

# National Strategy for Neighbourhood Renewal

Report of Policy Action Team 17:

Joining it up Locally

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# Foreword

Joining up policy and delivery at local level will be crucial to achieving the ambitious goals of the National Strategy for Neighbourhood Renewal.

This report sets out the discussions of PAT 17 – “Joining it up Locally”. It sets out useful analysis of why local delivery has often not been joined up in the past; highlights how much is already going on to tackle social exclusion at local level, that can be built on; and sets out the relevance of local government reform including community planning and best value. It also rightly records some of the challenges that need to be met to join things up locally – involving communities properly; building real and lasting co-operation between levels of Government; setting targets but avoiding perverse effects; improving skills and changing cultures; and building ownership of the neighbourhood renewal vision throughout communities and service providers. These are all important messages.



PAT 17’s thinking has been an important building block for much of the thinking set out in the framework National Strategy document, notably the key idea of “local strategic partnerships”, bringing together local authorities and other service providers, business, voluntary sector and communities to develop more co-ordinated approaches to the challenges they all face. The National Strategy document puts these in a broader framework, alongside such ideas as neighbourhood management, and better co-ordination at regional and national level – and invites views from anyone with an interest.

The process of consultation on the National Strategy is very much in tune with PAT 17’s message about the need for joint ownership. There is huge commitment to tackle neighbourhood deprivation within Government and more widely, and agreement on the need to make sure that all risks and opportunities have been properly analysed. I am immensely grateful to the PAT for their insight and analysis and their contribution to developing ideas in this important area. The ongoing work on this issue within Government owes much to the foundation that they have put in place.

A handwritten signature in black ink that reads "Hilary Armstrong". The signature is written in a cursive, flowing style.

Hilary Armstrong  
Minister for Local Government and the Regions

# INTRODUCTION

1. Policy Action Team (PAT) 17, “Joining it up Locally” was one of eighteen teams set up to look at issues around neighbourhood renewal after the Social Exclusion Unit (SEU) report “Bringing Britain Together”<sup>1</sup> was published in July 1998.

## Our Remit

2. PAT 17’s remit was to report on:
  - what is best practice in local strategic planning to tackle social exclusion and what policy levers are available to foster its wider adoption;
  - best models for rigorous use of data and targets;
  - the most effective ways of linking in other agencies and organisations at the local level;
  - how local authority plans can be linked upwards to national and regional strategies, and downwards to the neighbourhood level, e.g. to promote more neighbourhood management.

Goal:

- To reach an agreed plan for building on existing area-based initiatives and local government reform so that in the long term broad-based local strategies to prevent and tackle social exclusion become the norm, and good practice is disseminated and acted on.

## Our Members

3. Our members came from Departments across Whitehall, Government Regional Offices, local authorities, the police, the health service, other public sector bodies, and the community and voluntary sector and other non-governmental organisations.

## Our Approach

4. We took an evidence-based approach. Our work programme had five distinct elements:
  - A review of previous research, including a specific study commissioned for the PAT.
  - Our own research, conducted by an in-house DETR team.
  - Three Case Study seminars organised by members of the group in Nottingham, Birmingham and Bradford.

<sup>1</sup> Social Exclusion Unit (1998) *Bringing Britain Together: a national strategy for neighbourhood renewal* Cm 4045, TSO [www.cabinet-office.gov.uk/seu/1998/bbt/nrhome.htm](http://www.cabinet-office.gov.uk/seu/1998/bbt/nrhome.htm)

- Meetings with interested parties outside the team, including Business in the Community and the Commission for Racial Equality.
  - Meetings of the team itself, including discussions of papers produced by members and the secretariat, and presentations both from members and others.
5. We would like to thank all the people who helped us during the course of the year.
  6. The report is published alongside the “National Strategy for Neighbourhood Renewal – Framework for Consultation”.<sup>2</sup> Section 5 addresses the local strategic partnerships which are a key element in the proposed strategy, but for full details of the whole framework readers will want to read the consultation document.

<sup>2</sup> SEU (2000) *National Strategy for Neighbourhood Renewal – Framework for Consultation*. TSO. [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)

# EXECUTIVE SUMMARY

## The Rationale for joining up (Chapter 1)

1. The Social Exclusion Unit's 1998 report on deprived neighbourhoods painted a stark picture of decline in the most deprived neighbourhoods. The problems affecting these areas – high levels of crime, low levels of educational attainment and poor health – are acute. But they are also related, or “joined up”.
2. At the same time, no single organisation holds the key to addressing these problems. A combination of public, private, voluntary and community sector effort will be needed to crack them.
3. All of this means that only a joined-up response will be effective in tackling the problems of deprived neighbourhoods. The need for this is particularly strong at the local level (i.e. the local authority level). It is at this level that many core public services do their operational planning, and at which many decisions about allocation of resources are made.
4. This isn't to say that local joint working will, on its own, solve the problems of deprived neighbourhoods – it clearly won't. It is a necessary, but not a sufficient condition. There are other necessary conditions for change, on each of which the Government is making important contributions. These conditions include:
  - *better core public services*. Even the most effective joining-up will achieve little if the services that are being joined-up are ineffective at their core tasks;
  - *strong national and local economies*. Vibrant local and national economies bring many things to the neighbourhood that are much needed – jobs, services and opportunities for enterprise;
  - *Improvements in wider areas*. Neighbourhoods don't exist in isolation from their wider areas. The “dynamics of place” – or city wide improvements – matter. Neighbourhoods also need to be linked into the markets, the prosperity, the culture and the services of their surrounding areas; and
  - *Governance and empowerment*. Residents need to be given both opportunities to be part of local decision-making, and to generate, run or influence solutions to their own problems.
5. These factors are inter-related, and it is likely that progress on all fronts will be needed to create sustainable change. There need to be many agents of change, not all of them ordained or controlled by central government.
6. Having flagged up that local joining-up is important to renewing deprived neighbourhoods, but not sufficient on its own, this report concentrates on how to encourage it to happen. Although this is a report to central government, much of the successful local joint working that we have seen results from local initiative, not central direction.

7. Our conclusion is that, if frameworks for co-operation are to be effective, they need to reflect the whole needs of communities, and be seen to reflect the priorities of local people rather than being externally imposed. Joined-up working must create room for personal initiative and creativity. We have tried to build this principle into all of our recommendations.

## Lessons from the past and present (Chapter 2)

8. The problem of poor neighbourhoods is not a new one. Successive governments have tried to address it in various ways. Attempts to encourage local joint action have often been part of this.
9. There have been some successes, but there is little evidence that government intervention has resulted in a sustained narrowing of the gap between the poorest areas and the rest. Nor indeed has that been an explicit objective of past policy.
10. There are a number of reasons for this. Some of these are outside our remit – such as structural economic decline. But many are about failures to generate effective joint working. For instance, past attempts at joint-working have foundered because:
  - communities were not adequately involved or empowered;
  - initial joint strategies were not translated into sustained joined-up working;
  - too much action was driven by central funding rather than local needs; and
  - central government policies and practices made local joint working difficult.
11. This has led us to draw out several principles for effective joint-working in deprived areas:
  - *Empowerment.* Unless the residents of deprived communities are partners in joint-working, nothing will change;
  - *Leadership and commitment.* Partnership can be an excuse for everyone to do nothing. The most successful joint-working has strong leadership, and involves real – rather than token – commitment from all partners;
  - *Prevention is better than cure.* Joint action should be focused on spotting problems some way off and addressing them before they are serious enough to require a more intensive and expensive response.
  - *A radical change of culture is needed.* Public service culture needs to move away from focusing on the inputs and outputs of particular services, towards achieving shared outcome targets – like improving people’s health, and reducing crime.
  - *All levels of government need to be involved.* Neighbourhoods cannot be expected to find solutions to all their problems. Some factors – like structural economic decline – can only be dealt with elsewhere.

- *Mainstream services are the key.* Sustainable change cannot be effected through area-based initiatives alone, and
  - *Central government as a facilitator.* The Government needs to play a role in local joining-up. But this should be as a facilitator, not as a director or a distant and disinterested party.
12. These principles were endorsed by the evidence we have seen about practical joint working – derived from a survey of best practice in 56 local authorities operating social inclusion policies. This evidence also demonstrated the practical importance of:
- strategic (authority-wide) or community plans to focus activity;
  - neighbourhood-based planning and delivery to facilitate change;
  - strong links between strategic and neighbourhood levels of activity; and
  - bending mainstream programme activity to support a joint local vision for tackling social exclusion.
13. These theoretical principles and practical lessons underpin all our recommendations. But they can perhaps be seen most clearly in our central recommendation – the need for new mechanisms for local strategic partnership working – to which we return in Chapter 5.

## Use of data and targets (Chapter 3)

### Data

14. Sharing data on individuals can help local agencies to join up their services. It can be a key to better focused and directed interventions, down to the household or individual level.
15. Yet agencies are unsure how to share data without violating data protection law. Whilst there is a need for privacy safeguards more could be done, and local public sector bodies need more guidance on what they can and can't do.

**R1: Guidance should be produced on the sharing of data on individuals.** This is also a recommendation of PAT 18 (Better Information), which focused on sharing *aggregated* data about areas.

### Targets

16. Targets provide powerful incentives for public sector action. They can either help joining-up, or hinder it. Too often, the latter has been the case.
17. Our view is that two kinds of targets are necessary to motivate public services to work together to deliver neighbourhood renewal.
18. First, *service-specific targets* (e.g. for education in deprived areas), to ensure that all services make deprived neighbourhoods a priority. This should provide some impetus to joint-working, especially if services recognise their interdependence.

19. But services may not realise the extent of their interdependence, or may not see joint-working as a priority without explicit encouragement from further targets. This means, second, that *cross-cutting targets* are needed to focus all services on common neighbourhood renewal objectives (e.g. narrowing the gap between the most deprived neighbourhoods and the national average). This would help them to make helping each other a higher priority.
20. These targets are needed for central government departments.

**R2: The current review of Government Interventions in Deprived Areas (GIDA) should set individual central government departments targets for performance in deprived areas as part of their Public Service Agreements (PSAs); and examine the scope for cross-cutting PSAs at national and local level.**

21. But central government targets would not be enough. At the local level, locally-owned *outcome* targets – that is, targets based on real improvements in crime, health, education and unemployment – should be at the heart of neighbourhood renewal. The new Best Value regime, which covers local authority and police services, provides a good mechanism for this.
22. Best Value reviews would provide opportunities for comparing service performance in deprived neighbourhoods with other local areas and with national benchmarks, in consultation with local people. This could lead to new targets for improved performance in these neighbourhoods, with real effects on main programme performance and delivery. But, in order to achieve this, authorities need to be able to measure the performance of key services in each neighbourhood.

**R3: Best Value authorities should be encouraged to build into suitable performance indicators facility for comparison between poor neighbourhoods and the rest.**

23. This would need to be done fairly, and without overburdening authorities. DETR would need to explore with the Local Government Association, other departments, the Audit Commission and the Inspectorates, how this could be done in a fair and comparable way, taking account of the burden of data collection.
24. Similar techniques could help focus the efforts of public services outside the scope of Best Value legislation. Indicators on health, benefit delivery and take-up, and the success of welfare to work programmes are particularly relevant.

**R4: All relevant public sector agencies should aim to ensure that performance management systems include information about effectiveness in deprived neighbourhoods, so that relevant targets for improvement can be set. This should be taken forward by the GIDA review.**

25. Targets have their uses. But they must be used and interpreted with care.
26. Changes in outcomes may not be directly attributable to the service most closely charged with changing that outcome. For instance, it would be hard to hold the Employment Service responsible for a neighbourhood's fall in employment in the midst of a sudden and deep recession. And high turnover of population in some deprived areas can mask the success of policies.

27. Second, targets can have perverse effects. For instance, it would be possible to try and meet school performance targets by being selective about intake. It will be vital to ensure that perverse effects of this kind are minimised for any new targets for deprived neighbourhoods.

**R5: The audit of performance indicators in the GIDA review should include a specific look at perverse incentives.**

## More drivers for change (Chapter 4)

### LOCAL GOVERNMENT REFORM

28. Local authorities are not the only important players on the local scene. But they have a unique role in facilitating joint-working, given their democratic mandate and dual roles as service providers and strategic enablers. The local government modernisation programme provides an excellent opportunity to encourage local authorities to help facilitate a joined-up local response to neighbourhood deprivation.
29. Four elements of the local government reform agenda are of particular importance in this context:
- the *Beacon council* scheme identifies councils who take innovative and successful action on a variety of issues, and spreads best practice;
  - *modernisation of political management structures*, provides opportunities for councillors to champion particular wards (through area committees and best value reviews).
  - *Best Value* allows for the development of policy and performance plans focused on issues and places, rather than just on services; and
  - *proposed well-being legislation* provides a framework for authorities to set up local strategic partnerships addressing local needs; and opens the way to remove legislative obstacles and statutory requirements for plans where these restrict joining up.
30. These opportunities have led us to make the following recommendations:

**R6: “Neighbourhood renewal” should be a theme in a future round of the Beacon council scheme.**

**R7: Guidance accompanying legislation on the reform of political management structures should encourage the adoption of cross-cutting scrutiny committees on issues related to social exclusion.**

**R8: Guidance accompanying legislation on the reform of political management structures should encourage local authorities to introduce area-based structures focused on poor neighbourhoods, where appropriate.**

**R9: Statutory guidance under well being legislation should be used to encourage local authorities to focus on social exclusion and neighbourhood renewal.**

**R10: Well-being legislation should be used to pilot the rationalisation of service and strategic plans, especially where this will aid joining-up to tackle neighbourhood deprivation.**

### **FINANCIAL BARRIERS TO JOINING-UP**

31. The way that central government provides funding to its local agencies and to local government can help or hinder local joint working. Funds are provided in two main ways. First, in a way that ties grants to particular services or purposes. Second, in a less directive way, to allow for resources to match local circumstances, choices and strategies.
32. There is a place for both in effective neighbourhood renewal. But joining-up may be hampered if the balance tips too far towards central direction.

**R11: As part of the 2000 Spending Review, central government departments should review their mechanisms for distributing resources – and in particular the balance between hypothecated and non-specific grants – with a view to facilitating joining up at the local level.**

### **AREA-BASED INITIATIVES**

33. This Government and its predecessors have launched a range of area-based initiatives to help tackle the problems of deprived neighbourhoods. These are special pots of money that some deprived areas get, but more affluent ones don't. They are usually delivered by specially-constituted partnerships. Examples include Education Action Zones and the Single Regeneration Budget.
34. These initiatives are developing new ideas, and have an important role to play in neighbourhood renewal. But the number of initiatives, and their overlap of aims and partners can undermine attempts to join-up locally. They are also seen as over-prescriptive by some, as well as having too little influence on main programmes.

**R12: The GIDA review should examine area-based initiatives to ensure that they make a greater impact on long term outcomes in poor neighbourhoods.**

## **Local strategies and vertical linkages (Chapter 5)**

35. Previous chapters have identified factors that will help to encourage joint-working at the local level. These are important. But without a local mechanism to facilitate joint-working, and without incentives to get partners on board, these measures will have little impact.
36. This chapter spells out our ideas for encouraging *local strategic partnership working* to tackle neighbourhood deprivation, which would need to be closely linked to other tiers of Government.

### Local authority level: Local Strategic Partnerships (LSPs)

37. A mechanism is needed at the local authority level to encourage core public services to work with each other, local residents, and the community, voluntary and private sectors to improve outcomes in deprived neighbourhoods. Our vision is that this role would be played by Local Strategic Partnerships (LSPs).
38. These would work in very different ways in different places. But there would be five common steps that each would take in drawing up a strategic response to local neighbourhood deprivation. They would:
  - i. Identify which neighbourhoods need special help.
  - ii. Find out what can be done to improve outcomes there.
  - iii. Agree a response that meets these concerns.
  - iv. Focus resources on meeting cross-cutting objectives.
  - v. Monitor and evaluate progress and maintain dialogue.
39. Within this, the focus would be on brokering agreed improvements to core public services, and to the input of others sectors into neighbourhood renewal. Partnerships would not be responsible for service delivery, or for service-specific outcomes.
40. There would also be particular issues that LSPs would be expected to address, within this very broad framework. These would include:
  - how to use partners' resources (e.g. buildings, volunteer time, business involvement) to aid neighbourhood renewal;
  - whether local facilities such as shops or community centres are adequate, and how to improve them if necessary;
  - how to ensure a recognisable, on-the-spot presence in each deprived neighbourhood, as a first point of contact for community concerns, and whether and how to deliver several different services on one site;
  - how to respond to concerns that the local community brought to the LSP about their neighbourhood.
41. Local Strategic Partnerships could:
  - *be built on existing or planned partnerships.* In many cases, the functions could be built on existing partnerships (e.g. New Commitment to Regeneration or Health Action Zone partnerships), or in future Community Planning partnerships. Local authorities would have a key role to play, but would help build the LSP, not direct it;
  - *be partnerships that do more than just neighbourhood renewal.* The Government has identified a number of issues (e.g. neighbourhood renewal, urban renaissance, rural issues, sustainable development) which need a strategic response at the local level.

It could make sense for the response to each of these to come from a single umbrella partnership for each locality, rather than from several separate and overlapping partnerships. This would make them particularly valuable to local business, as a single partnership into which to contribute, rather than several;

- *provide both an inclusive forum for discussion and agreement on priorities*, and an executive to drive delivery and implementation group;
  - *provide opportunities for the rationalisation of local partnerships*, if it was felt locally that this would help achieve national and local objectives, and did not cut across statutory or other central requirements; and
  - *be formed at either county or district level in two-tier authorities*, depending on local circumstances.
42. In some places this kind of activity happens naturally. In most it needs some encouragement. There are a range of possible incentives that could be employed. Leading options include:
- funding these partnerships, to cover administrative costs and to help them support forms of joint-working;
  - making the receipt of regeneration funding conditional on having an effective partnership in place, or being well on the way; and
  - encouraging these functions to be taken up by building them into the guidance for Community Planning.
43. Preparation of local community strategies will take place across England and Wales. But the most deprived areas will have the strongest case for additional incentives and funding support from central government.
44. Incentives for their formation and effective operation would need to be closely overseen, and partnerships would need to be supported. This would best be undertaken by Government Offices for the Regions, given the new remit that they have received as a result of the Performance and Innovation Unit's recent "Reaching Out" study.
45. LSPs could also provide a good way to co-ordinate local area-based initiatives, although arrangements would need to be voluntary for initiatives that are already in place. New initiatives could be required to demonstrate their fit with the LSP's strategy before going ahead. Some might choose the LSP as a delivery vehicle.
46. This leads us to make two key recommendations:

**R13: Partnerships established to prepare community strategies should assume the role of the local strategic partnership in respect of neighbourhood renewal.**

**R14: Statutory guidance on Community Strategies, which will accompany Part I of the local government bill, should set out, in a non-prescriptive way, the role of the local strategic partnership in respect of neighbourhood renewal.**

47. The effectiveness of LSPs would also depend on the effectiveness of mechanisms at other tiers, and on the strength of the vertical linkages between them.

### Neighbourhood Level

48. There is a clear need for effective champions of poor neighbourhoods at *neighbourhood level*. An important role of neighbourhood champions and neighbourhood managers will be to fight on behalf of their areas when main services are neglecting them or under-performing. PAT 4 (Neighbourhood Management) has been looking at cost-effective ways of developing this kind of activity. The support of local strategic partnerships would be critical to the success of devolved structures of this kind.
49. It would be important that this role complements the representative function of local councillors, and links into efforts to drive up the performance of key services in poor areas (through performance review and local targets).

### Regional Level

50. As noted above, at the *Regional level*, *Government Offices* should take the lead in responding to LSPs on behalf of Ministers and Departments, providing the stimulus to get them going where necessary. Their functions could include resource allocation from relevant programmes (eg New Deal for Communities and European assistance), stimulating local activity, advising and monitoring local partnerships and disseminating best practice. They should also play a stronger role in policy-making, to ensure that lessons from the ground get fed into the system.
51. The Regional Development Agencies' role is to develop their strategies in a way which takes proper account of social exclusion objectives. They would need to ensure that there is effective dialogue and fit between these regional strategies and the thinking and emerging strategies of LSPs.

### National level

52. *Central government*, and in particular the failure of Departments to act corporately, has been responsible over the years for many of the factors which make local joint working difficult. Examples include the fragmentation of delivery machinery, an uncoordinated flow of new initiatives, a proliferation of requirements for issue-led partnerships, too much central direction and regulation, and financial frameworks, performance indicators and measures that tend to reinforce 'silo' behaviour. A more co-ordinated framework for coherence and consistency of delivery is needed. This is a matter for the national strategy for neighbourhood renewal.

## Joining up in practice (Chapter 6)

53. It is one thing to set up partnerships and strategies to join things up. It is another to develop the mix of skills, energy and commitment to make them effective. Much of the action to make this happen falls to those at the local level, although central government can facilitate change. Issues include:
- improving understanding about *how to manage partnership working*. Critical factors include clear objectives; trust between partners; highly developed informal networks; and use of shared data to facilitate information exchange;
  - *new skills and competencies for public sector staff*. These might include the ability to “see the big picture”, and skills in consensus building; and
  - *breaking down barriers between different professions*, and between professions, “front-line” community workers and residents.
54. For local government, the Improvement and Development Agency (IDeA) is well placed to take this forward.
- R15: The IDeA should undertake an investigation into the status, careers and training requirements of the local authority managers and workers who play a key role in neighbourhood renewal. This should:**
- **formulate specific proposals on how to enhance the capacity and competence of local authority employees to deliver joined-up approaches to neighbourhood renewal;**
  - **contribute to the development of the Local Government Improvement Benchmark; and**
  - **inform the development of both member and manager development programmes.**
55. It is also particularly important that groups who are more easily ignored or have fewer resources are involved in local joint action. These include:
- local residents themselves, whose involvement is pivotal to success;
  - voluntary and community sector organisations, who can fill the gaps between disadvantaged communities and service providers, by establishing a dialogue and providing additional services; and
  - black and minority ethnic groups, who need to be empowered, consulted and represented. There should be no tolerance of discrimination in local service provision or joint-working, and policies to tackle deprived neighbourhoods should be developed with sensitivity to local ethnic mix and cultural diversity. This may require better information and specific targets.
56. A lot of this boils down to ensuring that the LSP is broad and inclusive in its membership. To this end, two further recommendations are made.

**R16: Guidance on community planning under well-being legislation should encourage local authorities and their partners to assist the voluntary sector to participate in the community planning process.**

**R17: Guidance on community planning under well-being legislation should make it clear that partnerships need to involve all sections of the community. Specific effort should be made to involve ethnic minority representatives and women.**

57. Finally, it is essential that those involved in local attempts to turn round deprived neighbourhoods have access to comprehensive information on what works. There are roles here for Government Offices for the Regions; the Beacon Council scheme; and the National Centre for Neighbourhood Renewal recommended by PAT 16. But on the local government side, the IdeA could also play a role.

**R18: The IDeA should look at its role in disseminating best practice in the light of the work of the PATs and the National Strategy, with particular reference to how lessons can be spread through: the local government improvement benchmark; management development and member development programmes; best practice support strategies; and their developing internet site.**

# SECTION 1

## The case for joining up.

### What needs to be joined up?

- 1.1 PAT 17 is one of eighteen working groups established to follow up the Social Exclusion Unit's report "Bringing Britain Together"<sup>3</sup>. The report painted a stark picture of deprivation and decline in the country's poorest neighbourhoods. Typically these neighbourhoods experienced high levels of crime and unemployment, and very poor standards of educational attainment and health (the four outcome areas the national strategy is aiming to address), along with related problems such as poor housing, drug abuse and poverty.
- 1.2 These problems are not separate; in fact they are inextricably linked. For example, the relationship between low incomes and poor health is now well established. The Independent Inquiry into Inequalities in Health showed that the life expectancy of a baby boy with parents in the professional or managerial groups is estimated to be five years more than one born to parents in partly skilled or unskilled occupations.<sup>4</sup> And the Schools Plus PAT<sup>5</sup> has traced similar links between truancy, offending and educational underachievement, and between underachievement and the prospect of unemployment or low pay in later life.
- 1.3 These chains of disadvantage are reinforced when housing markets or allocation practices have concentrated disadvantaged people in rundown estates and poor neighbourhoods. Because problems are mutually reinforcing, a downward spiral of deprivation can result, which means the quality of life of residents gradually getting worse, whilst those who can leave do so. All this leads to perhaps the most insidious aspect of many of our worst areas (and the reason why a spatial response is needed) – residents are at greater risk of experiencing social exclusion simply by virtue of the area they live in, regardless of any other problems that they may have as individuals or families. Public services are under the greatest pressure in the areas where people most depend on them, and service failure has greater impact because people lack the wealth or power to choose alternatives.

#### The Disintegration of a Neighbourhood

In some areas trust in neighbours has all but disappeared. In one study conducted for Newcastle City Challenge by Blake Stevenson Ltd, residents described one area as a "War Zone". Burglaries, car crime, violence, threatening behaviour, all night parties, drunkenness in the streets were the norm. Problems were caused by just 29 residents from 13 families who together possessed 395 criminal convictions. Sixty Asian households were the first to leave, but others followed suit. One young family called the police after their fourth burglary. Minutes after the panda car had left all the windows in the house were smashed. This family fled the area, for the sake of their mental health, leaving behind a house that was virtually valueless despite it having a £25,000 mortgage.

3 Social Exclusion Unit (1998) *Bringing Britain Together: a national strategy for neighbourhood renewal* Cm 4045, TSO [www.cabinet-office.gov.uk/seu/1998/bbt/nrhome.htm](http://www.cabinet-office.gov.uk/seu/1998/bbt/nrhome.htm)

4 Department of Health (1997) *Inequalities in Health – fifteen years of change in super profile areas. Public Health Statistics Review 1997*. University of Durham [www.doh.gov.uk](http://www.doh.gov.uk)

5 Department for Education and Employment (1999) *National Strategy for Neighbourhood Renewal: Policy Action Team 11 – Schools Plus*. TSO.

When crime attacks civil society in this manner almost all 'social capital' is destroyed. People can think no bigger than dealing with their immediate problems, adopt a siege mentality, and withdraw from the public stage. Efforts to rebuild civil society in this particular area, seen as a pre-condition of investing in the local economy, led to a successful public meeting. But the only way people could be persuaded to come to the meeting was through hiring 10 security guards to patrol the area while the meeting was going on. Their role was to watch for burglaries and to protect the people walking to and from the meeting.

