective agreement and Treasury approval, Conclusion 70 of the PIU report stated that “Before any new or extended initiative or the creation of any new Departmental outreach function (either in the regions or within headquarters policy teams) is decided on, there needs to be a “double key” arrangement, under which both the co-ordinating unit and GORs are consulted systematically in advance.”

53. As discussed above, LSPs can provide better local co-ordination of targeted interventions. Future initiatives should not set up new partnership structures. This would compound present problems. They should be required to work through LSPs where possible.

54. The Review therefore recommended in its interim report that:

- Existing ABIs should be co-ordinated voluntarily through existing partnerships and LSPs where possible;
- Future ABIs should be required to work through LSPs where they have been established; and
- As the “Reaching Out” report recommends, arrangements are needed for approving extended or future initiatives, or outreach functions e.g. policy from the DETR Regional Co-ordination Unit and resources/PSA targets from HMT.

Delivery D: Refocusing holistic programmes

What is the goal?

55. In the short to medium term, regeneration funding needs to continue, because it plays an important role in delivering services to deprived areas, and because it will take time for the refocusing of main programmes to take effect. Even with a long term enhanced role for main programmes, it is needed for several purposes:

- to facilitate strategic planning and bending resource allocation to develop more effective main programmes;
- to help create effective partnerships;
- to integrate the operational delivery of main programmes and enhance joint action on the four key outcomes; and
- to support community capacity building (including activity proposed under Active Community Review) and community ownership of planning and delivery of programmes.

56. Effective action and partnership is required at all scales: small-scale neighbourhood areas and wider areas including towns, subregional and regional areas.

What needs to change?

57. The existing holistic programmes need rationalising and refocusing so they carry out the roles above.

How do we change it?

58. The Review considered whether a single holistic programme covering all scales and all potential purposes could deliver these requirements. Two other factors require special consideration: the need to support rural areas and the efficiency gains from unified more flexible RDA budgets. Neither RDAs or GORs are fully equipped to deal with all the relevant issues and significant changes to the current arrangements would be disruptive. Nor would a single programme provide an additional link between the other various roles of the RDAs and GORs.

59. Proposals for the successor programmes should remedy this by distinguishing as clearly as possible between interventions best carried forward at the neighbourhood level and at the wider regional/sub-regional level, and set out the division of responsibilities between GORs and RDAs for delivering these programmes.

60. The Review therefore recommended in its interim report that DETR (in consultation with other Departments, GORs and RDAs) should prepare proposals for successor programmes to both the NDC and the SRB within a framework which:

- clarifies the outcomes of each programme and the nature and scale of area over which any operating partnership would run direct programme activity;
- clarifies the split in the administrative roles between GORs and RDAs;
- makes provision for delivery partnerships with support for programme activity (similar to some existing NDC and SRB models), delivery partnerships drawing substantially on main programmes (e.g. the roll out of neighbourhood management), and strategic partnerships at town and city scale dealing with both social inclusion and broader economic and physical development; and
- provides processes which secure co-ordinated bidding and management arrangements.

61. In future, targeting holistic programmes should take account of the expected impact of the existing partnerships as well as the new information about need provided by the revised Index of Local Deprivation. The Review therefore also recommended in its interim report that the criteria for targeting both of these programmes should be co-ordinated, taking account of: the overall aims of the National Strategy; the expected impact of existing SRB and NDC partnerships; the regional economic strategy; and plans prepared by LSPs. The interim report recognised that there was also a good case for some early development of the proposals for neighbourhood management and LSPs following the publication of the National Strategy.

62. The Review has not been able, as planned, to take a view on how quickly and how much the changes to main service delivery outlined above could be expected to increase the resources allocated to deprived areas, and design a strategy for moving to the new holistic regeneration programmes with that in mind. The DPM and the Chancellor will consider further the DETR proposals. The details will then need to be worked up by DETR in consultation with other Departments, GORs, and the RDAs.

