
NEIGHBOURHOOD RENEWAL FUND CONSULTATION

**Responsible Cabinet Member(s) - Councillor David Lyonette,
Regeneration and Planning Portfolio**

Responsible Director(s) - John Buxton, Director of Development and Environment

Purpose of Report

1. To inform Members of the options put forward by the Government for the distribution of Neighbourhood Renewal Funding post 2005/6 and to seek support for the Darlington Borough Council response to the corresponding consultation exercise.

Information and Analysis

2. The Neighbourhood Renewal Fund (NRF) was created by the Government in 2001 and has distributed over £1,350 million to the 88 most deprived local authority areas in England. The 88 eligible areas were identified as those who are ranked within the worst 50 nationally across any of the six indicators used in the Index of Multiple Deprivation 2000 (IMD2000).
3. NRF monies are awarded to improve service delivery in deprived communities and stimulate progress against a national set of 'floor targets' such as levels of teenage pregnancy and unemployment among disadvantaged groups.
4. Although Darlington were ranked as the 88th most deprived local authority (overall) in the IMD2000, we did not come within the worst 50 against any of the six indicators used to determine NRF eligibility, and therefore did not qualify for any resources.
5. Darlington is the only area within the Tees Valley not in receipt of NRF support. This situation has consequently been the subject of much lobbying, as NRF eligibility would have brought significant resources into Darlington. Discussions have been held between the Council and senior officials from the Neighbourhood Renewal Unit and Government Office, over a significant period of time, in an attempt to influence how the funding is distributed in future.

Consultation

6. The distribution of NRF post 2005/06 is currently under review by the Neighbourhood Renewal Unit, within the Office of The Deputy Prime Minister. A consultation document has been issued, which identifies a series of examples to illustrate different methods for distributing the funding, based on the Index of Multiple Deprivation 2004 (IMD2004). Local authorities and local strategic partnerships across England have been asked to identify which method of distribution they feel is most appropriate.

7. Unlike previous versions of the index, IMD2004 enables deprivation to be measured down to Super Output Area (SOA) level, which is a geographical unit below ward level comprising around 1,500 people. Some of the methods put forward in the consultation report are based on eligibility at local authority level, with others based on the number of deprived SOAs within a particular local authority. There are 32,482 SOAs nationally and 63 in Darlington.
8. The four options put forward in the consultation can be summarised as follows:
 - (a) *Example 1* - Any local authority ranked within the worst 50 against any of the six indicators used in IMD2004. This effectively 'rolls-forward' the criteria from the previous rounds and will reduce the number of eligible authorities from 88 to 80, due to revisions in the IMD2004.
 - (b) *Example 2* - Any local authority ranked within the worst 20 against any of the six indicators used in IMD2004. This reduces the number of eligible authorities from 88 to 44.
 - (c) *Example 3* - Any local authority area with 10 or more SOAs among the 10% most deprived nationally. This reduces the number of eligible authorities from 88 to 76.
 - (d) *Example 4* - Any local authority with one or more SOAs among the 3% most deprived nationally. This increases the number of eligible authorities from 88 to 94.

Darlington's Eligibility

9. Under examples 1, 2 and 3 Darlington would still not be eligible for NRF, although under Example 3 Darlington has 9 of the 10 required SOAs, leading to a 'near miss'.
10. Under Example 4 Darlington would qualify for NRF as there are two Darlington SOAs in the worst 3% nationally. Calculations by the Tees Valley JSU indicate that this could potentially bring in approximately £1 million over two years, if adopted.

Eligibility versus Targeting

11. The method chosen to determine which local authorities are eligible for NRF will not necessarily determine which areas *within* authorities can be targeted, so it is not clear whether use of NRF would be restricted to supporting the two Darlington SOAs identified as part of the eligibility criteria, should Example 4 be adopted nationally.

Outcome of Consultation

12. As Example 4 represents the only way forward that includes Darlington it would clearly be prudent to support this method. Example 4 also reflects the situation the Council has been pressing for over the past two years and supporting it through the consultation not only reflects our best interests, but is consistent with all discussions held with the Neighbourhood Renewal Unit to date.
13. The Council have consistently lobbied for the use of Super Output Areas to determine eligibility, as areas such as Darlington contain small pockets of deprivation that were not recognised by the previous methodology (or Examples 1 and 2). Although Example 3

utilises Super Output Areas to determine eligibility, it still excludes many areas with small pockets of deprivation, drastically reducing the scope for dealing with neighbourhood renewal issues. Example 4 is therefore the only way forward which offers a real solution to neighbourhood renewal in areas such as Darlington.

14. The issue of targeting, as opposed to eligibility, is less straightforward. If funding is secured by the inclusion of two Super Output Areas in the worst 3% nationally (Example 4), then it would be difficult to argue for that funding to be utilised across a wider area. One practical solution would be to agree that the two Super Output Areas should be the main areas of benefit, with some of the funding available over a wider area to address any *themed* issues identified in an authority's Neighbourhood Renewal Strategy.

Legal Implications

15. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

16. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

17. The issues contained within this report do not represent change to Council policy or the Council's policy framework

Decision Deadline

18. For the purpose of the 'call-in' procedure this does not represent an urgent matter

Recommendation

19. It is recommended that :-
 - (a) The Council support the distribution of Neighbourhood Renewal Fund resources post 2005/6 to local authority areas with one or more Super Output Areas among the 3% most deprived nationally (Example 4);
 - (b) The Council support the targeting of Neighbourhood Renewal Fund resources primarily on the eligible Super Output Areas, whilst retaining sufficient flexibility to address wider issues identified in an area's Neighbourhood Renewal Strategy.

Reasons

20. The recommendations are supported by the following reasons :-

- (a) To enable the Council to respond to the consultation on the distribution of Neighbourhood Renewal Funding post 2005/06;
- (b) To enable the Council to influence the distribution of Neighbourhood Renewal Funding post 2005/06, in line with previous lobbying efforts.

John Buxton
Director of Development and Environment

Background Papers

Allocation of the new Neighbourhood Renewal Fund (NRF) resources 2006-07 and 2007-08
Consultation Paper – Neighbourhood Renewal Unit

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