Source: Wilkinson, D., Applebee, E. (1999) *Implementing Holistic Government – Joined-up action on the ground*. The Policy Press. [www.demos.co.uk/index.htm](http://www.demos.co.uk/index.htm)

- 1.4 Whilst the problems of deprived neighbourhoods and their residents are interconnected, the public sector is organised on a fragmented and usually functional basis. There are a number of reasons why this should be so – not least because it ensures that services are broken down into manageable chunks, within which individuals can be given a definable job and specific objectives. The different local authority departments responsible for housing management, planning, economic development, education or social services, and the separate organisations responsible for health, employment, benefits or police services, have a crucial contribution to make to improve outcomes, but they have difficulty working together. These are often depicted as “silos” – long vertical towers delivering services independently of one another.
- 1.5 Just as the problems experienced in deprived neighbourhoods are connected, so there are synergies between the respective interests of the silos. For instance, it is in the interests of the police, with their remit to reduce crime, if young people are given a good education and find a job – because it means that they are less likely to drift into criminal activity. So in order to achieve their ultimate objectives, they in part depend on other service providers, like local schools and the Employment Agency. Equally, schools are likely to get better results if children’s family circumstances are improved. A person’s health influences their educational attainment and their ability to hold down a job, and is in turn influenced by the quality of their housing, the safety of the neighbourhood they live in, and the income they receive. Failures in one silo invariably have an impact on the others.
- 1.6 But public sector silos cannot achieve a holistic approach simply by re-engineering how they interact with one another. Joining up is also about a new relationship between the public sector and the individuals and communities they serve. This has a particular resonance for those in the most deprived areas, who often rely heavily on public services, whilst at the same time finding themselves excluded from the processes that shape their composition. If joining up is to bring real improvements in outcomes, the public sector must tailor its services and strategies to meet the needs and aspirations of the communities it serves. This means entering into a dialogue with local people, ensuring that services reflect their priorities, and helping them use their own resources and initiative to help themselves. Only by reconnecting with communities can this be achieved, and sustainable improvements made.

- 1.7 So there is a *prima facie* case for joining up. There are a number of potential advantages:
- By working with the communities they serve, public sector agencies can both design services to meet their needs, and harness local capacity to help effect sustainable change – by empowering them to help themselves. Some public services, because of the way they are delivered, are not understood or valued by communities and are less effective than they could be.
  - Working together, service providers can develop more flexible services that more accurately reflect the joined-up needs of “consumers”.
  - Improved co-ordination can lead to more efficient and effective services.
  - Better decisions can be made about resource allocation emphasising preventive expenditure and early intervention, rather than palliative measures, and targeting key points in the causal chains of exclusion of individuals and the decline of areas.
  - Externalities, that result from one agency making decisions that have negative implications for another, can more easily be picked up and dealt with. Actions that reinforce the work of other agencies, or help to prevent problems for them, can be given priority.
- 1.8 In theory, therefore, by working together with communities, partner agencies can improve overall outcomes, and performance in their respective areas of interest.

### WHAT NEEDS TO BE JOINED UP?

- 1.9 Deprived neighbourhoods and their residents rely particularly heavily on public services. Consequently, improvements to those services can deliver disproportionate benefits to poorer communities. The New Deal for Communities pilots are highlighting the extent to which the problems of an area often begin in service failure or neglect.
- 1.10 Action is needed on two fronts. First, to join up and target the actual delivery of services. And second, by working together at a strategic level, to create joint local and neighbourhood level plans. Coherence on the frontline and coherence of overall direction and priorities can raise different issues.

### SERVICE DELIVERY

- 1.11 Joining up services involves moving towards services that more accurately reflect the needs of the poorest neighbourhoods and their residents, and can lead to greater efficiency which in turn means that more money can be invested to improve their quality. This can move from information sharing to co-ordination to collaboration. At the most basic level, this entails ensuring that the “left hand, right hand” syndrome – whereby different public services have little idea about what the others are doing, and offer confused and limited assistance – is eliminated. For the consumer – individuals and families – who (quite reasonably) make no distinction between different public sector providers, their inability to work together can seem quite baffling. For those vulnerable individuals who need access to

them, the web of services is too often opaque, impenetrably complex, and driven more by provider considerations and budget protection than client needs. There is no map to guide users through the complexities and the web is often constructed differently from one area to another. The actions of one service provider can undo good work by another. On one visit the team was told about a family with a disabled child, who, having secured a place at a school that catered for her needs, were subsequently re-housed by the council some three miles further away from its site.

- 1.12 At the next level, joining up can mean taking a look at the range of resources available across silos, and revisiting the most effective way that services can be delivered, without undermining national priorities. Some of the other PATs have illustrated how service delivery can be improved in this way. For example, PAT 5<sup>6</sup> pointed out that because they are often in close proximity and contact with residents, housing managers could be used as a first point of contact for a range of services, if they were suitably trained. PAT 11<sup>7</sup> looked at the way schools can act as a focus for other community services, and at the scope for seamless delivery of health and social services on a school site, to improve outcomes both in education and elsewhere. The Government's "One" initiative (formerly the "Single Work-Focused Gateway") offers a streamlined and coherent package to assist the transition from welfare to work. And in a number of areas the role of community health professionals, particularly nurses and health visitors, is being developed. Examples include the new Home Energy Efficiency Scheme and housing repairs on prescription.
- 1.13 Many of the strategic decisions about the delivery of services – such as health, education and the police – are taken at the local level. Local government departments and other local agencies produce a range of plans and strategies articulating how they propose to dispose of their resources, and what action they intend to take to deal with specific issues. So if joined up service delivery is to become a reality, these planning mechanisms also need to be coherent and joined up.
- 1.14 But the strategic process is not just about joining up specific services. Local strategies are also needed to pull the weight of local agencies behind a clear vision – spanning functional boundaries – which sets out local priorities and a coherent set of outcomes to be achieved.
- 1.15 Strategies to turn round deprived neighbourhoods must go beyond management action in the immediate neighbourhood. The origins of decline can extend well beyond neighbourhood boundaries. And whilst more effective public services, with more substantial participation by users, the voluntary sector and front liners in the design, delivery and de-briefing process, have a crucial role to play, wider action is required which addresses:
- **Strong national and local economies.** Vibrant local and national economies bring many things to the neighbourhood that are much needed – jobs, services and opportunities for enterprise; they are the key to generating income from beyond the local economy and public sector inputs.

6 DETR (1999). *National Strategy for Neighbourhood Renewal: Policy Action Team 5 – Housing Management*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

7 DfEE (1999). *National Strategy for Neighbourhood Renewal: Policy Action Team 11 – Schools Plus*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

- **Improvements in wider areas.** Neighbourhoods don't exist in isolation from their wider areas. The “dynamics of place” – or city wide improvements – matter. Neighbourhoods also need to be linked into the markets, the prosperity, the culture and the services of their surrounding areas; and
  - **Governance and empowerment.** Residents need to be given both opportunities to be part of local decision-making, and to generate, run or influence solutions to their own problems.
- 1.16 Together these approximate to a “whole system”. Each dimension, despite being an essential component, is not the whole of the challenge. So it is important not to confine the issues within a purely managerial perspective. Progress on any of the dimensions may depend on understanding the links with the other three. It is likely, as in the past, to depend on many agents of change, not all of them ordained or controlled by central government.
- 1.17 Holistic government in particular places cannot be imposed top-down from a distance. If frameworks for co-operation are to be effective, they need to be more than lists of externally imposed priorities. They must also reflect the whole needs of communities and the priorities of local people. Joined up working must create room for personal initiative and creativity.

#### Joining up in action: Angela Lennox

Ten years ago, Angela Lennox, a GP, joined a practice on one of the most deprived inner-city estates in Britain. She soon began to realise that if she was going to make an impact on the poor health of the population she would have to rethink her whole approach to being a GP, starting with her professional medical priorities.

Forty years ago the St Matthew's estate in Leicester was one of the many new estates heralded as the answer to the slum conditions and poverty of the past. Sadly, and in common with so many similar ill-fated projects, it is now better known for its progressive social and economic decay. One survey in 1996 found it to be the second poorest estate in the UK where:

- 84% of the population of 4,000 are on housing benefit;
- the estate is held in low esteem and personal safety and theft are a continuous threat;
- 60% of children live in families headed by a lone mother;
- people leave as soon as they can resulting in 60% turnover in local schools.

In her early days she was faced with local hostility, violence to medical staff, and low turn-up to appointments; in short, a disconnection from the very patients she was supposed to help. She decided that she either had to leave for an area where patients more materially fitted perceived medical priorities, or she had to rethink her whole approach. The framework of financial and professional incentives all pointed towards a move to the more leafy suburbs. So she stayed.

The focus of the change was to start to understand the world through the eyes and experiences of local people. They saw their health needs as a result of living in stressful conditions, lack of money, fear for their own and especially their children's safety, bringing up young children alone and so on. Through this she saw that to improve health, she had to be equally interested in employment, community safety, housing, social welfare and education. “Cynics say to me that it's not my job to bring employment to the area” she explains. “And they're right – except that to improve health here I must improve employment prospects. After all, why should someone even consider the benefits of not smoking, when their needs are more basic, like security for their children?”

The transformation has been remarkable. Through a mixture of hard work, determination, vision and dogged persistence, the St Matthew's project has taken off. More than £1.7m was raised to create Prince Philip House, a multi-agency centre, where a whole range of relevant services and community activity are interwoven. Primary health care operates alongside the local police office, a drug and alcohol advice centre and benefits centre, dental health, mental health, chiropody, speech and language therapy and community paediatric services. The centre has close links also to the local technical colleges, schools, housing office, residents' associations and churches.

"The key to success has been the involvement of local residents" says Angela Lennox. Solutions to problems come from the community, with professionals there to support them. A process of active learning is encouraged between residents themselves and between residents and professionals. Residents will visit other areas to learn about what they have done and how this might be applied to their situations. And of course, Angela Lennox's own 10-year journey has been one of learning and relearning every aspect of her professional role – and beyond.

Characteristically, she is also a part-time lecturer at Leicester University and places a high value on this learning experience in the training of future doctors. All Leicester University medical students spend part of their course with estate residents and support workers, developing a realistic picture of the estate's problems.

Source: Wilkinson, D. Applebee, E. (1999) *Implementing Holistic Government – Joined-up action on the ground*. The Policy Press. [www.demos.co.uk/index.htm](http://www.demos.co.uk/index.htm)

## Key points in Chapter 1

- Joined up local strategies and better, more joined up, public services are essential for tackling social exclusion in deprived neighbourhoods.
- People in these areas depend more on public services, the services are under greater stress, and their failure matters more because choice and alternatives are limited.
- Action is needed at neighbourhood level to break the cycle of exclusion and poverty, it needs to focus on prevention, to involve the communities themselves, and to leave room for personal initiatives and creativity. It must not be too top down.
- Neighbourhood level action and improved public services needs to be augmented by action to address wider factors:
  - International, national and regional macro-economic factors – and in particular structural labour market issues.
  - The dynamics of place – or the success or otherwise of the wider area – often a city or city-region.
  - Governance and empowerment – the extent to which existing power structures aid or hinder effective action, and communities themselves are empowered to help themselves.

## SECTION 2

### Lessons from the past and present

- 2.1 Joined up action to deal with the problems of poor neighbourhoods is not a new proposition. Despite the belief that the “cradle to grave” welfare state would resolve poverty and inequality, the problems depicted in the SEU’s report on “Bringing Britain Together”<sup>8</sup> have been with us for decades. These problems are often deeply ingrained. Research by Robson (1998)<sup>9</sup> into the socio-economic conditions of English urban areas indicates a persistence in the pattern of deprivation over the past decade in the most deprived districts. In the past thirty years there have been successive government initiatives addressing community development, inner city decline, social need, regeneration, areas of poor housing and other spatially concentrated forms of disadvantage. Most have recognised that problems are interrelated, and that joint action is necessary to tackle them.

#### EVALUATION OF PAST INITIATIVES

- 2.2 PAT 17 commissioned a report from Professor Murray Stewart, which includes a short history of area regeneration, a look at social exclusion, and a discussion of joined up working in theory and practice.<sup>10</sup> The Bibliography lists other reviews of past policies and programmes.
- 2.3 We picked out eight key reasons why past policies have often failed to translate into significant improvements in the worst off areas.
- **Economic decline outstrips attempts to regenerate.** Small area initiatives cannot be expected to address structural problems. In the 1980s, successive evaluations found that wider regeneration initiatives failed to “trickle down” to the most deprived areas. A major recession or withdrawal of a major employer can reverse years of area-based intervention. Power and Tunstall’s 1995<sup>11</sup> study found that area based initiatives can prevent further decline, but that they were “swimming against the tide”.
  - **Mainstream services have failed to deliver.** The failure of the public sector to effectively modernise and make better “joined-up” use of scarce resources has meant that area-based initiatives have often simply plugged the gaps in mainstream service provision. An emphasis on core business and robust accountability mechanisms in the 1980s re-focused the public sector around the delivery of quality basic services, but reinforced silo mentalities. In some areas this has been compounded by population decline that has led to a commensurate reduction in available resources, but left a rump of some of the most marginalised members of society in vulnerable communities.

8 Social Exclusion Unit (1998) *Bringing Britain Together: a national strategy for neighbourhood renewal* Cm 4045, TSO. [www.cabinet-office.gov.uk/seu/1998/bbt/nrhome.htm](http://www.cabinet-office.gov.uk/seu/1998/bbt/nrhome.htm)

9 Robson, B. et al (1998) *Updating and revising the index of local deprivation*. DETR.

10 Summary is at Annex B; full text at [www.detr.gov.uk](http://www.detr.gov.uk)

11 Power, A. and Tunstall, R. (1995) *Swimming against the tide: Polarisation or progress on 20 unpopular council estates* Joseph Rowntree Foundation.

- **Lack of joining-up.** The absence of integrated working is long-standing and culturally embedded in parts of central and local government. Research suggests that even the most radical programmes have been undermined by people in senior positions who felt threatened by them (Pollitt et al., 1998).<sup>12</sup> Middle managers have also come in for criticism. Incentives and rewards for managers and front line staff have not done enough to facilitate change. The ESRC Whitehall programme<sup>13</sup> has confirmed the difficulties in co-ordinating and pulling together activity – both between Departments and between increasingly fragmented delivery systems.
- **Partnerships have been dominated by the funding game.** Targeted funds can be a very welcome supplement to mainstream funding, and act as a powerful incentive to bring agencies together. But the bidding process can detract from focus on the actual purpose of the project. Partners have sometimes come together mainly for the money, and coherence has been lost as they share out of the loot. And once the money runs out, changes have not been absorbed into mainstream activities.
- **Lack of clarity about purpose.** There has often been a lack of clarity about basic intentions and objectives (joined up working for what?). There is an inherent tension between concentrating on areas or people: partnership working is sometimes most effective around particular groups (especially minorities); equally, are we about equipping people to move out of the most deprived neighbourhoods? This is compounded by confusion about the nature of initiatives themselves – their purpose, and whether resources are for experimentation or supposed to address the scale of the problem. And it is not clear how pilots can and should be rolled out.
- **Central government policies and practices that militate against joining up.** Rigid silo-based accountability mechanisms and spending rules have limited the scope for joining up and have a direct bearing on the attitudes of senior and in particular middle managers. Centrally imposed targets can leave too little room for local flexibility, and instead of focusing on key outcomes and outputs, have often been represented in “thin, quantitative and procedure terms” (Hambleton et al 1997).<sup>14</sup> And an emphasis has been placed on achieving silo-based targets, which are often short term and can militate against working towards longer term outcomes needing cross-cutting action. Central government itself has not been joined-up, with no coherent picture of priorities emerging from the welter of competing initiatives and targets emanating from individual departments. The move towards executive agencies, purchaser provider splits and externalisation of services in the 1980s brought some efficiency gains, but often at the expense of further fragmentation.

12 Pollitt, C., Birchall, J. and Putman, K. (1998) *Decentralising Public Service Management*. Macmillan

13 ESRC Whitehall Programme. Programme Briefings.

14 Hambleton, R., Hoggett, P. and Razzaque, K. (1997) *Freedom Within Boundaries: developing effective approaches to decentralisation*. Local Government Management Board

- **Communities remain marginal.** Even where targeted programmes have stipulated community involvement there remains an imbalance of power between communities and the voluntary sector on the one side, and professionals in public sector bodies on the other. On a wider scale, mainstream services have failed to connect with the public they serve. Inflexible systems have failed to encourage innovation, self-reliance, community ownership and the growth of a civil society. And confusion remains about the role of the private sector.
- **Change has not been sustainable.** Partnerships require time to develop, and building confidence, skills and trust in local communities requires patience. But political pressure is for quick results. In the 1980s an emphasis on physical renewal and capital expenditure was not backed up with the long-term revenue funding that was needed to improve services and sustain change. If adequate time is not allowed, partnership only runs skin deep while community involvement is confined to the “usual suspects”. Capacity building needs to be on-going.

## ASSESSMENT OF THE IMPACT OF URBAN POLICY

2.4 An evaluation of the overall impact of government urban policy completed in 1996 recommended:

- Effective coalitions of actors within localities, preferably in structures and mechanisms stimulating long-term collaborative partnerships.
- Local authorities – as enablers and facilitators – should be given greater opportunities to play a significant part in such coalitions.
- Local communities need opportunities to play roles in such coalitions. Specific resources are needed to build community capacity to contribute.
- Greater coherence of programmes between and within government departments, with more emphasis on strategic objectives to guide departmental priorities. Area targeting was important to linkage between programmes and additionality. Creative linkage of policy instruments would be helped by increasing the flexibility of expenditure through a more relaxed approach to virement.
- There should be less ambiguity in the targeting of resources. There should be an urban budget administered at regional level to improve co-ordination.<sup>15</sup>

2.5 The setting up of the Single Regeneration Budget (SRB) was in part a response to these recommendations. The need for partnership convened by local authorities but including other key public sector agencies and building up community capacity, to help focus action on real needs and reduce polarisation, remains fundamental.

15 See Robson, Parkinson, Robinson and others (1994) *Assessing the Impact of Urban Policy*. DoE.

### We are not alone: we may be ahead!

Recent research from the European Institute of Urban Affairs, Liverpool John Moores University, assesses the development of national strategies for area-based responses to social exclusion in four major European centres – Lille, Dublin, Rotterdam and Copenhagen. Compared to France, Denmark, The Netherlands and Ireland it finds that Britain is leading, not lagging, in designing area-based programmes. Key features of recent initiatives – creating partnerships, integrating the public sector and linking area-based to wider city and regional strategies – are common to all four countries, and in each are proving as great a challenge to deliver. The need to integrate area-based programmes with wider conurbation or regional strategies is a challenge everywhere, since “the overall architecture of urban policy is becoming increasingly confused”. The successes and failures of European experience suggest that central departments must act more coherently at the area level, national commitments to local partnerships must be substantial and long term, and the wider policy framework is crucial to reducing exclusion.

Source: Parkinson, M. (1999) *Combating social exclusion; lessons from area-based programmes in Europe*. The Policy Press [www.jrf.org.uk/housing/hr\\_838.html](http://www.jrf.org.uk/housing/hr_838.html)

## CONTINUING CHALLENGES

- 2.6 Some of the lessons from this experience have already been acted on. The introduction of Government Offices and the Single Regeneration Budget began the process of joining up centrally. And partnership working has been furthered by Drug Action Teams, Youth Offending Teams, and work on health improvement and crime and disorder. Meanwhile the New Deal for Communities, Sure Start and later rounds of SRB have introduced a greater community focus to initiatives, and all three allow for lead-in periods for capacity building.
- 2.7 On a wider front, the local government modernisation programme, discussed in Section 4 and in detail at Annex A, promises to revitalise local democracy and improve local services. These reforms are part of a programme of modernising government that stresses the need for greater coherence and joining up. Elsewhere, reform in education, health and in particular welfare to work will provide a positive context within which neighbourhood renewal can be taken forward. The Regional Development Agencies, with their remit to further economic development and regeneration, will also play a key role in ensuring opportunity is extended to the most deprived areas. They will be helped by a continuing period of economic growth and stability.
- 2.8 Notwithstanding all of the above, some complex issues still need to be addressed:
- **The proliferation of partnerships.** Many areas are involved in a number of area based initiatives, some of them coterminous, many of them overlapping and of differing scales and with different boundaries. Many of the initiatives have similar aims but differing bidding systems, financial regimes and evaluation methodologies.<sup>16</sup> This needs to be given some strategic purpose.
  - **The pace of change.** Local agencies are struggling to keep up with the pace of reform, and some front line workers (and others) are becoming bewildered by the number of new initiatives being thrust in their direction – the problem of “initiativitis”.

<sup>16</sup> DETR (2000) *Co-ordination of Area-based initiatives: Research working paper 1*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

- **Still too much central direction and regulation.** Guidelines from the centre still seem to many people at local level to reflect the old “control” culture. A major challenge for the national strategy is to correct this.
- **Lack of coherence in government.** The regional picture appears muddled to some local agencies, particularly since the introduction of the Regional Development Agencies, (which now have responsibility for the Single Regeneration Budget, whilst New Deal for Communities remains in the hands of Government Offices). There is still a feeling that central government does not trust its local counterparts to do “the job”. And central government itself can still present a muddled picture of priorities – for example, on the one hand emphasising local joining up, and on the other ring-fencing resources so that they cannot be used flexibly.
- **Targeting resources.** Despite the proliferation of area-based initiatives, they still only cover a fraction of the neighbourhoods in need of help. Sustainable change will require a means of targeting many areas outside those yet chosen for special initiatives – and this means using mainstream money more effectively to take preventive action.

## LOCAL INITIATIVES

2.9 Discussions about initiatives to tackle social exclusion and neighbourhood renewal can lose sight of the fact that plenty of relevant activity goes on outside central-government led programmes. There is much to be learnt from what is being done at the local level through local initiative – not least because this informs central government about what it needs to do to facilitate change.

2.10 To assemble a picture of the practice of leading local authorities, a DETR research team examined the activities of a series of local authorities who were identified as having significant experience of social exclusion policy activity.<sup>17</sup> A summary of this is at Annex B, and the full text of the report can be found in the PAT 17 research findings report.<sup>18</sup> A number of key points emerge from the research:

- **There is much activity already taking place at the local level with regard to tackling social exclusion.** Evidence from the survey revealed that 95% of respondents had a formal written corporate plan for tackling deprivation, of which 66% had created, or were in the process of creating, a specific plan for tackling social exclusion.
- **There is a need for appropriate departmental and committee structures to foster joined-up working and leadership.** A number of the authorities identified the creation of strategic capacity as a key stage. It serves both to raise awareness across the authority of the importance of social exclusion as a corporate priority, as well as facilitating cross-department and cross-agency forums for ensuring service delivery reflects those priorities.

17 Local authorities were identified from information held by the Improvement and Development Agency’s anti-poverty database of local activity.

18 DETR (2000) *PAT 17: The evidence base*. [www.detr.gov.uk](http://www.detr.gov.uk)

- **The importance of an authority-wide plan in giving corporate focus and expression to social exclusion activity.** Authorities stressed the role of the plan, and the process of producing it, in providing a focus to, and expression of, the authority's commitment to tackling social exclusion. For example, Coventry have used the process of drawing up their Community Plan as a method of obtaining agreement across agencies about the key priorities for the city, as well as developing community-based teams to identify locally-based action plans for implementation.
- **Local area-based planning and delivery arrangements can be a focus for activity.** A neighbourhood level approach to tackling social exclusion and ensuring that service delivery is responsive to the needs of particular deprived neighbourhoods has been developed in a number of the case study authorities. Where authorities have developed neighbourhood-based strategies or plans, many have also appointed neighbourhood champions or managers at frontline levels, though this has normally been a member of local authority staff. Best Value reviews focused on neighbourhoods and areas are an alternative to reviews based on services or departments.
- **There is a need for partnership working to understand, plan and implement policies for social exclusion at the neighbourhood level.** The vast majority of respondents within the research stressed the importance of working corporately – across agencies and departments – to develop and implement their approaches to social exclusion. The multi-faceted nature of the problem was the most frequently cited reason for doing so, though the need for pooling of budgets, staff and information remained key reasons. The depth and scale of partnership working vary, with fewer using such vehicles to develop shared evaluation or pooled budgets.
- **Local strategic partnerships can play an important role in links between strategic and neighbourhood levels.** A number of the authorities identified the need to ensure that activity focused upon particular neighbourhoods is fully integrated within a broader strategic partnership, which helps to ensure that appropriate links are drawn between the wider work of the local authority and other agencies.
- **Data is an important *operational* tool.** Analysis of data relating to the level and incidence of social exclusion was viewed by local authorities as an important operational tool. It serves as an intelligence source for identifying needs, prioritising and targeting service delivery, and as the basis from which to target bids for external resources.
- **Data is an important *partnership* tool.** *Shared* data and needs analysis can serve as the basis for creating and cementing cross-agency partnership working to arrest deprivation – by identifying the inter-related nature of social exclusion.
- **It is important to bend resources and services to achieve wider social exclusion objectives.** The large majority of authorities within the research recognised the necessity of bending their activities towards certain groups of people or geographical areas that suffer from poverty and deprivation. A number of the case study authorities sought to “piggy-back” social exclusion into mainstream service delivery, whilst others argued the need for a more profound, and visible, solution to avoid it being seen as merely another ‘factor’ in the decision framework.

- **The extent, and form, of specific performance measurement and monitoring is relatively limited.** At present, local authorities do not undertake evaluation and monitoring of their activities *specifically* designed to counter social exclusion to any significant extent. The research revealed over half (54%) indicated that they attempted to measure the impact, though only one-third (37%) reported that they utilised both output and outcome measures of performance. Whilst many of the performance measures adopted by local authorities relate to outputs, a number of authorities have made attempts at identifying outcome indicators.
- **There is very little progress currently amongst local authorities in relation to identifying levels of resources going into deprived areas.** Very little work is currently undertaken by local authorities to identify the level of resources committed to tackling deprivation, either amongst particular groups of people or within particular geographical areas. Further, all authorities reported that current methods for recording expenditure did not permit small-scale (ward level or below) analysis. Extensive research undertaken by Bramley et al (1998) (see box) reveals the analytical utility of such information, and the evidence that although disadvantaged areas benefit to an extent from higher levels of public expenditure than the national average, much of the additional expenditure is made up of benefits, not better services.

#### Public expenditure in deprived areas

A study of patterns of expenditure in Brent, Liverpool and Nottingham, found that expenditure per head is about 17% above the national average in the case study cities (c30% in Liverpool, c4–7% in Brent and Nottingham). With wide variations around the average, spending in the most deprived wards was about 45% above spending in the least deprived.

The spending most strongly skewed to the deprived wards were means tested social security, social services for children, housing, regeneration and environmental capital spending.

More moderately skewed services were disability benefits, most social services, primary, special and further education, and bus subsidies.

Those with a relatively flat pattern of expenditure include health and secondary education.

Those giving most benefit to affluent areas included higher education, roads, rail subsidies and pensions, although when allowance is made for age structures health and pensions expenditure is more favourable to poor areas, education expenditure less so.

Source: *Where does public spending go? Pilot study to analyse the flows of public expenditure into Local Areas*, Glen Bramley and others, 1998. The study analysed data from the 1995-96 financial year.

## SOME LESSONS FOR THE FUTURE

- 2.11 Our specific findings and recommendations are dealt with in the following sections of the report. However, we have identified seven themes, or principles, which underpin much of what follows. These concepts should, in our view, underpin the National Strategy as a whole.
- **Empowerment is essential.** Solutions often need to be “bottom up”. Empowered communities can shape integrated responses and action. Empowered users can shape holistic services. And empowered public sector workers are more likely to be creative and to adopt a “can-do” approach.

- **Leadership** and commitment is needed at all levels of government, and all levels within organisations, to drive through change.
- **Prevention is better than cure.** Early, consistent, and holistic responses to “whole” neighbourhood problems are needed before radical remedial interventions become the only option. Healthy, customer-focused public sector agencies would have less joining up to do.
- **A radical change of culture is needed.** The outlook of public sector agencies needs to go beyond silo-based processes and outputs – a new focus on outcomes or “well-being” across silo boundaries is needed. This means breaking down ingrained attitudes and re-defining what kind of behaviour and achievement is rewarded.
- **All levels of government need to be involved.** Neighbourhoods cannot find the solutions to their problems alone. Some of the factors that underpin the decline of certain areas – like structural economic problems and urban decline – can only be dealt with elsewhere.
- **Mainstream services and policies are the key.** However well area-based initiatives perform, sustainable and widespread change will only occur if mainstream policies and services are re-engineered to effect change.
- **Central government must facilitate change.** Local agencies need flexibility to adapt to local needs and join up. Prescription from central government, particularly on budgets, must be reduced. Central government needs to be “tight” on key outcomes and performance, but flexible about how they are met. It is also important that local partnerships are given room to develop programmes to meet local priorities.

