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Communities First



I have prepared this report for presentation to the National Assembly under the Government of Wales Act 2006.

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Assembly on 9 July 2009**



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Summary

- 1** Communities First is the Assembly Government's flagship programme to tackle deprivation and improve the living conditions and prospects for people in the most disadvantaged communities across Wales. Communities First was launched in 2001, since when the Assembly Government has spent £214 million on the programme. The programme has two core complementary strands that need to be delivered if the programme is to be effective in regenerating the most deprived communities in Wales:
 - a** local partnerships that are able to effectively represent communities and their needs; and
 - b** 'programme bending' – ensuring money and support from various public programmes and organisations are directed to Communities First areas.
- 2** Both of these strands are complex and ambitious. And there is an inherent tension between providing a clear direction for the programme and allowing each community partnership to set its own direction. Communities First places significant responsibilities on deprived communities to address deep-seated problems. And delivery of the programme's objectives relies on a responsive and joined-up approach to public services and funding, which has been a long term and elusive challenge for the public sector. Interim evaluations of the programme in 2003 and 2006 identified difficulties with programme bending and the delivery of the programme's regeneration outcomes.
- 3** We therefore examined whether the Assembly Government is effectively managing the Communities First programme to deliver value for money. We concluded that, while the Assembly Government has made progress in terms of addressing weaknesses in its management of the partnerships and there have been local benefits from the programme, it is unlikely to deliver its broader objectives without a more robust approach to programme bending. We reached this conclusion because:
 - a** partnerships have been set up and local benefits have been achieved but, despite improvements in monitoring, the progress made in meeting the programme's very ambitious objectives remains unclear;
 - b** after a difficult start, the Assembly Government has improved processes and encouraged partnerships to focus more on outcomes, but fundamental risks and challenges remain; and
 - c** unless the Assembly Government adopts a more robust approach to programme bending, the programme is likely to struggle to meet its objectives.



Partnerships have been set up and local benefits have been achieved but, despite improvements in monitoring, the progress made in meeting the programme's very ambitious objectives remains unclear

The objectives of Communities First were very ambitious, particularly given the innovative nature of the programme

- 4 The objectives of Communities First are challenging and wide-ranging: they encompass 'harder' regeneration outcomes, such as increased numbers of people in employment, and 'softer' community development capacity building objectives, such as creating 'can do' communities. The objectives envisage significant changes in areas of chronic deprivation that vary in their size, population and other characteristics. The objectives also require that public services are responsive and accountable to people living in Communities First areas. A key challenge for the Assembly Government therefore was to balance the interests and priorities of a wide range of stakeholders at local, regional and national levels.
- 5 The Assembly Government intended that Communities First would signal a new, community-led approach to tackling deprivation, reflecting its view that the persistence of deprivation in some communities was an indication of the failure of previous approaches to regeneration. The Assembly Government faced particular challenges in balancing the 'bottom-up' community led ethos, with the need to maintain 'top-down' direction to ensure a

coherent national programme. Some core elements of the programme design reflected good practice, but others had not been fully evidenced before Communities First was launched. In particular, the Assembly Government incorporated many of the findings of a review of best practice in community development into the early design of the programme. But it did not accept recommendations from an evaluation of the earlier People in Communities project, which identified serious barriers to programme bending and questioned the wisdom of launching Communities First across 142 areas in one go.

Partnerships have been set up and local benefits have been achieved

- 6 As at March 2009, the programme had succeeded in establishing a functioning local partnership in most Communities First areas, although in some cases establishing a partnership was quite difficult and took a long time. In general, the partnerships are delivering local benefits through community development activities that support the programme's capacity building aims. Partnership staff have engaged local people – through participation in the partnership itself or through sub-groups – in identifying the important issues for the area, and coming up with ideas for local action. Partnership staff have also supported local groups, such as helping them to access other funding sources.
- 7 The programme has delivered local benefits through activities run and facilitated by partnership staff, including events that promote health and wellbeing, and environmental clean-ups. Some partnerships have also developed local activities that address the key regeneration objectives of the programme, such as employment-based training schemes and work placements.

And most partnerships have worked closely with local police to promote community safety, and run or support local initiatives for children and young people.

Although, overall, Communities First itself has not resulted in significant changes to public services and mainstream funding, there are examples of programme bending

- 8 While community development activities can deliver some local benefits, the programme's broader regeneration objectives require mainstream service providers to bend their programmes to prioritise Communities First areas. However, while most public bodies had introduced a new programme or service that targeted Communities First areas, to meet their objectives many public services are already targeted on areas of deprivation. This is because of a higher level of need in Communities First areas, broader objectives relating to social inclusion and engaging with communities, or wider changes in policy, such as the introduction of Neighbourhood Policing across the UK. Nonetheless, the Assembly Government told us that, as a flagship scheme of the first Assembly Government, Communities First had contributed to a culture change within public services, leading to a greater focus on tackling deprivation that would not have existed without the programme.
- 9 Examples of programme bending include programmes that explicitly target only Communities First areas, or where service providers have changed their services in response to the suggestions of the local Communities First partnership. We also found that the existence of a partnership and its staff has been useful in helping some public bodies deliver projects in Communities First areas where they would otherwise have struggled.

The Assembly Government cannot demonstrate the overall impact of the programme in meeting its objectives and although it is improving its ability to measure partnerships' progress, some weaknesses remain

- 10 Until 2007, the Assembly Government did not monitor Communities First at a programme level, although it did monitor individual partnerships, and could not clearly demonstrate the progress being made towards delivering its objectives. One reason for this weakness was the changes to the Welsh Index of Multiple Deprivation, which the Assembly Government had intended to use to assess progress. In 2007 the Assembly Government introduced a new monitoring regime, based around partnerships' progress towards desired outcomes. Assembly Government analysis of the 2007-08 monitoring data shows that across the programme, of the 1,925 'outcomes', partnerships had achieved 565 and made significant progress against a further 730. However, the data is of limited use in understanding the overall impact of the programme. This is because the kinds of things partnerships identify as outcomes vary significantly across the programme, and the assessment of progress is largely subjective, based on partnerships' own judgements.
- 11 The Assembly Government has collected socio-economic data on Communities First areas, which show that between 2001 and 2007 people in Communities First areas have fared better than the rest of Wales in terms of improving economic activity and skills. However, it is not possible to attribute the improvements solely to the Communities First programme as there are other influencing factors, including other public programmes running in Communities First areas. Evidence from the 2006 interim evaluation of Communities First, as well as our case study visits, suggests that, in general, partnerships



have not yet focused on addressing the socio-economic problems in their area. We consider it likely, therefore, that Communities First's direct contribution to these socio-economic outcomes has been limited.

After a difficult start, the Assembly Government has improved processes and encouraged partnerships to focus more on outcomes, but fundamental risks and challenges remain

There were serious weaknesses in the Assembly Government's planning for and management of Communities First in the programme's early years

- 12 Before Communities First was launched, and in its early years, the Assembly Government did not plan in any detail how it would manage the workforce and financial demands of the programme, thereby creating significant ongoing problems. In particular, it did not:
 - a Consider how it would ensure sufficient numbers of suitably skilled partnership staff to deliver a scheme on the scale of Communities First. As a result, there was a high turnover of staff, particularly co-ordinators, in the early phases of the programme.
 - b Put in place sufficient of its own staff to manage a complex and innovative programme covering 142 areas, contributing to poor scrutiny of initial funding applications by Assembly Government officials, inadequate support and guidance to partnerships and a lack of strategic direction.
- 13 At the start of the programme, the Assembly Government did not apply consistent criteria in assessing partnerships' applications for funding. And the pressure to spend the money that had been budgeted for Communities First led to little challenge to early applications, some of which contained only limited information. The distribution of funds by the Assembly Government at the time was therefore likely to reflect the capacity of partnerships to bid for funds, rather than the quality of applications or local needs. One consequence of these early funding decisions was a wide variation in the levels of funding to each Communities First area, and the kinds of activities funded, which led to perceptions of unfairness. The Assembly Government did not fundamentally reappraise these early funding decisions until, in 2008, it designed a new funding regime to become fully operational from April 2009.
- 14 Difficulties in the early years of the programme were exacerbated by a lack of a clear and consistent approach by the Assembly Government about some of its more complex aspects, including:
 - a **partnerships' role in programme bending:** the Assembly Government did not follow the recommendations from an evaluation of a similar predecessor programme, and its guidance was not clear about how programme bending would be achieved; and
- c Analyse how much Communities First would cost, leading to the non-strategic use of unspent funds. For example, the Assembly Government's decisions about how to spend a forecast £15 million underspend in the programme's first year were not well-evidenced, were not in line with the principles of the programme and created the risk that partnerships rushed into spending the funds without adequate consultation with local communities.

b the role of partnerships in service delivery: although the aim of the programme was to use mainstream funding and services to deliver regeneration, the Assembly Government also funded a number of partnerships to carry out a service delivery role.

15 It was not until 2007 that the Assembly Government took steps to monitor whether partnerships had structures and working arrangements that were in line with its desired approach. This included partnerships having an appropriate mix of representation from relevant sectors, and whether they had completed the necessary preliminary activities, such as an audit of local needs.

Following reviews of the programme, the Assembly Government has improved its management of partnerships, but fundamental risks and challenges remain

16 Following reviews by the Deputy Minister in 2003 and an independent evaluation in 2006, the Assembly Government has sought to address the problems in its management of partnerships through:

- a** in 2007 revising the programme guidance and, in 2008, revising the 'Vision Framework', which was designed to help partnerships generate ideas about the kinds of things they might do to meet programme objectives; and
- b** establishing regional implementation teams to manage the funding process and provide some support to partnerships, and a national policy team to develop the programme's strategic direction.

17 The Assembly Government has taken steps to address the problems caused by earlier funding decisions. In August 2007, the Deputy Minister for Regeneration announced the development of a new funding regime, which

the Assembly Government introduced in April 2009. The new regime includes a population-based formula to establish core funding for partnership staff, an expressions of interest process for re-assessing funding for existing non-core projects, and an Outcomes Fund to match fund new projects. The new regime should enable a more rigorous assessment of funding applications from partnerships and greater consistency and transparency in the distribution of funds. However, there are challenges for the Assembly Government in reducing the number of existing projects that get most or all of their funding from Communities First, whilst maintaining continuity of services that communities value and rely on. And the population-based formula for allocating core funding, while being simple, also makes the programme insensitive to important local variables, such as the level of deprivation and the quality of the partnership. The Assembly Government intends that the Outcomes Fund will ensure partnerships have more equitable access to additional funding for high quality projects that are specific to local needs.

18 In January 2007 the Assembly Government introduced a new system for monitoring partnership activities, designed to focus on achieving agreed outcomes and to support central monitoring of progress towards these outcomes. The system requires partnerships to agree with the Assembly Government desired outcomes, together with activities that should contribute to the outcomes and SMART targets to measure progress. This is a sound approach. But the Assembly Government's requirement for partnerships to report annually against outcomes, rather than targets, is inappropriate. Some partnerships identified ambitious outcomes, such as 'a healthy community' or 'reducing economic inactivity', that partnerships cannot deliver alone and for which they alone should not be held to account. Also, many of the agreed



outcomes are not outcomes at all: some cover activities such as running projects; and some are nothing more than the processes of administering the Communities First programme locally. This inconsistent approach has developed in spite of the Assembly Government having funded a training programme to support the annual monitoring process, and agreeing the outcomes with each partnership.

- 19 Despite the Assembly Government making clear that Communities First is a long-term programme, there is also a risk that the current focus on annual work programmes may divert attention away from the long term strategic vision for the community set out in Community Action Plans, where they exist. And we found concern among those involved in the Communities First programme that the Assembly Government was making unrealistic demands of partnerships, many of which do not have the skills or capacity to deliver the harder, regeneration outcomes – such as those relating to jobs and child poverty – that the Assembly Government is now pushing for.
- 20 We found that at a local level there were tensions about who owns and manages the programme. These problems mainly stem from the separation of key legal responsibilities – such as the employment of partnership staff, and the financial management of partnership funds – between a number of different organisations, and the unresolved question of how to apply an effective performance management regime to partnerships with heavy community – essentially volunteer – representation.
- 21 Should more partnerships take on some of these legal and financial responsibilities in the future, as many have indicated their intention to do, there will be risks to good governance that will need to be managed. The Assembly Government acknowledges these risks and is

working with the Wales Audit Office to ensure that all those auditing expenditure by partnerships apply the same standards. The Assembly Government is also developing guidance on the legal responsibilities of grant recipient bodies.

Unless the Assembly Government adopts a more robust approach to programme bending, the programme is likely to struggle to meet its objectives

The Assembly Government has not effectively encouraged public services to bend their programmes in order to deliver the Communities First objectives

- 22 The Assembly Government's **own departments** have not consistently given a priority to Communities First. Although there are examples of individual initiatives that have worked with Communities First, there has not been a strategic or co-ordinated approach to prioritising the programme across all Assembly Government departments. The Assembly Government had intended to develop a whole of government approach, through a joined-up appraisal of Communities First Action Plans and through the process of developing and approving Assembly Government programmes and policies. However, in practice neither of these has been progressed as intended.
- 23 As a significant provider of local services, **local authorities** are key to the delivery of Communities First. The Assembly Government has encouraged local authorities to engage with Communities First and bend their programmes, but has not addressed some significant barriers. For example, local authority service delivery departments take account of a wide range of local and national

strategies, priorities and performance frameworks, most of which do not require them to prioritise Communities First areas, and local authorities are not required to take account of the Assembly Government's guidance. There are also fundamental concerns within local authorities about the principle of programme bending, where a culture of equality of service militates against prioritising and directing resources to particular areas at the expense of others. Other barriers include the viability of programme bending in local authorities with many Communities First areas, a lack of fit between local authority planning processes and Communities First, and confrontational relationships in some places between Communities First partnerships and local authorities.

- 24 Although many councillors support the programme, in some instances councillors have been a barrier to progress. This is because some councillors see Communities First as a threat to their roles as representatives of the local community, and a threat to the Council's role in determining the provision of local services. The Assembly Government has sought to address such tensions by issuing detailed guidance on the role of local councillors in partnerships. However, some local authorities told us that the guidance was overly prescriptive in limiting the role councillors should play. Managing the tension between Communities First and local politicians remains a key challenge for Communities First.
- 25 The Assembly Government has not been effective in encouraging programme bending across **the wider public sector**. There has been some progress with Assembly Government Sponsored Bodies (AGSBs). Through their annual remit letters, the Assembly Government has encouraged AGBSs to work with partnerships to deliver

their action plans where appropriate. However, it is unclear what the Assembly Government expects AGBSs to do in practice, and most AGBSs report having little guidance from their sponsor within the Assembly Government or the Communities First Unit, although two AGBSs had worked closely with the Communities First Unit on specific programmes. Nevertheless, all AGBSs have introduced some programmes that work with Communities First to varying extents, although the relatively small size of most AGBSs hampers their ability to work effectively with such a large and geographically-spread number of partnerships.

- 26 The Assembly Government encourages engagement with Communities First through key local strategies: the Community Strategy, the Children and Young People's Plan and the Health, Social Care and Wellbeing Plan. Assembly Government guidance makes it clear that service providers should engage with partnerships in developing their plans. However, the guidance does not require service providers to change their funding or patterns of service delivery to prioritise Communities First areas. Local Health Boards (LHBs) told us that while they can identify the concerns of Communities First areas, through the Health, Social Care and Wellbeing process, it is more difficult to find the resources to address those needs.
- 27 The Assembly Government cannot direct the providers of non-devolved services to bend their programmes. Although JobCentre Plus and the Police Service work closely with local partnerships, they both reported a lack of clear strategic links at a programme level. The Assembly Government told us that, since we carried out our fieldwork, it has developed stronger links with JobCentre Plus.



The Assembly Government has recently stepped up efforts to encourage broader commitment to programme bending, but further work is needed if Communities First is to deliver its goal of a joined-up approach to tackling deprivation

- 28** The bottom-up approach to programme bending, which has largely required partnerships to influence the nature, quality and quantity of services delivered locally, has not had a significant impact in terms of achieving the programme's objectives. External reviews of Communities First and its predecessor (People in Communities) have clearly pointed to the difficulties of relying solely on such a bottom-up approach. The Assembly Government's guidance allocates responsibility for facilitating programme bending to a number of different individuals. In practice, partnership co-ordinators tend to take responsibility for trying to bend programmes, but generally they lack the authority needed to overcome significant barriers to changing public services. Although co-ordinators have developed a variety of techniques to try to influence service providers, most reported being frustrated in their attempts to secure change.
- 29** Without a clearer commitment from the Assembly Government to making Communities First a priority for the public service in Wales, it is likely that the programme will continue to struggle to deliver its objectives. The Communities First Unit is stepping up its efforts to promote programme bending across Assembly Government departments:
- a** In 2008, officials from the Communities First Unit met senior managers across the Assembly Government to explain the programme and to encourage greater departmental commitment. These activities were complemented by increased liaison at

an operational level between Communities First Unit staff and their counterparts in other parts of the Assembly Government. But these moves have not resulted in any new obligations on Assembly Government departments to programme bend.

- b** It is developing a revised Vision Framework, which it believes will encourage further programme bending by enabling partnerships to align their plans with Assembly Government priorities, thereby increasing the likelihood of partnerships' success in applying for grants.
- c** The Assembly Government expects the new Outcomes Fund to address some of the financial barriers to programme bending. However, the Outcomes Fund will deliver relatively small shifts in resources: the £25 million over three years equates to an average of £110,000 a year to each partnership if fully match funded, although in practice funding levels will vary depending on the nature and quality of partnerships' applications.
- 30** The main barrier to programme bending identified by local authorities and partnership co-ordinators alike is the lack of clear direction to public services on programme bending. With one exception, the Assembly Government has not introduced any performance measures for public services relating to targeting Communities First areas. And, unlike in England, the Assembly Government has not introduced 'floor targets' that require its departments and other service providers to reduce the gaps in key outcomes between Communities First and other areas. The roll-out of Local Service Boards (LSBs) across Wales provides an opportunity to link Communities First with the planning and delivery of local services, through an outcomes based accountability framework.

At present, the links between LSBs and Communities First are unclear, with guidance for LSBs referring only to Communities First as a source of local information and consultation.