Delivery E: Taking forward PAT 18: Better information

63. PAT 18 concluded that a lack of geographically referenced, small area deprivation data had hampered action to tackle neighbourhood deprivation. To remedy this, they recommended taking a new approach to collating and disseminating a consistent set of information at the local level. This should include utilising, and/or developing, information in existing administrative systems, modelled small area estimates, and some new data collection.

64. The Review believes that this is necessary since it would enable Departments, local service providers and LSPs to target resources or effort more effectively on deprivation and monitor their impact over time. It therefore recommends that a bid should be brought forward within SR2000. This should be cross-linked to the Home Office's bid to gather small-area crime information and any other Department's small area data bid.

65. Although all Departments will benefit from the outputs of the project, clear ownership will be necessary for adequate project control and management. Therefore, pending any Ministerial decisions on responsibility for implementing and monitoring the National Strategy, the Review recommends that the Office of National Statistics (ONS) should take the lead in developing the project and associated SR2000 bid.

66. An interdepartmental group is taking this work forward. It should ensure that:

- all Departments' small-area deprivation data needs are taken into account;
- existing information (including that held by both central Departments and local bodies) is brought together as far as possible in a consistent, geo-referenced form;
- common technical standards are set for data collection, geo-referencing and storage so that appropriate components of the project can be handled by Departments and their outside contractors;
- data are easily accessible by all who want to use them, ideally free of charge or at an affordable price;
- training and technical support is made available to all users, particularly local practitioners;
- the bid contains clear, firm, and realistic costings cross-linked to other SR2000 small area data bids; and
- a management structure for the project is proposed that would enable the work to be taken forward as quickly as possible.

Section 5: Future work & links to other work streams

67. There are a number of areas where the Review has not been able to complete its task in time for this final report. The outstanding work is as follows:

- i. Departments have to respond to the Chief Secretary setting out how they will implement the Review principles as agreed at the PSX discussion.
- ii. The responses will need to be evaluated by HMT, SEU and DETR and taken forward in the later stages of SR2000. The final proposals need to add up to a section for the SR2000 White Paper which can say that:
 - the National Strategy will be appropriately underpinned;
 - Department's PSA/SDA targets are sufficiently challenging, and have convincing strategies and sufficient resources in place to achieve them;
 - local service delivery programmes are in place, or will be, with appropriate local goals, and the resources, mechanisms and performance management strategies to support them which take account of the Local Government Finance cross-cutting review's proposals; and
 - LSPs are to be set up (with a key role for GORs and with Departments having made sure that service providers engage with LSPs), and will provide the local partnership support for the other cross-cutting reviews.

- iii. HMT, SEU and DETR will need to work with other Departments and the Local Government Finance cross cutting review on the details of their proposed mechanism for getting additional resources to deprived areas to underpin floor/convergence targets.
- iv. The DPM and the Chancellor will be dealing with the holistic regeneration programmes bilaterally. The details will then need to be worked up by DETR in consultation with other Departments, GORs and the RDAs.
- v. The guidance on setting out in detail the role of LSPs, and the GORs in their recognition, (for which Hilary Armstrong has lead responsibility) needs to be published in draft for consultation as soon as possible and in final form once the National Strategy and the community planning statutory guidance have been issued (if the two sets of guidance cannot be combined.)
- vi. ONS should prepare a project plan, in association with Departments, for delivering the PAT 18 recommendations on collection of small area data.

Section 6: Conclusion

68. The aim of this Review was to underpin the National Strategy for Neighbourhood Renewal in SR2000. This report marks the end of a significant stage in that work. It sets out the principles – the focus on main programmes and floor/convergence targets, Local Strategic Partnerships to simplify and focus local partnership arrangements, a clearer role for ABIs, refocused holistic regeneration programmes - and points the way for the development of implementation strategies.

69. However, the most critical phase remains. The further strands of work discussed above are central to the overall outcome of the Review. In particular, Departments need to set out in detail how they will achieve their floor targets in line with the Review's principles. If the targets are not achievable, then the SR2000 White Paper will not be able to show how the National Strategy will be underpinned in SR2000.

