

A central objective of the 2004 Spending Review is to build a fairer, more inclusive society with opportunity and security for all. The Government's aim is to promote strong, secure, actively engaged communities, with excellent local services that respond to local needs. To improve the quality of life in communities across the country, the Government is taking steps to tackle poverty, deprivation, crime and anti-social behaviour and to improve the quality of public spaces. Every child deserves the best possible start in life, with opportunities to develop their full potential and lead fulfilling lives, and the Government is committed to halving child poverty by 2010 and eradicating it by 2020.

This Spending Review announces:

- a new PSA target to halve the number of children in relative low-income households by 2010, on the way to eradicating child poverty by 2020;
- an additional £769 million by 2007-08 compared with 2004-05 for early years services and childcare. This will deliver 2,500 Children's Centres by 2008, going beyond the Government's commitment to a Children's Centre in each of the 20 per cent most disadvantaged wards in England by 2007-08, making Sure Start type services and childcare places available to children in these areas;
- a two-year £80m prevention fund to install smart alarm technology in the houses of vulnerable older people, helping to keep up to 160,000 older people healthy, safe and independent in their own homes;
- a further £3.5 billion for crime and justice by 2007-08, compared with 2004-05, providing 20,000 Community Support Officers by 2008;
- further steps to improve outcomes in deprived areas, including rolling forward £525 million a year through the Neighbourhood Renewal Fund, securing continued provision for the New Deal for Communities programme, and strengthened departmental targets to ensure more effective targeting of resources to deprived areas and groups;
- a single Safer and Stronger Communities Fund to empower local areas to tackle anti-social behaviour, improve public spaces and reduce crime;
- a new PSA target to promote cleaner, safer, greener public spaces and deliver measurable improvements in the quality of the built environment in deprived areas and across the country;
- continuing investment in the *Futurebuilders* fund and a refocusing of the £30 million a year 'Invest to Save – Inclusive Communities' fund, to develop the role of the voluntary and community sector in service delivery and to increase community engagement; and
- plans to establish a Financial Inclusion Taskforce and a Financial Inclusion Fund to support initiatives to tackle financial exclusion.

## INTRODUCTION

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**5.1** A central objective of the 2004 Spending Review is to build a fairer, more inclusive society, ensuring opportunity and security for all. In order to secure further progress towards this objective, the Government is committed to promoting cohesive communities, with strong local services, where deprivation, crime and anti-social behaviour are dealt with effectively. Securing opportunity for all means ensuring that every child is given the best possible start in life and that barriers to individual advancement are removed. To this end, the Spending Review includes a number of commitments to make further progress on tackling child poverty, social exclusion and deprivation and race inequalities.

**5.2** Public services are key to improving the quality of life in all communities, including those which are the most deprived. Reflecting this, the Spending Review takes forward reforms to narrow the gap between the quality of life that most people experience and the quality of life experienced by those who are most disadvantaged, ensuring that interventions are prioritised for deprived groups and areas.

**5.3** This chapter sets out the specific steps the Government is taking to secure a fairer society, with safer, stronger and more cohesive communities.

## A SECURE START IN LIFE

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**5.4** Every child deserves the best start in life, with opportunities to develop their full potential and lead fulfilling lives. Investing in good quality childcare and early years education provides important benefits for parents and children – especially those from deprived backgrounds – enabling parents to work or seek employment and training. These services also play a key role in improving child development. However, it is not only early years services which are important for children. The whole range of public services, from housing to transport to healthcare, can have an important impact on every child's life. Services therefore play an essential role in the Government's strategy for tackling child poverty.

### Child poverty

**5.5** In the mid to late 1990s, the UK suffered higher child poverty than nearly all other industrialised nations. Over a period of 20 years, the proportion of children in relative low-income households had more than doubled.

**5.6** The Government therefore set an ambitious long-term goal to halve child poverty by 2010 and eradicate it by 2020. As a first step, the Government has sought to reduce the number of children in low-income households by at least a quarter by 2004-05. As a result of increased financial support for children through tax credits, Child Benefit and other benefits and success in helping parents into work, the previous trend toward increasing levels of child poverty have been arrested and reversed – between 1998-99 and 2002-03, the number of children in relative low-income households fell by around 500,000.

