People, places and prosperity

Delivering government programmes at the local level
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Summary

1 The drive to improve local well-being (often referred to as quality of life) has always been at the heart of what local authorities and their partners do. They do this in the context of a history of a continuous stream of place-based and people-based interventions by government that are designed to promote prosperity and protect the environment.

2 The government is at the head of the ‘well-being delivery chain’, a complex set of arrangements that runs from national to local level, involving on the way a range of organisations at regional and sub-regional level, and is also affected by European Union (EU) policies and programmes.

3 The *Local Government Act 2000* gave added impetus to promoting well-being (Ref. 1). It introduced a duty for local authorities to prepare a community strategy for their area and it gave them the power to promote economic, social and environmental well-being. This study examines:
   - how local leaders match their ambitions to local circumstances; and
   - the workings of the local end of the well-being delivery chain.

4 Drawing on a series of case studies the report concludes that:
   - progress in improving economic, social and environmental well-being is most likely to be achieved where national and local priorities are fully aligned and where local partners achieve coherence in establishing their priorities and targets;
   - the current institutional arrangements, the complex interaction of national programmes, initiatives and targets, and complicated partnership arrangements confuse lines of responsibility and accountability and hamper successful delivery at local level;
   - complex funding arrangements from a bewildering variety of sources result in excessive administrative costs and uncertainty about the long-term sustainability of projects;
   - delivery of central government’s priorities suffers from a ‘Humpty Dumpty effect’. Efforts to promote economic growth, social justice and environmental sustainability fracture when they hit the ground in departmental silos, just like Humpty when he fell off the wall. Local leaders play the role of all the King’s horses and all the King’s men, as they try to put the pieces back together again; and
• successful areas are the ones where local leaders are able to improve well-being by:
  • developing coherent programmes of change that are based on local needs and opportunities;
  • tapping into different funding streams without being driven by them;
  • engaging with communities to ensure that interventions are responsive to local concerns;
  • making the most of the skills and resources of all sectors to ensure that the area has the capacity to deliver its ambitions and priorities;
  • capturing learning from previous activity and transferring it to new interventions; and
  • paying attention to the sustainability of interventions, ensuring mainstreaming in the longer term.

6 But all of this is difficult to achieve in the present complex environment. This report suggests a framework for the promotion of local well-being within which national priorities can be recognised but tailored to the needs and ambitions of an area.

7 A new local delivery framework could be developed with local strategic partnerships (LSPs) as the basic unit of oversight for the delivery of both special initiatives and mainstream services. Two key elements are proposed that differ from the current system:
  • a local area agreement, which would focus on the delivery of special initiatives and would set out clearly what outcomes communities should expect from this additional ‘special’ funding; and
  • a re-focusing of the local public service agreements (LPSAs) to ensure that they are concerned with mainstream service provision and that they specify the outcomes and standards that communities could expect from that provision.

8 This dual approach would allow communities, local leaders and policymakers to distinguish between what improvements mainstream and special funding is delivering in a local area. Each proposal is discussed in turn.
A local area agreement would spell out the priorities and targets for local well-being, based on agreed quality of life indicators. Where necessary, for example, in the Thames Gateway or core cities’ sub-regions, joint targets across LSPs could be negotiated. Government Offices, if given the power and resources, could negotiate the deals with LSPs. These would then form the basis of an agreement between an LSP and government departments that sets out the aims and funding requirements for activities, such as physical regeneration or crime and disorder initiatives, for example, that lie outside mainstream services – the special initiatives. This approach could act as the basis for a negotiated settlement between an LSP and government on the overall level and pattern of ‘additional’ spending in an area over a given timeframe, say three years. Once established, the local area agreement would help to bring vertical alignment between national and local priorities and reduce the complexity of funding arrangements, as central government departments could be required to negotiate with an LSP before a new initiative could be launched in its area. This would require departments to make sure that any new initiative was relevant to local priorities before launching it in an area. It would also make sure that areas where fresh ideas and thinking are needed could access national initiatives where appropriate.

A local public services group – as a sub-group of the LSP and made up of key local service providers and procurers – could manage the delivery of second generation LPSAs, which would provide funding to enable the delivery of joined-up services, and a financial incentive to local service providers to meet the targets. The LPSA would set out the outcomes and minimum standards that local people could expect from mainstream services only (that is, excluding the special initiatives) and regulators could inspect against these. The agreement would involve negotiations between central government departments and local service providers, so that government departments ‘owned’ the priorities, as well as local service providers. These agreements could be subject to external verification, as the Comprehensive Performance Assessment (CPA) approach evolves further to look at the well-being of areas rather than the performance of single institutions.
A possible framework for the local delivery chain

A framework could be used to ensure that the delivery chain feeds into a clearly agreed set of priorities for change.

11 These suggestions would enable a more efficient approach to the administration of the many funds that come down from central government to the local level. For example, it could facilitate the development of an accountable body team for an area that cuts the cost of management and administration. It could also pave the way for a single set of monitoring and evaluation arrangements for an area’s use of funding from special initiatives.

12 These proposals address only the local end of the well-being delivery chain, which starts with government policy and funding arrangements at the top and involves regional, sub-regional (and European) priorities and programmes on the way down to local level. However, they offer the basis for discussion between representatives of local leaders, central government and regulators about how to achieve the delivery of national policy, while allowing the space for local leaders to determine and meet local priorities, in consultation with their communities. They are intended to contribute to the debate rather than provide a detailed and prescriptive model: any model that moves toward enabling government funding as a whole to be related to an area as a whole is a significant step forward.
Introduction

Local leaders have to balance many competing interests on economic, social and environmental issues. In order to do this effectively they need to understand local needs and opportunities, set clear ambitions for the area and seek resources in order to achieve their ambitions. They also need to monitor changes in local well-being (often referred to as quality of life) to see if they are achieving their goals and whether new circumstances mean that priorities need to change.
The drive to improve local well-being has always been at the heart of what local authorities and their partners do. They do this in the context of a history of place based and people based interventions by government designed to promote prosperity and protect the environment. Appendix 1 shows 39 initiatives or events since 1960 that have had a significant impact on the arrangements within which local authorities have attempted to promote the economic, social and environmental well-being of their area.

The government is at the head of the ‘well-being delivery chain’, a complex set of arrangements that runs from national to local level, involving on the way a range of organisations at regional and sub-regional level, and is also affected by European Community policies and programmes.

The Local Government Act 2000 (Ref. 1) gave added impetus to promoting well-being. It introduced a duty for local authorities to prepare a community strategy for their area and it gave them the power to promote economic, social and environmental well-being both through the provision of mainstream services and through what is often called discretionary activity, such as physical regeneration.

The purpose of this study, which refers to a number of case studies, is to:

- examine how local leaders match their ambitions to local circumstances;
- assess the workings of the local end of the ‘well-being delivery chain’; and
- inform the development of a methodology for assessing local authorities’ contribution to community leadership and the promotion of economic, social and environmental well-being, for the next round of CPA from 2005.

How do local leaders match their ambitions to local circumstances?

Local authorities play a crucial role in (re-)creating, maintaining and leading local communities. The Commission’s findings from the first round of CPA for local government indicate that there are three elements to effective community leadership: democratic leadership, leadership through partnership, and empowering communities to lead themselves (Ref. 2). Local authority leaders have to use all of these elements when they work with other local leaders to set ambitions and priorities for an area, and when they work to achieve them. The next round of CPA, which starts in 2005, will address issues of community leadership through a corporate assessment. This assessment will explore how the authority has set out its ambitions and priorities for the area and how it has sought to ensure that there is sufficient local capacity to deliver the priorities in a sustainable way.
Ambitions

When establishing their ambitions for an area, local leaders have to manage many potentially competing interests and priorities (Exhibit 1). Interventions may focus on people or places, or both. In order to assess the relative importance of these interests effectively, local authority leaders and their partners need to have a good understanding of their area and its people. Their understanding needs to be built on consultation with local residents and businesses, socio-economic data and intelligence, central government’s priorities and the priorities of local stakeholders (Ref. 3). These sources help local leaders to build their understanding of how:

- economic, social and environmental forces interact with each other at a range of geographic levels over the short and the long term;
- local neighbourhoods relate to each other;
- the links between the area, its neighbours and its region work; and
- the priorities of different interest groups, including citizens, service users, professions and local organisations, interact.

In addition to understanding the needs of current and future residents and businesses, the Commission’s fieldwork found that many local authorities struggle to make sense of the framework of national policies and programmes given their local context (Box A, overleaf). It also found that national government programmes, targets and funding streams tend to dominate local debates on what should be done. They are seen as a source of the difficulties that local leaders face when they try to improve local well-being, rather than a support. In practice, local leaders are left with the task of reassembling the strands of national programmes and initiatives after they have fractured on their way down different departmental silos (Exhibit 2, overleaf). As they do this, they have to bend national programmes to reflect local needs and to ensure that local partners have the capacity to deliver their ambitions, for example, by aligning targets and the resources to deliver at the appropriate geographic level.
Exhibit 1
Issues affecting local areas
Local leaders have to manage many competing interests and priorities for action.

Source: Audit Commission
Exhibit 2
The Humpty Dumpty effect
Local leaders are tasked with piecing together the strands of national programmes and initiatives after they have fractured on their way down different departmental silos.

Source: Audit Commission
Box A
National polices and programmes and ‘the Humpty Dumpty effect’

Overall vision
The government’s ambitions for economic, social and environmental well-being are set out in *A Better Quality of Life, A Strategy for Sustainable Development in the UK*, published in 1999 (Ref. 4). It sets out four overarching aims: maintenance of high and stable levels of economic growth and employment; social progress that recognises the needs of everyone; effective protection of the environment; and the prudent use of natural resources. While these aspirations are interlinked, individual government departments are responsible for discrete elements of the overall strategy. Their policies, programmes and budgets impact at different spatial levels through a range of institutions and programmes, with an average of around £5,000 spent per head per year (Appendix 2). This report does not aim to review all strategies and policies; however, a flavour of the salient features is given in the following examples.

Economic issues
The Department of Trade and Industry’s (DTI) strategy statement, *Prosperity for All*, promotes the idea of synergy between economic growth, social equity and concern for the environment (Ref. 5). This informs its strategic priorities, which are transferring knowledge, maximising potential in the workplace, extending competitive markets, strengthening regional economies, and forging closer partnerships.

Social issues
The Office of the Deputy Prime Minister’s (ODPM’s) plan, *Sustainable Communities: Building for the Future*, published in February 2003 (Ref. 6), responds to social issues, such as abandoned neighbourhoods in the north of England and a lack of affordable housing in the south by targeting nearly £22 billion of spending on housing, homelessness, local environment/ ‘liveability’ and other programmes between 2002/03 and 2005/06 (Appendix 3). The Plan, however, stops short of tackling wider economic and transport concerns, which are covered in statements by other departments.

In *Building Civil Renewal*, the Home Office highlights three areas of activity: action to build social capital, community involvement in delivering services and involvement in governance of organisations (Ref. 7). It notes that communities’ capacity can be enhanced by developing skills, structures, and providing practical support – community development is seen as enabling social justice, participation, equality, learning, co-operation and environmental justice. In *Our Healthier Nation*, the Department of Health (DH) seeks to improve the overall health of the population and to reduce health inequalities, with a particular emphasis on the priorities of cancer, coronary heart disease and mental health (Ref. 8).
Environmental issues

The Department for Environment, Food and Rural Affairs’ (Defra’s) *Working for the Essentials of Life*, states that its priorities are a better environment at home and internationally; sustainable use of natural resources; economic prosperity through sustainable farming, fishing, food, water and other industries that meet consumers’ requirements; thriving economies and communities in rural areas and a countryside for all to enjoy (Ref. 9).

Overall effect

As different government departments translate their aims, policies and strategies into specific mainstream programmes or special initiatives, administrative complexity or even incoherence appears, leaving local authorities and their partners to make sense of national and regional approaches in their areas. The Government has recognised some of these issues and has in recent years taken a number of steps to draw together policies, strategies and funding streams at the regional level. For example, the Government Offices carry out work on behalf of ten government departments and have made progress, but more needs to be done. The Regional Co-ordination Unit has a role in improving the co-ordination, design and delivery of area-based initiatives. While the Unit is also making progress in terms of streamlining initiatives, its focus on schemes with an area basis means that other types of intervention can proliferate with little scrutiny.

