



Office of the
Deputy Prime Minister

Creating sustainable communities

Research Report 23

Neighbourhood Management – at the Turning Point?

Programme Review 2005-06

Summary



Neighbourhood
Renewal Unit



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The National Evaluation of the Pathfinder Programme is being undertaken by a consortium of organisations led by SQW Ltd:

- SQW Ltd
- GFA Consulting
- European Institute for Urban Affairs, Liverpool John Moores University
- Cities Research Centre, University of West England, Bristol
- Cambridge Economic Associates
- Local Government Centre, Warwick Business School, Warwick University
- Ipsos-MORI
- Gfk-NOP

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Key Findings

Introduction

Neighbourhood management is a new approach to improving public services, building community capacity and promoting renewal in deprived areas. The approach was identified in 2000 by the Social Exclusion Unit's fourth Policy Action Team (PAT4) report as a potentially valuable tool to "*enable deprived communities and local services to improve local outcomes, by improving and joining up local services, and making them more responsive to local needs*". To test the effectiveness of neighbourhood management a national Pathfinder Programme was established by ODPM in 2001, and 35 Pathfinders are now in operation. There has also been growing interest among policymakers in its potential to promote neighbourhood working, and the number of initiatives has been growing rapidly in recent years, with over 250 neighbourhoods now employing it in some form in England.

SQW and its partners have been appointed by ODPM to undertake the long-term evaluation of the Neighbourhood Management Pathfinder Programme. This report presents the findings of a full review of the Programme in autumn 2005, studying the performance and impacts of the 20 Round 1 Pathfinders (established in 2001) and the 15 Round 2 Pathfinders (established in early 2004).

A developing Programme

Since the last review in 2004 the Programme has continued to develop:

- Round 1 Pathfinders have deepened their relationships with many service providers. The strongest involvement has been secured from the Police, local schools, Primary Care Trusts, local authority housing services and local authority environmental services.
- However, some service providers have proved difficult to engage with any consistency at a neighbourhood level – particularly Local Learning and Skills Councils, public transport bodies and local authority social services.
- Since 2004, 15 Round 2 Pathfinders have been established. Lessons learnt from Round 1 have enabled these partnerships to establish themselves more quickly and achieve a clearer focus in their first year of activity.

Impact

Round 1 Pathfinders, which have been operating for four years, have secured changes from a wide range of public services.

- The most common types of service improvement achieved relate to improving access to services for local people, increasing the scale of local provision and delivering services more responsively to local needs.
- The greatest change has been from the Police, reflecting the importance of community safety as a concern for local communities, the emphasis given to working with them, and their responsiveness.

- The second greatest area of change has been in respect of environmental services. There is evidence that those Pathfinders that have prioritised the improvement of environmental services have secured both cleaner neighbourhoods and have helped to change residents' perceptions of their local area.

The completion of household surveys in all Round 1 areas in the spring of 2006 will provide a substantial amount of data about how the Pathfinder areas have changed since the first survey in 2003. An initial study of changing crime outcomes has been conducted, using data collated from the Police in most Round 1 areas, although this needs to be interpreted with caution at this stage in advance of a fuller analysis. Preliminary analysis shows that crime has fallen in three quarters of Round 1 Pathfinder areas for which data was available during the Programme, and that the gap with the local authority was closing in just over two fifths of the areas.

The added value that Neighbourhood Managers and their partnerships most obviously and consistently bring is:

- the identification and crystallisation of local problems into specific challenges, as seen from a 'customer/resident' viewpoint, together with the ability to raise them with service providers and prompt a faster response. In particular, this provides a drive for coherent solutions to 'joined up problems' as this is how residents experience them;
- promoting networking, relationships and joint working between service providers at a local level, to bring about more holistic responses to local challenges;
- improving the accessibility of services, particularly by promoting local/outreach delivery in the neighbourhood;
- providing an environment in which innovation and pilot projects by service providers are encouraged and can be better delivered, with new working practices developed as a result;
- bringing residents and service providers together to improve the sensitivity and responsiveness of local services to local needs; and
- helping to strengthen the local community and voluntary sector.

Rolling out neighbourhood management

The neighbourhood management approach is already being considered for roll-out in over half of the 20 Round 1 local authority areas. The most common approaches that are emerging at present are either to establish a further neighbourhood management team in an additional neighbourhood or to seek to apply it to more areas but at a larger spatial scale, partly due to cost reasons.