## Key points in Chapter 2

- Past initiatives have had some success but the large gap between the poorest areas and the rest remains.
- There are a number of key factors why past initiatives have not closed the gap between poor areas and the rest. Local economic decline has often outstripped attempts to regenerate, mainstream programmes have failed to deliver and well intended initiatives have not been joined up or sustained.
- There are signs that many of these concerns are being addressed. And there is a real impetus for change – as much from the bottom up as the top down.
- Our research suggests that community plans are important to focus activity, neighbourhood-based activity can and is being used to facilitate change, and it is important to bend mainstream programmes to break down social exclusion.
- Future strategies for neighbourhood renewal should be underpinned by the following principles:

- Empowerment is essential. Empowered communities can shape integrated responses, and empowered front line workers are more likely to be creative and adopt a “can-do” approach.
- Leadership and commitment are required at every level.
- Prevention is better than cure. Healthy consumer-focused services and strategies would have less joining up to do.
- A radical change in culture is needed. The outlook of the public sector, and its workers, needs to go beyond silo-based inputs and outputs to look at outcomes.
- All levels of government need to be involved. Neighbourhoods cannot be expected to find solutions to all their problems. Some factors – like structural economic decline – can only be dealt with elsewhere.
- Mainstream policies and continuous improvement in basic services are crucial. Sustainable change cannot be effected by Area-based initiatives alone.
- Central government must facilitate local joining up. Excessive prescription is counter-productive. Government policy needs to be “tight” on required outcomes, but flexible about how change is delivered and targets are met.

## SECTION 3

### Use of data and targets

#### DATA

- 3.1 Data can be used to diagnose needs, to help decide priorities, to target activity and to monitor progress. PAT 18 was asked to investigate how to get better information about the social and economic conditions within poor neighbourhoods – what might be termed ‘Neighbourhood Statistics’. Their remit was confined to sharing *anonymised* data for *statistical purposes*, rather than the issue of agencies’ sharing data about *named individuals*.
- 3.2 Our particular interest is in the role of data in facilitating joining up. Better “management” use of data, across silo divides, can play a key role in ensuring that respective public sector workers understand the perspective and input of others dealing with related issues. For example, many different agencies are involved in trying to help vulnerable families – social services, education, different housing providers, the Benefits Agency and so on. At present, there is often potential for these agencies to concentrate on their own narrow responsibilities, without talking to one another. This leads to limited and splintered services, which fail to adapt to the needs of the people they serve. For the most vulnerable members of society, who are often concentrated in the most deprived areas, the failure to join-up these services can make the difference between slipping through the net and inclusion.

#### Young Citizen’s Programme – Hertfordshire

The Young Citizen’s Programme (YCP) has developed an innovative approach to the identification and engagement of young people at risk. YCP holds a database of pooled information that comes from sources such as social services, the police and the education welfare service. The information includes simple details of why the child is known to a particular agency. Once a child is deemed to be at risk, the YCP gains permission from one of the information owners and the parents to contact the individual child.

The commitment to engage is purely voluntary, yet three quarters of all children targeted have agreed to take part. In addition, in summer 1998 100% of siblings of the children contacted took up the offer of support as well. The project also has access to a geographical mapping system that can identify clusters of young people at risk. This has highlighted several ‘hotspots’ which could be targeted through area based interventions.

Source: Bentley, T and Gurusurthy, R. (1999). *Destination unknown – engaging with the problems of marginalised youth*. Demos. [www.demos.co.uk](http://www.demos.co.uk)

- 3.3 Moreover, shared data can help the public sector and its partners create services that present a joined-up face to the general public. This means re-engineering services across agency boundaries to provide a seamless interface. Examples of this include “One Stop Shops” and the Government’s “One” programme. Again, because the most deprived often rely on these services, they often have most to gain by improvements.

- 3.4 As the Modernising Government White Paper<sup>19</sup> spells out, use of shared information is essential if joined-up government is to become a reality. Four issues need to be dealt with. First, data protection is sometimes perceived as a significant barrier, when it should be seen as an objective of information age government rather than an obstacle to it. Data protection law does not prevent information sharing which has a lawful basis: it simply regulates the manner in which such sharing takes place. But many agencies remain unclear about how to carry out data sharing in accordance with data protection legislation.

**Recommendation 1: Guidance should be produced on the sharing of data on individuals.** (This is also a recommendation of PAT 18 (Better Information), which focused on sharing aggregated data about areas.)

- 3.5 Second, technical barriers to joining up are an issue. This is also being addressed through the Modernising Government programme. Cross-departmental guidelines, which are being established, will help central government and its agencies to join up. The Central/Local Information Age Government Concordat will encourage innovation and co-operation between central and local service providers, is intended to drive up technology standards across the public sector, and will provide new potential for joining up delivery systems.
- 3.6 There are also significant *cultural barriers* to bridge. It is essential that different agencies *understand* the synergies between their respective agendas and therefore understand the need to work together to achieve outcomes.
- 3.7 Finally, more awareness is needed of the potential of Information and Communication technologies – through fairly basic functions like email through to using ICT as a joined-up interface with the public. This is being taken forward by the Modernising Government programme. This report touches on the importance of using ICT, and in particular websites, to disseminate best practice, in Chapter 6.

## TARGETS TO IMPROVE MAINSTREAM SERVICES

- 3.8 Deprived neighbourhoods, and their residents, often rely heavily on mainstream public services, like social services, education and the police. When they fail – as is too often the case in the most deprived areas – the most vulnerable are the worst hit. So one of the main priorities for the National Strategy should be to ensure that services in the most deprived areas are improved. Decent basic joined-up services must provide the foundation on which “special” targeted initiatives can build.
- 3.9 One way to help improve these services is to use performance targets. Central government already has in place an enormous range of measurements to examine the effectiveness of central and local programmes, and sets targets for improvement. Local bodies also set their own targets, based on local priorities. These targets play a crucial role in shaping the outputs of public services, but they are not at present sufficiently sensitive to the relative performance of services in the poorest neighbourhoods.

<sup>19</sup>Cabinet Office (1999). *Modernising Government White Paper*. TSO. [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)

### Public Service Agreements (PSAs)

- 3.10 PSAs state the main aims and objectives of government programmes, and set targets which are linked to the budgetary process. The framework of PSA targets derives from the Comprehensive Spending Reviews initiated by the government in its first year of office.
- 3.11 One way to help ensure that deprived neighbourhoods are targeted through mainstream programmes would be to give individual departments sub-targets of their main PSA targets.
- 3.12 Whilst disaggregated service-based PSAs can be used to drive change, many of the joined-up problems of deprived areas require the contribution of several departments. It makes sense, therefore, as far as possible, to ask all of the relevant departments to put their weight behind policies and programmes to deal with cross-cutting issues like neighbourhood renewal. At present, however, Public Service Agreements are, with few exceptions single service or single theme. Only some 15% of targets require shared action, 8% acknowledge the need for co-operation, although this may be implicit in many others.
- 3.13 There is an opportunity in the Year 2000 Spending Review to address the scope for more cross-cutting PSAs, and to work out how PSAs can better reflect progress in deprived areas. National targets could have a powerful effect on binding central government into improving outcomes at a local level. But they need to be developed in consultation with local partners and need to recognise that several factors are responsible for particular outcomes. The 'Neighbourhood Statistics' proposed by PAT 18 would provide a profile of the multiple factors which underpin particular outcomes such as unpopular housing or high crime. So our next recommendation is that:

**Recommendation 2: The current review of Government Interventions in Deprived Areas (GIDA) should set individual central government departments targets for performance in deprived areas as part of their Public Service Agreements (PSAs); and examine the scope for cross-cutting PSAs at national and local level.**

### Cascading Top Level Targets

- 3.14 Top level goals need to be cascaded down into compatible and mutually reinforcing objectives for regional and local bodies whose collaboration is required to achieve cross cutting policy goals.
- 3.15 Both the Cabinet Office Measurement and Performance Project (MAPP),<sup>20</sup> and the recent PIU "Wiring it up" study,<sup>21</sup> have looked at how this might work in practice and, in particular, ways of improving the use of performance measures to support partnership working.
- 3.16 A number of themes have emerged from this work. Greater clarity is needed about the requirements placed on local agencies, and their room for manoeuvre. On targets, where *outcome* targets are set, local agencies should be free to determine the *outputs* needed to meet these. And where *output* targets are stipulated, central government should accept responsibility for unwanted *outcomes*, or externalities. The PIU study also made clear, as does the framework for Best Value, that targets need not flow from the centre – that is, there should be scope for "bottom up" indicators reflecting local priorities.

20 The MAPP interim report is available on the web at: [www.cabinet-office.gov.uk/eeg/1999/maff.htm](http://www.cabinet-office.gov.uk/eeg/1999/maff.htm)

21 Performance and Innovation Unit (2000) *Wiring it up. Whitehall's management of cross-cutting policies and services*. TSO. [www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

- 3.17 For neighbourhood renewal, it is particularly important that national indicators and targets are complemented by indicators developed locally. The emphasis on consultation in best value allows for this.
- 3.18 Targets should make local service providers accountable for the effective use of resources to secure outcomes. As far as possible there should be local choice as to *how* that change can be delivered.
- 3.19 Outcome targets which measure changes in the state of employment, public health or crime in poor areas would, however, require three things if they are to be interpreted as a test of the effectiveness of intervention:
- Regular and up-to-date measurements of change in socially excluded areas.
  - An understanding of the contribution of respective interventions to achieving these outcomes.
  - Some means of quantifying extraneous factors – like population mobility and economic factors outside the control of local agencies – so that they could be taken into account in any evaluation of progress.
- 3.20 This raises some difficult questions. First, despite 30 years of policy addressed to reducing deprivation or exclusion, relative deprivation tends to persist in the same places. Closing the gap with surrounding areas will be a challenging and long term process.
- 3.21 Second, there is no robust mechanism available to discount the net effect of extraneous factors, such as population mobility. The PAT 7 (“Unpopular Housing”)<sup>22</sup> study of twelve deprived neighbourhoods indicated an average one-year turnover rate of 18%: a staggering 35% in the neighbourhood studied in Liverpool. The highest rates of mobility are in the most deprived areas, and the difference is largely accounted for by movement or new household formation of young and low income people. DfEE research also suggests a high turnover rate of pupils in deprived areas: 10–20% in primary schools in “urban areas”.<sup>23</sup> It is therefore quite reasonable to conclude that neighbourhood level outcome measures could fail to reflect improvements fostered by intensive interventions. The result of those interventions could be that people gained the means to move out (perhaps by gaining employment) whilst other more disadvantaged households form or move in. Whilst changes to housing policy advocated by PAT 7 should help, population mobility is likely to remain a complicating factor.
- 3.22 Equally, it would be difficult to assess the performance of a Health Authority in a deprived neighbourhood on outcome measures alone. The timescale for impact of preventive measures may be very long-term, and within that term the population may have changed many times over. This does not undermine the fact that identifying a public health issue or problem in a deprived neighbourhood – such as the high incidence of a particular disease in a particular group, or a shortfall in a particular type of provision – can transform service provision and provide a goal for improvement.

22 DETR (1999) *PAT 7 Unpopular Housing*. TSO. [www.housing.detr.gov.uk/local/pat7/index.htm](http://www.housing.detr.gov.uk/local/pat7/index.htm)

23 Dobson, J. and Henthorne K. (1999). *Pupil mobility in schools*. Department for Education and Employment Research Brief No. 168. DfEE. Also see: Power, A and Mumford, K (1999) *The Slow Death of Great Cities*. YPS. page 38.

3.23 Consequently, whilst "state of the neighbourhood" outcome indicators will be a valuable means of focusing action and setting goals, it is not clear that they will always be a fair or accurate representation of the local policy input.

### **Best Value**

3.24 In the absence of great confidence that outcome measures will always provide a robust framework for measuring progress, we looked at the potential of the performance framework being set up for Best Value to measure service quality, access and cost factors, and to set targets for improvement.

3.25 Because Best Value will improve service delivery across local authorities as a whole, it should serve to improve them in the most deprived neighbourhoods. And guidance accompanying legislation<sup>24</sup> makes it clear that authorities should conduct reviews and set targets with a view to improving services for all members of their communities, but particularly the most disadvantaged.

3.26 Such is the importance of local authority services to deprived neighbourhoods, there is a strong case for building into best value performance indicators a stronger framework for monitoring programmes in the poorest neighbourhoods.

3.27 One option is to break down Best Value indicators to the neighbourhood level and ask local authorities to set targets for most deprived neighbourhoods – to narrow the gap in the performance of key services between them and the rest.

3.28 The rationale for this is twofold:

- First, improvements in the performance of public services are essential if these neighbourhoods are to be turned round. Challenging Best Value targets for these neighbourhoods would be a good way of driving up standards.
- Second, some of the core National Best Value performance indicators reflect precisely the kind of priorities that will be needed to improve outcomes on poor estates. They can often be improved only by joint action, or by action targeted at particular schools, places or estates. Setting targets for improvement which seek to close the gap between poor and prosperous neighbourhoods could produce a driver for change and shifts in main programme priorities – the missing factor in many regeneration initiatives to date.

3.29 If satisfactory local measures can be agreed, Local Authorities would publish "neighbourhood" indicators in Local Performance Plans, alongside authority-wide figures. The Best Value Inspectorate would be responsible for ensuring that the disaggregation of indicators and targets was done on a sensible basis – i.e. it reflected local perceptions of what constituted a neighbourhood or community – and evaluating performance in these neighbourhoods in the same way as it would for authority-wide services. If services were deemed to be failing deprived neighbourhoods, authorities could be supported to improve. And in the final analysis, if progress is still not made, Ministers have powers of intervention to secure improvements.

<sup>24</sup> DETR. *Local Government Act 1999: Part 1 Best Value. CIRC 10/99*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

- 3.30 Whilst it is clearly desirable that Best Value authorities build up a clear picture of the quality of key services in deprived areas as soon as possible, it is important that the burden placed on local agencies is not excessive. This needs to be explored in greater depth.
- 3.31 The DETR with other Government departments, the Audit Commission and in consultation with local authorities is arranging work to assess the practicality and suitability of collecting some of the Performance Indicators for services including education, housing, social services and the police in a way that traces the relative performance of services in poor neighbourhoods. The aim will be to keep extra collection costs to a minimum.
- 3.32 In addition, local and police authorities should be encouraged to set their own indicators to measure performance in deprived areas, reflecting their particular needs and priorities.

**Recommendation 3: Best Value authorities should be encouraged to build into suitable performance indicators facility for comparison between poor neighbourhoods and the rest.**

#### **Targets for other public sector bodies**

- 3.33 Many of the key services that affect life in deprived neighbourhoods fall outside the scope of Best Value.
- 3.34 The NHS will play a key role in improving services in deprived neighbourhoods. The White Paper *Our Healthier Nation*<sup>25</sup> set challenging national targets for improving health and reiterated the Government's commitment to tackling inequalities in health. It also emphasised the importance of assessing locally what needs to be done to reduce health inequalities and of targets being set and outcomes identified at that level.
- 3.35 Health Authorities, working in partnership with Local Authorities and others, are drawing up three year **Health Improvement Programmes** for improving health and health services locally. These will be the overarching mechanisms through which the NHS will focus on improving health outcomes and NHS services in all neighbourhoods. These programmes will include measurable targets (which could be supported by neighbourhood level action plans) and establish monitoring and accountability arrangements with local partners.
- 3.36 Progress will be measured through the **NHS Performance Assessment Framework (PAF)**. The PAF provides a means of assessing NHS performance in the round. It puts a new focus on equity, outcomes and patients' experience, alongside efficiency. It recognises in particular that the health service should offer fair access to healthcare, irrespective of geography, age, socio-economic group or ethnicity. A set of High Level Performance Indicators is published annually on a Health Authority basis, to measure progress across the Performance Framework. These national indicators are expected to be supplemented by appropriate locally developed targets and indicators, such as those included in Health Improvement Programmes. Progress against both national and local targets will be monitored and performance managed by the Regional Offices of the NHS Executive.

25 Department of Health (1999). *Our Healthier Nation: a contract for health*. TSO. Summary at [www.official-documents.co.uk](http://www.official-documents.co.uk)

- 3.37 The Employment Service also has a crucial role to play. This was recognised in the PAT 1 (“Jobs”)<sup>26</sup> report, in particular recommendation 4b:

“The aim of employment policy at local level – by whomsoever delivered – should ensure that the percentage point differential between employment and unemployment in the most disadvantaged wards and the average for the local authority district concerned is halved by 2010.”

- 3.38 It is essential that these and other relevant services are also focused on renewal and, as a consequence, that their performance in deprived areas is monitored in a similar way to that of Best Value authorities, outlined above.

**Recommendation 4. For all relevant public sector agencies, the aim should be to ensure that performance management systems include information about effectiveness in deprived neighbourhoods, so that relevant targets for improvement can be set. This should be taken forward by the GIDA review.**

#### **Perverse incentives**

- 3.39 Some of the performance indicators that central government asks local agencies to compile can have perverse effects – that is, they actually discourage efforts either to join up (by addressing silo-based activity) or to target deprived areas. The LGA Hearings on partnership working at the local level (see Chapter 6) revealed that local workers consistently cited prescriptive national indicators as measuring the wrong things, or over-riding local priorities and joining up. One example quoted was the imposition of targets on car crime and drugs on a local Crime and Disorder partnership, which did not reflect the priorities reached on the basis of a local crime audit.
- 3.40 Aligning performance management systems with responsive social inclusion policies that listen to communities means leaving space for local indicators of need and local priorities. It also means keeping an eye open for perverse impacts stemming from national performance frameworks.

**Recommendation 5. The audit of performance indicators GIDA review should include a specific look at perverse incentives.**

## Key points in Chapter 3

- Consistent, reliable and accessible *data* is a key requirement to developing joined up thinking and doing. Data can help identify needs and issues, inform policy, set national frameworks and remove obstacles. It is a basic requirement of any improved structure.
- Sharing data on individuals can help local agencies to join up their services. Whilst there is a need for privacy safeguards, more could be done. **Local public sector bodies need more guidance.**

<sup>26</sup> DfEE (1999) *Policy Action Team 1 – Jobs*. TSO. [www.dfes.gov.uk/jfa/contents.htm](http://www.dfes.gov.uk/jfa/contents.htm)

- *Targets* play a key role in articulating the aims of public sector agencies, and monitoring their progress.
- At the central government level, Public Service Agreements (PSA) set out the main aims and objectives of government programmes, and are an important driver of delivery. **Broken down targets for performance in deprived areas and a cross-cutting public service agreement around neighbourhood renewal should be explored in the Y2K review.**
- Ideally, locally owned *outcome* targets measuring levels of public health, crime and unemployment should be at the heart of local efforts to effect neighbourhood renewal, but it is often difficult to identify and subtract the effect of wider extraneous factors such as high population mobility. Nevertheless, outcome targets should be used to focus effort and joined up action, and to assess the effectiveness of measures over an extended (5–10) year timescale.
- Performance indicators and service quality and access targets should be used to drive up standards of local service delivery. **Best Value performance indicators and targets provide a powerful new lever which can be used to help improve services in deprived neighbourhoods, and similar techniques could help focus the efforts of public services outside the scope of best value legislation.**
- **The Y2K spending review should examine perverse incentives** that can actually discourage local efforts to tackle social exclusion and/or join up.

## SECTION 4

### Drivers for change

- 4.1 This chapter looks first at the steps the government is taking to modernise local government, and stimulate change in the political structures and management of local authorities. It identifies ways in which these can help to refocus the service provided in the poorest neighbourhoods. It examines the role of local authority community leadership, and powers to promote the social, economic and environmental well-being of each area in a way which promotes sustainable and inclusive prosperity. It looks at developments in local government finance, asking whether there are more effective ways in which Government can use grant instruments or allocations to lever influence on what is done, and to give priority to particular kinds of response to social exclusion. Finally, it looks at existing area-based initiatives, and the ways they can be drawn more effectively together, and looks forward to some of the issues to be addressed in the Year 2000 spending review.

#### LOCAL GOVERNMENT MODERNISATION

- 4.2 The Government's drive to modernise local government, as set out in the White Paper *Modern Local Government: In touch with the people*<sup>27</sup> aims to make councils more effective and able to play their part in delivering quality of life for their communities.
- 4.3 The key elements are:
- Improved delivery of local services.
  - Strengthened ability to lead communities.
- 4.4 A comprehensive guide to the reform programme is at Annex A. Much of this programme is relevant to efforts to tackle social exclusion and renew deprived neighbourhoods. But whilst these aims apply to the whole community, for them to be successful there will be a particular need for modernisation to have an impact on the most disadvantaged parts.

#### Beacon Councils

- 4.5 The Beacon Council scheme allows all Local Authorities to bid for recognition as "Beacons" by showing strength and innovation on defined cross-cutting themes and services.
- 4.6 The scheme provides an opportunity to look at further issues around the theme of neighbourhood renewal, to identify best practice and disseminate it more widely. PAT 17's work has identified a particular need to develop overarching strategies to tackle neighbourhood renewal.

**Recommendation 6. "Neighbourhood renewal" should be a theme in a future round of the Beacon council scheme.**

27 DETR (1998) *Modern Local Government. In touch with the People.* www.detr.gov.uk

- 4.7 It is important that authorities and partnerships that are working for neighbourhood renewal use the lessons from Beacon Councils. This is discussed in our section on disseminating best practice in Chapter 6.

#### **The Modernisation of political management structures**

- 4.8 The Local Government Bill 1999 sets out broad categories of constitution for reshaping the political management structures of all councils. Society has changed enormously since the present committee structure emerged. The new forms of constitution will promote more efficient, transparent and accountable decision making through the creation of a separate executive held to account by other councillors and more productive use of councillors' time. The Bill provides three categories of new constitution: a directly elected mayor with a cabinet; a cabinet with a leader; or a directly elected mayor with a council manager. The choice will fall to each council, in consultation with local people.
- 4.9 These proposals could have profound implications for joined up action to tackle neighbourhood renewal. New constitutions will strengthen the representative and overview and scrutiny role of councillors who are not part of the executive. Overview and scrutiny committees need not follow conventional service boundaries, and some councils are already restructuring to focus attention more closely on the needs of excluded groups or areas, and using new forms of participation and community involvement to develop more coherent and responsive services. Many councils are using the opportunity to break away from a functional or service based structure of decision making. Some are moving to a more corporate structure, in which it is easier to take an overview of the impact of activities; some to undertaking thematic reviews (for example of the impact of council activities on particular groups like poor households, or young people). And several authorities have also set up devolved area structures. These can be used to take a cross-cutting look at the specific issues facing a particular area or neighbourhood, and ensure that local communities are more fully involved in the decision-making process. Some authorities have also piloted managing some aspects of service delivery through area structures.

#### **Havering LBC**

Havering has moved to an interim cabinet leader style system, and fundamentally changed its committee structure.

A policy advisory group (PAG) has been established to provide the vision and leadership for the council. A strategic policy committee – reflecting the political balance of the council – has also been set up, and below this there will be only seven new sub-committees, each chaired by a member of the PAG. Instead of being dedicated to a service specific area, the new sub-committees tackle issues under the umbrella of children and lifelong learning, enterprise services, community services, environment, economic regeneration and external affairs, best value and development control.

In order to give a community focus to the council's work, there will be greater empowerment of community shared forums. The forums will be chaired on a shared basis by the political groups on the council and will formulate area plans to address local needs and to focus the work of the authority, local agencies, the voluntary sector and local people.

As the forums evolve, the council intends to delegate decision-making powers to them on a range of community issues. This devolution will start shortly, with issues relating to the local environment. In addition to drawing up local action plans, the forums will monitor local service delivery and will have budgets to spend on area priorities.

Arrangements are also in hand to establish a community leadership and management process across various organisations within the borough that will enable multi-agency services to be planned and delivered on a co-ordinated basis.

The leader of the council will chair a community planning forum which will include the borough's three MPs, its MEP, chairs of the local health authority and trusts, the local chief of police, the chair of the local magistrates, the chair of Havering Voluntary Sector Partnership and key community leaders. It will be responsible for developing a borough community plan, and for establishing links with London-wide bodies. It will also develop community partnerships and strategic alliances and promote inter-agency collaboration.

A community management team will be chaired by Havering's chief executive and will include council directors and the heads of key organisations. It will meet monthly and co-ordinate the strategic issues in the borough. There will be reciprocal rights to attend each other's organisational meetings, thus contributing to continuity and a greater understanding of the working of other sectors.

The goal is maximum synergy. Havering believes that nearly all major policy objectives need the combined and concerted input of the major agencies, whether it be for economic regeneration, improving health and education facilities, fighting crime or improving the environment and infrastructure.

*Source: Article by Ray Harris, leader, Havering LBC, for the Municipal Journal*

- 4.10 These developments are an important driver for change in the way local authorities develop policy and scrutinise their services, and a means of joining up. For example, there are many overseas examples of mayors who have used executive powers and position to develop leadership and vision for their community, tackling social exclusion as part of a wider regeneration of their city.
- 4.11 The enhanced scrutiny role of councillors could also be developed to look at the whole impact of government systems on an aspect of life. Existing examples include Kirklees' early scrutiny commissions on living on low pay and on water metering, Barnsley's work on community safety, and Lewisham's life-long learning select committee.

**Recommendation 7. Guidance accompanying legislation on the reform of political management structures should encourage the adoption of cross-cutting scrutiny committees on issues related to social exclusion.**

- 4.12 There is an opportunity further to encourage local authorities to use area-based structures to support the process of targeting deprived areas and joining up in the legislation.

**Recommendation 8. Guidance accompanying legislation on the reform of political management structures should encourage local authorities to introduce area-based structures focused on poor neighbourhoods where appropriate.**

## BEST VALUE: PEOPLE-CENTRED SERVICES

- 4.13 In section three we looked at best value as a framework for giving performance indicators and targets an area dimension. This would make it possible to compare and benchmark standards of delivery within poor neighbourhoods, and do this in a way that is founded on consultation with the community. Reviews so structured, leading to performance plans with targets for raising performance standards in poor neighbourhoods, would provide a basis for reshaping and bending main programme spending.

### Best Value in Brent

Brent's pilot focuses on Kilburn, an area of social, economic and cultural diversity, which attracts SRB and URBAN funding and for which the authority is developing a local area strategy. Best Value is being pursued in the context of the cross boundary issues of social exclusion, community safety and regeneration.

Some tenants' associations have expressed an interest in providing or managing some of the communal services themselves. Brent has devolved responsibility for budget control to service managers, with only a small central core of support services. Personnel responsibilities are similarly decentralised.

### Best Value in Bradford

Bradford has a comprehensive system of public consultation, involving 5 Area Panels and 77 Neighbourhood Forums, backed by a 'Speak Out' panel of 2,500 local residents. There are formal partnerships with the business community and other agencies through the Bradford Congress. Bradford has worked to develop performance indicators on community safety, which is a key cross-cutting issue.