Source: Audit Commission

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20 In the midst of these competing pressures and messages coming down the ‘delivery chain’ from central government, local leaders have to set out the ambitions that they have for their area. They set these ambitions in relation to the problems, assets and opportunities that they have inherited. When they do this they decide the extent to which they want to break out of their economic, social and environmental inheritance and the extent to which they wish to work within it. In effect they ask: ‘Where are we coming from?’ And ‘Where do we want to go?’ In order to achieve their ambitions local leaders need to understand the issues that drive the location decisions of households and firms so that they can influence perceptions and effectively ‘market’ the place to existing or potential residents and businesses. Local leaders’ ambitions can be said to form an ‘offer’ to households and firms, that forms the basis of a ‘virtual negotiation’ over where they locate.

Households’ and local communities’ concerns

21 Many factors affect households’ location decisions. These include, employment prospects, family ties, the quality of housing and schools, and the quality of life in a neighbourhood. The Commission’s previous work on quality of life indicators, and now on area profiles, has helped to identify the type of questions people ask when they form their views on the relative merits of a place (Exhibit 3) (Refs. 10 and 11).
Exhibit 3
What do households want to know about a place?
Many factors affect households’ location decisions.

Source: Audit Commission

Local leaders can build their understanding of how likely people are to leave an area, and/or where people want to see improvements, by asking them which issues they consider most important and then asking them which issues most need improving (Exhibit 4, overleaf). The two sets of answers may then be mapped against each other, with those issues at the top right hand side of the chart indicating the main priorities of local residents.
Exhibit 4

What is important and what needs improving locally?

Local leaders can build their understanding of how likely people are to leave an area and/or where people want to see improvements.

Most need improving locally

<table>
<thead>
<tr>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities for teenagers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road/pavement repairs</td>
</tr>
<tr>
<td>Facilities for young children</td>
</tr>
<tr>
<td>Low traffic</td>
</tr>
<tr>
<td>Public transport</td>
</tr>
<tr>
<td>Low level crime</td>
</tr>
<tr>
<td>Facilities for young children</td>
</tr>
<tr>
<td>Clean streets</td>
</tr>
<tr>
<td>Shopping</td>
</tr>
<tr>
<td>Job prospects</td>
</tr>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>Health services</td>
</tr>
<tr>
<td>Sports/leisure facilities</td>
</tr>
<tr>
<td>Culture</td>
</tr>
<tr>
<td>Community activities</td>
</tr>
<tr>
<td>Wages/cost of living</td>
</tr>
<tr>
<td>Education</td>
</tr>
<tr>
<td>Race relations</td>
</tr>
<tr>
<td>Open spaces</td>
</tr>
<tr>
<td>Access to nature</td>
</tr>
</tbody>
</table>

Important generally

Source: Audit Commission, based on 2001 MORI survey

The Commission’s fieldwork suggests that this kind of information can act as a counterweight to the views of professionals and lobbyists, which may be affected by the expertise that they themselves can offer or wish to use. It only goes so far, however. For example, it may mask differences of opinion between groups and/or neighbourhoods. Furthermore, such surveys do not take account of the scale at which an issue operates. For instance, employment concerns may result from economic changes in neighbouring areas and in such a case, action to assist local people may need to be focused outside the local authority’s boundaries.

Businesses’ concerns

One way to understand business concerns is to look at the factors that affect their (re)location decisions (Table 1). Recent research suggests that ‘hard’ location factors, such as land, labour, capital and infrastructure are still the main drivers of choice. Once these demands are satisfied, however, ‘soft’ factors, such as the quality of life, business culture and image, help to determine the relative attractiveness of a location (Ref. 11). When seeking to attract and retain firms, local leaders have to determine their approach to economic specialisation and/or diversification, and understand how they can steer the development of positive and negative ‘externalities’, such as
access to pools of skilled labour and traffic congestion respectively. They also need to understand the impact that their regulatory role has on local business competitiveness, for example, the impact of licensing and trading standards on firms. If at all possible, local leaders try to differentiate their place so that they can attract some ‘rent’ from the location, for example, through premium property prices. In doing this, they have to manage the tensions between standardising their areas and developing or maintaining a distinctive image and role.

Table 1
What factors affect business location?

<table>
<thead>
<tr>
<th>Reasons for location in order of importance</th>
<th>Reasons against location in order of importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to workforce</td>
<td>Traffic congestion</td>
</tr>
<tr>
<td>Accessibility to markets</td>
<td>Lack of labour skills</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Costs</td>
</tr>
<tr>
<td>Local area image/economic profile</td>
<td>Premises, for example, if they are not fit for purpose</td>
</tr>
<tr>
<td>Property and premises, for example, room for expansion</td>
<td>Insufficient incentives</td>
</tr>
<tr>
<td>Infrastructure to support the area</td>
<td>Remoteness</td>
</tr>
<tr>
<td>Incentives for locating</td>
<td>Bureaucracy involved in locating</td>
</tr>
<tr>
<td>Amenities (for business and staff)</td>
<td>Amenities (for business and staff)</td>
</tr>
</tbody>
</table>

Source: (Ref. 12)
Compiling an overall picture

After consulting and examining local needs, local leaders should relay the findings back to local people and explain how they intend to respond to the issues. This process may itself help to build or maintain a sense of community, as people find out more about those they live alongside. It also affords local leaders the opportunity to outline some of the so-called invisible issues that they also have to address, such as protecting children who are at risk of harm. And it gives them the opportunity to explore their area’s relationship to its neighbours. The Core Cities Network in conjunction with central government, for example, has set out its view of the interconnected nature of the flows of people, goods and services across cities and their neighbouring places; and the mutual inter-dependence of the people and places in a region (Table 2). This work has informed the production of sub-regional strategies that outline the issues that each core city needs to address in order to improve its position in relation to similar EU cities.

Table 2
The relationship between cities and sub-regions

<table>
<thead>
<tr>
<th>Cities boost regions by providing:</th>
<th>Cities rely on regions for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a critical mass of public and private knowledge institutions</td>
<td>space for major economic and infrastructure projects</td>
</tr>
<tr>
<td>a vibrant environment for knowledge creation and transfer</td>
<td>a wider range of urban and rural housing options</td>
</tr>
<tr>
<td>strategic business and financial services</td>
<td>distinctive urban centres with niche retail experiences</td>
</tr>
<tr>
<td>the ‘connectivity’ that attracts higher value business functions</td>
<td>a wider range of business sites and premises</td>
</tr>
<tr>
<td>highly paid jobs – many of which attract regional commuters</td>
<td>a wider workforce and skills base</td>
</tr>
<tr>
<td>a concentration of culture, leisure and sport transport hubs</td>
<td>opportunities for countryside leisure</td>
</tr>
<tr>
<td>national and international profiles</td>
<td>“closest customer” feedback on reputation and performance</td>
</tr>
</tbody>
</table>

Source: (Ref. 13)
Prioritisation

26 The ambitions established by local leaders should lead to priorities for action for the local authority and its partners, notwithstanding potential elements of opposition, where difficult decisions have to be made. The local authority needs to lead by example by ensuring that its own departments and services respond to the priorities they have set. But more than this, local authority leaders need to ensure that all partners are involved in meeting the priorities for the area. The current debates over ‘localism’, ‘earned autonomy’, and devolution indicate confusion about where the cut-off point for power, responsibility and accountability should be for both mainstream service delivery and the wider promotion of well-being. The case studies in Chapters 2 and 3 look in detail at these issues in relation to much of the ‘discretionary activity’ associated with regeneration work.

Capacity to deliver

27 When delivering their overall agenda, local authorities and key local decision-makers need to consider their capacity to meet the challenges that they have set out. They need to understand which organisations are essential to the delivery of the vision for the area, how committed they are to the vision, how committed they need to be and what capacity they have to respond positively to what is required of them. Developing and using influencing and capacity-building strategies will be essential where key stakeholders lack the necessary commitment or wherewithal to deliver priorities (Exhibit 5). Influencing strategies may involve working across the organisations that operate in an area, or up and down different networks, involving regional or national decision-makers, in order to influence recalcitrant partners.

Exhibit 5
Analysing stakeholder commitment

Local authorities and their partners need to develop and use influencing and capacity building strategies where key stakeholders lack commitment

<table>
<thead>
<tr>
<th>Key player</th>
<th>Antagonistic</th>
<th>No commitment</th>
<th>Let it happen</th>
<th>Help it happen</th>
<th>Make it happen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning and skills council</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PCT</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Source: Audit Commission
In addition to ensuring that local organisations are committed to the local vision, local leaders need to make sure that many different professions work together. In some cases, the process of change associated with efforts to promote ‘holistic’ solutions and ‘joined-up government’ to tackle cross-cutting issues is encouraging shared learning and mutual co-operation between professions (Exhibit 6). The risks associated with these changes are that organisations and professions overstretch themselves as they shift away from their core business; and rivalry between professions and organisations diverts energy from the task at hand. In order to make progress, local leaders need to ensure that the mutual gains of working across these boundaries are maximised and that the time and energy wasted on professional and organisational rivalry is minimised.

**Exhibit 6**

**Changing agendas**

In some cases professional agendas are coming together.

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*Source: Audit Commission*
Why and how should progress be tracked?

To track progress against priorities, and see if circumstances have changed and inform decision-making, local authorities and their partners need robust monitoring arrangements. Performance indicators can be fraught with problems, as they will only ever provide a snapshot of performance in a particular place at a particular time. However, they are useful in order to measure the absolute and relative economic, social and environmental progress in different places. They should help local leaders to identify where they need to act by providing an overall baseline of information that can then be used to spot trends and assess where interventions are needed. They also help to paint a picture of an area’s overall direction of travel. While indicators alone have only limited use in helping to monitor progress, the Audit Commission is now developing a more comprehensive approach to assessing the quality of life and services in a local area. The Area Profiles Project brings together a range of data and assessment layers that, taken together, provide an overall picture (Exhibit 7).

The model can be adapted specifically to focus on a particular citizen pathway locally, such as those for younger or older people. In different areas, some factors will have more or less relevance and importance; for example, the quality of local beaches will only be of interest to coastal areas. Areas may also want to consider performance at different spatial levels – in some cases, town or neighbourhood-based statistics will be more useful for analysis than data that is aggregated at the authority level.

The cross-cutting nature of well-being means that many stakeholders will have an impact on the overall picture. LSPs should use performance management to develop and review community strategy and to consider how the partner organisations as a group are affecting local well-being. If monitored on a regular basis, this kind of information can help partners to assess their progress, provide feedback to the community and provide the information necessary to review and alter their priorities as time goes on.
Exhibit 7
The components of an area profile

The area profiles project seeks to develop a picture of an area’s overall quality of life.

- Statistical and contextual data profile of area, including GIS modelling
- Financial resources and inputs going into the local area
- Local residents’ and users’ views on quality of life and services
- Partners from LSP views on local quality of life and services
- Existing judgements on quality of local public service providers
- Evaluation of capacity/contribution of voluntary/community sector to local quality of life and services
- Evaluation of capacity/contribution of business/private sector to local quality of life and services
- Overall analysis/reconciliation of all the data and assessments

Source: Audit Commission
Delivering change

Local leaders use a range of tools to improve the local quality of life. These tools are often used across a range of partnerships, alliances and joint ventures. The partnerships often bring access to vital resources and expertise. However, they also bring complicated lines of accountability and responsibility and frequently increase the costs of doing business in an area. National and local leaders need to choose the right mix of tools to intervene in an area and must keep a tight control over the costs of working in partnership.
The previous chapter set out the framework within which the promotion of local well-being takes place. It explained how local leaders have to manage tensions between economic, social and environmental concerns in the context of national, regional and local priorities. In developing a strategy to deliver their ambitions, local leaders have to assess local institutions’ capacity to pursue these ambitions and adjust governance and delivery arrangements so that they are fit for purpose. This chapter sets out the different types of intervention that local leaders may use in order to effect change. It then looks at some of the current issues and concerns associated with delivery arrangements. A series of case studies then illustrates what is and is not working, with a focus on sharing the positive learning. The case studies come from a range of different types of urban and rural areas. They either highlight nationally significant interventions or illustrate key learning points that are of interest to a wide audience.

