



House of Commons

Committee of Public Accounts

An early progress report on the New Deal for Communities programme

**Thirty–eighth Report of
Session 2003–04**



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Session 2003–04**

*Report, together with formal minutes,
oral and written evidence*

*Ordered by The House of Commons
to be printed 28 June 2004*

The Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No 148).

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The following were also members of the Committee during the period of this inquiry.

Mrs Cheryl Gillan MP (*Conservative, Chesham and Amersham*)
Mr George Osborne MP (*Conservative, Tatton*)

Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No 148. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

Committee staff

The current staff of the Committee is Nick Wright (Clerk), Christine Randall (Committee Assistant), Leslie Young (Committee Assistant), and Ronnie Jefferson (Secretary).

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Summary

Introduction

In 1999 the Office of the Deputy Prime Minister launched an experiment in neighbourhood renewal — the New Deal for Community (NDC) programme. The pilot programme is intended to give local communities a much greater influence in the way in which funds are used to achieve neighbourhood renewal. Unlike previous regeneration programmes where monies were paid to central and local government bodies to deliver regeneration, in this programme the monies have been given directly to identified neighbourhoods for them to manage via their New Deal for Community Partnership Board made up of local representatives. This allows the communities to purchase services to meet their regeneration needs in accordance with their priorities. The approach is being tested in 39 neighbourhoods across the country and is expected to cost some £2 billion over 10 years.

The NDC neighbourhoods are expected to engage in partnership with existing service delivery agencies, such as Local Authorities, Primary Care Trusts, Police Authorities and other partners, to reduce the extent of crime, unemployment, poor health, low educational performance and improve the physical environment. A key objective for the Department is to evaluate the programme to identify what works to stimulate neighbourhood renewal and promote these solutions nationally.

The programme is still at a relatively early stage and it is not therefore possible to determine its full impact. There are, however, already examples of effective neighbourhood renewal arising from this new approach. But equally, some tensions have developed between some New Deal for Community partnerships, their communities and local authorities that need to be addressed if further progress is to be ensured.

On the basis of a Report from the Comptroller and Auditor General,¹ we took evidence from the Office of the Deputy Prime Minister on the place of the programme in wider efforts to regenerate deprived communities; engagement with the community; and the effectiveness and sustainability of the programme.

1 C&AG's Report, *English Regions: An early progress report on the New Deal for Communities programme* (HC 309, Session 2003–04)

Conclusions and recommendations

- 1. The Office of the Deputy Prime Minister should work with other Departments to streamline area based initiatives aimed at deprived communities.** In some areas the New Deal for Communities scheme is only one of more than fifty different initiatives with separate funding streams to address aspects of deprivation. Initiatives need to be better co-ordinated to reduce potential duplication for example by pooling them where possible to reduce the overheads of managing separate schemes.
- 2. The wider impact on social cohesion of targeted and piloted approaches to neighbourhood renewal should be reviewed.** The New Deal for Communities is being piloted in 39 of some two to three thousand communities suffering multiple deprivation. Initiatives which favour particular neighbourhoods may cause resentment in neighbouring communities which do not benefit from the improvements arising from targeted funding. Where neighbourhood based initiatives are introduced it is important that problems in the selected neighbourhood, such as crime and disorder for example, are addressed and not displaced to adjacent communities. Evaluations of neighbourhood based programmes should take account of their impact on adjacent communities.
- 3. For successful community engagement in the programme, community representatives on the New Deal for Communities boards need the authority to represent their communities.** Existing governance arrangements allow individual community representatives to nominate themselves. The Office of the Deputy Prime Minister should review and strengthen the governance arrangements for New Deal for Communities boards and require community representatives to be nominated by a number of local residents.
- 4. The Office of the Deputy Prime Minister needs to clarify the role of local authorities in New Deal for Communities partnerships.** Mistrust between some local authorities and New Deal for Communities boards has prevented progress through the partnership approach. Clearer guidance on the role of the local authority as accountable body, for example setting out the extent of its responsibilities for New Deal for Communities project evaluations and financial control, would help to clarify matters and reduce tensions.
- 5. Increased business activity and employment opportunities are needed to increase wealth in deprived communities.** New Deal for Communities partnerships should take more active steps to bring businesses into deprived areas. They could for example identify what skills shortages exist in local businesses and target training in the community to meet these needs. They could also identify what barriers there are to businesses moving into their areas, for example, reliable transport or building infrastructure and work with the relevant agencies to overcome these.
- 6. Evaluation of the New Deal for Communities programme should focus on identifying the additional benefits from the specific approach adopted.** Many improvements in local services are likely to emerge from the injection over ten years of £2 billion of additional funds in 39 targeted neighbourhoods. But the Office of the Deputy Prime Minister needs to identify and evaluate the specific benefits that arise

as a direct result of the community partnership approach of the New Deal for Communities programme compared to other approaches to neighbourhood renewal.

- 7. To ensure that the Office of the Deputy Prime Minister can determine the relative success of different approaches to neighbourhood renewal from their various regeneration schemes, the Department needs to track consistent data for all their regeneration initiatives.** The Office of the Deputy Prime Minister has developed a set of indicators to help track the progress in bringing the New Deal for Communities neighbourhoods up to a level that is on a par with national averages in five key theme areas: crime, education, health and housing and the physical environment. The Department also needs sufficient data from their other regeneration initiatives to ensure that they can compare them and identify what works best to improve neighbourhood renewal.
- 8. Regional Government Offices should satisfy themselves that New Deal for Communities funds are not being used to replace existing resources provided to local statutory agencies.** A small proportion of service delivery agencies (5% of those responding to the National Audit Office survey), acknowledge that some New Deal for Communities money is being used to substitute for local authority spending. The Government Offices need to monitor spending on projects to uphold the Office of the Deputy Prime Minister's requirement that this money should not be used to finance projects that should be supported by existing public or private sector grants.
- 9. New Deal for Communities partnerships should plan how momentum is to be maintained after the programme has ended.** Although the programme has several years to run, New Deal for Community partnerships need to consider at an early stage how successful projects and initiatives are to continue in the longer term once additional programme funding has ended. This will require partnerships to work closely with service delivery agencies such as their Local Authorities, Police Authorities, Primary Care Trusts and others to agree long term strategies and funding. Government Offices should also seek assurance that partnerships are planning for the end of the programme and, if necessary, act as brokers between the partnerships and service agencies to help secure realistic funding for the future.

1 Tackling deprivation effectively

1. Over the last decade a series of different central government initiatives and approaches have been designed to tackle the problems of deprived and disadvantaged communities, including most recently Urban Development Corporations,² Urban Regeneration Companies, the Single Regeneration Budget and the Neighbourhood Renewal Fund.

2. In 1999 the Office of the Deputy Prime Minister launched what is intended to be a new experiment in neighbourhood renewal — the New Deal for Communities (NDC). This programme places a strong emphasis on the role that community residents can play in changing their neighbourhood by placing them at the heart of decision making. Each neighbourhood has established a board to represent the interests of local people and to partner with delivery agents to reduce the extent of crime, unemployment, poor health, low educational performance and improve the physical environment.

3. The number of communities eligible to pilot this new approach was determined by the money allocated to the programme. Some £2 billion has been made available over ten years. The Office of the Deputy Prime Minister judged that this was sufficient for some 39 communities to be involved. The local authority areas eligible for NDC funding were selected using the 1998 Index of Multiple Deprivation and a regional quota system.³ The map at **Figure 1** shows the location of the communities selected.

4. The NDC programme represents an approach to neighbourhood renewal which makes additional resources available to targeted communities which comprise, on average, 10,000 people. Area based initiatives such as the NDC favour particular communities over others. This approach risks creating resentment from neighbouring communities who may feel they are missing out.⁴

5. The NDC programme is one of many government area based initiatives aimed at tackling general or specific conditions associated with multiple deprivation. The Department told us that for example in Derby between 50 and 60 separate streams of area based funding had been identified.⁵ The Department acknowledged that Whitehall is not as good as it should be at persuading partners to pull together their programmes, and that schemes needed to be better co-ordinated and pooled where possible to reduce the overheads in managing them.⁶

2 57th Report from the Committee of Public Accounts, *The operation and wind-up of Teesside Development Corporation* (HC 675, Session 2001–02)

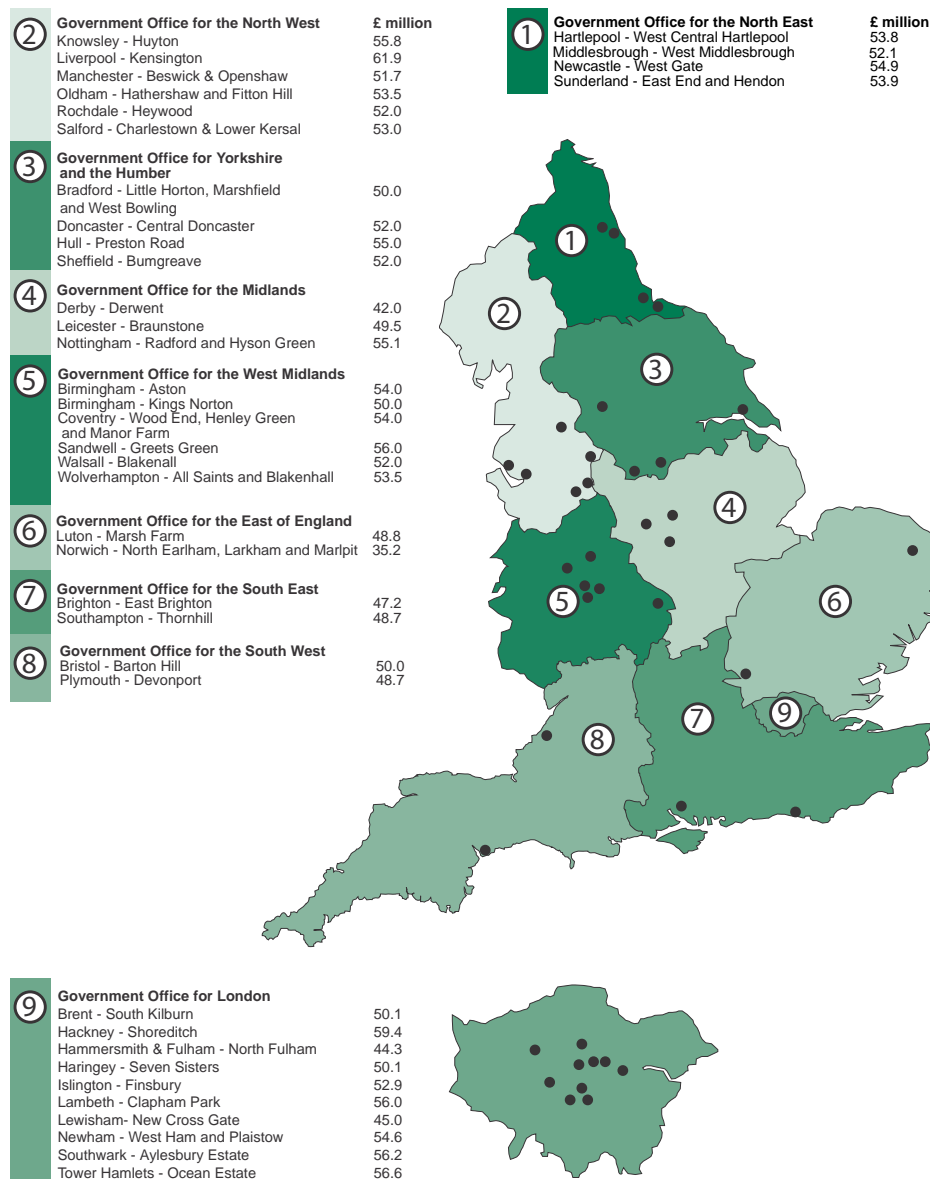
3 Ev 16–17

4 Qq 22–23

5 Q 34

6 Qq 34–35

Figure 1: Location of the 39 communities selected for the New Deal and their 10 year funding allocation



Source: National Audit Office

6. The NDC partnerships represent one of an increasing number of public bodies and partnerships involved at different levels in regeneration activity. For example, the Thames Gateway project, a separate regeneration initiative, involves several local authorities, three regional development agencies, two proposed urban development corporations, the Housing Corporation, English Partnerships as well as a division of the Office of the Deputy Prime Minister.⁷ There is no single formal framework covering the bodies, schemes and initiatives involved in neighbourhood renewal and responsibility and accountability for delivery is increasingly complex.⁸

7 Office of the Deputy Prime Minister, *Creating Sustainable Communities: Greening the Gateway*

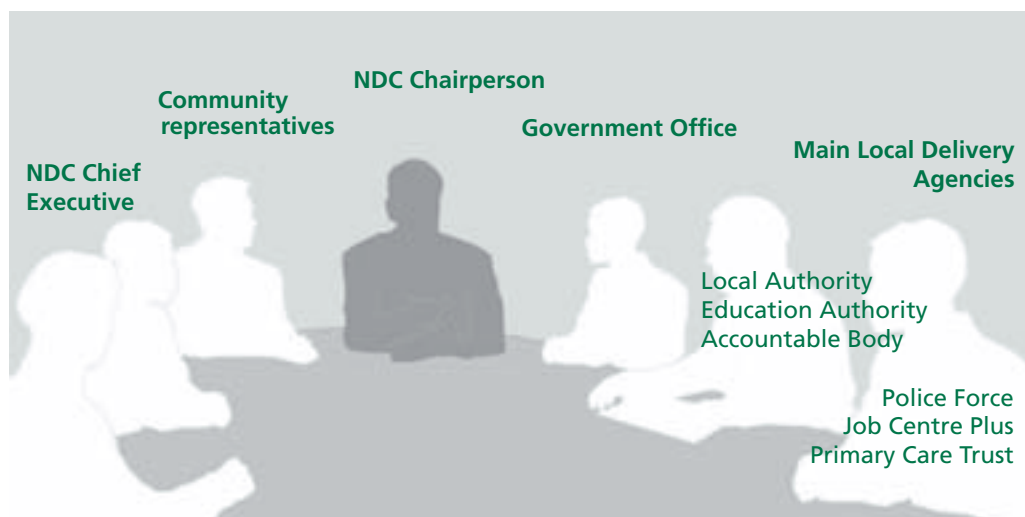
8 Qq 34–35, 127

2 Engaging the community

7. The NDC programme differs from other regeneration efforts in that communities themselves are responsible for taking the initiative forward, working in partnership with existing service delivery agencies such as Local Authorities, Primary Care Trusts, Police Authorities and other partners. Adopting such a community-focused approach has potential benefits for the residents in that projects can be focused on the local needs and condition of each NDC neighbourhood.

