

AGENDA ITEM NO. 5

REPORT TO: Halton Strategic Partnership Board

DATE: 9 February 2005

REPORTING OFFICER: Local Authority Chief Executive

SUBJECT: Neighbourhood Renewal Fund consultation response

1. PURPOSE OF REPORT

To approve Halton's response to the Neighbourhood Renewal Unit's consultation on Neighbourhood Renewal Fund 2006/07 and 2007/08.

2. RECOMMENDATION: That the Board approves the response.

3. BACKGROUND

As part of the 2004 Spending Review, the Government announced the extension of the Neighbourhood Renewal Fund for two more years to the end of March 2008. £525 million of Neighbourhood Renewal Fund was allocated nationally for each of the two years - 2006/07 and 2007/08. This is the same national amount as in 2005/06.

The Neighbourhood Renewal Unit stated after the Spending Review that they would be reviewing the current methodology used to allocate Neighbourhood Renewal Fund before announcing what amount individual authorities would receive.

As part of this process a consultation document was issued in December 2004. This was circulated to Board members and key officers at Halton Borough Council. The attached document summarises the responses received.

ATTACHED DOCUMENTS

Neighbourhood Renewal Fund consultation response

Halton's response to the Neighbourhood Renewal Unit's consultation on the allocation of new Neighbourhood Renewal Fund resources for 2006/07 and 2007/08

Key Issue 1 – Improving Outcomes

a) *The Government's primary focus should be on supporting those areas with the greatest challenge in meeting key national floor targets.*

- **Strongly Agree**

b) *If you believe that supporting those areas with the greatest challenge in meeting key national floor targets should be the Government's primary focus in allocating NRF, how should this be reflected in the allocation of NRF resources?*

- Halton believes that the approach adopted by the Neighbourhood Renewal Unit in 2003 remains a clear and fair way of reflecting the challenge of national floor targets in the allocation of Neighbourhood Renewal Fund.

c) *If you do not believe that supporting those areas with the greatest challenge in meeting key national floor targets should be the Government's primary focus in allocating NRF, what do you feel should be the Government's primary focus in allocating NRF?*

- No response.

Key Issue 2 – Maximising Impact

a) *The Government should concentrate NRF on a smaller number of the most deprived areas in order to increase the amount of funding going into those areas experiencing the most extreme deprivation.*

- **Strongly Agree**

b) *Please give the reasons for your answer to the preceding question (**key issue 2, part a**)*

- Halton believes that the amount of funding going to the most deprived areas should increase. These areas face the greatest challenges and for the Government to achieve the aim of the National Strategy for Neighbourhood Renewal of no-one being seriously disadvantaged by where they live they need to be sure that the resources going to the most deprived areas are sufficient to achieve that.

c) *How can the Government improve the impact of NRF resources on the ground, particularly in the most significantly deprived areas?*

- Halton believes that the impact of Neighbourhood Renewal Fund can be improved by giving greater local flexibility in interpreting government policy, e.g. adapting the benefits system to suit local circumstances. The Government can also assist by encouraging greater consistency between the high level outcomes expected of individual public services by sponsoring departments in Whitehall, and the expectation that local strategic partnerships will join things up. For example, local attempts to tackle health inequality can be prejudiced by a central requirement on primary care trusts to focus on waiting times and treatments rather than prevention and health promotion.

Key Issue 3 – Strengthening Delivery through LSPs

a) *There should be a link between the allocation of NRF resources and LSP performance.*

- **Agree**

b) *If you believe that a link between allocations and performance should be made, on what basis should such a system operate?*

- Halton believes that any system should focus on rewarding high performers, not on penalising low performers. More funding could be made available to high performing partnerships, perhaps in the form of bonuses related to achievement of national floor targets and/or targets in the Community Strategy. Funding should only be withheld or delayed if partnerships fall into the lowest category of performance and cannot develop plans to show how they will improve.

d) *To help support and incentivise delivery through LSPs, the Government believes it should set out a clear strategy for intervention to strengthen weak performance and enhanced flexibility for stronger performers in advance of allocating NRF at the beginning of the year.*

- **Strongly Agree**

Key Issue 4 – Targeting Small Pockets of Acute Deprivation

- a) *Resources should be targeted at small pockets of acute deprivation in areas not currently eligible for NRF.*

- **Strongly Disagree**

- b) *If you believe that resources should be targeted at small pockets of acute deprivation in areas not currently eligible for NRF, how do you think these pockets should be targeted?*

- No response.

- c) *There is a danger that such an approach might spread resources too thinly to be effective.*

Strongly Agree

- d) *Please give the reasons for your answer to the preceding question (**key issue 4, part c**)*

- Halton believes that small amounts of funding would be unlikely to make significant differences and local authorities with small pockets of deprivation can achieve the necessary improvements without Neighbourhood Renewal Fund. Giving money to such areas would reduce the funding available for areas with more widespread deprivation.

- e) *If an area were to be granted NRF on the basis that it contained a number of small pockets of deprivation.....*

Do you think that there should be an expectation that the money be spent on those Super Output Areas?

- **Strongly Disagree**

Or think that there should be greater freedom to use the money 'thematically', for example to address floor target performance across the area as a whole?

- **Strongly Agree**

Key Issue 5 – Using Index of Multiple Deprivation 2004 (IMD04) Data

a) *Do you think that NRF should be allocated to those areas (In the your answer column, please TICK the statement which best reflects your view)*

- **That appear within the most deprived districts on any of the district level summaries of the IMD04**

b) *How should the IMD04 data be most effectively used to target deprivation and determine eligibility for NRF resources?*

- The data should be used to identify those areas with severe and widespread deprivation. Super Output Areas are useful for identifying small pockets of deprivation but aiming resources at areas with very few deprived Super Output Areas would dilute the efforts being made to tackle deprivation in the areas where the problems are worst. This is why using district level rankings best reflects our view on how Neighbourhood Renewal Fund is allocated. If Super Output Areas are used, it should be at a high enough number, e.g. at least 10, to show that a significant number of people live in deprived areas within a local authority. It might also be possible to link data between the key national floor targets and the different domains in the Index of Multiple Deprivation 2004 to further pinpoint the most needy areas. It has to be recognised that limiting Neighbourhood Renewal Fund spend to certain Super Output Areas could be counter-productive; residents can choose service providers and do cross area boundaries to access schools, healthcare, etc. Also, community cohesion problems can arise from the “only one side of the street” effect of area based initiatives.

Key Issue 6 – Providing Transitional Support

a) *Transitional arrangements should be made for local authorities which received NRF in the past but would not under the new allocation.*

- **Disagree**

b) *Please give the reasons for your answer to the preceding question (**key issue 6, part a**). If you believe that transitional arrangements should be made for local authorities which received NRF in the past but would not under the new allocation, on what basis should such payments be made?*

- The original period for Neighbourhood Renewal Fund was 2001 to 2006 – transitional authorities in this period should have prepared for no further funding from 2006 unless their deprivation problems worsened. Other Government policies and programmes developed since 2001, e.g. the Safer and Stronger Communities Fund, maintain a focus on tackling deprivation and national floor targets and provide areas with funding to do so.

Other Issues

a) *What other issues do you think the Government should take into account in deciding how to allocate the new NRF resources?*

- No response.