Recommendations

- i The Communities First programme has not been a priority across all the Assembly Government's own departments. As a consequence, the programme has struggled to achieve its goal of re-directing mainstream funding and changing public service delivery to support Communities First objectives. **Given that the programme's success requires public services to give it a priority, the Assembly Government should make Communities First a clearer priority across its own departments, and the Assembly Government's success in reducing the gap in outcomes between Communities First areas and other parts of Wales should be a key measure of its performance.**
- ii Partnerships have struggled to overcome some significant barriers to bending local services and programmes, including a lack of compulsion on or direction to service providers that they should be prioritising Communities First areas. **The Assembly Government should increase the emphasis, in all future strategic guidance to service providers, that in planning and delivering services they need to prioritise Communities First areas. Where appropriate, in monitoring the performance of individual services, the Assembly Government should increase the focus on the extent to which services are reducing the gap between outcomes for Communities First areas and for the rest of the country.**
- iii All AGSBs are required to engage with relevant partnerships, where appropriate, to assist in the delivery of Community Action Plans. However, AGSBs reported little engagement with the Assembly Government in interpreting how they would meet this requirement, and very limited monitoring by Assembly Government sponsor divisions of AGSB performance in this respect. Some AGSBs more actively supported the programme than others, but some reported that as relatively small organisations it was difficult for them to engage with a programme on the scale of Communities First. To optimise the contribution of all AGSBs and to develop a tailored, rather than 'one size fits all' approach, **the Assembly Government should work with individual AGSBs to agree their contribution to the programme, relative to their potential to contribute to the programme's objectives, and subsequently monitor performance against what has been agreed.**
- iv Local authorities are key to the delivery of Communities First. However, improving outcomes for people living in Communities First areas does not feature as a priority in the way the Assembly Government seeks to manage the performance of local authorities. In particular, neither the Improvement Agreements nor their predecessor Policy Agreements, through which the Assembly Government seeks to encourage and reward improved performance, included targets directly related to Communities First. **The Assembly Government should consider whether there are opportunities, for example through reform of the Wales Programme for Improvement, for it to better encourage local authorities to improve their service delivery focus on Communities First areas.**



- v Local Service Boards (LSBs) include the key local service providers and there is considerable over-lap between the core objectives of both LSBs and Communities First partnerships, particularly in relation to developing services that are responsive to the needs of citizens. However, strategic links between Communities First and LSBs have not been developed. **Local Service Boards should work more closely with the Communities First partnerships in their areas, in order to improve outcomes for people living in Communities First areas. The Assembly Government's guidance to LSBs should make it clearer that, as far as is possible, their plans and performance targets and measures should be consistent with those of the local partnerships.**
- vi When it launched Communities First, the Assembly Government recognised that service providers would need to build their capacity to help them to respond to the programme. However, little was done to take this element of the programme forward, and partnership co-ordinators reported their frustration at a lack of understanding of the particular needs of Communities First areas among service providers. In 2004, the Assembly Government introduced a policy function within the Communities First Unit, which included the role of providing advice to colleagues in other Assembly Government departments on developing programmes that seek to work with Communities First. The Communities First Unit intends to further develop its links with other departments and services. **The Assembly Government should develop and roll-out a programme of training and awareness-raising for Assembly Government officials and other service providers. This capacity building should draw on the lessons learnt from the Social Inclusion Learning Project in Conwy.**
- vii The Assembly Government introduced a new three-year funding regime from April 2009, under which partnerships can bid for additional funding for new activities and services from an Outcomes Fund. The experience from the early years of Communities First suggests that the more established partnerships are likely to be in a stronger position to apply for this source of funding. To reduce the risk that the new Fund reinforces historical funding patterns, **the Assembly Government should provide additional support as appropriate, such as in developing skills in writing bids, to those partnerships that are likely to find it more difficult to access the Outcomes Fund.**
- viii At a local level, responsibility for facilitating programme bending is confused, with Communities First guidance allocating responsibility to a number of people. In practice, partnership co-ordinators tend to adopt this role. However, whoever (within the community) has the responsibility for facilitating programme bending, it will not overcome the fundamental barrier that they have no authority and only limited influence over service providers. **The Assembly Government, in all of its guidance that relates to Communities First, should make clear that the primary responsibility for achieving programme bend lies with service providers, and that the primary purpose of partnerships is to provide a mechanism to help ensure that services delivered locally meet the needs of the local community.**
- ix The current system of monitoring the performance of partnerships, which measures performance against annual outcomes, suggests that partnerships are solely accountable for achieving outcomes that they alone cannot deliver. To ensure that monitoring is more appropriately focused on

partnerships' contributions to outcomes, **the Assembly Government should:**

- a** make clear that partnerships should work with local stakeholders and the community to identify outcomes, but that partnerships should identify how they can best contribute to those outcomes, and measure and report progress against their planned contribution; and
 - b** identify and disseminate good practice examples of where service providers have worked with partnerships towards the outcomes set out in partnerships' action plans.
- x** The Assembly Government cannot, at present, measure the extent to which Communities First has contributed towards socio-economic outcomes. Each partnership measures its own progress using different indicators, and there is wide variation between the annual 'outcomes' partnerships report against, many of which are not, in fact, outcomes. **The Assembly Government should work with Communities First partnerships to develop a small set of common indicators of the extent to which the programme is contributing to the improvements in outcomes for people living in Communities First areas. The Assembly Government should use these indicators to inform its assessment of the programme's value for money.**
- xi** The focus on annual targets in the new monitoring framework risks diverting attention away from the longer-term vision for the area, as set out in Community Action Plans, where they exist. **Through the annual monitoring visits, the Assembly Government should ensure that each partnership's annual targets clearly relate to the Community Action Plan for the area, and clearly demonstrate how the proposed targets support the key actions that the partnership must do to help improve outcomes for local people.**



Part 1 – Partnerships have been set up and local benefits have been achieved but, despite improvements in monitoring, the progress made in meeting the programme’s very ambitious objectives remains unclear

1.1 This part of the report examines the scope of the programme’s objectives and assesses the extent to which there has been progress in delivering these objectives. In summary:

- a** The programme objectives are ambitious. The programme aims to secure fundamental and wide-ranging changes within both local communities and public services. Changes, which the Assembly Government has sought to deliver, through a relatively untested and ultimately complex delivery model.
- b** The Assembly Government has been successful in setting up local partnerships and those partnerships have delivered local benefits and helped engage local people in activities to improve their circumstances and the local community. But Communities First has not resulted in the widespread bending of public programmes and funding that is needed to deliver the programme’s objectives. And while there is evidence that socio-economic circumstances have improved in Communities First areas, it is unlikely that this is a direct result of the programme.

1.2 The Assembly Government launched its Communities First programme in 2001, with the aim of ‘reducing poverty and helping to improve the lives of people who live in the poorest areas’¹. Communities First shares with the Welsh Office’s earlier 1998 People in Communities programme (Box 1) the

principles that successfully tackling deprivation requires:

- a** The active involvement of local citizens in improving services.
- b** A whole of government approach which focuses funding from central and local government and other sources on designated areas of deprivation. Reflecting this principle, early (1999) papers on developing Communities First (or, as it was then known, Springboard Communities) called for a ‘Team Wales’ approach towards the long-term sustainable regeneration of the most deprived communities in Wales.

Box 1 – People in Communities

People in Communities covered eight deprived areas in Wales and aimed to ‘demonstrate ways in which disadvantaged communities can achieve positive change’. In each area, the Welsh Office funded a salaried co-ordinator for one year with the local authority funding the post for at least a further year.

Each co-ordinator was supported by funds tied to specific projects and a Social Inclusion Champion – a senior local authority officer appointed to ensure adequate engagement with the programme across the local authority.

The programme required the establishment of partnership boards, comprising representatives from the community, service providers, and the voluntary and private sectors. Boards were required to develop a three to five year Action Plan outlining their proposals for regenerating the area.

In October 2000, the Assembly Government commissioned a review of People in Communities by Cambridge Policy Consultants. The consultants reported formally in September 2001 but, to inform the development of Communities First, they provided the Assembly Government with informal feedback as their study progressed.

¹ *Communities First Guidance 2001*, the Assembly Government

Figure 1 – Programme Expenditure 2001-2009

	Total expenditure 2001-2009 £million
Partnerships have received the majority of funding, mainly to employ staff and run projects.	140.0
Community groups can apply to the Communities First Trust Fund (CFTF) to run activities to provide social, economic, environmental or cultural benefits for people living in Communities First areas. The Wales Council for Voluntary Action administers the CFTF.	27.0
Until the end of January 2009, when it decided to set up alternative support services to partnerships, the Assembly Government funded the Communities First Support Network (CFSN) to support partnership staff and other key stakeholders in delivering the programme (for additional details on the work of the CFSN see Box 4).	6.5
The Assembly Government has funded local authorities and local voluntary sector organisations to employ staff to manage and support the programme in their area.	30.5
Other funding, including Communities@1 programme to support ICT in Communities First areas, and monitoring and evaluation of the programme.	10.0
Total	214.0

Source: Wales Audit Office

1.3 Under Communities First, the Assembly Government provides funding to the most deprived areas in Wales – programme expenditure amounted to £214 million in total to the end of 2008-09 (Figure 1).

1.4 Key aspects of Communities First include:

- a** As at January 2009, there were 188 Communities First areas (Box 2), and every local authority has at least one Communities First area (Figure 2).
- b** The population, size and nature of the areas covered by a partnership vary significantly: the smallest area has 349 people and the largest 25,000, and areas are located in inner cities, post-industrial valleys, run down housing estates, seaside resorts and rural parts of Wales.

- c** Usually, each Communities First area is represented by a partnership², although in some cases a single partnership covers more than one Communities First area.
- d** As at January 2009, there were 147 partnerships operating across Wales. Partnerships should comprise equal representation from the statutory sector, the local community and the voluntary/business sector – known as the ‘three thirds’ principle.
- e** A salaried co-ordinator, funded by the Assembly Government, supports each partnership, although some partnerships share co-ordinators and the Assembly Government has agreed to a small number of partnerships having more than one co-ordinator.

² The term ‘partnership’ in this report refers specifically to a Communities First partnership, except where otherwise stated.



- f** The Assembly Government also funds other partnership posts, such as development and youth workers, as well as posts to run specific projects, such as training programmes.
- g** The Assembly Government channels funding to partnerships through Grant Recipient Bodies (GRBs). In many cases the local authority is the GRB; other GRBs include third sector organisations and, in some instances, the partnership itself.

Box 2 – Selection of Communities First areas

When it was launched in 2001, Communities First covered:

- a** The 100 most deprived electoral wards in Wales, as identified by the Welsh Index of Multiple Deprivation³ (WIMD) 2000.
- b** Thirty-two smaller sub-ward areas (known as ‘pockets of deprivation’), in recognition of the fact that a ward-level approach to tackling deprivation can mask small areas of deprivation within otherwise relatively affluent wards.
- c** Ten sectoral initiatives (known variously as ‘communities of interest’ and ‘imaginative proposals’). Communities of Interest developed out of the idea that a solely geographically-based programme would not capture the relatively greater deprivation experienced by some groups of people (such as black and minority ethnic groups).

The 2000 WIMD calculated deprivation on a ward level, but in 2005 the exercise was based on smaller geographic units, known as Lower Super Output Areas (LSOAs). In 2006, the Assembly Government decided that the Communities First programme should also cover the 10 per cent most deprived LSOAs – an additional 46 areas. This gave a total of 188 Communities First areas.

The process of establishing the 46 LSOAs as Communities First areas had not been completed by January 2009. The new areas are either being included within existing partnerships, or established as new partnerships in their own right. Seventeen new partnerships have been established, some of which cover more than one LSOA, six LSOAs have been merged with existing partnerships and the final arrangements for a further 10 LSOAs have yet to be agreed.

Once all the LSOAs have been included, Communities First will cover 20 per cent of the people of Wales, two per cent more than covered by the programme originally.

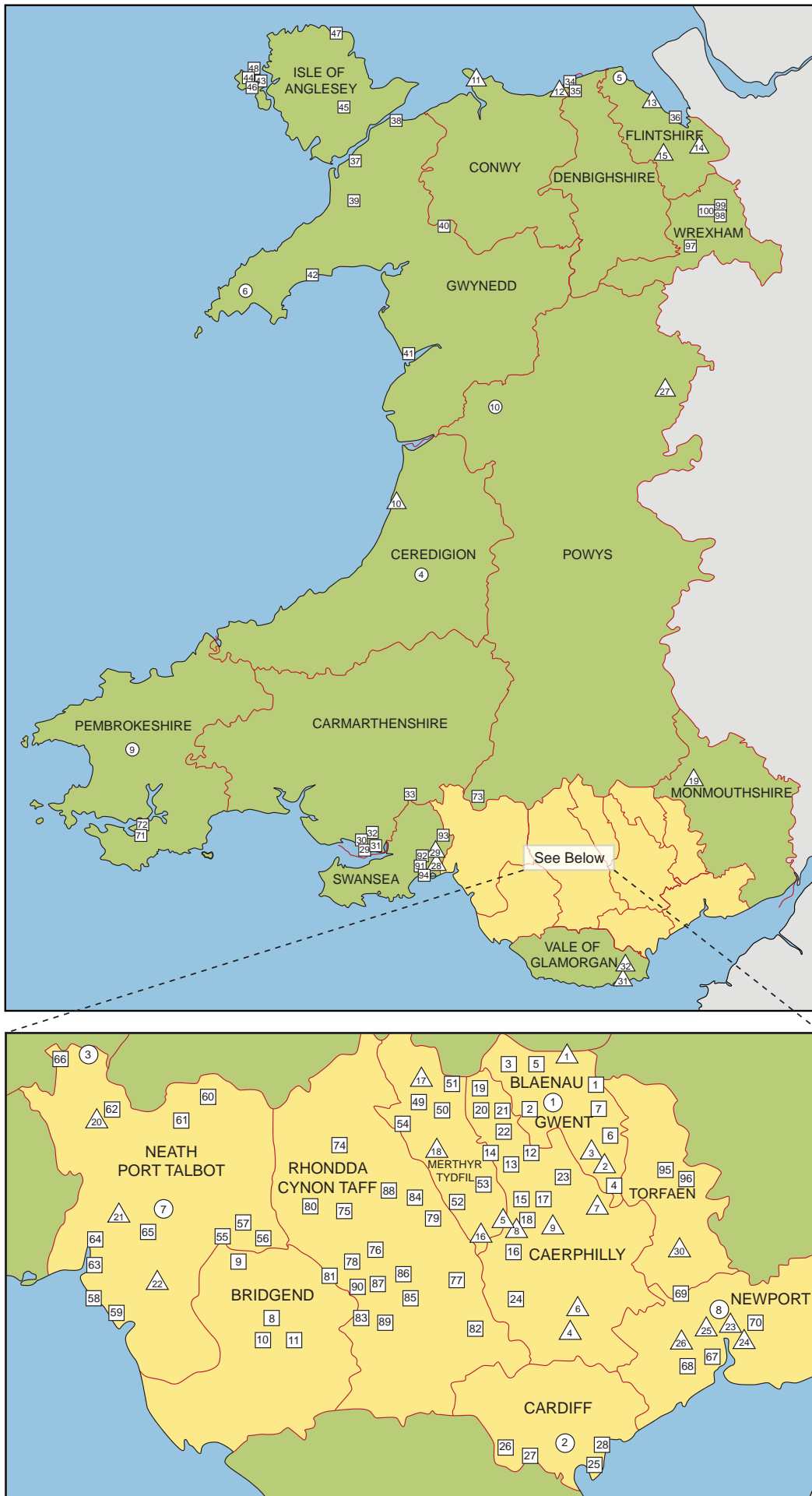
The objectives of Communities First were very ambitious, particularly given the innovative nature of the programme

The objectives of Communities First envisage wholesale change in the most deprived communities in Wales

- 1.5** When it launched Communities First, the Assembly Government defined the programme’s objectives as:
 - a** building the confidence and self esteem of those living in Communities First areas and developing a ‘can do’ culture;
 - b** encouraging education and skills training for work;
 - c** creating job opportunities and increasing income for local people;
 - d** improving housing and the surrounding environment;
 - e** improving health and wellbeing through an active and healthy lifestyle and by addressing a range of issues that affect people’s health;
 - f** making communities safe and secure places in which to live, work and play; and
 - g** driving forwards changes to the way in which public services are delivered.
- 1.6** To support partnerships in delivering these objectives, the Assembly Government developed the Communities First Vision Framework. The original purpose of the Framework was to help partnerships generate ideas about the kinds of things they might do to meet programme objectives. But, in 2008, this focus was changed to enable better

³ WIMD is the Assembly Government’s official measure of deprivation in small areas. The most recent (2008) version of WIMD drew upon data from the following eight areas (known as domains): income; housing; employment; access to services; health; environment; education and community safety.

Figure 2 – Location of original 142 Communities First areas



100 most deprived electoral wards □

Blaenau Gwent

- 1 Nantyglo
- 2 Tredegar Central & West
- 3 Sirhowy
- 4 Llanhilleth
- 5 Rassau
- 6 Cwmtillery
- 7 Blaina

Bridgend

- 8 Llangeinor
- 9 Caerau
- 10 Bettws
- 11 Blackmill

Caerphilly

- 12 New Tredegar
- 13 Tir Phil
- 14 Darren Valley
- 15 Bargoed
- 16 Hengoed
- 17 Aberbargoed
- 18 Gilfach
- 19 Twyn Carno
- 20 Pontlottyn
- 21 Moriah
- 22 Abertyswg

- 23 Argoed
- 24 Aber Valley

Cardiff

- 25 Butetown
- 26 Ely
- 27 Caerau
- 28 Splott

Carmarthenshire

- 29 Glanymor
- 30 Tyisha
- 31 Llwynhendy
- 32 Felinfoel
- 33 Pantyffynon

Denbighshire

- 34 Rhyl West
- 35 Rhyl South West

Flintshire

- 36 Flint Castle

Gwynedd

- 37 Peblig
- 38 Marchog
- 39 Talysarn

- 40 Bowydd & Rhiw
- 41 Barmouth
- 42 Pwllheli South

Isle of Anglesey

- 43 Morawelon
- 44 Holyhead Town
- 45 Tudur
- 46 Maeshyfyd
- 47 Amlwch Port
- 48 Porthfelin

Merthyr Tydfil

- 49 Gurnos
- 50 Penydarren
- 51 Dowlais
- 52 Merthyr Vale
- 53 Bedlinog
- 54 Cyfarthfa

Neath Port Talbot

- 55 Cymmer
- 56 Gwynfi
- 57 Glyncoerwg
- 58 Sandfields West
- 59 Sandfields East
- 60 Onllwyn
- 61 Seven Sisters

- 62 Ystalyfera
- 63 Briton Ferry West
- 64 Neath East
- 65 Pelenna
- 66 Lower Brynamman

Newport

- 67 Pillgwenlly
- 68 Tredegar Park
- 69 Bettws
- 70 Ringland

Pembrokeshire

- 71 Pembroke: Monkton
- 72 Pembroke Dock: Llanion

Powys

- 73 Ystradgynlais

Rhondda Cynon Taff

- 74 Pen-y-waun
- 75 Maerdy
- 76 Tylorstown
- 77 Glyncoch
- 78 Llwyn-y-pia
- 79 Penrhiwceiber

- 80 Treherbert
- 81 Cwm Clydach
- 82 Rhydfelen Central/Ilan
- 83 Giffach Goch
- 84 Mountain Ash West
- 85 Cymmer
- 86 Ynysir
- 87 Trealaw
- 88 Aberaman South
- 89 Tonyrefail West
- 90 Pen-y-graig

Swansea

- 91 Townhill
- 92 Penderry
- 93 Graigfelen
- 94 Castle

Torfaen

- 95 Treveithin
- 96 St Cadocs & Penygam

Wrexham

- 97 Plas Madoc
- 98 Queensway
- 99 Caia Park
- 100 Gwenfro

Pockets of Deprivation ▲

Blaenau Gwent

- 1 Garnlydan
- 2 Six Bells
- 3 Abertillery

Caerphilly

- 4 Lansbury Park
- 5 Gelligaer/Penybryn
- 6 Craig-y-Rhacca
- 7 Trinant/Pentwyn
- 8 Tiryberth/Glanynant
- 9 Cefn Fforest

Ceredigion

- 10 Penparcau & West Aberystwyth

Conwy

- 11 Tudno
- 12 Chester Avenue Estate

Flintshire

- 13 Holywell Neighbourhoods
- 14 Higher Shotton Estate
- 15 Bryn Gwalia Estate

Merthyr Tydfil

- 16 Treharris Village
- 17 Trefechan
- 18 Troedyrhiw

Monmouthshire

- 19 North Abergavenny

Neath Port Talbot

- 20 Pantyffynnon
- 21 Fairyland
- 22 Brynbryddan and Penllyn

Newport

- 23 Alway Estate
- 24 Somerton Estate
- 25 Stow Hill
- 26 Maesglas and Gaer

Powys

- 27 Oldford Estate

Swansea

- 28 Bonymaen
- 29 Clase/Caemawr

Torfaen

- 30 Thornhill

The Vale of Glamorgan

- 31 St Thompson
- 32 Gibbonsdown

Communities of Interest ○

Blaenau Gwent

- 1 Ebbw Vale – Communities affected by the Corus Steel closures.

Cardiff

- 2 Black, Minority Ethnic community of interest (all of Cardiff)

Carmarthenshire/Neath Port Talbot

- 3 Amman Valley – Cross Local Authority border community

Ceredigion

- 4 Upland villages in Tregaron area

Flintshire

- 5 Rural North Flintshire neighbourhoods

Gwynedd

- 6 Llŷn Peninsula rural community of interest

Neath Port Talbot

- 7 Domestic Violence community of interest (all of Neath Port Talbot)

Newport

- 8 Black, Minority Ethnic community of interest (all of Newport, with initial focus on Maindee)

Pembrokeshire

- 9 Young people community of interest (all of Pembrokeshire, initial focus on Neyland West, Garth and Milford Haven area)

Powys

- 10 Dyfi Valley – ‘Necklaced’ rural communities (parts of Llanbrynmair, Glantwymyn/Cadfarch and Machynlleth)

assessment of funding applications, encourage programme bend and to give the Assembly Government a better understanding of how partnerships are delivering (Box 3).

Box 3 – The Communities First Vision Framework

Since the programme was launched in 2001, there have been two iterations of the Communities First Vision Framework. The original version of the Vision Framework was set out in the 2001 programme guidance. To support the next phase of the programme (2009-12), in 2008 the Assembly Government produced a revised Vision Framework.

The Assembly Government developed the original Vision Framework primarily to help partnerships generate ideas about the kinds of things they might do to meet programme objectives. The 2001 Vision Framework comprised six themes, or headings:

- jobs and business;
- education and training;
- environment;
- health and wellbeing;
- active community; and
- crime and community safety.

Under these six headings, the 2001 Vision Framework listed examples of the kinds of activities partnerships could carry out in order to deliver the programme's overall objectives.

As part of launching the next phase of the programme from April 2009, the Assembly Government decided to revise the Vision Framework. The revised Framework is primarily intended to enable better assessment of funding applications, to encourage programme bend and to give the Assembly Government a better understanding of how partnerships are delivering by:

- more closely aligning Vision Framework themes with the Assembly Government's key policy priorities;
- requiring partnerships to demonstrate in funding applications how they will address the key policy priorities, and the extent of their involvement in delivery alongside service providers; and
- requiring all targets set by partnerships to link to the themes within the Vision Framework.

