



Office of the
Deputy Prime Minister

Creating sustainable communities

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New 2004 Spending Review PSA1 Target and Floor Targets

I am writing to remind you that in April, the new PSA 1 target and its associated suite of floor targets from the 2004 Spending Review will come into effect. The vision for neighbourhood renewal remains broadly unchanged, that within 10 to 20 years no-one will be seriously disadvantaged by where they live. This is described in the recently released *Making it Happen in Neighbourhoods* document, which is the revised national strategy for neighbourhood renewal. The new PSA 1 and floor targets will give an even greater emphasis on delivery, closing the gap between the worst neighbourhoods and the rest of the country, in the 6 key outcome areas of health, crime prevention, education, worklessness, housing and liveability.

You will find more information on the new targets in the following attachments:

- The presentation which I gave at the recent LSP conference, held on 9 March 2005 at the Wembley Conference Centre. Over 400 people, including ministers and representatives of every LSP which receives Neighbourhood Renewal Fund, came together to discuss how real change in neighbourhoods can be brought about through effective partnership working. Please follow this link for further information about the conference. <http://www.neighbourhood.gov.uk/page.asp?id=1348>

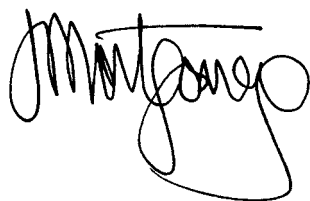
The presentation highlights the measurable effects that increased funding and innovative solutions have had on narrowing the gap between deprived areas and the rest, while identifying the considerable challenges which remain. The attached copy of the presentation contains additional slides focussing on health inequalities. While we want further and faster improvements in all areas, this is particularly true of our work on health. You will note that the gap between deprived areas and rest has yet to narrow on a number of the key health inequality indicators.

- *Smarter Delivery, Better Neighbourhoods*, a beginners guide to the outcomes of the 2004 Spending Review. It takes you through all the important changes in floor targets for each key theme, and provides a complete set of the 2004 floor targets in an annex.

Together we have achieved a great deal since the Neighbourhood Renewal Unit was formed in 2002. This new set of floor targets gives us the tools to achieve further improvements in our priority neighbourhoods.

I look forward to working with you to achieve this.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Montgomery', with a large, sweeping flourish at the end.

Joe Montgomery