

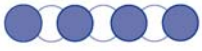
The aim of the Rapid Research Service is to provide a swift and incisive analysis of policy trends and developments, and to investigate their relevance to regeneration practitioners. We are able to follow on from this research to provide specific analysis on issues of concern to your organisation, as well as tailoring our research on national issues to examine the implications for your area. To discuss this further please contact one of the policy staff below.

No.2 Neighbourhood Renewal Fund Allocations 2006/08

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CLES RAPID RESEARCH







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Acknowledgements

We would like to thank each of the interviewees who took the time to answer our questions on the NRF. We would also like to thank Neil McInroy, Director of CLES for his input throughout the research and Julian Dobson, Editor of New Start for comments on earlier drafts.

Introduction

A key programme in the Government battle to reduce deprivation is the National Strategy for Neighbourhood Renewal (NSNR). Introduced in 2001, the NSNR aims, through a series of initiatives and funds, to tackle the deprivation of England's poorest neighbourhoods. The Strategy seeks to focus on key areas of decline across the country by attempting to address five key domains that contribute to deprivation, namely: employment and economies; crime; education and skills; health; poor housing and more recently, a sixth domain has been added; liveability, which seeks to address problems relating to the physical environment and public spaces in the most deprived neighbourhoods. A key part of the NSNR is the Neighbourhood Renewal Fund (NRF), which has provided a combined total of £1.875billion to the 88 most deprived local authorities in England throughout the period 2001-2006. Local authorities have had the flexibility to allocate the funds supplied by the NRF to the neighbourhoods in the greatest need in their area and to tackle the issues that are most relevant to those neighbourhoods. The Spending Review of 2004 further extended the lifespan of the Neighbourhood Renewal Fund with a further £1.05billion allocated for the period 2006-2008. On

21st July 2005 the Office of the Deputy Prime Minister (ODPM) released the local authority allocations of the NRF pot.

The aim of this rapid research is threefold:

- To assess the local impact of NRF 2001-2006 through an assessment of the opinions of local authorities and community empowerment networks.
- To consider the allocation of funding for the period 2006-2008 and to assess local authority and community empowerment network thoughts on the provision for their area.
- To assess the achievements of the NRF so far and to highlight some of the key challenges that remain. To draw up a list of questions that local authorities and community empowerment networks should consider when allocating their funds for 2006/08.

Tackling Deprivation in the United Kingdom and New Labour

The Labour Government came to power in 1997 with a manifesto commitment to regenerate Britain's cities through a mixture of neighbourhood renewal, social inclusion and community involvement. The Government wanted to reverse the mistakes of the previous two decades; where property led regeneration had taken place at the expense of the deprived and the most needy in society; where local government's role had been reduced significantly; where community involvement in local decision making was negligible and where the gap between the least and most deprived was continuing to grow.

One of the key areas of concern for Labour was poverty and deprivation, with 20 percent of the population living in poverty in the early 1990s compared to just six percent in 1977.¹ There were also key variations in the levels of poverty experienced around the country an issue highlighted by the fact that there were, and continue to be, strikingly high levels of deprivation, particularly in the inner cities. Thus, the Government considered the situation to be a major

¹ Rahman et al, (2000), *Monitoring Poverty and Social Exclusion*, York: Joseph Rowntree Foundation



challenge, and immediately set out a strategy to involve communities and devolve powers to local and regional bodies in an attempt to address the issue of deprivation and inequality, this was the National Strategy for Neighbourhood Renewal (NSNR).

Neighbourhood Renewal Explained

The National Strategy for Neighbourhood Renewal

This was introduced in 2001² with the primary aim of reducing the gap between the most deprived neighbourhoods and the rest of the country. It was based upon the reports submitted to the Social Exclusion Unit (SEU) by the 18 Policy Action Teams (PATs) which were set up at the end of 1998 to provide joined-up thinking around key Government challenges and essential building blocks for the NSNR. The key focus of the NSNR is area-based regeneration with strategies and funds designed to complement existing funds and target particular disadvantaged groups, such as the unemployed, ethnic minorities and older people, as well as dealing with the varying issues and challenges facing the 88 most deprived Local Authority areas, including both rural and urban areas across England. Many of the 88 most deprived local authorities are located across four regions: North West, North East, Yorkshire and Humber and the West Midlands. It was designed to help redirect resources and focus certain mainstream funds towards the priorities of certain areas and groups, rather than as a top-up fund for existing services.

In order to help reduce inequality, and as part of the NSNR, the Government identified three key arms to the NSNR. These three overarching themes aimed to work towards the goal that within 10 to 20 years, “no-one should be seriously disadvantaged by where they live”:

- First, it sought to tackle the root problems of unemployment, crime and poor services through the implementation of new national policies, funding and targets.

- Second, the strategy sought to find new ideas to put communities at the heart of regeneration by empowering them and joining up local actions.
- Third, the NSNR sought to deliver new structures to provide national and regional leadership on neighbourhood renewal.

Aside from the NRF, which will be discussed later, the NSNR also includes a number of other funds and programmes, including:

- *New Deal for Communities* – 39 New deal for Communities partnerships provide funding of around £2billion over 10 years to deprived communities in order to tackle problems in a co-ordinated way.
- *Neighbourhood Management Pathfinders* - 175 Neighbourhood Management Pathfinders seek to bring together service providers, residents and other interested parties to consider ways that services can be improved and communities can help to shape their own services. Pilot pathfinders were funded with £45million over the three years to 2004/05 to address new ways of working in deprived neighbourhoods.
- *Single Community Programme* – This emphasises the importance in neighbourhood renewal of integrating and involving communities in the decision-making process. Since 2001 the Single Community Programme has allocated £43million each year to develop and contribute to the running of Community Empowerment Networks (CENs).

The NSNR is also complimented by the Sustainable Communities Plan, which was launched in 2003, with a budget of £38billion. The core focus of this plan is to deliver housing growth in London and the South East with supporting infrastructure that facilitates sustainable and inclusive communities. It also provides funding to reinvigorate the housing market in nine pathfinder areas in the North of England.

The Neighbourhood Renewal Unit (NRU)

The Government also set up the Neighbourhood Renewal Unit, within the ODPM, to co-ordinate the NSNR and allocate any relevant funding to local authorities and other bodies. The NRU aims to co-

² Social Exclusion Unit (2001) *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan*. London: SEU

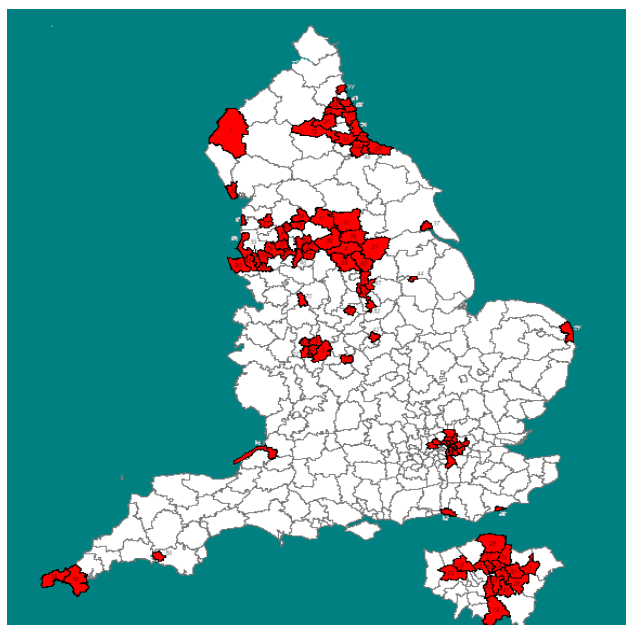


ordinate interaction between the people directly affected by urban deprivation and the highest levels of government. In doing so it aims to harness and redirect the hundreds of billions of pounds spent by mainstream government departments.

