



Department for  
**Social  
Development**

5<sup>th</sup> Floor  
Lighthouse Building  
1 Cromac Place  
Gasworks Business Park  
Ormeau Road  
BELFAST  
BT7 2JB

Fax: (028) 9082 9548  
e-mail: private.office@dndni.gov.uk

Tel: (028) 9082 9034

Our ref: SUB 874/09

13<sup>th</sup> September 2009

Simon Hamilton MLA  
Chairperson Social Development Committee  
Room 412  
Parliament Buildings  
BELFAST  
BT4 3XX

*Dear Simon*

**MEMORANDUM OF REPLY – RESPONSE BY THE DEPARTMENT FOR  
SOCIAL DEVELOPMENT TO THE REPORT BY THE COMMITTEE FOR  
SOCIAL DEVELOPMENT ON THE CONSULTATION ON THE  
IMPLEMENTATION OF NEIGHBOURHOOD RENEWAL**

I write to you regarding the motion resolved by the Assembly on 2 March "That this Assembly approves the Report of the Committee for Social Development on the Consultation on the Implementation of the Neighbourhood Renewal Strategy and calls on the Department for Social Development to implement the recommendations".

I want to once again commend the Committee and recognise its hard work in bringing forward this report.

The report was comprehensive and contained a number of detailed recommendations which have been given very careful consideration by my Department. This report also provides a valuable contribution to the interim evaluation of the Neighbourhood Renewal Strategy which my Department is currently undertaking.



INVESTOR IN PEOPLE

The attached Memorandum of Reply sets out the Department's response.

Yours sincerely

*Sincerely  
Margaret*

**MARGARET RITCHIE MLA**  
**Minister for Social Development**

cc: Peter McCallion

## Recommendation 1

***The Committee believes that the Department should devise relevant targets which are area-specific covering the main social, economic, physical and community renewal objectives of the Neighbourhood Renewal Strategy and agreed with relevant Neighbourhood Renewal stakeholders.***

### Department's response:

The Strategy for Neighbourhood Renewal indicated that challenging targets, against which progress would be measured at regular intervals, would be set.

Much work has already been done by Neighbourhood Renewal Partnerships to set priorities and targets at local level as part of the process of producing Neighbourhood Vision Frameworks and Action Plans. These are specific to each Neighbourhood Renewal Area. In addition to the ongoing reviews of Neighbourhood Action Plans the Department's Neighbourhood Renewal Unit has initiated a check of compliance with the guidance and that outcomes are closely aligned to the four Neighbourhood Renewal strategic objectives.

The Ministerial Group on Neighbourhood Renewal agreed that regional targets, linked to Government priorities, should be developed to measure the impact of the strategy. A suite of 13 targets focussing on key aspects of deprivation or appropriate interventions at the Neighbourhood Renewal Areas level have been agreed. These targets are owned by these Departments and they will be responsible for monitoring and reporting progress to the Neighbourhood Renewal Unit.

Initially work focused on identifying "the gap" between Neighbourhood Renewal Areas and the Northern Ireland position across a range of key socio-economic indicators (e.g. high unemployment, health problems, anti-social behaviour and low educational attainment). Departments used this information as a basis for target setting. This work identified the current regional and neighbourhood position for each indicator as a means to assess the impact of Neighbourhood Renewal regionally.

Ongoing improvements in the geographical referencing of data and the development of data sources such as the Northern Ireland Neighbourhood Information Service will enhance spatial target setting in future and the Department will seek to fully utilise these developments.

The Department is conducting an interim evaluation of the impact of Neighbourhood Renewal this year. As part of the evaluation data describing

trends on key indicators over the first five years of the strategy is being collated. This information will be provided to the Neighbourhood Renewal Partnerships to inform target setting at a local level.

## **Recommendation 2**

*The Committee believes that the Department should devise a means of charting progress against area specific targets. Progress updates should be provided regularly and should form part of a reporting cycle for both Neighbourhood Renewal Partnerships and all relevant funding departments.*

### **Department's response:**

The Department accepts the importance of monitoring progress against targets. In addition to the monitoring of regional targets for neighbourhood renewal areas, which is the responsibility of the relevant Department, the Department is seeking ways to exploit the full potential of data sources currently held on the Northern Ireland Neighbourhood Information Service (NINIS). A Neighbourhood Statistics Steering Group has been convened to oversee the development and dissemination of data for Neighbourhood Renewal Areas.