Annex A: Evidence on resourcing and performance of main programmes in deprived areas

A1. Much central government support for local and health authorities is allocated directly to individual authorities, and we have a reasonable picture of how other main programme resources are distributed among local and health authority areas. What is not so clear is how money is distributed within local areas (i.e. between wards and neighbourhoods). The main difficulty here is getting information for small enough areas, as local agencies, who tend to have discretion on how they spend money below the local level (e.g. local authority district), often do not account for spending on a geographical basis. So it is hard to keep track of this.

A2. This section examines each of these geographical levels in turn. First, the local level. Departments often use funding formulae to allocate resources between local areas. The major formulae (allocating to local and health authorities) expressly take account of deprivation, using several different measures. The allocations confirm a bias in favour of deprived areas.

A3. For example, the 70 top-tier authorities that rank highest on their degree of deprivation get £2.6 billion more in general grants in 2000/01 than if they received the national average amount per head¹. Most of the rankings of individual authorities on these measures are fairly close. But one in five of the authorities is ranked more than twenty places higher or lower on the deprivation index than on grant per head.

A4. A recent study by Glen Bramley of Heriot Watt University confirmed that, across a wide range of programmes, deprived areas appear to get more, but not much more. It looked at three relatively deprived districts, Brent, Liverpool and Nottingham. It showed that they received 17% more total public spending than non-deprived areas. The difference was most marked for Liverpool (one of the most deprived districts in the country), which received 29% more resources than the national average. For Brent and Nottingham the figure was only 4 - 7%.

¹ The comparisons in this paragraph remove the effects of the area cost adjustment which compensates authorities in London and the south east which have higher labour costs. This helps to reveal the extent to which the underlying formulae direct more grant to deprived areas. (The comparisons have also been adjusted in relation to the fire service and the GLA's non-police functions so that those for London and the metropolitan authorities are consistent with those for shire unitary authorities.)

A5. Second, the allocation of resources between wards. In most cases (except schools) local authorities and local agencies have discretion about how they spend money within their boundaries – they are not reined-in by further funding formulae.

A6. The Glen Bramley study is our best source of knowledge on allocation of resources at this level, i.e. between wards. It found that the most deprived wards received substantially more public spending than the most affluent (45% on average). This gives the impression that spending is fairly skewed in favour of deprived wards. However, the details of this resource allocation qualify this conclusion to a large extent:

- this represents only a moderate skewing of resources, given the scale of need in deprived wards. Bramley states that “the increment in public spending associated with higher levels of deprivation is modest rather than massive in scale”. And it is only in very deprived areas that spending increases markedly;
- not all services are pro-poor. Some are neutral or even pro-affluent. Neutral services (spending similar amounts in deprived and non-deprived wards) include secondary education, training and health services, which address three of the SEU’s four key outcomes;
- most extra spending is classed by Bramley as “ameliorative” (e.g. social security) rather than “economic investment in people” (e.g. education). The former is 54% higher in deprived wards, with the latter only 25% higher; and
- it includes explicitly-targeted funding like regeneration. The inclusion of this can make the total spending look more pro-poor than it actually is.

A7. Other sources confirm this relatively flat distribution of resources between wards. For example, a recent OFSTED report showed that there is “relatively little difference in the levels of overall funding between schools in disadvantaged and advantaged areas.” The differences are particularly small for primary schools, but are only slightly greater for secondary schools, where funding levels only vary by 10%.

A8. In some areas, key services can even be “anti-poor”. For instance, in the Epping Forest primary care group area (an affluent area with pockets of deprivation), health investment is lowest in the most deprived area (Waltham Abbey).

A9. There is even some suspicion that whilst funding formulae generally deliver more money to areas with deprived wards, the money may not always reach the deprived wards themselves.

A10. Various studies which have explored the incidence of and case for bending of main programmes have shown (perhaps unsurprisingly) a lack of acceptance of the need to target resources on the poorest areas. In local authorities where officers have been persuaded of this case, they have met a strong reluctance from councillors. The studies have also shown that where such targeting has happened, it has been small in scale, and has tended to affect smaller budgets, rather than large and high-profile ones like education.