The Neighbourhood Renewal Fund (NRF) 2001-2006

The Neighbourhood Renewal Fund was developed in 2001 with a remit to improve services in the most deprived areas of the country. Based on the Indices of Deprivation from 2000, Neighbourhood Renewal Funding was allocated to 88 local authority areas in England as highlighted in figure 1. Local authorities then entered into negotiations with their Local Strategic Partnerships (LSPs) to draw up plans with regard to how their funding was to be spent with regard to the neighbourhood renewal themes, and which neighbourhoods locally to prioritise.

Figure 1

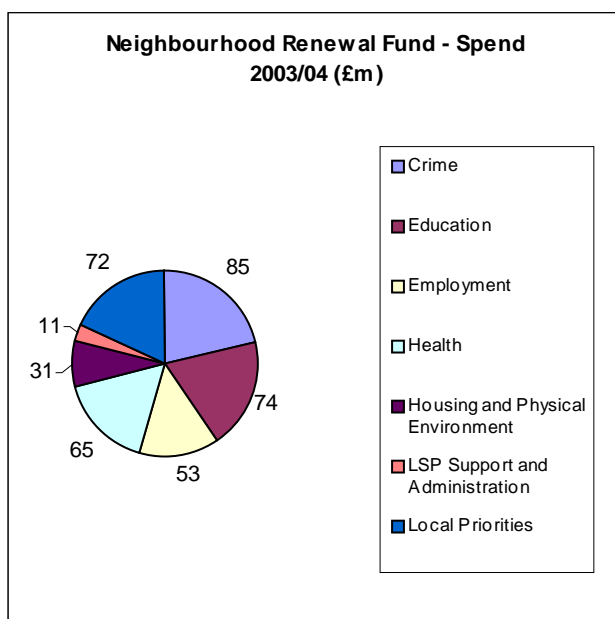


The allocation of funds varied both regionally and locally with the key beneficiaries often being urban and inner city areas. However, the NRF also benefited some smaller towns and rural areas, notably Penwith and Kerrier in Cornwall and, from 2006, North East Lincolnshire. Local Strategic Partnerships in the 88 NRF areas have all drawn up neighbourhood renewal strategies, whose contents include:

- An identification of priority deprived neighbourhoods within the authority area;
- An understanding of the problems of priority neighbourhoods and the effect of these challenges on residents;
- An assessment of existing resources entering into priority neighbourhoods;
- An agreement on what needs to be done;
- A plan to implement, monitor and self-evaluate agreed actions.

For the period 2001 to 2006 a total of £1.875 billion was allocated to the 88 most deprived authorities, who, in turn, have allocated the funding to some or all of the six domains of neighbourhood renewal. Figure 2 highlights the thematic breakdown of the £420 million of Neighbourhood Renewal Funding in 2003/04.

Figure 2³



Early Achievements of the NSNR and NRF

There is early evidence to suggest that neighbourhood renewal is already having a positive impact on the livelihoods and environments of people living in the most deprived areas of England with the ongoing cycle of

³ Source of Figures: ODPM (2005) *Making it happen in neighbourhoods: The national strategy for neighbourhood renewal-four years on*. London: ODPM



deprivation showing signs of improving. This section sets out some of the key achievements of the first four years of the NRF with regard to four of the six domains of neighbourhood renewal⁴:

- *Education* - positive change across a range of measures has been achieved. For example, the gap between the average pass rate for 5 GCSEs (grades A*-C) in the NRF districts and England as a whole has narrowed from 10.2 percentage points in 1997/98 to 8.3 in 2002/03.
- *Employment* - employment in the 88 NRF districts has increased by 1.7 percentage points since 1997/98 compared to 1.4 points nationally. This represents an extra half a million more people from deprived areas in employment. There has also been significant progress in the employment rates of black and minority ethnic communities in deprived areas.
- *Crime* - there has been progress in reducing certain aspects of crime in the 88 NRF areas. For example, the overall gap between the average burglary rate for the 88 NRF districts and the average for England fell by a fifth, from 10.3 percentage points to 8.1 percentage points, between 1999/00 and 2003/04.
- *Health* - research suggests that improvements are being made to people's health, however the gaps between the most deprived areas and the rest of the country are continuing to increase or remaining static on certain aspects of health. For example, in terms of life expectancy the gap for male life expectancy between the national average and the 88 NRF areas as a whole is almost static at 1.5 years.

Neighbourhood Renewal Fund Allocations for 2006-2008 and the Safer Stronger Communities Fund

NRF monies and the SSCF, for the period 2006-8, are based on the scores of the individual areas on the Index of Multiple Deprivation (IMD). The IMD measures deprivation in every Super Output Area (SOA), which is a small area, often smaller than a local authority ward, of consistent size and which is not subject to boundary changes. There are 32,482

separate SOAs in England, each with a minimum population of 1000 and a mean population of 1500. Separate Indices at SOA level are provided for each of the seven domains of deprivation. This is called the Indices of Deprivation:

- Income
- Employment
- Health deprivation and Disability
- Education Skills and Training
- Barriers to Housing and Services
- Crime
- The Living Environment

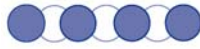
This allows all 32,482 SOAs to be ranked according to how deprived they are relative to each other and for each specific domain. This information is then brought together into one overall Index of Multiple Deprivation. The most recent IMD ranking was in 2004. Deprivation can also be measured in all local authority areas in England by combining the scores of the SOAs within local authority boundaries.

Thus, the list of authorities receiving NRF in 2006/8 was determined by taking those authorities that are amongst the 50 most deprived on any of the six measures in the Indices of Deprivation, when all SOAs within a local authority area are combined. The funds are administered and distributed by the local authority through an accredited Local Strategic Partnership.

Consequently, 86 areas are now eligible for the NRF, some areas have been removed from NRF or are due to receive transitional funding only, whilst other areas will receive NRF for the first time in 2006. The 6 areas that will receive transitional NRF rather than the full allocation are Allerdale, Ashfield, Hyndburn, Kerrier, Lincoln and Pendle. The 3 authorities that will receive NRF for the first time are Barnet, Norwich, and North East Lincolnshire, with five authorities, which formerly received transitional NRF no longer doing so at all - Kensington and Chelsea, Wandsworth, Luton, Portsmouth and Southampton.