The Department has initiated a series of statistical reports providing key statistical information on individual areas and thematic comparisons across all 36 areas. These reports will be completed before the end of this financial year and will be updated on a regular basis to allow for the development of time series. This will ensure that progress on key outcome indicators can be monitored on a regular basis. The reports will be disseminated to all relevant parties and be made available on the Neighbourhood Renewal section of the Northern Ireland Neighbourhood Information Service Website (NINIS).

The Department has put in place a Service Level Agreement with the Northern Ireland Statistics and Research Agency to develop and maintain the data on the website. The Service Level agreement also provides for the provision of training for individuals involved in the delivery of the strategy. Following a detailed review of the Department's Statistics and Research Services a dedicated statistics and research unit will be put in place to support the evaluation of urban regeneration policies.

## **Recommendation 3**

*The Committee believes that the Department should consider a review of Action Plans with Neighbourhood Renewal Partnerships ensuring the development of costings and milestones for the agreed actions and the elimination of unrealistic or unachievable objectives.*

### **Department's response:**

The Department has initiated reviews of Neighbourhood Action Plans on a regular basis. Such a review is currently being conducted across the three Development Offices incorporating all 36 Neighbourhood Renewal Areas. Good progress is being made.

The reviews will establish: what actions have been delivered to date; the additions or changes that have been made or are planned to Action Plans; what the priorities are for the next stage (up to and over the RPA transition phase), and estimated costings where available/appropriate for proposed projects and actual costings and milestones for current projects. Neighbourhood Renewal Partnerships consider whether actions are realistic and achievable. In some cases this has led to the removal/amendment of particular actions.

#### **Recommendation 4**

*The Committee recommends that the Department give serious consideration to the development of Neighbourhood Renewal quick wins (i.e. short term achievable goals) which will boost the confidence of Neighbourhood Renewal stakeholders.*

#### **Department's response:**

There has always been recognition that quick wins can be a very positive, cost effective, building measure. There have already been a significant number of such projects in Neighbourhood Renewal Areas. In particular we would draw the Committee's attention to numerous examples of capital projects which have greatly enhanced the physical environment and facilities within Neighbourhood Renewal Areas. Whilst the Neighbourhood Action Plans for all 36 Neighbourhood Renewal Areas will continue to have a mixture of short-, medium- and long-term actions, the Department is determined to ensure that the focus remains on addressing the fundamental problems of the Neighbourhood Renewal Areas. This is consistent with the long-term objectives of the Neighbourhood Renewal Strategy to tackle the underlying causes of deprivation.

#### **Recommendation 5**

*The Committee strongly urges the Department to agree additional service provision commitments for Neighbourhood Renewal areas with all funding departments, which will be supported by ring-fenced budgets. The additional service commitments to be linked to area-specific targets and aligned with the funding departments' PSA targets.*

#### **Department's response:**

The Department has committed £60m of its CSR allocation to Neighbourhood Renewal. Whilst the Department for Social Development cannot place any obligation on other Departments to ring fence funding we will continue to encourage Departments to focus resources on disadvantaged areas.

Neighbourhood Renewal Areas are already among the biggest recipients of public funding in Northern Ireland. Neighbourhood Renewal requires all providers to examine the delivery of their existing services and to seek tailored improvements that would ensure more effective and efficient delivery. The Department continues to consult with others on the long-term future of services and the optimum means of delivery.

Other Government Departments have highlighted the additional resources already skewed towards disadvantaged areas, groups or individuals. For example; DE allocates additional funding on the basis of levels of Free School Meals Entitlement (FSME), this directs additional resources to schools whose catchment areas correlate strongly with Neighbourhood Renewal Areas, the DHSSPS Investing for Health Strategy has a particular focus on the most disadvantaged areas and DEL have a range of skills programmes which target individuals in the most disadvantaged areas.

The regional targets agreed with departments are aligned with existing PSA targets and commit those providers to focus on the improvement of services within Neighbourhood Renewal Areas.

#### **Recommendation 6**

*The Committee recommends that the Department facilitate enhanced ownership of budgets at Neighbourhood Renewal Area Partnership level through improved communication with Partnerships.*

#### **Department's response:**

In order to reduce audit burdens it was determined that Neighbourhood Partnerships should not be legally constituted or have any direct funding responsibilities.