1.7 In 2007, the Assembly Government added the objective of 'encouraging active citizenship' to the original seven objectives. Previously, an objective of this sort had not been an explicit programme goal, although the Assembly Government had identified it as one of the six Vision Framework themes that it expected partnerships to address when developing a Community Action Plan for regenerating their local areas. And in 2008, the Assembly Government announced its intention that partnerships should focus more clearly on delivering regeneration outcomes, such as jobs and higher incomes, and also introduced a new focus on addressing child poverty.

1.8 The Assembly Government recognises that the objectives of Communities First are ambitious: if successful, the programme will bring fundamental, wide-ranging changes to local communities and public services⁴. The required changes encompass 'softer' community development objectives (such as developing 'can do' communities), 'harder' regeneration outcomes (such as creating additional jobs in Communities First areas) and public service reform (requiring more responsive and locally accountable public services).

The principles behind the programme were not fully evidenced although the Assembly Government did draw on community development expertise

1.9 The design of Communities First reflects the Assembly Government's belief that, given the relative failure of previous policies to mitigate the chronic problems experienced in the most deprived parts of Wales, new ways of working were necessary. As a result, there was only limited evidence available to support some of the core principles of the programme.

⁴ *Communities First Guidance*, paragraph 2.4, Assembly Government, 2007



Citizen involvement in service design and delivery

1.10 Central to the programme is the principle that greater involvement by local citizens in the design and delivery of services should lead to better services. The evaluation of the Welsh Office's People in Communities programme (Box 1) gave in principle support to the idea that public services could be improved through greater citizen engagement. However, the evaluators also concluded that the approach chosen by People in Communities – setting up partnership boards, developing action plans and carrying out a small number of funded regeneration projects – had not been effective in enabling citizens to influence services. We found no evidence to suggest that, in designing Communities First, which has a similar infrastructure to People in Communities, the Assembly Government had used these findings to ensure that Communities First partnerships were more effective in securing citizen involvement in service design and delivery.

Link between community development and regeneration

1.11 Communities First is based on the principle that community development leads to community regeneration – that achieving long-term sustainable 'harder' regeneration outcomes requires greater involvement by local communities in both defining the problems they face and developing solutions to these problems. However, we found little evidence that the Assembly Government had assessed the validity of this assumption. The interim review of Communities First, conducted in 2006 by Cambridge Policy Consultants on behalf of the Assembly Government, cautioned that community

development work does not necessarily lead to community regeneration.

Programme bend

1.12 The Assembly Government recognises that the core Communities First budget is insufficient to deliver its regeneration objectives. For the programme to be a success, therefore, the Assembly Government considers that mainstream programmes and services need to be 'bent', or prioritised, towards Communities First areas⁵. As such, Communities First is based, at least in part, upon the principle that increased public spending, as well as better public services, will lead to community regeneration.

1.13 However, in developing the programme, the Assembly Government acknowledged that the exact relationship between public sector funding and community regeneration was an unknown⁶. Data on public spending at a ward level, the basis for most Communities First areas, is not available. This makes it inherently difficult to demonstrate that deprived areas have suffered from inadequately-funded public services in the past or to provide evidence for the argument that poorly-funded public services cause deprivation.

1.14 While there was a lack of hard evidence of likely success, to inform the development of the programme the Assembly Government commissioned a review by a number of community development experts (both practitioners and academics) of good practice in the field. This review established 32 principles of good practice in community development and identified a number of key determinants of success⁷. In designing

⁵ 2007 Assembly Government guidance defines programme bend as the redirection of grant schemes and mainstream budgets to target Communities First areas, and changes in the way in which services are delivered in Communities First areas, to ensure that services are more responsive to local need.

⁶ In 1999, a senior Assembly Government official described the idea of Springboard Communities (paragraph 1.2) as 'putting all our programme eggs in one basket ... to test out the hypothesis that [this] would in reasonable time bear fruit in terms of measurable improvement'.

⁷ *Community Regeneration Review of Best Practice*, Assembly Government, 2001

Communities First, the Assembly Government sought to reflect these success factors (Figure 3).

The mechanisms for delivering the objectives are complex and difficult to implement

1.15 Achieving the ambitious objectives of the innovative Communities First programme is a considerable challenge for the Assembly Government and its partners in local communities and the rest of the public sector. In particular:

- a the Assembly Government, which was a relatively new organisation, had little experience in delivering large scale community-based regeneration initiatives;
- b the evaluation of People in Communities had confirmed the difficulty of effectively securing community involvement⁸;
- c the delivery chain is diffuse: funding flows from the Assembly Government, via Grant Recipient Bodies, to nearly 150 partnerships which may each carry out their own projects;
- d programme bend is key to the success of the programme, but it is inherently difficult for relatively small, disparate partnerships on their own to influence the spending patterns of large, well-established public sector organisations such as the NHS; and

Figure 3 – Aspects of Communities First reflect good practice in community development

Partnership

Local partnerships should reflect the 'three thirds' principle (of equal representation from different sectors) and be based upon a formal partnership agreement, outlining the relative roles and responsibilities of partnership members.

Participation

Local people have key roles and responsibilities – as partnership members, for example.

Capacity Raising

The Assembly Government's 2001 guidance expected partnerships to develop a Capacity Building Plan, 'set[ting] out the communities' aims in developing the capacity of the community, partnerships and agencies to enable engagement in the [Communities First] process'.

Identifying communities for support

In line with good practice, the Assembly Government used both 'hard' statistical data and more qualitative and localised knowledge to identify eligible communities.

Equal opportunities

The programme aims to address social inequalities by improving the lives of those living in the poorest areas and to foster social inclusion by developing opportunities for all to participate in effecting change.

Evaluation of success

The Assembly Government originally envisaged local people playing a role in determining how to monitor the success of partnerships in their areas. The Assembly Government committed itself to measuring whether the programme had improved the quality of life for people living in deprived areas.

Funding frameworks

The Assembly Government committed itself to supporting the programme for at least 10 years.

Source: Wales Audit Office

⁸ Housing Research Summary 3/01, National Assembly for Wales, 2001



- e the programme relies on consensus from a wide range of interested parties on the best way forward for particular communities, but such consensus may be difficult to achieve, particularly as some interested parties (such as elected council members) may see the Communities First process as under-cutting other, more established (and, in their view more democratically legitimate) decision-making fora.

1.16 Although the programme has now been in place for some years, as it has evolved it has remained complex and challenging. Some respondents to the Assembly Government's 2008 consultation document on the next stage of Communities First highlighted their concerns about the potentially greater demands being placed on partnerships under the proposed next stage of the programme⁹. Communities First co ordinators and local stakeholders expressed similar concerns during our case study visits, which took place around the time of the Assembly Government consultation.

Partnerships have been set up and local benefits have been achieved

Almost all Communities First areas now have a functioning partnership, although progress in reaching this stage has been slow

1.17 The creation of partnerships to represent local communities is central to the Communities First programme. With one exception¹⁰, the programme has resulted in all the original 142 areas having a functioning Communities First partnership. However, some of the new LSOA areas identified through the 2005 WIMD are

yet to form a partnership or be merged with an existing partnership. In many areas partnerships were set up relatively quickly and were able to make swift progress towards developing plans for their areas. In other instances, however, establishing the partnership took a significant amount of time and work.

1.18 Variations in the ease of forming partnerships have been due, in part, to historical factors: partnerships in most areas that had a long history of community regeneration were set up relatively quickly, while other areas, which in effect had to start from scratch, took more time. Delays were also caused by local disagreements, for example: on the role of the partnership, especially in relation to existing community organisations and partnerships; about who should sit on the partnership; and about the arrangements for managing the partnership's activities. There were also tensions between areas and groups within some Communities First areas.

Most partnerships have engaged the local community

1.19 Although it is not a specific objective of the programme, engaging with local communities to identify their needs and build their capacity is fundamental to Communities First's ethos of delivering bottom-up regeneration with, rather than to, people and communities. The majority of partnership co-ordinators (53 out of 71) who replied to our relevant survey question said that they had carried out an audit of local need, including consulting with local stakeholders and the community. Co-ordinators reported using a variety of techniques for this, including focus groups, surveys, door to-door visits, and community events. Many co-ordinators told us that talking

⁹ A three-month consultation period on the next stage of the programme began in January 2008 and stemmed, in part, from the *One Wales* commitment to develop Communities First into what was then to be called Communities Next – although the Assembly Government subsequently decided to retain the original name.

¹⁰ Following local difficulties, West Rhyl has been run by a Project Board with representatives from the statutory sector. In August 2008, the Assembly Government announced that West Rhyl would no longer be part of the Communities First programme. See also Case Study 7 on page 53.

to local people informally at Communities First offices, at community events, or while working in the community was often the most valuable way to identify community needs, concerns and aspirations.

1.20 Local people can engage with Communities First directly through membership of the partnership, although this is usually limited to a relatively small number of people (usually between 5 and 15). However, one partnership told us that, because of historical difficulties creating a settled partnership, up to 70 local people attend partnership meetings. While this level of attendance might reflect local enthusiasm to be involved with the programme, such a large partnership can make it difficult to develop a clear strategic focus and identify priorities. Some partnerships have been able to accommodate widespread community engagement through sub-groups, which feed in to the main partnership (*Case Study 1*).

1.21 In delivering Communities First locally, partnership staff manage and support a range of local activities that engage local people, such as training schemes, carnival events, environmental clean-ups, and healthy eating events. These activities provide an opportunity for partnership staff to talk to residents about local concerns and ideas for future activities. For example, in West Rhyl, which did not have a formal partnership, Communities First staff used local activities, such as fit clubs and mother and toddler groups, to gather opinions on what projects local people wanted to see developed in the area.

1.22 In many areas, the partnership offices have become an important focal point for engaging with communities. In some instances, the partnership host meetings and training events at the office, which can be a hub of local activity. In some areas, Communities First is

Case Study 1 – Caia Park (Wrexham) Communities First Residents Panel

The Caia Park Communities First Residents Panel, a sub-group of the main partnership, comprises local residents with an interest in working with Communities First to improve the local community. The members of the residents panel reported that their involvement with Communities First had empowered them to have a greater role in their local area. The residents emphasised that their involvement in the panel had changed the way they approached local service providers; giving them greater confidence to represent their views and those of the local community. The panel had been involved in lobbying the local authority to clean-up some parts of the estate, by presenting the Council leader with photographic evidence of areas with a large amount of rubbish and litter, and in securing changes to the local bus route. Although some of the members of the panel had been involved with community groups prior to Communities First, others had not, and told us that Communities First had given them a confidence boost.

Source: Wales Audit Office

closely associated with a large community facility from which a number of agencies operate, such as the renovated Miners Institute in Llanhilleth in the south Wales valleys. In other instances, the Communities First office is a converted house or flat, such as in Bonymaen, Swansea or Caia Park, Wrexham, where, despite being relatively small, the offices can still provide a focus for local activities and local engagement. In West Rhyl, the Communities First team did not have an office in the community, and the co-ordinator cited this as a major barrier to engaging with local people.

1.23 Many partnerships have determined that engaging with children and young people is a priority. In 2007-08, Communities First funded 165 youth worker posts across Wales, and many partnerships have attached to them young people's forums or sub groups. Communities First youth workers told us that they can offer services beyond what has been traditionally provided by statutory youth



services. Most were engaged in outreach work, engaging with young people on the streets in order to encourage them to participate in local projects or to develop their own activities. In many partnerships we visited, work with young people is among the more visible achievements, with photographs of young people involved in various activities displayed prominently around Communities First offices.

- 1.24** As well as children and young people, partnerships also aspire to engage other so called 'hard to reach' groups. The Assembly Government's 2007-08 monitoring data shows that partnerships across Wales reported 380 examples of engaging with such groups. The groups with which partnerships most commonly engaged were: children and young people (140 examples); people with disabilities (82 examples) and older people (76 examples).

Partnerships have helped support groups and individuals in improving their personal circumstances and the local area

- 1.25** The Communities First programme has helped to support a number of groups and individuals, contributing to the programme's capacity building objective of building confidence and self esteem. Our case study visits showed that partnership co-ordinators and development workers have spent a considerable amount of time developing the capacity of local groups, such as providing administrative support, helping organisations to become formally constituted, and helping local groups to access funding for projects. Examples of the kinds of organisations and groups supported include:

- a** mother and toddler groups;
- b** community/social enterprises;
- c** youth clubs;

- d** sports/fitness clubs; and
- e** community centres.

- 1.26** Evidence from the Assembly Government's monitoring reports, our survey and case study visits show that most partnerships have helped support individuals to improve their mental, emotional and physical wellbeing. Many of the co-ordinators and development workers we spoke to referred to examples of intensive mentoring for individuals, often with the result that people with low confidence and self-esteem moved on to participate in activities, training or groups associated with the Communities First programme. We also found examples of people taking a more active role in their community by sitting on committees and helping to organise community events. Our case study visits and Assembly Government monitoring shows that partnerships can also generally demonstrate local benefits from projects aimed at improving physical health and wellbeing. Examples of the kinds of projects we came across during our fieldwork include: community fit-clubs, food co-operatives, healthy eating schemes, keeping well at winter programmes, and community walks (**Case Study 2**). The staff and stakeholders we spoke with highlighted the benefits to individuals, such as weight loss, increased consumption of healthy food and take-up of exercise.

- 1.27** Most of the partnerships we visited provided some evidence that they had supported people into employment, although the degree of focus on tackling economic problems varied between the different areas. One partnership has taken a very pro-active approach, with development workers working with local employers to identify vacancies and training opportunities and strongly encouraging local people to take up opportunities (**Case Study 3**). Other partnerships have placed a strong focus on

Case Study 2 – West Rhyl activity to promote health and wellbeing

In West Rhyl, the Communities First team run a number of projects aimed at improving local health and wellbeing, including:

- A local fit-club at which local people are given advice on exercise and diet. Residents attending the Fit Club are able to benefit from discounts in local private fitness facilities.
- Keep well this winter coffee mornings, with advice for older people.
- Events targeted at young mothers, which provide advice on healthy eating and at which attendees are given free vitamins, supplied by a local pharmacist.

With the planned removal of West Rhyl from Communities First, a local community organisation will take over the groups supported through the Communities First programme.

Source: Wales Audit Office

training for work; for example, the partnership in Caia Park, Wrexham has set up a retail school, which provides retail training for local residents, with a view to their getting a job in a new retail park development close to the Communities First area.

- 1.28** Many of the partnerships we met had carried out activities designed to improve their local areas. In some instances these involved community clean-ups carried out by local volunteers with support from charities, the probation service and the local authority (Case Study 4). Some community clean-ups have focused on particular areas of concern to the local community, such as a clean-up of lanes in an area of West Rhyl with a concentration of multiple occupancy houses. While the public sector has some responsibility for environmental cleanliness, Assembly Government officials and local stakeholders cite the benefits of such community clean-ups in developing community engagement and greater community ownership of, and pride in, their local area.

Case Study 3 – Development workers helping local people into employment

In one area, the Communities First development workers take a particularly hands-on approach to supporting local people into employment. The development workers speak with local people to find out what their employment aspirations are, and then try to find opportunities with local employers. For example, the development workers arranged for a local young person with an interest in working with cars to work as an apprentice in a local garage. In order to encourage the person to stay in employment, the development workers would wake him up, help him prepare for work and ensure that he attended the workplace on time.

Source: Wales Audit Office

Case Study 4 – Community Clean-ups

A number of partnerships run community-based clean-up events. In the Sandfields area in Neath Port Talbot, the partnership, along with Keep Wales Tidy, holds 'skip days', where local people can take items to be disposed of. The local authority takes the skips away to dispose of the rubbish free of charge and a local environmental group secured funding from the CFTF to hire the skips. In West Rhyl, the Communities First team ran a community clean up, with volunteers from the community and support from the probation service and the local authority, who disposed of the rubbish collected at the event.

Source: Wales Audit Office

- 1.29** Many partnerships have also developed projects with the local police, designed to prevent offending behaviour and to promote Community Safety. Examples include joint projects between the local police and the partnership in Bonynmaen, Swansea which engage local children in sports and cultural activities.
- 1.30** In June 2008, the Assembly Government published *Making a Difference: Good Practice in Communities First*. The report identifies examples of good practice against each of the 2007 Vision Framework themes. Some of the projects and initiatives in the report demonstrate some local progress in delivering



some of the regeneration outcomes. For example, in terms of jobs and skills:

- a** The Community Ambassadors and Train the Trainers programme, jointly run by four partnerships in Newport, Gwent Association of Voluntary Organisations and JobCentre Plus, supported 62 people into paid employment and provided training for a further 25 people.
- b** The Dockleaf project in Llanion in Pembroke Dock, run by Communities First and Pembroke Dock Community School has provided training in childcare and teacher assistant qualifications. Between 2004 and 2008, 27 people had achieved a NVQ level 2 qualification, 11 had achieved a NVQ level 3, five had gone on to do a foundation degree and two were in teacher training; and 55 of the participants had been supported into employment.
- c** The Youth Employment Project run by Llwynhendy partnership's Youth Group has supported 12 young people into paid employment in the construction industry.

Although, overall, Communities First itself has not resulted in significant changes to public services and mainstream funding, there are examples of programme bending

Many public services are already targeted on areas of deprivation

1.31 There are examples where public services, programmes, projects and initiatives have targeted Communities First areas and worked with Communities First partnerships. We found examples across the public services in Wales, including programmes run by the

Assembly Government, Assembly Government Sponsored Bodies (AGSBs), local government, health bodies, fire and rescue services and non-devolved organisations such as the JobCentre Plus, police and the probation service. Our survey of public bodies across Wales found that the majority (31 out of 42) had introduced a new service or programme that targets Communities First areas. Significantly fewer (18 out of 42) had re-focused an existing service or programme to target Communities First areas. This approach reflected the views of several public bodies that it is easier to target Communities First areas with new services when extra funding becomes available, or to run new pilot projects, than to change existing patterns of service delivery. In our survey, nine public bodies (four AGBSBs, two local authorities and three LHBs) reported that they had neither introduced new services nor re-focused existing services or programmes to target Communities First areas.

1.32 Many of the public sector bodies that work in or target Communities First areas told us that they were doing so to meet their own objectives, rather than those of Communities First. In particular, a wide range of public bodies include tackling social exclusion and deprivation and engaging with citizens as part of their objectives. Accordingly, the key reasons for public bodies working in or targeting Communities First areas include:

- a** Responding to need – public services frequently work in Communities First areas because they have the highest level of need. Examples include the Sports Council's programmes, because deprived areas have lowest levels of physical activity; Assembly Government programmes to support improvements in the standard of social housing, because social housing stock tends to be located in

Communities First areas; and prevention programmes run by Fire and Rescue Authorities, because the risk of fire is higher in Communities First areas.

- b** Broadening access/social inclusion – for example, the Arts Council and Amgueddfa Cymru – National Museum Wales both have the objective of broadening access and have introduced programmes targeting deprived areas, including those covered by Communities First, in order to encourage people to access and participate in the arts and museum services.
- c** Changes in policy priority – for example, Police Services work closely with partnerships across Wales. The key strategic driver behind this local working is the Home Office’s Neighbourhood Policing policy (**Case Study 5**), involving a local police presence within communities.

scheme of the first Assembly Government, Communities First had contributed to a culture change within public services, leading to a greater focus on tackling deprivation and the targeting of specific deprived areas, that would not have happened without the programme.

- 1.34** The Assembly Government has attempted to measure the extent of programme bending through its annual monitoring report. The Assembly Government asks each partnership to report funding that has gone into its area, and the extent of the partnership’s involvement in applying for the funding, or delivering the activities funded. However, the Assembly Government’s data does not distinguish between funding that has genuinely been ‘bent’ into the area from funding that would have gone into the area in any case.

Case Study 5 – Neighbourhood Policing

In 2004, the Home Office introduced a new approach to policing local areas, known as Neighbourhood Policing, with a focus on a local police presence in communities. Most of the Communities First areas we visited had local neighbourhood police teams. In most areas, there were positive relations between the local neighbourhood police team and the partnership and its staff. In some cases, local community police meetings were held back-to-back with partnership meetings. Although they struggled to quantify the impact, all of the local police officers we spoke to as part of our case studies reported benefits from their closer engagement with the community in terms of helping to engage with people, particularly young people, and provide diversionary activities to help keep people out of trouble. In many instances, local police ran projects jointly or with support from Communities First.