What are the different types of intervention?

In broad terms, policy and decision-makers use a mix of different interventions in order to improve the well-being of an area. They may encourage business- or market-based solutions; support voluntary, grassroots and not-for-profit activity; and/or use state intervention of one kind or another. They may wait for a problem to arise before acting or they may anticipate problems and seek to intervene ‘upstream’. Where public sector intervention is deemed necessary, it takes a number of forms. These can be placed into three broad categories:

- legislation, regulation and non-statutory guidance and norms, such as health and safety, trading standards and environmental health;
- taxes, tax exemptions and transfer payments, such as unemployment and sickness benefits; and
- the procurement and provision of facilities and services for use by residents and businesses.

Public sector interventions are often delivered through ‘core’ or ‘mainstream’ services, which may be based on client groups, communities of interest or affinity groups, rather than places. The Government’s New Commitment to Neighbourhood Renewal emphasises the impact that public services have on a place’s well-being (Ref. 14). Interventions may, however, also take the form of special or area-based initiatives, which are traditionally seen as the main vehicle for regeneration. These initiatives may be designed to:

- address a specific problem for which normal budgetary allocations are inadequate, such as the cost of land decontamination;
- tackle a time-sensitive issue, such as a mass redundancy;
- experiment with the design and delivery of public services, such as ‘one-stop shops’ for health, education and counselling of one kind or another;
- bypass ineffective organisations; and
- compensate areas for perceived under-funding of one or more of the mainstream services.
Each of these reasons is legitimate in its own right. However, over time the increase in initiatives and partnerships has led to confused lines of responsibility and accountability for regeneration and local service delivery. The introduction of the Single Regeneration Budget (SRB) in 1994, which was designed to promote cross-cutting interventions by partnerships and to rationalise funding streams, was a significant step forward. But it did not inhibit the continuing development of separate government initiatives.

What issues are associated with delivery?

Local leaders struggle with the complexity of the issues that they want to tackle, the complicated partnership structures that have developed and the complex funding arrangements that they have to use. This chapter looks at the latter two points.

Partnerships are part of the landscape of joined-up delivery; but they do lead to considerable complexity in both governance and delivery arrangements. There is, for example, a plethora of organisations and partnerships involved in improving well-being in all areas. The Thames Gateway offers perhaps the starkest example of this complexity (Exhibit 8). The organisations are involved in both governance and delivery of services, and physical developments; and they operate on the basis of cross-regional, sub-regional, local and neighbourhood working. The organisations and partnerships involved include Urban Development Corporations (UDCs) and Urban Regeneration Companies (URCs) with a focused planning remit and time-limited lifespan, along with LSPs that may cover one or more local authority districts and a range of services and functions. Such complexity means that a large amount of time is taken up managing relationships between different institutions.
Exhibit 8

A schematic representation of the complex governance and delivery arrangements: Thames Gateway

A plethora of organisations is involved in improving well-being at a local level.

For many local authorities and their partners, the complexity of the funding framework acts as a barrier to effective delivery, rather than supporting it. For example, on its website the DTI lists 18 separate sources of funds that can be used to ‘match’ EU structural funds; each of these has its own criteria and timescales, which have to be handled locally. Furthermore, special and area-based initiatives have significant implications for local governance and management arrangements; for example, they affect the nature, scale and timing of programme and project monitoring, reporting and evaluation. They do this without necessarily improving local understanding of the area, or enhancing the capacity of local agencies to deliver. This is because the monitoring is carried out on the basis of the funding source, rather than according to project or area.

Although complex answers to complex questions are not a problem in themselves, there is evidence that the confusion and friction caused by so many different tiers of administration and the plethora of funding streams is hampering the delivery of policy objectives. As one senior local government officer put it: There is a redundancy of resource because of the interminable discussions: sideways, and up and down the local/national chain, before agreement can be reached. It is also not at all clear which body has the final say!
One authority that sought to identify the costs of administering the multiplicity of funding streams is Rochdale Metropolitan Borough Council. By centralising the teams that manage a number of grants, the council estimates that its management and administrative costs have fallen substantially (Case study 1).

**Case study 1**

**Rochdale Metropolitan Borough Council: streamlining management of the funny money**

**Context**
Rochdale has received, and continues to receive, funding from many different sources including: the SRB, Rounds 1, 2 and 5 (the latter Round is ongoing); Sure Start; EU funds, especially capital and revenue funding from the European Regional Development Fund; New Deal for Communities; Neighbourhood Renewal Fund; Health Action Zone; and Housing Market Renewal (with Oldham). This funding amounts to around £364 million over a five-year period: more than 10 per cent of all public sector spending in the area.

**Vision**
The Community Strategy sets out the area’s vision to be: a thriving place where people want to live, work, visit and do business – a place in which we can all take pride.

**Delivery**
A number of partnerships operate in the area. They function with a changing cast of members depending on the initiative, and they cover different geographic areas. In most cases, each funding source requires a dedicated partnership board, its own consultation exercise, and a dedicated administration and management team that allocates, monitors and reports on the use of the grant involved. The council estimates that, depending on the initiative concerned, between 5 and 10 per cent of the grant available is taken up by the costs of management and administration. In order to reduce these costs and to improve the co-ordination of resources, the council established an ‘accountable body team’. This team manages the council’s obligations under EU, SRB, Housing Market Renewal and some National Lottery funds. Its costs account for around 1 per cent of the grants that the team looks after: a substantial saving when compared with the previous arrangements.

**What is working?**
Where it is possible to unify the administration of funds because the funds share the same accountable body, administrative costs can be cut, releasing resources to the front line. Unification also simplifies project management by providing a single contact point for managers and it allows checks across programmes to ensure that there is no duplication or contradiction between the programmes. But the process of bringing management and administration together needs to be done pragmatically, given the sensitivities of local partners and the different remits of funding bodies.
What areas need more work?

Further steps towards unifying the management of special initiatives and time-limited grants need to be considered on a case-by-case basis, as speedy changes to some existing delivery arrangements could unduly disrupt the work that is taking place.

Source: Audit Commission

The following case studies illustrate how different areas are grappling with the complexities of delivery. They show how complex issues often result in complex partnerships and delivery arrangements. The case studies also highlight the interaction between national, regional and local strategies and partnerships and some of the confusion about the lines of responsibility and accountability for different policies and programmes.

Case study 2
Sheffield: Delivering economic and social strategies

Context

Sheffield’s travel-to-work area covers 1.6 million people, with 513,000 in Sheffield; 287,000 in Doncaster, 248,000 in Rotherham, 218,000 in Barnsley; 108,000 in Bassetlaw; 99,000 in Chesterfield; 97,000 in north east Derbyshire; and 69,000 in the Derbyshire Dales. The city is seeking to improve its economic and social position through a range of complementary economic, neighbourhood and social strategies. In the past, economic activity was located outside the city centre, which means that its inherited housing and transport patterns do not link up to new commercial activities or meet householders’ aspirations.

Vision and strategy

Sheffield’s vision is to become: a successful, distinctive city of European significance, with opportunities for all, by developing its position as an innovative producer city that translates leading edge knowledge into high-value products. The Sheffield First Partnership has ten priorities for the city:

● attracting market leading companies;
● increasing achievement at GCSE and NVQ III (and above) for young people and adults towards the national average;
● delivering the City Centre Master Plan;
● renewing our poorest neighbourhoods;
● improving health where it is poor;
● tackling crime where it is worst;
● improving key transport connections;
● sustaining our successful cultural and sporting institutions;
● promoting greater cohesion among Sheffield’s communities; and
● meeting international and national standards for sustainability and governance, and marketing the city effectively.
Delivery
Delivery of the strategy operates at the level of the city and its neighbourhoods. It is underpinned by operating principles that include: creativity in production and the way things are done; identifying priority neighbourhoods and agreeing transformational initiatives in each; and reviewing the delivery of mainstream services and establishing mechanisms to measure progress. It is based on the assumption that the city and its neighbourhoods need to be responsive to demand-side signals, associated with a strengthening economy.

A family of partnerships (Exhibit 9) seeks to exert influence on the key players that can promote local well-being. A key member of the family is the URC ‘Sheffield One’, set up in 2001. This was established in order to bolster the local capacity to deliver changes in the city centre. Sheffield One developed a vision for the city centre and a master plan, which is based on the concepts of economy, cosmopolitanism, accessibility and environment. It has secured the necessary finance to get the work underway.

Exhibit 9
Partnership arrangements for delivery in Sheffield
A family of partnerships seeks to exert influence on the key players that can promote local well-being.

What is working and why?
Local partners believe that a range of factors such as improved educational attainment levels and reductions in unemployment rates in their most deprived wards underpin the successes that they have seen to date. First, they have a good understanding of what makes modern cities successful. Second, they have translated the success factors to Sheffield. Third, they have worked with the government on the city’s agenda, in particular, the economic role of the city for its region and the country.
Fourth, the changes have built upon a thorough review of the city council’s role in economic development and a reorientation of its activities. And fifth, with regard to the work on the city centre, the URC successfully provides a focus on this priority, using a group of people with the right skills and resources to carry out tasks that are clear and that are based on the city’s priorities.

Thus the LSP has helped to drive changes in the city’s services and in social and economic well-being. The city council believes that there are some general lessons to be learned from the way that the Sheffield First Partnership operates. Members of the partnership have a code of conduct and a role description. Membership is at managing director level, with no deputies allowed. Members are subject to open selection on the basis of skills and networking/influencing abilities. The partnership’s meetings are held in public, which promotes transparent decision-making, and its agendas are focused, with short papers and presentations that inform decision-making. Meetings are also preceded by briefings for all members so that no one feels left out of the information ‘loop’.

What areas need more work?
There are some areas where partners appear to have difficulty in translating their visions into reality. For example, the local authority accepts that where the responsibilities for delivery lie outside the city, progress is not always made at the same pace as the developments that are controlled by partners in the city. The factors underlying this difficulty are complex, including rivalry between areas and institutions, as well as the problems associated with the administration and governance of out-of-area activities. These issues pose problems for the promotion of the ‘core cities agenda’, which seeks to promote the city’s role in the sub-region (Table 2).

Local regeneration practitioners have identified that some difficulties in delivery occur where national policies and instruments do not meld well with local ambition and the types of interventions that local partners wish to use. For example, the city’s approach to neighbourhood renewal is based on the desire to give deprived neighbourhoods the characteristics of the city’s desirable areas, which tend to be residential, rather than mixed use. This approach cuts across government initiatives to promote business in deprived neighbourhoods. Finally, some local actors feel that the promotion of well-being is hindered by the uncertainty regarding local government’s role, in particular, the implications of its community leadership role for other public agencies.
Market Renewal Pathfinders: overcoming urban decline

The national context

The Sustainable Communities Plan (Ref. 6) and its sister document, Making it Happen: Transforming Communities, set out the Government’s vision and resources for sustainable communities (Appendix 3). The Plan recognises the inter-connected nature of economic, social and environmental issues, but does not claim to address or resolve all of the issues, many of which need to be addressed in their local or regional context and are dealt with by a range of national, regional and local organisations, each with their own strategies and priorities.

The Housing Market Renewal Pathfinders are an integral part of the Sustainable Communities Plan. They aim to tackle neighbourhood abandonment and fragile housing markets in the North and Midlands. The nine Pathfinder areas cover parts of Birmingham and Sandwell, East Lancashire, Hull and the East Riding of Yorkshire, Manchester and Salford, Merseyside, Newcastle and Gateshead, North Staffordshire, Oldham and Rochdale, and South Yorkshire. Their work has been kick-started with an initial allocation of £500 million. Each area received £2.66 million to cover start-up costs – such as recruitment, research, design and specifications for projects – with seven of the areas receiving £28 million between them in order to deliver ‘early wins’. The Manchester/Salford work was so far advanced that they skipped the ‘early wins’ money, while Hull and the East Ridings needed more time to work out their priorities. With the programmes expected to take around ten years or more to achieve their goals, the Pathfinders are working on a 15 to 20 year timescale.

