

1. This paper is jointly submitted by the Bevan Foundation and Joseph Rowntree Foundation. They welcome the opportunity to submit evidence to the Committee's inquiry on this important subject. The Bevan Foundation develops evidence-based solutions to poverty, inequality and injustice in Wales. It is a company limited by guarantee and registered charity, independent of any political party or views. The Joseph Rowntree Foundation (JRF), an independent charitable body, has a long tradition of research and policy development to tackle the root causes of poverty and has a well-established commitment to working in and across the nations of the UK.

Area-based approaches to reducing poverty and disadvantage

2. JRF and the Bevan Foundation share the view that there are many things that can be done locally and at community level to reduce poverty. JRF research and practice shows that housing and communities shape people's health, life chances and prosperity.
3. Poverty and disadvantage are not evenly geographically spread in Wales. Some places have very much larger proportions of people with low incomes and other disadvantages than others, as a result of, in particular, differences in access to employment and the housing market. The geographic concentration of poverty and disadvantage appears to have an additional impact on socio-economic outcomes, although it is not clear why this is.
4. Area-based programmes have both advantages and disadvantages compared with non-geographically targeted approaches. The advantages are that resources and interventions are targeted on people who most need them and who might not otherwise access them. In addition, multiple and inter-linked problems can be addressed at the same time, and there is generally limited 'leakage' of resources outside the area. The disadvantages are that not all people experiencing poverty and disadvantage live in deprived areas (and vice versa, not all people living in deprived areas are disadvantaged), there can sometimes be confusion about whether the problems are inherently those of the place or those of the people who live there, and some problems, such as those which are the result of structural inequalities in the economy and society, simply cannot be solved by actions in one area.
5. In general, evaluations have found that area-based approaches are most successful for improving housing and local environmental issues and in achieving 'soft' outcomes and less effective at addressing problems in health, education and employment. At the very least the latter need strong and effective linkages between area-based and local authority and national action – in Wales it was expected that the linkages would be made through 'programme bending'.
6. The implementation of area-based programmes in Wales has been affected by the absence of evaluation evidence, so it has been difficult for programmes to learn from early

experience. We welcome the Welsh Government's action to address this issue.

Geographical consistency of anti-poverty initiatives

7. Communities First is based on a rational, consistent and long-term approach to the selection of eligible areas. The use of the Welsh Index of Multiple Deprivation is appropriate in our view, and a sensible approach has been taken to boundaries where the statistical unit used to designate the area does not 'make sense' on the ground. While there have been some changes over the life of Communities First, these have affected planning and operational issues (e.g. their grouping into clusters) and not the places that are eligible. This stability is vital and welcome - long-term consistency of commitment is essential in tackling the root causes of poverty in these localities.
8. As the flagship anti-poverty programme it might be expected that Communities First areas would be the basis of designating other relevant area based programmes, but in fact there has not been a neat overlay of geographies. Recent moves by the Welsh Government to bring together separate area-based programmes e.g. through consistent local objectives, sharing data and intelligence and a common outcomes framework are very welcome.

Family Policies

9. Flying Start operates in areas selected using the Welsh Index of Multiple Deprivation, as in Communities First, with additional criteria including free school meals and receipt of income-related benefits. It is also based on postcode rather Lower Super Output Areas. While there is significant overlap between Communities First and Flying Start areas, they are not the same. The evaluation of Flying Start commented that:

'The integration and operation of Flying Start appeared to be most advanced in those areas where work had been done to align both the locus and delivery of the various policies that had been instituted (nationally and locally) for work with families'¹

10. Families First is said to be complementary to and work alongside Communities First but, unless a local authority decides to target activity, it does not necessarily have an area basis.

Education and skills

11. The approach to reducing the gap in attainment according to income has been different to that in Communities First. Both the RAISE programme and its successor Pupil Deprivation Grant are based on the proportion of a school's pupils entitled to free school meals, not the characteristics of the wider area. Other education and skills programmes which have a strong anti-poverty theme are not geographically targeted at all, such as apprenticeships and Jobs Growth Wales.

Regeneration and Economic Development

12. Regeneration and economic development have long been strongly area-based but the connection between the designated areas and those designated in other anti-poverty

¹ Welsh Government (2014) **Flying Start synthesis report**. Source: <http://wales.gov.uk/docs/caecd/research/2014/140131-flying-start-synthesis-report-en.pdf> para 55

interventions is not obvious. The seven 'strategic regeneration areas'² (the Heads of the Valleys, Môn a Menai, North Wales Coast, Western Valleys, Swansea, Aberystwyth, and Barry) in some instances coincided with Communities First areas, but by no means always.