**5.7** However, child poverty is about more than just income. The Government's strategy for tackling child poverty also involves ensuring work for those who can and support for those who cannot, supporting parents in their parenting role, and delivering high quality public services to improve poor children's life chances. Therefore in Budget 2003 the Chancellor announced the Child Poverty Review, which has examined both the welfare reform and public service changes necessary to advance towards the long-term goal of halving and eradicating child poverty. The review team set up a series of seminars which allowed 220 organisations including academics and public, private and voluntary sector organisations to contribute to the review.

**5.8** The Child Poverty Review, which is published today, sets out evidence and detailed policy proposals aimed at further reducing child poverty. The review includes both medium-term plans for the 2004 Spending Review period, and an assessment of the longer-term policy direction needed in order to meet the Government's child poverty objectives.

**5.9** In light of the findings of the Child Poverty Review and building on existing measures such as work-focused interviews and work search premiums, the 2004 Spending Review announces next steps to help parents into work and provide financial support for families including:

- a new target to halve the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020 (Chapter 19 sets out further details);
- setting a target to halve, by 2010-11, the number of children suffering a combination of material deprivation and relative low income;
- a target to reduce the proportion of children living in workless households by 5 per cent between Spring 2005 and Spring 2008;
- a target to reduce the proportion of Parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 65 per cent by March 2008;
- increased provision of good quality, accessible childcare and services for disadvantaged children;
- a long-term aspiration to improve the financial support available to large families; and
- work to assess whether there are systematic differences in the take-up of income-related benefits and tax credits by ethnic group.

**5.10** Increasing financial inclusion can make an important contribution to family living standards: next steps are outlined later in this chapter. Improving the availability of decent housing is also critical for tackling material deprivation. Building on progress since 1997, this Spending Review:

- provides resources for 10,000 additional units of social housing a year by 2007-08 – a 50 per cent increase from 2004-05;
- sets a continued target to reduce the number of non-decent homes in the social sector in order to ensure that all social housing is decent by 2010; and
- sets a target to ensure that 70 per cent of households in the private sector (one third of which are families with children) are living in a decent home by 2010, highlighting the needs of children in this group.

**5.11** Key public service measures, both universal and those targeted on deprived areas, are critical to improving poor children's life chances, thus breaking cycles of deprivation. The 2004 Spending Review announces:

- new, more challenging Public Service Agreement (PSA) floor targets to drive up standards in schools located in deprived areas;
- a review to ensure schools in deprived areas are treated equitably and that resources are used efficiently;

- expanded parenting support with targeted help accessible at key transition points in children's lives;
- **extended coverage of Child and Adolescent Mental Health Services (CAMHS) to all 16 and 17 year olds** and continued progress on the CAMHS PSA target;
- work to enhance the evidence base on whether children from lower socio-economic groups have access to the healthcare services they need;
- further work on tackling public health issues that disproportionately affect children from lower socio-economic groups, including a **new PSA target on tackling childhood obesity**;
- **continued commitment to early intervention programmes for young offenders including Youth Inclusion Projects (YIPs), Youth Inclusion and Support Panels (YISPs) and Intensive Supervision and Surveillance Panels (ISSPs)**;
- **sentence reform through a new National Offender Management System** so that, through better use of community sentences and fines, fewer children of offenders are separated from their parents;
- **pilots of women's community centres** as a radical new approach to identifying the best way to reconnect women offenders with support services and integrate them back into the community upon release;
- further work on accessibility planning, incorporating this into local authorities' next Local Transport Plans due in July 2005; and
- implementation of the the conclusions of the bus subsidy review, as part of which the Department for Transport will continue to work on the system for administering concessionary fares to ensure maximum benefits for those who need them.

**5.12** The Child Poverty Review also outlines the need for continued collaboration between central and local government and the voluntary and community sector. The Government is establishing a 'child poverty accord' between the Local Government Association and central government, which will support further coordination.

## Childcare and early years

**5.13** The Government's vision for childcare is for every parent to have access to affordable, flexible, good quality childcare. Childcare and early education produce a variety of short-term and long-term benefits for the child, the parent and the wider community. Childcare can enable parents to work or seek employment, with consequent reductions in unemployment and child poverty. Good quality childcare can also play an important part in child development, particularly for disadvantaged young children.

**5.14** Before 1997, the Government's role in childcare and early years was largely limited to regulation. Childcare places were mostly provided by the private, voluntary and community sectors, although some local authorities provided some support. Parents paid childcare costs directly, with some limited support through Family Credit for low-income families.

