

## Issue F - Narrowing the gap of deprivation

1. Currently the budget and service delivery mechanisms within York do not necessarily, overtly or transparently tackle the areas of deprivation and in doing so may not narrow the gap between them and the most affluent areas of the city. The issue of disparity is one that the Future York Group report of June 2007 have stated should be addressed to ensure the disparity in income in the city does not widen. The indices of deprivation are developed by using 7 domains of deprivation including income, employment, health and disability, education, skills and training, barriers to housing and services, living environment and crime. Should the budgets across the council be applied in a different way to overtly narrow the gap of deprivation then successes could be achieved in the these areas. For example in the field of environment and enviro-crime additional resources could be applied in those geographic areas which obviously show lower standards and higher incidents of enviro-crime. This would have a two fold benefit. Not only would the deprivation measure of the area improve, but also the services delivering in this area would have the biggest impact. Such a method of working within neighbourhoods would fit with the proposed refreshed corporate neighbourhood model 2 discussed in Annex 1.
2. Within the NMU, ward committees hold both a revenue and capital budget that is split across the ward committees by head of population. This therefore takes no account of the deprivation in some areas of the city. For example Rural West ward contains some of the most affluent areas of the country. However, Clifton, Hull Road, Guildhall, Heworth and Westfield wards all have Super Output Areas (SOA), which demonstrate that parts of the wards are the most deprived in the country.<sup>1</sup> Yet both get funding based on head of population.
3. It is suggested that the level of support to ward committees in deprived areas is reviewed to support more strongly the deprived areas of the city. One suggested model of delivery could be that instead of applying the budget by head of population, that a base budget of 50% be applied with the remaining 50% budget applied via a budget matrix to ensure that the most deprived wards receive the greatest budget. This type of system is demonstrated in the example below. Once working within the ward committee process, this could easily be expanded to other mainstream revenue budgets in frontline service delivery areas or to allocate LAA funding across the city on a ward committee geographic area basis, utilising the same budget matrix of allocation.

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<sup>1</sup> From the deprivation profile 2007 Index of Multiple Deprivation Westfield SOA (E01013443) is ranked 3216 out of 32482 areas in England where 1 is the most deprived. Clifton SOA (E01013349 is ranked 4623, Guildhall SAO E01013367 is ranked 4705. At the other end of the scale Rural West (SOA's E01013424 and E01013423) are ranked at 32403 and 32310 out of 32482.

4. An alternative suggestion to tackling issues of deprivation would be for the NMU to work with officers of the Economic Development Unit on other options for tackling deprivation in ward based communities.
5. In addition to tackling issues of deprivation the authority should also develop an overarching Social Inclusion Strategy, which will not only support the councils approach to deprivation in the city, but would assist with the delivery and strengthening of the Sustainable Community Strategy.
6. In summary Members should note the introduction of the Working Neighbourhoods Fund. There are 3 options concerning deprivation. Option 1 to continue to allocate ward committee funding based on the exiting model of distribution, namely by head of population. Option 2 to adopt a model of distribution utilising a budget matrix to take into account the deprivation indices. Option 3 to work with the Economic development Unit on options to tackle deprivation in the ward based communities. In conjunction with this members are asked to note the need for the development of an overarching Social Inclusion Strategy for the city.

### **Indicative Financial Impacts**

The introduction of utilisation of a budget matrix would be cost neutral to the authority.

### **Example of the Application of a budget matrix to the ward committee budget or mainstream revenue budgets within the council**

#### Stage One – Identify the budget available

Decide on the budget that is to be made available in this process and decide on the areas of the city being covered, for this example ward committee areas.

#### Stage Two – Develop the local priorities and ideas

This could be done utilising the themes of the community strategy (Sustainable Community Strategy) at a ward level. These themes across the city need to be consistent. With each of the themes a rank is given with 5 indicating the highest priority and 1 the lowest priority. At this stage the ambitions and visions of the ward committee Neighbourhood Action Plans could be utilised.

#### Stage Three – Transform the local priorities into city priorities

This is done by adding the scores of the local priorities to produce city priorities, establishing each themes % of the total score. This generates and initial financial allocation to each of the themes before weighting is applied. The Citywide priorities are then ranked. If there were 8 themes then the highest rank would be 7 and the lowest 1.

### Stage Four – Adjust for population

This would be done by ward committee area taking the latest census data. A score would be allocated according to the relative proportions of population living in each of the areas with 5 being the highest and 1 the lowest. For example areas with less than 5 % of the population could be allocated a score of 1, whereas areas with less than 25% of the population being allocated 5.

### Stage Five – Adjust for the areas deprivation

This would be done utilising the IMD2004, or updated version should this become available, according to the areas ranking in relation to the rest of the country. To achieve this each wards Super Output Area ranking should be added to develop and combined score. For ward committee areas consisting of more than one ward the wards would be averaged. Each of the areas of the city would then be given a score for example a rank of 5 for those with the highest level of deprivation and 1 for those with the lowest.

### Stage Six – Weighting the Budget Matrix

This needs to be done to ensure the ability to target investments based on population size in the area and deprivation. A weighting ratio is applied to the population and deprivation scores to the ward committee areas. E.g. a weighting ratio of 3.5 to 1.5 for deprivation over population.

### Stage Seven – Derive the thematic allocations

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| Step 1 | Obtain the local priorities for the themes and multiply by the citywide priority to give locally adjusted scores. |
| Step 2 | to the locally adjusted score add the population and deprivation adjusted scores to give the scores by area       |
| Step 3 | the total score for each area is then utilised to convert each areas score into a % of the total.                 |
| Step 4 | the % is used to allocate money by theme across the ward committee.   |
| Step 5 | The information is pulled together to show the citywide allocation of budget.                                     |