A11. In some cases, this pattern of spending reflects not local discretion but sub-authority funding formulae. For instance, for education, there are further funding formulae below the local authority level. Local authorities are quite tightly reined-in by DfEE by the new “fair funding” formula (as they were with the old LMS formula) on how they distribute main education funding between areas. 80% must be distributed on the basis of age-weighted pupil numbers.

A12. We are conscious of several important gaps in this analysis. First, it focuses on money, not people. The deployment of human resources between areas is an important factor in service effectiveness. Second, we do not yet have an analysis of how much more it costs to provide a good service in deprived areas, and it may be very difficult to assess this where, as seems common, local authorities do not track the geographical spread of much of their spending. (Both of these points may require further investigation). And third, there has not been time to factor DCMS direct and lottery spending into this analysis.

Public Service Performance

A13. There is also increasing evidence that public services are less effective in deprived areas. This implies that poor outcomes in some deprived areas are partly the result of poor services. For instance:

- this is one of the key messages from the NDC pathfinders, as noted in the DPM's letter to the PM of 3 November, describing progress and findings to date. He noted that “it is clear from the analysis carried out by the pathfinders that the quality of mainstream services has for years been part of the problem, rather than the solution. If only mainstream services – whether from the local authority, the health authority or the police – had been provided properly, the neighbourhoods would not be in the state they are today”;
- in the 44 most deprived local authority districts (1998 ILD), there are twice as many primary and special schools on special measures, compared with the national average, and six times as many secondary schools;
- in 1999, only 10 of the 457 most deprived secondary schools in England achieved the national average GCSE results (on average, only 25% of pupils in the schools gained 5 GCSEs at grades A* - C);
- in follow-on work to the financial flows material described above, Glenn Bramley is researching whether the extra resources received by deprived areas lead to good performance, and to improved outcomes. On education, he comments that “expenditure rises only slightly with deprivation, while measures of attainment fall steeply. Ofsted measures of school quality also fall systematically as deprivation rises”;
- a recent study found that Sunderland and Barnsley (both deprived areas) had vacancy rates for GPs that were twice the national average;
- GPs would be willing to give up more than £5000 of annual income not to work in a deprived area;
- Redbridge and Waltham Forest Health Authority recently carried out an audit of health in a deprived social housing estate. They found that in one tower block, people were registered with 46 GPs, and that the area had high numbers of single-handed practices,

many with closed lists. Epping Forest Primary Care Group confirmed that their deprived area (Waltham Abbey) also had the highest number of single-handed practices in the area;

- responses to the SEU's consultation on public service effectiveness in deprived areas give a similar impression. One speaks of a "poverty of expectation among service providers," and another of services being compromised by staff who are "culturally insensitive and inexperienced";
- Only 38% of primary teaching in deprived areas is considered by OFSTED to be good or very good, compared with 53% nationally; and
- Twice as many secondary school teachers in deprived areas have inappropriate qualifications or experience for the subject they are teaching as nationally.

A14. This section thus suggests that there may be question marks over the adequacy of public service spending and performance in deprived areas. If this is right, it may help to explain why outcomes are so much worse in deprived areas, especially given the much greater dependence on public services in these areas.

Annex B: the rationale for targets.

(Extract from the Interim Report)

Why set deprived area targets?

Recommendation

- The Review recommends that Departments set targets for outcomes in deprived areas, to reflect the aims of an absolute increase in standards and of bringing deprived areas closer to the standard of ‘the rest’.

B1. The Government needs to provide incentives and structures to deliver the improvements it wants. Setting targets is often the simplest and most practicable way of doing this. However, the Review recognises that simply setting targets and skewing resources towards deprived areas will not deliver solutions on their own.

Stand alone or within Departmental PSAs?

Recommendation

- The Review recommends that targets be set for tackling deprivation within Departmental PSAs. These should relate to the four key outcomes, and other programmes that help deliver them.