Our research shows that the average annual cost of operating neighbourhood management using the Pathfinder model is £200,000 per year per neighbourhood, which is approximately £20 per head of the local population. Costs per head appear to rise significantly for areas of less than 5,000 and economies tend to peter out for populations larger than 15,000. It should be noted that neighbourhood management initiatives outside of the programme are being

delivered at lower costs (e.g. £150,000 per neighbourhood), with smaller teams, although also potentially with smaller impacts.

Conclusions and policy implications

Our research has demonstrated that neighbourhood management, as delivered by this programme, is capable of bringing mainstream services together and involving local communities to deliver better outcomes for deprived areas. The main benefits so far have been to make the deprived Pathfinder neighbourhoods safer and cleaner and help shape services that are better joined up, more accessible and more responsive to local needs. There is evidence that even relatively modest improvements in key services and outcomes can also have a significant effect on local resident perceptions of their area, boosting confidence.

Notwithstanding this, neighbourhood management has ‘struck a chord’ with many organisations and people that have come into active contact with it. To many practitioners, residents, councillors and service providers, it has the hallmarks of a more intelligent and sustainable approach to neighbourhood renewal and public service improvement. It is not expensive compared with more conventional regeneration approaches, it is grounded in its local community with a dedicated local team, and it is clearly focused on improving mainstream services – the services that matter in deprived areas – from the perspective of the ‘customer’.

Neighbourhood management has reached, in our view, a crucial turning point in policy terms – possibly a ‘make or break’ moment, especially because funding for the Pathfinders is now part of LAAs/SSCFs rather than being ring-fenced. If it fails to convince, it will join many other regeneration initiatives that come and go, but if it is identified as the ‘right tool at the right time’ it may develop to become an essential tool in delivering neighbourhood renewal. On the basis of the evidence we have gathered and analysed, we suggest that neighbourhood management is indeed a valuable tool that deserves to be developed and adopted more widely. It is, alone, not sufficient to deliver neighbourhood renewal but can add value to that process in many deprived areas.

Within this positive assessment, there are some important caveats and issues:

- **Size matters?**

Amongst those local authorities proposing to roll-out neighbourhood management more widely in their areas, a number are proposing, or exploring, the option of rolling out the principles of neighbourhood management but at a larger geographical scale – ‘areas’ not ‘neighbourhoods’. The reasons cited for this clearly include cost considerations.

Whilst this may seem like a pragmatic compromise, it is our view that neighbourhood management cannot necessarily be ‘scaled up’ to a larger geographical unit, particularly with respect to the community engagement that is an integral part of how it works. Attempting to secure the same benefits by working at a significantly larger scale is, to our knowledge, largely untested. The largest areas in the Pathfinder Programme have populations of up to 15-20,000 but not beyond this. An alternative option to larger geographical areas would be to retain a limited geographical focus but use smaller teams.

There is also an open question as to how realistic it is to expect local authorities to voluntarily roll out a neighbourhood level programme that implies some degree of

community empowerment. Whilst some authorities clearly welcome this, some do not. Further encouragement and support from central government may be necessary if neighbourhood working is to be widely adopted.

- **The nature and scale of impact**

A careful consideration of the evidence presented in this report shows that the benefits and impacts attributable to the Pathfinders do not extend to all services in all areas, and those impacts are not always large-scale in their effects.

Nevertheless, we believe we have identified and presented robust evidence in this report of those benefits that neighbourhood management can deliver. It is also important to be realistic in our expectations of what a small, modestly funded neighbourhood partnership can achieve in respect of neighbourhood renewal. Neighbourhood management may be able to add value, but it cannot, alone, deliver neighbourhood renewal objectives. When assessing the value of neighbourhood management as a tool for change therefore, we must assess the benefits against the scale of investment to achieve them.

- **Performance management and roll-out**

Progress has been made by many Pathfinders in developing performance management systems and processes. However, our review suggests that further support and guidance is necessary, particularly to improve the use of neighbourhood outcome indicators and the ability to provide clearer evidence on local costs and benefits.

- **Worklessness**

Our review has highlighted that worklessness is a key issue for most Pathfinders, yet it has not been a priority for many Pathfinders of either Round. As already discussed, this has been partly because issues relating to community safety and the local environment have been prioritised by many Pathfinders. Now that all Pathfinders have passed their initial stage, however, it is appropriate to review the attention given to this theme. It is not clear to what extent neighbourhood level interventions can effectively deliver employment outcomes, but given the importance of the issue, we believe that it is important that this is at least properly tested by the programme.