### Best Value in Leeds

The project focuses on two contrasting wards in the south of the city, Middleton and Rothwell. The services proposed for review include some subject to CCT and some provided directly. They are: advice and benefits, social services, training, street cleaning, community sport, grounds maintenance, libraries, housing, refuse collection, street lighting and highways maintenance.

Leeds has made its neighbourhood approach an integral part of its beacon bid. They have developed a geographical information database which draws in key information on benefits, census and employment information, health and crime data in respect of anyone in their systems who is considered to be suffering from or at risk of deprivation. They intend to use the database to:

- Establish links between deprivation and levels of service provision;
- Inform funding decisions;
- Link employers with potential employees;
- Inform bids for central government/European funding;
- Target training; and
- "Map" social exclusion.

### Sunderland Best Value Pilot: “Young People working with young people”

#### Background

Sunderland, with the help of specialist youth consultants and MORI evidence, discovered young people did not feel that their views were taken into account. They set up a supported employment and training programme for young people employed by the Council, with other local partners, to provide employment and training to 60 young people aged between 16–18. Sixteen of these were elected as advocates for their peers.

The training programme developed communicating, team building, listening, parenting and citizenship skills. Additionally, young people in the programme are trained as peer mentors for the young people involved in the Council’s Youth Offending Team pilot, to help steer young offenders away from a pattern of offending.

#### Benefits to Sunderland

The Council benefited from a structured approach to consulting and gathering the views of a representative group of young people. The result will be service delivery more responsive to young people’s needs.

The advocates benefited from a tailored training programme, skills were improved, understanding of how decisions are taken was gained and advocates moved from social exclusion to social inclusion.

This training initiative contributes to Sunderland’s vision of active citizenship and a better quality of life for all.

#### Role of Service Inspectorates and audit

- 4.14 Professional joining up also extends to the service inspectorates and audit functions. The Audit Commission has already played an influential role in identifying the need for joint action through its value for money studies, and explorations of particular issues, such as *Misspent Youth*.<sup>28</sup> We hope this will continue, and note the Inspectorate Forum’s role in working towards more joint inspection, and attention to cross cutting issues.
- 4.15 Best value inspection will be led by experienced practitioners, who will be fully aware of its potential to drive social change to develop a more inclusive society. “It is going to be different from the Audit Commission [studies] because it is not about value for money, we will be looking at the whole range of social issues. Social exclusion is very much the context in which we will be working – is the local authority intervening to make it a better place?”<sup>29</sup>

#### Well-being

- 4.16 The Local Government Bill<sup>30</sup> is designed to give local authorities the powers they need to promote the economic, social and environmental well-being of their areas. This will greatly extend the activities they may undertake by giving them the ability to act in the community interest – the absence of specific powers will no longer inhibit activity. There will be fewer issues on which they cannot act to meet individual or community needs. The legislation would also remove any doubts that may have existed about authorities’ ability to work in partnership with public, private or voluntary organisations. The bill makes clear that in

<sup>28</sup> Audit Commission (1996). *Misspent Youth...young people and crime*. Audit Commission publication

<sup>29</sup> Wendy Thomson, Head of Best Value Inspectorate, Local Government Chronicle, 4 February 2000

<sup>30</sup> The Local Government Bill 1999. The Bill remains subject to Parliamentary consideration.

exercising their new powers, authorities will be able to give financial or material assistance to any body, co-operate with, facilitate or co-ordinate the actions of those bodies, and exercise any function of any public body. Authorities will be able to use these powers to take forward their work on cross-cutting issues like social exclusion and neighbourhood renewal.

**Recommendation 9. Statutory guidance under well-being legislation should encourage local authorities to use new powers to help join up activity on social exclusion and neighbourhood renewal.**

- 4.17 The bill will provide a framework for authorities to work with other bodies to develop community strategies, setting out the actions which they and their partners will take to improve the local quality of life. The Government will issue guidance on the way authorities are to go about developing such strategies. They will be the means by which different agencies develop coherent strategies for tackling local and national priorities, and sign up to the action which needs to be taken to address local needs. The implications of this for local strategic planning on neighbourhood renewal are discussed in Chapter 5.

#### **Joined up planning**

- 4.18 Evidence suggests that the number and type of plans required by central government of local authorities and other agencies is inhibiting their ability to take joined up action where it would be sensible to do so. These planning requirements can specify detailed action in accordance with separately conceived interests of central government departments.
- 4.19 Both the Local Government Act 1999 (Best Value) and well-being legislation create routes through secondary legislation to confer new powers or remove legislative obstacles if this assists local authorities to achieve best value or promote the well-being of their communities. This creates opportunities to promote innovations and experiments in tackling the problems of poor neighbourhoods, especially through partnership working, joint budgeting and procurement, and the rationalisation of piecemeal service-based requirements for plans.
- 4.20 A number of local authorities and their partners are keen to explore the possibilities created by this legislation and the drive for greater local coherence. One idea – that has emerged from work on Health Action Zones and forms the basis of the LGA Local Challenge – is for strategic planning and accountability arrangements to be integrated through community plans, supported by a range of subordinate thematic plans and partnerships, tailored to meet local circumstances. Through this route, some service based requirements and plans might be suspended, so that the partnership would have more flexibility to innovate to achieve the shared goals agreed with central government.
- 4.21 We strongly support this concept, which could offer a long-term route to a far more joined-up approach at the local level.

**Recommendation 10. Well-being legislation should be used to pilot the rationalisation of service and strategic plans, especially where this will aid joining up to tackle neighbourhood deprivation.**

## FINANCIAL LEVERS

4.22 Tackling social exclusion in all of our deprived neighbourhoods will require considerable resources. To an extent at least, these are already being directed to deprived areas, either through mainstream expenditure on public services or benefits, or through a range of Area-based initiatives (ABIs). If the National Strategy is to succeed, better use will have to be made of these and other resources available to local public sector bodies. In short, they will have to be *better targeted*, so that more money and effort is devoted to those areas that need it most, and *used more effectively* to support joined up and preventive action.

4.23 These demands raise a number of questions for existing arrangements.

### **Hypothecation versus local discretion?**

4.24 Resource flows in all areas of the public sector face a tension between central direction about how money is spent, and local discretion.

4.25 Many central government objectives rely on local authorities for delivery. The £24 billion of funding provided to local government in the form of revenue support grant (RSG) is not voted for specific purposes or tied to the delivery of the objectives of individual Government Departments. The advantages of not hypothecating the bulk of local resources to particular purposes is that it leaves more room for local discretion, more potential for joined up and flexible delivery, and arguably makes for more responsive and efficient use of resources. The increase in use of ring-fenced grants to local authorities in recent years derives from the understandable desire of spending Ministers to secure credit for providing additional funding to address a specific issue, and their wish to ensure that their priorities are reflected in the actual pattern of spend. As RSG cannot have strings or conditions attached to it, there can be no guarantee that all authorities will spend any additional funding for the intended purpose. There is a tension between tying money to priorities and the arguments for supplying the bulk of central support for local spending through non specific grant that the year 2000 review will need to address.

4.26 Resource support for social exclusion policies is no exception to this general dilemma. Targeted help will get money to the most disadvantaged areas, and will ensure that it is spent on purposes for which the government intends it. However, the history of regeneration expenditure is a history of marginal and tied resource flows that have contributed to fragmentation and lack of sustainability of action on the ground. Regeneration programmes may have been used to prop up main programmes when the real need is to rethink and refocus them.

### Funding and accountability in Moss Side/Hulme

**Seedcorn** is designed to help community-based businesses through training, support and assisted access to finance. It focuses in particular on “reluctant entrepreneurs” who choose self-employment as a last-ditch alternative to remaining on benefits. The scheme’s revenue budget amounts to around £150,000 pa and is currently funded through SRB, capital receipts, the Moss Side/Hulme Economic Agency’s core budget and ERDF. A further £50,000 in capital receipts is available for capital grants, but cannot be matched by ERDF.

**Joblink** involves a package of measures to help local people into work. It includes tailored pre-recruitment training, confidence-building measures and wage subsidy. The project’s annual costs are around £300,000, which is funded through the Agency’s core budget, private sector contributions to wage subsidy, a secondment from one local business, a TEC training contract and ESF.

European funds are delivered over a calendar year and the SRB over a financial year. SRB and ERDF require quarterly grant claims which are passed through Manchester City Council and different departments of the Government Office for the North West. Up to 50 per cent of ESF funding can be claimed in advance of project start, with the remainder claimed during the course of the project, and after its completion. The TEC funding is delivered over a slightly different TEC funding cycle. Each funding stream requires outputs reported to its own definitions. For example, the SRB uses “training weeks” as a measure, while the ESF uses “beneficiary hours”.

Source: Audit commission (1999) *A life’s work: Local authorities’ economic development and economic regeneration*. Audit Commission. [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

- 4.27 The Audit Commission report “Planning to Succeed: Service and Financial Planning in Local Government”<sup>31</sup> also touched on the issue. This found that budget processes were often finance led rather than being driven by service priorities, often because central government only made certain resources available on condition that they were used for specific projects or services. The clear implication was that local priorities were being distorted, and the flexibility to use resources imaginatively to address cross-cutting issues reduced.
- 4.28 Such funding rigidities can make partnership working very difficult.

### Helping people with health problems into work

Employment Service managers found that some clients were unable to find and keep steady work because of mild mental health difficulties. One district was successful in its bid to run a New Deal pilot programme for clients aged 25 and over. Part of the planned provision within the bid was to provide specialist support for clients who have mild to moderate mental health problems or who were recovering from mental illness.

The Employment Service and the Health Authority worked closely together in developing proposals to address the needs of this group of clients. A new initiative planned to deliver support through specialist Employment Support Advisers whose background was in mental health counselling – typically, for example, Community Psychiatric Nurses.

31 Audit Commission (1999) *Planning to Succeed: service and financial planning in Local Government*. Audit Commission. [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

The Employment Service and the Health Authority saw this initiative as paving the way to establishing closer links between employment and training agencies and the health sector. The intention was to give practitioners on the ground the ability to address clients' health problems in a wide-ranging way – tackling mental health and employment issues coherently by creating effective links between Employment Service Advisers on the one hand, and Primary Care Groups, Practice Nurses and GPs on the other. The specialist advisers would have bridged the gap between the two public services.

Funding was received through the New Deal 25+ pilot bid that fully met the cost of the planned service. But in practice it proved impossible for local actors to put their ideas into practice. New Deal funding was paid on a unit cost basis with the money following the client. This meant that no funding could be paid in advance, nor was the total volume of payments guaranteed. (Only voluntary sector organisations have been able to obtain some up-front funds; this facility was not made available to public sector organisations.) Similarly, the Health Authority had no risk/investment money available at local level to fund initiatives and could not underwrite services with no guarantee that the funding will be recouped.

The Employment Service was therefore unable to contract with the Health Authority to deliver the service. The Health Authority could not employ the specialist advisers without the money from New Deal being paid to them in advance to cover the whole year's salary costs.

The Employment Service is now exploring the possibility of contracting with a voluntary sector organisation, using the Health Authority as an adviser. But staff on the ground regard this as a second-best way forward which will not be as effective in helping to forge links between promoting employment and improving health.

Source: Performance & Innovation Unit (2000). *Reaching Out. The role of central government at regional and local level*. TSO. [www.cabinetoffice.gov.uk/innovation/1999/regions/index.htm](http://www.cabinetoffice.gov.uk/innovation/1999/regions/index.htm)

- 4.29 Nevertheless, there are circumstances in which hypothecation is needed to ensure that particular initiatives are introduced at the local level, and that resources find their way to priority areas and services. The case for ring-fenced pots is strongest when the Government wants to press new ideas or create action which is not happening. But marginal funding sustained for too long will create a presumption that activities themselves are marginal. Without giving stressed areas less money or less priority, the best way to make innovations routine will often be to subsume additional money into unhypothecated mainstream funds (i.e. Revenue Support Grants and capital allocations) once local capacity has been built up and activities are considered part of core business.
- 4.30 The balance should be revisited in the spending review, the aim being to facilitate local joining up as far as possible, whilst maintaining sufficient confidence that central government priorities – for example, the drive to improve standards in schools – are not prejudiced.

**Recommendation 11: As part of the Y2K Spending Review, central government departments should review their mechanisms for distributing resources – and in particular the balance between hypothecated and non-specific grants – with a view to facilitating joining up at the local level.**

### **Pooled budgets**

- 4.31 Pooling resources is one way that local bodies can work together to tackle cross-cutting issues that fall between the specific remit of respective silos – joined-up problems like neighbourhood renewal. It is important that such arrangements are encouraged.
- 4.32 Significant progress has been made in this area between local authorities and the NHS. New powers in the Health Act 1999 allow money from the NHS and Local Government to be put together in a pooled fund and spent against shared objectives. The NHS and Local Government can also delegate providing or commissioning functions to one another to improve the quality of services. And the power of Health Authorities to transfer resources to local authorities for the provision of health related services, and vice-versa, has been extended. For example, a Health Authority could now fund the Local Authority to provide speed bumps, in order to meet its targets on accident prevention.
- 4.33 The group has heard examples of innovative practices in a number of areas. Ideas include “top-slicing” budgets to provide a shared pool of resources for a specific project (like intensive neighbourhood-level interventions), and a scheme piloted by a local Probation Service whereby budget-holders were obliged to spend 5% of their budget outside of their own department.
- 4.34 It should be for local authorities and other local public sector bodies to decide how best to pool budgets and for which purposes. However, it is important that central government is responsive to local initiative and removes any unnecessary obstacles that it imposes.

### **The Review of Local Government Finance**

- 4.35 The present system of unhyphenated revenue support to local authorities is based on a complex system of formulae known as standard spending assessments (SSAs), which take account of information reflecting the demographic, physical and social characteristics of each local authority area. Capital allocations, in the form of borrowing approvals, are made separately, and these are increasingly linked to the Private Finance Initiative, where the private sector provides and manages an asset subject to agreement with the council covering availability and transfer or risk. Business rates are collected locally, pooled and then redistributed. There are also hypothecated specific grants, linked to particular functions.
- 4.36 The July 1998 White Paper<sup>32</sup> announced that central government, in partnership with local government, would investigate ways of distributing revenue support grant that were simpler, more stable, more robust and fairer than the present arrangements. The Government also proposes to introduce a cross-service allocation of capital support (a “Single Capital Pot”), and to legislate to allow local authorities to set a local business rate supplement with the agreement of local business ratepayers.
- 4.37 These and other resource questions have a profound impact on our system of local governance and its capacity to delivery flexible and joined up responses to the needs of poor neighbourhoods.

32 DETR (1998) *Modern Local Government: In Touch with the People*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

- 4.38 The proposals being considered in the review of revenue grant include:
- Improvement to the present system of Standard Spending Assessments (SSA).
  - A plan based system of revenue allocation, under which Ministers would allocate a proportion of revenue support by a simplified formula, and the rest on the basis of assessment of a corporate financial plan submitted by each authority.
- 4.39 Both are potentially relevant. Any revision of the system of SSAs should better reflect the resource needs of deprived neighbourhoods. And a plan-based element could be managed so as to link resource allocation to local partnership strategies to tackle social exclusion and the problems of deprived areas.
- 4.40 There will also be a local government finance strand in the year 2000 review, which will consider among other things a Local Government PSA. This should draw on the targets agreed in the main spending programmes, and cross cutting reviews. It will review the progress of the local government revenue grant distribution and capital reviews, and will explore a range of possible options including the LGA's Local Challenge approach and individual local authority Public Service Agreements.

#### **Supplementary versus mainstream resources**

- 4.41 Successive Governments have used targeted or area-based initiatives to supplement mainstream resources in deprived areas. Doubtless the balance between special and programme support will continue to be debated, and may be revisited in the next review.
- 4.42 One issue of particular relevance to this debate is the question of how to finance improvements in all of the areas in need. It may often be simply impossible for local authorities to find the same level of support from main programmes to replicate, for example, the level of spending by a Housing Action Trust on an estate with similar needs nearby.
- 4.43 This is a key issue for the National Strategy. In some areas neighbourhoods are suffering not just from social exclusion but from exclusion from the resources and efforts needed to tackle it. Better targeting of mainstream resources, and a more joined up approach to service delivery will help, but uniform national progress on neighbourhood renewal could have a resource price.
- 4.44 These tensions can be mitigated by providing additional mainstream resources to local public sector agencies in areas in the most need, and by ensuring that performance management systems encourage them to target deprived areas. Where tough choices on local priorities have to be made – and these will inevitably arise – it is important that these are made by local bodies on the basis of local conditions.

## AREA BASED INITIATIVES

- 4.45 There are several Area-based Initiatives (ABIs), or Zones, operating at the local level. These initiatives target the most deprived areas by providing extra help, new working practices or by inviting local partnerships to bid for additional resources based on plans to introduce innovative and joined-up solutions to local problems. They fall broadly into four categories:
- Holistic interventions, such as the Single Regeneration Budget and the New Deal for Communities, which fund cross-cutting local action.
  - Initiatives built around functional themes – like Education and Employment Zones.
  - Schemes with a client-based focus – like Sure Start (which aims to provide support for young children and families), and the Better Government for Older People Programme.
  - Initiatives aimed at creating overarching partnerships bringing together local stakeholders to work towards shared, high level, cross-cutting goals (like Health Action Zones and the Local Government Association New Commitment to Regeneration).
- 4.46 Since the 1997 election, more than £5Billion has been allocated to funding these initiatives (up to the next spending review). These programmes comprise the vast bulk of *specifically targeted* efforts to tackle social exclusion.
- 4.47 PAT 17 was not asked to look at the performance of the individual initiatives. Indeed, for many, it is far too early to judge: for example, the first Sure Start projects are only just up and running, but their result – the extent to which they improve the life chances of young children in deprived areas – could take fifteen or twenty years to evaluate. However, it is clear, from past and present projects, that in general ABIs can have a number of positive features:
- They often introduce much-needed additional money to deprived areas, which can be used for specific “extras” (i.e. things that would not normally be financed through mainstream resources) that can make a big impact on the life of residents.
  - Because they stipulate partnership working, they are in the vanguard of “joining-up”. They have often been the mechanism through which public sector agencies and other interested parties develop a dialogue about improving deprived areas (although research suggests that this is not always straightforward).
  - By offering practical input and engagement to local residents, they can mobilise communities into helping themselves – an essential part of successful strategies to turn neighbourhoods around.

### Health Action Zones

Health Action Zones are partnerships between the NHS, local authorities, community groups and the voluntary and business sectors. Their aim is to develop and implement a strategy to reduce health inequalities and modernise service delivery. HAZs are designed to trigger health action programmes by adopting a whole systems approach in deprived areas with poor health status and significant pressures on services.

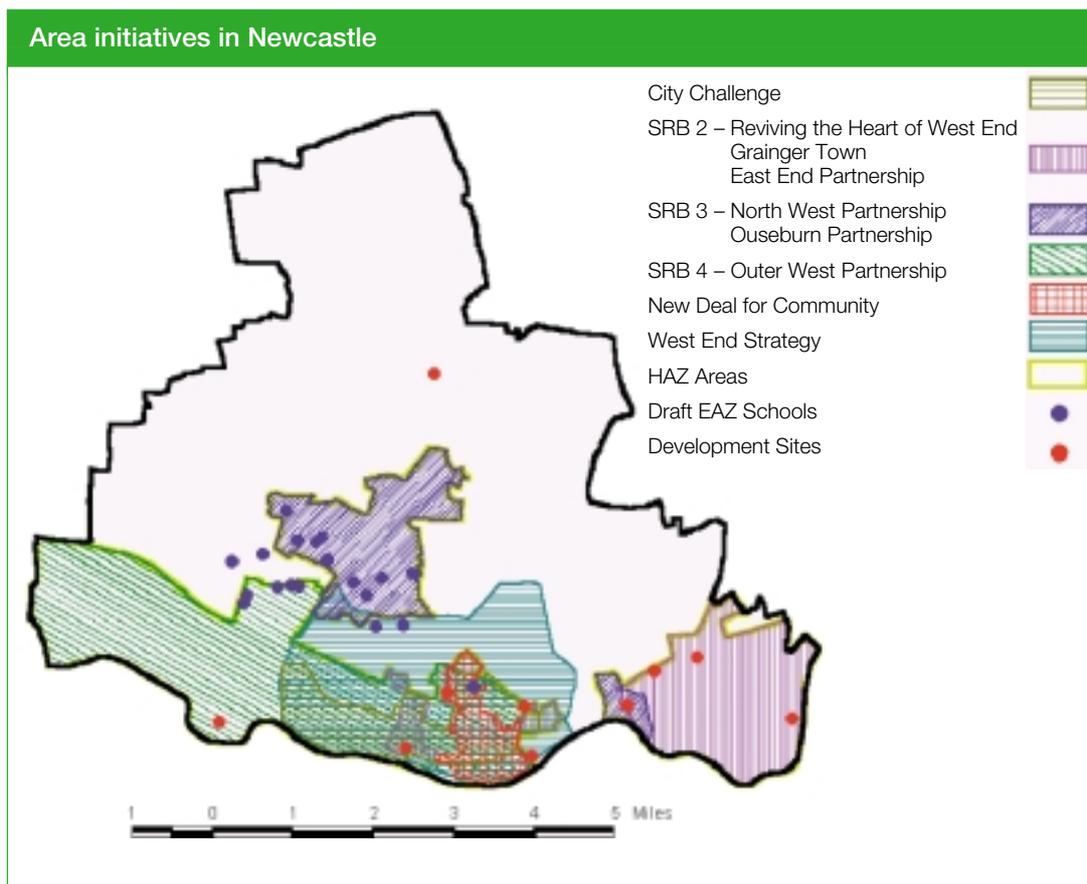
The HAZ programmes represent a new approach linking health, regeneration, employment, education, housing and anti-poverty initiatives to respond to the needs of vulnerable groups and deprived communities. They recognise that health is not the business purely of the NHS, but that other organisations and agencies have an impact on the health of the community. HAZs implement a 7 year programme, which recognises that modernising services and addressing health inequalities is a long term project. They are expected to set locally agreed but demanding targets.

HAZs are required to address the key priorities for the local partnership using seven key principles: equity, engaging communities, person-centred services, involving staff, partnership working, evidence-based problem solving, and taking a “whole systems” approach.

4.48 However, whilst Area-based Initiatives are almost always seen as individually worthwhile and relevant to social exclusion, there are a number of concerns about their cumulative effect, and their relationships with one another and mainstream activity. In summary:

- Many of the schemes prescribe the type of process and outputs that are required in order to obtain funding. This leads to local partnerships tailoring bids to meet the expectations of bid assessors, not the needs of local communities. Obtaining extra money can become an end in itself so that bidders put the needs of the process before those of the community.
- The bidding process places a significant burden on local agencies and communities, sometimes at the expense of strategic overview. Indeed, there is tendency to think of regeneration and efforts to tackle social exclusion primarily in terms of ABIs, and not mainstream programmes, which are at least as relevant to effecting long term change.
- There is a feeling that local government (under the auspices of central government-defined processes) dominates many schemes, at the expense of real involvement from business, the voluntary sector, and communities themselves.

4.49 Both the bidding and accountability structures of many initiatives mean that they have to be run as autonomous entities. This means that there is little joining up either between Zones, or with mainstream activity. In the most deprived areas, like Newham and some parts of Newcastle (see box), there are often a whole range of initiatives which overlap but are not co-terminous, each with its own particular management and accountability structure. Whilst this is not, in itself, *necessarily* a problem, co-ordination can become difficult. And there is resentment at the micro-management of resources, out of all proportion to their scale as compared to mainstream finance.



Source: Kevin Lavery, Chief Executive, Newcastle City Council

- 4.50 In the light of such concerns, it is clear that a further look is needed at how ABIs could be made more effective at achieving local outcomes. Some work is already in hand – for example, earlier this year DETR commissioned a 2 year study to explore how area based initiatives might be co-ordinated.<sup>33</sup> The research is being carried out in six case study areas. DETR has also set up an inter-departmental unit charged with improving the co-ordination of ABIs across Whitehall, and looking at the sorts of freedoms and flexibilities that can make them work better. The establishment of a unit to co-ordinate area-based initiatives (and Government Offices) will build on this. One of its key functions will be to ensure that the impact of any new area based initiatives on the sum of existing activity is properly evaluated before they are approved.
- 4.51 The Year 2000 spending review will re-examine the effectiveness of spending programmes and initiatives in deprived areas through the Government Interventions in Deprived Areas (GIDA) review. The aim will be to ensure that Government Programmes and funding mechanisms contribute to the goal of narrowing the gap between deprived areas and the national average against key outcome indicators (unemployment, crime, health and educational attainment). It will examine the aims, objectives, management and organisation of government spending in the most deprived areas – including area based initiatives, and look at both:
- programmes directly targeted on deprived areas;
  - the extent to which main programmes reviews have addressed their impact on, and delivery in, deprived areas.

<sup>33</sup> See DETR (2000) *Co-ordination of Area-based initiatives: Research Working Paper 1*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

- 4.52 The objective of the review will be to set clearer objectives and outcome targets for government spending in deprived areas, and to achieve a better balance between main programmes, regeneration programmes, and area-based interventions. It will seek greater coherence to area based initiatives, and explore the possibility of new management arrangements (joint or centrally managed budgets) for multi-disciplinary regeneration programmes.
- 4.53 There are a number of issues – some detailed issues around audit, bidding and so on – which may limit the effectiveness of ABIs. In particular:
- Revisiting the timescales and rules set from the centre, which can introduce an artificial distinction between ABIs and mainstream programmes.
  - Reforming audit and accountability structures, to help Zones join-up with one another and other local activity.
  - Introducing more flexibility to bidding procedures, and reducing the burden of these on local partnerships.
  - Aligning these bidding procedures, so that local capacity built on one scheme is readily transferable to another.
  - Introducing further freedoms and flexibilities for Zones that fall under the scope of overarching community and/or regeneration plans, such as the LGA New Commitment to Regeneration.

**Recommendation 12: The GIDA review should examine Area Based Initiatives to ensure that they make a greater impact on long term outcomes in poor neighbourhoods.**

- 4.54 In the longer term, we would favour structures of financial support which would award additional long-term funding on the basis of local plans and commitments. The local strategic partnership structures which might develop such plans are discussed in the next section.
- 4.55 There is a choice between:
- paying a proportion of New Deal for Communities and other money direct to neighbourhood level groups and partnerships, not necessarily led by local authorities, including development funds to support capacity building; and
  - paying it increasingly into a pot supporting local strategic partnerships, with wide discretion on how it should be applied. (It might be no less likely to be used to support community capacity building, the point of decision on priorities would be closer to the ground, and shorter decision chains on approval might help to avoid problems like underspend.)
- 4.56 We would like to see resources increasingly linked to effective local strategic partnership working and neighbourhood management. Such partnership activity will work alongside specific measures (through, for example, Education Action Zones) over which central government will need to maintain a significant element of control.