B2. The Review believes that Departments should build targets for tackling deprivation into their main PSAs, by making explicit the expected outcomes in deprived areas. They should refer to the PSAs that Departments think are the best available proxies to the broad outcomes. Their cross-cutting nature means they would mainly fall into the Treasury’s category of ‘co-ordinated targets’ (i.e. an individual Department is accountable for each target, but the targets are co-ordinated to reflect a wider cross-cutting objective.) The alternative would be a ‘stand alone’ PSA target for deprived areas that draws the issues together. However, it would be difficult to integrate it properly into Departmental working, in the absence of defined responsibility. It would also increase the total number of targets set by Government, in contradiction of the SR2000 aim of reducing that figure.

What form should targets take?

Recommendations

- The Review recommends setting targets nationally rather than for a list of deprived areas. The form of target (including whether it should be ‘floor’ or ‘convergence’) will depend on the nature of the target and outcome.

- The objective of deprived area targets must be to bridge the gap between deprived areas and the rest, and to raise absolute standards.

B3. Departments could set national targets for each of the key outcomes at the lowest area unit measurable for that outcome. The key advantage of this is that it would cover all deprived areas and people. Alternatively, a common set of targets could be set for the most deprived LA areas. This would have the crucial disadvantages of not capturing all deprivation; that decisions about which areas are deprived and in need of targeted action tend to have arbitrary effects; and that lists can create perverse incentives. The review therefore recommends setting national targets.

B4. Targets could be either floor (areas to achieve a minimum outcome level) or convergence (areas' outcomes to move towards the mean.) Both have pros and cons, and which is used will depend on the main target, the desired outcome, and the data available.

Timescale of targets

Recommendation

- The Review recommends that, where useful, targets are set to cover the period of this SR. Otherwise longer-term targets should be set with, where possible, a series of progress checks. These checks should include 2004.

B5. Government asked the GIDA Review to formulate targets within the SR2000 period of 2001-2004. This is not universally practical because:

- Some issues (e.g. health) are not amenable to meaningful measurement of outcomes over short timescales;
- Reforming main programmes will almost certainly take longer than 3 years; and
- Other associated initiatives have longer timetables – e.g. 10 years for the National Strategy and the drive to eradicate child poverty in 20 years.

B6. The long-term nature of the problems and solutions needs to be reconciled with the short-term need to make, and be seen to make, progress. But any interim targets may not be outcome based, in which case they might be better as, for example, Service Delivery Agreements.

Funding allocation mechanisms and delivery of targets

Recommendation

- If targets are set requiring core public services to tackle deprivation by achieving minimum outcomes everywhere, Departments will need to specify how their achievement will be resourced and the effect on resources elsewhere. This means an examination of

funding formulae, delivery and performance management of main programmes both in SR2000 and other reviews.

B7. Resource allocation is central to tackling problems of deprivation and deprived areas. If services do not get the attention, support and money they need, it is difficult to address these problems. Skewing programmes in this way will mean that fewer resources are available more widely (unless the total is increased commensurately). Departments argue that current funding mechanisms do not give sufficient weight to tackling deprivation at the sub-authority level, meaning that resources do not always filter down to the areas where they are needed. More may need to be done to see that allocations at local authority level filter down to deprived neighbourhoods.

B8. Where funding largely reflects the size of the population, it will reduce when population declines. It will be important to ensure that there are ways of moderating or offsetting the reduction, where that is necessary to support deprived neighbourhoods. At the same time, in some cases, strategic decisions may be needed on whether a neighbourhood is sustainable.

B9. It is therefore important that, in drawing up delivery strategies for individual targets, Departments look closely at funding formulae and delivery mechanisms – for example, in the SR2000 Departmental reviews, the Local Government Finance cross-cutting review and the ongoing Local Government Finance Review and the review of NHS funding allocations.

B10. Some of these reviews may not yield changes in the short term. If change is required in the short term, it will be necessary to find ways of improving the support for deprived areas, using existing mechanisms. For example, there are powers to give special grants to local authorities, on whatever criteria Ministers wish to propose.

Annex C: Local Strategic Partnerships

(Paragraphs C1 - C29 are extracted from the National Strategy for Neighbourhood Renewal)

The local authority level

What's the job?

