



Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel

**Evidence from the New Deal for Communities Programme
Summary report**



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The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.

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1. Why is the New Deal for Communities Programme so important?

For more than 40 years successive governments have sought to address problems of deprivation apparent in the major cities and towns of England. In recent decades initiatives such as Urban Development Corporations, enterprise zones, City Challenge, and the Single Regeneration Budget have been launched designed to moderate the scale of deprivation in specific areas or pockets of cities and towns. These schemes are often referred to as **Area-Based Initiatives (ABIs)**. Although ABIs differ in detail, they all provide extra resources to defined urban areas, for specific periods of time, in order to address issues such as poor employment prospects, high levels of crime and fear of crime, poor physical environment, and poor public, and private, sector services.

Although many ABIs achieved some success, by the mid 1990s there was nevertheless a general sentiment that collectively they had not overcome the full range of difficulties impacting on residents living in deprived urban neighbourhoods. This was due to a number of factors including:

- many ABIs had been allocated only limited resources
- most had only a limited life cycle: few extended beyond five years
- at least some were designed to attack specific issues, rather than the full range of problems impacting on deprived urban localities
- and at least some had done little to engage with local communities.

It is against this background that the New Deal for Communities (NDC) Programme was announced in 1998. By 2000 39 NDC Partnerships had been established, 10 in London, two in Birmingham, and others throughout urban England. On average each NDC area accommodates about 9,800 people.

In many respects this was a genuinely innovative ABI in that it:

- had a clear overarching objective: to reduce the gaps between some 39 deprived neighbourhoods and the rest of the country
- was designed to transform 39 defined areas in relation to six outcome areas:
 - three **place-based** outcomes relating to crime, the community, and housing and the physical environment; these were intended to improve these 39 areas as a whole

- and three **people-based** objectives to improve individual level outcomes with regard to education, health and worklessness
- was given both more resources, £50m per NDC, and a longer time span, 10 years, than had been the case for previous ABIs
- was to place the community at the heart of the initiative
- was to develop an approach which addressed problems holistically in that it sought to achieve synergies across interventions in different outcome areas.

By 2006, NDC Partnerships had on average each spent about £26m, funding around 130 projects in their areas. Of the total £1.024bn NDCs had spent up to 2006, just under a quarter had been allocated to housing and environmental projects with community and education each attracting slightly less than a fifth of total spend. Crime, employment, and health each accounted for around ten per cent of spend, with a further tenth spent on management and administration.

As one of, if not the, most intensive and enduring ABIs ever launched in England it is vitally important that lessons be learnt from this Programme.

The National Evaluation: the NDC household survey

In 2001 a consortium headed up by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University was commissioned to undertake the 2001–2005 Phase 1 of a Programme-wide evaluation. This work culminated in a 2005 Interim Evaluation¹. In 2006 CRESR won the competition to undertake Phase 2 of the national evaluation, working with a similar consortium².

The national evaluation has tracked and analysed change across the 39 areas by focusing on a set of core indicators, some based on administrative data but most from the NDC household surveys. These surveys were undertaken by Ipsos MORI in 2002, 2004 and again in 2006 amongst NDC residents aged 16 and over. The questionnaire collects individual or household-level data in relation to health, education and worklessness, crime, housing, the physical environment, attitudes to the area and the local community, and so on.

The sample size of the survey has varied from approximately 500 residents per NDC area in 2002 and 2004 to 400 in 2006. In total the survey obtained responses from 19,574 NDC residents in 2002, 19,633 in 2004, and 15,792 in 2006.