Source: Wales Audit Office

- 1.33** The Assembly Government told us that, although many public services may not have changed as a direct result of Communities First, the programme has had an indirect impact. They told us that, as a flagship

There are examples where services have been bent as a direct result of Communities First, and the existence of partnerships can add value through engaging with service providers

- 1.35** Some services and resources are intended to directly target Communities First. The most notable example is the Assembly Government’s Cymorth programme for children and young people, which brings together a range of historical funding streams worth a total of £57 million in 2007-08. The guidance for Cymorth requires the local Children and Young People’s Partnership to produce a Cymorth Plan, identifying ‘Cymorth Target Areas’ where funding should be targeted. The Assembly Government’s guidance states that the Cymorth Target Areas should be co-terminous with the Communities First areas, although it allows for other areas to be included on an exceptional basis where a clear case can be made. The guidance also requires that Children and Young People’s Partnerships



should meet representatives from the Communities First partnerships and that the Cymorth Plan should demonstrate how it links to those discussions. In practice, not all the Cymorth funds have been spent in Communities First areas. Although the Assembly Government does not collect data on the proportion of Cymorth funds spent in Communities First areas, officials told us that because some funding reflects historical patterns as well as local decision-making, a proportion would be used to support projects and services outside Communities First areas.

1.36 Other examples of programmes explicitly targeted on Communities First areas include:

- a** The Assembly Government Department for Public Health and Health Protection's food co-operatives: the programme aims to improve access to fresh fruit and vegetables in deprived and remote areas. The Department expects that 75 per cent of the food co-operatives should be set up in Communities First areas.
- b** The Assembly Government's free school breakfast initiative, which was initially rolled-out across Communities First areas, following discussions between the officials responsible for the initiative and the Communities First Unit.
- c** The Arts Council of Wales' Night Out programme provides £20,000 for Communities First areas to host high quality arts productions in local buildings at heavily discounted prices for local people.

1.37 One of the ways in which Communities First partnerships can add value and impact to mainstream services is through directly engaging with service providers. Although expenditure on many programmes or services is already targeted on deprived areas, Communities First partnerships sometimes

have an opportunity to influence the way that money is spent or the programmes are delivered. One such example is the funding allocated for Housing Renewal, whereby local authorities designate areas as housing renewal areas and apply for Assembly Government funding to improve the housing in the designated area. Being a Communities First area is not a requirement of the Housing Renewal grant but, in considering whether to award the grant, the Assembly Government takes account of engagement with local groups including, where relevant, Communities First partnerships. Through their engagement with local authorities, partnerships can potentially impact on the way in which the programme is run.

1.38 We also found examples where lobbying by partnerships has resulted in service providers introducing new or improved services. One successful example resulted in changes to the youth services in Llanhilleth, in Blaenau Gwent, with a revised model being piloted in the area ([Case Study 6](#)).

Case Study 6 – Youth Services in Llanhilleth

The partnership in Llanhilleth, Blaenau Gwent, was concerned at a perceived lack of youth service provision in the local area. As a result, the Communities First Youth Worker for the area carried out an audit of local youth service provision, to highlight gaps in local services, and developed an Action Plan linking local voluntary services with statutory provision. Following discussions between partnership staff and staff from Blaenau Gwent local authority, the authority agreed to pilot a 'Zoning' approach. The approach involves the statutory youth service providing support and training for local volunteers, to up-skill them in areas such as sexual health, so that local groups can help to deliver more services.

Source: *Wales Audit Office*

1.39 Although many public sector bodies may have targeted Communities First areas anyway, the existence of Communities First partnerships provides a focus that might not have been there previously for public sector bodies to

engage with local communities. For example, the Environment Agency Wales and the Welsh Language Board engage with Communities First partnerships to help deliver their objectives of engaging the public in the services they offer. Other public bodies told us that, although they do not explicitly prioritise Communities First areas, in practice they may end up doing so because the infrastructure of the partnership and community workers enables them to do community-based work that they would struggle to achieve in areas without such an infrastructure.

The Assembly Government cannot demonstrate the overall impact of the programme in meeting its objectives and although it is improving its ability to measure progress, some weaknesses remain

The Assembly Government has not monitored the impact of the programme and, although it is improving its monitoring of progress, some weaknesses remain

1.40 Until 2007, the Assembly Government did not consistently monitor Communities First at a programme level. The Assembly Government gathered quarterly information on partnerships' activity as part of its payments regime. Our review of Assembly Government files found that much of the information provided covered the activity of partnership co-ordinators and development workers, and did not generally include information on outcomes or impact. We found little evidence that this quarterly monitoring information was subject to review or scrutiny by Assembly Government staff to assess how effectively the programme was progressing towards its

objectives. Also, the Assembly Government kept the monitoring information on file for each individual partnership, and did not collate the information to monitor performance at a programme level. As a result, the Assembly Government has not been able to assess whether the programme was meeting its objectives.

1.41 In 2003, the Assembly Government had intended that the WIMD would be used to assess the progress of the programme. A review of Communities First by the then Deputy Minister recommended that partnerships' targets should be linked to the WIMD and that monitoring and evaluation should assess the impact of activities on the WIMD. However, the Assembly Government did not implement this recommendation, in part because of changes to the geographical and statistical components of the WIMD. These changes mean that the 2000, 2005 and 2008 indices cannot be compared to each other. The Assembly Government cannot, therefore, use the WIMD to evaluate the impact of the programme or individual partnerships over time. The Assembly Government has not developed an alternative set of indicators to measure progress, partly because there is limited national statistical data at Communities First area level.

1.42 In 2007, the Assembly Government changed its monitoring of partnerships, with the goal of developing improved monitoring at a programme level. For 2007-08, across Wales, partnerships identified a total of 1,925 desirable outcomes. Partnerships also identified which of the 2007 Vision Framework themes and three other Assembly Government priorities (older people, child poverty and Welsh language) each outcome primarily addressed. The largest number of outcomes related to the Vision Framework theme of Active Community, which covers the capacity building work carried out by

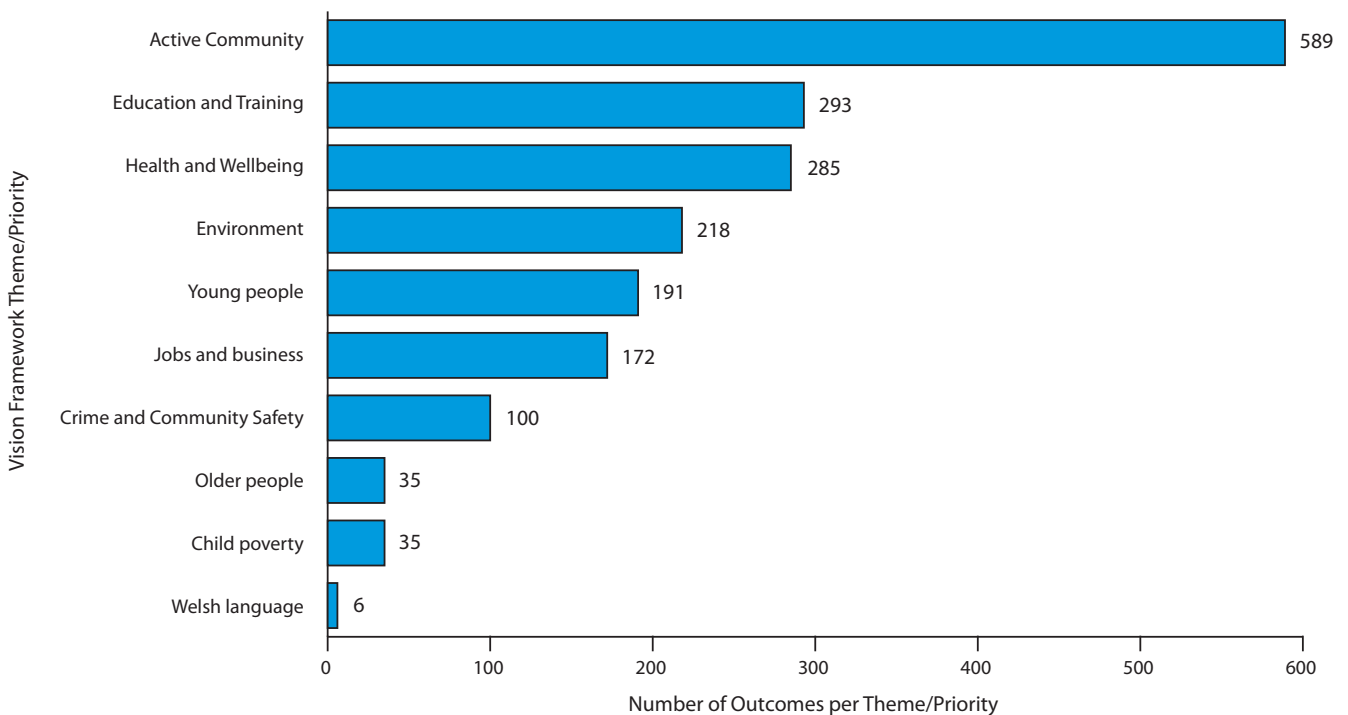


partnership staff (Figure 4). Partnerships' self-assessments of progress show that they believe the majority of outcomes have either been achieved or significant progress towards achieving them was made in 2007-08 (Figure 5).

1.43 The data gathered through the annual monitoring form (Figure 5) do not enable the Assembly Government to understand the overall impact of the programme. This is because:

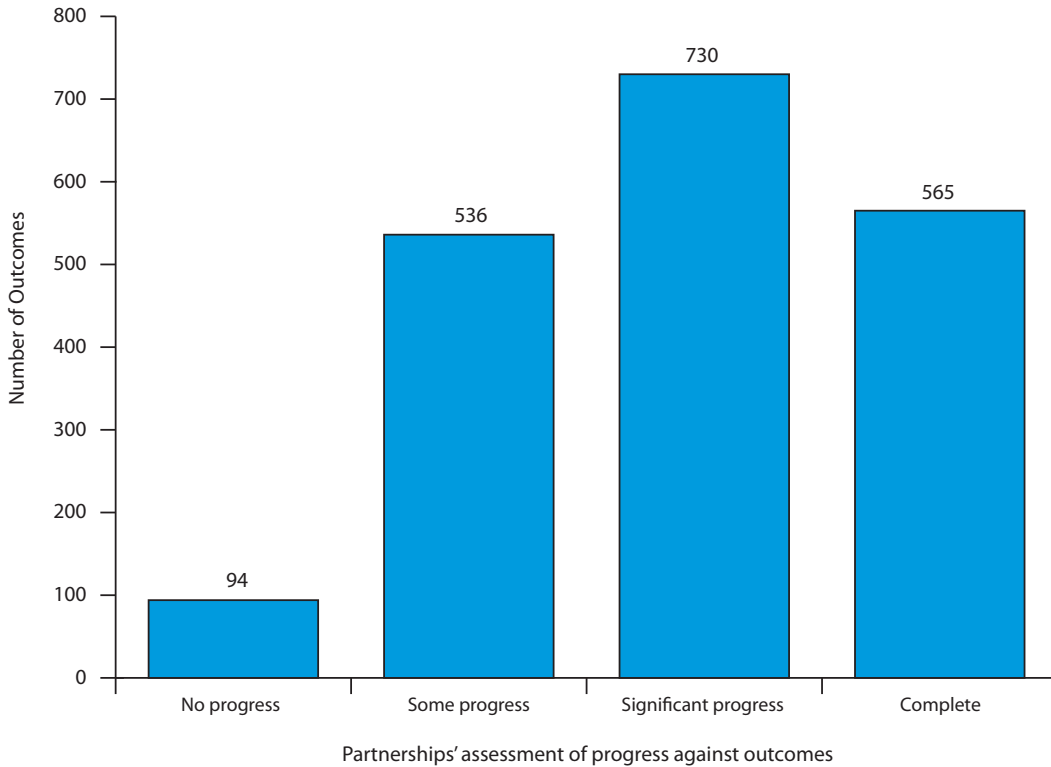
- a** The extent of progress is largely based on partnerships' subjective assessments.
- b** There is considerable variation as to the kinds of 'outcomes' partnerships identify, and most are not actually 'outcomes' (see Part 2).
- c** The focus on requiring partnerships to report progress against outcomes, rather than targets, is inappropriate because outcomes are high level and relate to a significant change in the community, such as 'a clean environment', or 'a healthy population'. Partnerships will not be in a position to deliver such outcomes alone, but should be able to contribute to outcomes and report their progress against clearly defined targets that reflect their contribution to outcomes (see Part 3).

Figure 4 – Number of outcomes under each Vision Framework Theme/Priority in 2007-08



Source: Assembly Government Annual Monitoring reports

Figure 5 - Progress towards delivering outcomes across the programme in 2007-08



Source: Assembly Government Annual Monitoring reports

There is evidence of some improved socio-economic outcomes for people living in Communities First areas, but the contribution of the Communities First programme is unclear

1.44 The objectives for Communities First involve improved socio-economic outcomes for people living in Communities First areas. There is statistical evidence of some improved outcomes in Communities First areas when compared to the rest of Wales, in terms of unemployment, economic inactivity and educational qualifications (**Appendix 3**). The unemployment rate in Communities First areas fell between 2001 and 2007, whereas it rose in the rest of Wales; and economic inactivity rates fell more sharply during this

period in Communities First areas than in the rest of Wales. Communities First areas have also seen improvements in educational attainments and skills. With the exception of degree or higher qualifications, results for Communities First areas have improved more sharply than in the rest of Wales. Figures from the Higher Education Funding Council for Wales (HEFCW) show that there has also been progress in terms of the number of pupils from Communities First areas studying at university. The proportion of Welsh-domiciled new undergraduates to UK universities coming from Communities First areas increased from 8.9 per cent in 2000/01 to 10.5 per cent in 2006/07, a rise in absolute terms from 39,000 to 44,000 students.



1.45 There are inherent difficulties involved in establishing a causal link between the activities carried out through Communities First (or any other individual programme or initiative) and these broader population results. But it is possible, through effective monitoring, to evaluate the contribution of individual programmes. For example, a number of other public programmes, such as the Want2Work programme¹¹, target unemployment and economic inactivity in deprived areas. Want2Work monitors the number of people that have gone into employment as a result of its activities, and is therefore able to show how it has contributed to the overall outcomes across Wales. Because the Assembly Government has not gathered information on the activity of partnerships in a consistent way, it is not possible to assess the extent to which the Communities First programme has helped to contribute to improved socio-economic outcomes in Communities First areas.

1.46 The Assembly Government's June 2008 publication *Making a Difference: Good Practice in Communities First* clearly demonstrates that some partnerships have helped contribute to the improved outcomes (paragraph 1.30). Nevertheless, evidence from the 2006 interim evaluation of Communities First suggested that partnerships had not generally focused on tackling unemployment and economic inactivity. The Assembly Government told us that partnerships' community development work would have helped build the confidence of local people, so that they engage initially in informal community activities and learning, before moving on to more formal employment and training. It is, however, likely that Communities First's direct contribution to the improved outcomes across the Communities First areas is limited.

¹¹ A joint JobCentre Plus and Assembly Government programme funded through the European Social Fund

Part 2 – After a difficult start, the Assembly Government has improved processes and encouraged partnerships to focus more on outcomes, but fundamental risks and challenges remain

- 2.1** A key aspect of the programme is that each Communities First area is represented by a partnership (paragraph 1.4). This part examines the robustness of the Assembly Government's plans to establish, fund and support these partnerships and appraises its subsequent management of the partnerships since the launch of the programme in 2001. It shows that:
- a** Despite its limited experience of delivering such programmes, and evidence from an evaluation of its earlier People in Communities scheme, the Assembly Government did not develop adequate plans to deliver Communities First. Its failure to do so created a number of problems around core aspects of the programme; difficulties which have had long lasting and significant impacts on the programme.
 - b** Although the Assembly Government has recently implemented a number of key changes to the programme, to address some of the earlier limitations of the programme, a number of fundamental risks and challenges remain. The revised performance management arrangements do not capture the complexity of delivering a whole of government programme; the revised funding regime runs the risk of not being sufficiently responsive to local circumstances (a key principle of the programme); and the growing ambitions of

some partnerships to take on additional responsibilities may make good programme management and governance increasingly difficult.

There were serious weaknesses in the Assembly Government's planning for and management of Communities First in the programme's early years

Serious weaknesses in the Assembly Government's workforce planning led to staffing problems within partnerships and the Assembly Government itself when the programme was rolled out

- 2.2** The Assembly Government decided to roll Communities First out across the (then) 142 areas simultaneously. The 2001 evaluation of People in Communities had cautioned against this approach, as there was not a large enough pool of suitably skilled community development workers to support such a large-scale initiative. The evaluation also identified capacity within the Assembly Government as a problem, concluding that the Assembly Government did not have the management structure capable of directing and supporting the eight areas covered by the People in Communities initiative, let alone supporting the proposed additional Communities First areas¹².

¹² *People in Communities Initiative: An interim evaluation*, National Assembly For Wales, 2001, paragraph 10.4.3



Partnerships

- 2.3** Staff continuity, particularly at the co-ordinator level, is an important element of operating effective partnerships. While most partnerships initially were able to recruit co-ordinators, the 2006 evaluation of Communities First found that there had been a significant turnover of partnership staff, particularly co-ordinators. The evaluators ascribed this high turnover to number of factors, including the relative lack of skills and experience of some of those recruited to deliver the programme at a local level:
- a** some partnership staff resigned because the job was too stressful, in part as they did not have the skills and experience to deal with difficult solutions as they emerged; and
 - b** relative inexperience meant that some staff took on the job without knowing what it entailed and left when it became clear that the job 'was not what they thought it was'.
- 2.4** The Assembly Government did not undertake any assessment of the training needs of staff required to deliver the programme locally. The 2001 interim evaluation of People in Communities had recommended that, to build local staffing capacity, the Assembly Government should follow the approach taken by the Scottish Executive, and introduce a number of training courses on community development¹³. However, it was not until July 2007 that any formal training for programme staff was introduced – an induction course for all new starters run by the CFSN (Box 4).

Assembly Government

- 2.5** Despite the evaluation findings on People in Communities, before launching Communities First the Assembly Government did not carry out any assessment of the staff it needed to manage the delivery of the programme, and it acknowledges that initially it did not have sufficient staff to manage the programme effectively. The 2006 interim evaluation of Communities First also concluded that, for the first three and half years of the programme (2001 through to the summer of 2004), the Assembly Government had neither the right numbers of staff nor sufficient access to relevant expertise. As a result:
- a** the Assembly Government was unable to develop sufficiently comprehensive guidance to meet the needs of all those involved with the programme;
 - b** regional implementation teams were overworked and unable to engage sufficiently at a local level with partnership staff; and
 - c** for the first bidding round, the Assembly Government had not implemented a 'managed process' – in part, due to insufficient Assembly Government staff with community development experience to assess the original 142 bids.
- 2.6** The success of Communities First depends, to a large extent, on a whole of government approach. As such, the Assembly Government section responsible for running the programme, the Communities First Unit, needed to develop a strategic approach to applying the programme across the whole of the Welsh public sector. However, it was only in 2004, with the emergence of the national policy branch within the Communities First Unit, that the Unit developed some capacity to do this.

¹³ *People in Communities Initiative: An interim evaluation*, National Assembly For Wales, 2001, paragraphs 10.4.3 to 10.4.5

2.7 In 2001, the Assembly Government acknowledged that it did not have sufficient expertise to effectively manage delivery of the programme. In 2001, an umbrella group of nine voluntary sector organisations formed the CFSN, and secured funding from Communities First to deliver support to the partnerships. However, when it agreed to fund the CFSN, the Assembly Government did not have a clear idea of what support partnerships would need. In practice, the support provided by the Network was not wholly successful and the Network has now been replaced (Box 4).

Serious weaknesses in financial planning and the processes for funding the programme led to widespread variation in funding with no clear rationale for funding decisions

The Assembly Government did not estimate the costs of the programme at the outset

2.8 We found no evidence that, before it launched Communities First, the Assembly Government had made any assessment of the likely costs of delivering the programme. For example, even though the employment of salaried co-ordinators across all partnerships was a central plank of the programme, the Assembly Government had not considered the approximate costs involved. Nor did the Assembly Government make any assessment of the other costs, such as office costs, of running the partnerships.

Box 4 – Communities First Support Network (CFSN)

From 2001 to January 2009, the Assembly Government funded the CFSN to:

- provide information services (such as a website), disseminate good practice and contribute to policy developments relevant to Communities First;
- support lead bodies (such as voluntary organisations acting as GRBs), employed staff (mainly co-ordinators) and partnerships to manage the programme effectively; and
- support community groups and community organisations to become involved in the programme.

For the last full financial year that it operated (2007-08), the Assembly Government provided CFSN with funding of £1.04 million¹⁴.

The 2006 interim evaluation of Communities First found that, in the early days of the programme, the CFSN did not always provide partnerships with the right kinds of support. Partnerships were more likely to require generic support in developing a bottom up approach to community development and building partnerships, rather than the specialist advice more readily available from the individual organisations (such as Groundwork Wales) that made up the CFSN. In response to the 2006 evaluation, CFSN introduced additional generic support workers for partnerships.