**5.15** Since 1997, the Government has adopted a much more pro-active approach. Progress includes:

- ensuring a free part-time early years education place is available to all 3 and 4 year olds whose parents want one;

- establishing 524 Sure Start Local Programmes which provide intensive support for children and families living in deprived areas. Sure Start puts local communities in the driving seat, allowing flexibility for programmes to adjust to local needs; and
- significantly increasing government support for the childcare costs of working parents, from an annual spend of £50 million under Family Credit in 1999 to £350 million under Working Families' Tax Credit in 2002, and now to over £700 million under the Working Tax Credit in 2003-04.

**5.16** This strategy has brought significant progress – the employment rate of lone parents has risen substantially since 1997 and the number of children living in workless households has fallen by 350,000.

**5.17** This Spending Review builds on previous support, investing extra resources in childcare and early years. The **settlement provides the Sure Start Unit with additional investment of £769 million by 2007-08 compared to 2004-05**. This will:

- **establish 2,500 Children's Centres by 2008, going beyond the Government's commitment to a Children's Centre in each of the 20 per cent most disadvantaged wards in England.** This will make Sure Start type services and childcare places available to children in these areas. It represents another significant step forward towards the goal of a Children's Centre in every community;
- **deliver a pilot to extend free part-time early education places to 12,000 two year olds in disadvantaged areas;**
- **provide at least an additional 120,000 new childcare places by 2008,** including in extended schools, in order to help parents into work and take children out of poverty;
- provide **additional childcare support for at least 2,000 particularly disadvantaged children,** for example disabled children and those who have suffered from homelessness or domestic violence;
- help develop early reading among young children and their families by announcing **three free distributions of books to pre-school children; and**
- continue to provide **support for childminders and childminder networks,** recognising that childminders provide a quarter of registered childcare places.

**5.18** Building on the success in childcare and early years so far, **the Government will publish a ten-year strategy for childcare in the Pre-Budget Report this year.**

## A MORE INCLUSIVE SOCIETY

### Social exclusion and deprivation

**5.19** Since 1997, the Government has attached considerable importance to tackling social exclusion, which can occur when people suffer from a combination of related problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, bad health and family breakdown. The disadvantage suffered as a result of combinations of these problems is often concentrated in particular areas, and can persist over successive generations. The Government has made real progress against some of the key drivers of social exclusion, for example:

- long-term unemployment has fallen by over three quarters since 1997, with long-term youth unemployment falling from 177,500 in Spring 1997 to just 43,860 in April 2004;
- over 1.8 million more people are now in work compared with 1997, with faster than average progress among some key disadvantaged groups such as lone parents, people with disabilities and those aged over 50;
- educational attainment has improved at all levels since 1997, including improvements for all the main ethnic minority groups, and progress has been faster in schools in disadvantaged areas targeted through initiatives such as Excellence in Cities;
- overall crime has fallen by 25 per cent since 1997;
- the number of people sleeping rough has been reduced by two thirds since 1997, the use of bed and breakfast accommodation for housing homeless households with children ended, and the number of non-decent homes in the social housing sector reduced by 1 million since 1997.

**5.20** However, there is still further to go to address inequalities in public service outcomes. The National Strategy for Neighbourhood Renewal has always acknowledged the key role played by mainstream services in improving outcomes for people living in deprived areas. In recognition of this, the Spending Review has placed a particular priority on developing a coordinated policy response to ensure that mainstream services better tackle deprivation and social exclusion. Reforms flowing from this work include:

- a new emphasis on reductions in the key drivers of health inequalities, in particular cancer, cardiovascular disease and smoking amongst lower socio-economic groups, and **a new target on tackling childhood obesity**;
- a strengthened commitment to tackling homelessness, with **a 50 per cent increase in new social house building by 2007-08 compared to 2004-05 – an additional 10,000 homes a year** – a cornerstone of the Government's response to the Barker Review;
- a new focus on employment outcomes in the most challenging wards to tackle persistent pockets of worklessness at the local level, backed up by a new framework for devolving more responsibility for the allocation of resources to local managers. This will help managers make more efficient use of the funding available for tackling local and national priorities, and will be tested in a number of prototype areas;
- an enhanced drive on tackling crime and anti-social behaviour in the highest crime areas, which have a significant overlap with deprived areas, with resources prioritised accordingly, and a **new target on reducing the harm caused by illegal drugs**; and
- **more challenging targets for schools which will drive further improvement in the most deprived areas, and a new national target to reduce the number of young people not in employment, training or education** – backed up through the additional resources allocated to the Department for Education and Skills (DfES), as announced in Budget 2004.

