

# DTA CONFERENCE September 2008, Leeds

## Community Allowance: Unlocking Poor Neighbourhoods

1. Hello. I'm going to tell you what the Community Allowance is and why I'll reflect a little on the epic journey that we've been through with it. Where it's up to now, And then ask you to vote to include it in the DTA manifesto...
2. This **sentence** *[on the slide]* reflects the result of 8 years of policy development work.
3. CREATE – the campaign for the Community Allowance – is all about the interlocking problems of the benefits trap, disconnected regeneration and what I call 'the phantom economy'. *[click for image]*. This is the work that doesn't get done, or sometimes, in some places gets done against all the odds, the work of community regeneration.

THE BENEFITS TRAP, which is an inevitable result of the BENEFITS SYSTEM as it has evolved, costs us every which way. The enormous **cost to the nation** is with the impact on **individual lives** but goes way beyond those individuals and their families in the social and economic brick walls it throws up around **whole communities** and the **damage** it does to attempts at neighbourhood and civil renewal.

4. When I lived and worked in **Deptford & New Cross**, SE London, we ran a community-led SRB programme called 'Get Set for Citizenship'. We had lots of money to pay local people to do work that needed doing, from outreach work to childcare and youth projects – but people on benefits always lost out.
5. Since then, I've been seeing the problem at different levels from **neighbourhood to national**.
6. First for Magpie within the Get Set programme. Then in 2002 I joined the National Community Forum and from the very first meeting, the 24 local activists from all over the country who made up the forum agreed that dealing with the benefits system was their number one priority. Working at BURA I saw an incredible breadth of regeneration schemes across the UK.

Now working for the DTA it is clear just how different life would be for our members and other community anchors if they were able to make proper use of their greatest asset – local people.

Seeing the experience replicated across the country and from all these angles has clarified our arguments and confirmed just how many win-win boxes could be ticked. But most of all it has reinforced our sense of **what's wrong...**

7. *[The safety net above the gutter]*. The **£92 bn a year** we spend on benefits (not in administration or in employment support, but the actual weekly money) is keeping people just above the gutter but **forms no part of the ladders or bridges** that we need to turn around our increasingly unequal society.
8. *[Metaphors]*. The benefits system is constructed as an on-off switch not a bridge.
9. *[The Revolving Doors]*  
Attrition rates (how many people repeat the cycle through New Deal and off again) seem to be top-secret data. Compliance with the system – round and round the revolving door – wastes whole lives.
10. It's almost too much of a cliché to complain about the bureaucracy (a bit like moaning about European funding being difficult) but in the benefits system the burden of compliance falls heavily on vulnerable individuals.
11. The system is utterly at odds with the 21<sup>st</sup> century world, drawing its strength and ideology from:
  12. First, the **Victorian Poor Law** of 1834 which formalised the old idea of the undeserving poor. It suggested that the best way to deal with poverty was to make the experience of welfare so horrendous that people would do anything to avoid it.
  13. And second, a 9-5, 16-64, sexist, certain world that has been disappearing for decades, and is now changing ever faster as the population ages and we start to debate the balance between work and retirement.
14. *[Narrow choices, unheard voices]*. Unlike almost every other public service, there is no genuine user voice feeding into benefits policy. It is taboo to say that there could be, because that would suggest that claimants might have shared ground, coherence, and something to say. The Unemployed Workers Union of the 1930s and the Claimants Unions of the 1970s have given way to 'the welfare stock' – that's what they call claimants now.

15. And, as we all know, deprivation lurks in particular streets and neighbourhoods. This is part of Deptford in Charles Booth's 1890s maps of London, colour-coded according to social class, with black denoting 'vicious and semi-criminal'!

At this rate, not only will the poor always be with us, but they will always live in exactly the same streets (even if they've been razed and rebuilt several times). Concentrations of poverty still create vicious circles that destroy places as well as people.

16. *[We will never achieve neighbourhood renewal, community empowerment, or social justice unless we change our approach to worklessness.]*

This is **big policy stuff**

- Integrating welfare with regeneration
- Understanding changing work patterns and what they mean for society
- Fighting the old ideologies and the retrenchment of attitudes about poverty, not by saying 'it's not fair!' but by showing how different it could be
- Challenging the 4th richest country in the world to live up to itself

17. The ambition of the Community Allowance is massive – to change this depressing picture. **What would it really mean to modernise the system?**

The Community Allowance is a very focused solution to a particular set of problems. But at the same time it involves a re-thinking of basic concepts of local investment, available resources and, in fact, the very idea of economic activity.

A truly modern system would develop pro-social economies, which reward work that strengthens neighbourhoods and communities, with welfare as a **ladder to renewal** and with **bridges across the gulf** from "complex and multiple disadvantage" to "social inclusion".

18. *[ladder pic: **Turning lives around** - a process not a tweak; a holistic tangle of troubles shared; a mountain to lean on; pulling down the ladder].*

It would recognise that work has changed and is continuing to change.

