

## Working Neighbourhoods Fund - Blears/Hain

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Communities Secretary Hazel Blears and Work and Pensions Secretary Peter Hain have today announced a new drive to turn around long term unemployment in the most disadvantaged communities.

While unemployment is at record lows, more needs to be done. Hazel Blears has outlined how councils and communities will have a new and invigorated role to play in tackling stubborn and persistent unemployment.

Communities and Local Government has established the first-ever dedicated fund for local councils and community organisations to use to address worklessness.

A new £1.5bn Working Neighbourhoods Fund will support councils and communities in developing more concentrated, concerted, community-led approaches to getting people in the most deprived areas of England back to work. This fund replaces the existing Neighbourhood Renewal Fund.

The new funding is part of a radical restructuring of the Government's approach to regenerating some of the country's most deprived areas. The Government is determined to break the cycle between worklessness and the lack of economic growth in certain parts of the country which risks leaving some communities behind.

Although nationwide unemployment rates have fallen in recent years, the Government wants to be more ambitious in tackling worklessness. Around one quarter (913,000) of all the people on benefits are concentrated in the most deprived places in England. These are the very places that need regenerating the most but unless aspirations and employment rates are raised, change will not happen.

Earlier this week the Prime Minister talked about the work that the Department for Work and Pensions are doing to "redefine Britain's welfare state for a wholly new world - to give people skills through transferring resources from welfare to education. Not leaving them dependent, reliant on benefits without the opportunity to improve their skills and prospects."

The Working Neighbourhoods Fund will support this ambition. Under the new plans local areas that successfully turn around long term unemployment will receive new financial rewards. The Working Neighbourhoods Fund will include at least a £50m package of incentives and rewards for councils that boost employment levels. These rewards could be used to fund community facilities or local projects. This "something for something" approach will drive councils and communities to really get to grips with worklessness and will reward those that do a good job.

All members of the community could benefit from the financial incentives that will be introduced. Getting people into work would become a shared concern with everyone having something to gain from rising employment in their area. This new injection of peer support and peer pressure will go hand in hand with innovative approaches

such as sending job advisors into libraries, community centres and schools to link up with those people who have been out of work for lengthy periods of time.

Tackling worklessness is one of the toughest challenges that Local authorities face but getting this right can lead to a transformation of both people and their communities. The Department will work with local councils and others to tackle the root causes of worklessness.

Details of the new Working Neighbourhood Fund are outlined in the publication Working Neighbourhoods Fund which is published today.

Communities Secretary Hazel Blears said:

"We need to be on the side of the decent hard working people keen to stand on their own two feet and improve their neighbourhood. This fund will empower them to make a real difference and encourage everyone to play their part.

"We need a new more aggressive community-led focus to tackling persistent worklessness with a greater role for councils and community organisations.

"Despite people living in better homes, with better health care and rising educational attainment, persistent worklessness continues to blight in too many communities.

"We need to rebalance our regeneration strategy and put a much sharper focus on tackling worklessness. This dedicated fund will help us concentrate on raising aspiration and driving economic growth with more support for local communities and councils."

Work and Pensions Secretary, Peter Hain said:

"We have made great progress over the last ten years achieving sustained high levels of employment. While we have made progress even in deprived areas, we now need to refocus our efforts on local pockets of worklessness.

"This is given even greater urgency by the concentrated disadvantage in these areas faced by ethnic minorities: this is unjust and economically inefficient as we prepare for an ageing workforce. We want to engage local communities to tailor support to the needs of an increasingly diverse workforce.

"The Working Neighbourhoods Fund creates the opportunity to do this. Joining funds together locally will create a dedicated flexible resource to stimulate community action on increasing employment."

In a tough financial climate, Government is focusing its efforts and resources where they can have the most impact. This new fund shows government commitment to tackling the worklessness issue.

Local areas will receive funding incentives if they are successful in driving down levels of worklessness. Councils working with communities will be encouraged to take a fresh look at the problems associated with this issue and find proactive solutions including innovative community schemes to break down the long term barriers to getting back to work. Examples could include:

Councils and third-sector/community organisations who set-up job advice and skills schemes in community settings like schools, post offices and libraries to meet targets could get reward payments. People getting access to local advice as well as through their local job centre is a real bonus - going into communities offering support on their doorsteps and challenging people to get back into work can be very effective.

Stepping up outreach schemes in council estates and providing a greater link between accessing social housing services and schemes to tackle worklessness. Social tenants represent about half of all workless households. Fewer than half (45 per cent) of social tenants of working age are in employment.

Councils and community organisations who develop 'in-work' community support and skill schemes to end the 'revolving door' or worklessness. People who have been out of work for a long period of time are more likely to fail to hold a job down. Simple support with time-keeping, teaching the importance of calling in sick rather than just not turning up, interview skills and ongoing encouragement as people enter back into work can ensure those people with poor employment histories turn the corner.

Councils who help residents access jobs in neighbouring areas by looking at the kind of transport available. Transport costs and lack of public transport are amongst reasons given by those on benefits as obstacles to work.

## **Notes to Editors**

1. The total Working Neighbourhood Fund (WNF) which of £1.5bn will be allocated over the next three years with more than £450m in 2008-2009, and over £500m in 2009-2010 and 2010-2011. At least £50m will be available as a reward fund which will go to areas that have made good progress over the first two years on tackling worklessness and improving enterprise levels.

2. The Working Neighbourhood Fund replaces the current Neighbourhood Renewal Fund. In addition, after a transitional period DWP will be contributing from its Deprived Areas Fund all of the money which will be available to England over the three year period.

3. WNF will be focused on the most deprived areas on the country. The areas receiving funding will be announced shortly.

4. DAF funding will continue to be made available to tackle worklessness in deprived areas of Scotland and Wales but will be handled separately because of the different local government arrangements.

5. Funding to Local Authorities under WNF will be paid as part of the new Area Based Grant, which is a non-ring fenced general grant providing maximum flexibility to local authorities.

6. The Document *Working Neighbourhoods Fund* is available at <http://www.communities.gov.uk/publications/communities/workingneighbourhoods>

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