**5.21** Following the Spending Review, the Social Exclusion Unit will have a continuing role in tackling deprivation by working with departments to narrow the gap in outcomes between deprived groups and the national average.

**5.22** As a means of driving performance in these areas, consistent with the findings of the Devolving Decision Making Review, [this Spending Review improves the suite of floor targets across key public services](#). These targets are aimed at leveraging up the performance of public services in deprived areas towards the national average, and at ensuring that interventions are prioritised for deprived areas and groups. A fuller discussion of floor targets is included in Box 5.1.

#### **Box 5.1: Public Service Agreement (PSA) floor targets**

Floor targets for key government departments are aimed at leveraging up the performance of public services towards the national average in areas where delivery is unacceptably weak, particularly in deprived areas. This Spending Review refines and improves the suite of floor targets to ensure more effective targeting of mainstream resources to deprived areas and the continued improvement of key public services in those areas. The 2004 Spending Review delivers the following improvements to ensure interventions are prioritised for deprived areas and groups:

- in health, retaining the overall target on narrowing the gap in life expectancy, and introducing new floor targets to reduce the inequalities gap between the fifth of areas with the worst health and deprivation indicators and the population as a whole by at least 40 per cent for cardiovascular disease and by at least 6 per cent for cancer, and to reduce adult smoking prevalence;
- in education, more challenging floor targets to drive further improvements in schools in deprived areas, so that by 2008 the proportion of schools in which fewer than 65 per cent of 11 year olds achieve level 4 or above in English and maths is reduced by 40 per cent, whilst in all schools ensuring at least 50 per cent of 14 year olds achieve level 5 or above in English, maths and science, and at least 30 per cent of 16 year olds achieve the equivalent of 5 GCSEs at grades A\* to C;
- a new national target to reduce the proportion of young people not in employment, training or education by two percentage points by 2010;
- an improved target on self-employment in deprived areas;
- a new target to help tackle persistent pockets of worklessness, by increasing the employment rate across the Local Authority wards with the poorest labour market performance by one percentage point, and reducing the gap between the employment rate across these wards and the national average by one percentage point;
- a challenging target on tackling crime, especially in high crime areas;
- a new target on making public spaces cleaner, safer and greener in deprived areas and across the country; and
- an improved national target on neighbourhood renewal, on narrowing the gap between deprived areas and the rest in key outcomes on crime, health, education, worklessness, quality of public space and housing.

Full details of floor targets can be found in the Public Service Agreements of the relevant departments in the *PSA White Paper*.

**Social services** **5.23** Social services have a vital role to play in improving outcomes and the quality of life for millions of the most vulnerable people in our society. The additional investment the Government is making in social care will support a greater number of older people to live independently in their own homes and allow an expansion of preventative services increasing the health and well-being of older people. Building on successes in reducing the number of patients whose discharge from hospital is delayed whilst social care arrangements are put in place, the Government will be investing £60 million over two years to set up 20 joint projects between Councils and their NHS partners to provide seamless integrated care for older people and encourage investment in measures such as preventing falls which avoid hospital admissions. In addition, a **two-year £80 million new prevention fund will enable Councils to install smart alarm technology in the houses of vulnerable older people**, helping to keep up to 160,000 older people healthy, safe and independent in their own homes.

**Financial inclusion** **5.24** The Child Poverty Review highlights the need to improve financial inclusion as a way to tackle child poverty. In the light of the review's findings **the Government is announcing the abolition of the 'double debt' rule and a lowering of the repayment rate for Social Fund Budgeting Loans**. Further work will also be taken forward with the private, voluntary and community sectors to develop models to make more affordable loans available.

**5.25** In Budget 2004 the Government outlined its commitment to address financial exclusion, and undertook to work with the financial services industry to bring forward specific proposals. In 2002-03 there were around 3 million households without a current account and about 1.9 million households without an account of any kind. The Government wants to see a dramatic reduction in this number and intends to work with the banks to identify a challenging target which specifies the reduction in the unbanked.

**5.26** Those without a bank account are much more likely to use the 'alternative credit market' and pay rates of interest many times those of a standard overdraft. The Government wants to explore mechanisms that allow profitable loans to be made available to those on low incomes at a much lower rate of interest. The Government, therefore, intends to work in partnership with the private and voluntary and community sectors to develop models which make more affordable loans available. Any pilots will be evaluated to ensure that the loans enhance people's ability to manage their finances responsibly.