8. Each NDC partnership is headed by a board. In seeking to empower the communities the Office of the Deputy Prime Minister was not prescriptive about the make up of boards and no guidelines were issued regarding their composition or the mix of elected or co-opted community members, council/ward representatives and support agencies that should be represented.⁹

Figure 2: Membership of a typical New Deal for Communities partnership board



Notes:

1. The main local delivery agencies will attend to support on matters affecting the key theme areas eg, housing and environment, health, education, crime and community safety, and employment.
2. Other members of the partnership board may represent local businesses or faith and voluntary groups in the community.

9. Boards usually have some 12 to 20 or more members. Typically representatives of the community make up half the membership with the other half made up of representatives from local public bodies. **Figure 2** illustrates the main participants of NDC boards. In the majority of NDCs, community representatives are elected through a ballot. The way in which community candidates are nominated varies, but is often self nomination.¹⁰ It is important for governance arrangements to be transparent and provide assurance of legitimate community representation. Where the board is not seen as representing the

9 Qq 74, 82, 85

10 Qq 4, 70, 122

interests of the community tensions can result, as was the case in the early stages of the Braunstone NDC.¹¹

10. Evidence to date suggests that local authorities are vital to successful NDC partnerships. In Barton Hill, for example, the NDC board has worked closely with the Local Authority, and progress has been good.¹² In this instance the Local Authority, with NDC participation, successfully piloted an improved refuse collection and environmental cleansing scheme in the NDC area. The Local Authority reviewed the criteria for success and are now introducing the scheme throughout Bristol. But relations between NDC partnerships and local authorities have been strained in many communities and progress has been slower.

11. Local Authorities have not had sufficiently clear guidance on how best to manage their relationship with NDC. Some have attempted to micro-manage their local NDC for example, by introducing excessive scrutiny over project proposals. Other authorities have merely acted as bankers offering little or no professional support and advice¹³ Government Offices could play a more positive role where there are tensions or disengagement between boards and Local Authorities. The Department told us they have nominated a senior director in each of the regional government offices with personal responsibility for the oversight of the NDC programmes in their region.¹⁴

12. The National Audit Office Report concluded that NDC partnerships have been slow to engage with the local business community. The Department agreed and told us that a number of initiatives are now being taken forward to address this weakness including the issue with the British Retail Consortium of a good practice guide for establishing new businesses in disadvantaged areas based on the experience of some major British companies.¹⁵ Other initiatives including the piloting of business brokers with the Home Office Active Communities Unit and the Department for Trade and Industry.

13. Deprived communities often feel that they are not empowered or able to make a difference to their circumstances and environment. The National Audit Office reported that NDC residents often feel that there has been a lack of visible results and a lack of information about what is happening in the programme.¹⁶ It is important for the success of the NDC programme for residents to be able to identify improvements that they feel have arisen as a direct result of their involvement.

11 Qq 27, 118

12 Qq 31, 33, 40

13 C&AGs Report, para 3.7

14 Qq 40, 46

15 ODPM Research Report 6, *Changing Practices, A good practice guide for businesses locating in deprived areas*

16 Q 42; C&AG's Report, para 5.11

3 Ensuring sustainable improvement

14. The NDC programme aims to bring the deprived neighbourhoods taking part in the programme up to a level that is on a par with national averages in five key theme areas: crime, education, health and housing and the physical environment.¹⁷

15. The Office of the Deputy Prime Minister has commissioned a long term national evaluation that aims to assess the cost effectiveness and value for money of NDC interventions and outcomes. The evaluation is examining emerging changes in each of the key theme areas as well as how NDC partnerships are working with their communities and the main service providers to achieve change. An annual report of findings, together with examples of success and best practice, are publicised including through the Neighbourhood Renewal Unit website (www.renewal.net).¹⁸

16. In the absence of standard guidelines for partnerships to use to report progress, the availability and quality of data available to the National Evaluation and the Department is limited.¹⁹ The absence until recently of a central database of neighbourhood level crime statistics made it difficult to establish baseline data against which to monitor progress in this key area.²⁰ The Department now intends to pull together in a more consistent and regular way data on the NDCs' financial management and outcomes, together with a series of core indicators covering the five key theme areas.²¹

17. A priority for NDC partnerships in their initial years was to identify and carry out projects which would be immediately visible and raise the morale of the neighbourhoods they serve. Many of these "quick win" projects are in areas where existing service providers have not delivered as well as they might have, for example, street cleaning and lighting, housing renewal and transport services. The Department were unable to inform us how much money was channelled through the voluntary sector rather than through existing agencies.²²

18. It is important that NDC funds are not used merely as an additional income stream to allow existing statutory agencies to deliver services to a standard which, in less deprived communities, is provided without additional funding.²³ Evaluations will need to determine whether the partnership structure is adding value, or whether results could have been produced by additional spending through existing channels.²⁴

19. There is a tendency in regeneration programmes to raise the standards and expectations in communities only for these to be dashed when additional funding ends.

17 Qq 51–52

18 Q 129

19 C&AG's Report, para 3.11

20 Ev 25

21 Q 9

22 Ev 23

23 Q 129; C&AG's Report, para 3.21

24 Qq 45, 129, 133

The Department is encouraging NDC partnerships to plan exit strategies to ensure service improvements and initiatives are continued.

20. The Department told us of examples where local service deliverers have used NDC neighbourhoods as test beds to explore alternative ways of operating. For example, the Devonport Bobbies on the Beat initiative trialled a different approach to community policing that is leading to positive results and Devon and Cornwall police force are adopting the approach more widely.²⁵ Transport for London have taken over bus routes developed in the first instance to meet the needs of NDC residents. In this instance the partnership was able to demonstrate that actual demand for the routes was greater than predicted by Transport for London. The lessons from such successful mainstreaming need to be spread widely so lessons can be learnt not only throughout the neighbourhoods involved in the NDC but more widely.²⁶

25 Qq 33, 128; C&AG's Report, para 30

26 Q 124

Formal minutes

Monday 28 June 2004

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Allan	Mr Frank Field
Mr Richard Bacon	Mr Brian Jenkins
Mrs Angela Browning	Jim Sheridan
Mr David Curry	Mr Alan Williams
Mr Ian Davidson	

The Committee deliberated.

Draft Report (An early progress report on the New Deal for Communities programme), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 20 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report, as amended, be the Thirty-eighth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

Adjourned until Wednesday 30 June at 3.30 pm

Witnesses

Wednesday 24 March 2004

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Dame Mavis McDonald DCB, Mr Joseph Montgomery, and Mr Alan Riddell,
Office of the Deputy Prime Minister

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List of written evidence

Office of the Deputy Prime Minister

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List of Reports from the Committee of Public Accounts Session 2003–04

First Report	Tackling fraud against the Inland Revenue	HC 62 (<i>Cm 6130</i>)
Second Report	The new electricity trading arrangements in England and Wales	HC 63 (<i>Cm 6130</i>)
Third Report	The Sheep Annual Premium Scheme	HC 64 (<i>Cm 6136</i>)
Fourth Report	Improving service delivery: the Forensic Science Service	HC 137 (<i>Cm 6155</i>)
Fifth Report	Warm Front: helping to combat fuel poverty	HC 206 (<i>Cm 6175</i>)
Sixth Report	Department of Trade and Industry: Regional Grants in England	HC 207 (<i>Cm 6155</i>)
Seventh Report	Progress on 15 major capital projects funded by Arts Council England	HC 253 (<i>Cm 6155</i>)
Eighth Report	The English national stadium project at Wembley	HC 254 (<i>Cm 6155</i>)
Ninth Report	Review of grants made to the National Coalition of Anti-Deportation Campaigns	HC 305 (<i>Cm 6175</i>)
Tenth Report	Purchasing and managing software licences	HC 306 (<i>Cm 6175</i>)
Eleventh Report	Helping consumers benefit from competition in telecommunications	HC 405 (<i>Cm 6191</i>)
Twelfth Report	Getting it right, putting it right: Improving decision-making and appeals in social security benefits	HC 406 (<i>Cm 6191</i>)
Thirteenth Report	Excess Votes 2002–03	HC 407 (<i>N/A</i>)
Fourteenth Report	Inland Revenue: Tax Credits	HC 89 (<i>Cm 6244</i>)
Fifteenth Report	Procurement of vaccines by the Department of Health	HC 429 (<i>Cm 6244</i>)
Sixteenth Report	Progress in improving the medical assessment of incapacity and disability benefits	HC 120 (<i>Cm 6191</i>)
Seventeenth Report	Hip replacements: an update	HC 40
Eighteenth Report	PFI: The new headquarters for the Home Office	HC 501 (<i>Cm 6244</i>)
Nineteenth Report	Making a difference: Performance of maintained secondary schools in England	HC 104 (<i>Cm 6244</i>)
Twentieth Report	Improving service delivery: the Veterans Agency	HC 551
Twenty-first Report	Housing the homeless	HC 559
Twenty-second Report	Excess Votes (Northern Ireland) 2002–03	HC 560
Twenty-third Report	Government Communications Headquarters (GCHQ): New Accommodation Programme	HC 65
Twenty-fourth Report	Transforming the performance of HM Customs and Excise through electronic service delivery	HC 138
Twenty-fifth Report	Managing resources to deliver better public services	HC 181
Twenty-sixth Report	Difficult forms: how government departments interact with citizens	HC 255
Twenty-seventh Report	Identifying and tracking livestock in England	HC 326
Twenty-eighth Report	Driver and Vehicle Licensing Agency: Trust Statement Report 2002–03	HC 336
Twenty-ninth Report	Improving public services for older people	HC 626

Thirtieth Report	Out of sight—not out of mind: Ofwat and the public sewer network in England and Wales	HC 463
Thirty-first Report	Cambridge-MIT Institute	HC 502
Thirty-second Report	HM Customs and Excise Standard Report	HC 284
Thirty-third Report	Income generated by the museums and galleries	HC 430
Thirty-fourth Report	Strategic Rail Authority: improving passenger rail services through new trains	HC 408
Thirty-fifth Report	Early years: progress in developing high quality childcare and early education accessible to all	HC 444
Thirty-sixth Report	Tackling VAT fraud	HC 512
Thirty-seventh Report	Risk management: the nuclear liabilities of British Energy plc	HC 354
Thirty-eighth Report	An early progress report on the New Deal for Communities programme	HC 492

The reference number of the Treasury Minute to each Report is printed in brackets after the HC printing number

Oral evidence

Taken before the Committee of Public Accounts

on Wednesday 24 March 2004

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Allan
Mr Richard Bacon
Mr Ian Davidson
Mr Brian Jenkins

Mr Gerry Steinberg
Jon Trickett
Mr Alan Williams

Sir John Bourn KCB, Comptroller and Auditor General, further examined.

Mr Brian Glicksman, Treasury Officer of Accounts, HM Treasury, further examined.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL:

English Regions:

An early progress report on the New Deal for Communities programme (HC 309)

Witnesses: **Dame Mavis McDonald DCB**, Permanent Secretary, **Mr Joseph Montgomery**, Director General, Neighbourhood Renewal Unit (NRU) and **Mr Alan Riddell**, Director of Operations, Neighbourhood Renewal Unit, Office of the Deputy Prime Minister, examined.

Q1 Chairman: Good afternoon, welcome to the Committee of Public Accounts. Before we start our proceedings, I should welcome the members of the Budget Committee of the Ukraine who are sitting at the back of the room and they have a strong welcome for us. Mr Ian Davidson and I have already been trying to advise them and we shall be meeting them in private later as well. We are very grateful for their presence here. I also welcome Mr Ngum, who is Secretary-General of the Gambia. You are all very welcome to our Committee. We welcome members of the press and public as well. We also welcome you, Dame Mavis McDonald, once again to our Committee. You will be talking to us on the New Deal for Communities (NDC) programme. Would you like to introduce your team?

Dame Mavis McDonald: Yes. On my right is Joseph Montgomery, who is the Director General responsible for neighbourhood renewal in the Office. On my left is Alan Riddell, who is responsible for the New Deal for Communities programme and the Neighbourhood Renewal Fund within that unit.

Q2 Chairman: Thank you very much. Why do you think the single regeneration budget failed?

Dame Mavis McDonald: I do not think the single regeneration budget failed. The single regeneration project is one of a series of developing programmes designed to address the problems of some of the most deprived areas which have taken place over the last 20 years. It was a development of the estate action programme, which evaluation showed dealt very well with the physical fabric of areas, but did not pick up on the issues which were important to the residents of those areas. The single regeneration

budget attempted to develop a programme which did pick up issues like access to jobs and skills and the more personal aspects of people who lived in areas. The single regeneration budget is not finished, it will cease being funded in 2007, but there are several projects still alive and being developed through the auspices of the RDAs, who took over the funding as part of their single pot.

Q3 Chairman: The single regeneration budget is supposed to involve communities and does involve communities. That is right, is it not?

Dame Mavis McDonald: Yes.

Q4 Chairman: Given that, why should this programme work any better than the single regeneration budget?

Dame Mavis McDonald: The objective ministers had when they set up the New Deal for Communities programme was to embed the community much more into the heart of the programme. In particular, right from the beginning it engaged them on a partnership board which involved other local public bodies, including the local authority, but other players as well. It had residents from the beginning as part of the team which defined what the issues were for a particular area, what their priorities were for solving the problems in that area and then for developing their own delivery plan to address those, with the funding available over a long enough period to provide some continuity.

Q5 Chairman: There is no proof, is there, that involving the local community actually improves outcomes?

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Dame Mavis McDonald: There is no large-scale proof; there is some proof through the Housing Action Trust programme where some of the Trusts have now finished their work and left community trusts within their areas, that the level of engagement and degree of community capacity building made it easier for those programmes to leave behind a sustainable legacy in that it did not take away all funding, it left bodies which continued the engagement of local residents, in particular community based housing associations. They endowed local trusts, which enabled revenue support schemes, such as liaison with employment services and help into work, to continue even when the formal programme had finished.

Q6 Chairman: Is it realistic to pass the dilemma of dealing with decades of decline and deprivation on to local people, some of whom are least able to cope with some of these problems?