## Key points in Chapter 4

- Better local governance is essential if the problems facing deprived neighbourhoods are to be tackled effectively.
- **The Beacon council scheme should be used to identify and reward councils who take innovative and successful action on neighbourhood renewal, and to identify best practice.**
- Local government modernisation, including reviews of new constitutions and performance reviews, creates opportunities for councils to rethink their priorities and service delivery to deprived areas and efforts to tackle social exclusion. **Guidance accompanying legislation should encourage local authorities to form scrutiny committees on cross-cutting issues, and develop devolved management structures where appropriate.**
- Giving local authorities powers to promote the *well-being* of their communities will pave the way for community leadership and strategic partnerships. **Statutory guidance under well-being legislation should be used to encourage local authorities to focus on social exclusion and neighbourhood renewal.**
- The rationalisation of piecemeal service-based requirements for plans is one way that more holistic local approaches might be encouraged. **Well-being legislation should be used to pilot the use of community plans as a basis for strategic planning requirements.**
- It is essential that all the *resources* available for neighbourhood renewal are *better targeted* and used *more effectively*.
- Pots of money for specific purposes can ensure that specific central government priorities are addressed but can make it difficult to develop joined up local solutions. **The balance should be addressed in the GIDA review.**
- Further work is needed to ensure that Area-Based Initiatives (ABIs) make a greater impact on long term outcomes in poor neighbourhoods. There are particular concerns about: excessive prescription, over-regulation, co-ordinating the activities of Zones and joining up with mainstream activity. **The GIDA review should revisit these issues.**

## SECTION 5

### Local strategies and vertical linkages

- 5.1 Social exclusion needs to be tackled at a number of levels and tiers of government. Effective action in the neighbourhood is important, but there are issues that must be tackled beyond the scale of the neighbourhood, where the right frame for action may be at district, sub-regional, regional or national level. Our terms of reference asked us to look at these vertical linkages. How should local strategies to tackle renewal be created, and how should these link with and reinforce action at neighbourhood level, and work with regional and national strategies?
- 5.2 An effective policy and delivery framework will pull action at each tier together. Strong vertical relationships are needed to:
- Share information, so that strategies at different tiers build on shared analysis.
  - Feed experience back from the ground into policy.
  - Forge effective dialogue and alignment of action and strategies between tiers.
  - Establish which tier has lead responsibility for setting strategy priorities, and allocate resources.
  - Strike the appropriate balance between national and local priorities, supervision and decentralisation, providing a framework which gives central government the confidence to let go.
- 5.3 The analysis needs to take account of a map of partnership working and devolution of responsibilities which is itself fluid and changing. During the period of our work the Regional Development Agencies were established and published their first regional strategies, and changes are planned in responsibilities for primary health care, skills training and post-16 education.
- 5.4 The Report of Lord Rogers' Urban Task Force<sup>34</sup> was completed, and set out a range of possible measures to which the Government intends to respond in an Urban White Paper. The Performance and Innovation Unit produced reports on the role of Central Government at the regional and local level, and on improving the management of cross cutting issues ("Reaching Out" and "Wiring it up").<sup>35</sup> The Core Cities group published an analysis of the problems and opportunities facing city regions.<sup>36</sup>
- 5.5 A significant issue at both the local and regional level is that the boundaries of different bodies are often not aligned, or "coterminous". For example, the structure of police, health and probation services may or may not align with the boundaries of local authorities. The same is true of boundaries for government agencies and other regional bodies.

34 DETR, and Lord Rogers of Riverside (1999) *Towards an urban renaissance: report of the Urban Task Force*. TSO. [www.detr.gov.uk](http://www.detr.gov.uk)

35 PIU (2000): *"Reaching Out" and "Wiring it up"*. TSO. [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)

36 Core Cities Group (1999) *Core Cities: Key centres for Regeneration*. University of Newcastle. [www.uc1.ack.uk/curds](http://www.uc1.ack.uk/curds)

- 5.6 Lack of coterminosity has often been cited as a barrier to joining up. This was recognised in the Modernising Government White Paper,<sup>37</sup> which recommended that public bodies should re-align around local authority and regional office boundaries where possible. Progress will be reviewed in 2002.

## LOCAL STRATEGIC PARTNERSHIPS (LSPs)

### Why local strategic partnerships?

- 5.7 The aim of the national strategy is to narrow the gap between deprived neighbourhoods and the rest on crime, jobs, health and education. There are a number of reasons which point to the requirement for strategic co-ordination at local level.
- 5.8 First, **by working together, service providers can develop more flexible services that more accurately reflect the needs of the public they serve.** For instance, housing managers could be a first point of contact for a range of council services, thereby improving access to them for local residents.
- 5.9 Second, **services need to work with communities to achieve these outcomes.** Close involvement of local people can focus and improve service effectiveness, by helping service providers to realise where things are going wrong, or do not add up. Communities can also provide active support: parental involvement in schooling raises standards, community support for police helps tackle crime.
- 5.10 Third, **better decisions can be made about resource allocation across agency divides.** Service providers can achieve more than the sum of their respective contributions through strategic partnership. Preventive action targeting vulnerable children through schools and social services can help improve the outcomes achieved by the police on crime and disorder. Externalities that arise from the failure or poor performance of individual services can be addressed. For example, a partnership might decide that it was in its collective interest to improve poor housing that was contributing to poor outcomes elsewhere, perhaps in health.
- 5.11 Fourth, **a clear local framework is needed to connect area-based initiatives with each other and with other services.** Area-based initiatives are part of most departments' policy response to the problems of deprived areas. But there is a well documented co-ordination problem (see Chapter 4) – there are too many, with overlapping functions and delivery arrangements, and they don't work well together.
- 5.12 Partnership working is spreading (sometimes to a statutory prescription, sometimes on local initiative) and can be organised around particular themes and objectives, or with more comprehensive aims:
- crime and disorder partnerships bring together local authorities, police and others to provide a joined-up, strategic response to the issues of crime;
  - in some areas, LGA-sponsored New Commitment to Regeneration pathfinder partnerships are trying to provide a strategic focus for all of the area-based initiatives;

37 Cabinet Office (1999) *Modernising Government White Paper*. TSO. [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)

- the Local Government Bill now before Parliament is designed to give local authorities new powers to promote the social, economic and environmental well-being of their communities, and to draw up strategies in partnership with others to that end.

Local strategic partnerships intended to promote social inclusion will clearly need to be based on these foundations for partnership working.

### How would local strategic partnerships work?

5.13 Because of the variety of local circumstances and partnership structures the working group is not proposing a definitive answer to how local partnerships should work, or precisely how they might conduct their business. This should be for local partners to decide: only they can tailor the work of the partnership to local conditions. We do not envisage that central government should set targets for the partnerships as entities in themselves (they may, of course, wish to set their own targets) or place on them a collective responsibility for service delivery. Responsibility for delivering key services and outcomes will rest with individual service providers. And there is no question of local strategic partnerships overriding national priorities on key programmes and initiatives. The aim of the partnership would be to improve performance in individual areas by identifying ways in which services can achieve more by working together than by pursuing their own narrowly defined goals. A voluntary framework for co-operation, as opposed to a command model in which one partner assumes operational authority over the others, is most likely to develop trust and responsiveness.

5.14 However, it is possible to identify some common threads that would be typical of local strategic partnerships dealing with the problems of deprived neighbourhoods. We have identified five key steps:

- **Step 1. Identify which neighbourhoods need special help.**

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

It would be important to get local agreement that these were the right neighbourhoods. This is not as easy as it sounds, but similar things have been done. The Bristol regeneration partnership successfully organised a city-wide residents' Community Conference to select their NDC neighbourhood. It would also be important to ensure that the identified neighbourhoods were sustainable. The partnership would be a good place for frank discussion of options like demolition in extreme cases.

- **Step 2. Find out what services can do to improve outcomes in these areas.**

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

- identifying underused resources – anything from buildings to businesses;
- ensuring joined-up service delivery – anything from joint staff to joint premises;
- taking on board community concerns about the manner of effectiveness of services;

- finding ways to let local groups play a bigger role in service delivery (when best-placed);
- joint-training for all partners in partnership working; and
- providing services that no single partner could be expected to fund alone.

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

- ensuring some form of reconfigurable, on-the-spot presence in every deprived neighbourhood; and
  - responding to gaps in shopping and community facilities in such neighbourhoods.
- **Step 3. Agree a response that addresses these concerns.**  
Each partner would receive suggestions from other partners – including residents – about actions it could take to tackle local deprivation. Some would be feasible. Others wouldn't. And some might not be appropriate, especially if they interfered with national priorities like school standards. Agreed actions would be worked up into a strategy, which might well be part of a wider strategy, such as a Community Strategy.
  - **Step 4. Align resources behind cross-cutting needs.**  
In some deprived neighbourhoods, there will be needs which service providers will find it hard to meet because they are not part of anyone's core job. Examples might include community capacity building (see Chapter 6), or establishing a neighbourhood wardens scheme. Identifying gaps in this way would be a good way to decide priorities for area initiative bids, or the use of pooled budgets.
  - **Step 5. Monitor and evaluate progress and maintain dialogue.**  
The work of the partnership should not stop at a one-off strategy or plan. It will need to monitor and evaluate the impact of its strategies. And over time, its work would need to be embedded into the financial and other planning mechanisms of individual service providers and other partners, without undermining national priorities. Interventions would need to develop as the challenges facing deprived neighbourhoods evolved.

### Who should the strategic partners be?

- 5.15 Membership and size would need to reflect the aims of the partnership. There will no doubt be a place for both a discussion forum with a wide membership and more streamlined executive structures. One solution in keeping with the general pattern of local government modernisation would be to define a small joint body with executive responsibilities, and a wider forum to debate, take evidence and hold to account.
- 5.16 There is a possibility that the overall pattern of partnership working at local level will evolve from a fragmented and issue-based structure (eg crime and disorder, public health, inclusion partnerships) towards a single structure, with specialised working groups or substructures. The arguments for strategic working to be comprehensive are strong. The issues intersect and a joined up strategy implies an end to thinking and planning in compartments. The question on the ground is how far bringing existing arrangements into a wider strategic pool could damage their capacity to focus and deliver on *particular* issues. The group had no prescription formula to recommend at this stage, although some of the *new commitment to regeneration* partnerships seemed to be a promising line of development. They address inclusion within a wider pattern of shared multi-agency analysis and action plans.

- 5.17 The public sector organisations who are likely to be core members of LSPs include all those with service responsibilities relevant to inclusion:
- local authority (because of its democratic authority and wide range of service responsibilities, in most circumstances the convenor);
  - health authority and/or primary care group;
  - police force;
  - local representatives of the Benefits Agency (and possibly Inland Revenue).
  - Employment Service.
  - Small Business Service.
  - Youth Support Service, and
  - Learning and Skills Council.
  - Local Universities.
  - Regional Development Agencies and Government Offices.
- 5.18 It would be important to get the right level of representation on the partnership. This will need to be people with sufficient authority to reach agreements on their core activities. Again it would be wrong to be prescriptive. The key is establishing what works in each locality.
- 5.19 But the public sector are not the only players. The partnership would need to include representatives of deprived communities, to help ensure services take on board their concerns about services in deprived areas, and local minority groups, including faith communities, should also have a role. Voluntary and private sector representation would also be usual, given the ability of such organisations to bring an innovative approach and local knowledge to the table. We discuss this in the next chapter.

### **What form should they take?**

- 5.20 Part I of the Local Government Bill 1999 is designed to give local authorities the powers they need to further the well-being of their communities (see Chapter 4). Local authorities would convene local partnerships to formulate community strategies. Where social divisions and exclusion are key community issues, community strategies would need to address them. It would be natural for the partnership that is developing the community strategy also to take responsibility for neighbourhood renewal, and act as the local strategies partnership for the area in the way we have depicted. A single strategic partnership could be involved in both neighbourhood renewal and wider questions of economic regeneration, sustainable development, and a range of social issues (e.g. drugs strategy, public health improvement). If over time it becomes clear that existing requirements for plans to be produced on specific issues become redundant, the Local Government Bill includes powers to repeal or rationalise them.
- 5.21 The well-being legislation is designed to provide an enabling framework, and should create an expectation of participation by all the necessary players, and encourage them to collaborate.

Guidance issued under the well-being powers can promote intensive neighbourhood activity, devolved management structures, and other learning and recommendations derived from the Policy Action Teams. This can be a means for disseminating any particular advice on structures or procedures if in the light of consultation, the national strategy so requires.

**Recommendation 13. Partnerships established to prepare community strategies should assume the role of the local strategic partnership in respect of neighbourhood renewal.**

**Recommendation 14: Statutory guidance on community strategies which will accompany Part I of the Local Government Bill, should set out, in a non-prescriptive way, the role of the local strategic partnership in respect of neighbourhood renewal.**

- 5.22 Although there may be a case for setting out some core characteristics of local strategic partnerships in statutory guidance, excessive prescription would be counter-productive. In the end the effectiveness of partnerships depends on the skills, commitment and ownership of local players. We have more to say about this in Chapter 6.
- 5.23 Innovative local authorities and their partners (see Chapter 2) have already pioneered the concept of community planning and local leadership. In particular, the New Commitment to Regeneration partnerships (see box below) and Health Action Zones are extending experience and developing good practice. And partnership working is often well established, often as a consequence of years of experience in handling regeneration initiatives funded by the Single Regeneration Budget.
- 5.24 We do not envisage that partnerships convened to produce community strategies should be an additional burden or bolt-on part of already complex delivery structures. Where possible, they should build on what is already going on at the local level, and provide an opportunity to rationalise existing processes. The New Commitment to Regeneration may prove a particularly useful model, especially where pilots have focused on deprived neighbourhoods.

#### **LGA New Commitment to Regeneration**

The New Commitment to Regeneration is a Local Government Association initiative that the government is supporting through a pilot programme of 22 pathfinders throughout England.

The key elements of New Commitment are that it:

- focuses on a whole local authority area or, in some cases, multiple authorities;
- involves national government as a partner;
- is concerned with the mainstream programmes of the public agencies in the area;
- aims to identify how programmes and services can be delivered more effectively at the local level.

Many of the pathfinders are using the New Commitment and community planning processes in parallel and the resulting strategy will serve as both the community plan and the comprehensive regeneration strategy. In addition, pathfinders which are the location for a number of area based initiatives are using the New Commitment as the strategic framework to co-ordinate them within the area.

### What would be the role of local issue or client-based partnerships?

- 5.25 A number of partnerships, statutory or otherwise, are already working in local areas on particular issues of relevance to neighbourhood renewal. Obvious examples include Crime and Disorder and Health Improvement partnerships.
- 5.26 We have seen plenty of evidence that partnerships based around specific issues can have a profound impact on local services (see box below). They provide an intense focus, engage enthusiasts, and can get things done. They have a crucial role to play in turning round deprived neighbourhoods.

#### Birmingham Family Support Strategy

In 1995 Birmingham City Council and Birmingham Health Authority initiated a multi-agency strategy – The Family Support Strategy – to more effectively address the needs of children living in the city’s most deprived neighbourhoods and to positively promote their educational development, their health and their welfare.

A number of local authority departments were involved (including Education, Housing, Social Services and Leisure and Community Services), along with the Health Authority, the Police and Children’s Hospital Trust.

Implementation has involved the setting up of eight pilot areas across the city whose remit has been:

- To engage in a local needs analysis including local parents and professionals.
- To develop new, more positive relationships between agencies (including voluntary and statutory sector) and the communities they serve.
- To develop a local action plan including considering new forms of service development and delivery.

Successes of the strategy to date include:

- The development of a Community Parent’s project in Sparkbrook where local women are trained and employed to support and advise other mothers in their communities.
- A successful bid to the fifth round of the Single Regeneration Budget to facilitate the further development of para-professional roles in delivering health, education and welfare services linked to lifelong learning and employment options.
- Establishment of ‘mobile crèche’ with local women trained as workers.
- Establishment of a ‘tenants friend’ network, an introductory service for new tenants to an area assisting people in making contact with health and welfare services.
- Setting up a ‘Book Start’ scheme through Leisure and Community Services through which books are distributed to all new parents in the pilot areas by Health Visitors.
- Changes to housing allocation policy in an attempt to develop more stable neighbourhoods.
- Setting up of ‘WILSTARR’, a speech and language initiative aimed at developing pre-school literacy and communication skills.
- Developing synergy with, and new services through a Sure Start Trailblazer.

Source: Cynthia Bower, Birmingham PCG

- 5.27 But their exact role should be defined at the local level, under the auspices of the Local Strategic Partnership. This may well decide that working through issue or client based partnerships is the best way to make progress.

### **What would relationship be between LSPs and Urban Priority Areas?**

- 5.28 The challenges facing cities are inextricably linked to the renewal of poor neighbourhoods. Urban regeneration should be socially inclusive.
- 5.29 The Urban Task Force report advocated the creation of “Urban Priority Areas” (UPA), “enabling local authorities and their partners in regeneration, including local people, to apply for special packages of powers and incentives to assist neighbourhood renewal”.<sup>38</sup> It envisaged plans in these areas acting as an “umbrella” for area-based initiatives; these and other “social” initiatives would be augmented by a package of measures to encourage regeneration, such as extra compulsory purchase powers and a range of fiscal incentives.
- 5.30 This fits well with the concept of Local Strategic Partnerships. Both stress the need for a co-ordinated and targeted approach to using mainstream and Zone resources to address renewal.
- 5.31 The UTF also recommended that UPAs should include a range of fiscal incentives – like reduced business rates for small businesses – and other measures – like accelerated planning approval and compulsory purchase mechanisms – to stimulate local economies. This recognised the importance of addressing structural market failures that have created downward spirals of deprivation and are at the heart of many urban problems. The Core Cities have raised similar issues.
- 5.32 The inter-relationships between city-wide improvements and progress in the worst neighbourhoods are such that it could be perverse to set up separate structures to take responsibility for UPAs and poor neighbourhoods at local authority level. Partnerships convened to produce community strategies could run with the Urban Priority Area concept as well as neighbourhood renewal.

### **How should they relate to area-based initiatives?**

- 5.33 We argued in Chapter 4 that local strategic partnerships could play a role in co-ordinating ABIs. There is a great need in many areas to bring local coherence to these initiatives. And giving partnerships some form of leverage over ABIs could also be a good incentive for the formation of effective partnerships (as discussed below).

### **Incentives for local strategic partnerships**

- 5.34 The key central government mechanism for driving local partnership working forward will be the well-being legislation discussed above. There are a variety of possible incentive mechanisms that could be added to this framework, which could be used to encourage local partnerships to focus on deprived areas:
- funding to support their set-up and running-costs, and elements of their joint-working. The allocation to each partnership could be proportionate to the extent and degree of deprivation, and conditional on satisfying central government (perhaps through the Government Office in the Region) that it was doing what was intended in an

<sup>38</sup> Department of the Environment, Transport and the Regions, and Lord Rogers of Riverside (1999) *Towards an Urban Renaissance: report of the Urban Task Force*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk) (p143)

effective way, or at least heading towards this. One option would be to use money from regeneration budgets for this purpose, another to build support for partnership activity into options under consideration in the longer term review of revenue support. Several departments feel some sort of supplementary funding would be necessary to allow full weight to be given to the additional burdens on services in poor neighbourhoods, and to enable local needs to be met without compromising national priorities; the spending review is considering how Departments can ensure that their main programmes can be more effective in deprived areas;

- linking regeneration funding to effective partnership working. One option would be to withhold regeneration funding from an area until it had a partnership up and running – or on the way;
- making this kind of partnership working a pre-condition for or an integral part of any “local flexibility” experiments (e.g. Local Challenge, individual local authority PSAs, DH’s proposals for trying out the idea of single strategic plan at local authority level to deliver agreed outcomes);
- encouraging service inspectorates (Ofsted, HMIC) and the Best Value Inspectorate to look at local strategic coherence when they examine services in deprived areas.

5.35 The final decisions on such incentives will fall to the spending review and the National Strategy. The aim should be to foster both coherence and local flexibility and responsiveness.

#### **Targets and the consequences of success or failure to meet them**

5.36 The proposal is that local strategic partnerships should have a strategic role, while specific services remain responsible for the effectiveness of their delivery. It would follow that services, not partnerships, would be responsible for delivering their own specific targets relating to social inclusion. It may in addition help to focus action if the partners to a strategy adopt shared cross cutting targets, especially when they are dependent on each other for success. Such targets might relate for example to public health improvement, changes in local enterprise startups, or labour market participation. The spending review is looking at the scope for such cross cutting targets, and at the structure of incentives or penalties that might support them.

#### **How many should there be, and where?**

5.37 The local government bill includes a framework for local authorities to formulate community strategies through local strategic partnerships. It would make sense to apply financial incentives to those areas most in need. The Index of Local Deprivation will be one source of information if a selection of priority areas is to be made.

5.38 We see a strong case for starting immediate work with New Commitment partnerships (perhaps those in the most deprived areas) to learn lessons on how additional spending needs might be assessed and met through local strategic partnerships.

#### **What should their boundaries be?**

5.39 Local strategic partnerships will need to operate within defined boundaries. The natural unit is the area of the convening local authority. This is straightforward for unitary authorities. But, in two-tier authorities, there is an issue of which tier’s boundaries should be used.

- 5.40 There is no need to be prescriptive on this. Ideally, the community planning process will bring together county and district authorities, and help them work together for the benefit of the local community. However, we are aware that tensions remain between county and district in some areas. It makes sense, therefore, for central government to adopt a light touch on the issue and to work with partnerships that can deliver greater co-operation between different tiers.
- 5.41 There is also a possibility that some districts or metropolitan boroughs will want to work together and convene a common partnership. This may make sense when neighbouring boroughs together make up the core of a city/region, or when adjacent London Boroughs have similar patterns of need, so that labour market, economic regeneration, health or other problems can be more coherently addressed across a wider area. Such alliances will work best if they emerge locally. While Government Offices may help to guide or broker, they do not have power to impose.

### NEIGHBOURHOOD LEVEL

- 5.42 Action at neighbourhood level fell to PAT 4,<sup>39</sup> which was asked to identify cost-effective models of neighbourhood management, and to recommend how those models could be implemented in poor neighbourhoods. This remit was based on the observation in the SEU's 1998 report that, at least in part, the problems of poor neighbourhoods are due to poor and uncoordinated service delivery. It concluded that the neighbourhood was the level at which it is easiest to identify specific problems and come up with solutions involving the community that are specific and tailored enough to make a difference.
- 5.43 The National Strategy consultation document has recommended an increase in management capacity at neighbourhood level, with an "on the spot" presence in every deprived area. We support the need for effective champions of poor neighbourhoods to fight on behalf of their areas when main services are neglecting them or under-performing. Local agencies should be encouraged to devolve responsibility for services where this is practical and cost-effective.
- 5.44 Evidence suggests that neighbourhood-based bodies with a variety of structures can be effective. There is a range of options, for example Community Development Trusts and Voluntary Sector Intermediary Bodies. Several PAT 17 members felt that Front Line Multi-Agency Teams could have a particularly important role to play, so we have included a summary of research on their effectiveness at Annex D.
- 5.45 It is important that neighbourhood structures reflect the needs and wishes of the communities they serve. This means adopting a flexible approach that allows local authorities and their partners to support whatever structure is most appropriate to the circumstances of each neighbourhood. In some places these will be based on existing bodies, in others new structures will be needed. Local agencies should be given an incentive to support neighbourhood management as a tool to drive up the quality of services. The introduction of neighbourhood level Best Value targets, as set out in Chapter 3 of this report, would be one possible lever.

<sup>39</sup> SEU (2000) *National Strategy for Neighbourhood Renewal: Policy Action Team 4 – Neighbourhood Management*. TSO. [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)

- 5.46 It will also be important that neighbourhood priorities are fed effectively into the wider community planning process, where they will have to be reconciled with wider issues and budgetary constraints. Local Strategic Partnership should consider how best to pull all this together. Coventry (see box below) and other local partnerships have already developed mechanisms to do this, which may act as useful models. Area-based scrutiny committees (see Chapter 4) could have an important part to play in this process. Individual councillors may also have a role as champions of the areas they represent.

#### Partnership structures for tackling social exclusion: inter-agency community partnerships in Coventry

Coventry has established a series of local area strategic partnerships in each of its six Priority Areas to oversee service delivery to the area, and develop a local area plan. Membership includes the representatives of the Council and other public and quasi-public sector organisations (health and police service, careers and employment services etc), private and voluntary sector organisations, and community representatives. An area-co-ordination manager supports each of the local area partnerships. The area co-ordination approach is supported by a city-wide strategic partnership which includes the City Council, Health Authority and Health Trust, Chamber and West Midlands Police. This partnership is designed to ensure the effectiveness of the partnerships at a strategic level, and support operational partnerships within the areas.

Source: DETR (2000) *Policy Action Team 17 – Joining it Up Locally: The Evidence Base*.

### CITY REGION AND SUB-REGIONAL TIERS

- 5.47 Whilst an intensive neighbourhood focus, supported by key local agencies, could provide part of a strategy to renew the most deprived areas, it is unlikely to provide all the answers. Some of the problems of deprived neighbourhoods are the result of the concentration of those most disadvantaged by global, national or regional trends. Both lack of purchasing power in housing markets and public sector housing policies have tended to produce such concentration.
- 5.48 Where underlying causes lie deeper than the immediate locality there will be a role for regional strategies and actions to find sustainable solutions. This implies a mix of local action to tackle the immediate needs of a poor neighbourhood working alongside regional or sub-regional policies aimed at the economic competitiveness or infrastructure needs of the wider area.
- 5.49 The “Core Cities group”,<sup>40</sup> has identified five challenges:
- **Achieving competitiveness in a knowledge-based economy.** This means, amongst other things, attracting inward investment and creating an adequate infrastructure to support business.
  - **Image.** Improving the image of cities: using and enhancing the cosmopolitan image of cities to attract the young and innovative, and making urban centres more attractive to the professional and managerial classes – to stop the exodus to the suburbs and create more mixed communities.

40 Core Cities Group (1999) *Core Cities: Key centres for Regeneration, Synthesis Report*. University of Newcastle. [www.ucl.ac.uk/curds](http://www.ucl.ac.uk/curds)

- **Tackling social polarisation.** Ensuring that all benefit from city-wide improvements.
- **Environmental sustainability.** Tackling air pollution, noise and traffic congestion.
- **Governance.** Creating a better link between cities and the regions they serve.

5.50 These issues will be addressed by the Government's Urban White Paper, to be published later this year. The synergies between neighbourhood renewal and wider urban renaissance need to be reflected in delivery structures. In particular, at the City Region level, it will be important that local strategic partnerships work with one another and regional bodies, particularly the RDAs, to ensure that a coherent approach is adopted across local authority boundaries. For example, PAT 7 ("Unpopular Housing")<sup>41</sup> showed that suburban planning policies can have profound implications for inner city areas.

### THE REGIONAL TIER

5.51 Government in various guises has a significant presence at the regional level, engaged in a wide range of functions:

- Providing a **management structure** for government services – for example, the regional offices of the Employment Service and the NHS Executive.
- **Regulatory, inspection or policing** functions, sometimes involving approving local authority and other plans.
- **Planning and prioritising at a regional level**, typically where there is a need to prioritise on a wider scale than a local authority. Functions that may come into this category include regional land use planning strategies and major transport or industrial infrastructure.
- **The provision of funding to local players**, often for specific purposes, and on the basis of a plan or bid. Area-based Initiatives, like NDC and SRB, fall into this category. So does the allocation of European funding, especially when matching funds are required.
- **Strategic support and oversight of local performance.** For example, influencing the way bids for funding are presented, encouraging local authorities and others to address cross-cutting issues, providing information and technical support to local players, and representing local views to central government.

5.52 Regional Development Agencies, and Government Offices will both have a significant role to play in neighbourhood renewal. Other relevant bodies – like NHS Executive Regions – often play a complementary role to GORs and RDAs.

