

# Unlocking the talent of our communities



~~~~~Unlocking talent

# Unlocking the talent of our communities

This is a government committed to unlocking the talents, not of some of the people, but of all of the people. We want to see every region, city, town and neighbourhood do well, not just the few. Our national prosperity and competitiveness depend on our ability to tap into the creativity, energy, ingenuity and skills of the British people.

The Government has made great strides – by conquering mass unemployment and youth unemployment; by tackling failing public services and driving school standards up; and by tackling head on the challenges of child poverty. But the work never ends. There are still too many young people not getting the chances they deserve, too many neighbourhoods marred by worklessness, too many people unaware of the opportunities which could be open to them.

We need to unlock the talents of the British people, so that each of us may rise to our full potential, for the benefit of all of us.

But this is about more than individual fulfilment and success – it is about our place in the new world developing around us. Britain can no longer be a country held back by disadvantage and unfairness, but instead be a nation firing on all cylinders, and ready to embrace the future. With the rise of the economies of China and India, we need to unlock British talent so we can be competitive in this rapidly changing global economy.

There has been significant progress in some of our most disadvantaged communities in recent years. People have proved that given the right opportunities, skills and backup, there is nothing inevitable about poverty, crime or anti-social behaviour, and that no area is beyond regeneration and renewal. Now we want to keep the momentum going.

Government at all levels must be focused, imaginative and courageous to create opportunities for people to flourish. A key element of this is to forge more influence, control and ownership by local people of local services such as employment, health, education and transport.

But no government can do it alone. This must be a concerted national effort, with the active co-operation of communities and citizens as well as government and its agencies. Government has much to learn from voluntary action and from the ways people organise themselves to secure change in their communities. British society has a rich tradition of self-organisation and bottom-up campaigning, from campaigns to secure better public health, universal education, safety in the workplace and better housing, to modern-day community campaigns against gangs, guns and drugs. We have much to learn from the people down the ages who have shaped their localities and society.

In today's world it is clear that people want a clear voice in how services are provided. Modern public services must emulate and exceed the best of private services; some already do. People want to live in safe, clean neighbourhoods, where their family's security and success is anchored in a strong, safe community. They want public spaces and buildings which inspire and lift the spirits, and which express a sense of pride in their place.

To tap into the talents of all of the people, not merely the few, we need to involve people actively in:

- improving deprived areas through regeneration and promoting work and enterprise
- encouraging active citizenship, and reviving civic society and local democracy
- improving local public services by involving local users and consumers; and
- strengthening local accountability.

The Government will be considering these issues over the coming months, leading to a White Paper on empowerment in England which we plan to publish in the summer.

## Your contribution is important

We want a wide range of people to contribute to the thinking that goes into the Empowerment White Paper, including practitioners and activists in the communities sector, local government, public services and policy areas across central government.

There is no time to waste, so to help focus people's minds we have included a series of questions to encourage discussion about the essential issues. You will find these highlighted below and you can reply in a number of ways:

- send an email to [unlockingtalent@communities.gsi.gov.uk](mailto:unlockingtalent@communities.gsi.gov.uk)
- write to the Community Empowerment White Paper Unit, Communities and Local Government, Zone 5/C6, Eland House, Bressenden Place, London SW1E 5DU
- visit: [haveyoursay.communities.gov.uk/forums/](https://haveyoursay.communities.gov.uk/forums/) and take part in the online discussion.

As the White Paper develops there will be other questions we want to tackle with you. Keep an eye on the website at [www.communities.gov.uk](http://www.communities.gov.uk), where we will be posting regular updates, and providing suggestions to help people run their own events and activities and engage with the White Paper process.

We also propose to publish a new framework for regeneration which will sit alongside the Empowerment White Paper, and provide a new approach for this Department and the Government. The remainder of this document explains the Government's approach to regeneration and to promoting work and enterprise, giving particular emphasis to the empowerment of citizens, and then sets out issues which the White Paper will address.