Dame Mavis McDonald: It would not have been realistic if that was all that had happened, but the objective was to bring the local community together with those bodies which did have experience and some responsibilities and create a partnership at board level which brought all the relevant stakeholders together. Around 50% of boards are composed of residents, but the other members come equally from bodies such as PCTs, the police, the private sector, Jobcentre Plus and a variety of other players from the voluntary sector. The aim is to bring together a group of skills and help the community build its own capacity through working with those bodies as well as being key players themselves.

Q7 Chairman: Would you please look at case study 10 on page 43 where it says “One of the hardest parts . . . is getting the Council on board and getting them to share those visions that we have”. Why have you not done more to promote constructive relationships with local authorities?

Dame Mavis McDonald: The Office has done quite a significant amount to promote constructive relationships with local authorities, but local authorities themselves have taken a significant role in many of the NDC areas. I do accept, as the Report says, that this relationship varies. All but one of the NDCs have the local authority as the accountable body for the purposes of managing the money. Right from the start of the programme, local authorities were helpful in seconding staff to individual NDCs to help them get up and running and NDCs frequently report back to us that they are happily working alongside local authorities and in some cases, particularly where large-scale housing programme are involved, particularly when the community and local authority have agreed to go for the transfer programme, they do work hand in glove.

Q8 Chairman: Could you look please at page 53 and look at paragraph 5.21 and this question of the relationship with the business community? It talks there about “ . . . Bradford’s partnership with the

local chamber of commerce to provide mentoring and to administer grant and loan support to area businesses. Bradford’s progress in this area is not the norm”. Why are you not doing more to attract businesses to work with these partnerships?

Dame Mavis McDonald: If I may, I shall ask Mr Montgomery to explain a bit more about what we have been trying to do. We have obviously been supporting individual NDCs to work with their local businesses and work with their board members. We have also started an initiative at national level to try to provide mentoring support from some heavyweight members of the business community. Perhaps I could ask Joseph to explain what we are doing there.

Mr Montgomery: We have published guidance jointly with the British Retail Consortium to try to engage the private sector better in the local renewal process. In addition to this, we have piloted an initiative called business brokers. This is where the private sector engages with us to identify individuals who literally go and engage in a direct manner the various private sector companies in a NDC area in order to get the involved and to benefit from the regeneration programme being sponsored. Further to that we have a joint initiative with Business in the Community to try to learn from the Harlem initiative cited in paragraph 5.21, because we thought there was value in this that we might learn from here. We are running with BITC something called the under-served markets project, which seeks to attract fuller private sector investment into 12 pilot areas, most of which have an NDC within them.

Q9 Chairman: Could I ask you to look please at page 35 and paragraph 3.11? This says “The variable quality and availability of this data has constrained the national evaluation”. Can you expect to evaluate this programme, if you do not know how much is being spent in various areas such as worklessness, health and other areas?

Dame Mavis McDonald: We accept the point the NAO makes in the Report about systematic and consistent performance data. We do have very regular financial information and data and have had since the start of the programme and we have commissioned some evaluation work through a consortium of universities led by Sheffield Hallam. But we have agreed with ministers, in response to the NAO Report, that we will set up across the whole of the NDC community a quarterly financial and performance management report which will pull together their data on financial management and outputs and we will add into that, working with them, a series of ten national outcome indicators and a basket of indicators they can choose for their own programmes. We are going to explain this to them at the next meeting of the NDC chairmen and chief executives on 29 April with a view to trialling it for the first quarter of the next financial year, that is using the end June data, and then have it running by the end of September. We hope that will both help us track and manage and monitor the programme on a more consistent

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and regular basis, it will help the NDCs themselves and will also provide better benchmarking data across the five themes.

Q10 Chairman: Thank you for that. Lastly, why do we need this programme at all? Why do you not trust local government? Local government is about local people, they are locally accountable, locally elected, central government is constantly talking about the need to reduce expenditure programmes, duplication. Why not leave it to local government?

Dame Mavis McDonald: There has been consistent evidence, which we have been tracking through something called the index of multiple deprivation, that in certain areas, in spite of significant efforts over time, within some of the most deprived local authorities there are pockets which do seem to escape the impact of any of our programmes and of a significant amount of mainstream expenditure which goes through local government and service provision in that area and the money which is going through other bodies such as the police. This was an attempt to look at a number of those areas which fell within the category of the most deprived areas where there had not been significant programmes before.

Q11 Chairman: May I interrupt you there? Why have there not been significant programmes? We are talking about locally elected people, local government. Why not just give them guidance and help? Why create a whole new set of programmes which you have to monitor and you are either accused of too heavy a hand or too light a touch. Leave it to local government. Give them help, give them guidance, give them encouragement and give them the money if need be. These people are locally elected.

Dame Mavis McDonald: We have always had a response from local government, when discussing how to deal with the most deprived areas, which has acknowledged that additional resource and funding can help them in particular places or dealing with particular groups, sometimes to kickstart changes in programmes, sometimes because the spread of their mainstream resources makes it very difficult for them to focus and prioritise in particular areas at the expense of other areas. The other programme which we run, the Neighbourhood Renewal Fund, is based on a different approach. So we are running two approaches in parallel to try to help local authorities to prioritise and then mainstream the funding of rather different provision of the services into the most needy of their areas and that programme is still ongoing.

Q12 Mr Steinberg: One or two general questions to begin with. How many deprived communities are there all together in the country?

Dame Mavis McDonald: The neighbourhood renewal work which the social exclusion unit did described something in the order of 2,000 to 3,000 small areas where there are pockets of deprivation.

Q13 Mr Steinberg: How many actually applied for this particular scheme?

Dame Mavis McDonald: In this particular case we asked local authorities to help us choose the areas for this particular programme.

Q14 Mr Steinberg: That was not the question. How many applied?

Dame Mavis McDonald: They did not apply directly to us. We asked the local authorities to identify within the index of multiple deprivations—

Q15 Mr Steinberg: How many?

Mr Riddell: It was not an open bidding system. We asked local authorities to identify particular needs.

Q16 Mr Steinberg: Just answer the question. How many?

Mr Riddell: Thirty-nine areas are funded and we effectively asked 39 local authorities to put forward areas.

Q17 Mr Steinberg: How many authorities actually asked?

Mr Riddell: We did not invite authorities to bid. We approached authorities which were identified as being needy.

Q18 Mr Steinberg: So in your view there are only 39 deprived communities in this country.

Mr Riddell: No, there was only enough money within this programme to support that number of areas.

Q19 Mr Steinberg: We are told the note you received identified 2,000 communities and 39 received funding. Was any research done on why they were deprived communities?

Dame Mavis McDonald: I referred to something called the index of multiple deprivation. This is a longitudinal survey we have carried out from the Office and its predecessors over time, which tracks against the kind of indicators we are looking at here over time. That is a national assessment which has consistently shown a ranking of local authorities against crime, against health, against housing provision, against a variety of indicators and ministers at various points have chosen to fund a number.

Q20 Mr Steinberg: So what you are saying is that we have £2 billion over ten years going into 39 projects.

Dame Mavis McDonald: Yes.

Q21 Mr Steinberg: What about the other 1,961 areas of deprivation? What are they getting?

Dame Mavis McDonald: Some of them may not be getting anything other than mainstream funding from the main service providers. Some may be getting additional funding from the neighbourhood renewal fund, some of them may be getting single regeneration budget (SRB) funding which is still continuing.

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Q22 Mr Steinberg: What about the situation I have in my constituency, for example, which I am sure is relevant in every city in the country? There is an area which has been a deprived area and has had SRB money and literally spitting distance from the SRB area, the deprived area, you have a community which is identical—identical—and they receive nothing. One community sees millions being pumped in and in two yards across the road nothing is being put in. What we find is that the people from the deprived community who have been causing all the problems, the drug dealers, the ones who cause constant problems have moved out of the deprived area, moved 20 yards into another area, the deprived area becomes better and the area next door, ten yards away, declines. You have not solved the problem: all you have done is move the problem.

Dame Mavis McDonald: I do not dispute your analysis, if I may say so, which would be very presumptuous of me, but I am not doing that. We have found ourselves that in areas such as market renewal pathfinders, which are dealing with low demand, that can happen. Then we have to complement the specific area-based programmes with the wider programmes, for example such as the Home Office are running on community safety or through police based programmes across the whole of the area, by local authority area or police area.

Q23 Mr Steinberg: What do you suggest to the people who come to my surgeries in the areas which are not deprived according to your analysis, or according to the fact that they are not getting anything, and say to me “Mr Steinberg, just across the road they are putting millions of pounds into the housing estates, they are building new play areas and we’re getting absolutely nothing. What are you going to do for me?”. What do I say to them?

Dame Mavis McDonald: In the first instance I would want to find out what other options there were for that community to find extra funding which was over and above what you could get from the local authority.

Q24 Mr Steinberg: There is nothing, is there?

Dame Mavis McDonald: I would ask the local authority how they were prioritising some of their own resources and also ask other bodies such as the regional development agencies or in certain circumstances PCTs or the police what help they could give.

Q25 Mr Steinberg: There is no help, because you are putting £2 billion of resources into 39 areas.

Dame Mavis McDonald: This is just on this particular group.

Q26 Mr Steinberg: Exactly.

Dame Mavis McDonald: There are other programmes run by other departments which could address some of the issues you have raised.

Q27 Mr Steinberg: I hope I can go back and tell them there is some money available, because I do not know where it is. What do you also say to the people who then come to my constituency surgeries, who are involved in the SRB areas and who have been given this huge responsibility to carry out all the work which is going on? They come to me and say they have fallen out, they no longer trust Mr So-and-So or Mr So-and-So, they have taken over and are not consulting. Huge cynicism sets in with the schemes. How do you then placate those people?

Dame Mavis McDonald: We have a number of ways in which we can and have done that, working through the government offices for the regions and working through our neighbourhood renewal advisers who are experts in various kinds of fields, including skills like mediation, who the NDC can ask to come in to help, at no cost to them, or the government office can ask someone to go in. Joseph has one or two examples where we have dealt with those kinds of situation.

Mr Montgomery: It is important to note that community representatives on NDC boards are typically elected to those boards and where they fail to meet the requirements of their local community they can be voted off. Many of the NDCs have had very high election turnout rates and in one or two instances even higher than the turnout rate for the general election. Beyond that, there is a commitment to try to mediate where disputes arise between the board and local residents. For example in Leicester, Braunstone, where there was clearly a difficulty between the board and local residents, a mediation process was started. It resulted in wholesale change to the way the NDC operated and we are glad to say that NDC is now performing satisfactorily.

Q28 Mr Steinberg: What do you say to people who come to me and say they are 20 yards away from a regeneration area and what the regeneration people are doing is collecting rubbish which has been dumped in the streets, putting new play areas down and these are all functions which the local authority should do in the first place. What do you say to these people who come to me and say “They’ve got a better bin collection than we have and the rubbish in our streets is left there but they are picking it up in that area. They’ve just got a new play area, new swings, but we haven’t”. What do you say to those people? The point I am making is that the schemes are actually carrying out functions which local authorities should have carried out anyway and are carrying out in other areas but on not such a grand scale because they do not have the money.

Dame Mavis McDonald: To repeat what I said before, in the first example go to the local authority. If they have any neighbourhood renewal fund money, ask them what they are spending it on and if they have not, ask them whether they can adjust the mainstream service provision as some

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local authorities which have NDCs in their area have done to meet the standards they are providing within the NDC area.

Q29 Mr Steinberg: Are local authorities vital in this or are they not necessary in your view?

Dame Mavis McDonald: Local authorities are vital to the successful partnership.

Q30 Mr Steinberg: Not just necessary. They are not just necessary, they are vital.

Dame Mavis McDonald: My personal view is that they are vital for two reasons: one is because they play a very valuable role as the accountable body, which is very helpful.

Q31 Mr Steinberg: What are you going to do for these schemes which say they do not want local authority involvement, they want to go down the lines themselves, they want nothing to do with local authorities? Who is accountable? Who makes the decisions on an issue like that, to prevent that happening?

Dame Mavis McDonald: From the Office and through our regional offices we have consistently and in all our formal guidance encouraged the NDC partnerships to work together jointly with local authorities.

Q32 Mr Steinberg: What happens if they do not.

Mr Riddell: The evidence is that where they try to do that it does not work and we expect the government office to engage actively and to persuade them to work with the local authority. In all cases eventually that is done. There is one very good example I might give of Sandwell, where they have an NDC and they have used that to pilot changes in the way they run their local authority at neighbourhood level. They use the money the NDC and the community spend in the NDC area to pilot what they are then rolling out across the rest of the authority and that sort of good practice is happening in quite a number of areas now.

Q33 Mr Steinberg: As I see it by the very nature of the policy you are determining expenditure in 39 areas for five years and are creating a certain standard in those areas which they have never been used to before, which nowhere else has locally, and you are determining that standard. What happens when you pull out? Will the local authority be expected to pay for those extra standards or will the money suddenly be withdrawn and they left to decline again? If you are expecting the local authority to pay for them after the five years, surely you are then determining local authority policy. You are actually dictating the way a local authority should spend its money in future years?

Dame Mavis McDonald: Our encouragement to the NDCs—and the programme runs for ten years—is that they should plan exit strategies which seek to mainstream into the main service provision, whether it is a local authority or any other provider, the standards they have adopted. Where local authorities have chosen to do that, they quite

frequently find it is a cost effective way in which to run a service out across the wider local authority area.

Mr Montgomery: A very good example of this is the Barton Hill NDC in Bristol where they were complaining of exactly what you described a question or two ago: the NDC area was getting a higher grade of refuse collection and environmental cleansing. What the council did was to look at the way the innovative programme was operating in Barton Hill and roll it out across the city and harvest a lot of economies for the city as a consequence of that. Quite often the NDC area is used as a test bed for service improvement, which the council or other service provider can hopefully maintain over the duration. In addition of course, NDCs are committed to trying to develop succession strategies, exit plans which take account of the service improvement they would like to see continue after the NDC resources run out. Plainly many NDCs have started to negotiate service level agreements with the local authority which lead to an improvement across a broader area than just the NDC.