**5.27** The supply of free face-to-face money advice falls far short of demand, and vulnerable consumers facing debt problems are often unable to access advice when they need it. The Government believes that tackling this problem is essential and wishes to see a significant increase in capacity over the Spending Review period. The Government will invite proposals to expand the provision of advice from potential providers and will also pilot different models of debt outreach.

**5.28** The Government will **establish a new Financial Inclusion Fund to support initiatives to tackle financial exclusion**, and intends to set up a **new Financial Inclusion Taskforce to monitor progress towards tackling financial exclusion**. This Taskforce will report to Government, making recommendations on what more can be done. The Government retains the option of legislating if insufficient progress in achieving the target has been made in three years. More details on these proposals will be published later in the year.

## BETTER, SAFER NEIGHBOURHOODS

**Crime and anti-social behaviour** **5.29** Reducing levels of crime contributes greatly to the strength and security of communities. Overall crime has fallen by 25 per cent since 1997 and this Spending Review sets a **challenging target for further crime reduction**. To support this, the Spending Review

provides a further £3.5 billion for crime and justice by 2007-08 compared with 2004-05, providing 20,000 Community Support Officers by 2008. The Spending Review also supports measures to increase the proportion of officers' time spent on front-line policing, equivalent to at least 12,000 extra officers by 2007-08.

**5.30** The Government is also strongly committed to tackling the underlying causes of crime, particularly through preventing youth offending. As set out above, youth offending is both a cause and consequence of poverty, and as part of the Government's wider agenda to tackle child poverty, **the Spending Review reinforces the Government's focus on preventing youth offending, including through Youth Inclusion and Support Panels (YISPs), Youth Inclusion Programmes (YIPs) and Intensive Supervision and Surveillance Programmes (ISSPs).**

**Safer and stronger communities**

**5.31** However, it is not only crime that has a detrimental effect on the safety and strength of communities. Poor quality public spaces and local environments with high levels of anti-social behaviour and fear of crime – in combination, often known as poor 'liveability' – can jeopardise efforts to renew struggling neighbourhoods. Whilst enhanced public service provision can improve outcomes for individual residents, if poor liveability in an area is not tackled, then the better off will simply leave an unattractive neighbourhood, whilst only those with no choice stay or move in. As well as leading to concentrations of poverty, poor liveability will also discourage businesses from investing in an area.

**5.32** In recognition of the importance of improving liveability outcomes, particularly in deprived areas, this Spending Review introduces a **new PSA target on liveability – to help make public spaces cleaner, safer and greener – to be delivered by the Office of the Deputy Prime Minister (ODPM).** To increase capacity at the local level for local authorities, the police and other partners to improve liveability, strengthen communities and to augment the contribution made by the voluntary and community sector to this agenda, the Spending Review sets out plans for a **Safer and Stronger Communities Fund.** It will bring together provision from existing programmes – the Liveability Fund, Neighbourhood Wardens, Neighbourhood Management and Single Community Programme from ODPM, and the Building Safer Communities funding stream from the Home Office – to empower local areas to tackle anti-social behaviour, improve public spaces and reduce crime. It will allow some local services to be provided by the voluntary and community sector where this makes most sense.

**Neighbourhood renewal**

**5.33** The 2000 Spending Review set out the Government's aim to narrow the gap between the most deprived neighbourhoods and the rest of the country, so that within 10-20 years no one should be seriously disadvantaged by where they live. Since 1997, the Government has invested over £1.6 billion in neighbourhood renewal for the most deprived areas in the country. This investment has enabled:

- 39 New Deal for Communities partnerships in some of the poorest neighbourhoods in the country to tackle problems of poor job prospects, high levels of crime, educational under-achievement, poor health and problems with housing and the physical environment in an intensive and coordinated way;
- 35 Neighbourhood Management Pathfinder projects to help local communities shape more joined-up public services in their area. Early indications are that service providers in a number of different areas are responding positively to the new approach and changing the way they do business to meet local needs; and

- nearly 1,500 wardens in over 240 schemes co-funded by the national Neighbourhood Wardens Programme to help cut crime and anti-social behaviour and reduce the fear of crime. Whilst there is no typical wardens scheme, a wide range of benefits have been experienced in many areas. For example, benefits from schemes in Knowsley and Kirklees include reduced crime and fear of crime, lower levels of anti-social behaviour, improved local environmental quality.