Following a further review by consultants, the Assembly Government decided to develop new support arrangements and the CFSN ceased to exist in January 2009. The Assembly Government issued a tender for various support elements. Following the procurement process, the Wales Council for Voluntary Action will provide advice and support to partnerships and a number of training and development courses, including an induction course for newly appointed staff. A company – EMPOWER – will provide information services to support the programme; for example, EMPOWER will take on responsibility for running a dedicated Communities First website and will organise opportunities for partnerships to learn from each other¹⁵.

¹⁴ CFSN Business Plan 2007-08

¹⁵ The Assembly Government owns the information that was previously held on the CFSN website and can transfer it as required to the EMPOWER website.



In the programme's early years, underspent funds were not used strategically at either programme or partnership level

2.9 By not assessing the likely costs of the programme, the Assembly Government did not have a good understanding of the initial capacity of partnerships to spend programme funds. In November 2002, the rate of spend by partnerships was such that the Assembly Government forecast a £15 million underspend on its programme budget for that year. In order to generate some 'quick wins' to promote the Communities First programme, the Assembly Government decided to spend the majority of this underspend on upgrading lighting and improving play and transport facilities in Communities First areas (Box 5). The Assembly Government did not consult with partnerships about whether these were priority areas for them.

Box 5 – Assembly Government funding for play, transport and lighting facilities in Communities First areas

The Assembly Government decided to allocate each Communities First area with:

- £50,000 to spend on improving play facilities within their area (some £7.1 million in total); and
- £30,000 to spend on improving transport and lighting within their area (some £4.2 million in total).

The Assembly Government decided that in all cases this funding should be channelled to partnerships through the respective local authorities, despite the fact that there were a range of organisations acting as GRBs, which normally dealt with all aspects of funding for the partnerships they represented.

In December 2002, the Assembly Government told local authorities about this funding, informing them that all relevant contracts had to be in place by the end of March 2003, with all spend incurred by the end of July 2003.

The Assembly Government also provided BTCV (a charity to encourage environmental conservation volunteering) with £150,000 to deliver environmental improvement projects in Communities First areas.

- 2.10** The Assembly Government's tight timetable for spending the available funds created a number of risks, which materialised in some areas. These included:
- a insufficient time to adequately consult local communities;
 - b local tensions around whether the proposed facilities were located in the best place, and concerns about anti-social behaviour; and
 - c co-ordinators in those areas having to deal with conflict at a critical time when they needed to generate support for the programme.
- 2.11** Since 2003-04, if a partnership does not spend all the funds allocated it can seek the Assembly Government's agreement to move funds between budget headings. This means that partnerships cannot identify entirely new uses for the underspend, but only use it on activities agreed with the Assembly Government as representing the strategic direction chosen by the partnership. However, during the first two years of the programme, the Assembly Government allowed partnerships forecasting budget underspends to identify new ways in which to spend the full amount of their grant, a practice known as 'reprofiling'. In March 2003, one local authority reprofiled a £200,000 underspend on its 2002-2003 grant allocation, amounting to almost a quarter of the entire Communities First budget for that area for the year. Reprofiling runs the risk that partnerships spend unstrategically, as towards year end they rush to find new ways of spending remaining funds, often without having adequate time to carry out essential processes, such as consulting with local communities or developing robust project plans.

The Assembly Government did not have robust processes in place to appraise early funding applications

- 2.12** Until the introduction of a new funding regime in April 2009, the Assembly Government assessed applications for funding from partnerships and decided which elements to fund. Initial guidance described the programme as a staged process, moving from preparatory activity, through capacity building to an action planning phase. For each of these three phases, the Assembly Government developed an application form and a series of desk instructions to assess applications. The desk instructions included predetermined criteria and checklists for completion and sign off by Assembly Government officials. However, this approach of using a number of predetermined criteria to assess applications was never systematically used. The Assembly Government reports that this was due to inadequate staff resources during the early stages of the programme.
- 2.13** Moreover, the criteria developed to assess preparatory applications were significantly less robust than those used to assess capacity building and action planning applications. In one of our 10 case studies, the partnership successfully secured funding for projects in its Action Plan by using the preparatory funding application process. Those projects should have faced more robust challenge had they been assessed against the criteria for either capacity building or action plan funding.
- 2.14** We found that there was little by way of robust assessment of, or challenge to, early funding applications:
- a** Some applications contained very limited information, making robust assessment difficult and creating the risk that the Assembly Government did not know exactly what it was funding (Box 6).

Box 6 – Assembly Government support for the Rhydyfelin partnership

In early 2002 the Assembly Government provided the Rhydyfelin partnership with £97,500 over three years to provide 'Tenants Association Support', although the relevant funding application does not detail the exact activities requiring funding.

In late 2004, the Rhydyfelin partnership bid for a further three years of Communities First funding from April 2005. At that time, the Assembly Government expressed some surprise that it was being asked to continue funding two posts in a Residents Association. The Assembly Government had assumed that 'Tenants Association Support' referred to 'support activities or a support group of some sort', rather than officer posts. On finding that this was not the case, the Assembly Government requested job descriptions and clarification about the role of the two staff, before agreeing to continue funding the posts.

Box 7 – Some co-ordinators thought the Assembly Government's funding decisions were unfair and inconsistent

Six of the 29 additional comments we received from partnership co-ordinators about the clarity of Assembly Government guidance on programme funding raised concerns about the inconsistency of funding decisions.

'I am particularly concerned about the apparent 'one rule for one and one for another' approach that seems to have emerged, with decisions being made differently in different areas ie, some areas having lots of workers and other areas having very few when they have similar indices of multiple deprivation and populations'.

'The [funding] system is too open to interpretation by different layers and administrators'.

'Something of a post code lottery in relation to anything other than core funding'.

'We know of other areas with much more in the pot and further staff provided despite the guidance saying it's not right. No one seems to stick to the guidance! When we ask for more staff in line with others we are told no - again, no uniformity and fairness of approach'.

'It would appear that some [partnership] Boards have secured funding which has not been available to others, including for additional staffing'.

'Some issues have arisen around funding of certain posts eg, some areas were granted funding for youth workers, where others were not'.



- b** Limited scrutiny of applications meant that, generally, partnerships received the funding that they applied for, with the likelihood that the widespread variations in the amounts awarded to partnerships (Figures 6 and 7) reflected the capacity of different partnerships to bid for funds, rather than relative needs. Some partnership co-ordinators saw the disparities in funding as evidence of both the unfairness of the programme and the Assembly Government's inconsistent approach to funding applications (Box 7).
- c** The range of activities funded by the programme meant that, to robustly assess applications, Assembly Government officials needed to make use of expertise from across the Assembly Government. But we found that such discussions about whether to fund applications, between staff in the Communities First Unit and their

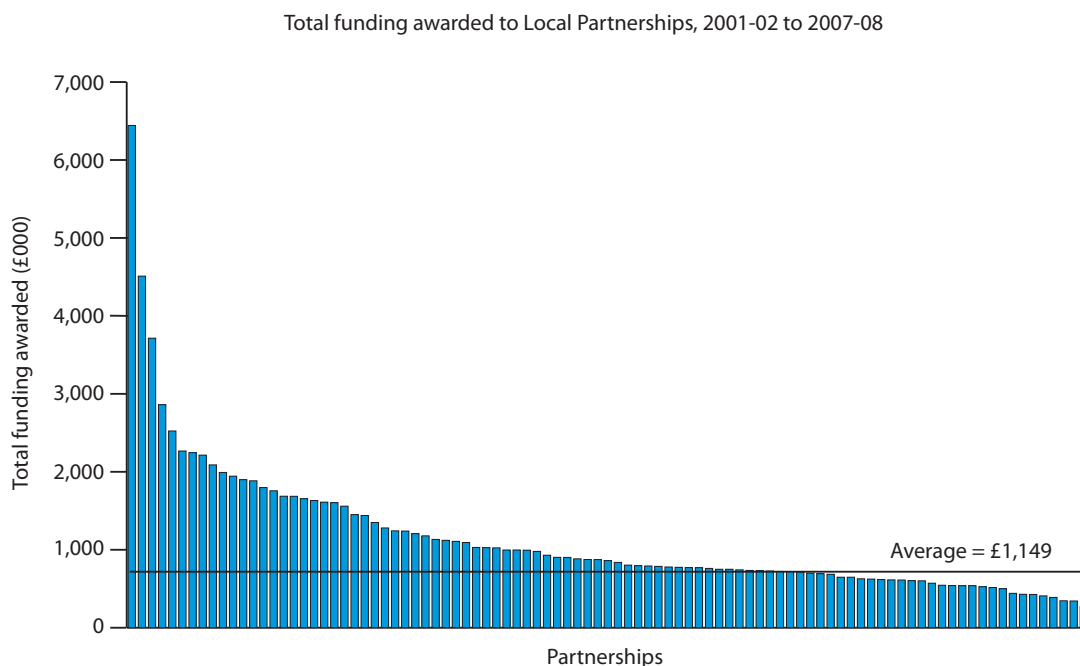
Assembly Government colleagues, did not occur systematically in the early life of the programme.

In the early life of the programme, there was confusion about the nature of the programme, as the Assembly Government struggled to clarify some of its more complex aspects

2.15 Early Assembly Government guidance¹⁶ clearly set out some of the key elements of the programme. For example, the Assembly Government expected that:

- a** all 142 areas should have a co-ordinator and a partnership that reflects the 'three thirds' principle and is underpinned by a partnership agreement;
- b** partnerships should carry out preparatory work to enable communities to fully engage within the programme, and this

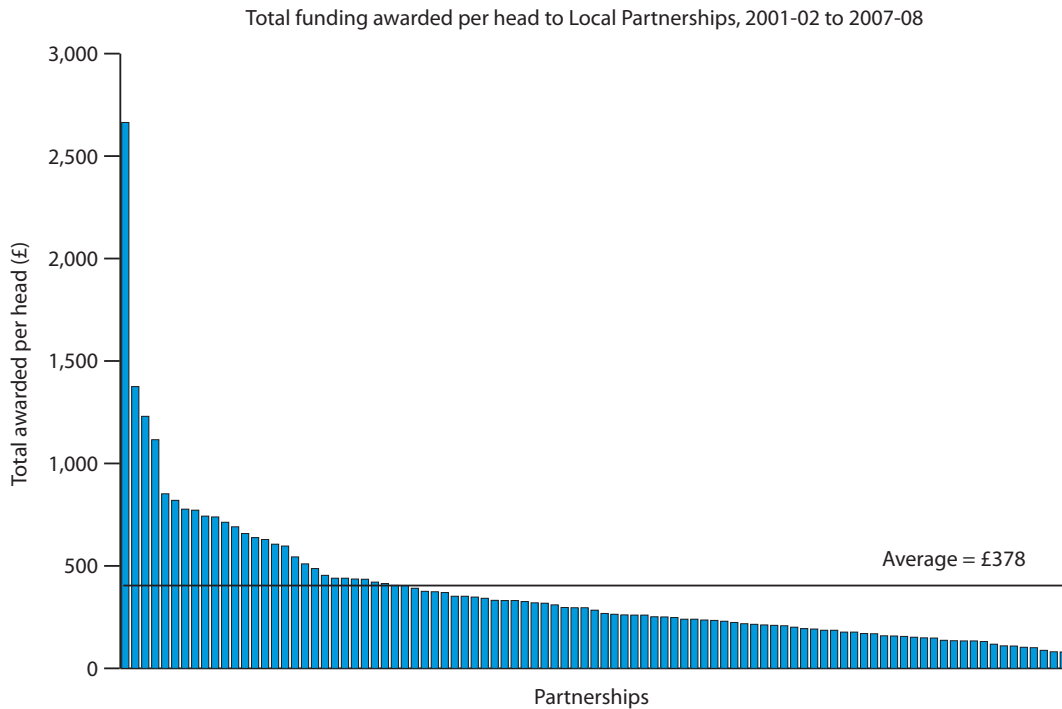
Figure 6 – There is wide variation in the total amount of funding awarded to partnerships



Source: Wales Audit Office

¹⁶ Communities First Guidance, September, 2001; Communities First Guidance for Co-ordinators, July, 2002; and Communities First Guidance for Local Authorities, August, 2002

Figure 7 – There is wide variation in the total funding per head of population



Source: Wales Audit Office

preparatory work should be detailed within a Capacity Building Plan developed by the partnership;

- c** each partnership should develop a Community Action Plan, setting out its vision for the area, prioritising the community's needs and identifying how the partnership wishes to address these needs; and
- d** Community Action Plans should be informed by a local audit of existing facilities and activities and an assessment of future needs.

However, the Assembly Government was not sufficiently detailed and clear about other key aspects of the programme.

The role of partnerships in securing programme bend

2.16 When it developed Communities First, the Assembly Government knew that the programme budget alone would not deliver changes of the magnitude desired, and it intended that funding from mainstream budgets and services would need to be diverted to Communities First areas. The Review of Best Practice commissioned by the Assembly Government recommended that funding and planning processes should be reformed, re-allocating mainstream funding away from service providers directly to the partnerships, so that *'the partnerships should become the direct recipient of funding more conventionally channelled through public sector agencies and local government. The partnership is thus empowered to negotiate service level agreements and directly*



*commission services from the statutory and voluntary sectors.*¹⁷ The Assembly Government did not adopt this approach.

2.17 Instead, guidance to partnerships articulated in very brief terms only a vision of change – stating no more than that partnerships, through working closely with local authorities and other statutory services, can bring about service reform and re-targeting of local resources. Moreover, the original 2001 Vision Framework (Box 3), which in part is intended to provide partnerships with additional information on how they might deliver against programme objectives, only covers six of the seven programme objectives – the objective which is not covered in detail being that related to securing public service reform. The early guidance, therefore, did not cover in any detail:

- a** how the Assembly Government would ensure that its own budgets and programmes would be used to support local programme bend;
- b** how local partnerships should fit into existing decision-making structures to maximise the likelihood of securing programme bend;
- c** next steps, should the envisaged changes to public services not happen;
- d** how public services could be reformed in such a way that they were both responsive to highly localised need and yet still developed in a strategic, rather than reactive, way; and
- e** how local service providers might effectively respond to, what were in some areas, a large number of new partnerships, each potentially with its own agenda; for example, Rhondda Cynon Taff has 17 designated Communities First areas.

Funding Community Action Plans

2.18 Community Action Plans are intended to set out the community's vision for their area and their proposals for achieving that vision. The Assembly Government's 2001 guidance told partnerships not to rely on Communities First to fund the entire Community Action Plan, but to identify appropriate European Union funding and to work with mainstream service providers so that existing programmes and resources in the area were targeted to address the Community Action Plan.

2.19 The 2001 guidance also stated that Communities First would bring together different government funding programmes. The guidance also committed the Assembly Government to considering how partnerships could access mainstream funding and support programmes to fund Community Action Plans. Further, the guidance stated that a panel (comprising internal and external representatives) would meet regularly to approve funding for Action Plans, give appropriate feedback on the overall Plan and identify any further action the partnership should take to secure implementation of the plan. The guidance thus contributed to a widespread perception that there was a 'pot' of money to fund Community Action Plans, which turned out not to be the case.

The role of partnerships in delivering services

2.20 There were inconsistencies between the stated purpose of partnerships and subsequent decisions taken by the Assembly Government, which led to confused expectations about the role of partnerships in empowering local communities and delivering services. In the 2001 guidance, the Assembly Government was clear that partnerships should play an indirect role in service delivery through building capacity within local

¹⁷ *Community Regeneration Review of Best Practice*, Assembly Government, 2001

communities to engage with mainstream service providers. However, subsequent Assembly Government decisions to provide some partnerships with significant sums to directly deliver services suggested another, more frontline, role for partnerships in service delivery. For example:

- a the Gurnos and Penydarren Family Project, which has received £2.1 million of Communities First funding¹⁸; delivers a range of services, including speech and language therapy, additional classroom support, health visitors and tailored support to parents;
- b the New Sandfields and Aberavon partnership delivers a range of employment engagement services; and
- c the Gurnos and Penydarren partnership delivers sports activities for local residents.

In following a ‘bottom-up’ approach, the Assembly Government generally allowed partnerships to evolve at their own speed but struggled to ensure that partnerships were appropriately set-up and delivering on the core aspects of the programme

2.21 The Assembly Government commissioned a community development expert to develop a toolkit for use by those local authorities which had taken on responsibility for carrying out the initial preparatory work needed to set up Communities First partnerships. The intention of the toolkit was to ensure that local authorities adequately consulted with communities about the form the partnership should take. However, the Assembly Government made no assessment of whether local authorities applied the toolkit and, therefore, did not know whether or not local authorities had established partnerships in line with the approach that the Assembly Government wished them to adopt.

2.22 Until 2007-08, the Assembly Government did not monitor the structures and working arrangements of partnership boards:

- a it had not verified that partnerships had been broadly set up in line with the three thirds principle, leading to problems in some areas (Box 8); and
- b it had not verified that the statutory representatives on partnership boards were sufficiently senior to drive forwards the reform of public services in their areas.

Box 8 – Difficulty in establishing a partnership board

In the absence of Assembly Government oversight, one partnership board in South East Wales developed in such a way that the business and voluntary sector formally had less decision-making power than the other sectors. Complaints were also made that the board did not sufficiently represent, and lacked accountability to, the local community. A report on the board by the CFSN for the Assembly Government in late 2005 concluded that it needed restructuring, as it did not comply with the three thirds principle, and CFSN agreed to provide the partnership board with guidance on developing more inclusive partnership arrangements.

2.23 The Assembly Government’s annual monitoring data shows that, overall, while there was over representation of those representing the community and a slight under representation of those representing the statutory and voluntary/business sectors, the constitution of partnerships was broadly in line with the guidance:

- a 47 per cent of partnership members represented the community;
- b 29 per cent of partnership members represented the statutory sector; and
- c 24 per cent of partnership members represented the voluntary/business sectors.

¹⁸ While wholly funded by Communities First, the project is delivered by Barnardos, the local NHS Trust and the local authority education department.



2.24 Each partnership is expected to carry out a number of processes, including completing a full community or social audit and developing both:

- a** a Capacity Building Plan, setting out the partnership’s proposals for enabling the community, the partnership and service providers to fully engage with the Communities First process; and
- b** a Community Action Plan, identifying the partnership’s objectives for the community and the actions they propose to take to meet these objectives.

Despite the guidance stating it to be ‘essential’ that partnerships submit both Plans to the Assembly Government, our survey of partnership co-ordinators found that a significant number of partnerships had not completed these Plans (Figure 8).

2.25 The Assembly Government told us that these findings are inevitable with a community-based, bottom-up regeneration initiative; the different rates of progress reflect the varying capacity of individual communities to engage with the programme.

Figure 8 – Progress by partnerships in carrying out key elements of the programme has been variable

Survey question	Co-ordinators’ responses	
	Yes	No
Has your partnership completed an audit of local need?	61	10
Has your partnership completed a Capacity Building Plan?	21	48
Has your partnership completed a Community Action Plan?	53	18

Source: Wales Audit Office survey of partnership co-ordinators

Following reviews of the programme, the Assembly Government has improved its management of partnerships, but fundamental risks and challenges remain

The Assembly Government has produced more detailed and comprehensive programme guidance, clarifying the relative roles and responsibilities of key stakeholders

2.26 The 2006 interim evaluation of the programme concluded that revised guidance was needed to address emerging policies and changing priorities. As part of workshops during the evaluation, Cambridge Policy Consultants had discussed with the Assembly Government some of the weaknesses with the existing guidance. In 2007, the Assembly Government responded by updating the original 2001 guidance. The revised guidance:

- a** Clarified the purpose of the programme, as building capacity to enable communities to engage in regeneration, rather than delivering services.
- b** Set out in much more detail how partnerships should be run. For example, it gave much more information about what partnerships needed to consider when developing their own ‘rules of conduct’, and the range of legal models which partnerships could potentially adopt.
- c** Acknowledged the inherent tensions within a programme of this kind and considered how to deal with internal conflict between partnership members.
- d** Defined ‘programme bend’ and identified a number of key mechanisms for achieving this programme objective – through grant

schemes, through mainstream funding and through promoting cultural change in service delivery.

2.27 Our case study visits and survey show that partnership co-ordinators are reasonably satisfied with the clarity of the Assembly Government guidance, although some had concerns about the adequacy of the information provided by the Assembly Government on securing programme bend. The Assembly Government also reports that, when developing guidance, it is required to balance the demands from some for a more prescriptive approach to the programme with the demands from others to adopt a more hands off approach. Some of the comments we received from partnership co-ordinators confirmed that they have conflicting expectations of the role of the Assembly Government in directing the programme (Box 9).

