

Factsheet

No.1

What is neighbourhood renewal?

Where we live can greatly influence our opportunities in life. For people living in the most disadvantaged parts of the country, those opportunities can be extremely limited. They face 'postcode poverty' - schools are under-achieving and unpopular, businesses have shut up shop, transport to other areas is often limited, housing is in disrepair or empty and the streets are scarred with graffiti and abandoned cars. Those who can, move on. Others become trapped in a cycle of poverty, unable to make choices over where and how they live.

Neighbourhood renewal is about reversing this spiral of decline. It is about working from the grassroots to deliver economic prosperity and jobs, safer communities, good education, decent housing and better health, as well as fostering a new sense of community among residents.

The Neighbourhood Renewal Unit works across Government and with a range of partners at national, regional and local levels to ensure that, in 10 to 20 years time, no-one is seriously disadvantaged by where they live.



Neighbourhood
Renewal Unit

April 2002

Key issues

1

The Government's National Strategy Action Plan, **A New Commitment to Neighbourhood Renewal**, launched in January 2001, is the most determined and far-reaching attempt yet to tackle these issues. Its guiding principle is that within 10 to 20 years, no-one should be seriously disadvantaged by where they live.

2

Neighbourhood renewal is important for several reasons. Firstly, it improves quality of life and attracts people back into these areas. There are also wider consequences if we neglect deprived areas. They stifle opportunity and drain resources in terms of benefits, additional spending on crime prevention, social services, health care and so on. And social inequalities can lead to tensions between communities.

“Neighbourhood renewal demands a huge investment in these communities, but the potential return is even greater.”

3

The neighbourhood renewal strategy attacks the root problems of deprived areas – such as weak economies and poor schools – using the power of partnership between sectors to fuel change. Too often, public services in deprived areas are performing worst. Hospital waiting lists are longer in places where people are the least healthy. Public transport is worse in places where people can barely afford a car. All the key Government spending departments are trying to tackle these problems. They are ‘bending their spending’ towards deprived areas to raise the standard of public services closer to the national average. This drive is backed up by a huge increase in spending – an extra £43 billion a year on major public services by 2004.

4

Previous attempts to revive failing communities have been piecemeal and short term. What sets the new strategy apart is its cross-cutting approach - recognising, for example, that unemployment can be linked to poor schools, lack of transport and having the ‘wrong’ address, as well as a failing economy, and that these issues cannot be tackled in isolation or through a quick fix. The strategy also puts the needs of local communities first and foremost – taking a ‘bottom-up’ approach rather than imposing solutions from the top.

5

The strategy concentrates on meeting the needs of the poorest 10 per cent of neighbourhoods in England. They range from areas within major cities such as Manchester, Liverpool, Birmingham and London to parts of Cornwall and Cumbria to seaside towns.

6

Neighbourhood renewal demands a huge investment in these communities, but the potential return is even greater. The strategy’s objective is that in the long-term they will be transformed into self-standing, productive and thriving communities. They will become places where people want to live, with opportunities for young people, employment for job seekers, support for older or disabled people and security for all members of the community.

Where are the poorest neighbourhoods?

There are deprived areas in all parts of the country, but the highest concentrations are in these four regions:

- North East – 19 per cent (of the most deprived wards)
- North West – 25.7 per cent
- London - 18 per cent
- Yorkshire and Humberside – 9.4 per cent

Forty per cent of the population lives in the 88 most deprived local authority areas, which are the focus of much of the renewal strategy. Very often, areas of intense deprivation are located only a short distance from prosperous districts, making the gulf between the ‘haves’ and the ‘have nots’ all the more obvious.

A measure of deprivation

Living in a deprived neighbourhood affects people’s health and wealth. Against the national average, twice as many people are on means-tested benefits and child poverty rates are three times as high. People have greater problems with their health and tend to die younger.

The effect on individuals and communities is huge. In parts of the country, particularly the North East and North West, whole neighbourhoods are being abandoned as people reject undesirable areas with poor services and few facilities.