Q34 Mr Allan: In a sense carrying on the themes already raised, I guess what we are trying to do here is to see whether the £2 billion allocated to the programme is best spent on this programme or should be spent elsewhere and part of that is to try to work out what is different about this programme and whether it genuinely is different. If we look at paragraphs 1.4 and 1.5 it tells us about the different funds which are available for regeneration, which is the context in which this money is being spent. Once upon a time we had lots of regeneration funds, so we then came up with the single regeneration budget, which has now become the single pot, but as well as the single pot, we have the neighbourhood renewal fund, the coalfields regeneration trust and your monies as well. Are we not still just in a confusing mess, where lots of different sums of money are being bunged at areas, perhaps on political grounds as much as anything else?

Dame Mavis McDonald: Yes, we still have a very large number of area based initiatives. We had an example the other week from Derby which had between 50 and 60 streams of funding which included the lottery which gave them about £34 million and six of those provided about 70% of the funding. We are working with colleagues in Whitehall to try not just to reduce the number of area based initiatives, but to see whether there are other ways in which, by pooling and having a different framework, we can reduce both the overhead of running that many programmes, but achieve the accountability for outcomes which ministers are very anxious to see and to be able to measure themselves. I would not want to disagree with your analysis there.

Q35 Mr Allan: The process you have just described sounds like the process which led to the single regeneration budget, which is now no longer single.

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Is it not just a kind of “initiativitis” by ministers? As soon as you gather everything up again into one framework somebody else will come along with a bright idea, like New Deal for Communities, want to own that budget and want to set new rules and once again it will be outside whatever new single framework you have?

Dame Mavis McDonald: It is perfectly understandable that people want to try new methods and quite often pilot new approaches to dealing with particular issues as they arise. Sometimes one of the things we have not been as good at as we should have across Whitehall is helping people sunset programmes, so you tend to get a cumulative continuum. We have had some success over the last two or three years in persuading people to pull together some of the programmes and we have done it ourselves with some of our smaller neighbourhood based programmes. There is a kind of historic tendency to accumulate and then have to re-visit and then build up again. The difference between neighbourhood renewal and the NDC programmes and some of the SRB work is that some of it is really very small scale and very intensive. Some of the SRBs were quite small, but some of them were much larger areas as well. This programme focuses very much on small areas basically.

Q36 Mr Allan: Your department holds the mainstream budgets for local authority grant funding as well, does it not?

Dame Mavis McDonald: What it does is run the system. It does not hold all the budgets, it runs the systems and the way in which the money is paid out to local government.

Q37 Mr Allan: Has modelling been done following the Chairman’s earlier suggestion? I represent part of Sheffield and in Sheffield we have SRB monies coming in, new deal for communities, neighbourhood renewal fund, all of these. Has anybody modelled bundling that money up and giving it to Sheffield City Council with guidelines and letting them get on with it rather than setting up 101 different organisations to spend money on the same people?

Dame Mavis McDonald: Yes, we have done work along those lines internally and with colleagues in Whitehall, but it is for ministers to decide just how far they would be prepared to go down that route at any one point in time.

Q38 Mr Allan: The decision currently is clearly to keep these programmes going.

Dame Mavis McDonald: It certainly is.

Q39 Mr Allan: In terms of trying to define whether this NDC is different and therefore presents perhaps more value for money than anything else, the Report sets out that it has this philosophy of community engagement and so on. So for this to be touted as something new and worth investing in the assumption must be that other programmes did not do the same kind of community engagement. Is

the eventual outcome supposed to be that we learn lessons which are then applied to all these other regeneration funds? Should we see NDC as a model, not just for the 39 communities, but the other 500-odd communities which get us SRB money and all these other funds?

Dame Mavis McDonald: Yes, the answer is that obviously we would want to learn lessons and spread them across, but we would not want to wait until the end of the ten years to do that. We have mechanisms for spreading round some of the best practice we think works. One of the issues about regeneration programmes has been how to achieve sustainability and one of the factors associated with this particular approach is trying to get a programme which does enable you, when the main extra funding runs out, to leave a community with much greater degree of confidence and capability to sustain itself. I mentioned the Housing Action Trust, there has been some success there, but it was very small scale; there were only seven of them. We also know that we are not alone in doing this. As the Report shows, we were aware of what colleagues in the States were doing, but some interesting examples from elsewhere too, and they were tending all to focus on a higher degree of community engagement in the way in which they were rolling forward regeneration programmes to try to get this barrier we have all got to, which is that over 20 to 30 years we have had some successes, but we have not necessarily maintained places at the level of opportunity, which the programme managed to demonstrate was possible.

Q40 Mr Allan: Picking up that point about sustainability, the long-term most significant sustainable public body in these communities is the local authority. We read in the Report, in the second recommendation on page 16 “Relations between NDC partnerships and local authorities have become strained in many communities”. This rings alarm bells for people who are interested in the long-term sustainability. Throughout the Report in a sense there does seem to be a theme which might be that these things cut across local authorities, they are a symbol of the local authority’s failure and set up the kind of tensions which have been described. How confident are you we can actually improve relations with the local authorities? Looking in the appendices, when the National Audit Office put out a survey of local service delivery agents, only 51% of local authorities even responded, which was lower than all the other statutory agencies. There does seem to be a structural problem between local authorities and the NDCs.

Dame Mavis McDonald: I have to say it does not really feel quite like that, managing the programme on a day to day basis. Our own performance management assessment system clearly demonstrated that the more successful NDCs were the ones where the engagement with the local authority was positive and it was felt to be very much a partnership between the two of them. We do have two phases here as well and our experience

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is that some of the initial start-up problems, as boards come together and partnerships come together and work out their programmes, also cause more tension at that stage than when you have an agreed delivery plan and programme and you are working to roll that forward.

Mr Montgomery: We never want to lose an opportunity to engage local authorities more fully, but plainly local authorities for the majority of these NDCs are serving as the accountable body, which means not only that they are responsible for probity and financial systems in the broad sense, but they actually pay most of the NDC grants up front prior to them being claimed by government. Local authorities are serving as the bankroll for NDCs; typically local authorities second staff to their local NDC, quite often somebody from the local authority actually chairs it, local authority councillors in Bradford, for example, provide the chair and one or two of the key positions on the board. In addition, considerable effort is put in by the government office to try to harmonise the NDC's strategy, let us say for housing, and the council's strategy for housing. A case in point would be the Kensington NDC in Liverpool where these were not fully aligned at the beginning, but over time effort was made to make sure they were pulling in the same direction as part of a larger programme to address housing abandonment across Liverpool.

Q41 Mr Allan: A final question on the evaluation. It is helpful to hear you set out how you think things are working. It says in paragraph 3.10 that in 2002 the department let the contract to a consortium of universities led by Sheffield Hallam University, to evaluate the programme. The final sentence there says "It is of some concern, therefore, that as it was the Government's intention to learn and identify best practice from this programme, that the evaluation process was established late". Should we be concerned about the lateness of it? Can you also describe the breadth of it? Will it go into looking at areas like a control environment? If we had not had NDC, but had spent the money some other way or given it to local authorities, would we have got better value for money? Are those the kinds of question which will be asked?

Dame Mavis McDonald: I hope that I have demonstrated in my earlier answer that we have an awful lot of information right from the beginning of the programme which both Sheffield and we can analyse. What we have not had was a consistent framework to do it regularly over time and we shall put that in place. I do not think we were late in that sense. We have asked the evaluation to track the themes over time and the outcomes we are looking at will be the outcomes we are using elsewhere in other programmes and which other departments use as basic outcome indicators. Things like key stage educational attainment factors, things like health and moribundity, examples of crime reduction against standard indicators which are being used nationally and at

local and regional level should enable us all to demonstrate impact within the NDC areas compared with the local authority area and the wider area.

Q42 Chairman: May I take up one point Dame Mavis made? Mr Riddell, may I ask you? Dame Mavis talked about a high level of community engagement. Would you please look at page 51, paragraph 5.11, where you will see "Residents cited a lack of visible results and a lack of information about what is happening in the programme". How can you assess these programmes if they are apparently invisible to local residents?

Mr Riddell: There is no doubt that residents sometimes say that, but equally there is a lot of evidence that residents do have high visibility.

Q43 Chairman: Why then does it say here "Residents cited a lack of visible results"?

Mr Riddell: The Report refers elsewhere to—

Q44 Chairman: Did you agree this passage?

Mr Riddell: Yes, I did.

Q45 Chairman: Right. Why does it say it then?

Mr Riddell: There are areas where you will get some residents who will say there is a lack of visible results. When the programme was set up one of the priorities which NDCs were asked to look at in their action plans was to identify early wins because it is very important for the morale in the programme that some evidence of delivery should appear quickly so that residents will see some outcomes. Equally, we have put a lot of effort into communication. NDCs are given training in communications strategies and most if not all of the NDCs have newsletters, have residents' meetings and so on. A lot of effort goes into communication. It is a sad fact that you can do a lot of that and you will still have residents saying that they do not see a difference.

Chairman: Are you happy with that answer, Mr Allan?

Mr Allan: No.

Q46 Mr Jenkins: This programme was launched in 1999, was it not, in effect, and the money came in 2002, did it not? So when we read on page 35 paragraph 3.13 the five key points of a survey in 2003, three years after the start, "A shortage of senior staff at government offices involved in the delivery of neighbourhood renewal? A lack of technical financial management skills? A piecemeal financial monitoring system . . . ? A lack of fully operational performance management culture" do you feel that is a fair reflection on how much progress you had made in those three years?

Dame Mavis McDonald: We have done some work following the PA Consulting Group across the regional offices as a whole. In terms of the NDC programme, since the NAO did the work on the Report, which we accepted, we have made sure that there is a senior regional director in each of the regional offices with personal responsibility for the

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oversight of the NDC programme in that area and we have regular quarterly meetings between the headquarters team and the regional offices on reporting progress. I think it is fair to say that we have also improved and tried to improve—back to Mr Allan’s question about local authorities—everybody’s understanding of the various roles in terms of appraisal and sign-off of projects and we have helped with seminars with our regional offices, but we have also been encouraging the accountable bodies to be more consistent about the level of intervention, so there is no duplication between what the accountable body is asking for and what the regional offices are asking for. We hope that the new system I described to you will help give clarity to everybody on that as well and improve that. The one thing I am confident about is that we always had a system in place which was tracking the money and ensuring the money was looked after in a proper and formal way and that proper delegation arrangements were in place and proper project appraisal and sign-off arrangements in place.

The Committee suspended from 4.16pm to 4.23pm for a division in the House.

Q47 Mr Jenkins: Dame Mavis, page 35, paragraph 3.13, the programme was launched in 1999, started in 2000, three years later an inquiry by PA Consulting showed these relevant bullet points. Are you disappointed or surprised that these shortages are shown up in the department?

Dame Mavis McDonald: I ought to make it clear that the PA Consulting Group looked at the regional offices, so it looked at all the programmes the regional offices were managing, including the NDCs. So some of the points here are about all of the programmes which were being managed.

Q48 Mr Jenkins: Yes, I understand that, but I am talking about the actual lack of technical financial management skills, that is what I want to get back onto. On the previous page, page 34, paragraph 3.8 it says “The Department also only required partnerships to report their total spending against current expenditure”. You did not have a detailed breakdown of what these groups were spending the money on, did you?

Dame Mavis McDonald: We had a detailed breakdown of what the money was being spent on in the financial accounting framework which was run by the accountable bodies for us. We have financial data which goes back to the beginning of the programme and was approved against delivery plans, which is run on a traditional system of delegated authority, project appraisals. For example, for most of the NDCs anything over £250,000 has to be approved by the regional office. We do have all that data and we can break it down against the five themes and give the percentage and say about 33% is going on the physical—

Q49 Mr Jenkins: It says “. . . not all partnerships have provided the National Evaluation Team with this data thereby limiting the completeness and accuracy of information the team can examine”.

Dame Mavis McDonald: We are not disputing what was said here. A lot of work has been done since the work was done on the Report itself.

Q50 Mr Jenkins: So you have got better.

Dame Mavis McDonald: We have got better and we are introducing a more regular system.

Q51 Mr Jenkins: We are always pleased to hear that things are getting better, believe me. If we look at the actual purpose of the money, this £2 billion, we sent the cash and later on we put the management structures in place. What are we actually tackling when we say we are tackling deprivation, or looking at deprivation in areas? What do you understand by “deprivation”?

Dame Mavis McDonald: What we understand by “deprivation” is an area or a group of people where, against a national set of indicators, the levels of attainment or income or local environment are distinctly poorer. They are qualitatively, as a matter of absolute and precisely measurable fact. The programme was set up to be based on five key themes, which are: crime, education, employment, health and housing and the physical environment.

Q52 Mr Jenkins: If you were to name a key point in deprivation, what would it be? What would you zoom in on as the key point?

Dame Mavis McDonald: You would be seeking to close the gap between these areas and other areas which were not deprived.

Q53 Mr Jenkins: Mr Montgomery, what do you think is the key element in deprivation?

Mr Montgomery: The five themes just described.

Q54 Mr Jenkins: They are the symptoms. What is the key point?

Mr Montgomery: The five themes described have a multiple effect which pulls down an area, so of the 39, many of them have differing levels of unemployment, many of them have differing levels of premature mortality. The fundamental point is that all of these factors combine to pull an area down. It is usually the fact that the NDC areas fare very poorly against a range of these indicators rather than just one. If an area has problems with just one indicator it can normally thrive despite that, but when it has a collection of failings against this range of indicators it genuinely becomes multiply deprived and the programme is aimed to tackle multiple deprivations.

Q55 Mr Jenkins: Do you have examples of good practice, or is it too early yet to develop a good practice register? Do you ask for examples of schemes which did not work?

Dame Mavis McDonald: We certainly have examples of good practice and we certainly have the means of disseminating that between all of the NDC partnerships, both electronically by our renewal net and also by the regular series of meetings which are organised by the chief executives and chairmen.

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Q56 Mr Jenkins: I want to go back to the concept of deprivation because I work in and see areas of deprivation and the key factor as far as I am concerned is a lack of empowerment for the individuals. Parts of the town which are swept regularly, have their refuse collected regularly are the better-off, the more articulate, the more powerful people. What happens in the poorer areas, the deprived areas is that individuals do not feel they have any kudos, they do not feel empowered. It is about people. Years ago we stopped tidying gardens and putting fences around gardens and started working on people. One of the schemes I would suggest you look at is a scheme where they used a local school and developed it as a family centre and started to work on the parents and started to empower the parents. We now have work generated in the area, we now have a special purpose play centre group set up, we have a nursery set up, people now have increasing educational opportunities and increasing employment opportunities and they are going back to work. It is difficult because the ones we train up leave and go to work and then they come out of the group, but it is about people, not about the fabric of society and structure. It is not about supporting local authorities' expenditure plans either.