Box 9 – There are a range of views about the appropriate level of Assembly Government involvement in the programme

Two co-ordinators thought that 'Guidance is not firm enough' and that 'We need more prescription specifically about what particular areas of deprivation we need to concentrate on and our partners (education, jobs and business, health etc) need equally clear prescription'. On the other hand, we also received comments about the need:

- for 'flexibility around the main objectives', in those partnerships where the main priorities of the Assembly Government were not 'high up on the agenda locally';
- to take 'into consideration the variety of areas within the programme', rather than adopt the current approach which ... seems to suggest that one size fits all'; and
- for sensitivity around the extent to which the 'far more prescriptive' approach adopted by the new guidance erodes the 'responsibility [of] community members.

Source: Wales Audit Office survey of partnership co-ordinators

The Assembly Government has enhanced its capacity to deliver the programme, and plans to do so further

2.28 Since launching the programme in 2001, the Assembly Government has significantly increased the number of staff in place to manage the programme. In 2001, a team of seven staff administered the programme. In 2004, the Assembly Government appointed more staff to five regional implementation teams to manage grant funding, and to provide additional support to and contact with partnerships. At the same time, it established a national policy branch within the Communities First Unit to provide greater capacity to develop and disseminate a long term strategic direction for the programme, including developing the approach to programme bend. The Assembly Government has also sought to bring more community development expertise into the Communities First Unit, through secondments and by appointing a community development professional as the head of the Unit. By February 2009, the total staff complement in the Unit had increased to just under 23 full time equivalents.

2.29 To further increase capacity, the Assembly Government is restructuring the Communities First Unit to create a bespoke team, led by a qualified accountant, to manage the administration of the Outcomes Fund (Box 10). The team will also include a secondee to the post of 'grants co-ordinator'. While applications to the Outcomes Fund will be made through the regional implementation teams, they will be assessed by the new team, which should help to ensure a more consistent assessment.



2.30 The Assembly Government is in the process of establishing 'client managers' within the regional implementations teams. The Assembly Government intends that each client manager will be responsible for a number of partnerships and will, for example, help partnerships to develop suitable Community Action Plans.

The new funding regime for core posts and existing projects is intended to bring greater consistency and rigour, but presents the Assembly Government with another set of difficulties

2.31 In August 2007, the Deputy Minister for Regeneration announced the development of a new funding regime, which the Assembly Government introduced in April 2009. During the early years of the programme, processes for assessing funding applications were not robust, leading to widespread

variation in the funds allocated to different partnerships and perceptions by some that the processes were unfair. To address these issues, the Assembly Government decided to split the Communities First budget, from April 2009, into three elements: core funding – the minimum needed to run an effective partnership; non-core continuation funding; and Outcomes Funding for new projects (Box 10).

2.32 Allocating core funding for partnerships according to population means that partnerships covering the same population will have the same levels of staff. In this way the Assembly Government has addressed concerns about the perceived unfairness of the previous funding regime. However, such an approach, although simple, means that partnership core funding will not reflect local circumstances beyond population size, such as the level of deprivation, the effectiveness

Box 10 – Communities First funding regime: 2009-2012

Core funding covers salaries and on costs for a partnership co-ordinator, one administrative/finance officer and development worker/s. Funding for community development workers is based on the population of the Communities First area. For each 4,000 people living in the area, the Assembly Government funds one development worker. Core funding also extends to a number of other costs, such as partnership meeting costs and the costs of a Communities First newsletter. Core funding is for three years.

Partnerships have to apply for core funding. The application forms required partnerships to demonstrate progress against previous objectives, identify future objectives and set out their proposals for delivering these objectives.

Non-core continuation funding covers all activities and services that currently receive financial support from the programme, but which fall outside core funding. The Assembly Government funds these non-core activities and services for a minimum of one year and a maximum of three years.

Partnerships were required to submit an initial application for non-core continuation funding, known as an 'Expression of Interest', to the Assembly Government by August 2008. The Assembly Government set four main tests to check whether activities are eligible for continuation funding through Communities First:

- 1 applications must be for an existing activity/service as funded by Communities First in 2008-09;
- 2 applications must be for an identifiable project or activity;
- 3 the activities cannot cover a statutory obligation that is the responsibility of another organisation or agency; and
- 4 posts funded must be integral to the delivery of the activity

Outcomes Funding

The Outcomes Fund, amounting to £25 million over three years, is intended to stimulate programme bend and predominantly reflects the reprofiling of existing programme funds.

Source: Guidance notes for completing application form for core Communities First support for 2009/12 and Guidance notes for completing an Expression of Interest for continuation funding of non core Communities First support from 1 April 2009, Welsh Assembly Government

of the partnership, and the capacity of both the partnership and/or the local community and other stakeholders to respond to the programme.

2.33 The Assembly Government is taking steps to address the variations in funding for non-core activities but still faces significant challenges in managing the consequences of earlier funding decisions. In July 2008, the Assembly Government asked partnerships to submit an Expression of Interest in support of continued funding for all existing non-core activities. The Assembly Government assessed each application using a standard set of criteria, with the aim of more transparent, accountable and consistent decision-making. However, the Assembly Government has had to balance robust appraisal and selection against its desire to avoid terminating projects and services that communities value and rely on. As a consequence, projects that would not now be eligible for 100 per cent funding from Communities First – because all new projects must get match funding to qualify for the Outcomes Fund – will continue to be fully funded. The Assembly Government told us that, over time, it would expect to see projects become less dependent wholly on Communities First funding, and that partnerships should see funding provided under the Expressions of Interest process as being there to support them only while they identify alternative funding sources. Nevertheless, maintaining continuity of services while putting new and existing projects on an equal footing in terms of funding will be a challenge for the Assembly Government in coming years.

The revised annual monitoring system is an improvement, but further progress is needed to develop a more appropriate focus on outcomes

- 2.34** A 2006 Assembly Government Internal Audit report identified significant concerns with the lack of monitoring and evaluation of partnerships, and concluded that it was uncertain whether partnerships were doing what was required of them and that value for money was being achieved. In response to the report's recommendations, in January 2007 the Assembly Government introduced a new system of annual reporting. The key differences from the previous monitoring regime are that:
- a** Previously the Assembly Government's main source of performance information was quarterly reports submitted by partnerships as a precondition to the Assembly Government releasing the previous quarter's grant. However, much of the information contained in these reports focused on co-ordinators' activities rather than on outcomes or impacts. Under the new system, partnerships must now also submit an annual monitoring report, which is designed in such a way that it requires partnerships to focus much more on progress against intended outcomes (Box 11).
 - b** Prior to 2007 there had been little review or scrutiny by Assembly Government officials of performance information to assess the progress of individual partnerships. Since the introduction of the new monitoring system, regional implementation team staff hold annual meetings with partnership co-ordinators and chairs to discuss the performance information provided in the annual monitoring report.



Box 11 – Annual Monitoring Reports

Partnerships are required to:

- Agree with the Assembly Government an annual work programme which sets out:
 - the changes (or outcomes) partnerships are seeking to achieve in their communities;
 - how partnerships propose to achieve these outcomes: partnerships are required to develop a series of high level objectives supported by a more detailed list of tasks and activities; and
 - the SMART targets partnerships will use to assess progress.
- Report annually to the Assembly Government on progress against outcomes.
- Identify their three key achievements/examples of good practice and to indicate the theme(s) of the Communities First Vision Framework addressed, to provide the Assembly Government with a better understanding of the impact of the programme as a whole in delivering against the Vision Framework themes.
- Submit information about compliance with key elements of the process. For example, the annual monitoring report asks partnership co-ordinators to identify whether, as required by Assembly Government guidance, the partnership has developed a partnership agreement.

Partnerships have been further supported to develop an outcome-based approach by Assembly Government guidance on setting outcomes, objectives and targets, and by a series of workshops run by the CFSN on the same themes.

Quarterly reports require partnerships to give a quarterly update of progress against the objectives and targets set out in the annual monitoring report.

2.35 In principle, the process involving partnerships identifying the key outcomes for the local area, objectives, and SMART targets that demonstrate progress towards outcomes is sound. But delivering outcomes, such as ‘a healthy community’, ‘a safe neighbourhood’ or ‘a clean environment’, is something that partnerships cannot do on their own. We found significant variation between the types of ‘outcomes’ identified by partnerships and many of them are not actually outcomes. Some partnerships have set challenging objectives that they alone would struggle to achieve, but others have identified activities that are relatively easy to achieve (Box 12). Some of the ‘outcomes’ focus on the process of running the Communities First programme locally, rather than achieving impacts. This variation and inconsistency has occurred despite a training programme for co-ordinators and partnerships and the Assembly Government agreeing ‘outcomes’ with the each partnership.

2.36 The emphasis in the new arrangements on annual ‘outcomes’, monitoring and reporting, together with the Assembly Government’s failure to consistently apply the requirement that partnerships set out their long term vision for the area in Community Action Plans, risks undermining the original focus on securing long term outcomes. Annual work programmes are a useful tool where they help support the delivery of longer-term goals. But the danger is that partnerships focus on annual programmes of activities at the expense of a focus on longer-term aspirations for the area. In response to Wales Audit Office feedback on this issue raised during the course of our fieldwork, the Assembly Government has clarified that it has always expected, and still expects, partnerships to focus on the long term Vision in Community Action Plans, but considers that realistic and up-to-date annual work plans are also essential.

Box 12 – Examples of outcomes agreed between the partnerships and the Assembly Government

Examples of clear absolute outcomes for communities

- a healthy community;
- to provide a safe, clean environment in which people can live, work and socialise;
- a physically safe, well maintained and attractive estate which is valued by the community; and
- reduction in economic inactivity of three per cent.

Examples of relative outcomes, which makes progress more difficult to assess as any improvement in effect means the 'outcome' is achieved:

- reduce digital gap between young and old; and
- enhanced awareness of role and contribution of other sectors in environmental improvement.

Examples of agreed outcomes that are really outputs or activities that could contribute to an outcome:

- holiday club;
- establish a cafe;
- play schemes - submit tender and secure funding; and
- many just list the name of a project.

Examples of agreed outcomes that are processes involved in administering the Communities First scheme:

- appointment of a Communities First Development Officer and Support Officer;
- to submit the local action plan;
- to ensure the CFTF is allocated; and
- Partnership Board – that the Communities First Partnership Board effectively co-ordinates the role of its constituent members to better serve the community to facilitate improvements.

2.37 Our survey, case study visits and focus groups revealed concern among people involved in the Communities First programme that by introducing hard regeneration targets as part of the annual monitoring, the Assembly Government is placing unrealistic demands on partnerships. Some respondents to the Assembly Government's 2007 consultation on the next phase of the programme, as well as stakeholders we spoke to as part of our case studies, told us that there was still a need for the programme to focus on building the capacity of local people and local organisations. Particular concerns included:

- a Expecting community members, who are essentially volunteers, to deliver community regeneration objectives may lead them to cease their involvement with partnerships.

- b Partnership staff may lack the necessary expertise to deliver regeneration outcomes.
- c Partnership staff tend to have a background in community development, but a different set of skills are required to develop local business opportunities. One of the key themes emerging from the consultation was the need for all stakeholders to undergo additional training and development to ensure that they are sufficiently well prepared to deliver an outcomes-focused programme.

At a partnership level, ownership and management of the programme remain unclear and achieving good governance is challenging

2.38 In line with the principles of a bottom up programme, a number of Communities First partnership models have emerged to reflect



local circumstances. There are three main models, although a number of slightly adapted versions of each can also be found (Box 13). Each model comprises a number of agents, each responsible for a range of different functions, including the:

- a Grant Recipient Body (GRB);
- b host employer(s);
- c partnership co-ordinator;
- d partnership;
- e community;
- f Assembly Government; and
- g local authority and other statutory bodies.

2.39 Whichever model is in place, the number of agents involved means that responsibility and accountability for progress can be unclear. This can make performance management problematic as it can be difficult to identify who is ultimately responsible for delivering partnership objectives. The variety of parties involved, each with their own stake in the programme, can also create tensions around who owns and directs the programme.

Performance management

2.40 As a whole of government programme, which can only achieve success through 'programme bend', responsibility for delivering programme objectives rests with a wide range of organisations across the whole of the

Box 13 – There are three main partnership models in Wales

The non-incorporated model

This is the most common model, where the partnership is not legally incorporated. As such, the partnership cannot hold funds and must therefore identify a pre-existing incorporated body (generally, but not exclusively, the local authority) to act as their GRB and to apply for and manage funds on the partnership's behalf.

As a non-incorporated body, the partnership cannot employ staff and again must identify another pre-existing incorporated body to employ staff on its behalf. In most cases the GRB and the host employer are the same organisation, although there are examples of where one organisation operates as the GRB for the partnership and another as the host employer.

The Collaborative model

In this model the partnership is legally incorporated (generally as a Company Limited By Guarantee), and takes on certain responsibilities, such as acting as the host employer and holding assets such as partnership offices. However, it does not operate as the GRB; again it is generally the case that in such examples the local authority takes on the GRB responsibilities.

There is also a closely related model in which the partnership itself does not become legally incorporated, but an organisation closely linked to the partnership becomes legally incorporated and takes on the relevant responsibilities – again, excluding GRB responsibilities.

Incorporated model with Grant Recipient Status

The partnership is incorporated and fully formed legally, and takes on both host employer and GRB responsibilities.

Again there is a closely related model in which it is not the partnership itself which becomes incorporated and fully formed legally, but a body closely related to the partnership.

In both the Collaborative and the Incorporated with Grant Recipient Status models, the partnership might decide to set up another organisation to take on GRB and host employer functions for a number of reasons. For example some members of the partnership:

- such as local authority officers, cannot become members of incorporated bodies but may wish to remain involved in the partnership; and
- may not wish to take on the responsibilities associated with becoming a member of an incorporated and fully formed legal entity.

Source: *Communities First Guidance, Welsh Assembly Government, 2007*

Welsh public sector. At the partnership level, whichever model is in place, performance management is complicated by a range of factors:

- a** It is not clear how partnerships, particularly non-incorporated partnerships, which are not stable entities with a fixed membership but rather loosely-constituted groups with changing membership (a third of which should comprise volunteers), can be held to account for progress.
- b** In some of the cases where partnerships have taken on host employer responsibilities, there are concerns about the capacity of the partnership adequately to manage the performance of its staff.
- c** In some partnerships, host employer and GRB functions are carried out by different bodies. Some GRBs operating within this model told us that, while they were legally accountable for ensuring that partnerships delivered value for money, they felt powerless to deal with the poor performance of partnership staff, as this was the responsibility of the host employer.
- d** The majority of local authorities employ 'overarching co-ordinators' to oversee delivery of the programme. However, some of the existing partnership models limit the capacity of overarching co-ordinators to carry out their role effectively. Where partnership staff are employed by the local authority they report to the overarching co-ordinator. But where partnership staff are not employed by the local authority – such as Caerphilly, where some partnership staff are employed by the local Council for Voluntary Action – they do not report to the overarching co-ordinator. If more partnerships take on host employer responsibilities, as our survey suggests, this will further complicate the work of the

local authority employed 'overarching co-ordinators'.

- e** In some cases partnership activities are delivered through a third party organisation. For example, the Bridges to Work programme operated by the Gurnos and Penyardarren partnership is run by the Neighbourhood Learning Centre. While there are ways of ensuring that these third parties are accountable for delivery (through Service Level Agreements, for example), they are another element in an already complicated delivery chain.

2.41 The Assembly Government is aware of the need to develop its capacity to manage the performance of partnerships, particularly underperforming partnerships. The Assembly Government's annual monitoring revealed significant variation in partnerships' performance: at the top end, 24 out of 146 partnerships reported significant progress or better against all of their targets in 2007-08. On the other hand 12 partnerships reported significant progress or better against less than a quarter of their targets. In one area, the Assembly Government has terminated programme funding (**Case Study 7**), and it is also considering:

- a** the findings of a consultants' report, which it commissioned to address the following questions:
 - What criteria should the Assembly Government employ to identify a 'failing' partnership?
 - How might the Assembly Government best support 'failing' partnerships?
 - How should the Assembly Government respond when the support offered to a 'failing' partnership does not lead to change?



Case Study 7 – West Rhyll

On launch, the programme included two electoral wards in Rhyll: West Rhyll and South West Rhyll. The initial partnership arrangements comprised a single partnership covering both areas. In October 2004, Assembly Government officials expressed their concerns about the operations of this partnership, including that:

- the partnership board (which was also the local Community Strategy partnership) was paralysed by disagreements over process and structure;
- the nature of the relationship between the partnership and the local authority was not conducive to progress;
- there was no local enthusiasm for partnership working as a result of serious differences both between the community and partnership staff and between different community groups; and
- there were unsatisfactory line management arrangements to deal with staffing issues.

In response, the Assembly Government met in 2004 with key stakeholders in the area and the decision was taken for an independent facilitator to run a series of training days. However, these were not well attended and the problems continued. In April 2006 the Assembly Government made a number of significant changes to the programme in Rhyll. These included setting up separate partnerships for West Rhyll and South West Rhyll, setting up a Project Board to run the programme in West Rhyll, until such time as a partnership board could be established, and putting in place new GRB and host employer arrangements.

The Assembly Government subsequently decided to end the operation of the Communities First programme in West Rhyll from 31 March 2009, deeming progress to remain inadequate. However, it is committed to ensuring that other arrangements to support community regeneration in this area are in place. The Assembly Government currently proposes to base any future arrangements on the North Wales coastal regeneration area, which covers the Communities First areas in West Rhyll and Colwyn Bay. The likelihood is that there will be one post covering the whole of the coastal regeneration area, with a second post dedicated to working wholly with the Communities First areas.

- b** enhancing the support it offers to individual partnerships by introducing ‘client managers’ to liaise with each partnership.

Ownership and governance

2.42 Our surveys, case study visits and file reviews show that the range of agents involved in the programme locally has led to tensions around who owns and directs the programme at a local level:

- a** In one area, problems emerged between a co-ordinator and a partnership over what the partnership perceived as the excessive time spent by the co-ordinator on ‘council business’. This co-ordinator also talked about the difficulties of being employed by the local authority, while at the same time being expected by the partnership to represent their views, which were sometimes at odds with policy decisions taken by the local authority.
- b** Tensions developed when a local authority (which was acting as both GRB and host employer) told a partnership that it had to include elected councillors as members, with other partnership members describing this as the local authority trying to ‘take over’ the partnership. In response to this perceived council interference, the partnership is seeking to formalise its status and become a registered charity.
- c** Relationships between the host employer (a local charity) and partnership staff broke down completely in one area, as staff believed that the host employer was being overly directive, rather than enabling the local community to determine the direction of the partnership.
- d** A number of local community members decided to stop attending the youth sub group run by one partnership, as they felt that partnership staff were determining the

direction of the sub group, rather than responding to what the community wanted.

2.43 Respondents to the Assembly Government's 2008 consultation on the next phase of the programme emphasised the need for the programme to remain sufficiently flexible so that it remains directed and owned by communities with the ability to respond to local issues, rather than solely responding to Assembly Government objectives. The Assembly Government reports that it will only allocate Outcomes Funding when the proposal has the full support of the partnership, so that the programme remains sufficiently sensitive to local needs as determined by the partnership.

Financial management

2.44 In a programme such as Communities First, with high levels of expenditure and a significant number and range of organisations involved, the risk of improper and irregular expenditure is inherently high. However, despite the scale of the programme, only a few cases of serious concern have emerged:

a Concerns about financial irregularities at two partnerships, for which it acted as the GRB, led one local authority to bring their concerns to the attention of the Auditor General's appointed auditors. Because of inadequate partnership record-keeping, the auditors could not certify that the grant had been used for eligible purposes. Local authority officers subsequently carried out a review with their internal audit, which confirmed that records were missing and that the available evidence was insufficient to support claims. This review also found that errors had been made in recording transactions close to the year end.

b Another partnership is currently subject to an ongoing investigation into suspected duplicate claims, as payments may have been reclaimed from another grant scheme as well as Communities First.

2.45 Where the local authority is the GRB there are well-established procedures governing the audit of expenditure (**Box 14**). Where partnerships operate as their own GRB, annual expenditure is audited by private sector auditors rather than those appointed by the Auditor General. In these cases, the auditors need not operate in line with the Certification Instruction issued by the Auditor General, leading to inconsistent standards of audit scrutiny across the programme. This situation will be exacerbated as more partnerships seek to take on GRB responsibilities. In addition, the Assembly Government has expressed its concern that auditors who are not appointed by the Auditor General may not have a good understanding of the complexities of the Communities First programme, particularly in relation as to what are and are not regarded as acceptable processes and eligible expenses¹⁹.