13. The current 'Vibrant and Viable Places' programme is based on bids from local authorities. More than £100 million has been allocated to town centre regeneration schemes in 11 local authorities³, some but by no means all of which serve areas of considerable deprivation. A further £7 million has been allocated to town centre schemes which were not successful in securing funding from the main scheme and are which in the most deprived 10% of areas according to the Welsh Index of Multiple Deprivation,⁴ providing a welcome connection with Communities First.
14. Wales's seven Enterprise Zones⁵ have a different pattern. There is some coincidence with Communities First areas (in that the areas either overlap or provide employment for nearby areas) but this is not necessarily or always the case.
15. The limited coherence in geographical coverage has, in our view, made the reduction of poverty and disadvantage more difficult. Communities First has few resources of its own and relies on 'programme bending' to achieve much of its impact. Yet key, complementary programmes have not obviously been substantially 'bent' in favour of deprived areas, with the evidence being clear in the geographical coverage adopted.
16. At best the result is niggling inconsistencies in the availability of support within a locality. At worst the crucial linkages that are required, particularly in respect of strengthening the economy and increasing employment, are weak or absent.

Effectiveness of Communities First and other area-based anti-poverty programmes

17. Communities First and Families First were and remain ambitious programmes. They are tasked with reducing levels of poverty and disadvantage that are amongst the highest not just in Wales but in the UK, with many of the designated areas being located in areas of widespread, but less acute, social and economic problems. Communities First does so with limited resources (£31.7 million for 2015/16⁶) and, at least in its early years, some significant challenges in the delivery process.⁷
18. A number of evaluations and other studies of Communities First undertaken pre-2010 highlighted a lack of impact. The 2006 interim evaluation⁸ found that the programme was

² <http://wales.gov.uk/topics/housing-and-regeneration/regeneration/strategicareas/?lang=en>

³ Bridgend Town Centre, Colwyn Bay, Deeside, Holyhead, Merthyr Tydfil Town Centre, Port Talbot, Newport City Centre, Pontypridd, Swansea City Centre, Pontypool, Wrexham Town Centre/Caia Park/Hightown. Source:

<http://wales.gov.uk/topics/housing-and-regeneration/regeneration/vibrant-and-viable-places/regeneration-areas/?lang=en>

⁴ Tredegar, Rhymney, Grangetown, Llanelli, Rhyl, Caernafon, Barry. Source: <http://wales.gov.uk/topics/housing-and-regeneration/regeneration/vibrant-and-viable-places/tackling-poverty-fund/?lang=en>

⁵ There are 7 locations: Anglesey, Central Cardiff, Deeside, Ebbw Vale, Haven Waterway, Snowdonia, St Athan – Cardiff Airport

⁶ Minister for Communities and Tackling Poverty (2014) Written Statement, 23rd December.

<http://wales.gov.uk/about/cabinet/cabinetstatements/2014/cffunding/?lang=en>

⁷ Welsh Government (2006) **Interim Evaluation of Communities First**. <http://wales.gov.uk/docs/caecd/research/060920-communities-first-interim-evaluation-conclusion-recommendations-en.pdf>

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struggling to influence mainstream programmes, while a 2009 Wales Audit Office report⁹ found that although there was statistical evidence of some improved outcomes in Communities First areas when compared to the rest of Wales, the improvements could not necessarily be attributed to the programme itself, and pointed to a number of other weaknesses. Similarly, early evaluations of Flying Start did not find evidence of significant improvements in outcomes for children.¹⁰

