Tackling social exclusion at local level:

Neighbourhood Management

Neighbourhood Management is one of the 'big ideas' in the Government's campaign to tackle social exclusion and will form a key part of its National Strategy for Neighbourhood Renewal. But how will it work? And will it make a difference? A new publication from the Joseph Rowntree Foundation asks what we have learnt from experience so far. It spells out the key themes that Neighbourhood Management needs to address and sums up the most promising ideas that are coming out of practice and research.

It argues that effective Neighbourhood Management in the future will depend on the following principles:

▶ Joined up strategy and action must be driven through all levels of public policy-making and provision - from top to bottom, from back room to front line - with transparency and multi-layered accountability as the guiding principles.

▶ Joined up working will require fundamental changes to the cultures and career structures of both government and the public service professions.

▶ A strong infrastructure is required in order to spread rather than protect knowledge, resources, skills and learning.

▶ There is no change without risk - frameworks for performance measurement, regulation and audit must be broad enough to allow local autonomy.

▶ There will be no sustainable change unless communities themselves are given the power and responsibility to take action.

▶ As well as engaging communities in decision-making, Neighbourhood Management must open up quality public service employment opportunities to members of local communities and transfer assets into community ownership.

▶ A long-term perspective is essential if integrated approaches to social inclusion are to be sustainable: enough time must be allowed to develop capacity and commitment in both communities and local public authorities.

▶ A strong and unequivocal message from central government is required if past barriers to change are to be overcome.

WHAT IS NEIGHBOURHOOD MANAGEMENT?

The Social Exclusion Unit - in the Priority Action Team 4 report - has identified the following ingredients of Neighbourhood Management for disadvantaged neighbourhoods:

- someone in charge at neighbourhood level;
- re-organised public services as the main instruments of renewal;
- maximum involvement from communities and voluntary and private organisations;
- targeted assistance from government.

Neighbourhood Management is not the only answer to social exclusion. The route from exclusion to inclusion means bridging the gap between deprived areas and the rest of the country. Government therefore sees Neighbourhood Management as part of a wider strategy which involves:

- joined up strategies at local authority level;
- central government action that 'makes things better not worse'.

WHAT WILL MAKE NEIGHBOURHOOD MANAGEMENT WORK THIS TIME?

There have been many area-based regeneration initiatives over the years. We must not re-invent the wheel. The signs are that the current wave of government policies has learnt many of the lessons from the past. More time is allowed to develop regeneration plans; partners have to demonstrate that they are involving local communities; and cross-agency working has a much higher profile. The *Modernising Local Government* agenda offers an opportunity to discard the service-based compartments of the past and transform the role of councillors. Neighbourhood Management presents local authorities with a dual challenge: to decentralise services to local level and to generate a joint approach across their different departments. In some areas, several years' experience

of working together on special initiatives has already broken down boundaries. But the proliferation of partnerships and the sheer pace of change need to be carefully monitored - both could be counterproductive, despite the best of intentions.

If Neighbourhood Management is to achieve sustainable change, it needs to learn from what has and hasn't worked. Public sector cultures need to be changed from top to bottom if communities are to be given real power and responsibility to take action. This means that a long-term perspective is essential. Otherwise Neighbourhood Management will depend on a few champions. It will not be embedded in new systems of governance.

WHERE TO START?

There are few examples as yet of the kind of comprehensive approach to Neighbourhood Management that the Government is proposing. But elements of this framework have developed across the country.

Some existing models are **service-led**, or top-down. A growing number of local authorities are introducing *area co-ordination* to 'join up' their services at local level, often bringing in other agencies as well: the police, health authorities, employment and benefits agencies. Local teams are employed and required to report to neighbourhood forums or to area committees composed of local councillors. Other local authorities have used *Best Value* to encourage a cross-agency approach, based on joined up indicators. *Community planning* is also acting as a trigger for change.

Government initiatives such as Health and Education Action Zones or Sure Start are opening up new opportunities for joint working. Meanwhile, housing associations or other registered social landlords have adopted service development initiatives, like 'Housing Plus', to provide a wider range of services to tackle the

issues that face their tenants. Some schools have also begun to build out in this way.