2.46 The desire of partnerships to take on additional financial management responsibilities increases the risks to financial propriety and regularity inherent in the programme. A quarter (19) of those partnership co-ordinators responding to our survey represented partnerships intending to change the legal model by which they operated, with the single largest group of partnerships (seven) proposing to develop as a Company Limited by Guarantee. Adopting Company Limited by Guarantee status will enable the partnership to hold assets and employ staff and manage their own funds. A number of other co-ordinators were less explicit about the model proposed, but

¹⁹ Welsh Assembly Government paper to Social Justice and Local Government corporate governance meeting 5 November, 2008



Box 14 – Result of year-end audits where the local authority is the GRB

All GRBs complete year-end statements of actual expenditure for each partnership for which they act as the GRB. Subsequently the GRB's auditor must certify the statements as being 'accurate'. Where the local authority is the GRB, statements of expenditure in excess of £50,000, which covers most partnerships, are certified by auditors appointed by the Auditor General for Wales, who follow clear instructions. In the case of the few partnerships with lower expenditure, the Assembly Government takes assurance from the local authority's Chief Finance Officer approving the claim. Where the appointed auditor finds errors or uncertainty in a claim, he or she can either request an adjustment to the claim and/or issue a qualification letter. In 2006-07, the latest year for which full figures are available, the appointed auditors issued qualification letters in respect of 31 out of 152 claims.

represented partnerships that wished to be in a position to take on greater legal powers, own assets and attract and hold funding in their own right. The risk is that partnerships operating as their own GRBs in this way inevitably have less expertise and experience than the local authorities (who currently carry out these functions for the majority of partnerships).

- 2.47** The Assembly Government's approach to mitigating these risks is to develop a series of instructions for circulation to all non-appointed auditors involved in auditing annual expenditure. The Assembly Government intends that these instructions will follow a similar format to the Auditor General's Certification Instruction, give clear guidance and detail the tests non-appointed auditors would be expected to complete. It would also stipulate that the Assembly Government had the right to seek third party testing of any audits, where it had reason for concern. The Assembly Government is also developing guidance on the legal responsibilities of grant recipient bodies.

Part 3 – Unless the Assembly Government adopts a more robust approach to programme bending, the programme is likely to struggle to meet its objectives

- 3.1** This part examines whether the Assembly Government has effectively developed and implemented arrangements that enable and encourage programme bending and help address known barriers. It concludes that:
- a** The Assembly Government has not effectively encouraged public services to bend their programmes in order to deliver the Communities First objectives. In particular, Communities First has not been a priority for the Assembly Government's own departments, the Assembly Government has yet to fully address significant barriers to programme bending by local authorities, and it has not effectively encouraged the wider public service in Wales (including: ASPBs, fire services, local strategic partnerships and non-devolved services providers) to prioritise Communities First.
 - b** The Assembly Government has recently stepped up efforts to encourage broader commitment to programme bending, but further work is needed if Communities First is to deliver its goal of a joined-up approach to tackling deprivation. Without top-down direction to public services, the partnerships themselves struggle to secure programme bending. The Assembly Government has not yet developed a clear approach to ensuring that programmes target Communities First and the performance management frameworks for the public sector in Wales do not reflect the strategic commitment that is needed to deliver Communities First.

The Assembly Government has not effectively encouraged public services to bend their programmes in order to deliver the Communities First objectives

In general, the Communities First programme has not been a priority for the Assembly Government's own departments

- 3.2** Despite its status as the Assembly Government's flagship regeneration programme that would bring together public services and funding streams, Communities First has not been a priority across the Assembly Government. There are some examples of individual Assembly Government initiatives that work with Communities First, but these do not reflect a consistent and coherent approach to prioritising the Communities First programme and Communities First areas across Assembly Government departments.
- 3.3** Over the life of the Communities First programme, the Assembly Government has announced a number of initiatives aimed at developing a more joined-up approach to Communities First across Assembly Government departments, but these initiatives have not delivered the intended results. In the early stages of the programme, the Assembly Government announced that it would set up a cross-departmental panel to appraise the Community Action Plans produced by partnerships. The Assembly Government



intended that the panel would bring together different parts of the Assembly Government to develop a joined up response in terms of support and funding. Our review of Assembly Government files found that no such panel was established. Instead, individual officers from the Communities First Unit appraised the Community Action Plans. In some instances, officials appraising the plans checked whether other departments could fund specific projects, and verified that no projects were double funded. This kind of checking did not constitute a joined-up response to Communities First across the Assembly Government.

3.4 The lack of a joined-up approach to appraising and funding Community Action Plans in the early phase caused significant concerns among partnerships and other stakeholders. In early 2003, the chief executive of one local authority wrote to the Assembly Government, stating that the Assembly Government risked undermining the fundamental principle of Communities First, which was to make it easier for deprived communities to attract resources. Without a joined-up approach to funding, partnerships would face problems of fitting in with disparate funding criteria, timescales, application processes and monitoring procedures that had marked previous approaches to local regeneration. The Assembly Government responded that the funding process would be joined-up through a Ministerial Board on Community Regeneration and Social Inclusion and a programme of cultural change within the Assembly Government and other agencies. However, we found no evidence that Communities First funding applications were referred to this Board, or that a programme of cultural change had been rolled-out across the Assembly Government.

3.5 Following a review of the programme in 2003 by the then Deputy Minister, the Assembly Government announced that all of its projects and programmes would be required to demonstrate how they contributed to Communities First. This principle was later reflected in the 2007 Communities First Guidance, which stated that departments were required to 'justify new spending proposals in terms of how that spending will help take forward the Communities First programme'. However, despite the clearly stated intentions, no formal mechanism for Assembly Government departments to explicitly prioritise Communities First has ever been implemented. New Assembly Government policies and programmes are required to go through a 'Gateway' process, in which they are assessed against a range of criteria. But these criteria do not specify impact on the Communities First programme or Communities First areas. Officials from the Department of Social Justice and Local Government (the lead department for Communities First) attend the panel that considers Gateway assessments, but their remit is to provide a wider departmental input, rather than a specific focus on Communities First.

3.6 Even where its programmes are intended to address deprivation, the Assembly Government in Wales does not consistently target Communities First areas. For example, the Welsh European Funding Office has developed its own map of deprived areas to target European Union funding, which does not include all Communities First areas in the Objective 1 area. For some of its schemes, the public health service uses alternative indicators for identifying deprived areas, including eligibility for free school meals. In each case, the relevant part of the Assembly Government has a rationale for its approach to identifying deprivation. But the

lack of a clear and consistent approach to equating deprivation with the Communities First areas risks diluting the opportunities for public services to prioritise the programme.

The Assembly Government has encouraged local authorities to engage with Communities First and bend its programmes, but is yet to address some significant barriers

- 3.7** Local authorities are critical to the success of Communities First: they are the main local service providers in Communities First areas, and in most cases act as the GRB and/or the employer of Communities First staff. The Assembly Government provides around 80 per cent of local authorities' funding, mostly through an annual revenue grant, worth a total of £3.8 billion in 2008-09, which local authorities can spend as they see fit to meet the needs of their citizens. Nevertheless, there is a relationship between revenue funding and Communities First through the WIMD which underpins the programme:
- a** the main revenue grant for each local authority is partly based on the Index; and
 - b** local authorities get a share of a Deprivation Fund worth £20 million a year on the basis of the Index.
- 3.8** In August 2002, the Assembly Government issued guidance on Communities First to all local authorities. At that time the programme was still being rolled out, and the primary focus was on local authorities' role in setting-up partnerships and nominating representatives. The guidance also touched on programme bending by setting out the Assembly Government's expectation that local authorities should respond to the Communities First programme by improving their services and allocating resources in line with community needs.

- 3.9** The more recent 2007 guidance on Communities First seeks to clarify the Assembly Government's expectations of local authorities, but is unclear on some of the detail. The guidance allocates responsibility for facilitating programme bending to a number of different individuals: the local authority's representative on the partnership, a 'lead representative' in the responsible local authority department, and the partnership co-ordinator who is expected to develop working links with service providers. The guidance also introduces a new role of over-arching co-ordinator, whose responsibilities are to develop strategic links with service providers. Most local authorities now have an over-arching co-ordinator, usually the local authority officer with line management responsibility for the partnership co-ordinators. However, most over-arching co-ordinators we spoke to told us that the Assembly Government had not yet clearly communicated its expectations of the role to them. The plethora of individuals with some responsibility for facilitating local service bending increases the risk of obscured responsibility and diluted accountability for the programme and, ultimately, making the programme confusing for all those involved.
- 3.10** Local authority officers we spoke with as part of our case studies cited a lack of clear direction and guidance for services as a significant barrier to programme bending. The Communities First guidance sits outside the framework for planning and delivering local authority services. Local authority officers working on Communities First told us that senior managers responsible for services look to guidance from the relevant policy department within the Assembly Government, rather the Communities First Unit, when they are planning their services. Most local authority officers told us that Assembly Government guidance for local authority



services does not generally require them to prioritise resources or service planning around Communities First.

3.11 Local authority officers we spoke to identified other barriers to programme bending that partnerships have struggled to overcome and which the Assembly Government is yet to address fully. One of the major barriers that local authority officers and partnership co-ordinators repeatedly reported to us during our case study visits and in our surveys is a reluctance amongst officers and councillors to favour one community over another. One local authority manager described a 'culture of equality of service' within local government that militates against programme bending. Some partnership co-ordinators similarly reported a perception from within the local authority that Communities First areas should not get preferential treatment. Local authority officers expressed other concerns which, in their view, the Communities First programme was yet to address, including:

- a** a perceived lack of clarity as to whether services should be pro-actively targeting Communities First areas or whether they should wait for partnerships to approach them with ideas and suggestions;
- b** the feasibility of bending resources from one ward to another in areas of high deprivation, such as the south Wales Valleys, where most of the wards are covered by Communities First;
- c** concerns that local authority programmes are already bent towards Communities First areas because they have high levels of need, and that further programme bending is unnecessary and likely to cause resentment in other areas;
- d** recognition of a silo-based culture in local authorities that militates against joined-up working with partnerships;

- e** concerns that many Council services, such as social services, are demand and criteria led, and people are entitled to those services regardless of where they live; and

- f** concerns that Communities First is too confrontational, pitting the community against the local authority.

3.12 During our case study visits, some local authority officers reported concerns amongst local councillors about the Communities First programme. Across the programme, there are 358 community, town or county councillors sitting on the partnerships. In many instances local councillors are supportive of the programme and play an active and supportive role. Local authorities and partnership co-ordinators cited many examples where local councillors worked with the partnership to represent the local community's interests within the local authority. However, our case study visits showed that local authority officials and Communities First staff remain concerned that some councillors see Communities First as undermining their role as community representatives, and told us that in some cases, local councillors had blocked progress by partnerships.

3.13 The Assembly Government sought to address the tensions between partnerships and councillors in its 2007 guidance, which provides detailed advice on the role of councillors on partnerships. Nonetheless, a few local authority officers we met in our case study visits told us that the guidance is too prescriptive in limiting the role of local councillors and risks damaging relationships with councillors who play an active and positive role in partnerships. Developing and sustaining local councillors' support for Communities First remains a challenge for the Assembly Government.

The Assembly Government has not effectively encouraged the wider public service in Wales to prioritise Communities First

The Assembly Government has directed its sponsored bodies to work with Communities First but there is a lack of clarity as to what it expects in practice

3.14 The Assembly Government has directed Assembly Government Sponsored Bodies (AGSBs – see **Box 15**) to work with Communities First. Every AGSB has an annual remit letter from its sponsor within the Assembly Government, setting out the Assembly Government’s core priorities for the year. Most AGBS’ remit letters state that they should ‘engage with relevant partnerships, where appropriate, to assist in the delivery of Community Action Plans’. Many of the AGBS staff that we interviewed reported that the Assembly Government had not been clear as to what it expected them to do in order to fulfil this requirement in the remit letter.

3.15 The Assembly Government’s 2007 Guidance on Communities First reports that the Communities First Unit meets regularly with AGBSs to advise on how they can implement the requirement in their remit letter. However, most AGBS officials that we interviewed told us that they had little contact with the Communities First Unit, although two had worked closely with officials from the Communities First Unit on specific programmes. And, of the 10 AGBSs that responded to the relevant question in our survey, three reported they never consulted with the Communities First Unit on new strategies, three did so rarely, and four did so only sometimes. Nevertheless, all 11 AGBSs who responded to our survey reported that their understanding of the objectives of Communities First, and how they could contribute to delivering those objectives, was clear or very clear.

3.16 Our survey and interviews with AGBSs showed that they have a number of concerns about their capacity to engage directly with the Communities First programme. Most AGBSs are concerned that they do not have

Box 15 – Assembly Government Sponsored Bodies

Arts Council of Wales: responsible for funding and developing the arts in Wales.

Sports Council of Wales: is the national organisation responsible for developing and promoting sport and active lifestyles.

Environment Agency Wales: has wide responsibilities for managing the environment.

Care Council for Wales: was established in October 2001 to promote high standards of conduct and practice among social care workers and high standards in their training.

Countryside Council for Wales: the Government’s statutory advisor on sustaining natural beauty, wildlife and the opportunity for outdoor enjoyment in Wales and its inshore waters.

National Library of Wales: responsible for the national library in Aberystwyth.

Amgueddfa Cymru National Museum of Wales: responsible for seven national museums across Wales and managing an extensive collection of artefacts.

Wales Centre for Health: has a broad remit for working with other organisations to help improve health in Wales.

Welsh Language Board: main function is to promote and facilitate the use of the Welsh language.

Royal Commission On The Ancient And Historical Monuments Of Wales: has a leading national role in developing and promoting understanding of the archaeological, built and maritime heritage of Wales.

Higher Education Funding Council of Wales: responsible for developing and funding higher education in Wales.



the resources to work with all the partnerships across Wales. Some AGSBs told us that they treat Communities First more as a geographic area than a programme – for example, HEFCW’s Reaching Higher programme targets Communities First areas but has limited engagement with partnerships (Case Study 8). Some AGSBs have sought to address the challenge of the geographic spread of Communities First by working with partnerships close to their offices. For example, Amgueddfa Cymru – National Museum of Wales works closely with partnerships in Cardiff and in Swansea where it has two major museums²⁰. Some AGSBs have tried to get around the localised nature of Communities First by working at a local authority level, to engage with Communities First through the local Community Strategy process. However, those AGSBs observed that in most instances the links between Communities First and Community Strategies was not well developed. Clarifying how AGSBs with limited resources can provide

support to the programme as whole remains a challenge for the Assembly Government.

- 3.17** Some AGSBs see the Communities First programme as marginal to their core business. Only three of the 11 AGSBs in our survey rated Communities First as a high priority, with two rating Communities First as a low priority. Nevertheless, even those that did not see Communities First as a core part of their business were involved in projects or programmes working with Communities First. For example, the National Library of Wales has been working with a number of partnerships on Digital Archiving projects, even though it does not see supporting the programme as part of its core mission.
- 3.18** The Assembly Government does little to monitor the contribution that AGSBs are making to Communities First. Some AGSBs, such as the Arts Council, monitor their own contribution through performance indicators related to the number of grants awarded to Communities First areas. Other AGSBs

Case Study 8 – Higher Education Funding Council for Wales’ targeting of Communities First areas

Under the Assembly Government’s *Reaching Higher* strategy, the HEFCW aims to increase the proportion of new University undergraduate entrants that come from Communities First areas from 8.9 per cent in 2000/01 to 11.4 per cent in 2010/11. This is the only example we found of a floor target that explicitly requires the public service in Wales to demonstrate that they are bridging the gap between Communities First areas and the rest of the country. To support the achievement of the target, the Assembly Government’s Department for Children, Education, Lifelong Learning and Skills provides £2 million a year to HEFCW to support regional Reaching Wider partnerships between Higher Education and Further Education institutions. Higher Education institutions also receive an allocation from a total of £5.4 million a year to widen access from groups traditionally under-represented in higher education, including those with non-traditional qualifications and people living in Communities First areas.

Higher Education Funding Council for Wales reports that Reaching Wider Partnerships initially struggled to work directly with some Community First organisations to deliver activities designed to make progress towards the Reaching Higher target. When Reaching Wider Partnerships initially approached some community organisations, most were not at a stage where they could engage with the Reaching Wider Initiative nor were they aware that the Initiative was remitted by the Welsh Assembly Government to work with Community First programmes. Even when there was some awareness of the widening access work, higher education was not seen as a priority for many of Communities First partnerships. There are good examples where Reaching Wider Partnerships have worked with Communities First partnerships to develop initiatives, but these have taken some time to develop and embed within communities. HEFCW reports that it is making progress towards the Communities First target, with the proportion of new undergraduates that come from Communities First areas rising from 8.9 per cent in 2000/01 to 10.5 per cent in 2006/07.

²⁰ The organisation has also been involved in a series of outreach initiatives with Communities First areas which are distanced from its museums, particularly through its On Common Ground programme

capture their work with Communities First as part of wider work on increasing access, engaging communities or helping to promote social inclusion. Generally, AGSBs use information on working with Communities First for internal management purposes. Few AGSBs reported that their sponsor division within the Assembly Government monitored the extent to which they were working with Communities First, or the impact of that work. Neither does the Assembly Government's Communities First Unit monitor or evaluate the contribution that AGSBs make to the Communities First programme.

The Assembly Government is encouraging greater engagement of Communities First in some local strategies but guidance focuses on consultation and does not provide a clear steer in terms of prioritising Communities First areas for action

3.19 The Assembly Government intends that Communities First should be more closely integrated with Community Strategies²¹ to provide an impetus to programme bending by local service providers. Guidance on Community Strategies encourages local authorities to engage with Communities First partnerships, emphasising the importance of getting local community input. However, the guidance does not explicitly require local service providers to target or prioritise Communities First areas. Many of the officers working on Community Strategies we spoke to during our case study visits recognised that there was an important role for Communities First in engaging with the strategies, and most welcomed the increased focus on Communities First in the guidance. However, many were sceptical of the extent to which the Community Strategies themselves could be used to encourage or facilitate programme bending. Community Strategies tend to be high-level documents setting out a vision and

the key priorities for the area. They do not deal with the detail of resources provided to specific communities, nor with the challenges of reforming public services to meet the needs of people in Communities First areas. The approach taken to Communities First in Caerphilly demonstrates an integrated approach to Communities First and Community Strategies that is intended to help support programme bending (Case Study 9).

Case Study 9 – The Caerphilly approach to incorporating Communities First and Community Strategies

Caerphilly County Borough Council set up an over-arching Community Strategy partnership, comprising key local stakeholders, known as the Standing Conference. In 2000, the Standing Conference adopted a model based on local partnerships feeding in to the development of the Community Strategy. When Communities First was launched, the Standing Conference decided that Communities First partnerships would sit within the Community Strategy Framework, to enable local Action Planning to be integrated with the Community Strategy. Communities First partnerships in Caerphilly prepare Local Action Plans which show how their actions relate to the four themes and 28 objectives of the Community Strategy. Officers at Caerphilly County Borough Council explained that Local Action Plans involved identifying gaps in services relating to the Community Strategy themes. As result, Communities First partnership co-ordinators are able to engage strategically with service providers on measures to address those service gaps. Communities First staff in Caerphilly cited a number of projects, including some in health, physical regeneration and environment, that had been developed and delivered through strategic links as part of the Community Strategy.

3.20 The Assembly Government's guidance on local Health, Social Care and Wellbeing Strategies highlights the important of engaging with Communities First. The strategies should be underpinned by a detailed needs assessment, and the guidance encourages the key local partners – the local authority and Local Health Board (LHB) – to

²¹ Under the Local Government Act 2000, local authorities are charged with producing Community Strategies setting out how they will improve the economic, social and environmental wellbeing of their areas



engage with Communities First partnerships to assess local need. During our fieldwork, we came across examples where the LHB had worked closely with Communities First partnerships to identify local need (Case Study 10). However, the Assembly Government's guidance does not contain any specific requirement that the Health Social Care and Wellbeing Strategies should prioritise Communities First in terms of resources or changing services to match local needs or concerns. Some of the Health Social Care and Wellbeing co-ordinators we spoke to as part of our case studies were concerned that while the strategies are useful to identify need in Communities First areas, it is difficult to find the resources to implement solutions to the problems identified. Just two of the 13 LHBs that responded to our survey had changed their services to target Communities First areas, although nine had introduced new services that targeted Communities First areas.

Case Study 10 – Swansea LHB needs assessments in Communities First areas

As part of the work on the local Health, Social Care and Wellbeing plan, Swansea LHB has been working with the Penlan Communities First partnership to develop a local health and wellbeing plan. This has involved consultation with the local residents to identify the wider determinants of health and wellbeing. The LHB has worked with the local Communities First team and other partners in drafting an Action Plan. Service managers from across health, local authority and other partners have worked together to respond to each of the themes in the Action Plan, explaining what they will do to take forwards the action.

The community identified a number of issues as having an effect on health and wellbeing such as the attractiveness of the environment, crime or fear of crime, drink and drugs, lack of money and stress, access to services, and transport. The partnership health and wellbeing group set up is considering actions to address these concerns. Although resource pressures mean there will be no quick fixes, Swansea LHB told us that engaging with the community and looking for a solution is a positive step towards addressing the community's concerns.