19. Recent evidence on Communities First is more favourable. Hinks and Robson¹¹ found that Communities First areas had improved in respect of worklessness, although the gains were “relatively marginal”. The final evaluation of the initial Communities First programme¹² (covering 2009-2012) also found evidence of improved outcomes in Communities First areas overall, in respect of worklessness, skills (especially higher level), educational attainment, and some aspects of crime and community safety. It is worth noting that the evaluators found considerable variation in performance between areas – it is likely that the “best” Communities First areas achieved a great deal more than the average.
20. Similarly, the most recent evaluation of Flying Start found that while parents in Flying Start areas engaged more with health and childcare services than those elsewhere, there was no statistically significant difference in outcomes for children, and also commented on very substantial differences in outcomes between areas.
21. While it is disappointing that both Communities First and Flying Start do not appear to have achieved more against ‘hard’ indicators, such as employment or literacy, there are two important reasons why this may be so. The first is that these programmes have operated during the deepest and longest recession in a generation, during which people in semi- and unskilled jobs have experienced much greater loss of employment and reduction in wages than others. In these circumstances, preventing the gap between the most and least disadvantaged areas from widening is itself an achievement. Second, there is in our view a limit to the ability of communities to change their fortunes on their own and from within. Many of the challenges they face are the result of deep structural causes in the economy and society that cannot be addressed by area-based programmes alone. Any changes that these programmes do achieve will be in the long-term.
22. Area based anti-poverty or regeneration programmes are widely recognised to be more effective in tackling ‘non-material poverty’ i.e. housing, environment and crime issues, than economic, educational and health inequalities.¹³ Even when area-based interventions improve the chances of *individuals* finding employment, they tend not to reduce overall levels of worklessness in the *area* (for reasons that are not clear).

⁹ Wales Audit Office (2009) **Communities First**. At: http://www.wao.gov.uk/system/files/publications/Communities_First_English_2009.pdf

¹⁰ National Assembly for Wales Research Service (2014) **Flying Start – research note**. At: <http://www.assembly.wales/research%20documents/flying%20start%20-%20research%20note-03032014-254185/m14-005-english.pdf>

¹¹ Hinks, S and Robson, B (2010) Regenerating Communities First areas in Wales. At: <http://www.jrf.org.uk/sites/files/jrf/communities-regeneration-Wales-full.pdf>

¹² Amion Consulting and Old Bell 3 (2011) **The Evaluation of Communities First** (full report). At: <http://wales.gov.uk/docs/caecd/research/110913-evaluation-communities-first-en.pdf>

¹³ Crisp, R et al (2014) **Regeneration and poverty: evidence and policy review**. At: <http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/jrf-regeneration-poverty-final-report.pdf>

23. Adamson¹⁴ has argued that the value of area-based regeneration is in improving the 'lived experience' of people in poverty, which he terms 'atmosphere', 'landscape' and 'horizon'. He finds evidence of Communities First clearly improving these aspects of 'social experience' in its most successful areas. Similarly, the more positive views of parents in Flying Start areas towards health and education may well improve the day-to-day experience of living in a deprived area.
24. Arguably the greatest potential of area-based programmes is in respect of 'soft' outcomes. While they are vitally important to individuals' everyday lives and routes out of poverty, they are notoriously difficult to measure. Moreover, measuring change at area level may simply miss out some of the impact of programmes on individuals.
25. If Communities First has not achieved the hoped-for reductions in poverty and improvements in employment, education and health, it is not necessarily because of failures in the programme itself. While there are undoubtedly many ways in which the programme could have been better, as an area-based programme it is unlikely ever to achieve significant change on its own.
26. Instead, there needs to be an dual approach, in which effective community-based action is clearly and robustly aligned with top-down anti-poverty measures, including action to create employment and improve its quality, increase educational attainment and skills levels, and improve health and well-being.

Progress on the recommendations of the Assembly's former Rural Development Committee's 2008 report into 'Poverty and deprivation in rural Wales'

27. The Assembly's former Rural Development Committee's report provided a useful insight and package of recommendations into poverty in rural areas, however we have not tracked the extent to which the recommendations have been actioned and are therefore not able to comment on progress specifically.
28. What we would comment is that there is sometimes confusion in public policy between **poverty**, which is an attribute of individuals and households, and **deprived places**, which are those in which a large proportion of the population experiences poverty (and characteristics associated with poverty).
29. We recognise that poverty is a growing problem in rural Wales, as a result of relatively low household incomes (particularly for in-work households) and relatively high living costs (such as heating, food and the costs of travel). The work that the Joseph Rowntree Foundation is undertaking on an anti-poverty strategy for the UK will include proposals to address both low incomes and high living costs in rural areas, including Wales.

¹⁴ Adamson, D (2010) **The impact of devolution - Area-based regeneration policies in the UK**. At: <http://www.jrf.org.uk/sites/files/jrf/impact-of-devolution-area-regeneration.pdf>