Other Neighbourhood Management approaches are **community-led**, or bottom-up. Tenant housing management organisations are one vehicle - they have now gained enough experience to feel confident in branching out to new fields. The number of asset-owning community development trusts is also growing. The 'exit strategies' of programmes like City Challenge and the Housing Action Trusts have contributed to this growth by endowing communities with assets and acting as incubators for the development of local organisations with the capacity to take on leadership roles. Some communities are developing resident services organisations which combine the provision of much-needed services with the development of jobs and training for local people.

Service-led and community-led approaches need not be mutually exclusive. The most effective action is likely to come from strategies which engage effectively at all levels and are able to combine 'top-down' and 'bottom-up' forces for change.

Bloomsbury Estate Management Board (EMB) has been in operation for some nine years and been given delegated responsibility for the housing management budget in the area. Over the years it has steadily increased its responsibilities and tenant representation. It is primarily a housing organisation and under a new modular management arrangement with the council will be responsible for managing its own contracts. But it has also raised money to develop a credit union, a community café and exchange trading scheme. There are no businesses on the estate and the EMB is planning to run a pilot initiative to set up a resident services organisation; this will be able to submit tenders in its own right to the EMB for the provision of housing, maintenance and gardening services. It has the potential to develop into other service areas, such as meals-on-wheels, parenting classes and visiting schemes. The EMB has applied to the National Lottery to develop a local park and has worked with young people on the estate to develop plans for this.

Waltham Forest Housing Action Trust's succession strategy, built in from the early days, has resulted in the establishment of two successor bodies:

- a community-based housing association, run through a board with tenants in the majority;
- Orient Regeneration - a development trust established in partnership with residents and the local authority, which will take ownership of the community buildings and continue - and spread into neighbouring areas - the HAT's programmes of community-based regeneration. A £2 million grant has been provided towards an endowment fund to support the core costs of the trust and further endowment is being considered.

A citizens' jury has been held to review progress and determine the direction of the initiative in its last two years. This provides the agenda for the succession strategy, which will be developed in co-operation with the local authority.

THE BUILDING BLOCKS FOR CHANGE

Whatever the starting point, a comprehensive approach to Neighbourhood Management will require:

1. New structures and systems
- Governance structures at neighbourhood level, which bring together the key players to:
    - develop an action plan, based on a joint assessment of community needs and assets;
    - allocate responsibility and monitor progress.

- Joined up systems for implementation, with:
    - someone in charge of making sure the plan is put into effect;

    - agreed mechanisms for pooling information, money, management and accountability across stakeholders
- A joined up centre - at district, regional and national level

2. People who can work flexibly with change

3. Investment to stimulate and underpin joint working

4. An effective infrastructure, including opportunities for dialogue and learning at regional and national level

MAKING IT WORK

1. New structures and systems

Governance structures at neighbourhood level

A **strategic vehicle** is required at local level which ties in all the necessary partners, giving local communities a key role. It would:

- establish a dialogue at local level;
- research neighbourhood needs and assets, to establish a baseline on which to establish priorities and monitor progress;
- develop a long-term vision and an action plan, identifying clear priorities for local action, allocating

responsibility to partners and/or commissioning new services;

- agree joined up performance indicators based on desired outcomes, develop monitoring systems and agree a process for evaluation to ensure that learning takes place and is shared.

The foundations for this have already been built in some neighbourhoods. Neighbourhood forums have been set up which allow for dialogue between local communities, service providers and policy-makers. Such forums may be free-standing, or report to area

Walsall Borough Council has set up 19 neighbourhood committees with funds from SRB2. Their original brief was to make decisions on SRB projects in their areas, but they now draw up neighbourhood plans which inform the council's strategic plans. Lead officers from the council work with each local committee and local response networks were developed, made up of council staff, with 'patch workers' in each area linking to other agencies. The health authority, the police and the Health Action Zone are now actively engaged with these committees. The committees are elected by local households and each committee also has reserved places for two young people.

Each committee can choose what say it wants, and the committees are now playing a key role in Best Value. They can employ consultants to do specific pieces of work. Local people have used these committees to do inspections of highways, form a subgroup on affordable warmth, work with the Health Action Zone on the need for a local pharmacy and work on the enforcement of tenancy agreements.

committees composed of local councillors to give them formal authority. Some have formal authority over service providers without going through an area committee, although this is still rare. Others are simply a place where services give an account - an opportunity for the informal face-to-face accountability on which joint working needs to be built. Where there are area co-ordination teams, they are usually accountable to a neighbourhood forum or an area committee.