3.21 Assembly Government guidance on producing Children and Young People's plans includes a requirement that the Children and Young People's partnership should consult with Communities First partnerships to identify local need. Also, the guidance requires that draft Children and Young People's plans should be shared with partnerships for comment. Again, the guidance does not specify that the local services should prioritise Communities First areas, although the Cymorth fund, which is allocated through the Children and Young People's partnership, does explicitly target Communities First areas.

Fire Services report having no clear strategic direction on working with Communities First

3.22 Fire and Rescue Authorities work with Communities First partnerships on a range of local projects and initiatives. However, none of the Fire and Rescue Authorities we met with reported receiving any guidance or direction from the Assembly Government that it should be working with Communities First. Officers in the Fire and Rescue Authorities told us that they would welcome clear guidance from the Assembly Government as to the objectives of the Communities First programme and potential links between their work and that of the programme.

The Assembly Government has not engaged strategically with providers of services that have not been devolved, although there is local collaboration with Communities First partnerships

3.23 Some of the key services provided in local communities – by the police and JobCentre Plus, for example – are provided under powers that have not been devolved to the Assembly Government but which remain under the direction of the UK Government. The Assembly Government therefore has to rely on persuasion to encourage such services to engage with and prioritise Communities First.

3.24 The Police Service has very close links with Communities First in many areas, but senior officers within the Police Service that we interviewed reported a lack of strategic engagement with the Assembly Government regarding Communities First. One Police Service told us that there had been strong strategic links with the Assembly Government at the start of the programme, but these had decreased over time. The same Police Service expressed some frustration that the Assembly Government's Communities First Unit tended to focus on the bottom-up elements of the projects when, in their view, there was much greater scope to develop strategic, national links between Communities First and neighbourhood policing. Another Police Service told us that they had very little contact with the Assembly Government's Communities First Unit, but that the principles underpinning the Communities First had informed its approach to neighbourhood policing.

3.25 JobCentre Plus has close working relationships with partnerships, and has representatives sitting on partnerships across Wales. Officials from JobCentre Plus that we interviewed reported that the links with Communities First at a strategic programme level were less well developed. Officials from JobCentre Plus reported that its particular area of responsibility straddled a number of Assembly Government departments, divisions and strategies, including Communities First, skills and training, economic development and spatial planning. As a consequence, JobCentre Plus is faced with multiple Assembly Government priorities, of which Communities First is one, without a clear steer as to where the Assembly Government would most welcome JobCentre Plus focusing its attention and resources. Officials at JobCentre Plus told us that they are currently

reviewing the scale of their local commitment to partnerships, as officials are concerned that they are not getting sufficient benefits to justify the considerable staff time invested. Assembly Government officials told us that since we carried out our fieldwork, links with JobCentre Plus had been strengthened, through discussions on shared priorities, including child poverty.

The Assembly Government has recently stepped up efforts to encourage broader commitment to programme bending, but further work is needed if Communities First is to deliver its goal of a joined-up approach to tackling deprivation

Without top-down direction on public services, partnerships struggle to secure programme bending

3.26 The Assembly Government's approach to programme bending to date has largely relied on Communities First partnerships and staff to secure changes in the funding and delivery of public services. The Assembly Government has sought to support partnerships and staff through guidance, and through publications and seminars on programme bending run by the CFSN²². While this approach reflects the programme's bottom-up ethos, it has not delivered the scale of change in public service delivery envisaged at the outset. Two reviews of Communities First – by the then Deputy Minister in 2003, and by consultants in 2006 – and the review of its predecessor (People in Communities) all pointed to the difficulties of relying on a bottom-up approach to secure

²² This includes bending for a specific programme: through workshops and leaflets produced by the CFSN, the Assembly Government has encouraged partnerships to engage with a major programme on improving social housing to meet new Welsh Housing Quality Standards.



the desired changes in public service delivery. Despite these findings, the Assembly Government has not yet introduced robust proposals to overcome the significant barriers to changing service delivery and funding through Communities First.

- 3.27** The Assembly Government's 2007 guidance sought to clarify its approach to programme bending. In particular, the guidance emphasises that although programme bending is about re-directing resources, it should also focus on making services more responsive to the needs of Communities First areas: so-called 'service bending'.
- 3.28** Although we found some examples of service bending, Communities First staff reported significant barriers, particularly around the lack of authority of partnerships. Communities First partnerships and staff have no authority or mandate in terms of the services they want to change, and have to rely on persuading key decision-makers within service delivery organisations about where they wish to change service delivery. Many Communities First staff reported that they struggled to overcome these barriers, which include a lack of clear direction to service providers that they have to work with Communities First, rigid planning cycles, lack of joined-up internal structures, lack of understanding of Communities First, and organisational inertia (Box 16).
- 3.29** Some partnership co-ordinators had developed informal strategies to try to influence local service providers, for example singling out receptive officials or working through local councillors, but many reported frustration at the difficulties of trying change services from the outside. However, overall, partnership co-ordinators were concerned about the Assembly Government's guidance on programme bending. Two thirds of the partnership co-ordinators who responded to

Box 16 – Co-ordinators' views on the challenges of programme bending

'As a Co-ordinator, I feel powerless in my attempts to effect programme bending'

'Service Providers should be REQUIRED to evidence where they have worked in partnership with Communities First areas and there should be penalties in place if they choose not to. The partnership has no real power to influence Service Providers. Unless an issue matches a service providers target it would be impossible to persuade them to 'bend services!'

'Programme bending can only work if the main service providers are prepared to work in a real partnership. There is little evidence in our ward to support this premise. Where small successes have occurred this has been down to the good relationships between officers below director level. Until the main players buy into the concept of Communities First this is unlikely to change.'

'Many partner organisations do not have the flexibility to adapt service delivery to meet the local need. The Assembly [Government] do not convey their expectations to key departments and organisations that they need to bend their services in order to meet the needs of Communities First partnerships.'

Source: Wales Audit Office survey

our survey reported that Assembly Government guidance on how to secure programme bend was either 'unclear' or 'very unclear'.

- 3.30** The Communities First goal of more responsive local services is similar to that of the Neighbourhood Management model adopted in England as part of the Neighbourhood Renewal programme. In England, a Neighbourhood Manager (someone who is expected to be senior enough to be able to influence service delivery) acts as a conduit between the local community partnership and local service providers to improve local services. The Communities First programme has no such clear intermediary role. Although in many cases the partnership co-ordinator performs this role, they do not have the authority to influence service delivery.

3.31 When the Assembly Government launched Communities First, it recognised that changing services in response to the programme would be a challenge for service providers. The 2001 guidance identified that local service providers would need to build capacity to take forwards Communities First. However, this capacity building has not happened in many areas. One exception is Conwy County Borough Council, where the local authority, working with a local Communities First partnership, has introduced the Social Inclusion Learning Programme (SILP) to encourage greater understanding among its staff about the needs of socially excluded people living in deprived areas (Case Study 11).

The Communities First Unit is seeking to develop improved links with other Assembly Government departments, but has not yet developed a clear approach to ensuring programmes target Communities First areas

3.32 The Communities First Unit is stepping up its efforts to encourage broader commitment within the Assembly Government to programme bending. As part of its work developing its 2008 consultation on the next phase of the programme, officials from the Communities First Unit met senior managers across the Assembly Government to explain the programme and to encourage greater departmental commitment. Some managers within the Assembly Government told us that the consultation had raised the profile of Communities First within the Assembly Government. However, neither the consultation nor the Assembly Government's subsequent re-affirmation of its commitment to the Communities First programme resulted in any new requirements for departments to prioritise Communities First.

Case Study 11 – Social Inclusion Learning Programme in Conwy

The Social Inclusion Learning Programme (SILP) was introduced in Conwy after the Communities First partnership in Tudno expressed concerns about misunderstanding between local residents and the local authority. The SILP is a training programme for local authority staff and local councillors, which aims to challenge their perceptions about the needs and perspectives of people living in deprived areas. Community members and local authority staff help to develop and deliver the training course. Conwy County Borough Council reports that both the community and local authority officers and members have benefited from involvement in the scheme, and that the local authority was now able to better appreciate and respond to specific needs in deprived areas.

3.33 The Communities First Unit is currently revising the Communities First Vision Framework so that it focuses on key themes from Assembly Government departmental plans and strategies. The Communities First Unit intends that, in future, Communities First partnerships will be able to use the Vision Framework to align their local action plans to Assembly Government priorities. The Assembly Government expects that the re-alignment will help local partnerships to demonstrate that proposed projects or activities are in line with Assembly Government priorities, thereby increasing the possibilities of being successful with funding applications. But the Assembly Government has not clearly articulated how the closer alignment of plans will encourage public services to bend mainstream funding and services to prioritise Communities First areas. As they stand, the Assembly Government's intentions seem to encourage the bending of local plans to meet Assembly Government priorities, rather than a bottom-up approach of bending Assembly Government programmes to meet local needs.



3.34 The Communities First Unit has also stepped up efforts at an operational level, through providing some advice and guidance to Assembly Government colleagues. For example, officials from the Communities First Unit have:

- a** worked with colleagues in the Department for Children, Education and Lifelong Learning and Skills (DCELLS) to assess whether the plans developed by Children and Young People's partnerships across Wales are sufficiently responsive to the Communities First programme, and to develop a consultation paper on the development of Adult Community Learning partnerships;
- b** engaged with other areas of the Assembly Government: for example, the national policy branch of the Communities First Unit is represented on the physical activity and the food access steering groups run by the National Public Health Service; and
- c** been involved in developing specific programmes, such as the Learning Community Accounts, which were piloted by DCELLS in four Communities First Areas.

The Outcomes Fund can address some financial barriers to programme bending but will deliver relatively small shifts in resources

3.35 In 2008, the Assembly Government announced a new Outcomes Fund to encourage increased local programme bending (**Box 10** on page 47). The Assembly Government intends to finance the Outcomes Fund by using the money that it is saving by reducing the number of people employed directly through the Communities First programme, alongside European Union Funding. The Outcomes Fund will provide £25 million over three years, starting in April 2009, for projects that can attract match

funding, although the criteria are flexible to allow service providers to use 'in kind' match funding, such as staff time. Public sector service providers will, therefore, need to bend existing resources and work with Communities First partnerships in order to access the Outcomes Fund resources.

3.36 Given the scale of the Communities First programme and the challenges facing Communities First areas, the Outcomes Fund will deliver relatively small shifts in resources. Funding of £25 million over three years across 150 partnerships equates to around £56,000 a year per partnership, doubled to around £110,000 a year with match funding. However, areas will get different amounts from the Outcomes Fund, depending on the quality and size of the projects they submit. The Assembly Government's guidance states that projects should not normally apply for more than £300,000 over three years. The levels of funding available to incentivise programme bending in Wales is significantly less than has been made available to support the Neighbourhood Renewal programme in England (**Box 17**).

The Assembly Government's performance management arrangements for public services in Wales do not reflect the strategic commitment required to deliver Communities First

3.37 Without a clear commitment from the Assembly Government to making Communities First a priority for all relevant public services in Wales, it is likely that the programme will struggle to deliver its objectives. Through the annual monitoring process, the Assembly Government has placed a clear focus on making Communities First partnerships accountable for delivering regeneration outcomes for people in the most deprived areas. The partnerships can deliver some benefits through local development

Box 17 – Neighbourhood Renewal and Floor Targets in England

The UK Government's intention in designing the Neighbourhood Renewal programme is to ensure that nobody is disadvantaged by where they live. Like Communities First, Neighbourhood Renewal is intended to address poverty and deprivation in the most deprived areas through 'bending' mainstream programmes. The programme covers the most deprived areas in England. To support the programme, the UK Government sets annual performance targets for government departments at a UK and England level. The UK Government recognised that targets based on average scores can have the effect of masking significant variations in performance between local areas, so it introduced floor targets for its departments, making them accountable for reducing the gap between deprived areas and the rest of the country. The key aspects of Neighbourhood Renewal include:

- The Neighbourhood Renewal Fund, which provided £3 billion between 2001 and 2008 to local authorities to support Local Service partnerships in improving outcomes for the most deprived communities and bridging the gap between them and the rest. In 2008, the UK Government replaced the Neighbourhood Renewal Fund with the Working Neighbourhoods Fund, which focuses on helping people into employment.
- Thirty-five Neighbourhood Management pathfinder areas, which focus on working with local communities to engage them in developing responsive local services. The Neighbourhood Management programme has a budget of £100 million over 10 years.
- New Deal for Communities, which provides £2 billion over 10 years to 39 deprived areas through boards comprised of local service providers and communities.

work. But partnerships and their staff alone do not have the capacity, influence or resources to deliver the regeneration outcomes that are needed to address multiple deprivation and bridge the gap between Communities First areas and the rest of the country – the ultimate goal of the programme. Current thinking on outcomes based approaches to securing improved services advises against making individual bodies responsible for outcomes that they alone cannot deliver (Box 18).

- 3.38** There is no performance management framework within which Assembly Government departments are accountable for supporting Communities First and delivering improved outcomes in Communities First areas. With one exception, Assembly Government departments do not have targets relating to the amount of resources they provide to Communities First areas, or specific targets for the delivery of services or outcomes for people living in Communities First areas. In England, the Neighbourhood

Box 18 – Results Based Accountability

The Results Based Accountability approach is used on many government and community programmes in the USA, UK and around the world. The approach identifies the importance of distinguishing between accountability for population results and performance management. It identifies that one organisation alone cannot deliver outcomes or results for a population – such as a healthier community, a wealthier community or a more active community. The approach recognises that using performance management to make individual organisations accountable for delivering population results is counter-productive, as it frequently requires managers or officers to achieve changes in service areas over which they have little or no control.

Under a results based approach, partners share accountability for delivering the population outcomes, by agreeing a joint strategic approach that enables them to move from the current position to the desired outcome. The partners identify a set of indicators that will enable them to measure whether they are moving towards the desired outcome. Performance management is used to ensure that each organisation contributes effectively to the overall population outcomes.



Renewal programme has been explicitly linked to government performance management through 'floor targets' (Box 17). The only example of a Communities First floor target in Wales is HEFCW's target to increase the proportion of all Welsh domiciled undergraduate new entrants to higher education courses in the UK who are domiciled in Communities First areas (Case Study 8).

3.39 Until 2007, the Assembly Government's performance management framework for local government provided additional funding if local authorities met certain performance targets set out in local Policy Agreements. However, none of these targets specifically included improved outcomes for people in Communities First areas or bridging the gap between Communities First and other areas. From 2008-09, the Assembly Government has replaced Policy Agreements with Improvement Agreements, under which the Assembly Government pays grant depending on the achievement of local outcome targets linked to national priority areas. The Assembly Government's guidance on Improvement Agreements does not refer to supporting or prioritising Communities First areas. Our review of Improvement Agreements found that no targets related directly to Communities First.

3.40 The Assembly Government's Making the Connections programme is designed to deliver services that better meet the needs of citizens. As part of this broader reform of public services, LSBs are being introduced in each of the 22 local authority areas in Wales, to bring together key local service providers to deliver citizen-focused services. LSBs will include the key local service providers whose programmes and services Communities First aspires to 'bend'. The LSBs therefore provide

an opportunity for local service providers to develop shared accountability for improved outcomes for people in Communities First areas.

3.41 The links between LSBs and the Communities First programme remain unclear. The latest guidance on LSBs identifies Communities First partnerships as a 'further important source of capacity and expertise on citizen engagement', but does not explicitly link Communities First with changes in the delivery of local services. In England, the Neighbourhood Renewal programme links closely to Local Strategic partnerships (broadly equivalent to the LSBs in Wales). There, the Local Strategic partnerships are accountable for delivering the floor targets agreed with the UK Government through Local Area Agreements.

Appendix 1 – Methods

In carrying out our examination we used the following methods:

Surveys: We surveyed all Local Authorities, LHBs, AGSBs and Communities First Co-ordinators.

	Total Surveyed	Number of responses	Response rate
Local Authorities	22	22	100%
LHBs	22	14	64%
ASPBs	11	11	100%
Communities First Co-ordinators	124	76	58%

Case Study Visits: We visited 10 Communities First partnerships, selected to be broadly representative of the diversity of population size, level of funding, geographic dispersion, and partnership model to be found across the programme. Each case study was slightly different, but in each area we carried out semi-structured interviews with a range of staff and stakeholders, including:

- members of the partnership, including the Chair, the Communities First Co-ordinator and development workers;
- local authority officials, including the over-arching co-ordinator and responsible Director;
- local officials responsible for key local strategies: Community Strategy; Health Social Care and Wellbeing Strategy;
- local neighbourhood police officers; and
- other local stakeholders, such as people involved in community groups and activities.

Semi-structured interviews and focus groups: In addition to the interviews as part of the case studies, we carried out semi-structured interviews with:

- officials from the Communities First Unit, including the Head of the Communities First Unit and the Head of Policy in the Communities First Unit;
- officials from Assembly Government Departments who work with Communities First;
- officials from AGSBs;
- officers from the Fire Service;
- managers in JobCentre Plus;



- academics and practitioners who had advised the Assembly Government on the development of the programme; and
- senior officers in the police service.

We also held focus groups in north and south Wales with the Regional Implementation Teams of the Communities First Unit, and separate focus groups with local authority over-arching co-ordinators who were not part of the Case Study visits.

Case file reviews: We reviewed in detail the appraisal and monitoring processes for the 10 case study areas, plus a further ten partnerships or projects funded by the Assembly Government.

Grants database review: We carried out an analysis of the Assembly Government's grant database, to examine the range of funding to partnerships, on a population basis, and to examine the range of activities funded through the programme.

Appendix 2 – Key Events Timeline

November 1999	Assembly Government officials begin work on 'Springboard Communities', which would subsequently develop into Communities First
April 2000	Assembly Government launches first Consultation on Communities First
December 2000	Assembly Government launches second Consultation on Communities First
September 2001	Assembly Government publishes Communities First Guidance
October 2001	Cambridge Policy Consultants publish review of People in Communities
July 2002	Assembly Government publishes Communities First Guidance for Co-ordinators
August 2002	Assembly Government publishes Communities First Guidance for Local Authorities
August 2003	Deputy Minister for Regeneration publishes a review of Communities First
September 2006	Assembly Government publishes the Interim Evaluation of Communities First by Cambridge Policy Consultants
June 2007	Assembly Government publishes revised Communities First Guidance
April/May 2008	Assembly Government launches consultation on Communities Next – the next phase of the programme



Appendix 3 – Socio-Economic Changes in Communities First Areas

Labour market indicators – Total Communities First Programme Area and rest of Wales

	2001 People 000s	2007 People 000s	Difference People 000s	Percentage difference
Employment levels (people aged 16 and over):				
Total Communities First Programme Area	172	194	22	12.7%
Rest of Wales	1,067	1,135	68	6.4%
<i>Wales</i>	1,239	1,329	90	7.3%
Unemployment levels (people aged 16 and over):				
Total Communities First Programme Area	19	20	1	6.6%
Rest of Wales	52	59	6	12.0%
<i>Wales</i>	71	78	8	10.6%
Unemployment rates (percentage of economically active population aged 16 and over):				
Total Communities First Programme Area	9.7	9.3	-0.5	
Rest of Wales	4.7	4.9	0.2	
<i>Wales</i>	5.4	5.6	0.2	
Economic inactivity levels (people of working age, excluding students):				
Total Communities First Programme Area	95	84	-11	(12.0%)
Rest of Wales	285	262	-23	(8.0%)
<i>Wales</i>	380	346	-34	(9.0%)
Economic inactivity rates (percentage of people of working age, excluding students):				
Total Communities First Programme Area	34.8	29.7	-5.1	
Rest of Wales	21.7	19.5	-2.1	
<i>Wales</i>	23.9	21.3	-2.6	

Source: Labour Force Survey/Annual Population Survey

Educational Qualifications – Communities First areas and the rest of Wales

	2001 %	2007 %	Difference %
Degree level or higher qualifications:			
Total Communities First Programme Area	10.6	14.8	4.2
Rest of Wales	22.9	27.6	4.7
<i>Wales</i>	20.8	25.4	4.6
A-level or equivalent qualifications:			
Total Communities First Programme Area	13.0	16.5	3.5
Rest of Wales	17.4	19.7	2.2
<i>Wales</i>	16.7	19.1	2.5
GCSE-level or equivalent qualifications:			
Total Communities First Programme Area	20.5	22.2	1.6
Rest of Wales	22.5	22.5	0.0
<i>Wales</i>	22.1	22.4	0.3
Some qualifications below GCSE-level or equivalent:			
Total Communities First Programme Area	21.2	21.4	0.2
Rest of Wales	18.3	16.9	(1.4)
<i>Wales</i>	18.8	17.7	(1.1)
No qualifications:			
Total Communities First Programme Area	34.7	25.1	(9.5)
Rest of Wales	18.9	13.3	(5.6)
<i>Wales</i>	21.6	15.4	(6.2)

Source: Labour Force Survey/Annual Population Survey