

Area-based Initiatives: The rationale and options for area targeting

- As part of the Government's strategy for tackling economic and social deprivation a range of new action zones and area initiatives have been introduced. Gillian Smith has examined their rationale and assesses the lessons for targeting areas for special action.
- The key rationale for initiatives is that deprivation is geographically concentrated: receipt of income support is nearly twice as high in the forty-four most deprived local authority districts as in other areas of England. These concentrations are significantly greater in smaller geographical areas and on some estates.
- The co-existence of multiple problems serves to compound the problems faced by people living in the most deprived areas.
- Different dimensions of deprivation, including high unemployment, poverty, poor health, bad housing, poor environment, high crime and drugs related problems often co-exist in the same areas, although there are variations between areas in the overall cocktail of problems.
- Many areas with high levels of deprivation contain a number of overlapping area-based initiatives – including different zones and regeneration programmes. There is a need for better co-ordination between these different initiatives.
- Area-based policies are not a cure-all as they tend to be time limited and, despite the increasing geographical concentrations, it remains the case that most people suffering from deprivation do not live in the most deprived areas. Attention needs to be paid to the links between area-targeted and mainstream policies and to making the latter sensitive to the needs of deprived people and areas more generally.

Further Information

A more detailed account of this research can be found in CASEpaper 25, *Area-based Initiatives: The rationale and options for area targeting*, by Gillian R Smith. Copies are available free of charge from Jane Dickson, CASE, at the address below, or can be downloaded from our internet site: <http://sticerd.lse.ac.uk/Case/>.

Location of area-based initiatives

The Government has introduced a number of new area-based initiatives and zones including the New Deal for Communities (NDC) and Sure Start while existing policies such as the Single Regeneration Budget have been revamped with a greater emphasis placed on targeting areas of severe need. These policies have been disproportionately targeted on deprived areas – out of the 44 most deprived local authority districts as measured by DETR's 1998 Index of Local Deprivation, all but three have at least one area-based initiative as well as an SRB scheme. The table illustrates this for some of the Local Authority districts which make up the 'six areas' to be studied by DETR into the interaction between initiatives. (These initiatives are evolving, so this table may change over time.)

	Health Action Zone	Employment Zone	Education Action Zone	New Start	LGA New Commitment	NDC Path-Finder	SRB	Sure Start	Better Deal for Older People
Hackney	✓			✓		✓	✓	✓	✓
Newham	✓	✓	✓	✓	✓	✓	✓	✓	
Tower Hamlets	✓	✓		✓		✓	✓	✓	
Newcastle	✓		✓	✓		✓	✓	✓	✓
Plymouth	✓	✓	✓	✓	✓		✓	✓	✓
Sandwell	✓			✓	✓	✓	✓	✓	
Doncaster	✓	✓		✓			✓	✓	
Barnsley	✓		✓	✓	✓		✓		
Rotherham	✓			✓			✓	✓	
Sheffield			✓	✓			✓	✓	✓

The arguments for and against area-based initiatives

Arguments for initiatives

There are identifiable geographical areas that suffer disproportionately from deprivation.

Problems overlap geographically and they may be made worse when they all co-exist.

There is increased polarisation between deprived and more affluent areas.

If problems are concentrated, more deprived people are captured if resources are geographically targeted.

Arguments against

Most deprived people do not live in the most deprived areas and will be missed by most of the area-targeted programmes.

Area-targeted policies are unfair on those areas which are not covered.

Area-based approaches may simply displace 'the problem'

Small area data on deprivation is not good enough to back up targeting decisions

Focusing activity on small areas within tight boundaries can have more impact.	Area interventions interfere with the market, doing more harm than good.
Area-targeted programmes can be more effective through a 'bottom up' approach and partnership.	The problems are generated nationally – therefore action needs to be national.
Successful area-based programmes may act as pilots for mainstream policies.	Area programmes may detract from the need to do more at a national level.