41 DETR (1999) *PAT 7 Unpopular Housing*. TSO. [www.housing.detr.gov.uk/local/pat7/index.htm](http://www.housing.detr.gov.uk/local/pat7/index.htm)

### Regional Development Agencies

5.53 The Regional Development Agencies were established in 1998. Each has five statutory purposes:

- to further the economic development and regeneration;
- to promote business efficiency, investment and competitiveness;
- to promote employment;
- to enhance the development and application of skills relevant to employment;
- to contribute to the achievement of sustainable development.

5.54 In November 1999 the Regional Development Agencies published their first strategy documents. As required by the national framework, these address social exclusion.

#### North West Development Agency

The North West Development Agency's Strategy identifies three specific, interrelated areas of exclusion, discrimination and poverty:

Labour market exclusion, driven by technology, changing skills, low occupational and geographic mobility, and mismatch between areas of growth and labour supply.

Welfare exclusion, driven by lack of education, cuts in social security, the debilitating effects of drugs, crime, family breakdown, poor health and long term unemployment;

Community exclusion, driven by cultural barriers, alienation from mainstream political institutions, community structures and social networks

The NWDA identifies seven related actions to promote social inclusion:

- Including a baseline assessment against which the activity of all concerned can be measured;
- Communication and information strategies which will be accessible to communities;
- Improved institutional capacity across the region, with dissemination of best practice;
- Working with partners to develop area based approaches with clear targets and benchmarks for success;
- Removing barriers to participation in growth (e.g. by providing appropriate housing, affordable childcare, localised provision of skills and ICT);
- Train community groups in equal opportunity skills and inclusive approaches;
- Work with the countryside agency to establish a reliable measure of disadvantage in rural areas as a basis for future resource allocation. (See para 5.48, page 37)

5.55 RDAs could be a powerful force for linking what goes on within deprived neighbourhoods with the wider stimuli of economic growth and skills training. However, it is clear that they have entered complex territories and responsibility structures, with existing initiatives, funding streams and partnerships. Pulling all this together to ensure that finite resources are used efficiently to support regional priorities will be a challenging task.

- 5.56 The RDAs advise Ministers on the Single Regeneration Budget, which has been a driving force behind Partnership based activity. Subject to the outcome of the GIDA review this is likely to make them an important player in supporting local strategic partnerships, and their strategies can help drive a range of actions (at neighbourhood level and more widely) to promote social inclusion.

### **Government Offices for the Regions (GORs)**

- 5.57 The RDAs may in time, and where there is evidence of demand for an elected tier of regional government, become an executive arm of regional assemblies. But for the time being they are required to take account of the views of designated regional chambers in preparing their strategies, and to give an account of their activities to the chamber. They are accountable at national level to Ministers and Parliament. They do not represent government Departments in the regions. That is the role of the Government Offices.
- 5.58 The role of Government Offices is changing. They have lost some of their responsibilities to RDAs, and the restructuring of delivery of education and training for the post 16 age group is also reducing or changing functions. For example, a significant part of their work has hitherto been to manage the contracts of Training and Enterprise Councils, and this will now go.

#### **Government Offices for the Regions**

The decision to set up GORs was 'a radical departure from the centralised and compartmentalised traditions of the civil service'. They have led to greater co-operation in the regions. Although 'much remains to be done in developing the skills of civil servants in networking partnership development', nonetheless GORs are a key mechanism for developing holistic governance. Potentially they are also 'the building blocks of a devolved democratically elected regional structure'.

Source: Mawson, J. & Spencer, K. (1997) *The Government Offices for the English Regions: towards regional governance*, Policy and Politics, 25 1: pp71–84.

- 5.59 At least during the transitional period while RDAs and their regional accountability arrangements are evolving, the Government Offices are likely to have a leading role in the drive towards more holistic government. They will be the focal point for central government's relationship with local strategic partnerships.
- Acting as broker and midwife when partnerships have a difficult or contentious birth.
  - Challenging local government and public sector agencies when arrangements are not forthcoming or effective, or securing the co-operation of all the agencies whose co-operation is needed.
  - Helping to bend programmes in favour of the most disadvantaged areas and commit resources to realise partnership goals.
  - Helping local partnerships to analyse needs, develop programmes of action and set for themselves stretching targets, including shared outcome measures.
  - Helping to join-up service providers at the regional level.

- Monitoring the performance of Local Strategic Partnerships.
- Providing technical assistance to those working on renewal in neighbourhoods.
- Being closely tied in to the RDAs and their various strategies, and
- Feeding lessons from the ground back into national policies.

5.60 It is also likely that GORs will have a significant role in agreeing to commitments from central government (like additional funding through ABIs) to support local partnerships. In many respects this will build from their existing responsibility for the New Deal for Communities. It will be for the National Strategy and the review of government programmes in deprived areas to flesh out this role.

5.61 The role and capacity of Government Offices will be enhanced in the light of the “Reaching Out” study.<sup>42</sup> This paid particular attention to their role on cross-cutting issues, including neighbourhood renewal.

### Coherence at the Regional level

5.62 One point that was made to us forcibly on regional visits was that there was no clear rationale for the division of responsibilities between the Government Offices and RDAs. The PIU study also addresses this point.

5.63 One issue of particular relevance is the handling of Single Regeneration Budget and the New Deal for Communities. Whilst the aims of these two forms of support for regeneration have much in common, NDC is run by GORs, SRB by RDAs. One option would be to give the two funding streams more clearly distinct purposes, for example focussing SRB on physical and economic infrastructures, and NDC on community capacity and public service interventions. An alternative would be to combine the grants into one funding stream, or at least to bring together responsibility for them. This is being revisited in the GIDA review.

## NATIONAL GOVERNMENT

5.64 Whilst it is clear that effective action is required at all levels, national government is the central component of a “whole system” that drives change. Its policies can have profound implications for deprived areas, and the nature of its relationship with regional and local public sector bodies often underpins the way in which they serve local communities. Joined-up problems like social exclusion in deprived areas present a particular challenge to central government because they do not fit neatly into departmental structures and ways of working. Our analysis of past initiatives to deal with urban deprivation in Chapter 2 suggests that the failure of government departments to act corporately has been one of their main weaknesses.

5.65 The group identified four recurring issues:

- Local government and other public sector bodies are given insufficient leeway to develop innovative local solutions to local problems.

<sup>42</sup> PIU(2000): *Reading Out: The Role of Central Government at the Regional and Local Level*. TSO. [www.cabinet-office.gov.uk/innovation/1999/regions/index.htm](http://www.cabinet-office.gov.uk/innovation/1999/regions/index.htm)

- The fragmentation of planning and delivery systems has weakened local capacity to deliver integrated solutions.
  - A lack of central co-ordination of dealings with local public sector agencies, and in particular local government.
  - The imposition of financial systems, targets and regulations that get in the way of local joining up.
- 5.66 These concerns have underpinned many of the earlier conclusions of this report, including our recommendations on cross-cutting Public Service Agreements, Area-based initiatives, and hypothecation of resources.
- 5.67 Central Government has recognised some of these problems. The thrust of the Modernising Government programme is to join up public services and policies. The Social Exclusion Unit and the Performance and Innovation Unit are helping to improve the handling of difficult cross-cutting issues.
- 5.68 Two recent studies by the Performance and Innovation Unit (PIU) are particularly relevant to our remit. The first, “Wiring it Up”,<sup>43</sup> looked at how central government could improve the way it handles cross-cutting issues. It made a range of recommendations in six areas:
- Stronger leadership from Ministers and senior civil servants.
  - Improving policy formation and implementation.
  - Equipping civil servants with the skills and capacity needed.
  - Using budgets flexibly.
  - Using audit and external scrutiny.
  - Using the centre to lead the drive to more effective cross-cutting approaches.
- 5.69 The report recommends that there should be more targets and Public Service Agreements on cross cutting issues and emphasises the need to improve skills and capacity of public sector workers, a theme we touch upon in the next chapter, building on the work of PAT 16 (“Learning Lessons”).<sup>44</sup>
- 5.70 The second report, “Reaching Out”,<sup>45</sup> examined how to improve delivery of government objectives by improving linkages to the regional and local level. We have already highlighted some of its key recommendations, including the establishment of a unit to co-ordinate work on area-based initiatives and link to the Government Offices.

43 Performance & Innovation Unit (2000). *Wiring it Up*. TSO. [www.cabinet-office.gov.uk/regions/1999/regions/index.htm](http://www.cabinet-office.gov.uk/regions/1999/regions/index.htm)

44 SEU (2000) *PAT 16 – Learning lessons*. TSO. [www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)

45 Performance & Innovation Unit (2000). *Reaching Out. The role of central government at regional and local level*. TSO. [www.cabinet-office.gov.uk/innovation/1999/regions/index.htm](http://www.cabinet-office.gov.uk/innovation/1999/regions/index.htm)

- 5.71 While the structure of responsibilities and spending review outcomes are beyond the scope of this working group, we see the key issues for central local relations as follows. The government has a legitimate interest in social inclusion as an objective, and many of the levers to promote opportunity are national: the national minimum wage, the strategy on child poverty, combining fair income support with management of dependency. Where local action is essential government needs to give local communities and local agencies the room they need to develop local solutions, whilst maintaining sufficient grip to ensure that the most deprived areas are targeted, and that real change occurs. This has been referred to as the “tight-loose-tight” approach.<sup>46</sup> In practice, this means:
- A clear message from government about its objectives.
  - Local discretion about the precise form of local action and the structure of relationships.
  - Robust monitoring through audit and accountability structures.
- 5.72 There are areas of service delivery where the Government is increasingly taking the view that knowledge of what works justifies a prescriptive approach to what happens on the ground. Examples include the DfEE’s introduction of literacy and numeracy hours in schools. The more open-ended and discretionary arrangements we have recommended for local strategic partnerships partly reflect that few people are absolutely confident of a correct and universal prescription for correcting area inequalities and concentrations of poverty. Even as knowledge of “what works” builds up, it is likely that local solutions must be matched to the wishes and involvement of *each* local community, and local variety of circumstance and solution will dictate a diverse pattern of response.
- 5.73 Coherence across government is particularly important. Too often in the past departments have set up their own initiatives and their own funding streams without sufficient regard for their impact on the sum of activity on the ground. This is particularly true where the most obvious lever available is a new plan, a new pot of money or a new set of targets. In many respects the success or otherwise of the new structures to co-ordinate activity will depend on how far they are able to reverse this trend, and turn the raft of relevant work instigated by individual departments into something that is more coherent and more effective at the local level. This should be a priority for the National Strategy.

## Key points in Chapter 5

- Action at every level is needed to ensure that neighbourhood renewal takes place. And strong vertical relationships are needed to pull action at each tier together.
- We support the need for effective champions of poor neighbourhoods at *neighbourhood level*. Local Strategic Partnerships should be encouraged to support devolved structures. A variety of structures can be effective – for example Community Development Trusts and Voluntary Sector Intermediary Bodies.

46 See University of Birmingham (1999) *Cross cutting issues in public policy and public services*. TSO.

- Most key public services are run at the *local level* – so it is essential that this level joins up if mainstream services and other local strategies (like planning and economic development) are to be marshalled behind neighbourhood renewal. **Local Strategic Partnerships are needed to co-ordinate analysis, aims, objectives, and targets as they relate to the poorest neighbourhoods, and to bring together action to deliver progress.** They would:
  - identify neighbourhoods needing intensive help, using objective criteria;
  - ensure intensive neighbourhood mechanisms are in place, and monitor them; and
  - get partners to prioritise these neighbourhoods, to join up activity which affects them and to co-operate with the neighbourhood managers.
- **Legislation extending the powers of local authorities to promote the well-being of their communities provides a basis for Local Strategic Partnerships and community plans. Guidance can be used to clarify the role of such Local Strategic Partnerships in poor neighbourhoods.**
- At the *Regional level*, *Government Offices* should take the lead in responding to local strategic partnerships on behalf of Ministers and Departments, providing where necessary the stimulus to get them going. The Regional Development Agencies role in the first instance is to develop their strategies in a way which takes proper account of social exclusion objectives, and to make sure there is effective dialogue and fit between these and the thinking and emerging strategies of local strategic partnerships.
- *Central government*, and in particular the failure of Departments to act corporately, has been responsible over the years for many of the factors which make joined up working at local level more difficult. Examples include the fragmentation of delivery machinery, an uncoordinated flow of new initiatives, a proliferation of requirements for issue-led partnerships, too much central direction and regulation, and financial frameworks, performance indicators and measures that tend to reinforce silo behaviour. A more co-ordinated framework for coherence and consistency of delivery is needed. The National Strategy must address this.

## SECTION 6

### Joining up in practice

- 6.1 Effective partnership working to tackle social exclusion will depend on much more than the sort of changes to structures and frameworks outlined in the previous chapter. In the final analysis, local workers and local communities will have to create and implement the kind of services and strategies needed to turn the most excluded areas around.
- 6.2 This section explores some of the key issues facing partnerships on the ground. It looks at the factors that can make partnerships successful, how barriers can be broken down between public sector workers, and the role that can be played by people and organisations outside government – in the voluntary and community sectors, business and, perhaps most importantly, by local residents themselves. It also pays particular attention to the importance of joining up with ethnic minority communities, and some of the barriers that can prevent this happening. And it recognises that some barriers to effective partnership working lie within the organisations themselves. Change leadership will require local ownership and commitment.
- 6.3 The Chapter highlights some of the key findings of a wide range of relevant research. Details of studies are in Annex F.

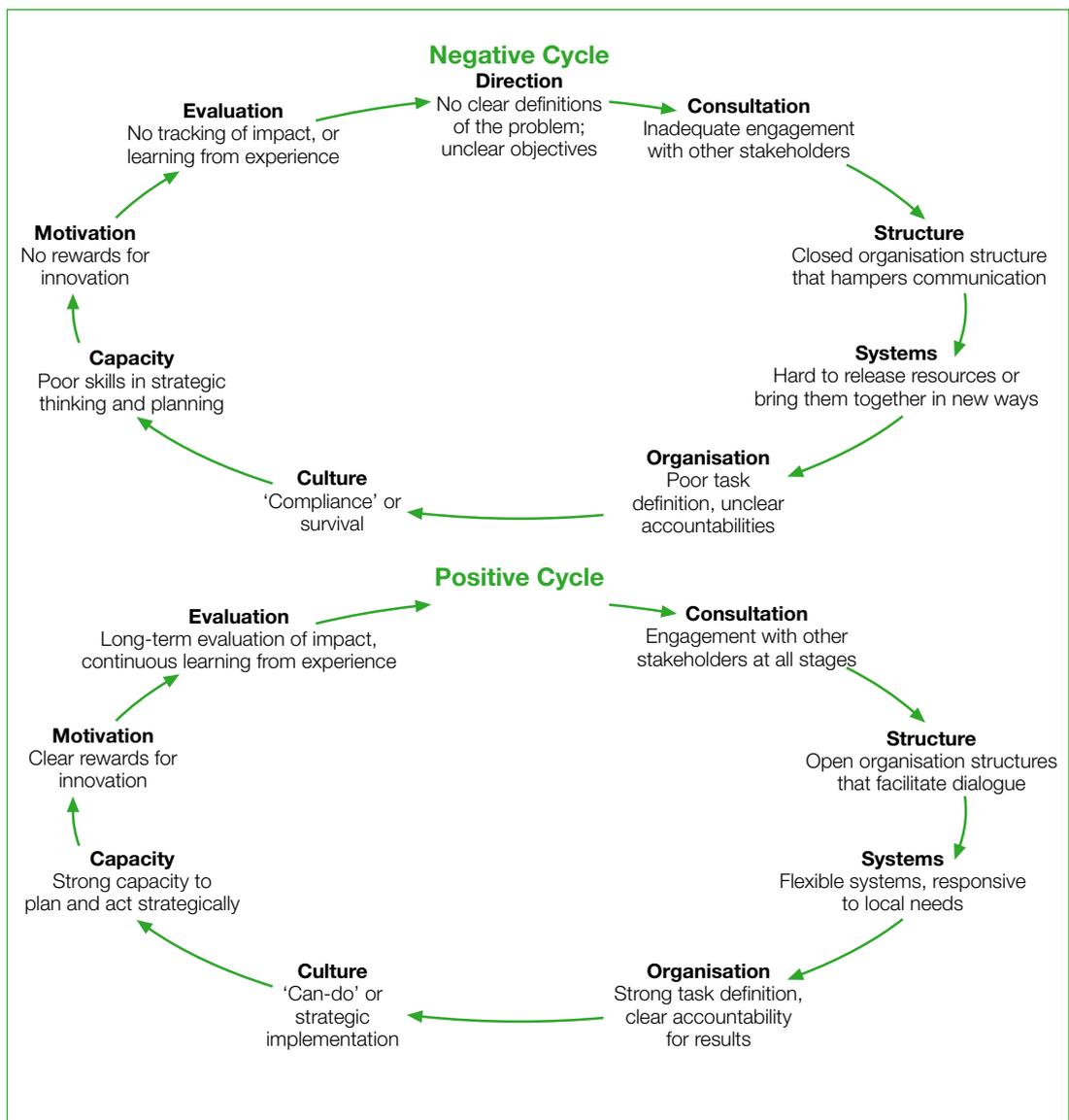
#### DEALING WITH CROSS-CUTTING ISSUES

- 6.4 In January 1999 two reports by the University of Birmingham Institute of Local Government Studies<sup>47</sup> and by the University of the West of England and the Office for Public Management<sup>48</sup> – commissioned by DETR – examined a range of cross-cutting issues, including social exclusion, facing local government. This research found that there was a range of blockages to effective integrated working – the inevitable tensions between central and local government, the impact of contract-forms of service delivery, the power of vested departmental interests, and the role of professionalism in maintaining “vertical” working. The resulting tensions, both within and between different stakeholders, often led to fragmentation and disintegration of cross-cutting initiatives.
- 6.5 One way to understand the dynamics of joined-up working is through “Whole Systems Thinking”. Using a whole systems model, the UWE/OPM report identified nine ‘drivers’ to explore the operation of policy in relation to cross-cutting issues (see diagram below).<sup>49</sup>
- 6.6 Whilst no single driver on its own is the key to success, positive movement on a range of factors can have a reinforcing effect and therefore produce a virtuous cycle of more effective partnership working. Equally, a cycle of negative reinforcement can result from difficulties in a number of contributory factors. Central government is a key player in the system, and its role in supporting positive drivers at the local level is very much the theme of this report.

47 University of Birmingham (1999) *Cross cutting issues in public policy and public service*. DETR. [www.local-regions.detr.gov.uk](http://www.local-regions.detr.gov.uk)

48 Stewart, M. et al (1999) *Cross cutting issues affecting local government*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

49 The ‘whole systems’ approach was examined in the three local case study seminars organised by PAT 17 in Nottingham, Birmingham and Bradford. A write up of the events is in the accompanying report: *PAT 17: the evidence base*



6.7 Managing the changes needed to join up local activity is a significant challenge in itself. Strong and effective leadership at every level is needed to advance a vision and strategy, and use this as a force for innovation and change. It will be essential that change is owned by the whole organisation, and seen as an opportunity not a threat. This, in turn, will create new leaders across the system, generating a wide commitment to act, learn and take risks.

**PROFESSIONAL ISSUES AROUND JOINING UP**

6.8 The skills, attitude and commitment of a diverse range of local public sector employees will have a crucial role in joining up at the local level. The behaviour and activities of professional workers in the relevant agencies – and in particular local government – are crucial. Professional barriers and entrenched ways of working which focus on single tasks and issues need to be dismantled. Some local activity is already helping to develop a more holistic approach:

- Recruitment and secondment policies have been introduced to develop generic skills, alongside more specialist professional activity.

- Training and development programmes have been introduced to help professional workers to be more aware of the contributions of professions other than their own.
- Capacity has been built to co-ordinate the contributions of different professional workers at different levels, including individual case work, neighbourhood action and strategic action.

6.9 But additional action is needed to tackle some of the deep-seated elements of silo behaviour relating to professional and other disciplines. Several specific issues still need to be taken forward:

- The outlook of some traditional professions remains quite narrow.
- Difficulties remain in building an effective dialogue with local communities, and a paternalistic top-down view of functions persists.
- The status of “joiners-up” on the ground – like workers in community development and welfare rights – tends to be comparatively low, and their influence is often limited.

6.10 The need for changes in professional behaviour and outlook are closely related to the organisational changes flowing from the modernisation agenda described in Chapter 4. New ways of running and organising functions and decision making, and new ways of connecting to the public link to new ways of working and challenges to professional behaviour.

#### Key elements of re-designed organisations

**Move from the “professional knows best” to joint decision-making in the overall planning of services and resources allocation.**

**Building user views into service planning and delivery.**

**Use feedback from users and other stakeholders as pressure for continuous improvement.**

**Maintain focus on outputs and outcomes rather than inputs or processes.**

**Organise user involvement on the basis of their issues not organisational structures.**

**Recognise that it will not be easy to listen and involve users, so support front line staff and managers involved in this.**

**Move away from tight, mechanistic, command and control models of organisation design to looser, more dispersed authority and intelligence.**

**Build learning into the organisation by allowing users and other stakeholders to challenge underlying norms of systems and behaviours.**

Source: Sue Goss (Ed.) (1999) *Managing Working with the Public*, LGA Managing in Local Government Series. Kogan Page.

6.11 The PAT 16 (“Learning Lessons”) report outlined a number of professional competencies – like project design and risk management – that need enhancing or developing in the light of similar analysis. This mirrors the focus on community capacity building which is often seen as integral to effective neighbourhood renewal. The report emphasises that a combination of these skills is more important than their individual acquisition. It also

highlights some more generic skills that are needed to augment professional expertise, like networking and negotiating.

- 6.12 A framework of performance management that sets and expects achievement of holistic aims and targets in the community will also be crucial to achieving change. In short, the delivery of joined-up objectives must be seen as an intrinsic and essential part of individual career development, and rewarded as such. In that respect it should reflect the evolution of organisational priorities – so if Best Value and similar review processes stress the need for more joined up activity and partnership based services, performance management systems should be tailored to match this requirement. Robust performance management systems will also be crucial in maintaining a clear focus on professional objectives at the same time as delivering wider social outcomes.
- 6.13 Some further work in this area is required, particularly around joining up activity in local government. The Local Government Improvement and Development Agency (IDeA) is well placed to take this forward, so:

**Recommendation 15: The IDeA should undertake an investigation into the status, careers and training requirements of the local authority managers and workers who play a key role in neighbourhood renewal. This should:**

- formulate specific proposals on how to enhance the capacity and competence of local authority employees to deliver joined-up approaches to neighbourhood renewal;
- contribute to the development of the Local Government Improvement Benchmark; and
- inform the development of both member and manager development programmes.

## **PARTNERSHIP WORKING**

- 6.14 Effective partnership working is essential to tackle cross-cutting issues which require the input of a number of local agencies. So an understanding of the dynamics of partnerships, and how they can be managed, will be important in developing effective joined-up action at the local level. There have been a number of studies on partnership working – for example, by the Kings Funds and the Audit Commission. (see Annex F – Further Reading)

### **The ingredients of success**

- 6.15 The Local Government Association recently published a report on a series of hearings that they ran to find out about how partnership working could be improved.<sup>50</sup> It identified a number of features that were the key ingredients of success:
- Clear, shared objectives focusing on real needs rather than on funding programmes.
  - Realisable and achievable objectives.

50 LGA (1999) *Take your partners*. LGA hearing on Partnerships. [www.lga.gov.uk](http://www.lga.gov.uk)

- Added value for the individual members of the partnership, as well as the partnership in general.
  - Clear planning from the outset with all partners understanding their roles and potential contributions.
  - Trust between all partners, building on genuine commitment from each organisation.
  - Strong individuals in each of the partner organisations committed to making the partnership work.
  - Highly developed informal networks.
- 6.16 The report also identified open communications as a central issue, and suggested that better use of information technology, such as websites and email, can support highly informal networks.

### Local solutions to potential barriers

- 6.17 Partnerships clearly face obstacles that do not necessarily affect organisations working alone. Some of these stem from national policies or requirements, but others arise from the inherent difficulties of getting a range of agencies with differing purposes, structures and ways of doing things to work together.
- 6.18 Different organisations bring to partnerships different cultures, ways of working, and patterns of accountability which have to be understood if the partnership is not to flounder in mutual frustration. The evidence suggests that real understanding can only be built with a considerable investment:
- **Time, Effort and Understanding.** To build partnerships there must be organisational understanding: both as a condition of establishing the partnership and, equally, of sustaining it.
  - **Watch your behaviour.** The way that business is conducted can be perceived as a barrier by some partners. In particular, it was suggested that local authorities often adopt inappropriate behaviour, for example, failing to brief new people to the partnership about their roles, in how meetings are managed, and in limiting access to information.
  - **Sharing.** Successful partnership working depends on a true partnership of peers in order to gain real commitment from all involved. Partnerships are non-hierarchical.
  - **Partnerships begin at home.** If organisations have not given sufficient thought to what they want to achieve through the partnership then they will rarely have adequately considered what internal actions they need to take (communications, changes in roles and responsibilities, allocation of resources, etc) to fulfil their commitments as partners.
  - **Change with the times.** Some evidence illustrated how it may be necessary for the nature of local partnership working to change over time.

- **Don't just follow the money.** Problems can occur because partnerships had been established to deal predominantly with the funding of a particular project. It was felt that an emphasis on funding skewed priorities.
- **A life of their own.** One danger reported is that partnerships can develop a life of their own. It is, therefore, important for the local authority and the other sponsors to maintain adequate links with the partnership – not as a constraint, but as a means of ensuring that partners are adequately involved.

6.19 **Accountability** can also be a tricky issue for partnerships. Many are set up to make services more responsible to individual service users. But, as the Audit Commission says in its report “A Fruitful Partnership”: “...in legal, political or financial terms, partnerships are often less clearly accountable than their individual members”.<sup>51</sup> The report suggests that partnerships need to go through a rigorous process of making sure their activities are accountable to the members of the partnership, to stakeholders outside the partnership (including funding bodies), and to service-users and the public at large. As we set out in Chapter 3, putting together meaningful performance indicators can also be difficult, especially numerical outcome measures. The Audit Commission report suggests that locally developed assessments can also take the form of focus groups or user panels; surveys of users; or a formal evaluation by an external agency.

6.20 Another issue is the extent to which partnerships can bring about change in mainstream activities. Risk aversion, the complexity of cross-cutting issues and organisational inertia are all cited in the Audit Commission report as potential barriers to change. These can be mitigated by careful planning and testing or piloting new mechanisms of service delivery.

### **New skills and competencies required for partnership working**

6.21 Effective partnership working also raises some particular issues and calls for very different management and political skills from those required in the management of services or contracts

6.22 Staff are likely to require multiple skills, many of which are relatively underdeveloped in local government and other local agencies:

- inter-organisational understanding and the ability to empathise with others' cultures;
- listening and hearing the unfamiliar and the unexpected;
- the ability to help others see the big picture;
- encouraging participation on issues not normally of interest to some partners;
- seeing connections and shared interests;
- the management of influence (rather than just of action);
- consensus building;
- project management in an inter-organisational context;

51 Audit Commission (1998) *A Fruitful Partnership, effective partnership working*. Audit Commission publication. [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

- team building within partnerships;
  - being hard-edged about measuring achievements and justifying costs.
- 6.23 Other important skills include challenging traditional ways and the ability to get rid of existing baggage. Partnerships require staff who are “boundary-spanners”. Officers who are too target-orientated can easily become frustrated and this can affect the effectiveness of partnerships
- 6.24 The evidence available suggests that a great deal of time has been spent on the structural organisation of partnerships. But there may well be a tendency to neglect skill building as part of the strategy for developing the capacity of partnerships.