The Government, through the 2004 spending review, highlighted their continued commitment to neighbourhood renewal with the allocation of a further £1.05 billion for the Neighbourhood

⁴ Source of Figures: ODPM (2005) *Making it happen in neighbourhoods: The national strategy for neighbourhood renewal - four years on*. London: ODPM



Renewal Fund for the period 2006-2008. This is the largest ever NRF settlement with £525million being made available in 2006-07 and £525million being made available in 2007-08. Changes to the NRF, for 2006-8 also included an enhanced focus on 'liveability', and the introduction of the SSCF, and a national target to make local public spaces cleaner, safer and greener. This financial commitment led to the launch, by the Government, in the July of 2004, of a consultation document seeking the views of those involved in delivering the NRF as to how the additional resources should be distributed and what they should be focused on.

The consultation along with a wider review of the National Strategy for Neighbourhood Renewal (NSNR) – Making it Happen in Neighbourhoods and the 2004 Spending Review resulted in the introduction of the Safer Stronger Communities Fund (SSCF)

The SSCF has been reconfigured in order to both complement the NRF and to tackle much smaller pockets of deprivation in both NRF and non-NRF areas. It is made up of two elements and is worth £265million in total. The SSCF Neighbourhood Element merges existing ODPM funding for community empowerment, neighbourhood management and neighbourhood wardens into a single pot, together with existing Home Office funding streams and is worth a total of £160million over the four years 2006-2010.

Eighty-four local authorities that contain deprived neighbourhoods will receive this funding (these are listed in Appendix 2). And each local authority will receive at least £1.6million over the four years on the basis that it will support up to three small and particularly disadvantaged areas. Each participating area will have to agree to achieve the overarching national outcome of the Neighbourhood Element, which is "to improve the quality of life for people in the most disadvantaged neighbourhoods and ensure service providers are more responsive to neighbourhood needs and improve their delivery".

The second element of the SSCF, the Cleaner Greener Safer element, is worth £105million over the two years 2006-08 and provides funding for 50

local authorities, which also receive the neighbourhood element. Each local authority will receive £970,000 in 2006/07 and £1,130,000 in 2007/08 to deliver physical improvements to local public spaces.

The two elements of the SSCF, are however determined and distributed slightly differently, in order to prioritise the small neighbourhood level or super output area, both those in local authority areas that receive wider NR funding and also those without it, e.g. Islington.

The 84 neighbourhoods that will be receiving the Neighbourhood Element of the SSCF are the most deprived 3 percent of all SOAs excluding those who are already in receipt of New Deal for Communities (NDC) Funding, those that are a Neighbourhood Management Pathfinder or those that are in a Housing Market Renewal Pathfinder area, to avoid duplication of neighbourhood based work and repetition funding in those areas that already have substantial funds targeted at improving quality of life. However these areas are smaller than those areas covered by other existing neighbourhood-based initiatives.

The Cleaner, Safer, Greener (CSG) Element of the SSCF takes the place of the existing 'Liveability Fund', and is targeted at 50 local authorities with pockets of severe deprivation, which need to improve their public spaces and which are not already receiving other significant Government Funding to address problems associated with public spaces. Allocation of the CSG Element, which is predominately capital-based, follows that of the Neighbourhood Element and is targeted at 50 of the 84 areas that also receive the Neighbourhood Element, so that the two funds can be aligned to support each other.

Key bodies involved in the delivery of the Neighbourhood Renewal Fund.

Local Area Agreements (LAAs)

LAAs are designed to improve the relationship between central and local government and local strategic partnerships. LAAs are expected to focus on local solutions to local problems and needs,



through partnership working, as well as meeting national priorities and standards. As such they are becoming increasingly important to the delivery of the NRF, where the LAA pilot overlaps with an NRF area. Community Strategies, developed by LSPs, play a key role in allowing LAAs to reflect local priorities as well as delivering on national priorities. The nature of LAAs means that all additional funding streams from central government, including the NRF, will flow through the LAA and its four blocks: Children and Young People, Safer Stronger Communities, Healthier Communities and Older People, and Economic Development and Enterprise, except in those areas that are piloting the 'single pot' LAA. This allows public services more flexibility to provide local solutions to local circumstances.

Community Empowerment Networks

These are the formal vehicle for linking the community and voluntary sectors with Local Strategic Partnerships. They are responsible for getting information about LSPs out to all sections of the community and for providing ways in which people most affected by poor service delivery can get realistically involved in discussing and planning how the services should be changed. The Community Empowerment Network feeds into the LSP, which will then in turn direct NRF resources by focusing on specific issues and challenging areas, within a locality.

Methodology

The methodology for this rapid research was two pronged. First, we have gathered and analysed a wide range of documents on neighbourhood renewal, generally, and on the allocations of Neighbourhood Renewal Funding for 2006-2008. Second, we sought the opinions of a range of local authority officers and community empowerment network officers through a short interview about the NRF, with particular regards to the role of neighbourhood renewal in reducing deprivation thus far and opinions on the 2006-08 allocations. In order to provide a balance of responses we spoke to equal numbers of people from each of the English regions with a total of 26 questionnaires carried out altogether.

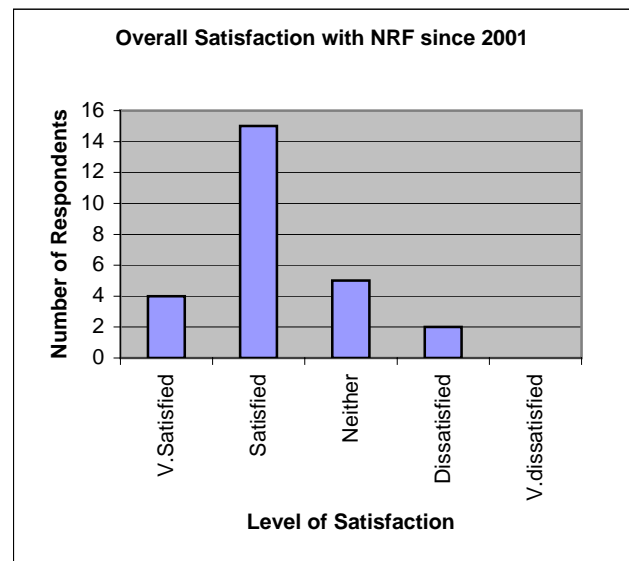
Results and Analysis

Following the completion of the questionnaires we collated and analysed the responses in a predominantly quantifiable manner. However, additional contributions from many respondents have allowed further discussion around related issues to be analysed in a qualitative manner.

Satisfaction with Neighbourhood Renewal Fund since 2001

Each of the respondents was asked to assess their level of satisfaction with the NRF and to justify their answers. Figure 3 highlights that overall the majority of the respondents were satisfied with the NRF for a number of reasons including the additional money it provides to tackle deprivation at the neighbourhood level. Several respondents also noted that mainstream sources of funding alone would not tackle the issues at a significantly in-depth level. Other respondents, particularly those from community empowerment networks, were pleased with the funding available to the voluntary and community sector.

Figure 3



Nonetheless, others questioned the process through which the LSP distributed the NRF. Moreover, some respondents felt that CENs and the voluntary and community sector as a whole had little influence over LSP priorities for the NRF, and



decision-making as a whole, particularly in the first round of the NRF. Whilst, others felt that at times the NRF has been used as a 'slush fund' for the LSP and other statutory agencies with minimal mainstreaming despite this being a key objective of neighbourhood renewal.

