

## KENSINGTON AND CHELSEA PARTNERSHIP

26 January 2005

### REPORT ON THE CONSULTATION PAPER ON “ALLOCATION OF THE NEW NRF RESOURCES FOR 2006-07 and 2007-08”

The paper :

- (i) Seeks a view on whether or not the KCP should submit a joint response to the NRU consultation document on the allocation of the new NRF resources for 2006-07 and 2007-08;
- (ii) Proposes a response to the Neighbourhood Renewal Unit's consultation paper if the KCP chooses to make a joint response;
- (iii) Suggests that the KCP identifies some key points which all partners could raise in the event of separate responses being submitted

**FOR DECISION**

#### 1. Background

In December 2004, the Neighbourhood Renewal Unit (NRU) issued a consultation paper on the allocation of new NRF resources for 2006-07 and 2007-08. The executive summary of its paper is attached at Appendix 2, and officers are forwarding the full document to KCP members in hard copy.

The document is not seeking views on the precise methodology to be used for identifying areas eligible for NRF in the future, or for how much each area should receive. Rather, it seeks to provide an opportunity for those involved in neighbourhood renewal to consider how NRF could be used more effectively in the future.

The deadline for the receipt of responses is 11 February. The NRU has set up an on-line consultation facility, which includes a “discussion area” as well as a structured questionnaire. However, it is also willing to receive written responses, and officers consider that this allows the best opportunity for various issues to be raised.

#### 2. Responding to the consultation

The KCP needs to decide whether or not it wishes to submit a joint response to the consultation paper. If it does, officers have prepared a draft response (attached at Appendix 1) which the KCP is invited to approve or amend. The draft response is structured in line with the key issues raised by the NRU.

If partners would rather submit individual responses, the KCP may wish to identify certain key issues which it would like to see all partners raising with the NRU.

3. FOR DECISION:

- (i) Does the KCP wish to submit a joint response to the consultation document on the future allocation of NRF?
- (ii) If so, is it happy with the attached draft, or does it wish to propose amendments?
- (iii) If members would prefer to respond separately, will the KCP identify key points that it would like all partners to raise in their responses?

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## APPENDIX 1

Robert Dryburgh  
Neighbourhood Renewal Unit  
Office of the Deputy Prime Minister  
6/D8  
Eland House  
Bressenden Place  
LONDON  
SW1 5DU

DRAFT

January 2005

Dear Mr. Dryburgh,

Allocation of the new NRF resources for 2006-07 and 2007-08  
**Key Issues Consultation Paper December 2004**

The Kensington and Chelsea Partnership (KCP) is pleased to have an opportunity to respond to the key issues raised in your consultation paper of December 2004. Our response is structured in line with the consultation questions set out in the document. We have provided comments on each of the issues raised, rather than indicating whether we agree or not with particular statements.

**Key Issue 1 – Improving Outcomes**

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

We believe that **any** investment of public money should be geared to achieving particular outcomes. However, the question you pose is not actually related to "outcomes", but rather to "areas with the greatest challenge in meeting key national floor targets". Investing resources in areas which face the greatest challenge will not *automatically* secure better outcomes for their residents. It is not just the availability of resources which has a positive impact, but their effective application. It may therefore make sense to look at areas which contain areas of deprivation, but whose local partnerships have proved their ability to tackle problems, and achieve real outcomes. This argument appears to have already been accepted by the Government. In paragraph 6.13 of the document, it is acknowledged that the performance of LSPs in delivering change for its area will be taken into account, not "simply the scale of the challenges in the area".

## **Key Issue 2 – Maximising Impact**

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

Again, this risks money being targeted on particular areas, with no guarantee of positive change. It also risks small, defined areas being seen to be given priority over neighbouring areas (which also experience deprivation), with possible increases in tension within and between different communities. Allocating money in a very mechanistic way, with tight geographical boundaries limiting the area of benefit, reduces choice and discretion for local partnerships.

If the Government is seeking to maximise impact, it should perhaps not look at the application of NRF resources alone, but how effectively this complements and enhances the work partners are already undertaking with their mainstream budgets, and how partnership working can add value. It may therefore make more sense to allocate NRF to a greater number of deprived areas, using it as a lever to encourage the application of mainstream resources.

## **Key Issue 3 – Strengthening Delivery**

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

From our previous responses, you will note that we are keen to see strong performers rewarded, both with resources to continue their good work, and with flexibility to allow them to develop appropriate local solutions.