This would mean both more **flexibility** in the system and a more **personalised** approach to life, not just to public services. Turning lives around is no easy tweak and, like good community development, it can only be done with empathy and commitment.

19. *[The work that regeneration requires at neighbourhood level needs to be done by people in those neighbourhoods. The human resource that could do it best is currently being wasted.]*

Meanwhile, over in the regeneration corner, the key to success is jammed in the door!

The other feature of a modernised benefits system would be genuine **integration** across 'service silos' – health, housing, childcare & education, regeneration.

**We shouldn't change regeneration to be all about 'worklessness' – we should change work to be about making better lives & better neighbourhoods.**

So...The work that needs doing...What kinds of work do we mean? *[click through 7 slides]*

- 20. **Community outreach**
- 21. **Planning & development**
- 22. **Local environmental projects**
- 23. **Warden duties**
- 24. *List, starting 'parent classes'*

All the programmes and initiatives – NDC, Sure Start, NRF, Health Action Zones, and now empowerment and community builders.... all trying to reach people and most of them depending on local people for their core delivery as well as their governance. In most deprived neighbourhoods a lot of money is being spent but not much stays local. There may be barriers to local residents getting the full-time management jobs in local programmes, but there are a great many opportunities for sessional community-based work. But as these chances come and go the rigidity of the benefits system prevents the very people who need to benefit from the programme from doing so, while also skewing mainstream spend away from poor areas.

- 25. *List, starting 'welfare rights'*

We know there are hundreds of projects and programmes desperate to pay local people to do the work. Some of them make payments and gather invoices as if the paperwork could protect them from the fact that they are breaking the law. I've seen councils, NDCs, NM pathfinders and health trusts all do the same.

- 26. *[School Crossing Patrol]* To bring this down to earth I'll use an example. Children in poor neighbourhoods are **five times more likely** to be killed on the roads. One of the best interventions is **the school crossing patrol** which, like all the best interventions, also helps address a whole range of other issues – school attendance, bullying, parent isolation and so on. Yet councils find it extremely difficult to recruit what we used to call lollipop ladies in poor areas cos it's worth only a few pounds in the morning and the afternoon. The people who typically do this kind of work elsewhere are married women topping up a husband's income but in poor neighbourhoods that's not a typical experience. There would be huge advantages of a single mother seeing her own children to school, keeping the other children safe, cheering up the downhearted, checking the bullies, chivvying the latecomers, meeting other parents and earning some more food for the table. If our lollipop woman also took on a few hours of sessional childcare or youth work she might consider coming off benefits, but probably not for long. This kind of composite 'wage' might eventually replace the cash-value of benefits, plus rent, plus free prescriptions and

so on, and certainly would be more interesting and rewarding but **the uncertainty of the work makes it much too scary to try in the current welfare context**. People on benefits are “scared to breathe” in case the letters start arriving. If they talk about taking on some work, their housing officers still say ‘oh, you don’t want to do that’, and then it spirals out of control into eviction orders, bailiffs, doorstep loans, fear and depression. All very costly, all round.

Piecemeal reforms such as Rapid Reclaim are a great idea in principle, but too many people around the country are told they’re not eligible or that no such option exists. So the children keep getting knocked down and the woman stays at home becoming less and less employable, and the gaps get wider...

27. What these “jobs that need doing” in communities tend to have in common is that they are **sessional, seasonal, part-time and often short-term**.

The importance of sessional work shows how both welfare reform and regeneration have to be rooted in a wider updating of the concept of work. One of the CREATE Consortium members is Slivers-of-Time, which is basically a full-frontal attack on the dominance of the 35-hour week - backed up by independent research showing that 13 million people in this country have something more to offer the economy than is currently being extracted.

The Community Allowance comes out of this idea that we are missing a serious trick and ignoring the market realities around us.

28. **Sessional work** is now a major aspect of economic activity – ranging from the best paid portfolio-working to the breadline but it is more or less ignored by policy makers. It is already a major feature in the community sector, but this is the phantom economy – part informal, and part wishful thinking.

29. *[What’s to fear?]*

What is stopping these jobs from happening is the benefits trap. For someone on benefits, the loss of benefits status is much more important than the specific claw-back in any particular week (because of its impact on secondary benefits like free prescriptions and school meals).

There’s the confusion and fear over the potential impact, and whether it can be reversible. And there’s the low-pay trap – with high housing, travel and childcare costs eating up wages.

Meanwhile the *low value attached to community activity* compared to ‘real work’ keeps it an optional hobby, a luxury that many don’t feel they can afford even if they know they are

allowed. The level of risk is an unacceptable burden for people on benefits thinking about taking up sessional work opportunities in their local areas. We know from frustrating, first-hand experience that they just walk away from it, and the whole community suffers.

**30. The Campaign Journey** has involved:

*Following the **policy*** - in both regeneration and welfare reform (I'll come back to that...)

*Tracking the **personnel*** – there have been 5 Secs of State for W&P in 3 yrs (*Johnson, Blunkett, Hutton, Hain, Purnell*) and 4 ministers for welfare reform (*Hodge, Murphy, Flint, Timms*). Meanwhile, the government's regen department has been through its own metamorphoses. I've personally presented the Community Allowance to 12 ministers!