The scale of the programme sets new challenges in terms of the design, delivery and the sustainability of interventions. As part of the process, each area has to produce a prospectus, which sets out the Pathfinders’ vision for their area and provides a detailed plan of their activities up to March 2006. The bulk of the £500 million is for housing interventions, such as the purchase and demolition of houses, the cost of re-housing those who are still living in the neighbourhoods (around one-third of the money) and improvements to existing stock and environmental works (the remaining two-thirds). The targeted nature of the funding means that if they are to make the areas attractive to both current and prospective residents, local authorities and their partners need to link the market renewal initiative to their plans for the provision of mainstream facilities and services, and with other economic, social and environmental initiatives, such as the New Deal for Communities.

Local decision-makers and practitioners are grappling with the tension between housing market renewal and neighbourhood renewal. Housing market renewal argues that, in order to build a sustainable community, some neighbourhoods need to be ‘reinvented’. In many instances, this includes significant changes to the make-up of the population, which in turn challenges public services to change what they deliver, where they deliver and how they deliver. Neighbourhood renewal takes a more evolutionary approach to change, and asks public services to help current residents to overcome the disadvantages that they face. Local leaders need to bear the two
approaches in mind as they try to apply the two agendas to the needs of their areas. Some progress is already being made to integrate the activities and governance arrangements of the two agendas at the local level, for example, where delivery arrangements already integrate a range of funding sources in east Manchester.

There are significant differences between the Pathfinder areas, but before looking at these, it is useful to acknowledge some of their common features, which include both housing and area-based issues. Often, there is a lack of choice in the housing market, both in terms of the tenures and types of housing available, and many of the areas are dominated by social housing or aged, small, terraced houses. They also tend to have low rates of economic activity, high fear of crime, poor environmental quality and are inadequately served by private and public sectors alike. As a result of these common features, the Pathfinders tend to share some aims. In particular, they wish to increase people’s choice of housing tenures – this usually means more properties for owner occupation – and they want to provide more choices in the types of property available, which often means houses with more than two bedrooms. They also wish to improve the quality of the existing stock and the public spaces in the target neighbourhoods. These changes should reduce the push factors that mean that ‘getting on’ means ‘getting out’, and increase the pull factors to attract new residents to the areas. The prospects of the Pathfinder areas depend on their attractiveness compared to alternative nearby locations as well as their absolute characteristics.

Local contexts
While sharing some common features, there are significant differences between the Pathfinder areas in the types and the scale of their challenges and opportunities, the demography of the populations, and the nature of their housing markets. For example, the Pathfinders include major cities such as Manchester, and relatively small settlements such as those in east Lancashire. Some Pathfinders serve ageing populations with low economic activity rates while others cover areas with relatively high black and minority ethnic populations in which family and work-related aspirations relatively young populations need to be met alongside housing and neighbourhood issues. Furthermore, the housing markets in the Pathfinders vary. For example, while Birmingham and Sandwell may have weak markets, they do not have the same levels of abandonment as Newcastle or Liverpool. There are also variations in the local capacity to deliver, with some places having more of the essential partnerships and staff resources in place than others. These variations in local contexts lead to different objectives between and within Pathfinders.

Local visions and strategies
Local strategies, like local contexts, vary from area to area. The Pathfinders have different strengths and weaknesses and face different opportunities and threats to the economic, social and environmental well-being of their areas. There is even some variation within Pathfinders. For example, Liverpool, Manchester, Newcastle, Sheffield and Birmingham are pursuing the Core Cities Agenda, which seeks to promote an urban renaissance in cities and economic competitiveness in their businesses. Other areas (sometimes part of the same Pathfinder) do not always share this ambition, pursuing the more modest goal of stabilising their populations and improving the quality of life for their current residents, with employment opportunities being generated outside their boundaries.
How are the delivery arrangements stacking up?

As noted above, local capacity to deliver varies between and within Pathfinder areas. Most areas are adopting a range of delivery methods including: adapting existing partnership and delivery arrangements, as in Manchester/Salford; considering a UDC, as in North Staffordshire; and public procurement and the development of public-private sector partnerships through a tendering process, as in Liverpool in the Merseyside Pathfinder. The different approaches have been tested to varying degrees: but it is still too early to tell how well they are dealing with short-term issues, such as the acquisition and demolition of housing stock, and how effectively they will ensure that long-term issues such as environmental management are picked up by landlords, freeholders and service providers. In practice, this calls for effective communication between mainstream services and those planning market renewal in order to ensure that, for example, services do not plan to renovate street lighting or improve roads in areas where housing is about to be demolished. The relationship between LSPs and the programme needs to be developed further in order to ensure the long-term sustainability of the interventions.

What is working and why?

It is early days for the national programme and too soon to evaluate its full impact. However, its attempt to tackle issues at the level they occur, which is not tied to administrative boundaries, is to be welcomed. Furthermore, the long-term view and significant resources are also to be supported. The Commission’s scrutiny reports, covering Manchester/Salford, Newcastle/Gateshead, and Merseyside, suggest that the Pathfinders themselves have taken significant steps to understand the nature of their housing markets and the economic, social and environmental well-being of their areas. And they have started to use this knowledge in order to inform their priorities and activities. They have also sought to identify whether they have the capacity to deliver the scale of the changes envisaged within existing arrangements (subject to adaptation) or whether they need to build new arrangements to bolster the local capacity to deliver. Such early questioning of an area’s long-term capacity to deliver is welcome, as is the national programme’s willingness to let different areas adopt different approaches to delivery according to local circumstances.

What areas need more work?

While Pathfinders try to collect data that helps them to set realistic ambitions for their areas, their information and their ambitions tend to look inward. This may be inevitable at this stage, but the interventions in one area will be affected by what goes on in nearby areas, and vice versa. This issue is perhaps most acute in the north west, which has four Pathfinders with varying ambitions. While competition between areas for population and business investment may produce positive improvements in the quality of life in all areas, it also opens up the possibility of a continued over-supply of houses. Between 1996 and 2001, the number of new homes on the market in the north west exceeded regional planning guidance by nearly 50 per cent – 18,652 units against a target of 12,600. Thus, spillover effects from the programme and from other developments in the region need to be kept under review. For while local interventions can change the mix of housing options available in an area and improve quality of life, it is not clear that they can raise demand above the level that it might otherwise have
reached. Areas have recognised that the problems they face are not just about housing, and so the solutions need to be broader; the Pathfinders’ ability to influence other stakeholders will therefore be crucial if issues such as crime are to be tackled, particularly while government funding is targeted towards housing solutions.

Once all of the Pathfinders’ prospectuses have been agreed by the ODPM, it may be appropriate for regional planners and regional housing boards to review regional plans and the prospectuses, in order to inform future planning decisions and to highlight any necessary changes. Given these uncertainties and the programme’s long timescale, it may be necessary for national, regional and local stakeholders to establish review points, when boundary revisions and new targets can be agreed. This will enable the programme to take account of changed circumstances inside and outside the Pathfinder areas. For example, a managed contraction of housing supply and a ‘greening’ of previously developed areas may be required, both inside a Pathfinder that had hoped to sustain or grow its population, and in neighbouring areas that have been adversely affected by the success of a Pathfinder.

Source: Audit Commission

Case study 4
The Thames Gateway: national and local aspirations

This case study reports the findings of a telephone survey of local and regional stakeholders in the Thames Gateway area. The survey explored their views on: the realism of the Sustainable Communities Plan (Ref. 6) in the light of its implications for their region; the capacity of agencies to deliver the agenda; and barriers to and levers for change. It does this in order to highlight the points of agreement between agencies delivering the Plan and the perceived risks associated with implementation.

Context
Since its original identification as a development area in 1995, the national, regional and local partnership arrangements in the Thames Gateway have changed significantly. The Greater London Assembly (GLA) and the London Development Agency (LDA) have been set up, the London Plan has been produced by the Mayor’s Office and the Sustainable Communities Plan has announced the first tranche of funding for significant development. A cabinet committee, chaired by the Prime Minister, has been set up to drive development from the national level and two UDCs have been established to take on strategic planning and development.

Vision and strategy
The government wants 120,000 new homes in the Thames Gateway area (40,000 above planning targets) and job growth of 120-180,000 jobs by 2016. It has made £446 million available over the next three years to drive this forward. Of the £330 million that is already committed, £130 million is for projects at the London end of the Gateway, (including Stratford, the Royal Docks, Greenwich, Woolwich and Barking Reach), £100 million is for north Kent and £91 million is for south Essex. An additional investment in transport of at least £600 million is planned to lever in £2 billion from public and private sector partners.

Telephone fieldwork took place 13-30 October 2003. The sample (from 390 LSP members and regional stakeholders) was monitored to ensure a broad spread of respondents and organisation types in the 97 interviews.]
Delivery

Our survey shows that the Plan is welcomed by local leaders, but there are concerns about the resources available for delivery. For example, one business person said: ‘I’m delighted the government’s got an ambitious programme. The capital needs it badly. It’s about vision but I don’t think the government has put sufficient resources into the development of the infrastructure to support it’. And a councillor spoke for many in local government, saying; ‘I think it’s a good thing it’s being thought about and planned but I think it’s extremely ambitious and probably a bit top-down. It also feels like a ‘predict and provide approach’, which is no longer seen as appropriate in other areas of policy, for example, transport’. Ninety-two per cent of respondents think that the plans are very or fairly ambitious, 80 per cent think that the plans are appropriate and 63 per cent think that they are very or fairly achievable (although around one-third say it is ‘too soon to tell’). This is a good base from which to build.

There are, however, some differences between local leaders’ priorities and what they perceive as the Government’s priorities. On economic issues there is a broad consensus that the priority is to create new jobs, but, unsurprisingly, local leaders emphasise the need to get local unemployed people into work. On social issues there is more disparity between government and regional/local priorities: 31 per cent believe that the government is focusing on affordable housing, while fewer than ten per cent of the people interviewed think that this should be the case, preferring to focus on engaging residents in planning the long-term future of their communities and services. The biggest area of discrepancy between local leaders and central government, however, relates to the environment. Here, 64 per cent think that the Government’s focus is on building new homes, whereas only 13 per cent favour this and almost 50 per cent think that the focus should be on infrastructure, such as roads and transport links.

The importance of integrated decision-making and the interdependence of economic, environmental and social issues appears to have been understood by those involved in delivering change, with most respondents considering that all three issues are equally important to delivering sustainable communities. Where they felt that one area predominated, social issues were raised most often, by one-fifth of the respondents.

What is essential to implement the plans?

Respondents were asked to comment on the importance and likelihood of achieving various aspects of delivery. The responses show some discrepancies between what people consider important and what they consider likely to be achieved. Of all the factors listed, improvements in the rail/tube infrastructure were of most concern, with 98 per cent of respondents rating this as very important. Yet this was one of the measures considered least likely to be fully achieved, with only 7 per cent saying that this was very likely, and 37 per cent saying it was fairly likely. Similarly, developing good health and social care was considered very important by most people but only 8 per cent thought it was very likely to be achieved.
Who needs to act?

As noted earlier, there is a very complex set of institutional arrangements in Thames Gateway, including: those responsible for national, regional and local strategies and plans; those responsible for short-term delivery on sites and development; and those responsible for the ongoing provision of public facilities and services to areas once developments are completed. Central government departments, such as the Department of Transport, Regional Development Agencies (RDAs), new UDCs in Thurrock and London, local authorities and their strategic partnerships and sub-regional partnerships, such as London Thames Gateway Partnership all play a role in delivery, as do statutory bodies, such as the police, community groups, and private sector interests. It is unrealistic to expect any one institution to be ‘in charge’ of such a large-scale operation, but the associated governance arrangements are a cause for concern for those on the ground. They also suggest that there is scope to trim partnership arrangements, in order to reduce overheads and release money to the front line.