## Regeneration and promoting work and enterprise

Regeneration aims to bring opportunity to areas that are in decline, and to empower people to take advantage of those opportunities. The decline of an area is often caused in the first instance by structural economic change and a reduction in employment. Parts of the UK have experienced substantial deindustrialisation and loss of jobs since the 1970s, particularly during deep recessions in the early 1980s and early 1990s. In some areas there has been a rapid turnaround in employment; in others a cycle of decline has been set off.

During the last ten years significant progress has been made in providing better opportunities to everyone regardless of where they live. There is still much to be done, however, to create more opportunities for people to get into work and develop their talent and skills.

In 2001 the Government published a *National Strategy Action Plan: A New Commitment to Neighbourhood Renewal*<sup>1</sup>. This set out a radical vision that within 10 to 20 years no-one should be seriously disadvantaged by where they live. This strategy has had a significant effect in the most deprived areas. Overall, the gap in performance has narrowed between deprived local authority areas and the rest.<sup>2</sup> Targeted neighbourhood renewal programmes have directly helped in:

- improving the physical environment
- creating jobs
- providing training
- improving community involvement, and social cohesion
- improving a range of mainstream and local services; and
- reducing crime and fear of crime.

These improvements have important positive effects on people's satisfaction with and trust in local government and other local public bodies, and in their quality of life<sup>3</sup>. However, these targeted programmes have been slower to bring about a significant reduction in the number of people without work<sup>4</sup> and deprivation is still intense in some areas<sup>5</sup>. As John Hills found, over half of working age households in the social sector in England are workless, up from 34 per cent in 1981<sup>6</sup>.

That is why it is now time to take a new approach which links the successes at neighbourhood levels to opportunities in the wider economy, enables social housing to act as a successful platform for social and economic mobility and places a new focus on promoting work and enterprise. We need to regenerate these areas for the economic health of their local communities and also for the country. In the context of the competitive global economy, we cannot afford the waste of talent and skill.

Promoting work and enterprise and strengthening the economic base of an area - and so connecting the supply and demand sides for labour - will be central to reversing decline. That is why Communities and Local Government and the Department for Work and Pensions have launched the Working Neighbourhoods Fund (see below).

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<sup>1</sup> Social Exclusion Unit, January 2001

<sup>2</sup> Source: ONS/DH, DfES, Home Office, ONS Labour Force Survey, Communities and Local Government

<sup>3</sup> New Deal for Communities 2001-2005: An Interim Evaluation, CRESR, November 2005

<sup>4</sup> Worklessness is a less familiar term than unemployment to describe those without work. It is used to describe all those who are out of work but who would like a job. People use it because common definitions of unemployment miss out important groups of people who are not working but who would like to. Between 1999 and 2005 the hierarchy of individual areas remained relatively unchanged with respect to worklessness (indicative analyses from the National Strategy for Neighbourhood Renewal Evaluation).

<sup>5</sup> The English Indices of Deprivation 2007, Communities and Local Government website: [www.communities.gov.uk/documents/communities/pdf/576659](http://www.communities.gov.uk/documents/communities/pdf/576659)

<sup>6</sup> Ends and Means: The future roles of social housing in England by John Hills, LSE, February 2007, 2006 figures.

Physical regeneration is part of the process of strengthening the economic base, but also important in its own right. That is why the Government is creating the new Homes and Communities Agency to improve the coordination of housing and regeneration investment in England. In practice, the most effective regeneration will combine physical, social and economic renewal.

There are two ways in which we will be ensuring that regeneration occurs within the right framework. First, in 2007, we published the Sub-National Review of Economic Development and Regeneration and we will shortly be publishing a consultation document taking the Review forward. Second, later this year we will produce a framework for regeneration. The framework will set out how the public sector at all levels should work with the private and third sectors to improve the coordination and prioritisation of regeneration activity. It will improve the effectiveness of regeneration by:

- setting out the Government's rationale and objectives for regeneration, with a clearer focus on economic development and tackling worklessness
- setting out core principles for regeneration to improve the effectiveness and efficiency of regeneration based on stronger analysis and a robust evidence base on how and where to maximise impact
- setting out the scale of planned investment in regeneration within the Comprehensive Spending Review period, explaining how Government policies and programmes – both area-based and mainstream – should work together to promote regeneration
- setting out how those involved in regeneration can improve the value-for-money of investment, including looking beyond their immediate lines of accountability to understand and harness the resources and processes that can help them achieve sustainable regeneration; and
- helping local authorities, sub-regional partnerships, Regional Development Agencies, the Homes and Communities Agency, and the Government to improve the prioritisation of areas for regeneration in partnership with the private and third sectors.