The hardest part of our journey was ***understanding the baggage*** – recognising that the welfare system is riddled with ideology

And then it's all about ***developing the polemic*** – and the funny pics!

**31.** So in terms of **POLICY** [*DWP covers*]

**Reform of the Earnings Disregard** has been recommended in every cross-government policy document of the last decade. The original Policy Action Team on Jobs & Skills in 1999 “thought that work of any kind was valuable preparation for more sustained re-entry to the labour market” and recommended piloting of an Earnings Credit Scheme. The call was remade in 2004 in ‘Jobs & Enterprise in Deprived Areas’ and has been made over and over again but the pilots were never undertaken.

Now we're in a different policy world, where both main parties are suddenly talking about bringing in community boot camps – mandatory full-time unpaid community work for those who have been on benefits for more than two years. In the interests of state choice and procurement rules, this madness could be delivered by public, private or voluntary sector, ‘depending on who does it best’. This is policy on a hiding to nothing. I'm sure this audience, at least, would agree that using community work as a punishment is a disastrous mistake. We need to make absolutely clear that we will not countenance it.

Of course we should try to get people into work, directly saving some of the money for other purposes. On the other hand, 15% of the population, or 8 million people, live in ‘deprived areas’, and changing those areas is not only about squeezing people into jobs. The costs of ongoing deprivation to society and the state go way beyond the welfare cheque – eating into our taxes across health, drugs, crime, prisons, housing, social work, policing, and the enormous burden to the future of poor educational outcomes. The community sector has been saying a long time that we need to show government just how much is saved by sustained, deep-rooted community work. How much better would it be, how much more would we save, if the people doing it were those most at risk of the trap?

Without undermining the successes of the past decade, we need a new approach not more of the same. David Blunkett, in his brief period at DWP said: “The challenge is how the provision of financial benefits can be turned from a safety net into a ladder, assisting people through rapid change and insecurity, and geared to their return to independence.” Blunkett also made the connection between welfare reform and deprived neighbourhoods, promising to **use** the benefits system to tackle ‘the broken spirit’ of Britain’s poorest neighbourhoods [an interesting precedent for Cameron’s ‘broken society’?]. It’s true that communities as a whole pay the price when unemployment degenerates into hopelessness and dependency. It’s our argument that communities as a whole can gain if the benefits spend was targeted at enabling better neighbourhoods.

The potential human resource to sort those areas out is already there. The money to pay them is already available through dozens of regeneration and mainstream spending programmes. The £92 billion welfare cheque should be seen as the seed-corn or foundation funding which levers the special money to pay for the work that needs doing by the people who need to do it right there on the doorstep.

32. *[Key features of the Community Allowance]*

This approach – using the benefits system to tackle directly the problems of poor neighbourhoods – is at the heart of the **COMMUNITY ALLOWANCE**.

CREATE is a ladder that builds **employability**  
while achieving the work of **neighbourhood regeneration**  
through real-world **community empowerment**  
delivered by community organisations that will put their money where their mouths are – with local people.

CREATE proposes an exemption certificate given to people claiming benefit if they take up sessional, part-time or short-term employment made available locally by CREATE partners – generally community anchors and local authorities.

Local organisations would recruit participants and allocate the Community Allowance certificates. Individual participants could earn a capped amount per week for a fixed time period, or alternatively earn up to a total credit limit, while keeping their current benefits status. The proposal involves intensive support – you become a CREATE partner by putting together a great support package.

33. *[Sisyphus]*.

It also shifts the burden of scrutiny. It is time we channelled people’s hard work into local communities and shouldered the burden of compliance at an institutional rather than individual level.

34. *[National framework – local delivery]*

Reaching ‘those left behind’ means working with trusted community groups to create a supported bridge into work for the most ‘hard-to-help’. The complexities of the DWP contracting processes make it practically impossible, and getting ever harder, for these groups to contribute. Most development trusts don’t deliver DWP/JC+ contracts, but I’d wager they are all in touch with people on benefits and could offer both support and real work opportunities.

35. The **general direction of travel** from DSS to DWP

from nasty benefits offices to shiny JobCentre Pluses

from absolute silo to shared ministerial platforms

from ‘on your bike’ to Pathways to work

has been great. The idea that government might annihilate that progress with punitive use of “community work” is horrifying.

**But anyway we need to go much further...** and find a way to turn this major public spend into an investment, using the ‘tiny, trusted groups’ of civil society to reach deep.

36. **What needs to happen?** *[we need to pilot it]*

- We need to pilot the Community Allowance – this can be done simply by ministerial decision, James Purnell has the power to agree it tomorrow.
- We need to include it in the DTA manifesto
- We need you to go to the website and sign up as a supporter.

37. *[The Phantom Saviour!]*

The largest single element of public sector investment in poor areas must be materialised *[click]* in policy and practice to create better neighbourhoods. *[click]* This is a strongly focused solution that really could change the world! *[click]*

**Thank you.**