**5.34** Within this investment, £900 million invested through the Neighbourhood Renewal Fund since 2001-02 has enabled Local Strategic Partnerships – overarching strategic partnerships, with members drawn from the public, private and voluntary and community sectors – in 88 deprived areas to invest more in health, education, police, housing, and voluntary and community sector projects to tackle deprivation. Altogether, these interventions have represented a significant contribution towards meeting earlier PSA floor targets on education, crime and worklessness.

**5.35** This Spending Review reinforces the Government's commitment to the National Strategy for Neighbourhood Renewal, **rolling forward the Neighbourhood Renewal Fund at £525 million a year and continuing provision for the New Deal for Communities programme**. Building on reforms to key floor targets (see Box 5.1 above) and the strengthening of the national PSA target on neighbourhood renewal, a clear national framework of minimum standards for service delivery in deprived areas, with flexibility for decisions on the correct intervention and targets above the minimum, will be cascaded to Local Strategic Partnerships.

## RURAL COMMUNITIES

**5.36** The Government is committed to ensuring that people throughout the country have access to high-quality public services. Reflecting this commitment, the specific needs and circumstances of rural communities have been addressed through the Spending Review process – departments were required to 'rural proof' their policies by assessing the implications of policies for rural areas. For example, DfES's proposals for extended schools will take into account the needs of rural communities and Regional Housing Boards are required to 'rural proof' their strategies.

**5.37** The PSA framework continues to reflect the Government's commitment to improving the accessibility of services in rural areas. A new focus on cross-government working to deliver key services to the same level in both rural and urban areas will be taken forward through the Department of Environment, Food and Rural Affairs (Defra) PSA on rural productivity and service delivery.

**5.38** **There will be more detailed monitoring and reporting of service delivery to rural areas using Defra's new rural definition.** Where possible, target delivery in rural areas will be measured by using geographically tagged data in order to provide important evidence about the levels of service delivery in rural areas. This will allow earlier and better identification of problems and obstacles to service delivery.

### Accessible services for all

**5.39** Making services more accessible is especially important for rural communities, and innovation in service delivery is key to achieving this. In order to make further progress in this area, the Government will, for example:

- continue to develop more innovative delivery of the Pension Service and Jobcentre Plus through initiatives such as providing services from mobile units and through the internet; and

- provide alternative and more convenient routes to access healthcare through mechanisms such as improved access to primary care practice through telephone and e-mail consultations, a greater emphasis on community care and home care and more effective working between pharmacists and GP practices.

**5.40** Public transport must play a significant role in enabling rural and wider social inclusion. The forthcoming Department for Transport Strategy Document will set out how the Government will improve rural transport through accessibility planning and improved public transport services.

**5.41** General healthcare policy reflects the importance of equitable healthcare provision for rural communities. For example, the new allocation formula in the New General Medical Service Contract includes a specific adjustment for rurality and, at a broader level, the Government has funded the Institute of Rural Health to develop a Rural-Proofing Toolkit for Health that can be applied by local health bodies.

**5.42** The policies and resources of the Government's enhanced rural strategy will be focused on those suffering from disadvantage and social exclusion in rural areas. Revised Indices of Multiple Deprivation, which identify areas of deprivation and are used by a number of government departments in targeting their policies, will be able to pinpoint small pockets of deprivation by using a new, smaller geographical base. This will be particularly beneficial in rural areas where deprivation has often been more difficult to identify.

**5.43** As part of the Modernising Rural Delivery Programme, the delivery of rural social and economic policies is being devolved to the Regional Development Agencies (RDAs). This will allow greater flexibility in service delivery to meet customer needs. Chapter 23 explains this in more detail.

## THE VOLUNTARY AND COMMUNITY SECTOR

**5.44** Voluntary and community activity is key to building social networks, community spirit and a sense of common purpose between and across communities. Higher levels of voluntary activity and participation ('social capital') result in better health, higher educational achievement, better employment outcomes and lower crime rates. The voluntary and community sector (VCS) has a long history of spearheading social change, at its best playing an important advocacy role through its ability to understand local communities and the needs of individuals in those communities. Recognising the significant role which voluntary and community organisations therefore play in society, the Government is committed to a strategy of:

- supporting voluntary and community organisations to develop stronger local communities;
- more effective and wider-ranging involvement of the sector in public services;
- engaging more people in volunteering and giving to make a difference to society and at the same time develop skills and experience; and
- active engagement of the corporate sector in meeting community needs.