In doing this, the Government will explain its view that effective regeneration:

- relies absolutely on the active participation and engagement of local people and communities, and not on just the articulate and organised, but on the broad majority of residents and groups traditionally excluded from consultation exercises
- creates lasting solutions by giving local people the power to control their destinies, create enterprises, channel investment and income, and to involve local people in social enterprises, mutuals, and co-operative ventures
- tackles the underlying causes, rather than the symptoms of decline. Regeneration strategies will need to tackle market failures that act as barriers to economic growth and employment as a means to reversing decline. Evidence shows that those in employment are happier<sup>7</sup>, healthier<sup>8</sup>, and less likely to be involved in crime<sup>9</sup>; conversely poor health can prevent people getting into work

<sup>7</sup> Life Satisfaction: the state of knowledge and implications for government, Strategy Unit, December 2002

<sup>8</sup> Is work good for your health and well-being? Gordon Waddell and A Kim Burton, 2006

<sup>9</sup> Crime and Economic Incentives, IFS, 2000 (Meghir and Machin)

- targets investment at the appropriate spatial level, with effective co-ordination between neighbourhood, local, sub-regional and regional levels, as well as between national agencies
- takes account of the fact that successful regeneration will require private sector investment, for example in delivering new homes and in creating jobs. Thus our approach to regeneration will need to consider how local authorities, Regional Development Agencies, and their partners can identify opportunities for investment and enable the private sector to take advantage of these opportunities.

## Working Neighbourhoods Fund

We have taken a major step towards supporting people in the most deprived areas into work by rolling out the Working Neighbourhoods Fund (WNF). The new £1.5 billion fund, which incorporates the DWP's Deprived Areas Fund (DAF), will be paid as one element of Area Based Grant from 2008-11.

The Working Neighbourhoods Fund element of Area Based Grant has been allocated to local authority areas which the evidence indicates face particularly significant challenges as a result of high numbers of people without work and low levels of skills and enterprise. As Area Based Grant is not ringfenced, eligible areas will have the flexibility to use their WNF element alongside other spending in innovative ways to tackle local priorities.

Local authorities in WNF areas have a crucial role to play in promoting employment, especially in the most deprived neighbourhoods. Evidence suggests that there are three roles for local government in promoting work in deprived communities:

- acting to lead, broker and facilitate coordination and collaboration between multiple agents around tailored strategies and activity (For example, research has highlighted the excellent work of registered social landlords in improving opportunities for their tenants<sup>10</sup>). The Local Strategic Partnership is likely to be the key forum for this coordination
- combining local government and other services (such as childcare, housing, jobs and training, social services, and transport) into integrated responses to the needs of people who face barriers to labour market participation; and
- engaging local employers through broader local economic development activity.

WNF gives local authorities new freedoms which will empower them to tackle worklessness in their deprived communities in new and innovative ways. The Government is keen to support the WNF authorities in their endeavours.

The Cities Strategy Pathfinders<sup>11</sup> led the way by demonstrating how an unringfenced fund can be used in new ways to connect up local services and partners and ultimately to tackle worklessness. The Greater Manchester pathfinder for example has been

<sup>10</sup> Housing Corporation, November 2007, Housing Associations Tackling Worklessness, Helen Cope, [www.housingcorp.gov.uk/upload/pdf/HAs\\_worklessness\\_full.pdf](http://www.housingcorp.gov.uk/upload/pdf/HAs_worklessness_full.pdf)

<sup>11</sup> More information on the cities strategy can be found at: [www.dwp.gov.uk/welfarereform/cities\\_strategy.asp](http://www.dwp.gov.uk/welfarereform/cities_strategy.asp)

successful in improving regional communication and has improved the way the pathfinder uses data and performance management from a range of agencies to improve targeting in the most deprived areas.