Impact of the Neighbourhood Renewal Fund

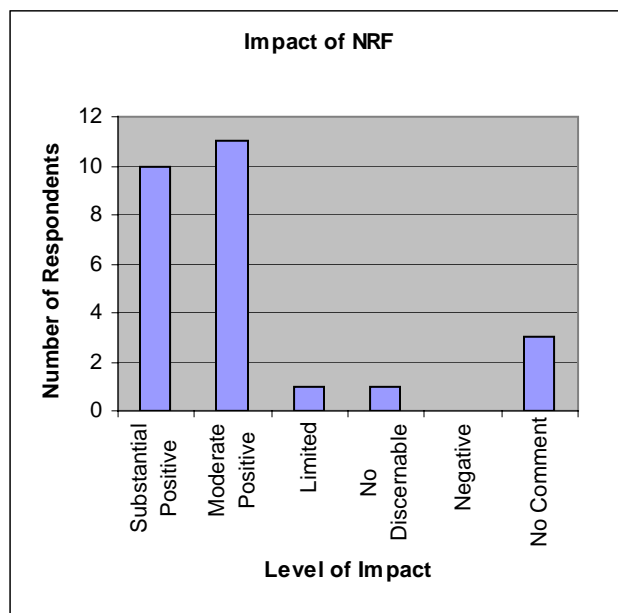
The vast majority of respondents, both from local authorities and community empowerment networks felt that the NRF has had either a substantially positive or moderately positive impact in their area. Figure 4 highlights these responses. In addition, respondents also mentioned a number of additional ways in which they felt the NRF had contributed positively towards quality of life in the most deprived neighbourhoods. These included:

- Enabling various agencies and bodies to effectively discuss the challenges facing certain areas and thereby effect significant change.
- Allowing partners to take joint responsibility for local issues.
- Drawing in significant amounts of match funding for both large and small projects.
- Increasing community involvement, through the Community Chest and the Learning Chest, which have allowed residents groups and the community sector more widely to understand the issues and influence public policy.

However, despite the fact that 80 percent of respondents stated that NRF has had and will continue to have a positive impact, several also mentioned a number of outstanding challenges, both generally and in their locality, including:

- Little overall impact despite some good projects.
- There has been little data collection and therefore little evidence as to the impact of NRF in specific local areas.
- There has been limited movement towards mainstreaming, in some cases NRF has been treated as just another fund.
- The outcomes have been limited because there is little focus on floor targets and reducing the inequality gap as a result of a limited LSP agenda.

Figure 4



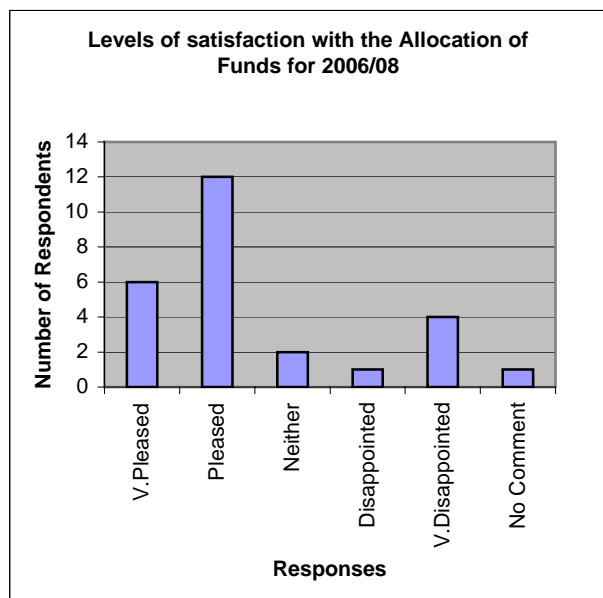
The Allocation of Funds for 2006-08

Two thirds of respondents were very pleased or pleased with the allocation of the NRF for 2006-08 as highlighted in figure 5. They felt that continued funding further highlighted the Government commitment to neighbourhood renewal and local decision-making, and that in certain cases increased funding represented an understanding of the issues still facing deprived areas. Positive themes identified by the respondents included:

- Increased funding is an acknowledgement of the issues and demonstrates confidence in the ability of the local partnership to effect change.
- Whilst from the outside certain areas appear relatively affluent, funding to new NRF areas illustrates an understanding of small areas of deprivation.
- The consultation document indicated the likely levels of funding for several authorities meaning that changes were not a major shock.
- Where decreases in NRF occurred in some areas, additional funds such as the SSCF cushioned losses and will enable progress to continue.



Figure 5



Despite two thirds of respondents being pleased with their allocation, there were several authorities and CENs that voiced their concerns over the allocations. Concerns included:

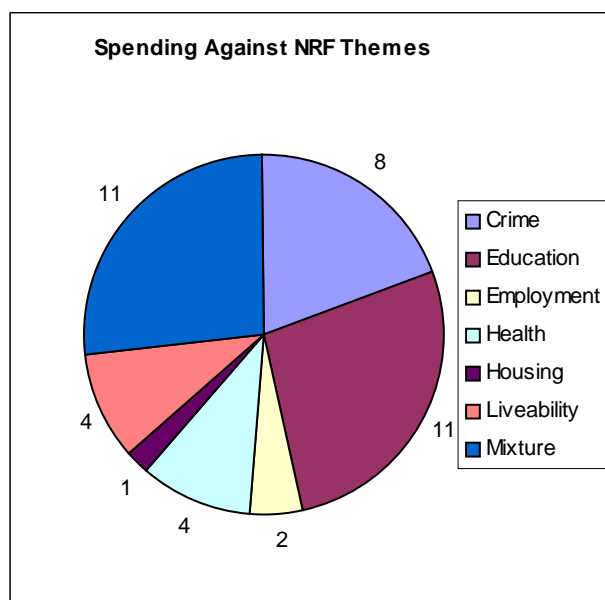
- Despite demonstrable evidence of continued deprivation, a removal of the NRF means that there are concerns about how to deal deprivation and inequality without the NRF.
- CENs in particular were concerned with regard to their sustainability without the Single Community Programme, which was a cornerstone of NRF and key source of CEN funding.
- A contradiction between the allocation of the NRF and the Governmental agenda, such that government priorities would have suggested increased funding to a smaller number of extremely deprived areas, yet in reality a large number of authorities (86) continued to receive the NRF.

Prioritisation of Neighbourhood Renewal Themes

We then asked the respondents to identify which of the six themes of neighbourhood renewal their neighbourhood renewal partnership allocated the most funding to. However, many respondents were unable to highlight one specific theme and often explained that they focused on two or three of the

themes or looked at neighbourhood renewal themes in an integrated and joined-up manner. Figure 6 shows the themes identified by the respondents as key themes in their area. A significant number of respondents felt that neighbourhood renewal presented the opportunity to address a mixture of local issues in a holistic, joined-up approach. They felt that NRF enabled partnerships to address what would initially appear to be separate issues in a connected manner and look at the linkages between the issues. For example, the links between worklessness and ill health as well as those between teenage conceptions and education. However, some respondents felt that neighbourhood renewal allowed them to focus on a particularly prevalent issue in their neighbourhoods. The most common themes identified were education and crime, with a significant number also addressing health issues and liveability.

