

Report to: Regeneration Panel

Date: 22 January 2009

Subject: Working Neighbourhoods Fund - Criterion 3

Report of: Executive Director of Environmental Services

Contact officer: Patricia Evans 01942 8288948

Purpose / summary: To update Members on revisions proposed to Criterion 3 for Working Neighbourhoods Fund (WNF) 2009-11.

Alternative options considered and reason for selecting the one recommended:

1. Not to support the changes to Criterion 3 would result in Wigan not benefiting from an additional £124,036.
2. Support the changes to Criterion 3 would result in Wigan benefiting from an additional £124,036.

Recommendation / decision: Members are asked to note the contents of the report and the positive response to the consultation that will be submitted.

The decision will be made as a result of this report and will be published within 48 hours.

Risks / Implications:

Financial: Increase in allocation to Working Neighbourhoods Fund 2009-11 - £124,036.

Staffing: No staffing implications.

Policy: Worklessness Strategy 'What Makes Wigan Work'.

Equal Opportunities - Has a Diversity Impact Assessment been conducted? Yes

Wards affected: All Wards specifically the worst 10% based on worklessness figures.

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? **Yes**

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget? **Yes**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

Categorisation of the report:	x		x
Discussion leading to a decision		Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
Regeneration 21/01/09			

List of Background Papers in accordance with Section 100D of the Local Government Act 1972:

Title of document	Which meeting did it go to?	Date of meeting	Copy available from?
The Working Neighbourhoods Fund 2009-2011: Revising the third criterion			www.communities.gov.uk or Economic Regeneration Office

Proper Officer
Date

Martin Kimber
2 January 2009

1.0 Background:

- 1.1 In 2001 the government published 'a new commitment to neighbourhood renewal: national strategy action plan' which set out a vision that within 10 to 20 years no-one should be seriously disadvantaged by where they live. Since then the launch of the strategy, communities and local government has allocated significant resources to neighbourhood renewal areas. Other government departments and agencies have also increasingly focused their investment on the most deprived areas, nevertheless, concentrations of deprivation remain and despite rapid improvement in some of the most deprived areas, worklessness remains persistent.
- 1.2 Government believes that getting people back into work is key to improving their lives and tackling poverty. To support this, the government decided to establish a new fund working neighbourhoods fund (WNF) which focuses on some of our most deprived areas and which supports local authorities and communities in their efforts to tackle worklessness and the other elements of deprivation. The increased focus on worklessness is also supported by the recommendations of the review of sun-national economic development and regeneration (SNR).

2.0 Consultation:

- 2.1 This consultation has been issued to seek views on the government's proposal to revise the third criterion; that is used to determine the eligibility of local authorities for WNF.
- 2.2 In December 2007 allocations of WNF were awarded on the basis a local authority meeting one of the three eligible criteria, the three criteria were:
 - 20% or more of their lower super output areas (LSOA) in the most deprived 10% nationally on the employment domain of the IMD 2007;
 - 20% or more of their LSOAs in the most deprived 10% of LSOAs nationally on the overall IMD 2007 and;
 - Local authority is ranked among the top 40 areas with the highest combined benefit/non-employment rate.
- 2.3 The proposed revision will apply for 2009/10 and 2010/11 and will not affect criteria one and two, as outlined above.

3.0 The third criterion

- 3.1 A third criterion was introduced which consisted of a 50-50 weighting index based on benefit receipt and employment rates as the first two criteria only capture those people claiming out of work benefits. The third criterion ensured that areas with large numbers of people who were workless, but were not in receipt of benefits, were captured.
- 3.2 WNF allocations were awarded in December 2007 to those areas whom qualified under one of the three criteria, 66 local authorities qualified under these criteria.
- 3.3 Following the announcement in December 2007, the department for communities and local government realised that some of the data used to

calculate the third criterion has inadvertently excluded some members of the population.

- 3.4 As it was never the intention to exclude these members of the public, the government are now proposing to revise the third criterion from 2009-10 and to allocate WNF on this basis.

4.0 Changes to the third criterion

4.1 The changes are to:

- Use the most up to date and robust data sets;
- Ensure that benefit, employment and population data are drawn from a single year (2007) and;
- Raise the cut off point from for the third criterion from 40 to 50 local authorities on the ranking system.

5.0 Implications

5.1 If the proposals are adopted the revised third criteria would see 65 local authorities qualifying for WNF and two authorities currently receiving full WNF failing to meet the new eligibility criteria. These authorities would be reclassified as transitional authorities and would be replaced by two other authorities both of whom are currently in receipt of transitional payments. Wigan is not affected by these changes.

5.2 The financial implications for Wigan are that for both 2009-10 and 2010-11 there would be an increase in WNF allocation, this is demonstrated in the table below.

	Original WNF Allocation	Revised WNF Allocation	Difference
2009-10	£7,321,622	£7,354,605	£32,983
2010-11	£7,662,778	£7,753,832	£91,053
Total	£14,984,400	£15,108,437	£124,036

6.0 Alternative options considered and reason for the recommended option:

6.1 The only other option would be not to support the changes to Criterion 3. In not support the changes Wigan would not receive an increase of £124,036 to the WNF.

7.0 Conclusions:

7.1 Wigan should support the proposed changes to the third criterion and the increase in WNF allocation Wigan would receive under the revised scheme.

Martin Kimber
Director of Environmental Services
RP/ER/PE/LC/33.0P
2 January 2009

Diversity Impact Assessment form

Section: Environmental Services

Policy/Service Area: Regeneration and Communities

Person Completing Form: Patricia Evans

Date: 01/12/08

Do any of the below groups suffer specific disadvantage (please indicate)

	Yes	No		Yes	No
Race		X	Disability		X
Ethnicity		X	Gender		X
Age		X	Religion		X
Class		X	Sexual Orientation		X

Is there evidence of disadvantage or associated problems?

There is not evidence of disadvantage or associated problems through this consultation.

How was the information collected and/or who have you consulted with?

Information was collected based on a government published document 'The Working Neighbourhoods Fund 2009-11: Revising the Third Criterion – Consultation'. The Worklessness Working Group, representatives nominated on behalf of Local Strategic Management Group have been consulted on the response. This group supports the management and delivery of the Worklessness Strategy 'What Makes Wigan Work'.

Action Plan – *What specific actions are planned to tackle any disadvantage identified?*

Not applicable.

Is the policy in line with current equality legislation and relevant codes of practice?

Yes

Timescale	9 January 2009
Responsibility	Susan Gambles
Comments	None

Are the actions specified included in any other documents/plans?

Departmental Service Plan	Environmental Services
Section/Team Plan	Regeneration and Communities
Other (Specify)	None

Date for further review – no further review required.