The remit of the Neighbourhood Renewal Partnerships is to focus on identifying local priorities through the Action Plans and work to influence and contribute to the determining of Government spending priorities for their neighbourhood. They act as a vehicle for local planning and implementation. It is through their ownership and management of Action Plans that the Partnerships influence budgetary decision making. Development Offices also gauge the views of the Partnerships on projects seeking Neighbourhood Renewal funding.

The Department will continue to seek the views of the Neighbourhood Partnerships in determining funding for projects and address any communication issues which arise. The Department is ultimately accountable to the Assembly for the use of Neighbourhood Renewal funding and must retain control for its expenditure in Neighbourhood Renewal Areas.

#### **Recommendation 7**

*The Committee recommends that the Department considers a review of the grant application process including an assessment of the audit burden faced by Neighbourhood Renewal Partnerships.*

#### **Department's response:**

Neighbourhood Renewal Partnerships are neither in receipt of grants nor do they make them, and consequently do not face any audit burden although this may not be the case for individual organisations represented on the Partnerships.

Voluntary and community sector organisations play a significant role in delivering services in Neighbourhood Renewal areas and receive support from the Neighbourhood Renewal Investment Fund. The Department is committed to tackle over regulation and where possible simplify the application procedures and reduce audit burdens on organisations.

As a result of funded organisations raising concerns about Departmental procedures and the impact this had on delivery of service, including potential applicants being discouraged from applying, the Department commissioned an independent review of funding procedures within the Urban Regeneration and Community Development Group in 2007. The object of that review was to identify changes that could be made to the application and assessment processes to ensure that they were customer orientated, user friendly but ensured there remained sufficient control to protect public money. The independent review included discussions with representatives from key stakeholder groups, including funded organisations, statutory bodies and organisations that assist and support the voluntary and community sector. The report made 10 recommendations for change to procedures and a further 6 recommendations for their practical application. With the exception of one recommendation in relation to appraisals of grants under £50,000 these were accepted and appropriately implemented.

The Department continues to review and improve its' application, appraisal and monitoring processes on a regular basis. For example a simplified application process was used for assessing those cases where funding was awarded from September 2008. The Department is currently reviewing its processes against recent good practice identified by the Department of Finance and Personnel.

In terms of auditing the Department has introduced a risk-based assessment process for the validation of payment applications. The risk based approach significantly reduces the audit requirements by taking regard to the standard of an organisation's financial and governance procedures. The vast majority of groups are currently classed as low risk. Advice is offered to medium and high risk groups on how to improve their practices and have the risk rating reduced.

It should be noted, however, that groups may receive funding from a number of sources and from different funding streams. It may be that other funders have additional requirements. However, where funding is being made under Neighbourhood Renewal for a particular project from a number of sources, it is practice to appoint a lead funder to liaise on the project and to agree a memorandum of agreement between all funders to cover their needs.

### **Recommendation 8**

*The Committee recommends that the Department ensures that adequate budgets are available for training and improving the capability and service delivery of Neighbourhood Renewal Partnerships.*

#### **Department's response:**

The Department has to date provided considerable financial support to developing the capacity of Neighbourhood Renewal Partnerships. The Department approved £3.2m for a special technical assistance project which ran from 2005 to 2008. During this period Neighbourhood Renewal Partnerships drew down £1.6m of the funding available. The financial support available to the 36 Neighbourhood Renewal Partnerships was to enable:

- Preparation and implementation of a Neighbourhood Vision Statement
- Preparation and implementation of a Neighbourhood Action Plan
- Training and capacity building
- Coverage of set-up costs.

The technical assistance project was put in place to mitigate the risk of Partnerships not having the capacity to fulfil their role. Requests for technical assistance are now assessed on a case by case basis as they arise. There is an ongoing provision of technical assistance to Neighbourhood Partnerships. Financial support has been provided in recent months to facilitate the reviews of Action Plans and funding for training and study visits, which provide opportunities to learn from other areas, has also been provided.

### **Recommendation 9**

*The Committee strongly urges the Department to consider revision of the governance arrangements for Neighbourhood Renewal so as to include a*



*strategic tier involving relevant members of the Executive and an implementation tier involving budget-holding officials in appropriate departments.*

**Department's response:**

The Department notes the Committees' recommendation. The Department considers that there are appropriate governance controls in place at a number of levels to ensure effective implementation of the Strategy:

The Ministerial Group provides a suitable tier for overseeing the strategic direction of the strategy. This cross-departmental Group is chaired by the Minister and comprises of senior officials from the appropriate Departments and other bodies. The group is remitted to:

- Providing strategic direction to the way Neighbourhood Renewal is implemented.
- Encouraging best practice and innovation in Neighbourhood Renewal through developing networking and dissemination of best practice within and between departments.
- Facilitating cross-cutting delivery of programmes and projects in support of Neighbourhood Renewal.
- Monitoring the success of Neighbourhood Renewal.
- Maintaining commitment to Neighbourhood Renewal.

