



WARDS AFFECTED:

ALL WARDS

CABINET

21 MAY 2001

**NEIGHBOURHOOD RENEWAL FUND
MECHANISMS FOR USE IN YEAR ONE**

REPORT OF THE DIRECTOR OF HOUSING

PURPOSE OF THE REPORT

This report details activities in relation to the Neighbourhood Renewal Fund (NRF) and a mechanism and timetable to enable the fund to be used as effectively as possible in year one. The mechanisms recognise the main features and criteria of the Fund detailed in Parliament's Special Grant Report, it is also a mechanism which has been jointly developed by the Leicester Regeneration Agency and the City Council.

SUMMARY

The Government have made available five different funds to support the work on Neighbourhood Renewal of which Leicester is eligible for four, the five are:

The Neighbourhood Renewal Fund - £18 million over three years

The Community Empowerment Fund - £400k over three years

The Community Chest Fund - £550k over three years

The Neighbourhood Management Pilot Fund - £45 million (nationally)

The Children Fund - £4.8 million over three years

Leicester is not eligible for the Neighbourhood Management Pilot Fund as it is targeted at districts that do not have a New Deal for Communities scheme. The Social Services Department is managing the Children Fund processes. Each of

the remaining three has different features and processes attached, which are the subject of the supporting information in this report.

RECOMMENDATIONS

Cabinet are recommended to agree the mechanism and timetable outlined in this report.

FINANCIAL IMPLICATIONS

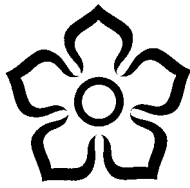
The NRF makes available to Leicester £18 million over the next three years, £4.2 million in year one. At present there is no indication that the fund will either continue after three years or that it can be carried forward from one year into the next. All uses of the fund will have to demonstrate either an exit or continuation strategy that does not put any additional or unplanned pressure on the Council's revenue budgets.

The NRF will be non ring fenced grant money allocated under the Special Grant powers in Section 88(b) of the Local Government Act.

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SUPPORTING INFORMATION

1 THE NEIGHBOURHOOD RENEWAL FUND (NRF)

- 1.1 The Neighbourhood Renewal Fund (NRF) is part of a series of packages introduced by the government designed to narrow the gap between deprived areas and the rest of the Country. In particular Public Service Agreement (floor) targets (see Appendix 1) have been linked to the NRF to improve the outcomes in these areas that should be achieved by core spending programmes. The purpose of the NRF is to facilitate local authorities to start improving services in poorer communities. The government will expect to see evidence that the NRF is being used to improve the services to the most deprived wards.
- 1.2 The Special Grant report for the NRF (printed on the 15 March 2001) included a change in emphasis on the assumptions that had been made previously.
- 1.3 The report states that it is strongly desirable where service quality is at risk or requires improvement, that NRF funding should be devoted to mainstream services, provided that the funding benefits the most deprived areas. Also, the Local Authority is to decide how the NRF is spent in 2001/02 and the PSA (Floor) target for employment has changed and Leicester is not in the worst 30 districts being measured.

Finally in years two and three it is expected the Local Neighbourhood Renewal Strategy will include decisions to reallocated mainstream resources as well as allocating the NRF.

1.4 Uses of the NRF

1.4.1 Cabinet are asked to agree that the NRF is used in a number of complementary ways.

- a) Through a number of schemes that compliment mainstream service activities, support the philosophy of NR on new ways of working and tackle deprivation in the most deprived Wards.
- b) Through providing direct support (£) to mainstream service to enable improvements or to protect service quality in deprived areas. That can demonstrate an impact in terms of real improvements in peoples lives in deprived areas and reducing that deprivation by evidencing a contribution to the Government's NRF Floor targets.
- c) Research should be carried out this year to map the current level of need, service provision, and community organisation in the deprived communities, and this work should qualify for NRF support.
- d) An element of the first year NRF funding should be used to compliment the Community Empowerment Fund for a comprehensive and strategic programme of community development to enable communities and businesses to fully engage in the work of the Local Strategic Partnership and neighbourhood renewal.

1.5 Criteria for using the NRF

1.5.1 All ideas that emerge will be subject to the same criteria.

- a) Evidence of contribution to relevant PSA (Floor) Targets.
- b) Evidence of tackling deprivation by type of deprivation by deprived area.