When asked (unprompted) to name the most important organisations for the delivery of sustainable communities in the Thames Gateway, councils were mentioned by 69 per cent of respondents and central government by 28 per cent. Another 5 per cent went on to mention the ODPM specifically. A wide variety of other organisations were mentioned, with 18 per cent of respondents referring to the relevant RDAs.

What is working and why?

The telephone survey indicates broad agreement among local leaders on the need for a large-scale programme of investment in the Thames Gateway. However, there are differences of emphasis in the economic, social and environmental priorities of local/regional stakeholders and national stakeholders, in particular around affordable housing and getting local unemployed people into work. These are not insurmountable problems, but they do need to be managed in order to minimise the barriers to achieving the vision.

What areas need more work?

The survey indicates that one-third of local leaders are not convinced that there is capacity to deliver the Plan. In particular, there are concerns that key infrastructure, especially transport links, may not be delivered, thereby making the areas less attractive to residents and less environmentally sustainable. Local leaders have legitimate concerns about what the programme will deliver in the long term. It is clear that many of the issues that need to be addressed in the Thames Gateway go beyond local authority boundaries and LSP, but local service providers are seen as essential to the long-term success of the developments. There is a need to build capacity within and between LSPs to ensure that they can inform on, and respond to, the wider changes that are taking place in the sub-region.

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1 The survey predates the UDCs.
The role of the private sector must also be considered. First, developers need to know that the areas will be attractive to households and businesses; the concerns that the relevant infrastructure will not be in place could restrict their participation. Second, if developers are asked to contribute to the costs of infrastructure – including schools and healthcare – they may be more reluctant to meet targets for affordable housing on new developments. Significant work is still required in order to encourage the public and private sector to cover the costs associated with developments on the scale that is envisaged. Without this, other sites in the South East will be seen as more attractive investment options, since they currently offer a more attractive quality of life to potential residents, and are therefore less risky for investors and households alike.

Source: Audit Commission
Lessons from current practice

Local leaders have to ensure that practical interventions in their areas achieve their aims in both the short and the medium term. To achieve this, local leaders need to develop and implement coherent programmes of change that address needs and opportunities by tapping into different funding streams and engage businesses, community and voluntary groups and a range of public sector bodies in order to ensure that the benefits of interventions are maintained over time.
The previous chapter shows that in order to improve well-being, local areas face the challenge of bringing together a whole array of different partners at different spatial levels in order to deliver change. This chapter shows – through a series of case studies – how different areas have tackled the complex and competing needs and priorities that they face on a local level from strategy to implementation and sustainability. The case studies highlight the problems and good practice in managing competing interests, both in areas facing development pressures and in areas where regeneration is a priority.

Case study 5
South Hams: balancing housing needs with an attractive environment

Context
South Hams is a sparsely populated, rural district council on the south coast of Devon. It covers 887 square kilometres, with 40 per cent of the district designated as an Area of Outstanding Natural Beauty (AONB) and 19 per cent forming Dartmoor National Park. Unemployment is low, at 1.4 per cent, compared with the national average of 2.4 per cent. However, weekly earnings are only 68 per cent of the national average and 60 per cent of the population earn less than £20,000 a year. Average house prices have soared, reaching £230,000 in 2003, making the house price to earnings ratio one of the highest outside the south east. South Hams also has the highest percentage of second homes of any district in England (11 per cent). Inevitably homelessness has grown and young people are leaving the area.

According to its CPA result, South Hams is an excellent council, which has transformed its outlook from a provider of services to a leader of the community. To support this transition it has listened to local people and partners and set clear priorities, achieving the change of direction from service deliverer to community leader through strong political and managerial leadership. There is a clear sense of direction and purpose in the council and an ‘infectious’ culture of improvement.

Vision and strategy
South Hams’ new community strategy has led to a change in the area’s priorities, following consultation with its four major towns (incorporating their rural hinterlands) and two parish clusters, as well as a pilot event to identify young people’s concerns. Delivering affordable housing is now the clear priority for the district and the council is ambitiously aiming to ensure that two-thirds of all new homes are affordable to local people. The council is seeking to strike a balance between developing new housing for a growing population, many of whom work in neighbouring Plymouth, and keeping its rural character and protecting its environmental assets. It is aiming to meet housing need for the Plymouth travel-to-work area by developing a new community in the form of four linked villages, collectively called Sherford. The council aims to incorporate sustainability concepts in the design of the development, for example, to address transport, retail and service requirements and to reduce the likelihood of rural isolation, and it has set out supplementary planning guidance to clarify its objectives for developers.
Recognising the importance of Plymouth for its residents, the council also works in a sub-regional partnership with the city to address economic and other concerns. Individual towns (incorporating rural hinterland areas) are also working on local community strategies. This involves carrying out health checks and is part funded through the South West Regional Development Agency’s Market and Coastal Towns Initiative (MCTI). Some parishes such as Ivybridge have been particularly active, and has raised its parish precept in order to secure a local site to develop facilities for young people and a library. This follows significant population growth without a corresponding growth in facilities; Ivybridge was once a village and it has now become the district’s largest town.

Delivery
In addressing the need for social housing, the council has performed well against its target of funding 100 affordable homes each year. When the council transferred its stock to Tor Homes housing association, it allocated £12 million of the capital receipt for the provision of affordable housing. Since 1999, through its social landlord partners, the council has spent £10 million: funding 386 homes, 208 of which have been built. In recognition of the continuing importance of its environmental assets, the council has developed a broad partnership approach to deliver a £1.4 million programme of changes. These aim to improve access to public spaces, restore and enhance habitats and landscape features, and promote social inclusion through community schemes and involvement in environmental work.

What is working well?
The council recognises the pressures it faces and is trying to respond to them in a measured way, taking account of the needs of future generations as well as those of current residents. It has tried to manage the tensions between preserving the environment and ensuring that the local community is sustainable. It supports individual towns within its administrative boundary and works with neighbouring authorities, such as Plymouth, on economic and housing issues where this makes sense.

What areas need more work?
An outstanding issue for the council is more fully to reflect and balance the needs of all its communities in its plans: the council recognises the need to increase its strategic capacity to deal with cross-cutting issues, like social inclusion and access to services. The council also faces difficulties in managing the disparate needs of all the localities in its area. The district and the county council, not only face the challenges of new growth, but also to catch up with the growth of towns like Ivybridge.

Source: Audit Commission
Case study 6
Allerdale: turning the tide against industrial and rural decline

Context
Allerdale Borough Council is a district council on the west coast of Cumbria. The council’s performance was assessed as ‘fair’ in the CPA. Its strengths are in economic regeneration, public spaces and tackling crime; and its areas for improvement lie in the environment and housing. Its area stretches from the Solway Firth in the north to Workington in the south, with part of the district lying within the Lake District National Park. It lies west of the urban centre of Carlisle and the principal north-south transport arteries of – the M6 and the west coast main line. It is a mainly rural area, with 64 kilometres of coastline and it has a population of approximately 96,600, with 1.6 per cent from ethnic minorities. There are seven main population centres, the largest of which is Workington. The borough contains three distinct physical and economic areas:

- the urbanised west-coast triangle of Cockermouth, Maryport and Workington, which accounts for nearly two-thirds of the population;
- the Lake District National Park, incorporating seven major lakes and the market town of Keswick to the east; and
- the Solway Coast and Plain, incorporating an AONB, and the market towns of Aspatria, Silloth and Wigton.

The long-term decline of traditional industries has made much of the area eligible for European and government funding. Some 15 per cent of residents live in wards that are within the 10 per cent most deprived wards in the country. Unemployment is higher than the regional and national averages, although it is falling at a faster rate. In addition to some significant local employers, many residents are employed at the British Nuclear Fuels Ltd centre at Sellafield (in neighbouring Copeland), which faces an uncertain future.

The diversity of the district leads to varying economic and social needs. Workington and Maryport in particular have suffered as a result of industrial decline in the major steel and coal industries, but they are still largely reliant on manufacturing. The northern market towns of Aspatria, Silloth and Wigton rely more on agriculture and light manufacturing and suffer from isolation and rural deprivation. Upland hill farming has declined, but there is a thriving tourist industry in the east of the borough, with Keswick and Cockermouth benefiting from their proximity to the Lake District.

There is marked diversity in housing within the district, with the urban areas facing issues of poor stock condition and over-supply, and the rural north and east dominated by lack of affordable housing. This is reflected in house prices, which show marked local variations; Keswick is well above the national average for all types of dwellings, and the rest of the district, particularly Workington, is below average.
Vision and strategy
As unemployment is a major concern for the area, regeneration has become central to Allerdale Borough Council’s overall vision, which sets out the aim of creating: an area in which all communities share in the prosperity currently enjoyed only in some parts of the Borough – with all wards enjoying an employment rate that matches the northwest regional average. The vision is underpinned by five key aims:

- raising the profile of the area;
- attracting more investment;
- aligning others around the vision;
- creating more self-reliant communities; and
- promoting the highest standards of service.

This vision has informed the strategy of the newly created URC, West Lakes Renaissance. The URC aims to undertake major projects, such as remediation of Broughton Moor and the development of Workington port, as well as other large-scale projects that affect the sub-region (including work in Copeland and Barrow in Furness). In addition, Rural Regeneration Cumbria (the rural regeneration company or RRC) is also setting out a strategy for rural renaissance across the county of Cumbria. Its vision is: To enable the rebuilding and development of a dynamic rural economy for Cumbria, which is financially, socially and environmentally stable. It is focusing on tourism, agriculture, rural skills, local products, and environment and community regeneration.

Delivery
As indicated above, the locality has a complex framework of agencies involved in improving local well-being, making implementation complex. The two new regeneration companies set up in 2003 are significant players. They are both largely funded by the North West Development Agency; the RRC has a budget of about £31 million for 2003/04 and the URC has just under £34 million to invest from September 2003 to March 2005. In addition, there are the LSPs and mainstream service providers, as well as three market town partnerships that have evolved to regenerate the rural towns in the north and east of the district. A very complicated set of funding streams is also associated with the work. For example, to deliver the urban renaissance programme, nine funding streams have been employed, or are now being sought by Allerdale. For each of its other areas of work, Allerdale is similarly reliant on bringing together many resources from many different agencies with their own reporting and monitoring requirements. The following sections give an indication of the many streams of work underway in Allerdale, reflecting the complex needs of the area, covering urban and rural deprivation and making the links between people and places.

Urban renaissance
The regeneration of Allerdale’s principal towns, Workington and Maryport, is a key priority. Regeneration partnerships exist in both areas and several wards have neighbourhood renewal status. Initiatives in Workington include the redevelopment of the town centre, the improvement of the physical environment from the Quayside to...
Curwen Park and enhancements to the built environment to stimulate economic activity. In Maryport, the port area has been developed, and work to revitalise the town centre and develop a new festival venue and visitor centre is ongoing. The council is working with businesses to improve the retail facilities on offer in Workington; this may enable it to compete more effectively with Carlisle, a key shopping centre for Allerdale’s residents, which lies outside the borough. The council has also bought the former Ministry of Defence (MoD) site at Broughton Moor; the largest brownfield site in the north west, with the intention of developing this as a possible tourist attraction to draw in visitors from the Lake District. The council is hoping this could become an ‘Eden of the north’. It is working with the URC, English Partnerships (EP) and the Forestry Commission to remediate the land, aiming to maintain its environmental assets, while also helping to attract private investors to redevelop the site.

Rural renaissance
The rural areas within Allerdale are centred around the market towns of Cockermouth, Keswick, Wigton, Silloth and Aspatria. Levels of deprivation are generally not as high as in the urban areas, but these towns are important focal points for the vitality of the surrounding rural areas, and their communities face problems with access to services, isolation and the fragility of their retail centres. The council is supporting rural regeneration by working in partnership with local groups and supporting them in the delivery of their own action plans. There are three Market Towns Initiative (MTI) Partnerships, North Allerdale (including Wigton, Silloth and Aspatria), Keswick and Cockermouth. The Solway Rural Initiative is also important in managing the Solway Coast AONB, which is a key attraction for visitors to the area.