#### Getting Together, Staying Together (Surrey County Council)

Following independent research into what makes for successful partnership working, Surrey County Council has produced a resource pack to help local authorities and their partners create, develop and review partnerships. The pack is designed to be flexible and can be used as the basis for joint training for partnerships between organisations and for working between services within organisations. The pack identifies and develops six major themes, including partnership competencies, relationship skills and team dynamics.

Group exercises, diagrams, checklists and other management tools are included to help plan and test partnership ideas and objectives.

Source: LGA (1999). *Take Your Partners*. LGA Hearings on Partnerships. LGA

- 6.25 In addition to training and development, there is also an issue about local recruitment strategies and the use of secondments/staff interchange to help build cross-organisational understanding. Staff secondments appeared to have proved particularly valuable – bringing new skills in and developing skills in others. Elsewhere, the creation of specific posts with responsibilities for partnership working is a way of introducing new skills and experiences into organisations.
- 6.26 Increasingly, the recruitment of individuals who can work exclusively in partnership arrangements is becoming the norm across a wide range of sectors. An overall need for reductions in the professionalism of some areas of work and an increased requirement for people to work across boundaries was seen as important.

### JOINING UP WITH LOCAL COMMUNITIES

- 6.27 If improvements in deprived neighbourhoods are to be sustainable, communities themselves must be on board. Put another way, they must own the changes being made.
- 6.28 In their book, “Implementing Holistic Government”, Elaine Applebee and David Wilkinson<sup>52</sup> summarise the reasons why re-connecting with excluded communities is such a vital part of turning communities around:
- All the evidence says so.

<sup>52</sup> Wilkinson, D. Applebee, E. (1999) *Implementing Holistic Government – Joined-up action on the ground*. [www.demos.co.uk/index.htm](http://www.demos.co.uk/index.htm)

- Local people know about local conditions. They can be crucial in both the diagnosis of the systemic causes of problems and who should be engaged in their amelioration. They also know about existing community networks and how to develop them.
- Accountability for holistic outcomes can be maintained through the development of local agendas and the active participation of community partnerships. Without this, internal silo agendas may usurp them.
- “Social capital” can only be rebuilt by people themselves taking responsibility for its creation. A critical mass of local people is required to “own” the small improvements that make a difference and kick-start a positive cycle of renewal.
- Professional practice is improved – that is, it better reflects the needs of the people it serves – as a result of working closely with those living in the community.
- It facilitates the connection with existing and future civic entrepreneurs, self-help groups, and encourages the development of such activities.

6.29 All of this has been recognised in recent regeneration programmes, such as New Deal for Communities, which emphasise community involvement.

6.30 But as we have discussed in earlier sections of the report, re-building communities is not just about “special” initiatives, it is also about improving mainstream public services, and this means ensuring that they also re-connect with the communities they serve.

### **Taking community involvement forward**

6.31 In many respects the need for community involvement in regeneration is now considered axiomatic. Questions remain, however, about *how* to go about involving residents, both in special projects and the delivery of *mainstream services*.

6.32 A number of ways of improving resident involvement have been suggested. For example, a Joseph Rowntree foundation report<sup>53</sup> found that:

- Involvement at an early stage was essential. And capacity building should be sponsored well in advance of bidding for special programmes.
- A Community Resource Fund should be created to initiate small projects, and assist with capacity building – which can be a stepping stone to wider regeneration projects.
- Performance targets for community involvement should be set, and be as rigorously monitored as other targets.
- Further guidance, training and support should be given to local agencies to help them to develop the skills needed to engage with local communities.
- Local authorities and other agencies should consider how far they should devolve management of local services. Local authorities should take the lead in multi-agency working.

<sup>53</sup> Joseph Rowntree Foundation (1995). *Unleashing the Potential: Bringing residents to the centre of regeneration*. [www.jrf.org.uk/housing/H12.html](http://www.jrf.org.uk/housing/H12.html)

- Changes at all levels are required: commitment from the top; imaginative organisational development and training programmes; responsive new Executive and Committee structures; staff recruitment and promotions policies; and monitoring.

6.33 Many of these recommendations have been taken forward by other PATs – for example, the community self-help PAT<sup>54</sup> reiterated the need for neighbourhood pots of money to support small projects, and the Housing Management PAT<sup>55</sup> looked at the enhanced joining-up role for housing managers.

## **SOCIAL ENTREPRENEURS, SELF-HELP AND VOLUNTARY ACTIVITY**

6.34 Over recent years there has been an upsurge in community-based, bottom up activity. Arguably, much of this has happened despite barriers put up by the public sector. Yet voluntary and community sector activity can play a central role in the life of local communities. This is exemplified by the role of “social entrepreneurs” – innovators with a social output, often around regenerating the neighbourhood where they are based.

6.35 In short, the community and voluntary sector can:

- Fill the gaps between disadvantaged people and service providers.
- Provide services alongside the public and private sector and needs to be taken seriously as a partner ‘agency’.
- Respond to the expressed needs of the community rather than to the perceived needs or ‘agency’ agendas of the public sector – making their work seem more relevant to local communities.
- Reach people and involve those whom the public sector have failed to reach.
- Mobilise both human and financial resources which the public sector cannot.
- Carry the trust of local people, because of its independence.
- Take risks and more easily develop creative ways of working.

6.36 There is also a role which the community/voluntary sector can play in the ‘middle ground’ between ‘top down’ and ‘bottom up’, connecting communities horizontally and communities and institutions vertically.

6.37 A Joseph Rowntree foundation report on partnership between government and voluntary organisations<sup>56</sup> concluded that more could be done to engage the voluntary and community

54 Home Office. (1999) *National Strategy for Neighbourhood Renewal: Policy Action Team 9 – Community self-help*. TSO. [www.home-office.gov.uk](http://www.home-office.gov.uk)

55 DETR (1999) *National Strategy for Neighbourhood Renewal: Policy Action Team 5 – Housing Management*. DETR. [www.detr.gov.uk](http://www.detr.gov.uk)

56 Taylor, M. (1997) *Partnership between government and voluntary organisations*. Joseph Rowntree Foundation. [www.jrf.org.uk](http://www.jrf.org.uk)

sectors. It suggested a number of ways in which local authorities and other public sector agencies could go about this:

- By developing strategies for the long-term development of the local voluntary sector. This should include:
  - a comprehensive map of local organisations;
  - investment in community development, capacity and infrastructure of voluntary sector organisations;
  - investment in their own capacity to work effectively with the voluntary sector.
- Introducing a range of funding mechanisms which allow organisations access to small amounts of money.
- Doing an audit of in-house skills and resources, and making the results available to local groups.
- Taking care not to impose additional costs on voluntary organisations.
- Provide “seed corn” funding to allow groups to develop other sources of support.
- Brokerage: getting different groups into networks, and supporting the key organisations that bring the voluntary sector together at the local level, like the Council for Voluntary Service and Volunteer Bureau.
- Accepting volunteers as collateral where matched funding is required.

6.38 Successful partnership working with the voluntary sector requires:

- Commitment throughout authorities – giving frontline staff confidence about new ways of working.
- Monitoring, benchmarking and review mechanisms.
- Recognition of the burden partnership working can place on voluntary organisations.
- Willingness to understand and accommodate different cultures.

6.39 It is important that the voluntary sector plays a significant role in Local Strategic Partnerships. So our next recommendation is that:

**Recommendation 16: Guidance on community planning under well-being legislation should encourage local authorities and their partners to assist the voluntary sector to participate in the community planning process.**

### The C2M Project – An Emerging Case Study in the Bradford District

The Centenary Two Millennium Project (C2M) emerged in 1997 from an initiative started in 1993 by the Churches' Bradford Metropolitan Faith in the City Forum. The Forum undertook a project called 'Powerful Whispers' which brought together the key decision makers within the Metropolitan District and some of the people living in four of the most disadvantaged areas of the District.

The aim was to enable the key decision-makers to hear directly from the people living in disadvantaged communities, including local professionals, about how life is experienced by them.

Four urban 'hearings' were held and the agenda was concerned with answering five questions:

- What was good about where people lived?
- What was not so good?
- What were local people already doing to make a difference?
- What did they see as the gaps?
- What were their hopes and fears for the future ??

From the four hearings a common agenda of concerns emerged- poverty; crime; young people; race, culture and religion; consultation and decision making; and housing. Out of the six common issues that emerged, the concern about the levels of consultation and decision making was the least expected.

Through both listening exercises a picture emerged of a plethora of strategies and initiatives from the 'top', and at the 'bottom' a great deal of ad hoc activity responding directly to needs. For those at the top there was a frustration that nothing appeared to move the District forward in the way that had been hoped, and at the bottom a frustration that nobody was listening. There appeared to be a gap in the middle where the top and the bottom were failing to connect.

In the summer of 1997 the Faith in the City Forum identified the second phase of the work now known as 'The Centenary – Millennium Project (C2M). Its aim is to work in the gap between 'top down' and 'bottom up' and the purpose is first to bridge the gap and eventually to close it. C2M is an independent charity and is made up of members from four sectors – community, voluntary, public and private. It seeks to carry out four key tasks:

- To encourage communities in the District to use the time between the City's Centenary (1997) and the other side of the Millennium (2002) to build local agendas and plans for their communities.
- To link groups and communities, across the District, who have common emerging agendas, plans or actions, to share ideas and good practice.
- To work with institutions and agencies to increase their capacity to partner more effectively with communities.
- To enable the information and good practice being generated at the grassroots to be gathered and passed on to those who have responsibility for thinking strategically about services and plans for the District.

Through this project it is hoped to enhance the ability of the citizens of Bradford District and its institutions to dismantle the current barriers of race, class and culture to learn from each other as together they take hold of the future. In effect to create a learning District. In this way community life can be reconstructed and strengthened, widening the opportunities for participation.

Source: Elaine Applebee

## ETHNIC MINORITY COMMUNITIES

- 6.40 Taken as a whole, ethnic minority groups are more likely than the rest of the population to live in poor areas, be unemployed, have low incomes, live in poor housing, have poor health, and be the victims of crime. For example, 41 percent of African-Caribbean, 45 percent of Indian, 82 percent of Pakistani and 84 percent of Bangladeshi people have incomes of less than half the national average compared with 28 percent of white people. Moreover, the settlement of black communities within particular cities and neighbourhoods means that social exclusion can be localised and severe. So overcoming the disadvantages experienced by ethnic minority communities is a big issue for the National Strategy for Neighbourhood Renewal. In some areas where there is a high concentration of people from minority groups, it is arguably *the* issue.
- 6.41 As we have spelled out above, improvements in many areas will be predicated on forging strong partnerships with local residents. This involves joining up with representatives from all sections of the community. Research shows that social exclusion means different things to different people and different groups. For minority groups, a supportive culture within a faith community may co-exist with hostility outside it. And different groups have different priorities. All this means that policy is unlikely to achieve its aims of greater inclusion unless it is matched by a full understanding of the diversity of experience within deprived neighbourhoods, and an appreciation of the strategies necessary to ensure regeneration benefits all.
- 6.42 In practice, this entails overcoming barriers to involving diverse communities. But recognition of race issues is not evenly spread. Area-based initiatives, such as SRB and NDC, have specific objectives to benefit minority groups – although for SRB this objective has been found to have the lowest priority of seven stipulated aims. (The DETR recently updated the guidance accompanying NDC to help ensure that strategies were as inclusive as possible.)<sup>57</sup> For mainstream services the picture is even more patchy. In the words of the Macpherson report there is a “collective failure”, where “processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, thoughtlessness and racist stereotyping disadvantage minority ethnic people”.<sup>58</sup>
- 6.43 A number of areas around PAT 17’s remit need further attention.
- **Much more information is needed about ethnic minority communities.** This means creating community profiles broken down by race. Profiles should not just include the statistical make-up of the population, but also the extent of involvement in local organisations. Two changes are needed. First, the indicators we discussed in Chapter 2 need, where possible, to be broken down by race. This is being taken forward by PAT 18. Second, local agencies need to develop rigorous techniques to monitor the impact of their policies and services on minority groups.
  - There is also a need to **break down targets by ethnic minority group** where there is evidence that under-performance of service towards these groups is an issue.
  - **More scrutiny is needed, both at the local and national level, about the impact of policies on minority groups.** An audit of relevant policies would be one way in.

57 DETR (2000) *New Deal for Communities. Race Equality guidance*. TSO. [www.detr.gov.uk](http://www.detr.gov.uk)

58 MacPherson, Sir W. *The Stephen Lawrence Inquiry*. TSO. [www.official-documents.co.uk](http://www.official-documents.co.uk)

6.44 Last, but by no means least, **much more needs to be done to ensure that there is greater involvement from minority communities in local partnerships**. In many respects this is about ensuring that some of the barriers to community involvement described above are addressed, with particular reference to ethnic minority groups. It means consulting ethnic minority-led groups or residents themselves. It means ensuring that ethnic minorities are properly **represented** in local organisations. And it means **empowering** people from ethnic minorities. In practical terms this can mean embracing diversity in a number of ways:

- By placing an inclusive vision at the heart of strategies. For example, the Coventry Community Plan aims explicitly to engage all sections of society, combat racism and celebrate diversity.
- Promoting flagship ethnic minority projects.
- Recognising the contribution of the ethnic minority economy to economic strategies (for example, Green Street in Newham markets itself as a major Asian shopping centre).
- By stipulating that local partnerships must accurately reflect the make-up of the local population, and adjusting their composition accordingly.
- Building capacity by, for example, supporting ethnic minority-led voluntary organisations and creating recruitment strategies that lead to diverse and culturally sensitive staff teams. This means a willingness to promote and accept different types of providers and local management arrangements.

#### Involving communities – Camden

Camden Council has undertaken a capacity building exercise with the Bangladeshi community, the largest ethnic minority group in its area. The exercise has entailed working with the local race equality council to train a group of volunteers from the community in consultation skills. The training leads to NVQ's for the individuals. They are also then trained in how the council works – both on its own and in arrangements with other local partner organisations.

Camden is now using these volunteers as a bridge between the council and the community on a host of different consultation exercises. This requires the authority to increase its capacity to listen – the capacity building has to be both ways.

The approach has been successful and Camden now intend to extend it to other communities. As an initial step, Camden has introduced a programme of capacity building visits where groups from particular communities come in and spend a couple of hours in the Town Hall, meeting with key officers, learning what the local authority and local partners do and having the opportunity to ask questions.

Source: LGA (1999) *Take Your Partners*. LGA Hearings on Partnerships. LGA

6.45 But tackling racism and resulting social exclusion is about more than embracing diversity, as important as this is. Joined-up thinking to tackle racial discrimination must also look at the people who are responsible for racist crimes and discrimination – often, though not always, in white communities. This could include challenging behaviour at school – for example by developing the school curriculum to look more closely at the contribution minority communities have made to British society. Twinning black and white organisations can help build dialogue between communities.

- 6.46 Local agencies also need to look at how they can join up to tackle racial harassment and discrimination. This may entail supporting black-led organisations to access communities. Multi-agency teams – providing a co-ordinated response to harassment and discrimination – can also play a part. And sanctions available under the 1976 Race Relations Act should be used to take action against organisations that pursue racist policies and practices.
- 6.47 The Macpherson report had profound implications for local government and all local public sector bodies. This was recognised by the LGA which, in association with the Employers Organisation and the Improvement and Development Agency, published advice and guidance on thirty recommendations of relevance.<sup>59</sup> The Race Relations (Amendment) Bill will extend the Race Relations Act 1976 to all functions of specified public authorities not already covered by the Act, making it unlawful for them to discriminate against a person on racial grounds in carrying out any of their functions. The Government has announced that it will bring forward amendments to the Bill in relation to indirect discrimination and a statutory duty to promote race equality. The Bill, once amended, will therefore prohibit direct discrimination, victimisation and indirect discrimination in the public functions to be newly caught by the Race Relations Act. In addition, it will place a positive statutory duty on public authorities, not just local authorities as now, to promote race equality. How the duty will operate in practice and be enforced will be the subject of consultation.

## INCLUSIVE STRATEGIES

- 6.48 Tackling the disadvantage faced by ethnic minorities will be an absolutely essential part of renewal in many deprived areas. Other under-represented groups also need to be engaged. PAT 12 “Young People”<sup>60</sup> has outlined ways in which the problems of disadvantaged youngsters can be tackled. It is also important that women are given the support they need to help shape local strategies and services. There is a strong case for local service providers to take positive steps, for example by breaking down indicators by race *and* gender.
- 6.49 The Government is committed to an inclusive society, and will introduce a general duty to promote equality of opportunity for all public bodies as soon as Parliamentary time permits.
- 6.50 Local Strategic Partnerships should be an inclusive forum and represent all sections of the community, so our next recommendation is:

**Recommendation 17: Guidance on community planning under well-being legislation should make it clear that partnerships need to represent all sections of the community. Specific effort should be made to involve ethnic minority representatives and women.**

## BUSINESS

- 6.51 The private sector can also have a big role in local partnerships to improve deprived neighbourhoods. Engaging the private sector, particularly through ABIs, has been a priority for successive governments. However, there remains some uncertainty about the most

<sup>59</sup> LGA (1999) *The Stephen Lawrence Inquiry and Home Secretary's Action Plan: Initial guidance for local authorities*. LGA. [www.lga.gov.uk](http://www.lga.gov.uk)

<sup>60</sup> SEU (2000) *PAT 12 – Young People*. TSO.

effective role for the private sector in regeneration and community projects. Participation in the New Deal – in which the role of business is more immediately apparent – is now an area in which many large firms contribute.

6.52 Nevertheless, local engagement of the private sector in local regeneration projects remains very important. It can take a number of forms. A recent study<sup>61</sup> on employer involvement in area regeneration cited five distinct contributions employers can make:

- **Education/Business links.** Designed to target disadvantaged young people and improve their employability by creating partnerships between businesses and schools (along the lines of Education Action Zones).
- **Training opportunities.** Employer involvement in training helps ensure that it is relevant and contributes to raising credibility with both trainees and prospective employers.
- **Direct access to jobs.** Employers can offer real jobs to be targeted at unemployed people and/or deprived areas.
- **Contributions in cash, kind or staff.** Can help with the capital and running costs of projects, and to inject ideas.
- **Commercial relationships.** By buying the products of not-for-profit organisations supporting regeneration initiatives.

6.53 The study identified a number of ways how business involvement in regeneration could be improved:

- Early involvement meant that businesses could help shape project design, and feel more committed.
- Using those employers already engaged in community activity to involve others, using their networks and credibility.
- Targeting appropriate employers – such as those with an understanding of local issues or a history of supporting regeneration projects.
- Delivering benefit for employers. Incentives for business can include staff training and development, business opportunities and raised profile.
- Maximising the benefit of local developments. For example, joining up with employers where there are significant developments in the area – like a retail park – to ensure that local people can take the job opportunities available.
- Changing recruitment processes and policies. Employers' own recruitment processes may reinforce the problems of deprived areas – for example, by sifting by post code, or having standard requirement for formal qualifications. The latter point is also an issue for public sector employers, which are most likely to require formal qualifications – even where the link between the qualifications demanded and the job done is unclear.

61 McGregor, A et al (1999) *Employer involvement in Area Regeneration*. The Policy Press.

- Finally, more simplification and support for business involvement is needed. A single point of contact for all local regeneration partnerships would help. **Standing local strategic partnerships, advocated by this report, would be in a good position to put this in place.**

## DISSEMINATING BEST PRACTICE

- 6.54 As we set out in Chapter 2, the problems of excluded neighbourhoods are not new. Successive governments have introduced programmes to try and tackle these, many of which have placed an emphasis on partnership working. And there is a vast array of research and evaluation material around the results of these policies and related projects and issues. Some of this has been absorbed by the eighteen Policy Action Teams, which also provide a comprehensive guide to many of the issues facing local practitioners.
- 6.55 The PAT 16 report concluded that, in the past, too little attention has been paid to developing evidenced-based strategies, and too much emphasis has been placed on re-inventing the wheel. The fact is that there are lessons from both past successes and failures. It makes sense to use this learning. One of the biggest challenges facing the National Strategy is to ensure that new strategies are informed by experience, and that those involved in them have the knowledge and skills required to make them a success.
- 6.56 A range of action is needed:
- We support PAT 16's recommendation that a new **National Centre for Neighbourhood Renewal** is created. This should take an overview of training, provide a single point of access for past learning, foster better networks, sponsor new research and run programmes for practitioners, particularly key decision makers. This should also be responsible for making the most of information and communication technology, by linking users to sites like the DETR's "regen-net" (site address)
  - We recommended in Chapter 4 that a new theme of "Neighbourhood Renewal" is introduced in the next round of the **Beacon Council** scheme.
  - In Chapter 5 we set out the important role of the **Government Offices**. A central part of that should be to act as a partner to local agencies and a repository and promoter of good practice.
  - The local government **Improvement and Development Agency** has a role to play in improving the joined up capacity of local authorities. This might be linked to:
    - The local government improvement benchmark.
    - Management development and member development programmes.
    - Best practice support strategies (under development), including an electronic web-based "knowledge warehouse".

**Recommendation 18.** The IDeA should look at its role in disseminating best practice and improving performance in the light of the work of the PATs and the National Strategy, with particular reference to how neighbourhood renewal lessons can be spread through: the local government improvement benchmark; management development and member development programmes; best practice support strategies; and their developing internet site.

6.57 It is also important that lessons from the PATs are fed into the audit and inspection process, and reflected in guidance that accompanies the range of central government Area-based Initiatives.

## Key points in Chapter 6

- Improvements in deprived neighbourhoods will depend, to a large extent, on action taken by front line public sector staff, the local voluntary and community sectors, and, perhaps most importantly of all, communities themselves. Renewal must “join up” their efforts if it is to be successful.
- Public sector bodies need to ensure that they take a holistic approach to cross-cutting issues. And public sector staff *need new skills and competencies* – like the ability to see the big picture, and consensus building. Barriers between different professions, and between professions, “front-line” community workers and residents need to be broken down. PAT 16 makes some useful recommendations. **The Improvement and Development Agency (IDeA) should develop ideas about how best this could be achieved in local government.**
- More understanding is needed about *how to manage partnership working*. Clear objectives, trust between partners, highly developed informal networks and use of shared data to facilitate information exchange all help.
- *Communities* themselves will play a *pivotal role* in turning areas round. Much more effort is needed to engage them – for example, through more effective capacity building, setting up community resource funds and performance targets for community involvement. Other PATs, especially PAT 9, make some useful suggestions about how to engage residents.
- The *voluntary and community sector* can offer a great deal – for example it can fill the gaps between disadvantaged communities and service providers, by establishing a dialogue and providing additional services. It is important that it plays a significant role in Local Strategic Partnerships; **guidance under community planning legislation should make this clear.**
- *Ethnic Minority communities* are amongst the most excluded. It is essential that much more is done to understand their specific needs. More information on the ethnic make-up of communities is needed, and specific targets should be considered where there is evidence of poor quality or availability of services. It is also important to tackle the perpetrators of racial discrimination and harassment, not just the victims. The relevant recommendations from the Macpherson report must be implemented in all local authorities and other local public sector bodies. **Guidance should make clear that Local Strategic Partnerships should be an inclusive forum and represent all sections of the local community.**

- The *private sector* can help local partnerships. Businesses need to be involved at an earlier stage, and bureaucratic obstacles to their involvement need to be addressed. One way would be to create a single local point of contact for businesses keen to get involved in renewal projects.
- Finally, it is essential that the lessons learnt from previous initiatives and the PAT-process are disseminated effectively. This means much better use of ICT, an enhanced role for the Government Offices, and further work on capacity through the National Centre for Neighbourhood Renewal recommended by PAT 16. **The Improvement and Development Agency (IDeA) has a specific role to play for local government.** And there is also potential for more use of the Beacon Councils scheme to spread good practice.

# ANNEX A

## Local government modernisation

1. The White Paper *Modern Local Government: In touch with the People*<sup>62</sup> set out a ten year strategy for reform and modernisation of local government in England.
2. The changes flowing from the strategy will fundamentally reshape the way local government takes decisions, reviews and continuously improves value from its services, and leads the governance and well being of local communities. Many of the changes have been widely piloted, and build on the experience and innovation of local councils and their communities. The beacon council scheme continues to build on local best practice.
3. The modernisation framework is being set out in law. The Local Government Act 1999 introduced best value and abolished crude and universal capping. The Local Government Bill now before Parliament extends councils' powers to promote the well being of their communities, sets out the new framework for decision making, and introduces a new ethical framework. The Bill remains subject to Parliamentary approval. This notes highlights key points relevant to social inclusion, although many apply with equal value to other cross cutting objectives or local initiatives.

### BEST VALUE

4. Part I of the Local Government Act 1999 placed a new duty on local authorities to “make arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness.” These arrangements are defined by the performance management framework laid down in primary and secondary legislation.
5. The duty of best value will be a duty owed to local people and there is therefore a separate requirement to consult local taxpayers, service users and business at key stages.
6. The new framework seeks to recognise and define the national interest in local service delivery, principally through prescribing a set of key national performance indicators and standards to supplement locally derived performance measures. The national PIs seek to focus as far as possible on measures of output and outcome, and will include indicators of efficiency. They are as consistent as possible with those derived through the Comprehensive Spending Reviews (and now published as Performance Service Agreements in the White Paper “Public Services for the Future: Modernisation, Reform, Accountability”).<sup>63</sup>
7. In parallel to this, specific services have been reviewed at the national level to put in place performance plans which give clear signals as to national priorities eg. housing, education, local transport, and social services.

62 DETR (1998) *Modern Local Government: In touch with the people*. TSO. [www.detr.gov.uk](http://www.detr.gov.uk)

63 HMT (1998). *Public Services for the Future: Modernisation, Reform, Accountability*. TSO.

8. Authorities will review regularly both their performance targets and the means by which they are achieved. They will do this principally through regular Fundamental Performance Reviews which will challenge why and how services are provided; compare performance with others; consult local people; and use fair and open competition wherever it makes sense to do so.
9. Performance reviews can be structured to focus on separate services, but they can also be focussed on the council's whole response to the needs of a particular area or group or to a cross cutting issue.
10. New enabling powers are envisaged to remove obstacles and to encourage partnership working with other public and private bodies to achieve best value eg. pooled budgets; partnership vehicles such as joint ventures; provision of services to other authorities etc.
11. New targets for reviewed services will be brought together with existing targets in Local Performance Plans, which will be prepared alongside the budget process and published annually (by 31 March). Local Performance Plans will be an important vehicle by which local accountability is achieved, and in addition to setting targets for future service improvements will also report to local people on the extent to which past targets have been met.
12. Local Performance Plans will be audited by 30 June each year : Services will also be inspected as a minimum at 5 year intervals and normally soon after Fundamental Performance Reviews are completed. The Audit Commission is in the process of establishing a new Best Value Inspectorate which will work alongside the existing specialist Inspectorates. The Government has also convened an Inspectorate Forum which has a remit to ensure that a joined-up approach to inspections under best value is adopted by all the key players, and to develop consistent inspection methodologies.
13. Ministers have wide ranging intervention powers in the case of service failure, and will be able to react to objective evidence of failure from a variety of difference sources.
14. Best value interacts strongly with, and makes key demands upon, the wider procurement and fair employment policy agenda. The key requirement is that local authorities should be free to explore a full range of service delivery options on a level playing field as part of their fundamental performance reviews.
15. Best value has been piloted in over 40 local authorities since 1998, and the experience of those authorities has been taken into account in determining the shape and content of secondary legislation and guidance which the Government has introduced since the Local Government Act 1999 gained Royal Assent. Pilot authorities paying particular attention to social exclusion include Bradford, Manchester and Greater Manchester Police, Great Yarmouth, Camden, Newham and Lewisham.