Figure 6



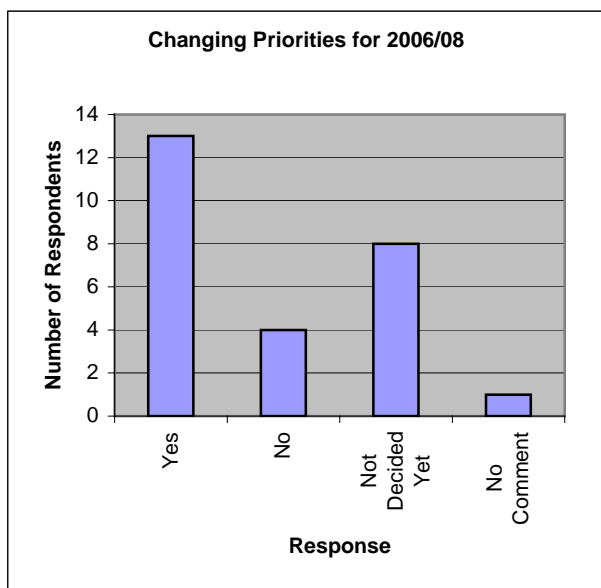
Changing Priorities for 2006-08

Having considered the current priorities for neighbourhood renewal in 2001-2006, we then asked if these would be changing as a result of changing NRF allocations and local authority priorities. Nearly half of all respondents stated that their priorities for 2006-08 would be changing as shown in figure 7. This was for a number of reasons:



- Some local authorities had recently carried out a review of their NRF priorities and as a result priorities would be changing.
- The advent of Local Area Agreements in some NRF areas has led to local authorities and LSPs reassessing the particularly challenging issues and setting of local targets, which would have a knock-on effect on NRF themes.
- Some partnerships will be focusing NRF on facilitating the mainstreaming of formerly NRF funded projects.
- Other local authorities identified that there would be a renewed focus on meeting floor targets and reducing the inequality gap.
- Whilst some stated that the new allocation of funds would enable them to focus on far smaller geographical neighbourhoods; those with the greatest challenges.

Figure 7



Those who stated that they would not be changing their focus said that they would be continuing to prioritise the same themes, as a result of continued underperformance and a mismatch between floor targets and actual levels of deprivation. Others mentioned they would not be changing priorities because the NRF is not a great deal of money when compared to mainstream funding. Of those who were undecided on themes for 2006-08, many stated that they were currently undertaking a review of

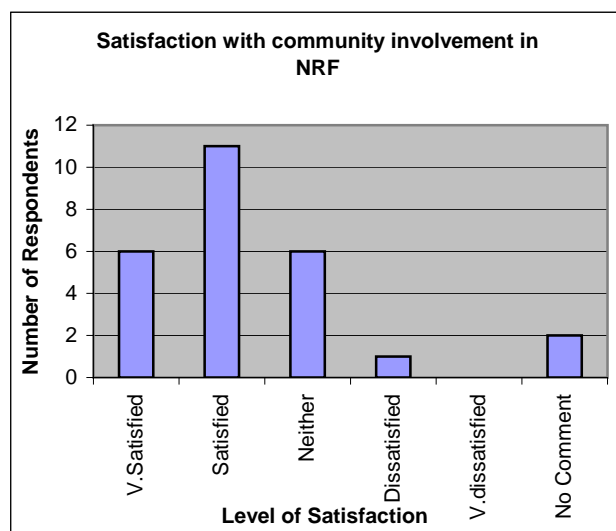
priorities and that it was likely that NRF priorities would follow wider strategic objectives.

The Community Empowerment Network and the Neighbourhood Renewal Fund

The voluntary and community sector should play a key role in the NRF through Community Empowerment Networks' involvement with LSPs in the setting of themes and priorities for their neighbourhoods. We asked each respondent whether he or she were satisfied with community involvement in the NRF process. The responses are shown in figure 8. The vast majority of respondents were satisfied or very satisfied with community involvement through the CEN, some however did identify a number of key challenges for improvement:

- There is still a way to go in ensuring effective community engagement in strategic decision-making.
- The voluntary and community sector is often outnumbered; with their being more partners from statutory agencies. Nonetheless, these partners are beginning to realise that it is better to have community involvement at an earlier stage.
- There is currently little evidence as to the local achievements of NRF, which means the community is reluctant to become involved.

Figure 8





Despite these challenges there have been Community Empowerment Networks that have been awarded 'excellent' status by the Audit Commission for their integration in the NRF process;⁵ VCS lead on certain projects; and involvement in thematic as well as area partnerships. Many respondents also welcomed Local Area Agreements as a further way in which community involvement can be fostered. Of those respondents who were dissatisfied with CEN involvement, many felt that CENs are not that in touch with the communities they serve and that despite significant investment in capacity building many residents remain distanced from the NRF process, with little to motivate them to become more widely involved.

Further Issues for discussion

The Geographical Nature of Neighbourhood Renewal Funding

Although NRF is allocated in a fair way based on the Indices of Deprivation, concern has been expressed as to the fact that certain areas are allocated far greater funding than others. These variations occur at the neighbourhood, local authority and regional levels as well as between urban and rural areas. At the neighbourhood level many local authorities concentrate on one or a small number of neighbourhoods for the allocation of NRF monies. This means that some neighbourhoods with similar levels of inequality and deprivation are often 'left out' and continue to be deprived. Neighbourhood Renewal also concentrates on relatively large neighbourhoods, with smaller pockets of deprivation often missing out on funds. Some of our respondents felt that a focus on the smallest most deprived neighbourhoods would be a more beneficial use of the NRF; thus reducing the number of areas in receipt of funding from NRF but increasing the amount available. This would however result in problems surrounding the distribution of these resources because the awarded area would no

longer match with local authority or ward boundaries and administration of the NRF may be problematic.

There are key variations between local authorities within regions. The core Metropolitan local authorities tend to receive far greater levels of funding than smaller authorities. For example, in the Northwest, Manchester and Liverpool, despite reductions in NRF for 2006-08 receive far more funding than authorities such as Wigan, Burnley and Preston. This is often despite similar challenges, in relation to housing, education, crime, employment, liveability and health, in all of these authorities.

There are also core regional and local variations in amount of NRF each region receives from the ODPM. The amount of regional and local funding allocated by the NRF and SSCF is highlighted in the appendices. However, it is important to focus on some of the key regional and local variations. The North West will receive by far the most NRF, over £143,000,000, which will be split between 21 local authority areas for 2006-07. The largest recipients in the region are Liverpool and Manchester who will receive upwards of £30million each for 2006-07 whereas, Preston and Tameside in comparison will receive just over £2million each for the same period. The London region will also receive over £100million of NRF funding for 2006-07. The smallest regional allocations are for the Southeast, comprising of just Brighton and Hove, and Hastings, which altogether will receive only £3,375,618 for 2006-07. Rural areas in the Southwest such as Kerrier also receive less than the major metropolitan areas, in addition to which the NRF for Kerrier has also been vastly reduced for both 2006-07 and 2007-08. This may cause additional problems alongside the withdrawal of European Structural Funds in 2006. Regional variations in NRF funding in 2006/07 are highlighted in figure 9.