Few such forums have authority across the range of public services, although neighbourhood forums will often involve other agencies – such as the police, early years providers and health services - alongside local residents. Neighbourhood forums offer outside agencies a ready-made channel for consultation.

An **incremental approach**, building on existing practice and relationships at local level, is likely to bring about more lasting, sustainable change than new systems and structures imposed from the centre.

With the advent of the New Deal for Communities and other initiatives such as Sure Start, public authorities are exploring the potential for setting up community development trusts or other forms of community-led partnership with the authority to drive neighbourhood regeneration. There is already a body of experience to build on from the more successful regeneration partnerships or existing community-led organisations. Some of the critical issues to be addressed in setting up such bodies are:

- **Clarity of role:** If new forms of governance at neighbourhood level are to be effective, it is

important to distinguish between strategic, commissioning and delivery roles.

- **Constitutional issues:** There is no legal constitution which exactly meets the requirements of this type of governance structure, and neighbourhoods are experimenting with different models. It is essential to avoid a proliferation of partnerships and to be clear how neighbourhood boards relate to the range of emerging partnerships.

- **Representation:** The legitimacy of all participants needs to be clear. Representation needs to be balanced, accountable and adequately resourced. It also needs to be dynamic rather than static, with adequate provision for turnover of representatives.

Some commentators see neighbourhood bodies as providing the potential for a new layer of governance below the district, for example at urban parish council level. The models developed for Neighbourhood Management could thus have far-reaching implications for local government in this country.

Joined up systems for implementation
Someone in charge of making sure the plan is put into effect

Co-location of local authority services provides a single point of contact for, and with, local communities. By offering space to other agencies, local authorities can also promote new ways of cross-agency working. Community-based organisations and tenant management organisations also offer space to other local agencies alongside their own services. Housing associations provide another possible hub for local

The Deighton and Brackenhall Initiative in Kirklees was triggered by the local authority's housing department. Following a public meeting and household survey, ten groups were set up to develop action plans in response to the priorities identified there. Each involves residents, councillors, senior officers and front-line staff from services in and beyond the local authority and they report to a steering group. A co-ordinator reports directly to an executive director, oversees the initiative, supports the groups and ensures that decisions are implemented by the participating agencies. Local communities were involved in drawing up the co-ordinator's job description and appointing her.

A joint venture private finance bid will demolish some council stock to make way for environmental improvements and community facilities. These will be owned by the community through a new community development trust which may then take over other initiatives in the area.

teams, for employing other specialists to offer local services and for engaging in joint ventures with other agencies.

But co-location alone is not enough to ensure joined up working. An area team is needed to ensure the local action plan is put into effect. Government calls this having 'someone in charge'. It is difficult to find anywhere as yet where a Neighbourhood Manager is in place with authority over all local services. However, local authorities, community development trusts, tenant management organisations and housing associations are developing area co-ordination teams which facilitate joint working across agencies at local level, provide a community development resource and implement local plans. While few have the powers envisaged for neighbourhood managers in government proposals, they provide a model on which to build.

Area co-ordination

Area co-ordination teams exist in a number of authorities. Drawing on examples in different localities (Coventry, Birmingham and Bradford, for example), a composite model would have the following elements:

- A **team** comprising a co-ordinator, an administrative officer and a community development worker. Other team members may focus on particular areas of work (e.g. community safety) or particular functions (e.g. a client agency staff member focusing on street services).

- A **community initiatives fund** to 'pump-prime' key activities.

- A **neighbourhood forum** serviced by the area co-ordination team and involving local communities, councillors and agencies (which may be linked to an area committee made up of ward councillors).

- An annual **area conference** to involve the wider community in setting priorities.

Overseen by a **partnership group at senior officer level** within the authority or across key public service agencies.

Agreed mechanisms for pooling information, money, management and accountability across stakeholders

Joined up information

Transparent and intelligible information, disaggregated to local level, is essential to effective Neighbourhood Management. The boundaries of local agencies rarely coincide - this makes it difficult to join up information systems. However, given the potential of information technology and particularly geographical information systems, this disaggregation is surprisingly poorly developed at present. This is an issue that is beginning to be tackled in areas which are part of the New Deal for Communities, where 'benchmarking' teams are working with local agencies to generate reliable local information bases against which to measure progress.