Dame Mavis McDonald: I do not think any of us would disagree with that.

Q57 Mr Jenkins: A lot of these schemes here are about sweeping the streets or collecting litter or putting in an extra light or running buses.

Dame Mavis McDonald: Something like 23% is currently being spent on education, some of the key indicators are already showing signs, the key stage exam results are improving in those areas, there are schools and community facilities providing both joint parent-teacher activities and capacity building. Right across all NDC programmes there are significant programmes which are about developing the capacity of the whole of the community and to provide a wider range of opportunities.

The Committee suspended from 4.30pm to 4.38pm for a division in the House.

Q58 Mr Davidson: I am generally supportive of the idea of partnership working on a local area basis. I start from the basis as well that extra spending on an area is almost bound to produce beneficial results. What I want to clarify is whether or not there have been any pilots or experiments where similar sums of money have been focused on an existing deprived area, using existing structures in order to compare with what happens under this mechanism.

Dame Mavis McDonald: The neighbourhood renewal fund to some extent provides that kind of parallel comparison.

Q59 Mr Davidson: A yes or no would be sufficient.

Dame Mavis McDonald: Yes.

Q60 Mr Davidson: Can you tell me what the results were?

Dame Mavis McDonald: We have only had it in operation for three years.

Q61 Mr Davidson: Briefly.

Dame Mavis McDonald: This is the third year of the programme. We have found that—

Q62 Mr Davidson: Briefly; briefly. Are the results better or worse?

Dame Mavis McDonald: It is more spread out, it is more diffuse. Even within areas which have pockets of deprivation the money is being spent across the local authority more generally.

Q63 Mr Davidson: I am sorry; not across a local authority. These are quite specific and identified areas where a structure is parachuted in with additional money. I am trying to identify whether or not there is a similar, clearly delineated, relatively small area which has had a similar amount of money put in but using existing structures.

Dame Mavis McDonald: No. Let me just check, but I think the answer is no.

Q64 Mr Davidson: A no is sufficient, thank you. May I come back to the point you made when you were speaking to Mr Allan about modelling which was done of the alternatives to this sort of structure? Given what has happened since, was the modelling exercise in hindsight accurate?

Dame Mavis McDonald: It is not modelling which was done, it is work currently in progress.

Q65 Mr Davidson: So no examination was made of what the alternative ways of spending this money might be before a decision was taken to spend in this particular manner.

Dame Mavis McDonald: Ministers had a view of what they wanted to test out through this programme, which was the extra degree of community engagement in the heart of the programme.

Mr Riddell: May I say that it was from the experience of the estate action—

Q66 Mr Davidson: Fine; okay. No alternatives to this particular course of action were considered. That is what I am seeking to clarify.

Mr Riddell: No, not specifically.

Q67 Mr Davidson: A no is fine. In terms of the costs of bureaucracy to establish a new structure in an area, how much on average is it estimated that these are? Presumably the lead official and a number of other officials there to support that structure do not come cheaply. These are not people on the lowest pay scale. What sort of money are we talking about per location?

Dame Mavis McDonald: We have limits in the programme as to the amount of money which can be spent on a combination of administration, communication, publicity and so on—

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Q68 Mr Davidson: Tell me.

Dame Mavis McDonald: —which is 10% of the whole programme.

Q69 Mr Davidson: 10% of the whole programme. So the cost of establishing a new structure could be up to 10% of the money which is identified as being spent in particular locations.

Dame Mavis McDonald: Not just the cost of establishing the new structure. That is ongoing work to deal with things like communication with the residents, etcetera.

Q70 Mr Davidson: The cost of having this structure soaks up 10%. That is very helpful. May I turn to the question of the boards? How many people are normally on a board?

Mr Riddell: The minimum is 12, but it can go up to 20 or more, because the organisation of public bodies—

Q71 Mr Davidson: How many of them are locally accountable?

Mr Riddell: The NDCs elect their community members.

Q72 Mr Davidson: Is there a minimum and maximum percentage of those?

Mr Riddell: On average community members form half of the boards and members from statutory bodies and the local authority form the other half.

Q73 Mr Davidson: How many people are elected onto the boards through the normal democratic process, councillors, or MPs, or anyone similar?

Mr Riddell: To the best of my knowledge there are three MPs on NDC boards. Quite a number of NDC boards have councillors. I cannot remember the figures without looking them up. It is a matter for local decision.

Q74 Mr Davidson: I can understand the point about MPs. I am on a social inclusion partnership in my own constituency, but it occupies about half of my constituency. I can understand the point about some MPs not being on it, but I cannot understand councillors not automatically being on something like this. It is affecting their wards and they are the people who are democratically elected through the normal system.

Dame Mavis McDonald: The programme was not set up in such a way that members of the councils were sent as representatives from the council. There was local agreement about the structure of the partnership board.

Q75 Mr Davidson: Councillors then would be considered as part of the elected section, as distinct from the bureaucracy section. Is that right? Yes or no?

Dame Mavis McDonald: I am sorry, I am not quite sure that we are taking your point here.

Q76 Mr Davidson: I shall start again then. I was asking what number roughly was accountable. You were telling me up to half, were you not, Mr Riddell?

Mr Riddell: Yes.

Q77 Mr Davidson: I just want to clarify whether or not councillors would be included in that half.

Mr Riddell: That could go either way. When these programmes were set up, we left it to the local authorities.

Q78 Mr Davidson: No guidelines are provided.

Mr Riddell: No, not at the beginning.

Q79 Mr Davidson: Now?

Mr Riddell: Now what has happened, with experience, is that we have been much firmer about the structures. We have been much firmer about the governance of these bodies.

Q80 Mr Davidson: What is the position now, then?

Mr Riddell: Now what we mainly concentrate on are issues like conflict of interest, separation and so on.

Q81 Mr Davidson: No, no. I am not asking about that. I am asking about the balance. I am asking about the balance on it. Tell me what the position is now.

Mr Riddell: It is up to them whether—

Q82 Mr Davidson: So there are no guidelines.

Mr Riddell: —they elect councillors or not.

Q83 Mr Davidson: So there are no guidelines.

Mr Riddell: Indeed.

Q84 Mr Davidson: I am asking you whether there are guidelines.

Mr Riddell: There are no guidelines about any board members being councillors.

Q85 Mr Davidson: There are no guidelines about anything to do with the board. They all make it up as they go along, do they?

Dame Mavis McDonald: There are guidelines about the way in which boards should behave. When the programme was set up, ministers did not want to be prescriptive about the make-up of the board and left it for local decision.

Q86 Mr Davidson: A simple no or yes would have been sufficient. I understand that point. Have you considered since then whether or not, in order to ensure that there is an appropriate balance, whatever is thought to be appropriate, that you should actually produce guidelines to make sure, for example, that locally elected representatives are participating to make sure that there is a minimum and perhaps a maximum number of local people on the boards or have you just continued to leave them to find their own way?

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Dame Mavis McDonald: We have evaluated what has happened at board level and that is part of the work which Sheffield Hallam does for us. Ministers so far are not choosing to introduce anything more prescriptive in relation to—

Q87 Mr Davidson: If possible a simple yes or no would be helpful. Some of these questions are perfectly straight and I do not need . . . I hope, Chairman, I will get time added on for time wasting. May I just clarify the question of the role of the senior official? It strikes me that the role of the senior official in many of these boards must be almost akin to the district commissioner, because they are in control of the money essentially through their board, they have ins into various bureaucracies in a way that local people will not have and it is somewhat of an unequal contest if local people want to turn over a decision of the district commissioner, is it not?

Dame Mavis McDonald: I am not really quite sure I understand your analogy. Basically the chief executive who works for the board works for the partnership and is accountable to the board. We work within a framework where an accountable body, which is, for all bar one, the local authority, oversees the management and the propriety of the way in which the money and the programme is run and the way in which the authorisation of particular projects, particular programmes is dealt with and signed off is arranged by the partnership with the local authority.

Q88 Mr Davidson: There is a difference though, is there not, between propriety, which I am not disputing at the moment, and the actual political, with a small “p”, decision making? I am just seeking to clarify whether or not, in the situation where the officials come forward with recommendations, it is actually possible for the local representatives, who may or may not include councillors, to overturn that.

Dame Mavis McDonald: Yes, it is.

Q89 Mr Davidson: On how many occasions has that happened then?

Mr Riddell: Frequently and indeed chief executives have been dismissed by partnership boards. The boards are the employers of the chief executives.

Q90 Mr Davidson: In how many cases have they been dismissed?

Mr Riddell: Certainly two or three cases over time, where they have fallen out with their boards.

Q91 Mr Davidson: To what extent is a structure like this injected into a poor area necessary to overcome a poverty of ambition amongst local people, to open up their eyes to wider horizons, to have an injection of professional capacity which will give the area a boost, which the area would not be able to manage itself?

Dame Mavis McDonald: The programme itself is in some way piloting how successful that can be. Earlier programmes we have had have shown that

it can make a significant difference in raising local capacity and ambitions. We have examples within the programme itself of where people have gone on to move from being a member of the board to being a local councillor. We have examples from area programmes where tenant representatives have gone on to be the chairman of the community based housing association.

Q92 Mr Davidson: May I finish on this point about spending? Do you have figures about the spending of the individual structures which demonstrate the balance between on the one hand existing bureaucracies who are represented on the board getting extra money and at the other extreme genuinely local organisations getting new money?

Dame Mavis McDonald: I do not think in quite that way. What we do track is what matching funding the NDC can raise from their other partners.

Q93 Mr Davidson: I am sure you can understand the difference between having partnership working where really the bureaucratic partners cut up the cake amongst themselves for their pet projects and where the local community has the opportunity to create something new which they identify as meeting their own needs. It has been my experience, certainly in Scotland, that there is a great tendency for the existing bureaucratic partners to carve up the money amongst themselves.

Mr Montgomery: This has not been the experience with NDC programmes. Voluntary and community rooted initiatives have been extensively funded through the programme.

Q94 Mr Williams: I am sure you will understand that sitting where we are it sounds as though this is a rather scattergun approach and unfortunately the person with the gun was blindfolded at the time he pulled the trigger. There seems to be no shape or clear objective behind any of it. May I ask why 39 test areas, because that is what they are effectively, are they not? They are not intended to be comprehensive. Why 39?

Dame Mavis McDonald: That was ministers' judgment of the number of communities which could be adequately funded through the baseline which had been made available in the spending review.

Q95 Mr Williams: That is interesting. What you are saying is that you started with a sum of money and then decided how much it could afford. You did not work out what was needed to run an effective model and then what it would cost. Which way was it.

Dame Mavis McDonald: It was the way I described and the way you describe. The programme started with a sum of money which was made available to develop the programme.

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Q96 Mr Williams: That is a bit daft, is it not? That is hardly a way to look after taxpayers' money. You start off with this figure of £2 billion over ten years and you then contact every region and invite them to make bids. Is that right?

Dame Mavis McDonald: No. What ministers did was to look to the existing index of multiple deprivation, which was already in existence and had been used to help distribute monies previously, and took from that a number of the most deprived of the local authority areas which were identified and then asked those local authorities, if they had a programme with the objectives and the approach and the purpose that the NDC programme had, where they thought were the most appropriate communities for them to put forward to participate.

Q97 Mr Williams: How then was it all cemented together? You chose 39 out of how many?

Dame Mavis McDonald: We chose the first 39 which were thought to meet the criteria and to be capable of responding to the programme. Mr Riddell can probably answer you in more detail there.

Mr Riddell: From the index of multiple deprivation ministers identified authorities which were most likely to benefit.

Q98 Mr Williams: I asked how many were submitted. There were not submitted.

Mr Riddell: No, they did not have an open bidding process. Authorities were invited to put forward proposals and for the most part—

Q99 Mr Williams: I am sorry, I am not sure what you are saying. It is, or it is not? They were invited to put forward proposals or it was done by the ministry.

Mr Riddell: Authorities were invited—

Q100 Mr Williams: Selected authorities.

Mr Riddell: Only selected authorities were invited.

Q101 Mr Williams: How were they determined?

Mr Riddell: On the basis of the index of multiple deprivation which identifies the authorities with the most deprived neighbourhoods in them.

Q102 Mr Williams: Now you end up with 39 identified by these criteria and you have your sum of £2 billion. What made you feel that £5 million on average was about right per year? What gave you that figure? Where did it appear from?

Dame Mavis McDonald: We did not give out the sum total on a year by year basis to each NDC. When the programme was set up, they were given a small amount of money for what was described as an early wins programme. They were then asked to work up delivery plans on the basis of their own analysis of local priorities. In fact the range of funding they asked for is reasonably spread out, although there is a cluster around £50 million. Ministers released the total sums of money once they were satisfied with the delivery plans.

Q103 Mr Williams: Who selected the final 39?

Mr Riddell: The local authorities selected within their areas the neighbourhoods which were going to be put forward and then ministers took a final decision.

Q104 Mr Williams: It sounds a most slapdash way of going about things, does it not? It certainly does not seem to be very systematic. Did you look at such characteristics as whether the communities which were selected were relatively static communities, with relatively stable populations, or whether they were volatile communities with a high population turnover? Was that an element in consideration?

Mr Riddell: That sort of thing.

Q105 Mr Williams: What do you mean “that sort of thing”? It was or it was not.

Mr Riddell: One of the things all these communities have in common is that they are residential communities.

Q106 Mr Williams: Yes, communities mostly are residential actually. It is an interesting coincidence, but it happens to be so.

Mr Riddell: It excluded town centres and the like. They were on the whole peripheral communities with combinations of social problems within these areas. There were criteria at the time which were sent out to local authorities.

Q107 Mr Williams: Do we have those criteria in the Report? If not, can you submit a note to us with the criteria.

Mr Riddell: We can certainly let you have a note.¹

Q108 Mr Williams: Coming back to my point about volatility, this is to my mind important. If you are to conduct an experiment which has had any meaningful long-term significance for your model at least it has to be on a reasonably static population base, otherwise the nature of the area is changing year by year. I think Mr Montgomery may want to say something on this. Please do.