⁵ National Audit Office, (2004) *English Regions - Getting Citizens Involved: Community Participation in Neighbourhood Renewal*, London: The Stationery Office



Figure 9

REGION	NRF 2006-07
North East	£65,145,480
North West	£143,004,469
Yorkshire and Humber	£78,987,465
East Midlands	£30,976,599
West Midlands	£70,016,866
East of England	£3,896,431
London	£119,000,419
South East	£3,375,618
South West	£10,596,474

The Neighbourhood Renewal Fund and New Localism

The Neighbourhood Renewal Fund and its allocations for 2006-08 form part of the far wider Government commitment to locally devolved powers and local decision-making with regard to the delivery of services. The renewed emphasis on LSPs and CENs for the delivery of local NRF projects is further evidence of this commitment. Local Area Agreements represent the opportunity for increased local priority and target setting and provide the opportunity for local authorities to spend funds on issues of core concern in their neighbourhoods. NRF is inextricably linked to Local Area Agreements. Where a local authority is a LAA pilot, local authorities and LSPs have the opportunity to pool NRF into any of the four blocks or across each of the four blocks of the LAA, depending on the key priorities in their area. This allows NRF to be linked with other sources of funding and allows greater movement towards the aim of mainstreaming neighbourhood renewal funds for local service provision. However, where resources are pooled into an LAA it must be demonstrated that the LAA will narrow the gap between the most deprived neighbourhoods and the rest of the local authority area. Many respondents identified the importance of Local Area Agreements, stating that there was a key link between LAAs and the Neighbourhood Renewal Fund. Many stated that NRF would be allocated across the blocks of the LAA in order to ensure a variety of themed outcomes. Others stated that the freedoms and flexibilities associated with Local Area Agreements would allow LSPs, in particular, real options with regards to the allocation of funds for particular projects. Some respondents were from

local authority areas that had only recently been awarded Local Area Agreement status (2nd round pilots were decided in July 2005), hence some were unable to comment on how NRF would fit into their Local Area Agreement. All, however, recognised the importance of utilising the LAA to distribute the NRF.

A further key fund in the battle to improve deprived neighbourhoods, Local Enterprise Growth Initiative (LEGI), is currently under consultation. The Local Enterprise Growth Initiative is worth £300million and is designed to improve enterprise and economic development in deprived areas. Eligibility for LEGI is restricted to NRF areas and it is intended to be a powerful lever in further empowering local areas and encouraging a leadership role for local authorities.

Mainstreaming

Another key concern highlighted by the research and wider understanding of the neighbourhood renewal process was that the NRF is not significantly assisting the move towards the realigning of mainstream resources in deprived areas, as was initially intended by the NSNR, and nor is it facilitating a new way of working with regards to the shifting of priorities to focus on key challenges in small neighbourhoods or particularly challenging areas. Some respondents suggested that they would have liked round three of the NRF to take a more neighbourhood focus.

Many respondents felt that the mainstream statutory authorities, rather than the NRF, should probably fund certain projects that were currently receiving NR funding. Others felt that some people involved in the process merely saw the NRF as additional fund, similar to the SRB or European funding programmes, to be used for funding specific projects rather than altering working methods. Some respondents also commented that the NRF should focus more resources on the most deprived neighbourhoods in order to facilitate this move away from project-based funding to the funding of work designed to impact heavily on floor targets and baselines.

A movement away from project funding to use of the NRF to assist with the redirection of



mainstream funds will also assist with the sustainability of programmes and ways of working instituted with NRF money. In the long term a movement towards mainstreaming within certain small areas and around particular challenges will help to ensure the sustainability of improvements in the most deprived areas as well as helping to narrow the gap between the most and least deprived areas in England.

Local elected members

Some concern was raised as to whether local elected members fully understand the processes surrounding NRF and fully appreciate the importance of community involvement and priority setting as well as the focus on super output areas and specific issues. It was felt that a greater level of training surrounding these issues and aimed at local elected members, amongst others, would be of significant importance.

Timeframes

Some of the people we spoke to also suggested that the timeframes involved in the NRF were unhelpful, in that they were too long to focus on very short term aims, e.g. liveability, and also too short a time in which to effect change in the real problem areas and long term goals, e.g. housing.

Conclusion

This research has provided a valuable insight into the workings of the Neighbourhood Renewal Fund at the local level. By examining the comments of Neighbourhood Renewal Managers and Community Empowerment Networks we have been able to draw the following conclusions:

- The majority of respondents were satisfied with the organisation and allocation, as well as the flexibility of the Neighbourhood Renewal Fund. Although, there were a number of areas for improvement and remaining challenges with regards to its operation and distribution.
- The impact of the Neighbourhood Renewal Fund at the local level was generally positive but it was felt that there was room for significant improvement.

- There were mixed reactions to the allocation of Neighbourhood Renewal Funds for 2006-08. Many respondents felt that the renewed funding highlighted the Government's continued support for local decision-making and prioritisation of resources as well as public service reform and the continued commitment to closing the inequality gap. Local Area Agreements were mentioned by many respondents as further cementing this commitment.
- From the research, we found that neighbourhood renewal tended to focus on a number of themes rather than one particular issue. It was felt that the focus was too wide thereby preventing partnerships from mounting an appropriate challenge to difficult issues in deprived areas. It was also felt that application of the NRF to a wide range of themes did not necessarily relate to floor targets or reflect local needs in small neighbourhoods. Sometimes analysis of needs was based on a district rather than Super Output Area basis.
- It was felt that the Neighbourhood Renewal Fund, in many places, did not allocate significant resources towards mainstream provision of services in the most challenging areas; nor was it being used to change working practices.
- Changing priorities for 2006-08, however, for the most part reflected an understanding of the above findings and an understanding of the need to connect neighbourhood renewal themes.
- It was felt that community involvement could be stronger. It is important to ensure effective integrated and representative community involvement, which utilises the skills and knowledge of the voluntary and community sector, in the neighbourhood renewal process.

From these conclusions we have drawn up a number of key questions, which would help review neighbourhood renewal strategies at both the local and national level. These questions also need to be considered when allocating the new funds for 2006-08 and deciding upon projects:

1. What, where and who suffers deprivation and inequality?



2. Are statutory agencies meeting Neighbourhood Renewal Fund objectives?
3. Should there be a further focus on smaller pockets of deprivation or particularly challenging issues?
4. Are local authorities and LSPs the appropriate distributors of the Neighbourhood Renewal Fund? What role do Local Area Agreements have to play?
5. How do you identify key challenges?
6. There is a need to ensure effective evidence collection and how do you feed this into policy making/strategy development?
7. Should there be an even greater role for the voluntary and community sector?