There is however no single model for the best way to get people back into employment. People experience many different barriers, whether demographic, health related, or relating to the nature of job opportunities available, physical accessibility to jobs, or skills shortages. This means that any programme will need to be adaptable to local circumstances.

Building on the Government's *Opportunity, Employment and Progression: Making Skills Work Paper*, published last November, we want to work with local authorities and other partners to draw upon approaches which are effective in promoting work in their areas.

Recognising the challenges that they face, many WNF areas are making a commitment to promoting employment through including appropriate targets in their Local Area Agreement. It is likely that all WNF areas will have included appropriate employment and skills targets in their Local Area Agreements by June this year.

Communities and Local Government is supporting delivery by investing over £380m through a national improvement and efficiency strategy, jointly agreed with local government. The strategy gives an enhanced role to regional improvement and efficiency partnerships, equipping them with extra resources to support local partnerships to achieve the targets they have set themselves.

We recognise that for some areas the road to developing talent and skills and promoting employment will be challenging. We therefore want to reward progress.

We have announced at least £340 million of performance reward grant to provide a strong incentive for delivery of all Local Area Agreement targets, including employment and skills targets.

Also, in addition to the £1.5 billion Working Neighbourhoods Fund allocation, we have set aside £50 million to reward those communities that make progress in turning around long-term unemployment and in increasing the level of skills and enterprise.

WNF reward will be available to local authorities that have qualified as full recipients and will be paid on successful achievement of agreed milestones. It will take account of performance across all of the (up to) 35 targets agreed between government and the local area but greater weight will be attached to those Local Area Agreement targets identified through the negotiations as being relevant to worklessness so that they are worth a greater share of the reward than other targets. For example, in one area, it might be decided that because there is a low level of enterprise, that indicators on this should be a priority. In others, it might be decided that intermediate work outcomes – taking the early steps from long term worklessness to employment perhaps in a social enterprise – should be targeted; and so the reward should be linked to having a thriving third sector.

The WNF reward will be paid in 2010/11, and we will be asking Government Offices to identify and agree with local partnerships through the Local Area Agreement negotiations which basket of indicators will be relevant to worklessness and its causal drivers in each area.

We expect that the negotiations will identify up to around five relevant indicators from the national indicator set<sup>12</sup> in each locality, with targets set at the appropriate spatial level; and that in each area this basket of indicators will include at least one of the three direct measures of worklessness (unless there are compelling reasons why they should not be included). This will provide strong financial incentives for named partners to target their collective effort and resource on reducing worklessness in the worst affected communities in the local area.

The whole community could benefit through having a more skilled and active workforce and through the financial incentives available. Local authorities will have the discretion to decide how best to use this reward. The Government will encourage local authorities to use the reward to support local facilities and projects, so that local people can see tangible benefits to the community, and to allow local people to decide the local priorities for investment through participatory budgeting schemes.

The Empowerment White Paper will address issues which are linked to the regeneration framework; the two documents will be mutually reinforcing.

### Questions the Empowerment White Paper will seek to answer:

How can government at all levels work together to tackle worklessness and promote enterprise in the most deprived areas?

What are the best means of coordinating social, economic and physical regeneration?

The rest of this document explores some of the other issues and questions which the Empowerment White Paper will address.

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<sup>12</sup> In 2001, 44 per cent of citizens agreed that they could influence decisions in their local area, while the latest figures from the Citizenship Survey (April-September 2007) show that this figure has dropped to 38 per cent.

## Encouraging active citizenship, and reviving civic society and local democracy

Most neighbourhoods have plenty going on, organised by community activists and entrepreneurs who want to make a difference. Active citizens such as these help shape and support the fabric of our society. But this is not true everywhere, and sometimes people feel the barriers are too high, or the incentives too low, to spend their time and talents on building communities.