Any new system of monitoring performance should beware of increasing bureaucracy; acknowledge the lack of government resources made available to fund the administration of LSPs, and accept that partnerships want to discuss issues which matter to them locally.

## **Key Issue 4 – Targeting Small Pockets of Acute Deprivation**

*Resources should be targeted at small areas of acute deprivation in areas not currently eligible for NRF*

It is difficult to know how best to deal with small pockets of deprivation in otherwise affluent areas which do not currently qualify for NRF. Obviously, if too many areas qualify for assistance under a new NRF regime, there is a danger of spreading available resources too thinly, and little impact being achieved. There is also a certain amount of administration, monitoring and evaluation attached to any local NRF programme, however small, and this may prove disproportionate to the amount of additional resource made available.

*Should the money be spent on Super Output Areas, or should there be greater freedom to use the money thematically?*

In certain cases, Super Output Areas will effectively encompass one specific estate of social housing, and it may be that the local LSP

considers that a concentrated programme of estate-based work will be the best way of achieving results across a range of floor targets. On the other hand, it may be that there is a specific problem which shows up particularly strongly in one area – say, domestic burglary – but which needs to be tackled on a wider basis. An SOA model might allow spend on target-hardening on a particular estate: a *thematic* approach could permit spend on detached youth projects, drugs education programmes and a restorative justice scheme for a wider geographical area and may reduce offending more (including in the specific SOA). Issues such as patterns of employment, local transport links and the performance of local schools may also impact strongly on the levels of deprivation experienced on an individual estate, but would demand a more widely-drawn programme to tackle them effectively. On balance, surely it must make sense for LSPs to employ their local knowledge to make the best use of available resources, in response to locally-defined needs and issues.

### **Key Issue 5 – Using IMD04 Data**

*How should the IMD04 data be used to allocate NRF?*

Again, any model which allocates resources mechanistically on the basis of the IMD04 data risks failing to take account of LSPs' ability to deliver. It is interesting to note in the illustrative examples that a number of areas eligible for NRF in 2001-2006 fail to qualify under any of the methods shown. Have these areas all improved significantly, or have other areas become relatively more deprived? With the move from ward-based data, it is difficult to draw comparisons.

### **Key Issue 6 – Providing Transitional Support**

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

Where LSPs have made good use of their existing NRF, and have performed well in the judgement of their government offices, providing some transitional support would be welcome. This could assist in sustaining some of the improvements already made; help cement partnership working, and offer an opportunity to build on lessons learnt, and good practice established. However, given the amount of bureaucracy associated with administering an NRF programme efficiently, and the level of scrutiny which LSPs in receipt of NRF experience, the amount of money made available for transitional support would need to make this worthwhile.

### **Other Issues**

The KCP is concerned that some of the particular problems which beset Inner London will not be adequately reflected in the allocation process. The "End Child Poverty" briefing paper pointed out that "the unemployment problem among families with children in London is ...compounded by very high housing and childcare costs". Put simply, it is

difficult for parents in London to make work pay. Obviously, the IMD figures take into account unemployment and income levels, which help to demonstrate levels of need. Unfortunately, this does not help government to determine the costs of meeting that need. For example, to persuade a single mother to take up work in London, she may need advice on benefit entitlement during training, or in the early weeks of work; she may need a heavily-subsidised nursery place; she may need a long period of training to equip her for a job that is well-paid enough to make work financially beneficial. So, the costs of making a real impact on the floor target relating to employment could easily be significantly higher in Inner London. The briefing paper also pointed out that having areas of deprivation "in close vicinity to rich environs intensifies the difficulties because it drives up the costs of goods and services including housing and childcare". The problems faced by Inner London are therefore particularly marked in Kensington and Chelsea.

The KCP is also extremely concerned that for areas left without NRF, there will be additional pressure on the Safer Stronger Communities Fund. The Police and their partners in community safety work are being asked to agree challenging targets, and will need dedicated resources to meet these. If LSPs also have ambitions around other aspects of neighbourhood renewal, will this not inevitably lead to tensions within partnerships? Additionally, no longer directing resources specifically to the voluntary and community sector may also cause future tension around the allocation and use of the SSCF.

We trust these comments will be of some interest, and look forward to hearing how the consultation exercise has informed the government's final decision on the future allocation of NRF.

Yours sincerely,

Cllr. Merrick Cockell, for the KCP  
cc. GOL