This Rapid Research was prepared by Victoria Bradford and Matthew Jackson. For further information on NRF or assistance in preparing your review of neighbourhood renewal strategies please contact: Victoria Bradford or Matthew Jackson at CLES - 0161 236 7036 victoriabradford@cles.org.uk matthewjackson@cles.org.uk

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www.neighbourhood.gov.uk

Appendix 1 - Neighbourhood Renewal Fund Allocations for 2006-07 and 2007-08⁶

Local Authority	Region	2006-07 NRF (£)	2007-08 NRF (£)
Great Yarmouth	East	1,937,614	1,946,425
Norwich	East	1,958,817	1,967,724
EAST OF ENGLAND TOTAL		3,896,431	3,914,150
Ashfield	East Midlands	642,407	321,203
Bolsover	East Midlands	2,261,603	2,010,314
Derby	East Midlands	3,689,320	4,301,917
Leicester	East Midlands	7,692,824	7,727,806
Lincoln	East Midlands	266,667	133,333
Mansfield	East Midlands	2,187,637	2,197,585
Nottingham	East Midlands	14,236,142	14,177,382
EAST MIDLANDS TOTAL		30,976,599	30,869,540
Barking and Dagenham	London	1,632,728	1,716,897
Barnet	London	1,000,000	1,000,000
Brent	London	2,279,124	2,279,124
Camden	London	6,495,606	5,773,872
Croydon	London	1,000,000	1,000,000
Ealing	London	1,187,313	1,384,462
Enfield	London	1,673,635	1,487,675
Greenwich	London	5,976,382	5,312,339
Hackney	London	18,115,529	16,102,692
Hammersmith and Fulham	London	1,000,000	1,000,000
Haringey	London	8,214,164	7,862,806
Islington	London	9,654,127	8,581,446
Lambeth	London	4,143,042	4,143,042
Lewisham	London	2,207,255	1,962,005
Newham	London	20,527,596	18,246,752
Southwark	London	12,182,881	10,829,227
Tower Hamlets	London	16,357,518	14,540,016
Waltham Forest	London	2,298,141	2,042,792
Westminster	London	3,055,379	3,562,712
LONDON TOTAL		119,000,419	108,827,860
Derwentside	North East	2,282,354	2,028,759
Easington	North East	6,826,031	6,067,583
Gateshead	North East	4,642,852	5,150,723
Hartlepool	North East	4,830,926	4,375,218
Middlesbrough	North East	8,360,256	8,398,273
Newcastle upon Tyne	North East	7,128,786	8,312,493
North Tyneside	North East	2,766,222	2,458,864
Redcar and Cleveland	North East	3,396,939	3,412,386
Sedgefield	North East	1,025,033	1,000,000
South Tyneside	North East	8,287,116	7,366,326
Stockton-on-Tees	North East	3,684,295	3,701,049
Sunderland	North East	7,163,770	7,654,960
Wansbeck	North East	2,123,794	1,887,817
Wear Valley	North East	2,627,106	2,335,206
NORTH EAST TOTAL		65,145,480	64,149,658
Allerdale	North West	570,329	285,165

⁶ Source of Figures: <http://www.odpm.gov.uk/pns//pnattach/20050142/1.doc>



Barrow-in-Furness	North West	1,838,382	1,838,382
Blackburn with Darwen	North West	3,901,342	3,601,878
Blackpool	North West	3,193,260	3,723,488
Bolton	North West	5,425,706	5,658,382
Burnley	North West	1,821,612	2,124,083
Halton	North West	6,048,684	5,376,608
Hyndburn	North West	862,424	431,212
Knowsley	North West	11,380,037	10,115,588
Liverpool	North West	30,998,897	31,069,066
Manchester	North West	31,710,830	29,880,760
Oldham	North West	4,673,976	5,322,894
Pendle	North West	1,307,295	653,647
Preston	North West	2,520,434	2,520,434
Rochdale	North West	4,877,998	5,508,907
Salford	North West	9,308,195	9,308,195
Sefton	North West	5,631,300	5,631,300
St. Helens	North West	3,873,114	4,359,225
Tameside	North West	2,323,657	2,709,491
Wigan	North West	4,095,532	4,775,578
Wirral	North West	6,641,648	7,744,467
NORTH WEST TOTAL		143,004,649	142,638,749
Brighton and Hove	South East	1,801,470	2,100,597
Hastings	South East	1,574,148	1,835,529
SOUTH EAST TOTAL		3,375,618	3,936,126
Bristol, City of	South West	6,099,490	6,099,490
Plymouth	South West	2,423,325	2,825,708
Kerrier	South West	1,073,659	536,829
Penwith	South West	1,000,000	1,000,000
SOUTH WEST TOTAL		10,596,474	10,462,028
Birmingham	West Midlands	32,266,410	37,624,119
Coventry	West Midlands	5,289,550	5,289,550
Dudley	West Midlands	1,577,157	1,839,038
Sandwell	West Midlands	12,395,687	11,018,389
Stoke-on-Trent	West Midlands	6,150,036	7,171,225
Walsall	West Midlands	6,409,755	5,697,560
Wolverhampton	West Midlands	5,928,270	5,928,270
WEST MIDLANDS TOTAL		70,016,866	74,568,150
Barnsley	Yorkshire & The Humber	5,444,138	5,444,138
Bradford	Yorkshire & The Humber	12,612,555	14,706,819
Doncaster	Yorkshire & The Humber	8,699,463	8,739,024
Kingston upon Hull	Yorkshire & The Humber	12,843,510	12,843,510
Kirklees	Yorkshire & The Humber	4,183,464	4,878,112
Leeds	Yorkshire & The Humber	12,811,301	14,938,567
North East Lincolnshire	Yorkshire & The Humber	4,558,610	4,579,340
Rotherham	Yorkshire & The Humber	3,495,660	3,511,557
Sheffield	Yorkshire & The Humber	9,899,449	11,543,212
Wakefield	Yorkshire & The Humber	4,439,314	4,449,462
YORKSHIRE & THE HUMBER TOTAL		78,987,465	85,633,740
TOTAL ENGLAND		525,000,000	525,000,000



Appendix 2 - Safer Stronger Communities Fund Neighbourhood Element Recipients 2006-2010

<i>Local Authority</i>	<i>Region</i>	2006-07	2007-08
		SSCF NE	SSCF NE
Great Yarmouth	East	£412,800	£516,000
King's Lynn & West Norfolk	East	£412,800	£516,000
Peterborough	East	£412,800	£516,000
Southend on Sea	East	£412,800	£516,000
Tendring	East	£412,800	£516,000
Waveney	East	£412,800	£516,000
EAST TOTAL		£2,476,800	£3,096,000
Derby	East Midlands	£412,800	£516,000
Erewash	East Midlands	£412,800	£516,000
Leicester	East Midlands	£412,800	£516,000
Lincoln	East Midlands	£412,800	£516,000
Mansfield	East Midlands	£412,800	£516,000
Northampton	East Midlands	£412,800	£516,000
Nottingham	East Midlands	£1,238,400	£1,548,000
EAST MIDLANDS TOTAL		£3,715,200	£4,644,000
Camden	London	£412,800	£516,000
Hackney	London	£412,800	£516,000
Haringey	London	£412,800	£516,000
Islington	London	£412,800	£516,000
Newham	London	£412,800	£516,000
Southwark	London	£412,800	£516,000
Tower Hamlets	London	£825,600	£1,032,000
Waltham Forest	London	£412,800	£516,000
Westminster	London	£412,800	£516,000
LONDON TOTAL		£4,128,000	£5,160,000
Darlington	North East	£412,800	£516,000
Easington	North East	£412,800	£516,000
Gateshead	North East	£412,800	£516,000
Hartlepool	North East	£412,800	£516,000
Middlesbrough	North East	£825,600	£1,032,000
Newcastle upon Tyne	North East	£412,800	£516,000
North Tyneside	North East	£412,800	£516,000
Redcar and Cleveland	North East	£412,800	£516,000
South Tyneside	North East	£412,800	£516,000
Stockton-on-Tees	North East	£412,800	£516,000
Sunderland	North East	£412,800	£516,000
Wansbeck	North East	£412,800	£516,000
Wear Valley	North East	£412,800	£516,000
NORTH EAST TOTAL		£5,779,200	£7,224,000
Allerdale	North West	£412,800	£516,000
Barrow-in-Furness	North West	£412,800	£516,000
Blackpool	North West	£412,800	£516,000
Bolton	North West	£412,800	£516,000
Bury	North West	£412,800	£516,000
Chester	North West	£412,800	£516,000
Copeland	North West	£412,800	£516,000