All the market town partnerships have developed initial action plans following health checks carried out with the community. However, these checks were carried out by consultants with few links to the area and new co-ordinators are, in some cases, struggling to realise the aspirations set out in the action plans, which may not have been grounded in an understanding of the strategic and funding opportunities in the region. There is also some uncertainty about the respective roles of the North West Development Agency (NWDA) and regeneration companies in funding delivery. While both may offer sources of funding, the regeneration companies may absorb some of the funds available for administration overheads, leaving less for the partnerships delivering the schemes. The first of the three MTI partnerships to develop a plan is seeking a sizeable contribution of £4 million from the NWDA to deliver its plans, which include developing a Viking Heritage Centre, to build on archaeological finds in the area and draw in tourists. It remains to be seen whether this will be achieved.

A healthy labour market
The council is running an Intermediate Labour Market (ILM) scheme that provides paid work placements in known growth sectors of the employment market. The scheme was launched in January 2003 in partnership with Jobcentre Plus, Connexions and other agencies. Its aim is to assist unemployed residents from target wards back into work, through 12-month traineeships with local employers. It is aimed primarily at caretaking, labouring, painting and decorating, retail and classroom assistance.
Demand is high – there were 430 applications for 36 placements and it is anticipated that at least 60 per cent of the 36 trainees placed between July and August 2003 will move into permanent work. Applicants are paid at least the minimum wage and funding of just over £400,000 has been secured for the initiative from the SRB, European Regional Development Fund, Learning and Skills Council co-financing, coalfields regeneration funds and Neighbourhood Renewal Fund (NRF). In the longer term, the Local Labour in Construction Initiative will support local residents to access employment opportunities associated with the town centre redevelopment and other major construction projects.

Housing and community renewal
Salterbeck is a deprived estate on the edge of Workington. It has been the focus of intensive regeneration activity since the reduction of steel working in the town, which had a huge economic impact in the late 1980s. It is one of the priority wards in Allerdale for the NRF. Since the council transferred its housing stock to Impact Housing Association, there has been considerable progress in physically regenerating the estate through housing improvements and improved service delivery. A new community centre has opened, which includes a café, leisure facilities and meeting facilities. Some of these are used by public agencies. The estate’s regeneration has been assisted by the active participation of residents, including one who became the local mayor following her involvement. Service level agreements have been introduced between local residents and mainstream service deliverers – which hold Allerdale Borough Council and Impact Housing Association to account for the services they provide. The area has become far more popular with prospective residents, but there are still some issues of concern. Shops on the estate are not in use and it has so far not been possible to find a GP who is willing to work on the estate in order to serve its residents.

Reaching communities
Allerdale Borough Council has assisted the Cumbria Community Foundation (CCF) to try and ensure that funding for neighbourhood renewal reaches local people or organisations that need support. CCF was launched in August 1999 and serves as a charitable trust, raising money and directing it to community projects, acting as a one-stop shop for those seeking small grants, normally under £10,000. It has raised £6 million to date and has assisted some 1,200 organisations and 1,100 individuals. The organisation notes its key strength is the knowledge of local needs and grant funding bodies. CCF raises money and invests it through endowments; this enables them to be entirely self-sustaining. Major donors include British Nuclear Fuels, which has given £1 million, with another £2.7 million from other national and local companies. Allerdale Borough Council has also contributed through its NRF programme.

What has worked well?
The council has put regeneration at the heart of its activity and has restructured internally to try and drive this agenda. It is ambitious and has ideas that address economic, social and environmental need. It is willing to take risks, for example, buying Broughton Moor and working with partners to remediate the land before encouraging private investors to become involved to try to attract tourists visiting the Lake District. Individual projects, configured in partnership, such as the ILM scheme, have also been successful and the council has seen a decrease in unemployment.
What areas need more work?
One of the key concerns for the area is managing a wide array of needs. The council has been clear that its emphasis is on the more populous industrial towns, but this prioritisation has consequences for the market town partnerships, which faced delays in obtaining support from the council to act as their accountable body for grant funding. The sustainability of schemes also needs to be considered. While the URC strategy draws heavily upon plans relayed by Allerdale Borough Council, the RRC appears not to have taken a bottom-up approach in establishing its strategy; the existing MTI partnerships are not mentioned in the RRC plan either as delivery vehicles or as recipients of funding for project implementation.

The roles, remits and inter-relationships of the delivery vehicles, particularly the regeneration companies and their relationship to the NWDA, also need to be clarified to ensure that change is delivered by the most appropriate body. There are concerns that the market towns may develop holistic plans with economic, social and environmental aims, but find funding through the NWDA limited because of its primarily economic focus. There are also questions about the other delivery vehicles operating in the area. For example, both Maryport and Workington have regeneration companies and these may now be reconstituted into a single delivery vehicle across both areas. In order to deliver services effectively, there must be considerable co-ordination between all of these agencies.

Source: Audit Commission

Case study 7
North Norfolk: Addressing the needs of disparate towns in a peripheral area

Context
North Norfolk is one of the largest of the Norfolk districts, encompassing 373 square miles, with 43 miles of coastline. The district has a population of just over 100,000 people, but there is no single major urban centre, with the majority of the population living in seven small market and coastal resort towns, namely, Cromer, Fakenham, Holt, North Walsham, Sheringham, Stalham and Wells-next-the-Sea, with the remainder in over 200 villages.

The transport infrastructure is poor; the district has no dual carriageways, a single rail line through the east to Norwich, and limited bus services. The coastline includes beaches and wildlife havens and three-quarters of the coast has AONB status. There are also some 80 conservation areas, 2,237 listed buildings and part of the Norfolk Broads within the district, contributing to its £180 million tourism industry. Some 8 per cent of the population are employed in agriculture, reflecting the continued importance of this sector. By far the majority of local businesses are small firms, with over three-quarters employing fewer than nine employees.

In 2001, 16 per cent of the resident population were under 16 and 32 per cent were aged 60 or over, with an average age of 45 (compared to 39 in England and Wales). Economic activity rates are relatively low, reflecting the high percentage of retired
residents and the dispersed rural population. Only 0.8 per cent of the population are from black and minority ethnic communities. Ten per cent (5,000) of the total households are second homes and the average house price is over £100,000.

Vision and strategy
North Norfolk District Council has recently changed its political composition and the incoming administration is now consulting on a revised community strategy that aims to:

- ensure that all residents have access to decent housing;
- develop the local economy in order to provide better job, career and training opportunities for local residents and those who want to come and live in North Norfolk; and
- maintain the high quality of life and attractive environment that currently exists and that makes North Norfolk unique.

Regeneration has become increasingly important – in its draft economic development strategy, it is noted that: *Members have started to look on regeneration as the cornerstone of council activity, as it lies at the heart of the council’s ability to build partnerships and attract external funding for the establishment and improvement of community facilities and services.* The council’s focus has been to work with individual market towns to address different aspects of need, from environmental and heritage improvements to developing industrial units.

Delivery
The council has undertaken a whole programme of changes in Fakenham, one of its largest market towns. This followed the closure of the local printworks and two airbases (which had been important employers) and the opening of an out-of-town supermarket, which had led to the closure of a number of shops in the town centre, reducing the retail on offer and leaving a 22 per cent retail vacancy rate. The regeneration work included:

- opening a local learning centre in a previously empty store, increasing footfall in the town centre and making use of a vacant premises, while also providing local people with new skills;
- environmental enhancements, including creating a cobbled town square commemorating the town’s printing heritage, which is now used to host a farmers’ market. This won national design awards but caused controversy among some local businesses that lost convenience shoppers’ parking spaces;
- buying and allocating three hectares of land for employment development and providing 1,000 square metres of modern industrial floorspace, creating 24 jobs;
- developing nine new units of housing – some through a ‘living over the shop’ renovation scheme; and
- refurbishment of 34 buildings, maximising links to local heritage, including the local cinema, which has re-opened since the works were completed.
The council has been effective in accessing funding opportunities related to the EU Objective 2 status of several of its wards – for example, it raised £722,000 from a range of sources to fund its environmental enhancements, obtaining funding from a whole range of sources and overcoming difficulties with matched funding to achieve this.

The council has carried out an extensive evaluation of its work in Fakenham, which has provided useful learning for its new initiatives and current programme of regeneration in Cromer. This has led, in particular, to attempts to build in more community consultation. The council has also modified its approach on practical issues, for example, rather than using bespoke lighting in environmental enhancements, which have proved difficult to maintain in Fakenham, new developments will be using off the shelf equipment. In Cromer, the council has successfully attracted new funding for a seafront enhancement programme, as well as town centre revitalisation, a Learning for Life Project and Virtual Learning Community projects. The council is also seeking to improve well-being in its other towns. For example, it has worked in partnership to develop a new public swimming pool in North Walsham – the local community raised over £100,000 towards the cost of this; and has worked with the police and local businesses to introduce CCTV in five major towns to help address crime.

**What is working well?**

The council has been very effective in developing and extending its capacity by obtaining external funding; £13 million of the council’s £16 million capital budget over the next three years has been generated from external funding – with £14 million raised for town centre, beach, pier and theatre improvements in Cromer. The activities in Fakenham as a whole have had a positive impact in the context of problems with the town centre and the council has built upon its learning here in its ongoing programme of work in Cromer; it is also working hard to develop community capacity in its market towns to take forward action plans in an affordable and sustainable way.

**What areas need more work?**

At member level, there has been little challenge to services. Affordable housing, for example, is a priority that has lacked attention. On regeneration schemes, project and performance management have caused some problems, with some project overspends, and the ongoing maintenance costs and responsibilities not always being fully considered at the outset. In future these need to be assigned more effectively in order to prevent the benefits of schemes being undermined in the longer term. The council also needs to ensure that it manages communications effectively when carrying out major schemes, such as streetscape changes that impact on parking provision for local shops.

*Source: Audit Commission*
Case study 8
Liverpool: delivery on the employment and skills agenda

Context
Liverpool is currently undergoing significant changes, bolstered by its selection as European City of Culture. However, it still faces some significant challenges. Liverpool's population has declined over the past 30 years; it currently stands at 440,000, one-third of Merseyside’s population. It is one of the most deprived local authority areas in the country and it has the country’s second worst employment rates and income levels. However, Liverpool has 220,000 jobs, nearly three-fifths of all the jobs on Merseyside and employment is growing, with 13,500 jobs created in 2001. Furthermore, the city creates approximately two-fifths of all the value created in the sub-region. Local people, however, are not necessarily gaining access to the jobs that are being created; around 105,000 working age adults are still not working. In addition to helping the unemployed get jobs, local employers and training providers need to help individuals to develop their skills, as the skills that are demanded locally change over time. Local partners have therefore been collecting and using information about the location of needs, services and opportunities in order to reduce unemployment and improve the skills of the workforce.

Vision and strategy
Liverpool City Council’s vision revolves around five core themes:

- transforming city;
- destination city;
- creative city;
- living city; and
- delivering the city.

With regard to employment and skills, the council and its partners have ambitious targets. They aim for an overall employment rate of 70 per cent in the city, with no neighbourhood having less than one-half of its working age population out of work. This translates to getting around 20,000 people into jobs each year for some years. They also want all neighbourhoods to at least meet the national target for NVQ at Level 2. A major part of this challenge is to link workforce development to the physical redevelopment of employment and residential sites so that local people can access the long-term benefits of the regeneration of the city. Local partners have identified two growth sectors as priorities for action: health and construction.

Delivery
Delivery of the city’s employment strategy is informed by a series of ‘principles’. Activity has to promote competitiveness and inclusion, and it has to be on the basis of partnership working. Liverpool City Council, the Greater Merseyside Learning and Skills Council and Job Centre Plus have developed a shared understanding of the data on training needs, courses and job opportunities. They understand that this data has to be at ward and neighbourhood level and that in order to be effective, training plans and employment advice need to take account of physical developments (Exhibit 10).
Exhibit 10
Liverpool's employment strategy

Liverpool City Council, the Learning and Skills Council and Job Centre Plus have a shared understanding of the data on training needs, courses and job opportunities.