Mr Montgomery: In order to derive the maximum amount of learning, the programme focused on a range of different kinds of neighbourhoods, some of them are multi-ethnic, some of them are simply white. Some of these neighbourhoods have high transience, high population turnover, some of them are very static. In order to derive maximum learning an investment was made in a range of these neighbourhoods, because the task of regenerating these neighbourhoods is quite markedly different from one to the other. For example, Seven Sisters NDC has massive transience, massive population turnover, whereas in some of the places in the North, like Hartlepool, you are working with a very static community.

¹ Ev 16–17

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Q109 Mr Williams: That is helpful. I can see that. What you are saying is that volatility was an element you wanted to test as well and the effect that had. Having set out on what I describe as a scattergun approach—it does seem rather unsystematic from this end—by what yardsticks were you then going to determine the success of the experiment against which you could annually determine whether the money which was being paid out was appropriate?

Dame Mavis McDonald: The basic yardstick behind the whole programme was closing the gap between the most deprived communities, the wider areas in which they were set against a set of national benchmarks.

Q110 Mr Williams: How are you measuring those?

Dame Mavis McDonald: We are measuring performance against a series of indicators which are the ones we will roll out in the—

Q111 Mr Williams: Can you give me a bit more information on that?

Dame Mavis McDonald: Things like key stage 2 indicators for education, for example. On health we are tracking things like teenage pregnancies. These are indicators which are used by our colleagues in other government departments to track their existing priorities.

Q112 Mr Williams: Are these being monitored year by year or are we still talking about your initial criteria? I am talking about how you measure whether we are getting value for money now that the system is operating. Which are you talking about?

Dame Mavis McDonald: I am talking about tracking those against the five key themes over the life of the programme.

Q113 Mr Williams: And you are doing that.

Dame Mavis McDonald: Yes.

Q114 Mr Williams: Systematically.

Dame Mavis McDonald: We have been doing it through the big evaluation and the tracking of the finances. What we are putting in place is a system which on a quarterly basis will bring all that together.

Q115 Mr Williams: You could then give us a comprehensive note on that.

Dame Mavis McDonald: Yes; certainly.²

Q116 Mr Williams: I think we might need that. I apologise if it is subsumed somewhere in the Report, but it does not come to mind immediately.

Dame Mavis McDonald: It is not subsumed in the Report. This is something we have agreed with ministers we should do.

Mr Williams: It is very difficult for us to judge whether it is value for money unless we know. Since you have yardsticks and those are capable of

evaluation, it is helpful to us if we know not just the money amounts, but the achievements against those yardsticks. It has been going since 1999. You therefore should be able to give us a reasonably good assessment of what is happening. This may take a fairly significant submission from you, but my personal feeling is that we cannot issue a report on this until we have seen such a set of figures. I do not know whether you would agree, Chairman?

Q117 Chairman: I agree with that. Are you happy with that?

Dame Mavis McDonald: Yes. We can immediately give you examples we have from the work the evaluation is doing to show you what kind of indicators we will then track on a much more systematically regular basis.³

Q118 Mr Williams: We look forward to seeing that. Coming back to the point Ian Davidson was making, how is the actual democratic sector of the board selected? It says they are elected. What electoral process takes place? How do you ensure that it is not just a bunch of pushy people? I am thinking of an example of which I have had experience in Wales, where a particular group virtually hijacked an operation and tried to get their objectives forced through. How do you ensure that it is not hijacked in that way? How do you ensure the democratic element in this?

Dame Mavis McDonald: I shall ask Mr Montgomery to answer that, if I may. One of the consistent things we have done and we have tried to do is ensure that we have an independent chairman.

Q119 Mr Williams: I am surprised you are asking him. I am delighted for Mr Montgomery to answer, but I am surprised you are asking him to answer. It does seem surprising to me, when the democratic element is said to be one of the most fundamental elements in this and the identification of the public with the programme is spelled out in the Report as crucial and that has come up from international experience as well, that you cannot tell me how the democratic element is guaranteed.

Dame Mavis McDonald: I shall answer but I was trying to give you the fullest range of information we could and Mr Montgomery's day to day responsibilities are much closer to the ground in the range of NDCs than inevitably mine can be.

Q120 Mr Williams: It does not need to be close to the ground, does it? Either something is democratic or it is not. Either it is elective or it is not. If it is elective, how is it elective? Since you do not, we will allow Mr Montgomery to answer that.

Mr Montgomery: Elections are routinely supported by professional advice from the Electoral Reform Society's ballot services group. We have published an analysis of election turnouts and advice for NDCs who are holding future elections on the basis of experience to date.

² Ev 17–20

³ Ev 17–20

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Q121 Mr Williams: How are these elections held? Holding elections is relatively expensive. Tell me the process. How would an election take place and be organised without taking up a substantial part of the programme cost?

Mr Montgomery: The process is typically contracted out to the Electoral Reform Society. They organise and support the process. They maintain vigilance over the propriety of the process.

Q122 Mr Williams: Yes, but what is the process? Where do people vote, for example? We have polling stations in council elections. What is the voting process if there is a democratic element? Who nominates people or are they self-nominating?

Mr Montgomery: They can be self-nominated.

Q123 Mr Williams: That is what I was afraid of.

Mr Montgomery: Each NDC under the advice of the Electoral Reform Society publishes nomination guidance. They have clear voting arrangements and balloting stations and I do believe some of them—I am afraid I would have to refer to the detail—have even used postal ballots as well.

Mr Williams: I think we need a note on this as well. We seem to need an awful lot of notes, as far as this is concerned.⁴

Q124 Mr Allan: As the discussion was going on it reminded me more and more of the debate around the urban development corporations, where these structures were grafted into local authorities because they were deemed to be failing in certain areas. It seems to me that if you have one of these areas in your local authority, that means you have been failing. In terms of the long-term future of the programme, is the idea that if this model is shown to succeed, we try to repeat the model in lots of different places, in other words, we have a second round of new deals for communities? Or is the idea that it becomes part of the local authority mainstream way of working?

Dame Mavis McDonald: The aim would be, if it were successful, that it would become part of a mainstream way of working and that it would be rooted in the concept of the local authority with a local strategic partnership acting in the wider interests of the community. So other players, other than the local authority, traditionally those around the table are a local strategic partnership, continue to be there. We are not operating in a static scenario. Some local authorities are actually looking at different ways of managing in neighbourhoods themselves as well. There are other models developing at the same time.

Q125 Mr Allan: It seems very weird to have a 10-year experiment. We shall not really know the results of this experiment until a few years down the track and that is occurring simultaneously with local authorities going off and doing these things anyway. The experiment will be outdated before it has been completed at a cost of a lot of money.

Dame Mavis McDonald: We do not need to wait until the end of the ten-year period to pick up some of the things which are working and spread them out. Some local authorities—we have given examples—have already picked up things they think work well.

Mr Riddell: The money is being spent to achieve change in the areas. There are experimental aspects to that to do with neighbourhood management and we are very pleased that, as this is going along, the whole approach to neighbourhood management and local authorities is changing. There are 165 local authorities now doing some form of neighbourhood management and the ones with NDCs in their areas are learning from the money we are putting into the NDCs. We do not see it as having to wait for ten years to see what happens with this specific sum of money.

Q126 Mr Steinberg: In my own constituency what has been happening in some of the regeneration areas is very good, but I have this suspicion about it all. The point I was trying to make before was that these areas were allowed to decline and become deprived in the first place and I do not think I got a really satisfactory answer as to why that was allowed to happen in the first place. Sometimes it was bad local authority decisions, sometimes it was a lack of resources or whatever. It seems to me that what is happening here is that areas which were allowed to decline are getting resources pumped into them for ten years and then the same people are taking over again who allowed them to decline in the first place. I do not think that is particularly the best way to do things.

Dame Mavis McDonald: I am not sure I understand your point about the same people taking over.

Q127 Mr Steinberg: Let me be blunter. You have an area where a local authority has failed and in some cases failed miserably. You come in, you pump resources in for ten years, you leave and the same local authority then has to take over after the ten years; not necessarily the same people because time has moved on, but the authority will then come in; they failed in the first place and they are expected to take it over again. I just do not think that is acceptable.

Dame Mavis McDonald: The genesis of the multiple deprivation in the areas is very mixed. Some of it is because of wider economic changes which are not necessarily to do with local authority services. There are some excellent local authorities under the CPA scores who have areas of significant problems and have NDC areas in them. There is no direct correlation there. We are very conscious that the NDC is a relatively small programme operating within a much wider range of government-led programmes which are dealing with both income and wider economic development opportunities as well. It is very small and locally focused.

Q128 Mr Steinberg: Would you turn to case study 18, page 53, Shoreditch New Deal for Community Partnership and the buses? I have this problem in my

⁴ Ev 20–23

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constituency, not just in deprived areas, though certainly in deprived areas, of a lack of bus services and it is exactly as described in the Report “In order to reach the Hackney town centre or the nearest hospital, residents were required to take several different bus routes or use taxis. This added a great deal of time, effort, and expense to journeys”. I can just shut my eyes and see that is in my own constituency. I can even see the Boundary Commission when they reorganised the wards making it worse for people, even though they were told they were making it worse for people. To go to see a local councillor in one area they have to take three buses and go out of the constituency, but they would not be told because the Boundary Commission knows everything. The point is that we all have situations like that. Every single one of us. Why should one area have extra money put in to solve that problem, when I have people coming to me and saying they cannot get to the doctor’s after five o’clock at night because there are no buses, or if they need to get a prescription, they have to catch three buses or take a taxi. Surely the remedy is more public expenditure all round for specific services, not just putting a load of money into one area and solving one very small problem.

Dame Mavis McDonald: There are obviously choices for any government about where it wants to spend taxpayers’ money, how much it wants to raise. The point about this programme is the one described earlier. Ministers chose to focus it on areas of multiple deprivation. What we are hoping to do as the programme rolls out—and you quote the Shoreditch one, which is an example of where Transport for London thought what they had done was so effective that they could pick it up and run with it—is to try to show what has worked well and spread the best practice around and try to mainstream it into the way service provision is made.⁵

Q129 Mr Bacon: I should just like to ask one question of Mr Montgomery. As Dame Mavis said earlier, you are closer to the rock face, as it were, in running such programmes than she is and you have been running the neighbourhood renewal unit for three years. I want to ask one quite general question and please feel free to be fairly expansive in your reply. Everyone know that the problems of inner city deprivation are quite complex and have often been seen as intractable and you must spend a lot of time thinking about how you can improve things and your work is about improving things. In running this programme for the last three years, how would you summarise what you have learned and where would you like to see things change and improve?

Mr Montgomery: I would summarise what I have learned over the three years by saying that many of the technical and policy responses to these kinds of problems have been the subject of learning around the country, because there has been a steady history of regeneration spending over the

last few decades. I have learned that one of the crucial things to invest in is the distillation of good practice and the subsequent dissemination of it to make sure that new partnerships who are embarking on this kind of work for the first time do not have to make it up from scratch, that they can take advantage of prior learning won quite expensively elsewhere. The NRU has invested quite significantly in this aspect of the regenerative process to try to make sure that people who get a £53 or £55 million slug of money, even though they may be supported by professionals locally, have really good and rapid access to high calibre information about how to do this work really well and that we refresh the pool of knowledge about what works routinely. The NRU has invested very heavily in something called renewal.net which, you might be surprised, is incredibly popular amongst regeneration practitioners both professionals and lay people, because it has over 2,000 case examples of how to do this kind of work really well, be it on crime or the health front or with regard to employment and tackling joblessness.

Mr Davidson: May I just seek further information in the form of a note about the make-up of boards, in particular the analysis by category?⁶ It would certainly be my understanding that most of these would be dominated by officials who have no real allegiance to the particular area involved and I want to see whether or not my prejudice is confirmed by the evidence. Secondly, on the results produced by these area initiatives, I should like a particular focus on crime statistics and I should like to see what evidence you have that crime statistics have improved, however crime statistics are defined as improving, with comparisons. I should quite like to see a comparison with areas where there has been no additional focus and with areas where there has been additional spend, but not through this partnership structure.⁷ I am not convinced that this partnership structure is actually adding all that much value and it might be that better results are produced simply by additional spend through existing mechanisms. I want to see some evidence based information on that. Those are two points both of which I should like to have checked by the NAO before they come to us. The third point where I want further information is on the question of where the new spend is going and this balance with existing bureaucracies just simply getting more money. I look, for example, at page 48, where we have the five pictures of projects. Looking at the bottom there is street lighting, which I see is an existing bureaucracy getting more money. The second one is a school, which seems to me to be an existing bureaucracy getting more money. I am not quite sure whether the health one is done by a health trust or equivalent. Then the two others would seem to be a housing association and some other structure. It would seem to me that none of those, unless I am mistaken, would genuinely be small-scale local community organisations. Most of them I suspect are run by what Mr Montgomery

⁵ Ev 23–25

⁶ Ev 20–23

⁷ Ev 24–25

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called, in what I think was a very telling phrase, regeneration professionals. That is my anxiety. Lots of these things are set up and run by regeneration professionals rather than by real people who live in these areas. I do not think that regeneration professionals are necessarily all bad and they can actually produce some positive and beneficial results, but we need to know what the balance is. The final point I want to clarify is in terms of the additional spending in these areas. I accept that if you have been given extra money, you have spent it in these areas and that is a bonus. I accept that by being there and having official regeneration professionals you are able to attract in some new money from things like the lottery, because you can access their mechanisms in a way that ordinary people cannot. What I am not clear about is whether or not you have been able to bend the spend of existing bureaucracies like health trusts and so on, who still have a finite, fixed amount of money, but as a result of involvement in your partnership have actually redirected money into your areas rather than into other perhaps more vocal middle class areas. I presume all of this evidence is available and it would be immensely useful if you could let us have it.⁸

Q130 Chairman: Can you do all that?

Dame Mavis McDonald: Yes.

Q131 Mr Jenkins: Along similar lines. On page 50, case study 15 shows job matching and the second paragraph is very telling. Now they are using a private organisation, @Work, because the “facilities are modern and bright and do not convey a ‘government’ atmosphere, and its staff are highly enthusiastic”. It says what they do. In my part of the world our facilities are very bright, the staff are very enthusiastic in the jobcentre and we have been running job clubs for many years to help people. We have run out of employable people now. Why are you putting extra funding into a scheme like that when surely somebody should go round and put a big boot up the backside of the department to make sure it is provided through the statutory operators?