Halton	North West	£412,800	£516,000
Knowsley	North West	£1,238,400	£1,548,000
Lancaster	North West	£412,800	£516,000
Liverpool	North West	£1,238,400	£1,548,000
Manchester	North West	£825,600	£1,032,000
Preston	North West	£412,800	£516,000
Rochdale	North West	£412,800	£516,000
Salford	North West	£412,800	£516,000
Sefton	North West	£412,800	£516,000
St. Helens	North West	£412,800	£516,000
Stockport	North West	£412,800	£516,000
Tameside	North West	£412,800	£516,000
Trafford	North West	£412,800	£516,000
Warrington	North West	£412,800	£516,000
West Lancashire	North West	£412,800	£516,000
Wigan	North West	£412,800	£516,000
Wirral	North West	£412,800	£516,000
NORTH WEST TOTAL		£11,971,200	£14,964,000
Brighton and Hove	South East	£412,800	£516,000
Hastings	South East	£412,800	£516,000
Portsmouth	South East	£412,800	£516,000
Thanet	South East	£412,800	£516,000
SOUTH EAST TOTAL		£1,651,200	£2,064,000
Bristol, City of	South West	£825,600	£1,032,000
North Somerset	South West	£412,800	£516,000
Plymouth	South West	£412,800	£516,000
Kerrier ⁽¹⁾	South West	£206,400	£258,000
Penwith ⁽¹⁾	South West	£206,400	£258,000
SOUTH WEST TOTAL		£2,064,000	£2,580,000
Birmingham	West Midlands	£1,238,400	£1,548,000
Coventry	West Midlands	£412,800	£516,000
Sandwell	West Midlands	£412,800	£516,000
Stoke-on-Trent	West Midlands	£412,800	£516,000
Walsall	West Midlands	£412,800	£516,000
Wolverhampton	West Midlands	£412,800	£516,000
WEST MIDLANDS		£3,302,400	£4,128,000
Barnsley	Yorkshire & The Humber	£412,800	£516,000
Bradford	Yorkshire & The Humber	£1,238,400	£1,548,000
Calderdale	Yorkshire & The Humber	£412,800	£516,000
Doncaster	Yorkshire & The Humber	£412,800	£516,000
East Riding	Yorkshire & The Humber	£412,800	£516,000
Kirklees	Yorkshire & The Humber	£412,800	£516,000
Leeds	Yorkshire & The Humber	£1,238,400	£1,548,000
North East Lincolnshire	Yorkshire & The Humber	£412,800	£516,000
North Lincolnshire	Yorkshire & The Humber	£412,800	£516,000
Sheffield	Yorkshire & The Humber	£412,800	£516,000
Wakefield	Yorkshire & The Humber	£412,800	£516,000
YORKSHIRE & THE HUMBER TOTAL		£6,192,000	£7,740,000
TOTAL ENGLAND	All	£41,280,000	£51,600,000

NOTES



(1) LF consortium of Kerrier and Penwith District Councils

Appendix 3 - Safer Stronger Communities Fund Cleaner Safer Greener Element Recipients 2006-2008

Local Authority	Region	2006-07	2007-08
		SSCF CSGE	SSCF CSGE
Great Yarmouth	East	£970,000	£1,130,000
King's Lynn & West Norfolk	East	£970,000	£1,130,000
Tendring	East	£970,000	£1,130,000
Waveney	East	£970,000	£1,130,000
EAST TOTAL		£3,880,000	£4,520,000
Derby	East Midlands	£970,000	£1,130,000
Northampton	East Midlands	£970,000	£1,130,000
Nottingham	East Midlands	£970,000	£1,130,000
EAST MIDLANDS TOTAL		£2,910,000	£3,390,000
Hackney	London	£970,000	£1,130,000
Haringey	London	£970,000	£1,130,000
Islington	London	£970,000	£1,130,000
Newham	London	£970,000	£1,130,000
Southwark	London	£970,000	£1,130,000
Tower Hamlets	London	£970,000	£1,130,000
Waltham Forest	London	£970,000	£1,130,000
LONDON TOTAL		£6,790,000	£7,910,000
Darlington	North East	£970,000	£1,130,000
Gateshead	North East	£970,000	£1,130,000
Redcar and Cleveland	North East	£970,000	£1,130,000
South Tyneside	North East	£970,000	£1,130,000
Stockton-on-Tees	North East	£970,000	£1,130,000
Wansbeck	North East	£970,000	£1,130,000
Wear Valley	North East	£970,000	£1,130,000
NORTH EAST TOTAL		£6,790,000	£7,910,000
Barrow-in-Furness	North West	£970,000	£1,130,000
Blackpool	North West	£970,000	£1,130,000
Bolton	North West	£970,000	£1,130,000
Copeland	North West	£970,000	£1,130,000
Lancaster	North West	£970,000	£1,130,000
Liverpool	North West	£970,000	£1,130,000
Preston	North West	£970,000	£1,130,000
Rochdale	North West	£970,000	£1,130,000
Salford	North West	£970,000	£1,130,000
Sefton	North West	£970,000	£1,130,000
St. Helens	North West	£970,000	£1,130,000
Stockport	North West	£970,000	£1,130,000
Tameside	North West	£970,000	£1,130,000
Trafford	North West	£970,000	£1,130,000
West Lancashire	North West	£970,000	£1,130,000
Wigan	North West	£970,000	£1,130,000
NORTH WEST TOTAL		£15,520,000	£18,080,000
Thanet	South East	£970,000	£1,130,000
SOUTH EAST TOTAL		£970,000	£1,130,000



Bristol, City of	South West	£970,000	£1,130,000
North Somerset	South West	£970,000	£1,130,000
Plymouth	South West	£970,000	£1,130,000
SOUTH WEST TOTAL		£2,910,000	£3,390,000
Stoke-on-Trent	West Midlands	£970,000	£1,130,000
Walsall	West Midlands	£970,000	£1,130,000
Wolverhampton	West Midlands	£970,000	£1,130,000
WEST MIDLANDS TOTAL		£2,910,000	£3,390,000
Barnsley	Yorkshire & The Humber	£970,000	£1,130,000
Bradford	Yorkshire & The Humber	£970,000	£1,130,000
Kirklees	Yorkshire & The Humber	£970,000	£1,130,000
Leeds	Yorkshire & The Humber	£970,000	£1,130,000
North Lincolnshire	Yorkshire & The Humber	£970,000	£1,130,000
Wakefield	Yorkshire & The Humber	£970,000	£1,130,000
YORKSHIRE & THE HUMBER TOTAL		£5,820,000	£6,780,000
TOTAL ENGLAND	All	£48,500,000	£56,500,000