

1. The Bevan Foundation is an independent charity that develops evidence-based ideas to make Wales fair, prosperous and sustainable. We have worked on poverty and deprivation in Wales since 2002 and welcome the opportunity to submit evidence to the Committee's inquiry on Communities First.

At the outset we would like to state that Communities First was an extremely important recognition in the early years of devolved government that action was needed to reduce poverty and deprivation across Wales. It was a bold and ambitious programme both in its scale and in its aspirations.

### What worked and didn't work about the Communities First programme

#### *What has worked*

2. When it has worked well, Communities First has been highly regarded by partners and much appreciated by the communities it has served. The most recent (2015) evaluation noted:

*Communities First is regarded as a valuable Programme by many of the stakeholders involved in its delivery. The limited engagement this evaluation has had with the scheme's beneficiaries also suggests it is well received by local communities, with many examples of positive changes made to the lives of those in its target areas.<sup>1</sup>*

3. While the responses to the Welsh Government's consultation on the future of Communities First are not representative because of the significant number of respondents who had links with the programme, nevertheless many respondents including residents were supportive of its activities.<sup>2</sup>
4. Successive evaluations and our own experience show that what Communities First has done particularly well is:
  - a. **Community engagement:** Communities First has engaged with and developed an understanding of local communities that is unique. At best it has built exceptional trust amongst people who distrust the state, so that they are willing to get involved with local services and activities.

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<sup>1</sup> Welsh Government Social Research, (2015), Communities First: a Process Evaluation. Para. 7.1

<sup>2</sup> Arad Research for Welsh Government, (2017), Talk Communities Engagement Programme

- b. **Partnerships:** Communities First has built partnerships with a wide range of stakeholders, from Jobcentre Plus to local schools, helping to shape local services and improve access so that they better meet the needs of the community.
- c. **Delivery of services:** Communities First has supported the delivery of valuable services, from offering 'job clubs' to help people into work, to debt advice for people in financial difficulty to much-needed mental health services. Local access to such services has been vital for people for whom the cost of a bus journey of even a few miles can be prohibitive.
- d. **'Soft' outcomes:** although the evidence is patchier, Communities First has also often achieved good 'soft' outcomes such as people feeling more confident, having wider horizons and having better job prospects (if not yet having a job). These changes are very hard to measure but are no less important because of that.

#### *What has not worked*

- 5. Despite these successes, there are ways in which Communities First is not working so well. Crucially, the programme has not achieved significant, measurable reductions in poverty and deprivation in either the designated areas or in Wales as a whole. Evaluations in 2010 and 2011 – the most recent of the programme's effect on deprivation – found that the then approach had 'limited'<sup>3</sup> and 'marginal'<sup>4</sup> impact. And while the Welsh Index of Multiple Deprivation cannot be used to monitor progress, the areas that were the most deprived in Wales in the early 2000s are mostly still amongst the most deprived.
- 6. In our view there are two reasons for Communities First's difficulty achieving change on the ground – the fundamental approach of the programme and its delivery.

#### Fundamental Approach

- 7. The current approach to Communities First is based on changing the characteristics and behaviours of individuals through, for example, improving employability, encouraging healthy lifestyles and improving life skills. The assumption is that individuals are the problem, and that the solution is to 'treat' them – a term actually used in the 2015 evaluation.<sup>5</sup>

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<sup>3</sup> Welsh Government Social Research, (2011), Research Summary: The Evaluation of Communities First. p.2

<sup>4</sup> Hinks, S. and Robson, B., (2010), Regenerating Communities First Neighbourhoods in Wales. p.28

<sup>5</sup> Welsh Government Social Research, (2015), Communities First: A Process Evaluation. Para 7.23

8. In contrast, we see area deprivation as the result of complex social and economic changes. Long-term changes in the economy and labour market, such as the decline of manufacturing and the loss of semi- and unskilled jobs, mean some people face significant problems finding secure, reasonably-paid work. At the same time, the housing market and housing allocation system tend to concentrate people facing the greatest disadvantage into particular small areas, for example where housing is relatively cheap and / or unpopular. It is no accident that the largest number of Communities First areas are found in the parts of Wales that have experienced the greatest economic shocks in recent decades.
9. It is difficult for the Communities First programme – like all area-based programmes – to shape these big social and economic forces, such as wage rates, whether a local employer makes people redundant, or local rents to name but a few. The task is all the harder because of the relatively weak relationship in the past between economic development priorities and Communities First.
10. Even when Communities First is able to change the characteristics of individuals, there is no guarantee that that will change the characteristics of the area. As the 2015 evaluation of Communities First concluded:

*The Programme ... is based on the key assumption that ... changing individual-level outcomes ... will significantly impact on area-level characteristics. The testing of this assumption would be a key aim of any future outcomes evaluation.*<sup>6</sup>

11. For example, an individual who has benefitted from Communities First's help to find work may move out of the area when he or she gets a job, only to be replaced by an unemployed person moving into the area. While the out-going individual's circumstances have improved, the area's characteristics remain unchanged. The opposite may occur if an area is gentrified, with less deprived people moving into an area apparently improving its characteristics without the circumstances of deprived people changing at all.

### Delivery

12. The second issue is delivery. Some variation is inevitable in a programme covering so many areas in a wide range of circumstances. We recognise that there is a challenge to combine local flexibility and responsiveness with an all-Wales strategic direction and framework. Nevertheless, successive evaluations have pointed out that while the programme is working well in some areas, in others it is not performing as well as might be expected. For example the 2015

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<sup>6</sup> Ibid. Para 7.5

evaluation noted that ‘some significant challenges do remain for the effective delivery and monitoring of the Programme’.<sup>7</sup> Even on the fundamental requirement of community engagement, after 14 years the evaluators found that ‘genuine community participation is not always being achieved.’<sup>8</sup> This finding was by no means new – the 2011 the evaluation concluded the programme was delivering benefits in ‘many, though by no means all, of the supported communities.’<sup>9</sup>

13. To conclude, where Communities First has worked well it has achieved a wide range of mostly soft outcomes that benefit individuals, but even in these areas the design of the programme means that it is very difficult to achieve area-level change. The programme has worked less well in some areas, struggling to achieve and demonstrate impact either for individuals or the areas concerned.

### **How local authorities will decide which projects continue to receive funding after June 2017**

14. The Welsh Government has a key role to play in providing a clear strategic direction and robust guidance to local authorities. Drawing from the evidence of effective area-based initiatives elsewhere,<sup>10</sup> the underlying principles should be:
- a. the area should experience significant socio-economic disadvantage;
  - b. the area should be large enough for economies of scale but small enough for resources to be targeted, with some analysts suggesting 10,000 is about right;
  - c. the boundaries of the area to be supported should be meaningful to the community as well as coinciding with those of other agencies;
  - d. the focus within the area should be on those facing multiple disadvantage.
  - e. skilled project staff and community leaders are essential to success;
  - f. expected outcomes should be realistic and be relevant to the intervention, for example support for individuals should be measured in terms of change in individuals’ outcomes;
  - g. projects should have a track record of achieving positive outcomes;
  - h. the local authority and other agencies should be expected to refocus their mainstream programmes – including their economic development and regeneration programmes - on the area in question; and
  - i. outcomes and impact should be monitored effectively.

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<sup>7</sup> Ibid. Para 7.4

<sup>8</sup> Ibid. Para 7.18

<sup>9</sup> Welsh Government Social Research (2011), Research Summary: The Evaluation of Communities First. Para 22.3

<sup>10</sup> Department for Communities and Local Government (2010), The New Deal for Communities Experience: A Final Assessment - The New Deal for Communities Evaluation: Final Report – Volume 7

15. The opportunity should be taken to replace the narrow, individual focus of the current Communities First themes with a broader, evidence-based approach. The work we have undertaken with the Joseph Rowntree Foundation<sup>11</sup> provides a framework for suitable local action, ranging from stimulating the creation of jobs to raising educational attainment levels and provision of quality careers advice and guidance in schools.
16. There should, in addition, be scope for innovation. This might include a change in emphasis away from individual 'deficits' towards those based on assets, such as building community wealth, creating a local 'circular' or sharing economy, and local intermediate labour markets.

**How different poverty reduction programmes will change as a result of the end of Communities First.**

17. Programmes such as Flying Start and Communities for Work will need to be reframed as they have operated within the framework of Communities First. At this stage we do not have further suggestions to make.

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<sup>11</sup> Joseph Rowntree Foundation, (2016), Prosperity without Poverty: A Framework for Action in Wales.