Studies also emphasise the need to share learning and knowledge more freely across agency and departmental boundaries, replacing a culture where knowledge is protected with one where the sharing of knowledge is encouraged and rewarded.

Joined up money

Often each agency or department has different rules governing the devolution of budgets. Joined up action at district and regional level can address issues of co-ordination from the top. Special initiative funding can overcome these problems, but special initiatives have usually operated on the margins of mainstream provision rather than affecting it directly.

Finding ways to pool money more effectively will give a major impetus to joined up working. But studies warn that pooled budgets will quickly become fragmented again and may endanger high-risk services, unless they are based in common cultures and joined up systems of management and accountability.

Ways of releasing money for joined up working

- **Leverage:** One SRB partnership has introduced conditions which allow local partners access to special funds only if they show what funds they are committing to the local strategy and open up their own budgets to scrutiny.

- **Top-slicing:** Some authorities have managed to fund joined up working through top-slicing mainstream service budgets. This device has been used to:
  - finance and pilot area co-ordination teams;
  - form a fund into which neighbourhoods can bid for joined up projects.

- **Supplementary funds:** The probation service offers another useful model, providing a pool of money to supplement local budgets, which can only be spent on provision from other agencies.

Joined up management and accountability

Even if staff from different services can be brought together in the same office, they often report to different managers and have to conform to different performance standards. Joined up working requires:
- management and reporting systems which give area responsibilities and strategies at least as much weight as service hierarchies;

- attention to informal as well as formal influence and accountability;
- service standards and performance indicators which recognise the importance of preventive and joint work and are based on outcomes - defined in consultation with local communities - rather than inputs and outputs defined by administrators and funders;
- clear service agreements with providers, tied into the neighbourhood plan.

Central government has a crucial role to play in giving priority to joined up indicators and creating incentives for local services to work in joined up ways. One vehicle for this is Best Value, where co-ordinated approaches in some authorities have embarked on a joint process for developing Best Value in fields where several different agencies have responsibility (services to older people and estate maintenance are the two most common examples). These processes also help to reduce the fragmentation that competitive tendering introduced. The community planning process is another route to developing joined up implementation systems.

A joined up centre

Experience suggests that a joined up centre is essential. It would need to operate at several levels:

- **At district or city-wide level**
  A district partnership which:
  - commits all local partners at a senior level to joining up at neighbourhood level to tackle social exclusion;
  - brings into an overall framework plans for modernising local government, Best Value, beacon councils, community planning and the range of current partnerships;
  - develops a strategy for knowledge production, capacity-building, technical support and community development;
  - agrees criteria for selecting neighbourhoods which need a Neighbourhood Management approach and for allocating priorities;
  - links local neighbourhoods into district-wide and regional strategies;
  - co-ordinates special initiative and mainstream funding.

- **At regional and national level**
  A strategy to tie Neighbourhood Management into regional and national economic development strategies and to provide an infrastructure to maximise the effectiveness of local initiatives as well as the dissemination of learning and best practice.

  Commitment is required from all central government departments to allow for *flexibility* in response to local priorities, applying fitness-for-

purpose tests and avoiding unnecessary and complex regulation and monitoring systems. This would include flexibility in financial and auditing frameworks and in setting national service standards.

2. People

A comprehensive community strategy is needed at neighbourhood and district or city-wide level to ensure effective community engagement. Community initiatives have been essential to developing a holistic response to social exclusion. But they have often succeeded against the odds, and they involve many hours of unpaid work on the part of people who are already struggling to survive. Short lead-in times and inflexibility in implementation mean that only those who can 'hit the ground running' can get involved. Effective and widespread community engagement will need to be rooted in small-scale activities which provide a variety of ways into involvement, which build skills, confidence and social capital, and which ensure that residents hold their own institutions and representatives accountable, as well as other agencies. This requires:

- a robust community development strategy, at neighbourhood and district or city-wide level, supporting a range of local groups across different local communities and interests;
- a variety of approaches to consultation - whoever is in the lead;
- a relaxation of the barriers that prevent people on benefit from playing an active role;
- a well-resourced community infrastructure to support local involvement and ensure accountability;
- appropriate accreditation and rewards for community representatives;
- time.