- c) Demonstrable synergies with mainstream services and their priorities.
- d) Have synergies with other Government initiatives and funding pots been recognised and included?
- e) Meet the evaluation criteria on the technical feasibility, including:
 - 1) Clear self-reliant exit or continuation strategy.
 - 2) Able to demonstrate deliverability i.e. is it realistic?
 - 3) An accurate funding assessment?
 - 4) Is there a clear, measurable evaluation methodology that is directly linked to the outcomes of NR?
 - 5) Does the use have clear measurable outcomes?

1.6 Timetable

1.6.1 The timetable proposed is as follows:

- 1) Joint LRA and City Council Officer group to agree a final shortlist of ideas for year one of the NRF up to mid May.
- 2) This group reports back to 4 June 2001 LRA meeting with key Cabinet members in attendance.
- 3) Final proposals to go to Leader's Briefing mid June 2001.
- 4) Cabinet to finally decide end of June 2001.
- 5) All Partners and Agencies informed.
- 6) Programme to start 1 July 2001.

1.7 Monitoring Arrangements

- 1.7.1 The Assistant Director for Neighbourhood Renewal, Head of Regeneration, and the Chief Finance Officer should lead the monitoring arrangements for the NRF.

2 THE COMMUNITY EMPOWERMENT FUND

- 2.1 This fund starts in 2001/02 and is eligible to all NRF areas. No guidance on its use or its allocation mechanism has been produced yet. The latest view of GOEM is that this fund will not be allocated via Local Authorities and its intended use to build community confidence and capacity in deprived areas.

3 THE COMMUNITY CHEST FUND

- 3.1 This fund starts in 2001/02 and is eligible to all NRF areas. No guidance on its use or its allocation mechanism has been produced yet. The latest view of GOEM is that this fund will not be allocated via Local Authorities and its intended use is for discreet community projects prioritised by local residents.

4 CONSULTATION

- 4.1 Leicester City Council have disseminated information on the NRF including its aims and context as widely as possible to partners in the public, private, voluntary and community sectors.

The list below demonstrates the key events throughout March, April and May in the consultation process adopted by the Council.

- 1) LRA 12 March 2001 considered NRF process and invited to give ideas.
- 2) LRA Sub Group established and met twice in March and April at which discussions on ways to take NRF forward in the context of the emerging LSP and developing a local neighbourhood renewal strategy.
- 3) The Leicester Partnership against Crime and Disorder and the Health Executive Partnership considered NRF aims and process in March.
- 4) Information pack and request for ideas sent out to 102 agencies and partnerships 15 March 2001 deadline given for submission of ideas 16 April 2001.
- 5) Further letter sent out to the 102 agencies 4 April providing additional information contained in the Special Grant Report.

- 6) LRA meeting agreed these mechanisms on 23 April 2001.
 - 7) Two briefings have been presented at separate Leader's Briefing meetings in March and April.
 - 8) Presentations have been given to both the St Matthews and Highfields Area Forums.
- 4.2 This consultation process has resulted in over 120 ideas being submitted to the Council for consideration.

Other Implications	Yes/No	Para within supporting papers	References
Equal Opps Policy	Yes	1.1	
Sustainable & Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		

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Appendix 1

PSA “floor” targets

Education	Increase the percentage of pupils obtaining 5 or more GCSEs at graded A*-C (or equivalent) with at least 38% to achieve this standard in every LEA by 2004. A target to reduce the attainment gap at Key Stage 2 (age 11) in English and Maths will be announced later in 2001.
Employment	Over the 3 years to 2004, taking into account the economic cycle, to ensure that there will be an increase in the employment rates of the 30 local authority districts with the poorest initial labour market position. It will ensure a reduction in the difference between employment rates in these areas and the overall rate.
Crime	Reduce the national domestic burglary rate by 25% (with no local authority area having more than three times the national average) by 2005.
Health	By 2010 to reduce by at least 10% the gap between the 20% of areas with the lowest life expectancy at birth and the population as a whole. Also by 2010, to reduce by at least 60% the conception rate among the under 18s in the worst 20% of wards, thus reducing the level of inequality between these areas and the average by at least 26%.
Housing	Ensure that all social housing is of a decent standard by 2010 by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004; with most of the improvements taking place in the most deprived local authority areas as part of a comprehensive regeneration strategy.