## MODERNISATION OF LOCAL AUTHORITY CONSTITUTIONS

16. At present all councils are required by law to make decisions in the whole council, or in committees which reflect the political composition of the whole council. In fact decisions are often pre-decided in closed political groups. The Local Government Bill makes available to local government three broad categories of new political management structures. The Government intends that all councils will have to consult local people and adopt a new constitution based on one of these categories:
  - a directly elected executive mayor with a cabinet;
  - a cabinet with a leader;
  - a directly elected mayor with a council manager.
17. A referendum would be required before a directly elected mayor framework can be adopted, and local people can petition for a referendum to be held. There is a power to prescribe further frameworks, and within each option there is a range of possible forms of constitution.
18. The frameworks are designed to promote more efficient, transparent and accountable decision making, requiring the separation of executive responsibilities and making more productive use of councillors' time by ending the present requirement that council decisions must be taken in full council or in politically balanced committees. They will enable more extensive delegation to individual members and officers.
19. As well as enabling stronger, clearer and more accountable structures for decision making, the new framework will strengthen the representative and overview and scrutiny roles of councillors who are not part of the executive.
20. The structure of executive portfolios and of overview and scrutiny committees and the method of working need not follow conventional service boundaries. This will give councils opportunities to take account of cross cutting issues such as social exclusion and the needs of their poorest neighbourhoods in designing their new approach to policy, decisions and review.
21. Some councils are already structuring their systems to focus attention more closely on the needs of excluded groups or areas. They are using new forms of participation and community involvement to develop more coherent and responsive services. They are reviewing the service they provide to their community in a thematic way which brings issues out of service silos and looks for a more joined up response to changing needs – for example by looking at how well the council as a whole and other local services are responding to the needs of young people. And the Bill leaves open the option of area committees to focus on the needs of a particular neighbourhood or community.

## NEW ETHICAL FRAMEWORK

22. The Local Government Bill will also introduce a new ethical framework for local government, following on from reports of the Committee on Standards in Public Life and Departmental consultation on options for change. The main elements of the framework include:
- a statutory code of conduct that all councils will be required to adopt for their councillors to meet standards of stringency set by the Government and endorsed by Parliament;
  - councils will have a lead responsibility for their own standards. They will have to establish a standards committee, including at least one independent person, to uphold standards within the authority;
  - creation in England of a new independent body, the Standards Board,<sup>64</sup> to investigate all written allegations that a councillor has breached their code of conduct;
  - cases will be heard by the Adjudication Panel, a tribunal that will be able to impose penalties ranging from public censure, to suspension from committees or from the council, to disqualification from office of councillor for up to five years;
  - the introduction of a similar employees' code for council staff that will be included in their terms and conditions of employment.

## WELL-BEING

23. The Local Government Bill also strengthens the community governance role of local councils. It includes a broad new power for councils **to promote the economic, social and environmental well-being of their areas**. The power will widen the scope for councils to support innovation and to work in partnership with other bodies to respond to the needs of their communities and deliver real improvements in local conditions.
24. The provisions recognise the need for concerted action to address cross-cutting issues like social exclusion. Modern, responsive and outward-looking councils are well placed to lead at the local level, bringing together the many agencies whose co-operation is needed for effective action.
25. The Bill includes provisions for local authorities to prepare comprehensive “**community strategies**” that identify local needs, and set out what authorities and other local bodies will do together to meet them.
26. The need for sustainable, socially inclusive and competitive communities should be at the heart of such strategies. They would focus on priorities for action arising from the specific needs of each community. A number of councils have already developed local strategic partnerships to prepare community strategies — through specific initiatives like the New Commitment to Regeneration, or on their own initiative.

64 Different arrangements are proposed in Wales

27. The Government has made clear that there will be flexibility in the legislation as to content and process, so that councils can build on existing arrangements, and strategies can reflect local needs and circumstances. Guidance to local authorities will emphasise the importance of local strategic partnerships as a means of joining-up services and tackling cross-cutting issues in a coherent and integrated way.
28. The Bill also provides two secondary powers for the Secretary of State to remove or amend legislative barriers to effective local action, and to facilitate more joined-up planning.
29. Well-being powers, and the forums and working arrangements which local authorities put in place to prepare local community strategies, will be the foundation of local strategic partnerships for tackling social exclusion.

### **BEACON COUNCILS**

30. The Beacon Council scheme is designed to help all councils give their local people and communities high quality services by enabling all local authorities to learn from the best.
31. Applications for the first round of the Beacon scheme were submitted during the summer of 1999. In December, the Government announced that 42 Councils involved in 33 applications had been selected to act as Beacons.
32. Each of these 42 Beacon Councils has demonstrated good overall performance alongside excellence in a particular theme. The themes for the first year of the scheme are:
  - community safety: preventing local shopping and town centre crime and disorder;
  - education: helping to raise standards by tackling school failure;
  - housing: improving housing maintenance;
  - modernising planning: streamlining planning decisions for business;
  - modern service delivery: improving housing and council tax benefit administration;
  - social services: helping care leavers; and
  - sustainable development: getting rid of waste.
33. Beacon Councils are now preparing roadshows, open days and other events to promote and spread best practice. The Government is making up to a total of £700,000 available to fund best practice sharing. The local government Improvement and Development Agency is co-ordinating the activity of beacon councils in putting together a national programme to spread best practice.
34. The Government will shortly announce a new set of themes for the second year of the scheme and invite applications.

35. Best practice identification and sharing will continue in a second phase of the beacons scheme. Subject to enabling powers which would need primary legislation, the second phase will enable the Government to relax statutory restrictions or confer new powers selectively on beacon councils, as a test bed for new freedoms and flexibilities.

## REFORMS IN LOCAL GOVERNMENT FINANCE

36. The Government has tackled three key issues for local government finance:
- provided substantial increases in revenue grants and capital allocations for local government over the three years of the Comprehensive Spending Review (CSR). This has given local authorities the funding base on which to improve services and set reasonable council tax increases;
  - given local government a stable and predictable environment in which they can plan ahead. The CSR announced revenue grant totals for three years during which it is not intended to change the distribution methodology. That has been confirmed in the settlement for the second of those years;
  - provided the environment for councils to take local budget decisions to meet local circumstances. Crude and universal council tax capping has been ended but the Government has taken, in Part II of the Local Government Act, reserve powers to protect local taxpayers from excessive tax increases. It has also given local taxpayers, rather than national taxpayers, more responsibility for the benefit consequences of local decisions to make large increases in council tax.
37. In addition:
- the local government **capital finance system is being simplified**, with incentives for councils to make better use of their capital resources and assets. Councils will be expected to draw up a comprehensive capital investment strategy. The requirement to set aside for debt repayment receipts from the sale of assets other than housing has been abolished. Rather than build up capital allocations service by service, tied to particular uses, there will, from 2002/03, be a single capital “pot”. In time, this will be used to allocate the bulk of capital support to local government, so that councils can use resources more flexibly and plan for the longer term.
  - the **national non domestic rate**, collected by councils at a standard national rate but redistributed so that income better reflects need, will be retained, but the Government proposes that subject to future enabling legislation there should be scope within defined limits for councils to set a higher rate, or to give a rebate on the national rate. Limits could be set in a way that allowed greater flexibility for beacon councils. In order to promote stronger community partnership the power of local variation could only be exercised on the basis of consultation with local business rate payers; any supplementary rate would help finance additional discretionary spending on priorities agreed with the local business community. At the same time as introducing any local rate scheme the Government intends to consider changing the rate system to reduce the rate bills of small businesses.
38. Options for reforming the local government the local government revenue grant distribution and capital finance systems will be consulted upon in this summer’s Local Government Finance Green Paper.

# ANNEX B

## Joining-up on social exclusion: A report of research into current local authority practice

### INTRODUCTION

1. The key focus of the research is the extent of, and approach to, integrated strategies to tackle social exclusion amongst local authorities. Its genesis lay in the recognition that the identification of *best practice* in local approaches to tackling social exclusion and neighbourhood renewal, required a better understanding of what constituted *practice* amongst local authorities and, by association, those aspects which appear to be successful and represent transferable lessons.
2. As a starting point, the research required a working definition of 'joined-up'. Comprehensively tackling social exclusion requires a local authority to place its treatment as a corporate priority, and to facilitate integration of the planning and delivery of policy responses across different service areas and across different organisations. In essence, a joined-up approach crosses both functional and organisational boundaries.
3. Through a sample of local authorities, the research sought to explore:
  - organisational and planning structures adopted by local authorities;
  - the nature of priorities and action plans; the form and nature of partnership working across organisations and across service areas;
  - geographical area-based forms of working;
  - bending of mainstream resources; and
  - utilisation of data to identify the nature of social exclusion and as a mechanism for providing more responsive and targeted service planning and delivery.

### METHODOLOGY

4. The research, undertaken during the period August-December 1999, is not an exhaustive study of current practice. Rather it provides an overview of current activity amongst a sample of local authorities. The primary research comprised three main elements:
  - A postal survey of a sample of 56 English local authorities who were identified, through interrogation of the Improvement & Development Agency's Anti-Poverty database, as having significant experience of anti-poverty and social exclusion policy activity.

- A series of semi-structured interviews with officers, councillors and external stakeholders from nine local authorities who were identified as having developed corporate strategies and structures for integrating social exclusion activities within their service planning and delivery.
- A documentary review of the form and content of local authority social exclusion strategies and action plans.

## FINDINGS

5. A number of key findings emerge from the research:
  - **There is much activity already taking place at the local level with regard to tackling social exclusion.** Evidence from the survey revealed that 95% of respondents had a formal written corporate plan for tackling deprivation, of which 66% had created, or were in the process of creating, a specific plan for tackling social exclusion. In terms of the maturity of those deprivation strategies, respondents were almost equally split between those who had recently (within the past 3 years) established a strategy, (54%) and those who had a well established (developed in the past 4-8 years) strategy (44%).
  - **There is a need for appropriate departmental and committee structures to foster joined-up working and leadership.** Many authorities recognised the importance of adopting a corporate approach, primarily to guide strategy development. It serves both to promote social exclusion as a corporate priority, as well as facilitating cross-department and cross-agency working initiatives and forums, to ensure service delivery reflects priorities. A number of authorities had undertaken some form of stock-take of current services to identify future enhancements. However, it was evident that the majority of authorities were currently at a developing stage, acknowledging the need to carry out further reviews of policies and procedures to ensure a truly comprehensive strategy framework encompassing all relevant services and partnership groups.
  - **There was recognition that increased co-ordination at a corporate level was a key ingredient to building integration between targeted and mainstream programmes, for example through integrated service planning or performance monitoring.** In particular, it was considered important to avoid the perception that social exclusion was “something someone else was doing”. Where authorities had undergone organisational change in response to social exclusion, many had done so within a broader modernising government agenda. The formalisation of member structures for treatment of cross-cutting areas of policy has been reflected in committee reforms, in which panels or members with particular responsibility for social exclusion have been appointed.
  - **The importance of a strategic framework in giving corporate focus and expression to social exclusion activity.** Authorities stressed the role of the framework, and the process of producing it, provided a focus to, and expression of, the authority’s commitment to tackling social exclusion. Of those authorities who had produced a strategy to tackle poverty and social exclusion, the presentation and format varied widely between different stages and modes of development. Though there is no blueprint as to what a strategy should look like, some common traits can be identified.

- **The focus of the strategies may take a variety of forms, although commonly they fall within three types of approaches; thematic, equality and/or area-based.** Whilst some case study authorities had taken an area-based approach to direct service delivery to the needs of particular deprived neighbourhoods, the majority demonstrated a combination of all three approaches. Frequently, the impetus for this was the need to look beyond a geographical and spatial basis, targeting pockets of deprivation which may exist in more affluent areas. Where neighbourhood approaches had been employed, respondents reported the opportunity was available to develop area based performance plans and methods of working through best value.
- **There is a need for partnership working to understand, plan and implement policies for social exclusion at the neighbourhood level.** Respondents attached a strong sense of importance to joined-up working as a means to develop and implement approaches to social exclusion. 90% of respondents had developed their strategies in conjunction with external groups, whilst almost all authorities (95%) implemented their strategies through partnership arrangements. The multi-faceted nature of the problem was the most frequently cited reason for doing so, though the need for pooling of budgets, staff and information remained key reasons. The depth and scale of partnership working vary, with fewer using such vehicles to develop shared evaluation or pooled budgets.
- **Local strategic partnerships can play an important role in links between strategic and neighbourhood levels.** A number of authorities identified the role of local partnership structures as facilitating a wider participation within their corporate strategy development process, providing a link with the local community. In addition, a number of strategic partnerships had developed links with other agencies and authorities across the sub-region. Such partnership approaches serve as a platform from which to explore opportunities for data sharing, pooling of resources and staff. The main threat to partnership working was reported to be organisational barriers, notably differing priorities, funding streams, working practices, expectations and boundaries for delivery across organisations.
- **Data is an important operational tool.** Analysis of data relating to the level and incidence of social exclusion was viewed by local authorities as an important operational tool. It serves as an intelligence source for identifying needs, prioritising and targeting service delivery, and as the basis from which to target bids for external resources. All respondents reported to have undertaken analysis of the level of poverty and deprivation. Whilst varying in presentation, this analysis tended to focus upon the mapping of standard indicators of deprivation. A small proportion of authorities had carried out more in-depth qualitative research. In general, there were few authorities who have sufficiently detailed data to permit street level analysis, although a large number of respondents reported that they had carried out analyses at either estate level or zone/area initiative level.
- **Data is an important partnership tool.** Local authorities within the research identified its important strategic role in terms of engendering political commitment and agreement between members and officers within an authority, and the political will to undertake actions to arrest social exclusion. Shared data and needs analysis can serve as the basis for creating and cementing cross-agency partnership working to arrest deprivation – by identifying the inter-related nature of social exclusion. Alongside this, many authorities stressed the necessity of engaging with the local community through consultation and participation structures.

- **It is important to bend resources and services to achieve wider social exclusion objectives.** The large majority of authorities (90%) within the research recognised the necessity of bending their activities towards certain groups of people or geographical areas that suffer from poverty and deprivation. A number of the case study authorities sought to “piggy-back” social exclusion into mainstream service delivery, whilst others argued the need for a more profound, and visible, solution to avoid it being seen as merely another ‘factor’ in the decision framework. Both Hertfordshire and Suffolk County Councils have high profile policies to reconfigure service provision. In many areas bending of mainstream funding appears to be much more limited, in part because of the inflexibility of existing funding and accountability structures and the political ramifications of diverting limited resources to particular groups or areas, in a ‘funding per capita’ culture.
- **There is very little progress currently amongst local authorities in relation to identifying levels of resources going into deprived areas.** Very little work is currently undertaken by local authorities to identify the level of resources committed to tackling deprivation, either amongst particular groups of people or within particular geographical areas. Further, all authorities reported that current methods for recording expenditure did not permit small-scale (ward level or below) analysis. Extensive research undertaken by Bramley et al (1998) reveals the analytical utility of such information, and the evidence that disadvantaged areas benefit to an extent from higher levels of public expenditure than the national average.
- **The extent, and form, of specific performance measurement and monitoring is relatively limited.** At present, local authorities do not undertake evaluation and monitoring of their activities *specifically* designed to counter social exclusion to any significant extent. The research revealed over half (54%) indicated that they attempted to measure the impact, though only one-third (37%) reported that they utilised both output and outcome measures of performance. Whilst many of the performance measures adopted by local authorities relate to outputs, a number of authorities have made attempts at identifying outcome indicators, although little detail is presented concerning the methodology of them. Most respondents readily acknowledged the problems of identifying and assessing policy outcomes. Predominately, these difficulties related to the technical capacity for measuring outcomes i.e. limited data which is sufficiently spatially disaggregated and measured using coterminous boundaries.
- **The full report is part of a companion volume of research being published alongside the PAT 17 report: *PAT 17: The Evidence Base*. It is also on the DETR website: [www.detr.gov.uk](http://www.detr.gov.uk)**

# ANNEX C

## Local action to counter exclusion – a research review

Professor Murray Stewart, University of the West of England

### SUMMARY

1. The research review undertaken to support the Policy Action Team involved a literature search together with discussions with a number of other research teams active in areas related to social exclusion and local action. Discussions were also held with academic and professional colleagues in other European countries. In addition the review was influenced by discussions in the Policy Action Team itself. The review covers a wide range of literature relating to the past experience of area-based working, the literature on exclusion, the experience of joined up working, and the lessons from the experience of other countries.
2. In terms of the **history of area-based working** a number of lessons emerge. The absence of integrated working is long-standing, culturally embedded, historically impervious, obvious to all concerned and deeply entrenched in central and local government. There has been a dominance of special funding and area-based initiatives at the expense both of policies and programmes directed at the most vulnerable groups and of main programme bending. Successive policy measures have reflected the ideology and values of particular governments – moving in turn from an urban pathology interpretation through managerialism, supply side economics, the stimulation of property and development interests, to partnership, and most recently to exclusion. Each phase brings on the one hand novelty in institutional form and on the other hand continuity – the perseverance of tensions between area based and people based problems. The absence of integrated joined-up working has been a consistent theme. From Seebom, through the traditional Urban Programme, and Area Management, into the late 1970s Inner Cities policy, and eventually into City Challenge and SRB, the inability of government – central and local – to get it together has been widely acknowledged. Since 1991 there has been growing recognition of the merits of an holistic approach to targeted, multi-organisational initiatives and City Challenge/SRB have been seen as encouraging some movement towards integrated working. Over the whole period there has been extensive reinvention of the wheel, with successive area based initiatives embodying many of the characteristics of the past. Successive policies have mitigated the effects of economic restructuring and gone some way to improve the physical environment but have had marginal impact on social polarisation. Differences between poorer and other areas have increased. Improved awareness of and techniques for involvement have supported community engagement within area regeneration (especially in partnership) but have not shifted the balance of power, for example by shifting control over resources.
3. The **literature on exclusion** reveals little that is not already reflected in or implied by the report of the Social Exclusion Unit (1998). Academic debate concentrates on conceptual problems of the definition of exclusion, and its relationship to inclusion and/or cohesion. Central government uses a more simple definition relating to the need to reduce crime, combat drugs, create job opportunities, and raise educational achievement. Local policy makers perceive it as the governmental priority and therefore badge existing programmes.

The widely accepted conclusions are, however, that exclusion is multi-faceted (employment, housing, access to services, safety, health). Exclusion involves processes of being shut of from access rather than simply being in a state of poverty or deprivation, it is associated with benefit reliance, council housing and poverty but is not synonymous with them, and there is a coincidence, but not a causal relationship, with place – often council housing dominated neighbourhoods

4. Key Lessons from past attempts at **Joined-up Working** are that despite considerable structural improvement within local government, and between local government and other organisations, major shortcomings remain. Amongst the most important of these are the absence of clearly understood strategic involvement of either Government Offices (or as yet Regional Development Agencies), leading to local uncertainty as to the extent of commitment to active working on exclusion issues at the regional level. Impetus and drive from senior management is matched by commitment from front line field staff; middle management remain the problem. Joined-up working will not get off the ground without genuine shifts in attitudes to budgeting and expenditure management at both central and local levels. There is little evidence of joint working on exclusion between the two tiers of local government
5. Experience from **other countries** tells us that in terms of formalised machinery for joint (partnership) working, and the application of that machinery to area based initiatives, the UK is further ahead than other European countries. Other countries, however, appear to recognise more fully the role of informal relations within and between communities as the basis for responding to exclusion and area-based disadvantage. Nevertheless only modest comparisons between countries are possible given differing national political and administrative structures, and the differing scale and function of state welfare systems.
6. The major implications are that that whilst there is a long history of attempts to address on the one hand exclusion (defined hitherto as poverty and disadvantage), and on the other hand fragmented and disjointed working, there has been a failure to learn from this history. Area-based initiatives have been tried again and again; bending main programmes or mainstreaming special initiatives has been explored repeatedly but seldom applied, problems are displaced from area to area. The problems of vertical, functionally based, often professionally dominated structures remain, with the ‘wicked problems’ defying treatment. Why is English public administration so poor at learning the lessons?  
Three main answers emerge.
  - The problems being addressed are so inherently related to the distribution of power, and attempted solutions strike so hard at entrenched interests, that long term changes in the relative position of disadvantaged communities do not come about easily.
  - Secondly solutions continue to be attempted on an area-basis, with experimentation on action areas, zones, estates having dominated intervention for many years. Past policy and practice has in the past failed to learn how to transfer experimentation and innovation into the main programmes of government spending.
  - Learning lessons, whether domestically or from other countries, or learning about ‘what works’, invites questions about learning and replication. Transferability implies a learning and listening style not an authoritarian ‘this is the way to do it’ style. The

potential for, and difficulties of, transferability and replication, need to be considered in a period of extensive experimentation and piloting.

7. A number key issues seem likely to influence the success or otherwise of joined up thinking and working:
  - The history of initiatives suggests that failure is often due to the absence of **vision and direction**. There is lack of clarity on basic intention and on objectives – joined-up working for what? The creation of a shared vision and the clarification of objectives and direction is a prerequisite for any joint initiative. This sharing must be vertical and horizontal – between local stakeholder partners on the one hand and between tiers of government on the other. **Partnerships** are highly contextually specific and come in all shapes, sizes, and structures. There are no unique models of successful partnership, nor is there an easy route to the design of the successful partnership. More importantly the term is becoming discredited; simply setting up new partnerships is no recipe for success. There needs to be more rigorous thinking about the nature, form, and terms of inter-organisational collaboration. There is uncertainty about the most effective role for **the private sector** in regeneration, and this is carried forward into anti-exclusion working. Whilst there is widespread private sector presence – and often leadership – in partnership structures, there remains concern precisely what is their best contribution to joint working. More attention should be given to defining and agreeing the precise contribution which the private sector can make to anti-exclusion joint working.
  - Different paradigms struggle for supremacy as a stream of **special initiatives** – pathfinders, trials, pilots, pioneers, and trailblazers emerges from Whitehall. The connections between local initiatives (area-based or other) are likely to be complex and varied. What needs to be joined-up will vary from one locality to another and general prescriptions for co-ordination may be inappropriate. There has always been concern about what happens after special initiatives end. Hence **mainstreaming** special initiatives requires prior planning and continuous action throughout the life of such initiatives.
  - **Social Capital** is a term increasingly used but about which there remains widespread confusion. Strengthening social capital reduces the heavy transaction costs inherent in contracts or other formal mechanisms of control and compliance which seek to enforce joined up working. More emphasis should be laid on networks, trust, informal relations and mediation as the basis for joined-up working. Discussion of social capital inevitably draws attention to the role of **social entrepreneurs**. Innovative individuals may have a role to play but the function of the ‘social entrepreneur’ in assisting organisations to become joined-up locally remains unclear. **Front-line staff** are widely recognised as having key roles and there is much scope for redefining, varying, and strengthening the role of front line staff in the implementation of joined up working. It is, however, in the **individual experience** of families that many problems of exclusion and disadvantage are most keenly felt, and one important measure of the success of joined-up working is the extent to which initiatives come together to make sense at this personal level.
  - **The full report is part of a companion volume of research being published alongside the PAT 17 report: PAT 17: The Evidence Base. It is also on the DETR website: [www.detr.gov.uk](http://www.detr.gov.uk)**

## ANNEX D

### Front line Local Service Partnerships

1. A number of PAT 17 members supported the idea of Front line local service partnerships, often drawing on their own experience of working in deprived areas.
2. A recent long-term study tracing the development of two such partnerships, in Coventry and Burnley, looked at how existing services could work with residents in strategic co-ordination of service delivery. These partnerships comprised a core team, including an area co-ordinator and community development worker, and set up action groups to look at a series of cross-cutting issues. These negotiated incremental objectives with local service providers, who made a corporate commitment to the partnerships.

#### The achievements of the demonstration projects

**Health** – in Coventry both purchaser and provider are represented on the Area Management Team and there is a co-ordinated strategic approach to health in the area. Numerous projects include a community fitness programme through Leisure Services, an anti-smoking project, co-ordinated physical education in primary schools and a 'safe as houses' project to reduce accidents and emergency hospital admissions.

**Family support** – in Burnley, funding has been secured for a Children and Families Family Support Centre. The partnership includes social services, health, education, Burnley College, voluntary organisations and community groups.

**Community safety** – in both areas numerous projects have contributed to safety and feeling safe. In Coventry these include a mediation service to tackle bullying, motorcycle barriers to deter joy-riding and support for victims of anti-social behaviour. In Burnley an innovative project targets known offenders and offers support to stop offending behaviour. The project has coincided with a 30 per cent reduction in crime.

**The environment** – in Coventry a contracts action group has worked with the client and direct service organisations to improve grounds maintenance, litter and refuse collection and street lighting while in Burnley service agreements defining standards have been developed.

*"It has brought agencies together, they are learning each others' language and working with agencies who do not work with the community, learning to work at different levels"*

#### LESSONS FROM THE DEMONSTRATION PROJECTS

3. Both projects influenced targeting of resources and services in the same way. They used attention to local concerns to improve service provision.
  - **Community development** was essential, though the task was difficult and the time scales required longer than two years. Action planning required intensive consultation that was also the basis of on-going involvement.

- **The long-term strategies in both areas were mainly dependent on existing revenue.** However, strategic planning also provided a basis for capital spending as mainstream and external funds became available. The specific funding of the projects themselves (i.e. the cost of the co-ordinator, community development worker and support staff) was very small by comparison with the total revenue and capital funding available to these areas.
  - Both projects provided a **potential basis for social and economic regeneration** tackling exclusion and poverty by providing a long term strategic framework.
  - **Co-ordinators from the chief executive's department of the local authority** provided an overview of the projects and maintained corporate links to the service departments.
  - **All partner organisations were required to give the local partnership corporate backing.** Staff at all levels needed information and training. Where services were managed by contract, such as in housing management and health, both client and contractor were important.
  - **Voluntary organisations and community groups** were an essential part of these local partnerships. They were involved in creative initiatives to meet local need unmet by public service provision.
  - **It was difficult but essential to involve the community in defining needs,** agreeing priorities, problem-solving and action planning and in monitoring the results. These service partnerships also recognised that paid or unpaid local residents deliver essential services. In Coventry, the smoking prevention programme supported the training and work of 10 peer educators and in 1996–7 reached 500 women.
  - **Service partnerships also increased residents' influence as users and strengthened local democracy.** Resident representatives provided a sounding board for the changes in service delivery. In Burnley the project built on the experience of the Estate Management Board and plans to develop service agreements with a monitoring group including the EMB and other residents groups, councillors and key officers.
4. The new powers in the Health Act to allow Health Authorities and Local Authorities to work pull their services together (covered earlier in this report) will facilitate the creation and functioning of local service partnerships.

**“Transforming local services: partnership in action”** by Sarah Gregory is published for the Joseph Rowntree Foundation by YPS. Further details are available at <http://www.jrf.org.uk>

## ANNEX E

### Policy Action Team 17 – “Joining it up Locally”

#### *Membership*

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Director of Local Government, DETR

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Church Urban Fund

Harris Beider

Federation of Black Housing Organisations

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# ANNEX F

## Further Reading

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