What sort of workers does the neighbourhood management model need?

- Front-line professional workers with clear delegated authority, regardless of agency, to support the development and implementation of community plans.
- Multi-skilled workers who can operate in situations where they are accountable to a range of stakeholders and exercise influence without traditional line management authority.
- Middle managers in new roles where they enable rather than control.
- Skills in mediation, negotiation, brokerage, networking, conflict resolution and problem-solving.

Capacity-building is always prescribed for communities, rarely for the agencies and policy-makers that they work with. But experience suggests that new skills and incentives are also required in the public sector (for officers and councillors) and other professional agencies.

This will require:

- a major programme of capacity-building in public and voluntary agencies, including joint training with community participants;
- the restructuring of public sector careers and professions in ways which reward joint working;
- opportunities for joint discussion, sharing knowledge, secondment, shadowing and learning across boundaries.

3. Investment

Mainstream money needs to be the mainstay of holistic Neighbourhood Management, but the availability of some money up-front can ease the development costs and bring people on board. Some options for freeing up money for joint working are given on page 5. Other sources of investment which will support holistic working in the long term are:

- voluntary transfers and private finance initiatives around specific joined up projects;
- a community resource fund with few strings to allow smaller community groups to access funding and to provide matching funds for special programmes;
- local community foundations which can combine public and private money for local purposes;
- social investment in community development trusts and similar community-led institutions, which provide an income and give local communities ownership of assets;
- agencies which can streamline access to European and other funds.

Making it easier for community groups to access European funds

Community-based organisations often find it difficult to access European funding, because of the need to get match funding and because of the complexity of the applications process. The South Yorkshire Key Fund has been established to overcome this. All the funds are being pre-matched by the four local authorities and three TECs in South Yorkshire. The Fund also has a very simple application process - including a two page application form - and funds are paid, according to project need, in advance rather than in arrears.

4. Infrastructure

If the potential of community-led institutions as an engine for tackling social exclusion is to be realised, a major government initiative will be required to develop a financial infrastructure which will promote social investment, match public and private money and regulate its use. There are several models from the US which have underpinned the establishment of major community development corporations and community investment on a scale not yet experienced in this country. Regional Development Agencies could have a key role to play in supporting their growth and linking them into the wider economy.

But infrastructure is not just about money. Effective Neighbourhood Management will require:

- **technical aid** - to develop new forms of budgeting, knowledge production and enterprise development;
- a **joined up community** - neighbourhood institutions which provide channels for representation and accountability to all the interests in the area;
- **vehicles to connect** community activists and agents for change across agencies, to encourage formal and informal dialogue, negotiate the middle ground between 'top-down' and 'bottom-up', share and benchmark effective practice, and to facilitate joint learning within and across areas.

These can be provided by strengthening the existing infrastructure, with a focus on independent local and regional networks which would support capacity building, learning exchange across partners, peer audit and benchmarking. These could in turn be linked into a national forum for exchange, perhaps along the lines of a University of Regeneration, as suggested in the Social Exclusion Unit report *Bringing Britain Together*, so long as this plays a facilitating rather than centralising role.

A PROCESS FOR CHANGE

Effective Neighbourhood Management will require a strong lead from central government which makes it clear that standing still is no longer an option, and which empowers the champions of change. But ultimately Neighbourhood Management cannot be imposed from above. It demands an 'incremental' approach, which will require clear milestones, but:

- recognises that **holistic working is resource-intensive** and needs time to develop;

- does not set structures and outputs in concrete at the outset, but **allows the most appropriate forms and goals to evolve** as the full range of potential partners comes on board and learning is absorbed;
- recognises **the need for informal as well as formal structures** to be developed - what Demos calls the 'weak tools' of persuasion and knowledge-building as well as the 'strong tools' of regulation.

HOW TO GET FURTHER INFORMATION

This *Foundations* is based on a review of published research into the major area-based regeneration programmes and on selected examples of neighbourhood initiatives across the country. The review was carried out for the Social Exclusion Unit and the Joseph Rowntree Foundation.

The full report, **Top-down meets bottom-up: Neighbourhood Management** by Marilyn Taylor, is published by the Joseph Rowntree Foundation (ISBN 1 85935 054 2, £11.95).

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