**Supporting communities** **5.45** The Government recognises that the VCS plays a key role in engaging, developing and regenerating local communities. Building on the successful outcomes of substantially increased investment since 1997, and with the aim of strengthening communities still further, this Spending Review:

- provides continued investment in the *Futurebuilders fund*, to help build capacity and to diversify forms of finance for VCS organisations;
- invests £90 million in local areas over three years through *Invest to Save – Inclusive Communities*, with local partnerships playing a central role and a new focus on migrant integration (see box 5.2);
- rolls forward £525 million a year for the *Neighbourhood Renewal Fund*, which includes enabling Local Strategic Partnerships to engage communities in shaping services to regenerate their area, and to commission services through the voluntary and community sector (see paragraph 5.35 above);
- increases funding and flexibilities of the *Regional Development Agencies*, which will enable them to continue support for voluntary and community organisations in the delivery of both social and economic outcomes, including by developing *Compacts* with the VCS in each region; and
- establishes a *Local Community Sector Taskforce*, to ensure that central, regional and local government put in place a framework which allows neighbourhood and community groups to manage the wind-down of the *Single Regeneration Budget* and to ensure there are opportunities for them to access the range of substantial sums of Government investment available, including those set out above.

**Public service delivery 5.46** Voluntary and community organisations are frequently well-placed to help deliver public services, especially where their close understanding of local communities and of the needs of particular groups of the population enables them to provide more responsive and personalised public services (see chapter 3). The Government is committed to supporting the role of the VCS in service delivery, as illustrated by the *Cross-Cutting Review* carried out in the 2002 Spending Review. This commitment receives a boost in the 2004 Spending Review, with continued investment to build the capacity and infrastructure of the VCS.

**5.47** The *Voluntary and Community Sector Review*, which was carried out as part of the Spending Review process, has identified some key areas for further development in this field, including:

- added value: the sector can offer many clear advantages in public service delivery and reform but is limited by access to financial capital and poor levels of understanding within the public sector;
- specific services: there is potential for a greater or more effective role of the sector in particular in health and social care services for older people, homeless hostel provision, correctional services, ethnic minority employment, and parenting support and adult learning. Departments will publish actions plans in each of these areas in autumn 2004;
- local partnerships: effective involvement of the sector relies on strong partnerships with local public sector bodies. There are many examples of good practice, but there is more to be done to learn from these, in areas such as making local *Compacts* work better, building the capacity of the VCS and local public sector to work in partnership, improving funding and procurement practices to reduce unnecessary bureaucracy, and more effectively sharing and learning from existing best practice.

**Box 5.2: Invest to Save – Inclusive Communities**

Since 1998, the Invest to Save Budget (ISB) has funded four hundred innovative projects at a cost of £400 million. Up to now, many of these projects have had a strong technological element. Going forward, the ISB will instead concentrate on building inclusive communities and local partnerships through locally-based initiatives, with the VCS playing an increasingly central role in its projects. The fund will therefore be renamed ‘Invest to Save – Inclusive Communities’. Over the 2004 Spending Review period, £30 million a year will be allocated through Invest to Save – Inclusive Communities to projects that build new partnerships and generate valuable lessons for public service delivery. Priority areas for the next round are:

- migrant integration;
- health and social care for older people;
- employment for people from ethnic minorities;
- correctional services;
- hostel provision for homeless people; and
- support for parents and learning services for adults.

**5.48** The review – which has involved government departments, local authorities and academics as well as voluntary and community organisations themselves – will culminate in a ‘Third Sector Summit’ in autumn 2004.

**Engaging individuals**

**5.49** Voluntary and community organisations do not only provide direct services to those in need and to their other beneficiaries. They can also provide a means by which the commitment of individuals to help their community and society can be realised, both through volunteering and giving. The Government is committed to providing support to enable the further development of both volunteering and giving.

**5.50** The Government is particularly committed to providing greater opportunities for young people to volunteer, and so to develop a strong sense of service to the community. The Government **will support a programme of activities to promote volunteering as part of the 2005 UK Year of the Volunteer and will consider the recommendations of the Russell Commission on Youth Volunteering** due to report at the end of the year on a national framework for young people, offering them a wide range of volunteering opportunities, both at home and internationally. The Government will **continue to promote and to expand the opportunities for mentoring**, by which young people in particular can benefit from the advice and support of individuals able to give their time and experience.