C1. A mechanism would be needed to help core public services achieve their individual targets for deprived areas by helping them work together and with residents. It would not deliver services. Nor would it force changes on services who didn't 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?

C2. There would be several tasks:

- pulling together the core public services at the 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?

C3. 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 like deprivation. For these reasons, PAT 17 on Joining It Up Locally argues that the role should be played by "local strategic partnerships".

C4. These would need to involve representatives of core public services (e.g. education, the police, health and the Employment Service), voluntary and private sectors, and local communities, including ethnic minority groups and women. The Government Offices for the Regions would need to offer close support in some cases.

C5. The obvious way to establish this partnership working is to embed it in the new community planning process. Local authorities are being given a new framework – under

new legislation – for drawing up community strategies, in consultation with local partners. This plan is likely to have several cross-cutting themes, amongst which social exclusion and neighbourhood renewal would be expected to be featured.

C6. In most deprived areas, community planning partnerships would be built on existing partnerships (e.g. New Commitment to Regeneration Partnerships, 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).

C7. In most places, the “creation of local strategic partnerships” would thus mean existing partnerships (or those that were going to happen anyway) taking on new roles, rather than the appearance of a totally new partnership body (to add to the large number already in existence in many areas).

The role of local authorities

C8. Local authorities would clearly have a key role in this, given their central role in the community planning process. They are the only democratically-accountable bodies in a locality, 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.

C9. The approach in tackling neighbourhood deprivation should build on local government reform by rewarding the best authorities and helping the weaker ones to improve.

C10. 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 **Beacon Council** initiative, enabling the best authorities to spread best practice on service delivery and strategic issues, and to gain flexibilities to aid their own continued improvement; and

prioritising the reduction of 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 Local Government Association’s “Local Challenge” proposals and the idea of local authority PSAs are two good examples of this approach.

What specific things would each partnership need to do?

C11. Whitehall shouldn't dictate to local residents and local services how to co-operate. But there will be some common threads, necessary in all areas. These would need to be brought together into a joint local action plan or strategy – as part of the wider community strategy.

How could this activity be encouraged?

C12. This kind of joint working won't 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 – as proposed in the previous section – would help. Some of them would react by seeking the help of colleagues and residents, to try and hit these targets.

C13. But this wouldn't be the case everywhere. Further incentives and sanctions would be needed. The core incentive is provided by the new framework for community planning. It is proposed that tackling neighbourhood deprivation is made a key part of the statutory guidance on community planning. 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 partnerships. 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. 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 a suitable partnership had been formed, or until good progress was being made towards its formation;
- giving partnerships leverage over local area initiatives. The options range from getting the partnerships to run the 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;
- instructing service inspectorates like Ofsted to consider whether this kind of working is a positive thing when inspecting services in deprived neighbourhoods; and
- rewarding senior players within local public services for encouraging this kind of joint working and for making it work, 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?

C14. Partnerships would not be responsible for delivering changes in outcomes, like lower crime or better education. That responsibility would lie with core public services. If one of

these services was failing, there are clear ways to tackle it, for instance through inspectorates like OFSTED and sanctions like 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).

C15. 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. including the local community). If the partnership was failing to join services up, or 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 Government Offices for the Regions (GORs) could police this.

C16. But a lot of steps would be taken to ensure that services and partnerships didn't fail in their tasks, such as support from GORs and from a new National Centre for Neighbourhood Renewal.

How many should there be and where?

C17. Community planning partnerships will be everywhere. The only decision is about which ones would benefit from extra incentives and help.

C18. This is quite a new way of working and the idea will 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 works closely and intensively with some of these pathfinders to test out these ideas.

What should their boundaries be?

C19. The PAT on Joining It Up Locally has recommended that the partnerships 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 Modernising Government White Paper to rationalise boundaries towards local authority boundaries as and when there are opportunities.

C20. 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 be resolved in the development of community planning.

How would this fit with area initiatives?