**Recommendation 10**

*The Committee recommends that the Department develops Memoranda of Understanding between Neighbourhood Renewal Partnerships, funding departments and other statutory partners – so as to ensure attendance at Neighbourhood Renewal Partnership board meetings; commitment from departments in relation to Action Plans and realistic expectations in respect of all stakeholders.*

**Department's response:**

Neighbourhood Renewal Partnerships comprise of members of the voluntary and community sector, officials from government departments and other statutory bodies including District Councils. The Department at the outset of implementation initiated a Memorandum of Understanding to be signed by each Neighbourhood Renewal Partnership.

Each Partnership has a responsibility to "determine and document how it intends to conduct its business". This includes setting in place processes regarding non-attendance and non-participation from members. Sections 4.11 and 4.12 of the Memorandum of Understanding state that "The Partnership must maintain an accurate record of all Partnership members. Each member must complete a

Membership Declaration on joining the Partnership” and “Each Neighbourhood Partnership will agree and develop guidelines for the management of the partnership’s business to cover attendance of members at meetings and other aspects of business. The Secretariat will keep a record of attendance and notify members where attendance is giving cause for concern”. If issues pertaining to attendance cannot be resolved locally Partnerships should escalate concerns to the relevant DSD Development Office.

The ‘Membership Declaration’ or ‘Code of Conduct’ commits individuals to

- Act in the interests of their Neighbourhood as a whole.
- Be responsible for bringing their knowledge, expertise and experience to the work of the Partnership.
- Engage in two-way communications with organisations and/or sector on key issues being considered by the Neighbourhood Partnership so that they can express the views and interests of their Neighbourhood.
- Report back to their organisation and/or sector on key decisions taken by the Neighbourhood Partnership. In this way the Neighbourhood Partnership will ensure that all the major partnerships, organisations, groups and sectors are engaged in the business of the Neighbourhood Partnership.

The Department acknowledges the concerns however that the mechanisms currently in place are not adequate in ensuring the participation and commitment of all the members of the Partnership the Department. The Department will seek to strengthen the existing agreements in this regard.

#### **Recommendation 11**

*The Committee urges the Department to review its practices in respect of master plans as they affect Neighbourhood Renewal Areas so as to avoid decision-making paralysis and consequent unnecessary delays.*

#### **Department’s response:**

The Department is not aware of any instances where master plan work has unnecessarily delayed the development of, or decision making on, neighbourhood renewal projects. Master planning is by and large taking place at a higher spatial level than a single Neighbourhood Renewal area and consequently considers physical interventions that are broader in scope.

#### **Recommendation 12**

*The Committee recommends that the Department reviews its communication strategy for Neighbourhood Renewal and standardises the level and quality of service provided by Development Offices and the Neighbourhood Renewal Unit.*

**Department's response:**

The Department has not been made aware that a problem exists with regard to level or quality of communication between Development Offices and Neighbourhood Partnerships. Communications are subject to ongoing review and the Department will examine any deficiencies which are brought to our attention. Development Offices have differing approaches in how communications are conducted which have been developed to reflect local circumstances, have been agreed with the Partnerships and are tailored to their needs.

**Recommendation 13**

*The Committee urges the Department to set out the community planning framework that is to be used by the enlarged councils to deliver Neighbourhood Renewal and ensure cross-departmental buy-in. The Committee further strongly recommends that every effort be made by the Department to preserve and enhance the valuable existing relationships between statutory partners and the Voluntary and Community Sector organisations involved in Neighbourhood Renewal.*

**Department's response:**

The Department for Social Development does not have the statutory responsibility for establishing the community planning framework or determining how it will relate to Neighbourhood Renewal. The Department of the Environment currently leads on this process and will bring forward a 'Local Government Reorganisation Bill' which will provide for the over-arching framework for Community Planning and the Power of Well Being. The detail will be set out in subordinate legislation. A schedule of broad policy proposals will go to the Executive for consideration before the legislation is drafted. DOE will in due course initiate a process of engagement with key interests, including DSD, on the implementation of this and will be required to develop guidance for councils on how it should operate. DSD will have a key role to play, along with a number of other Departments, in determining how this will fit with their own policy objectives and how Community Planning should operate in practice. The Department will input fully to the DOE led discussions when the time comes to ensure that DSD requirements are adequately covered in the arrangements.