Local government in England is working better. But there is a drop in the percentage of people who think they can influence local decisions<sup>13</sup>. The age profile of councillors is rising and they are not always fully representative of their communities<sup>14</sup>.

We need to encourage a greater sense of 'active citizenship' and harness new technology to facilitate greater civic participation and political involvement at the local level. Constitutional renewal and the reform of government institutions will provide increased opportunities and influence for people to be involved in decision-making (nationally and locally), and promote cohesive communities. We need a step change in civic participation and in local democracy just as we have had a step change in local performance.

### Questions the Empowerment White Paper will seek to answer:

What is the role of government in encouraging and supporting citizens to be active?

What steps need to be taken to revive involvement in local civic and democratic roles?

<sup>13</sup> In 2001, 44 per cent of citizens agreed that they could influence decisions in their local area, while the latest figures from the Citizenship Survey (April-September 2007) show that this figure has dropped to 38 per cent.

<sup>14</sup> The latest findings from the 2006 Census of Local Authority Councillors revealed that 69 per cent of councillors in England are male (compared to 48 per cent of the adult population) and 96 per cent are white (compared to 90 per cent of the adult population). The average age of councillors is 58 years. Whilst the evidence confirms that the proportion of BME and women councillors is growing (albeit very slowly) over time, the average age of councillors is actually rising.

## Improving local public services

For public services to improve further they must be tailored to the needs of individuals and areas. We need services to become more personalised, but this requires considerable changes over the next decade and the direct involvement of consumers in the design and delivery. Services need to be integrated locally and to reflect both local and national priorities.

These changes will encourage a more diverse supply of providers to meet the needs and choices of users. They will be more responsive and accountable locally and they will be able to ensure that services are flexible, specific to the communities that use them, and transparent, with the emphasis on preventing problems before they arise. They will encourage people to collaborate with services to meet their own needs; for example enabling people with long term health conditions to work with health services to manage their care. Services will also need to find new ways of engaging with users and providing better information. They will also be subject to greater local scrutiny.

Housing is a critical service, and therefore central to giving people more power over their lives. Decent homes are important but not enough. Those who rent in social housing should have just as much say over their housing as those who own their properties.

### Questions the Empowerment White Paper will seek to answer:

How can the power of consumers be better used to improve local services?

How can social housing tenants be given more choice and voice?

## Strengthening local accountability

Traditional civic institutions will need, increasingly, to be more responsive and relevant to all people. Future politics will therefore need both to deal with ‘bread and butter’ political issues and to address issues likely to affect citizens’ wellbeing and environmental concerns.

We need to encourage strong and visible local leadership as well as providing more opportunities for communities to influence decisions. There should be better information about services and more ability for communities to hold public officials and representatives to account at a time and in a way appropriate and convenient for citizens.

### Questions the Empowerment White Paper will seek to answer:

What more is needed to encourage consistently strong local leadership?

How best can we increase opportunities for communities to hold local public officials and representatives to account?

# How you can get involved

The questions in this document are a starting point, we would like to hear your views as the Empowerment White Paper develops.

Please contact us by:

- Emailing: [unlockingtalent@communities.gsi.gov.uk](mailto:unlockingtalent@communities.gsi.gov.uk)
- Writing to:  
Community Empowerment White Paper Unit  
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Zone 5/C6 Eland House  
Bressenden Place  
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- Visiting: [haveyoursay.communities.gov.uk/forums/](http://haveyoursay.communities.gov.uk/forums/) and taking part in the online discussion running until 10 April
- Going to our web pages at [www.communities.gov.uk/unlockingtalent/](http://www.communities.gov.uk/unlockingtalent/) for more information and ideas about how to contribute.

**We look forward to hearing from you.**

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Printed in the UK on material containing no less than 75% post-consumer waste.

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This is printed on  
75% recycled paper

March 2008

Product Code: 07CE05128

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