**Engaging the Corporate Sector**

**5.51** The corporate sector is a key partner in developing and strengthening a cohesive society. Businesses of all sizes benefit from safe and strong communities, and from a skilled and committed workforce. The Government has already put in place an effective tax structure to encourage tax-efficient giving, both at the corporate level and through Payroll Giving from employees. The Government would like to see further commitment from the corporate sector to contribute to local communities and voluntary groups. **Government therefore looks to business to take forward a national campaign to promote corporate community involvement as part of the business-led Corporate Challenge** – a Government programme to encourage an increase in the number of businesses involved in communities.

## RACE EQUALITY AND INTEGRATION

### Race equality and community cohesion

**5.52** The Government's vision is for a fairer, more tolerant and inclusive Britain based on equality and opportunity for all. Significant progress has been made since Spending Review 2002 towards realising this vision, including implementation of the Race Relations Amendment Act 2000, and improvements in public service outcomes. The challenge is to reduce further inequalities of outcomes.

**5.53** Reducing race inequalities and improving community cohesion are at the heart of the Government's vision of a fully integrated society that recognises and celebrates the strength in its diversity. The 2004 Spending Review makes significant progress towards creating momentum to translate that vision into reality. In particular:

- **a new, single Commission for Equality and Human Rights will be created**, to provide an effective and unified voice for equality and human rights in order better to promote the mainstreaming of equality;
- **the Home Office will publish in the autumn the Government's strategy for race equality and community cohesion**, setting out Government activity over the medium term;
- **a new Public Service Agreement for government, led by the Home Office is established to reduce race inequalities and build cohesive communities**, with a clear focus on cross-government working in order to improve outcomes for ethnic minority communities across key public services; and
- a framework for a **joined up Government approach to the integration of migrants into the labour market and the wider community**.

**5.54** Communities have a vital role in integrating migrants into the UK, enabling them to make a full social, economic and cultural contribution. Examples of good practice in this area – such as Refugees into Jobs in Wembley – demonstrate that this can be delivered effectively by central and local Government working in partnership with the voluntary and community sector. In support of this, **migrant integration will be made a thematic priority of the new Invest to Save – Inclusive Communities fund** (see Box 5.2), providing a source of funding for voluntary and community organisations promoting English language skills, employment and integration.

**5.55** Employment is a central factor in the longer-term integration process and, as the Crick report<sup>1</sup> identified, weak English language skills are one of the key barriers to entering employment. **DfES will undertake a review of provision of English for Speakers of Other Languages which will report in autumn 2004.**

<sup>1</sup> "The New and the Old", report by the Life in the United Kingdom Advisory Group, February 2004

## GENDER

**5.56** The Government is committed to building a fairer, more inclusive society that increases opportunity for all. This Spending Review supports measures to improve gender equality, including:

- a PSA target to deliver measurable improvements in gender equality, backed by a wide range of commitments, for example improving women's position in the labour market, increasing representation of women in public life and tackling domestic violence;
- **the Office of Science and Technology will deliver a UK resource centre to help support the careers of women in science, engineering and technology.** The Department of Trade and Industry has a target for 40 per cent of Business Link customers to be women;
- DfES will deliver **additional childcare places to support parents in work.** DfES also has targets to address underachievement in schools and will continue to monitor performance by gender;
- **the Home Office will pilot new approaches to meet the specific needs of women offenders, including one-stop centres for those serving sentences in the community.** These will help to keep women offenders out of prison where appropriate, provide support services for women offenders, facilitate rehabilitation and drive down re-offending. The Home Office is also taking the Domestic Violence Bill through Parliament to provide strong legislative tools to support the Government's commitment to reducing domestic violence and will look at expanding provision of emotional and practical support for victims of domestic violence where practicable;
- gender issues are already mainstreamed into the Department for International Development's aid programmes. Gender equality and the empowerment of women are recognised as vital for the eradication of poverty and the achievement of the Millennium Development Goals; and
- the Cabinet Office has a more stretching target to work with government departments to deliver 37 per cent representation of women in the Senior Civil Service.

**Gender analysis of expenditure 5.57** The Government has recently published the findings of a pilot project looking at gender analysis of public expenditure. The pilot involved assessing the gender impact of a number of programmes, and drew on the expertise of a group of external practitioners. Its conclusions have informed the 2004 Spending Review and will be used in future expenditure and delivery processes.