The interventions take a number of forms and involve different combinations of partners. Three examples are the People Pool, the Merseyside Construction Initiative and the development of ILMs. The People Pool is a local initiative that brings together mainstream agencies and businesses to match people to job opportunities. The Merseyside Construction Initiative seeks to utilise public procurement arrangements to encourage contractors to recruit and train local people, as part of the procurement process. Performance against the contract's objectives is subject to quarterly monitoring.

ILMs have developed in the city over a number of years. The Liverpool scheme averages 900 people a year, working with 26 organisations. While it is expensive when compared to the New Deal, it achieves 50 per cent positive outcomes, double the New Deal's success rate. The scheme's original priority was to develop the social economy. In new circumstances, its objectives and its mode of operation need to change. The council wants the scheme to respond to its area-based approach, by focusing on the city's priority wards. It therefore aims to change the model. However,
while much of this work focuses on local and neighbourhood activity, some partners have concerns that changes in Learning and Skills Council operating arrangements may mean that, in order to cut costs, they are less likely to favour a large number of small contracts with small organisations that know their areas well. Local partners are trying to ensure that this small scale capacity is maintained.

**What is working and why?**
Where things are working it appears to be because key partners share a sophisticated understanding of the issues and they appreciate the links between these issues and the wider vision for the city. Furthermore, the activity is driven by ‘hardened’ targets that demonstrate the importance of the issue to the city. Partners have assessed their own capacity in relation not just to the roles that they have played, but in relation to what is now required. For example, the council is adapting its work in order to adopt an area focus. And the local Learning and Skills Council has carried out a mapping exercise that explores people’s ‘travel to learn’ patterns. They have compared this to the current provision of training facilities in order to inform decisions about the provision of courses. Progress has also been aided by a mutual respect and understanding of roles between individuals and partner organisations, and coherence when national policy priorities and targets matched local priorities.

**What areas need more work?**
The dynamic nature of different local job markets means that different agencies within Liverpool and Greater Merseyside need to work together in order to understand and respond to the changing flows of people, skills and knowledge into and out of their areas. Furthermore, some local actors feel constrained by nationally determined targets. For example, national agreements with further education colleges, which leave little scope for local decision-making; and the absence of aligned national targets for the local arms of national agencies, such as Learning and Skills Councils’ targets to get young people into work with training and the Connexions service target of young people into work, mean that priorities are not shared. Furthermore, local partners are exploring ways to maintain the capacity of small training suppliers to do business with the Local Learning and Skills Council, as it seeks to cut its operating costs amid moves to take a regional approach to learning and skills. Local partners are also working closely to develop an approach to securing full employment in the city, within the government’s definition, in a way that integrates labour market measures with neighbourhood renewal activity and investment in local housing, environment and community amenities.

*Source: Audit Commission*
Case study 9
Barking and Dagenham: growing the locality

Context
Barking and Dagenham describes itself as an atypical London borough in that it has been remarkably homogeneous socio-economically and in terms of its housing stock. A high proportion of the population has lived all or most of their lives in the borough and inward and outward migration has tended to be low, although this situation is now changing with growing inward migration increasing the diversity of the local population. One in three residents have low literacy and numeracy skills, less than one in four are qualified to NVQ+3 level and 40 per cent have no qualifications of any kind. As a result, local people are disproportionately likely to be employed in unskilled jobs, with only 13 per cent of the borough’s population in managerial or professional jobs (compared to 25 per cent in the wider Thames Gateway and 33 per cent in London as a whole). Wages are low, with the median average earnings the lowest of any London borough, and mortality rates are also higher than the national average. In spite of the growing service sector across the south east, Barking and Dagenham is still characterised by an economy based on manufacturing. Local company Ford is the largest manufacturing employer in London, but the closure of its vehicle operations has reduced employment at the plant, impacting on the sub-region’s workforce. Housing is relatively cheap compared to boroughs closer to central London.

Vision and strategy
The priorities set out in Barking and Dagenham's community strategy are:

- promoting equal opportunities and celebrating diversity;
- making Barking and Dagenham cleaner, greener and safer;
- providing better education and learning for all;
- developing rights and responsibilities with the local community;
- improving health, housing and social care;
- raising general pride in the borough; and
- regenerating the local economy.

The council has produced 2020 Vision, which sets out its aims for a vibrant local economy, with a variety of retail, leisure and cultural facilities, and a well-educated, highly skilled population that is able to compete for new jobs in the borough, the Thames Gateway and London as a whole. With the low skills of the workforce, developing education and skills remains a council priority. The council sees its strengths in manufacturing, a growing presence of green industries, and important job opportunities in the public sector and construction. It wants the borough to become a place where people choose to work, live and stay because of the opportunities on offer.
Partnerships are of considerable importance in transforming the area. Barking and Dagenham was a founder member of the Thames Gateway London Partnership (TGLP), which brings together 12 local authorities in the region, its universities, the Learning and Skills Council and the LDA. The Partnership wants to achieve diversification in the economy (including into high-value manufacturing and environmental industries), the sustainable regeneration of key brownfield sites, an improved transport infrastructure and a step-change in the level of education and skills in the region’s workforce. Other partnerships, particularly with the GLA and its associated bodies including Transport for London (TfL), and the major regeneration company, EP, are also instrumental in shaping the vision for the area.

Delivery
While aspirations are strong, the council and its partners face considerable challenges in terms of the scale of change that they are seeking:

- the government wants Barking Reach to accommodate over 10,000 new homes, developed along the lines of Greenwich Millennium Village – the council is working with Bellways developers and EP on this scheme and EP is providing some £125 million to make the waterside area ready for new build, focusing on land remediation;
- the Mayor has given the go ahead for work to start on the £35 million east London transit, which will link Ilford, Barking and Dagenham with a high-quality busway; TfL is also considering options for a Docklands Light Railway (DLR) extension to Dagenham;
- many new projects are underway to regenerate Barking town centre, including the development of a new Lifelong Learning Centre, focusing on training in public sector skills, including health and social care and public administration; and a performance arts centre. The council hopes these projects could provide a new cultural focus for the borough;
- Dagenham Docks will be a focus for new employment opportunities; and
- South Dagenham could become a second focal point for the borough outside Barking town centre.

The council is working hard to set in motion many of the aspirations for change – ideas for housing developments, particularly around Barking Reach, and plans to develop Barking town centre are still being fleshed out. Important questions remain about how certain issues will be managed, such as the balance between social and private housing in the major new developments and research to identify which potential residents might come to the area. The council is concerned that the GLA target of 50 per cent affordable housing is not in keeping with its aims for the area, which involves shifting the balance of its housing stock by providing ‘aspirational housing’.

The council believes that the success of Barking Reach is predicated on transport developments, particularly the DLR extension, which will require significant financial commitments from the government and TfL. Questions also remain about how the infrastructure needs associated with this scale of development will be managed, with the council concerned that other fringe development areas outside Barking Reach will
also need to be considered in service planning if it is to develop sufficient provision for schools and other services to meet the needs of a growing population. EP proposals to establish a trust to manage the public realm also need to be considered; there are concerns that this might lead to a differential service between Barking Reach and other areas in the borough, but such a body could help to ensure that the long-term costs associated with development are addressed effectively.

As most of the transformation focuses on the area closest to the Thames, the borough needs to consider how it integrates its new residential sites with those of other communities, including nearby residents who may lose the immediate proximity of certain services if these shift to support the major new sites. Other services, such as buses, will also need to adapt to accommodate a vast new population. The completion of the Barking Town Centre Framework Plan now gives an opportunity to increase the retail possibilities of the borough’s main shopping area and improve the links between the town centre and Barking Reach to enable residents to access this.

**What is working well?**

One of Barking and Dagenham's key successes has been the transformation of secondary education results, for which the council has achieved beacon status. With drive and focus the council has managed to achieve a step-change in results. The vision for regeneration is broad. It is being developed to bring together the many strands of activity that the council is involved in, with internal restructuring offering opportunities to focus activity more effectively among staff. The council is seeking to play a role in the broader sub-regional groups and partnerships that will be pivotal if the area is to take forward development on the scale that is envisaged nationally.

**What areas need more work?**

The scale of change is a massive challenge for Barking and Dagenham, as it is for the other councils in the Thames Gateway. New delivery vehicles are evolving with different remits, membership and accountability and it remains to be seen whether these will have the capacity to achieve the development sought. Coherence and co-ordination across both different sites and different organisations are vital to ensure that private sector and public confidence are established and that there is clarity about the phasing of developments and infrastructure links, particularly for transport, which will ensure that new communities can access the London job market. The sheer quantity of new homes sought could militate against high-quality standards and the extent of building on floodplains and the scale of new demand for utilities need to be addressed fully. Many areas will have to overcome adverse image perceptions to attract new residents and they may be competing among themselves for these residents. The new developments may well be seen in a negative light by existing residents unless any benefits, such as new facilities, are made available to them.
Summary and conclusions

Improving local well-being involves working with a range of partners to address issues at the most appropriate scale. The resulting complexity of working and funding arrangements can hamper successful delivery of programmes. The most successful approaches are those that are firmly grounded in the needs and opportunities of the local area, not driven by funding streams.
This report has:

- explained the background to the promotion of local economic, social and environmental well-being;
- focused on examining the workings of the local end of the national/ regional/ local ‘delivery chain’, which aims to achieve well-being in local communities; and
- examined how local leaders match their ambitions to local circumstances and how they try to make sense of the plethora of programmes, initiatives and targets that are prescribed for them by government departments and regional bodies further up the ‘delivery chain’.

The first set of case studies (Chapter 2) has been used to examine the:

- types of intervention used to improve the well-being of an area; and
- challenges associated with successful delivery, in particular the need for partners to address issues at the right scale rather than on the basis of administrative boundaries, for example, via efforts to make operational the core cites’ sub-regional strategies.

The second set of case studies (Chapter 3) has been used to examine lessons from current practice, looking at how different areas have tackled complex and competing needs and priorities.

From this work a series of key conclusions can be drawn:

- Progress in improving economic, social and environmental well-being is most likely to be achieved where national and local priorities are fully aligned and where local partners achieve coherence in establishing their priorities and targets.
- The current institutional arrangements, the complex interaction of national programmes, initiatives and targets, and complicated partnership arrangements confuse lines of responsibility and accountability and hamper successful delivery at local level.
- Complex funding arrangements from a bewildering variety of sources result in excessive administrative costs and uncertainty about the sustainability of projects.
- Delivery of central government’s priorities suffers from a ‘Humpty Dumpty effect’. Efforts to promote economic growth, social justice and environmental sustainability fracture when they hit the ground in departmental silos, just like Humpty when he fell off the wall. Local leaders play the role of all the King’s horses and all the King’s men, as they try to put the pieces back together again.
- Local leaders need to overcome the difficulties of the present complex environment. Successful areas are the ones where local leaders are able to approach the improvement of well-being by:
  - developing coherent programmes of change that are based on local needs and opportunities;
● tapping into different funding streams without being driven by them;
● engaging with communities to ensure that interventions are responsive to local concerns;
● making the most of the skills and resources of all sectors to ensure that the area has the capacity to deliver its ambitions and priorities;
● capturing learning from previous activity and transferring it to new interventions; and
● paying attention to the sustainability of interventions, ensuring mainstreaming in the longer term.

But these things are difficult in the current environment.
A way forward

To promote well-being effectively requires a framework within which national priorities can be tailored to meet the needs and ambitions of a local area.
47 To promote local well-being effectively there needs to be a framework within which national priorities can be recognised but tailored to the needs and ambitions of an area.

48 A new local delivery framework could be developed with LSPs as the basic unit of oversight for the delivery of both special initiatives and mainstream services (Exhibit 11). Two key elements are proposed that differ from the current system:

   - a local area agreement, which would focus on the delivery of special initiatives and would set out clearly what outcomes communities should expect from this additional ‘special’ funding; and

   - a re-focusing of the LPSAs to ensure that they are concerned with mainstream service provision and that they specify the outcomes and standards that communities could expect from that provision.