Concentration of Deprivation

Social and economic deprivation and poor environmental conditions are geographically concentrated and the gap may be widening:

- **Lack of work:** 42% of children in the 5% most deprived wards lived in households with no earners in 1991.
- **Low income:** receipt of income support is nearly twice as high in the 44 most deprived LA districts as in other areas.
- **Health:** mortality ratios are significantly higher – all but 4 of the 44 most deprived districts had mortality ratios above or equal to the relevant regional average.
- **Education:** over a third of pupils in the most deprived districts achieved zero or low GCSE results.
- **Crime:** levels of crime and fear of crime are greatest in deprived areas and doing something about crime and vandalism is a top priority for local people.

The most deprived local authority districts in England tend to be the large cities, some other urban areas of the North and Midlands and a number of London boroughs. Concentration of deprivation on social housing estates is a major part of the explanation for the high levels of deprivation in the capital, but outside London the picture is complicated and social housing estates are not always the most deprived.

Explanations

Explanations for the geographical concentration of labour market deprivation include:

- Economic trends have had a disproportionate impact on jobs in many cities and other types of areas, eg. coalmining areas.
- The private sector is often reluctant to invest in deprived areas and employers may discriminate against people living in certain areas or estates.
- Housing policies and the closer link between tenure and deprivation has resulted in geographical concentrations of people at a labour market disadvantage.
- Low educational attainment in deprived areas and fewer formal skills mean there is a mis-match between the jobs available and the skills of local people.
- The peripheral location of some estates, combined with lack of affordable public transport, makes it difficult to access low paid jobs.
- Disadvantaged ethnic minority groups are geographically clustered and suffer from racial discrimination.

- Geographical clustering means unemployed people are less likely to be connected to work-related social networks through which many jobs are obtained.
- It is unclear whether there is a cultural (area-related) effect which perpetuates worklessness amongst people living in deprived areas.

Spatial patterns of deprivation – implications for geographical targeting

Many areas suffer from multiple problems: over half of the 65 most deprived authorities as measured by the 1998 Index of Local Deprivation have above average levels of deprivation on at least ten of the twelve indicators which make up the index. However, there are variations in the combination of problems. In particular, concentrations of poor housing are not necessarily in the most deprived areas. Spatial patterns of severe deprivation (taken here to mean the 5% most deprived wards in England) vary between different areas:

- In some places there are large and severe clusters of deprived people. The entire population of the London Borough of Hackney live in the 5% most deprived wards in England as do about 400,000 people in Birmingham.
- Many smaller cities and towns have several severe clusters of deprivation, located in one large or several different areas.
- A number of coastal areas in the South have between 10% and 15% of people living in these very deprived wards: Portsmouth, Brighton and Hove, Southampton, Plymouth.
- Other types of areas which are generally thought to be relatively affluent contain severe but small pockets of deprivation – places such as Bournemouth and Solihull.

Given this complexity, selecting target areas is not easy and it is usually inappropriate for central or regional policy makers to pinpoint small areas. A two-stage approach where larger areas such as Local Authority districts are chosen and given responsibility for targeting smaller pockets using local knowledge has advantages, although it involves overcoming resistance to targeting some areas and not others.

Link with main programmes

The overall conclusion is that there is a clear rationale for area-based action given the geographical concentrations of deprivation, but it is not a cure-all. Under one percent of total public spending goes on special area programmes, and most of the resources to tackle economic and social deprivation will come from mainstream funding. A key role for area programmes is to make mainstream policies work more effectively by encouraging different agencies to collaborate. They can also facilitate the development of innovative approaches that can ultimately be adopted more generally.

About the research

The research reported here was carried out while Gillian Smith was a user fellow at CASE on leave from DETR. She is grateful to the ESRC and CASE for financing the fellowship and to Sam Mason at DETR for providing some of the data analysis. The views expressed are those of the author alone.