⁸ Ev 25

Dame Mavis McDonald: We are working very closely with DWP and Jobcentre Plus on this programme, but we have found that a local community quite often asked whether they could have closer access to the provision of the services and the support that they could get than just working through the Jobcentre Plus. For example, in South Kilburn, they are running something which is part of a wider community provision that they have, which is designed very much to meet the needs of their particular local residents. You find that extra intensity of service they get as individuals is what the community has asked for and it is paying off in terms of access to jobs.

Q132 Mr Jenkins: It seems to me that Jobcentre Plus should be doing this function; that is their role and you have carved it off for somebody else. The other thing I want to know is why it has taken so long for us to understand what works to create successful regeneration.

Dame Mavis McDonald: May I come back on your earlier question? DWP itself does commission other bodies to work with it to do work out in the field. We are not going against the grain of what DWP is trying to do through Jobcentre Plus in working in these ways in the NDC areas.

Q133 Mr Jenkins: I only ask because it appears once again that we have overlapping authorities dealing with the same problem. Duplicity does not give us value for money. Would you agree that is normally seen to be the case?

Dame Mavis McDonald: No.

Chairman: Thank you very much, Dame Mavis and your colleagues, for coming to speak to us today. We will of course report on this. I think we will want a report on the genesis of this programme and why these 39 projects were selected and what the logic was behind their selection. We shall also want to look at the engagement with the local community and how that is working. We shall have to look at the relationship with local authorities and to what extent they could, in certain circumstances, have done a better job. Lastly, but not least, is sustainability when these programmes end and other areas as well. I am sure we shall want to look at those four areas. Thank you very much.

Supplementary memorandum submitted by the Office of the Deputy Prime Minister

Question 107 (Mr Williams): What criteria were used to decide on the Local Authorities eligible for NDC and what criteria were used by the Local Authorities to identify the NDC neighbourhoods?

The Local Authority areas eligible for NDC were selected using the 1998 Index of Local Deprivation and a regional quota system. This ensured that eligible areas were chosen on the basis of the levels of deprivation present in the areas and to ensure that there was a geographical spread of districts and to allow for more eligible areas in regions with a heavier concentration of deprived areas.

The criteria for selecting a neighbourhood within each eligible area were that:

- One deprived neighbourhood per area should be selected;
- The neighbourhood should cover 1,000–4,000 households;
- The neighbourhood should have the support of all sections of the local community;

Where there was any difficulty in reaching an agreed view within an eligible area, the local authority was asked to summarise the options to the Government Offices who then made recommendations to Ministers on how best to proceed.

The New Deal for Communities (NDC) Guidance note “Phase 1 Proposals: Guidance for Applicants” gives more details of the criteria used to select the Local Authority areas eligible for the second round of NDC Partnerships and of the criteria for selecting neighbourhoods.

Questions 115-117 (Mr Williams): What systems are being used to track whether the programme is succeeding in closing the gap? What indicators are being used to track progress? What systems are being used to track whether the programme is succeeding in closing the gap?

There are two existing systems in place that we are using to track the progress of the NDC programme. These are the Performance Management System and the National Evaluation. Additionally, we are introducing a database at national level which will draw together data that is already held locally.

PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System was introduced piloted by Partnerships in Autumn 2002 and was then used by all NDC Partnerships in their 2002–03 annual reviews. The NRU worked with colleagues from District Audit, Government Offices and NDC Partnerships to develop the system.

NATIONAL EVALUATION

The NDC programme is funding 39 Partnerships over ten years. NDC spending will occur until financial year 2010–11. The national NDC evaluation is now in its first, interim phase and covers the period until September 2005. Further evaluation work will need to be considered to cover later years of the NDC programme.

The NDC Evaluation Annual Report for 2002–03 was published in Autumn 2003.

QUARTERLY REPORT AND NATIONAL NDC DATABASE

We are introducing a quarterly progress report to Ministers, in addition to a new national level database. This report will show progress against key indicators under each of the five NDC themes. The first report will be available to Ministers at the end of July 2004. The first fully populated report is expected at the end of October 2004.

What indicators are being used to track progress?

NDCs are reporting against a set of 20 high level indicators, which we are introducing.

This set of 20 will be made up of:

- Core Indicators—(ideally) 10 nationally defined indicators that all NDCs would be required to monitor and set targets against. We are in the process of defining these indicators and consulting with Other Government Departments and stakeholders on them
- A basket of Supplementary Indicators—Approx. 30 indicators from which NDCs would pick approx. 10 to complete their set.
- Local indicators—which NDCs could adopt and define for themselves if they feel their particular issue is not covered elsewhere.

We are currently finalising the 20 indicators. The current list is provided below.

Indicators for assessing NDC outcomes

Raising Educational Attainment—Core Indicators

<i>Issue</i>	<i>Indicator</i>
KS2 attainment	% of pupils achieving level 4 or above in English and Maths
KS4 attainment	% of pupils obtaining five or more GCSEs at grades A*-C and A*-G including English and Maths

Raising Educational Attainment—Basket of supplementary indicators

<i>Issue</i>	<i>Indicator</i>
Staying on in school	Proportion of pupils aged 17–19 who remain eligible for Child Benefit (and are thus continuing in non-advanced full time education)
Higher education admissions	Proportion of pupils aged 18–20 making successful applications to higher education
Key Stage 3 attainment	% of 14-year old pupils in schools maintained by the local education authority achieving Level 5 or above in the Key Stage 3 test in: <ul style="list-style-type: none"> a. English b. Mathematics c. Science d. ICT assessment
School attendance	% of half days missed due to total absence in: <ul style="list-style-type: none"> Primary schools in the NDC area. Secondary schools in the NDC area.
School exclusions	Number of pupils from the NDC area permanently excluded during the year from all schools maintained by the local education authority per 1,000 pupils within the NDC area
Adult qualifications	% of population of working age qualified to NVQ: <ul style="list-style-type: none"> Level 1 or equivalent Level 2 or equivalent Level 3 or equivalent

Improving Health—Core Indicators

<i>Issue</i>	<i>Indicator</i>
Teenage pregnancy	Number of conceptions to all under 18 year olds, per 1,000 females aged 15-17 years.
Smoking cessation	% of residents answering no to “Do you smoke cigarettes at all nowadays?”

Improving Health—Basket of supplementary indicators

<i>Issue</i>	<i>Indicator</i>
Self assessed health	% of residents answering good to “Over the last 12 months, would you say that your health has on the whole been good, fairly good or not good?”
Low birth weight	All singleton live births of children with birth weights under 2,500 grams as a proportion of all children born to mothers resident in the NDC area.
Comparative illness	A ratio of NDC residents receiving any illness or disability-related benefits (IB, SDA, Attendance Allowance, or Disability Living Allowance) relative to the level of illness/disability that would be expected given the age and sex structure of the population (i.e. age and sex standardised).
Comparative mortality	A ratio of deaths in NDC residents relative to the number of deaths that would be expected given the age and sex structure of the population (i.e. age and sex standardised).
Mental illness	A proportion of the population being prescribed drugs for the treatment of depression, anxiety, or psychoses.

<i>Issue</i>	<i>Indicator</i>
Hospital admissions	Ratio of admissions to hospital relative to the number of admissions that would be expected given the age and sex structure of the population (i.e. age and sex standardised) for: <ul style="list-style-type: none"> — heart disease — cancer — drug misuse — alcohol misuse
Satisfaction with health services	% answering very or fairly satisfied in answer to “How satisfied or dissatisfied are you with your family doctor/ GP?”

Jobs and Training—Core indicators

<i>Issue</i>	<i>Indicator</i>
Worklessness	Total people claiming out-of-work benefits aged 16–59 as a proportion of the total population (i.e. as a rate). Will include men aged 60–64 from autumn 2004.
Unemployment rate	All people aged 16–59 claiming Job Seeker’s Allowance. Will include men aged 60–64 from 2004.

Jobs and Training—Basket of supplementary indicators

<i>Issue</i>	<i>Indicator</i>
Work limiting illness	All people aged 16–59 claiming Incapacity Benefit or Sever Disablement Allowance. Will include men aged 60–64 from 2004.
Children in low-income households	% of children under 16 living in low income households.
Households on low income	Claimants of means-tested out-of-work benefits and their dependants: Income Support (including Minimum Income Guarantee) or Income Based Job Seeker’s Allowance.
Employment rates of lone parents	The proportion of people of working age in this category in employment.
Employment rates of ethnic minorities	The proportion of people of working age in this category in employment.
Employment rates of people aged 50 and over	The proportion of people of working age in this category in employment.
Long term unemployment	Proportion of people claiming benefits who have been out of work for more than a year.
Opportunities for young people	Proportion of young people (18–24 year olds) in full-time education or employment.
More enterprise in disadvantaged communities	(a) The total number of VAT registered businesses in the area per 10,000 population. (b) % change over the year.

Reducing Crime—Core indicators

<i>Issue</i>	<i>Indicator</i>
Reduce crime—domestic burglary	Cases per 1,000 households
Reduce the fear of crime	% of residents surveyed who feel ‘fairly safe’ or ‘very safe’ in answer to “How safe do you feel walking alone in or around this area after dark?”

Reducing Crime—Basket of supplementary indicators

<i>Issue</i>	<i>Indicator</i>
Reduce crime—non-domestic burglary	Cases per 1,000 properties.
Reduce crime—violent offences	Cases per 1,000 residents
Reduce crime—theft	Cases per 1,000 residents
Reduce crime—criminal damage	Cases per 1,000 residents
Reduce crime—vehicle crime	Cases per 1,000 residents
Fear of crime	% of residents surveyed who feel ‘fairly safe’ or ‘very safe’ during the day whilst outside in the local area.
Antisocial behaviour	% who feel that teenagers hanging around on the streets a serious problem.

Housing and the Physical Environment—Core indicators

<i>Issue</i>	<i>Indicator</i>
Satisfaction with the area as a place to live	% of residents very or fairly satisfied in answer to “How satisfied are you with this area as a place to live?”
Road safety	Number of road accident casualties amongst cyclists and pedestrians per 100,000 population.

Housing and the Physical Environment—Basket of supplementary indicators

<i>Issue</i>	<i>Indicator</i>
Empty homes	% of void properties—all tenures (a) Council (b) RSL (c) Private
House Prices and Affordable Housing	(a) Average property price (b) Average property price/average earnings
Resident satisfaction	% very/fairly satisfied in answer to “Taking everything into account, how satisfied are you with this accommodation?”
Quality of environment	% stating that the following is a serious problem in the area “Litter and rubbish in the streets”.
Road safety	Number road traffic collisions involving death or serious injury per 100,000 population.

Question 123 (Mr Williams) and Question 129 (Mr Davidson): Regarding elections to NDC Boards, how are nominations raised and how are ballots conducted? What is the make up and allegiance of board members?

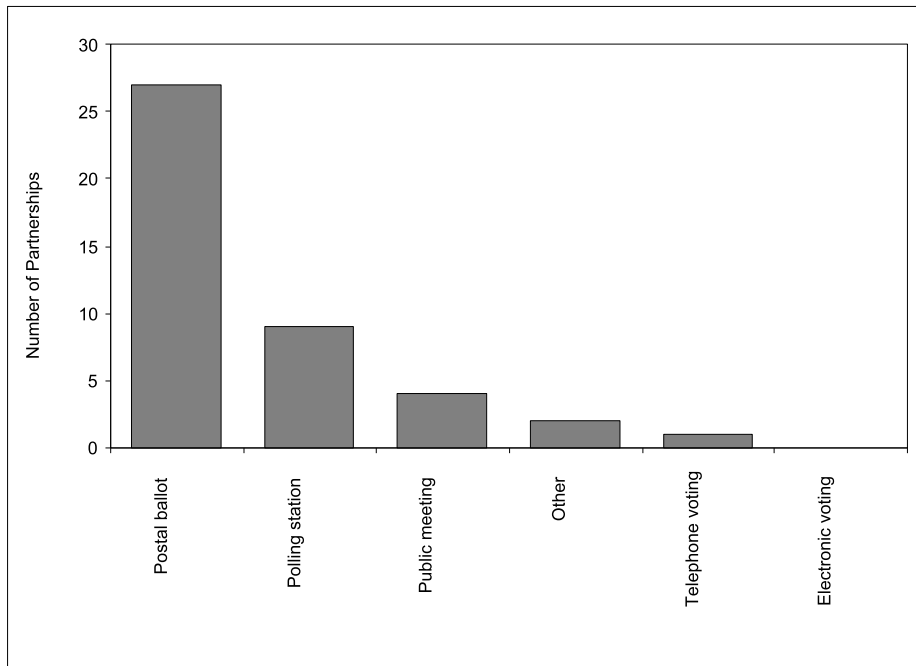
NOMINATIONS AND BALLOTS

In the majority (34) of NDCs resident Board members are elected through community ballot. As is demonstrated in Figure 1.1, in more than three quarters (27) of these cases, the election was conducted by a postal ballot.

The way in which candidates are nominated varies, but is usually self nomination.

In a small number of NDCs, resident Board members are selected by other means. In Derby, for instance, 20 resident Board members are nominated through theme groups. Membership of theme groups is open, and residents are entitled to vote at the third meeting they attend.

Figure 1.1 Method of elections (2003–04)



In 13 Partnerships, elections are held annually. Nine hold bi-annual elections and in a further nine new members are elected every three years.