49 This dual approach would allow communities, local leaders and policymakers to distinguish between what improvements mainstream and special funding is delivering in a local area. Each proposal is discussed in turn.

50 A local area agreement would spell out the priorities and targets for local well-being, based on agreed quality of life indicators. Where necessary, for example, in the Thames Gateway or core cities’ sub-regions, joint targets across LSPs could be negotiated. Government offices, if given the power and resources, could negotiate the deals with LSPs. These would then form the basis of an agreement between an LSP and government departments that sets out the aims and funding requirements for activities, such as physical regeneration or crime and disorder initiatives, for example, that lie outside mainstream services – the special initiatives. This could act as the basis for a negotiated settlement between an LSP and government on the overall level and pattern of ‘additional’ spending in an area over a given timeframe, say three years. Once established, the local area agreement would help to bring vertical alignment between national and local priorities and reduce the complexity of funding arrangements, as central government departments could be required to negotiate with an LSP before a new initiative could be launched in its area. This would require departments to make sure that any new initiative was relevant to local priorities before launching it in an area. It would also make sure that areas where fresh ideas and thinking are needed could access national initiatives where appropriate.
A local public services group – as a sub-group of the LSP and made up of key local service providers and procurers – could manage the delivery of second generation LPSAs, which would provide funding to enable the delivery of joined-up services, and a financial incentive to local service providers to meet the targets. The LPSA would set out the outcomes and minimum standards that local people could expect from mainstream services only (that is, excluding the special initiatives) and regulators could inspect against these. The agreement would involve negotiations between central government departments and local service providers, so that government departments ‘owned’ the priorities, as well as local service providers. These agreements could be subject to external verification, as the CPA approach evolves further to look at the well-being of areas rather than the performance of single institutions.

### Exhibit 11

**A possible framework for the local delivery chain**

A framework could be used to ensure that the delivery chain feeds into a clearly agreed set of priorities for change

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**Source:** Audit Commission
These suggestions would enable a more efficient approach to the administration of the many funds that come down from central government to the local level. For example, it could facilitate the development of an accountable body team for an area that cuts the cost of management and administration (Case study 1). It could also pave the way for a single set of monitoring and evaluation arrangements for an area’s use of funding from special initiatives. For example, the Audit Commission working with other regulators could review an area’s use of special initiatives in the round, rather than by institution or grant, which is the case at the moment. This would both reduce the costs of monitoring and evaluation, and ensure that the information produced as part of the exercise is relevant to decision-makers and people locally.

These proposals build on existing arrangements. It would be appropriate to pilot such arrangements in order to ensure that all parties understand what the negotiations, agreements and scrutiny arrangements will mean in practice and to identify what works. Furthermore, they are intended to be a contribution to the debate rather than providing a detailed and prescriptive model. Other proposals are currently under consideration. These suggest combining the arrangements for mainstream and special funding. There are clearly merits in both approaches: any model that moves toward enabling government funding as a whole to be related to an area as a whole is a significant step forward.

These proposals address only the local end of the well-being delivery chain, which starts with government policy and funding arrangements at the top and involves regional, sub regional (and European) priorities and programmes on the way down to local level. However, they offer the basis for discussion between representatives of local leaders, central government and regulators about how to achieve the delivery of national policy, while allowing the space for local leaders to determine and meet local priorities, in consultation with their communities.

Next steps

The Audit Commission will engage with government, representatives of local government and other local leaders and partner organisations to generate a debate on the issues raised in this report. We will encourage the development of pilot schemes, which will test the viability of an alternative approach to delivering the local end of the economic, social and environmental well-being delivery chain.

The Commission will also develop its approach to assessing a local authority’s contribution to community leadership as part of the CPA process post 2005, taking account of the lessons learned from this report.
Appendix 1 – A selected history of regeneration initiatives in England from 1960 to 2004

1960  *Employment Act* designates development districts.

1961  Skelmersdale new town development designated to take ‘overspill’ from Merseyside

1963  Plans for a growth zone development in the north east; the Location of Offices Bureau encourages location outside London (most of it goes to the south east); Dawley new town to be established West Midlands

1964  *South East Study* projects 3.5 million population increase from 1961-1981, (due to natural growth and immigration), leads to proposed new town/growth initiatives in Milton Keynes, Northampton, Peterborough, and Southampton-Portsmouth; Redditch new town starts in West Midlands; Washington new town designated in the north east to take up ‘overspill’ from Tyne and Wear; the Department for Economic Affairs sets about developing a National Plan based on indicative (spatial) planning.

1965  Regional studies of the West Midlands and the north west conclude that there is a need for new towns to take ‘overspill’ from the conurbations: *Control of Office Employment Act* restricts office development (not retail, etc.) in London and Birmingham; economic planning regional councils and boards established.

1966  *Industrial Development Act* scraps development districts in favour of larger development areas and gives grant aid worth 40 per cent of the value of investments in development areas; the Selective Employment Tax favours manufacturing over service jobs (nationally); Royal Commission (Redcliffe Maud) established to look at local government in England: four attributes for ‘units’ sought: efficient use of resources, effective provision of services, communal consciousness and whole area planning issues- the attributes prove not to be coterminous.

1967  Maud Committee recommends new a management structure for local government, based on a few policy committees and a central policy making committee; Regional Employment Premium (REP) offers grants to manufacturing firms creating jobs in development areas.
1968 Dawley is re-named Telford as a further new town development begins to take account of the 1965 West Midlands study; Warrington and central Lancashire (Preston and Leyland) are designated as new town developments for Manchester’s ‘overspill’; the Countryside Act replaces the National Parks Commission with the Countryside Commission and offers incentives to create country parks.


1971 Town and Country Planning Act introduces ‘planning gain’.

1972 Club of Rome produces Limits to Growth and UN Stockholm Conference on Human Environment puts environmental issues on the agenda; Inner Area Studies.

1973 UK accession to the EU sees the introduction of EEC Regional Policy.

1974 Local government re-organisation – metropolitan counties and National Parks committees with their own planning officers established.

1975 European Regional Development Fund is established.

1976 REP abolished due to EEC rules.

1978 Urban Programme (7 areas) and Inner Urban Partnerships (15 areas), following a 5-year study of Liverpool, Birmingham and Lambeth.

1979 Assisted Areas map cuts coverage from 43 per cent to 25 per cent of the UK population; the focus shifts from regional to urban policy, as depopulation of cities grows; Priority Estates for housing; European Regional Development Fund reform.

1980/81 Local Government Planning and Land Act establishes competitive tendering for certain local authority services; Urban Development Corporations (UDCs) and 11 Enterprise Zones (EZs) given freedom from local property taxes and planning rules; 1981 London and Liverpool Docklands UDCs started.


1983/84 13 more EZs announced.

1985 Local Government Act abolishes the Greater London Council and the six metropolitan county councils; Estate Action starts.

1987 Large scale voluntary transfers of housing stock from councils to registered social landlords.

1988 Urban development grant and urban regeneration grant merged into city grant; reform of the EC’s structural funds: principles of concentration, programming and ‘additionality’ drive regional programmes; Local Government Finance Act replaces domestic rates with the community charge.
1989 *Local Government and Housing Act* introduces a new capital finance system and gives local authorities explicit economic development powers; Estate Management Board and Tenant Management Organisations established.

1990 Rio Earth Summit triggers pressure to promote environmentally sustainable development; Local Training and Enterprise Councils (TECs) are established to deliver government programmes for business and workforce development under the leadership of local business people.

1991 Competing for Quality Initiative introduces market testing into the civil service; City Challenge sets up integrated area-based interventions based on need and competitive bidding.


1993 *Delors White Paper on Growth, Competitiveness and Employment*; fourth reform of the EU Structural Funds sees return of some power to nation states, and the introduction of a community economic development strand to encourage ‘bottom-up’ activity; Estate Renewal Challenge Fund.

1994 Integrated Regional Government Offices established; Single Regeneration Budget launched to promote cross-cutting interventions by partnerships in geographic areas of varying sizes, with money allocated on the basis of competitive bidding; and English Partnerships, a single, national development agency to undertake significant regeneration projects.

1995 Thames Gateway Regional Planning Guidance sets out a 30-mile long regeneration zone of areas for development to accompany the Channel Tunnel rail link.

1996 Select Committee on Relations between central and local government is established, in order to foster joint-working between central and local government.

1997 Kyoto Climate Change Conference; Social Exclusion Unit established; Local Government Rating Act allows new parish councils and protection of village shops; Local Government (Contracts) Act confirms local authorities’ powers to enter into contracts.

1998 Education/Health/Employment Action Zones and New Deal for Communities, with a philosophical shift to resource allocation based on need rather than competitive bidding.

1999 RDAs take responsibility for SRB and over time a new ‘single pot’, with oversight from the Department of Trade & Industry; Sure Start Programme trailblazers; Crime & Disorder Partnerships start; Lord Roger’s Urban Task Force sets out urban renaissance initiatives to respond to projections of 4 million new households, while protecting greenbelts and greenfield sites; *Local Government Act* introduces ‘best value’; *Greater London Act* establishes the framework for Greater London’s governance of police, fire, transport and development.
2000 Rural White Paper; Urban Regeneration Companies; Drug Action Teams; Neighbourhood Renewal Unit (neighbourhood wardens and management schemes, plus neighbourhood renewal and community empowerment funds); Thames Gateway Partnership established; Local Government Act introduces the power of well-being, requiring community strategies for an area and new political structures: mayors and cabinets with scrutiny committees and area committees.

2001 Learning and Skills Councils and Small Business Service replace TECs; Urban and Rural White Papers; arms length management companies for council housing.

2002 English Partnerships remit changed to focus on strategic sites

2003 Sustainable Communities Plan: £22 billion of spending over three years, including Housing Market Renewal Pathfinders in areas with collapsing housing markets, London and South East England Growth Areas (including new UDCs in Thurrock and Thames Gateway); introduction of Regional Housing Boards; HM Treasury introduces the Business Growth Incentive scheme, allowing the retention of a proportion of the Business Rate produced in an area, based on business growth.

2004 Making it Happen: The Northern Way; Planning Bill to speed up planning processes and to ensure that community strategies have a spatial expression in local development frameworks (replacing Unitary Development Plans) that fit with regional spatial strategies (replacing Regional Planning Guidance).
Appendix 2 – Identifiable expenditure per head, by region and function in England, 2001/02

<table>
<thead>
<tr>
<th></th>
<th>North east</th>
<th>North west</th>
<th>Yorks &amp; Humber</th>
<th>East Midlands</th>
<th>West Midlands</th>
<th>South west</th>
<th>Eastern</th>
<th>London</th>
<th>South east</th>
<th>£ per head Total England</th>
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<tr>
<td>Education</td>
<td>882</td>
<td>851</td>
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<td>787</td>
<td>829</td>
<td>728</td>
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<td>Health and personal social services</td>
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<td>1,107</td>
<td>1,196</td>
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<td>19</td>
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<td>Trade, industry, energy and employment</td>
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<td>162</td>
<td>111</td>
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<td>101</td>
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<td>Agriculture, fisheries, food and forestry</td>
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<td>Culture, media and sport</td>
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<td>71</td>
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<td>80</td>
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<td>45</td>
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<td>Total per head</td>
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<td>4,430</td>
<td>5,870</td>
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### Appendix 3 – Resources for the Sustainable Communities Plan

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<th>£m</th>
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<td>Arms length housing management organisations (ALMOs)</td>
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<td>99</td>
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<td>Other housing programmes</td>
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<td>Market renewal pathfinders</td>
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<td>English Partnerships</td>
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<td>179</td>
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<td>29</td>
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<td>Planning (including planning delivery grant)</td>
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<td>Neighbourhood Renewal Fund</td>
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<td>99</td>
<td>99</td>
<td>94</td>
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<td>Grand total</td>
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<td>6,547</td>
<td>7,480</td>
<td>7,741</td>
<td>21,768</td>
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References


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