Some groups of people are particularly affected. For example, 70 per cent of all people from ethnic minorities live in the 88 most deprived local authority districts, compared with 40 per cent of the general population, so equality for black and minority ethnic groups is an issue which cuts right across the strategy for neighbourhood renewal.

“It aims to take a 365 degree view of the issues, and to target resources and expertise on neighbourhoods identified for renewal.”

Why do neighbourhoods fail?

Economic and social factors contribute to the decline of neighbourhoods.

- Some neighbourhoods have been badly hit by recession and the decline in manufacturing industries, causing mass joblessness.
- Family breakdown and an increase in lone parents reliant on benefit have also contributed to decline. A greater proportion of vulnerable people live in deprived neighbourhoods than other parts of the country, putting more stress on public services.
- Social housing, which dominates many of these neighbourhoods, is becoming less popular.
- The increase in availability of drugs and the growth of the drugs economy have fuelled crime and contributed to the breakdown of community ties in many neighbourhoods.

Taking a partnership approach

The strategy's delivery is led by the Neighbourhood Renewal Unit (NRU), which was set up in April 2001. Although based in the Department for Transport, Local Government and the Regions (DTLR), the unit's work cuts across all Government departments involved in neighbourhood renewal. It aims to take a 365 degree view of the issues, and to target resources and expertise on neighbourhoods identified for renewal. Neighbourhood renewal teams working in Government Offices for the Regions support the NRU's work.

At a neighbourhood level, local strategic partnerships (LSPs) set priorities for their areas and develop renewal strategies that fit local needs. LSPs include representatives from statutory, voluntary, business and community organisations. Residents in renewal areas are crucial to this process, particularly in identifying their neighbourhood's main problems and deciding how to tackle them.

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Bending the spend

Neighbourhood renewal depends mostly on making sure that mainstream public services deliver in deprived areas. To help achieve this, Government departments will 'bend' their spending in favour of the 88 most deprived areas, to raise standards of public service closer to the national average. The Government will support this with overall increases in public spending. For example, by 2004, around £10 billion a year more will be spent on education, £1.6 billion more on the police and £1.8 billion more on housing.

There will also be specific funding for the most deprived areas, to help kick-start the renewal process – through the Neighbourhood Renewal Fund and the New Deal for Communities partnerships (see 'New initiatives').

Each department has new 'floor targets' or public service agreements. This means that for the first time they will be judged on the areas where their services are doing worst, rather than on the national average.

Improving public services

Public services have a massive part to play in turning around deprived neighbourhoods. Working to meet the new floor targets and using the additional funding on offer, Government departments are now focusing more of their efforts on deprived areas. They are raising the standard of:

- education;
- health;
- housing;
- police and the criminal justice system;
- the environment; and
- transport.

LSPs will be central to deciding which of these issues are the highest priorities in their area.

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New initiatives

As well as improving existing services in deprived areas, the Government has introduced a number of initiatives have been introduced to stimulate and support change.

- The Neighbourhood Renewal Fund - £900 million over three years, which LSPs allocate to boost Government departments' spending programmes and get local renewal strategies underway.
- New Deal for Communities partnerships - investing around £2 billion over 10 years in 39 of the poorest neighbourhoods.
- Support for community groups through the Community Empowerment Fund and Community Chest, totalling £96 million, to help neighbourhood groups increase their activities and get more people involved in LSPs.
- Neighbourhood and street wardens programmes, to provide greater security and a visible, reassuring presence at neighbourhood level.
- Neighbourhood management schemes, helping communities and local service providers to work together.
- A Business Brokers pilot programme, which aims to link the private and public sectors and encourage more investment and enterprise in deprived areas.
- A skills and knowledge programme aimed at professionals, practitioners, civil servants and community residents, to provide training, advice, and networking opportunities and to promote good practice.

Find out more

Neighbourhood Renewal Unit

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A New Commitment to Neighbourhood Renewal – National Strategy Action Plan

www.cabinet-office.gov.uk/seu

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Renewal Unit

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