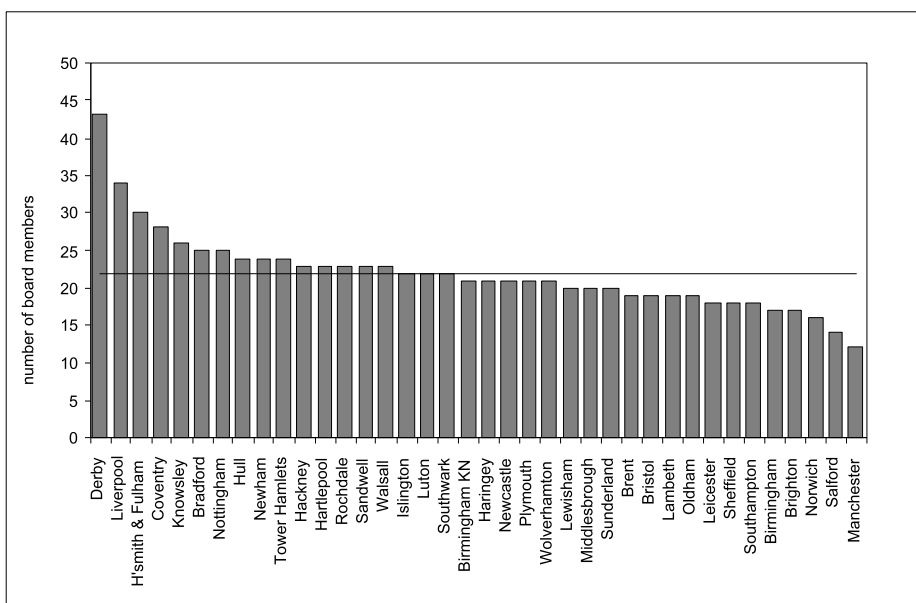
NDCs have experienced varying degrees of success in relation to turnout. In six Partnerships more than 30% of the eligible population voted, in nine 21% to 30% voted and in eleven turnout was between 11% and 20%, and in eight it was 10% or lower.

MEMBERSHIP

Size of Boards

Figure 1.2 illustrates the size of Boards. This shows a broad range, from 12 in Manchester to 43 in Derby. The majority of NDCs have between 15 and 30 members on their Boards.

Figure 1.2 Number of Board members by Partnership (2003–4)



Base: 38 partnerships

BME Representation

The average BME representation across all Partnerships is 20%.

GENDER

The average percentage of female Board members across all NDCs is 39%.

Age

Most Board members are in the 25–39 age group. The percentage of Members aged 60 years or more ranges from 4% in Nottingham to 33% in Leicester. 10 Boards have members under the age of 25.

Resident members

28 Boards have a resident majority.

Figure 1.3 illustrates the proportion of Board members who are either residents or agency representatives. Resident representation ranges from between 15% to over 70%. Most NDCs have resident board membership between 50% and 59%.

Agency representation

Figure 1.4 shows the organisational affiliation of Board members across all NDCs. It demonstrates that a range of agencies are active on NDC Boards but that the most common are local authorities (35), PCTs (31), Police authorities (25) and Private/Trade Associations (24). 36 NDCs have a total of 82 councillors on their Boards. These councillors may be on the Board as residents, as representatives of local authorities, or as representatives of other bodies.

Figure 1.3: NDC Board Representation: residents and agencies (2003–04)

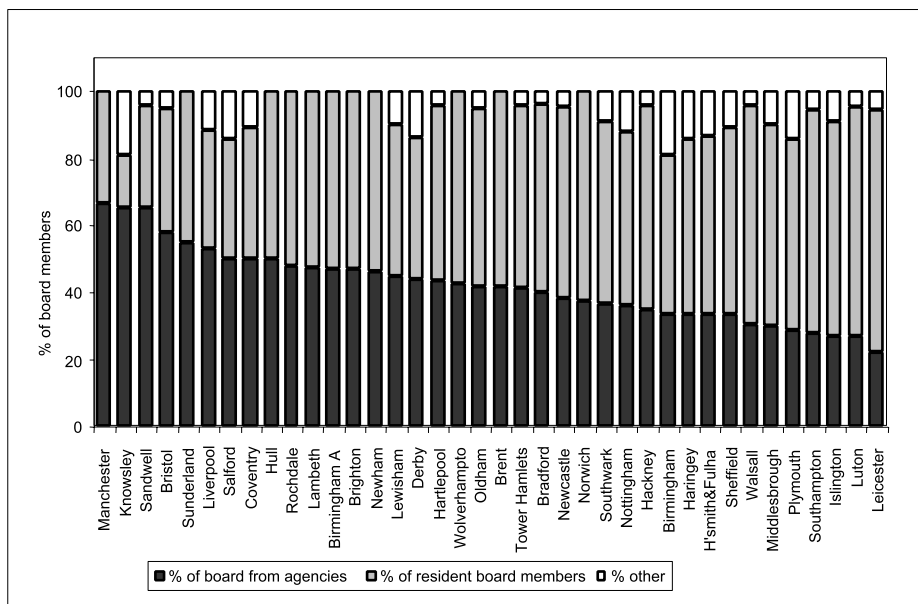
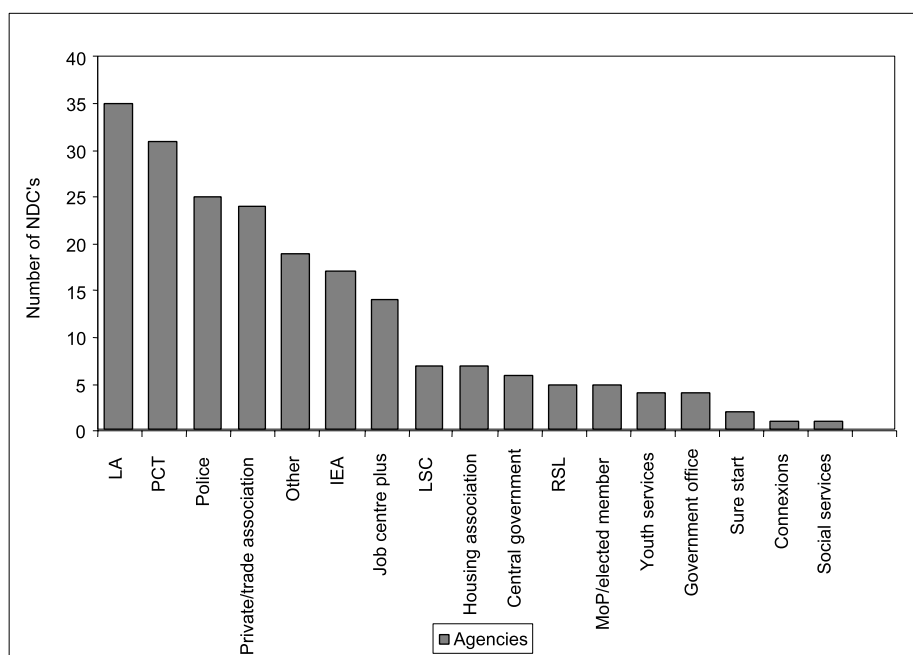


Figure 1.4 Agency affiliation of Board members (2003–04)



Question 128 (Mr Steinberg): Is there evidence of NDC Partnerships bending the mainstream?

The National Audit Office Report highlighted some examples of mainstreaming, such as the East-West bus route in Shoreditch and the Bobbies on the Beat project in Plymouth.

The NDC Performance Management System measures the performance of NDC Partnerships against a number of management features. These include mainstreaming. Partnerships are assessed on how they work with other organisations, which includes consideration of how partners change in response to the programme and under learning, improvement and forward planning. Partnerships are assessed on forward planning, sustainability and mainstreaming.

There is evidence that NDC Partnerships are bending the mainstream. The National Evaluation Annual Report for 2002–03 highlights a number of examples of mainstreaming, including the following examples taken from Chapter 7.

CRIME

In the West Midlands neighbourhood policing has been enhanced by the use of the Crimefighters Fund which has allowed strategic reallocation of crime prevention resources into hotspots across the region, many of which are located in NDC areas.

In Haringey the NDC has helped initiate a multi agency programme called “Safer Seven Sisters”. A Transport for London windfall of £145k for lighting and greening walking routes to Seven Sisters station was linked to £100k earmarked by the NDC for security and drugs initiatives in the area. An integrated project levered more funding from TfL together with drugs and heritage funding. The NDC pulled together this range of players, brought forward planned lighting expenditure, secured more resources from TfL and triggered a joint agency agreement: Seven Sisters Interchange.

In Nottingham, the NDC funds four additional police officers and the police fund one. The police also fund half a Community Safety Seconded. In Liverpool the NDC are paying for an extra police officer on the beat but there is also evidence of more mainstream police resources going into the area.

HEALTH

There is widespread evidence of health spending and services being shifted towards NDC areas. In many areas, such as Haringey and Bristol, this is linked to the development of healthy living centres. The range of services has expanded to reflect NDC priorities, with a number borough wide initiatives also injected into the NDC area.

In Nottingham, the establishment of the Arboretum Health Care Team using NDC capital to purchase and refurbish premises levered in long term commitment of £200k of additional recurrent annual revenue funding from the Department of Health. In Liverpool there has been in kind support from the Liverpool Primary Care Group in producing a Health Action Plan, and PCT funding of the salary of a Health Network Manager.

The NDC Health Team in Middlesbrough has been successful in mainstreaming a number of projects. These include local chiropody and enuresis clinics and a speech therapist. This has been achieved through the NDC funding 6 month pilots of each service and evaluating their uptake, on the understanding that the PCT would agree to fund them in the long term if they were proved to be successful.

In Liverpool an Intermediate Labour Market (ILM) was funded by the NDC with support from the health service to enable local people to take advantage of new employment opportunities in health care by training medical receptionists. This has now been picked up by the Strategic Employment Partnership and a sub-group of Liverpool First for Health. The PCT has also aligned its operational boundaries to fit with the NDC boundaries and a Health Network Manager has been appointed as a joint Health/NDC post, based within the PCT.

EDUCATION

Coventry LEA claims £4 million of bending of DfES funding into the NDC area as a consequence of rebuilding the local school with associated community facilities.

In Nottingham, Teaching Assistants are being funded through Learning Links.

WORKLESSNESS

In Middlesbrough there is an @Work job match scheme run by a profit making recruitment agency with an office base and a Job Centre Plus employee in the NDC area. This is funded by Job Centre Plus and meets its targets as well as NDC objectives. @Work has now been rolled out, with a new shop front facility opening in the town centre.

ENVIRONMENT, STREET CLEANING AND WASTE MANAGEMENT

Bristol NDC developed Project Pathfinder project, which is a dedicated local team for waste collection and street management. This proved very successful, and although it proved resource intensive the additional costs associated with the project were taken on board by the private sector waste contractor.

In Liverpool the City Council has committed to providing extra officer time for the NDC from its Environment Health Budget. An environmental health officer is now based in the NDC area full time, who would otherwise only spend about half their week in the area. Also, the City Council also has two additional EH officers in the NDC area doing work on Houses in Multiple Occupation (HMOs), with the goal of rolling this out to the rest of the city.

In Nottingham systems have been developed for monitoring the tonnage of waste removed from the NDC area. Restructuring to more labour intensive collection, piloted in the NDC, is now being considered for a roll out to the rest of the city.

TRANSPORT

In Coventry, CENTRO, working with the West Midlands Passenger Transport Authority has put new resources into local bus routes linking the NDC to neighbouring areas.

Question 129 (Mr Davidson): Have crime statistics in NDC area improved; have they improved in comparison with areas that get no additional funding; and in comparison with areas that get similar funding?

Through the NDC Performance Management System, NDCs have gathered crime data for their areas from their partners in the Police. From this, we have extracted the following crime statistics.

CHANGE IN HEADLINE INDICATORS, BASELINE TO 2002–03

Burglary

There has been a 28% fall in the burglary rate in the 21 NDC areas where this is a priority. This is significantly higher than the England average, or the change achieved in a group of LSPs receiving Neighbourhood Renewal Funding (one of a number of alternative approaches to tackling deprivation).

The total number of reported burglaries per 1000 households has fallen from an average of 52 in the NDC baseline year (1999–2000 for Round 1, 2000–01 for Round 2) to 41 in 2002–03.

In the period 1999–2000 to 2002–03, the burglary rate for England fell from 21.1 per 1000 households to 20.7, a fall of 1.9%.

In the same period, the burglary rate in the 26 Local Authority areas selected to receive additional Neighbourhood Renewal Funding, the burglary rate fell from 33.4 to 33.1, a fall of 3.7%.

Total reported crime

The average fall in the total crime rate has been 6% in the 22 NDC areas where this is a priority.

The total number of reported crimes per 1000 residents has fallen from an average of 226 in the NDC baseline year (1999–2000 for Round 1, 2000–01 for Round 2) to 220 in 2002–03

National comparisons on total recorded crime are not possible due to the nature of some crimes, and the fact that they are not associated with a particular locality.

Fear of crime

18 NDCs measure fear of crime. In the 14 that use the percentage of residents that feel unsafe alone outside at night, there has been a 3% fall in the fear of crime. In the 4 NDCs that monitor the number of residents who think crime is a problem in their area there has been a 13% fall in fear of crime.

FUTURE ANALYSIS OF CRIME TRENDS AND NDC IMPACT

Since the NDC programme started there have been a number of changes in the way crime statistics are recorded, which has created some difficulties in tracking crime data across time in NDC areas.

Over the coming year the National Evaluation of the NDC programme, lead by the Centre for Regional, Economic and Social Research (CRESR) at Sheffield Hallam University will be:

- carrying out an in-depth analysis crime data for NDC areas;
- comparing this with areas that are also deprived according to the Index of Multiple Deprivation, but not receiving NDC funding;
- assessing the change in crime rates in NDC areas over time and relative to comparators;
- attempting to isolate the impact of NDC activity and spend on these changes;

leading to the publication of their interim evaluation of the programme in 2005.

At the beginning of the NDC programme, there was no national, centrally held database of crime statistics. After 18 months of intensive network building and legal negotiation, the Social Disadvantage Research Centre at Oxford University have collated the first nationally consistent database of individual level crime ever amassed in the UK. This is a significant achievement and will mean that the assessment of the programme's impact on crime will be the most robust of any regeneration programme.

Because consistency has now been brought to crime data across the country, all 39 NDC will be able to be compared on a common basis. This will allow different crime reduction measures to be assessed in terms of their effectiveness, and when combined with expenditure data, their efficiency.

Question 129 (Mr Davidson): Is NDC spend going into voluntary organisations or is being channelled through existing bureaucracy?

While we do not have data on how much NDC funding is channelled through the voluntary sector and how much is channelled through existing statutory agencies, there are safeguards in place to make sure that NDC grant is not used to replace mainstream resources. For example, the NDC funding agreement states that “Grant paid under this funding agreement must not be used for . . . expenditure on a project supported by other public or private sector grants except to the extent that it is not covered by the total amount available from such sources or expenditure on, works or activities which any person has a statutory duty to undertake, except where this is agreed in advance by the Government Office”.

One of the objectives of the NDC programme is “bending the mainstream”, which involves linking NDC funding with mainstream funding to enable agencies to deliver better services in the NDC area, and to give the local community greater influence over how these services are delivered.

5 May 2004