The legislation will require designated statutory involvement in the Community Planning process. There will be a statutory requirement placed on certain public bodies to participate and support the community planning process and a clear duty placed on councils to engage with local communities, including representative Voluntary and Community Sector organisations, in producing a community plan. The Department believes that the legislation offers an

opportunity to more effectively mainstream Neighbourhood Renewal by embedding it in the community planning process.

The Department has a proven record of supporting and strengthening relationships between Government and the voluntary and community sector. The Strategy for Neighbourhood Renewal clearly sets out the Department's policy to work in partnership with the voluntary and community sector to tackle disadvantage and deprivation. The Department values this relationship and has no plans to change its policy on this matter. We will require the new local authorities to continue to reflect this policy position in the implementation of Neighbourhood Renewal.

The Department has recently agreed the preparation of a scoping paper identifying the key elements of a new framework for relationships. This paper is currently under consideration and if agreed it is expected that a draft framework for relationships between Government and voluntary and community organisations would be developed and presented to the NI Executive for consideration in late 2009.

#### **Recommendation 14**

*The Committee recommends that the Department sets out the resources that it and funding departments will ring-fence for the enlarged councils in support of the community planning framework and the delivery of Neighbourhood Renewal.*

#### **Department's response:**

The Department notes the Committee's concerns. In relation to DSD funding for Neighbourhood Renewal, Minister has already stated that available resources will follow function. In relation to Community Planning, this is not a matter primarily for DSD. It is likely that the Community Plan will also flag up urban regeneration projects which Councils will seek to fund using other DSD funding sources beyond Neighbourhood Renewal.

The Department for Social Development cannot place any obligation on other Departments to ring fence funding. The Department will continue to encourage other service providers to commit to Neighbourhood Renewal and advocates strong legislation as part of the Review of Public Administration to support local council's ability to lever in resources from other Departments.

#### **Recommendation 15**

*The Committee recommends that the Department publishes the results of pilot schemes involving the transfer of Neighbourhood Renewal responsibilities to councils and to undertake a wide-ranging consultation prior to further implementation of the transfer.*

**Department's response:**

The development of schemes is at an early stage. The lessons learnt from any pilot initiatives will be disseminated in accordance with good practice and considered as part of the mid-term review. DSD will not conduct a consultation in relation to the transfer of responsibility for the implementation of Neighbourhood Renewal in 2011 but will consult on the policy intent of the legislative proposals contained in the transfer bill.

**Recommendation 16**

*The Committee recommends that the Department sets out the affects of the re-categorization of Neighbourhood Renewal projects in terms of the impact on Neighbourhood Renewal Partnerships. The Committee believes that the Department should establish protocols for the transfer of responsibility, for the re-categorized projects and provide additional support to ensure continuity of funding during the transfer.*

**Department's response:**

The exercise to categorise projects supported under the Neighbourhood Renewal Investment Fund did not have any affect on Neighbourhood Renewal Partnerships.

The purpose of the exercise was to inform the Department's discussions with other statutory bodies as to how services, that fall within the lead policy responsibility of a statutory body other than DSD, should be sustained and delivered in future. This approach may, in time, affect some community based projects.

The announcement made by the Minister for Social Development on the 17<sup>th</sup> of February 2009 provided for the continuance of these services whilst the discussions take place, as long as they are of an acceptable standard and meet a priority need. If DSD and other statutory colleagues conclude that the services currently provided by a particular organisation are meeting an identified priority need, in an effective and efficient manner, the contract will remain in place until 31 March 2011. If, however, those consultations indicate that the service provided by the organisation could be provided through a more effective delivery model, DSD will have the ability to terminate the contract with advance notice of 3 months. Similarly contracts will be terminated if consultations indicate that the project is either not meeting an identified priority need or demonstrating efficacy.

The Department is seeking an endorsement of the efficacy of the project by the relevant statutory body as well as a commitment, subject to a successful

evaluation of the project's impact, to giving serious consideration to providing ongoing funding to the project.

Under the guidelines for managing public money, the Department is unable to make any commitment to provide continuation funding for a project until a proper evaluation and appraisal has been completed.

In coming months DSD in conjunction with Council Transition Committee will wish to consider funding post April 2011, in order to prevent a funding bottleneck for the new Councils.