C21. Area initiatives can, in many cases, usefully complement core public services in helping to turn round deprived neighbourhoods. But one threat to their effectiveness is their overlap

and duplication, which threatens to clog up the system in many places, preventing them from helping to improve life in deprived neighbourhoods.

C22. The kind of local strategic partnerships discussed above could make an important contribution to co-ordinating these initiatives, and maximising their effectiveness.

C23. 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 focused on the same areas, and it makes sense for them to pull in the same direction. This would provide local players – for instance business – a more coherent and intelligible structure into which to plug, if interested in helping to tackle deprivation.

C24. There are various different options for how a local strategic partnership 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.

C25. The proposals are that:

- a voluntary regime should exist for area initiatives that are up and running. It might be worth rewarding them for co-operation in some way; and
- it may be best to tie regeneration schemes more closely than zones, given their greater resources and more explicit focus on deprivation. One leading option would be to withhold regeneration money until a local strategic partnership had been established, or was on the way, and until the fit of the funding with local priorities could be demonstrated.

C26. It would be wrong to pretend that this approach would solve local co-ordination problems. Two other elements are needed.

- First, appropriate regional and national co-ordination arrangements. As noted above, the Performance and Innovation Unit's "Reaching Out" study has recommended models for this.
- Second, more use of existing arrangements to run new initiatives. In most places, people don't mind when new area initiatives bring extra money to help tackle deprivation, even if it comes in different pots. Nor do they mind them 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.

C27. 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).

Evidence on partnership working

C28. The National Strategy sets out the task for partnerships as “...to help core public services achieve their individual targets for deprived areas by helping them work together and with residents.”

C29. Quantitative evidence on improved outcomes achieved by strategic partnerships (such as the LGA New Commitment) is generally lacking, because there has not been enough time for them to deliver. However, early feedback is positive. A better knowledge base is in place for older programmes such as the Single Regeneration Budget, which although they have tended to focus on limited areas/themes, do show the value of good partnership working.

Engaging & empowering communities

C30. SRB shows that partnership working can empower local communities as it gives them a locus for activity – and in some cases the opportunity to develop and lead schemes.

C31. The Interim SRB evaluation found that voluntary and community sector involvement varies with the nature of the regeneration scheme. Small neighbourhood based schemes have the most strongly developed involvement as community representatives are directly and intrinsically affected by the scheme. Umbrella community and voluntary sector organisations act in a more representative fashion on schemes that cover wider geographic areas.

Delivering neighbourhood renewal

C32. The SRB Interim Evaluation concluded that a comprehensive horizontal approach (working across mainstream Departmental programmes to tackle multiple deprivation in targeted areas) can only be effectively delivered in partnership.

C33. The evaluation confirms that the benefits of partnership working are that:

- it enhances private and public sector leverage into the target neighbourhoods;
- it improves co-ordination of activity between partners, reduces duplication of effort and ensures that the efforts of one policy area are not working against the efforts of others; and
- it encourages synergy across partners so that common objectives are adopted and other initiatives are set up to support these objectives.

Tackling wider strategic issues

C34. While SRB partnerships are predominantly scheme focused, the interim SRB evaluation has shown that partnership working has encouraged partners to work in a more strategic fashion.

C35. There is evidence from the research on the co-ordination of area based initiatives that a number of places – West Cumbria, Plymouth, Sandwell and Barnsley for example – are breaking new ground in forming strategic partnerships. This has helped collaboration across partners. While it is not yet possible to determine impact on outcomes, these partnerships have the potential to provide a structure for strategic, joined up working – and the signs thus far are promising.

C36. The impetus for these strategic partnerships have been vehicles such as the New Commitment to Regeneration and community strategies. However, they have built upon previous partnerships - such as economic development and SRB.

Conclusion

C39. The research so far does not demonstrate that all partnership working fulfils each of the criteria set out in C35 above. Departments have raised concerns about the ability of community to have an effective voice in steering decisions. However, where properly implemented, partnerships are beneficial, and there are mechanisms for the concerns on LSPs to be met – including via guidance on community planning, and Government Office recognition of Local Strategic Partnerships.