¹ NRU/ODPM 2005 New Deal for Communities 2001–2005 An Interim Evaluation: Research Report 17 www.neighbourhood.gov.uk/publications.asp?did=1625

² Consortium members are: Cambridge Economic Associates, European Institute for Urban Affairs at Liverpool John Moores University, Geoff Fordham Associates, Ipsos MORI, Local Government Centre at the University of Warwick, Social Disadvantage Research Centre at the University of Oxford, Shared Intelligence, and SQW

The three household surveys provide the evaluation team with two types of change data: **cross-sectional area-based data** and **individual-level panel data**. The former give snap-shots of what is happening in all 39 areas at three points in time: 2002, 2004 and 2006. The evaluation team has already reported on what this evidence has to say about change through time across the 39 areas³. This is an important slant in understanding change. In particular it helps assess how these 39 **areas** are changing.

But this type of cross-sectional area-based data has drawbacks too. Within any neighbourhood there will always be a degree of population churn as people leave, or move into, the locality⁴. This has several implications for assessing change when using cross-sectional area-based data. First, this type of data will include people who may have moved into the area literally the day before the survey took place. Outcome change based on area-level data will thus include the attitudes and aspirations of those who could not conceivably have been influenced by NDC activity. Second, using cross-sectional area-based data to assess change through time will involve the incorporation of responses from those living in the area at one point in time, but who subsequently leave the area within the following two years. Third, by incorporating all of those in the neighbourhood at any point in time, cross-sectional area-based data masks the true level of change occurring at the individual level. Area-based change data often suggests that only modest net changes are occurring. In practice these averaged area level figures often conceal considerable volatility at the level of the individual.

Individual-level panel data provide evidence in relation to those who stayed in NDC areas for at least two, if not four, years. Following up the same people through time, provides evidence in relation to the effects on individuals of being exposed to the Programme for longer periods of time. But individual-level panel data also has its drawbacks. For example those who stay in the 39 areas will become less representative of NDC populations as whole. Compared with the latter those in the 2002–2006 NDC panel tend, for instance, to be older and are more likely to live in their own accommodation.

The point here is not to suggest that panel data is better or worse than cross-sectional area-based data in assessing change. Rather these are complementary ways of looking at change: one is based on what happens to individuals staying in NDC areas, the other at trends across the 39 areas through time.

The evaluation team has produced a full panel study⁵ which explores in detail what happens to those who remained in NDC areas for at least two years. This is a summary of that full report aimed at those seeking to understand

³ CLG 2006 NDC National Evaluation: an overview of change data. www.neighbourhood.gov.uk/publications.asp?did=1898
CLG 2007: NDC: a synthesis of new Programme-wide evidence: 2006–07, Research Report 39: www.neighbourhood.gov.uk/publications.asp?did=1930

⁴ In 2006, 14 per cent of household survey respondents had lived in their current home for less than a year. This ranged from 5 per cent to 48 per cent across the 39 NDC areas.

⁵ CLG 2009: Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel

key findings. This summary report majors on four themes, each of which is discussed below:

- Chapter 2: what happened to those in the NDC panel between 2002 and 2006?
- Chapter 3: how did the experience of those in the NDC panel contrast with those living in similarly deprived comparator areas?
- Chapter 4: what does the panel data say about the impact of NDC interventions on individuals?
- Chapter 5: what are the key overriding policy messages to emerge from this panel evidence as a whole?

2. What happened to members of the NDC panel between 2002 and 2006?

Change at the Programme-wide level

One approach through which to explore change in NDC areas is to consider what happened to those making up the 2002–2006 NDC panel (Table 2.1). Change is explored here using some 26 indicators across all of the Programme’s six key outcome areas. Some of these indicators are indices which pull together responses to a number of separate questions. For instance the ‘fear of crime’ index is based on questions which ask respondents to comment on the degree to which they worry about nine different types of crime. And the ‘lawlessness and dereliction’ index is based on ten questions asking respondents for their views on aspects of local dereliction, social problems such as racial harassment, and their attitudes to local environmental issues such as litter.

The evidence from these 26 indicators is positive:

- the NDC panel, that is those who stayed in one of these 39 areas for the full four year period 2002 to 2006, showed positive change in relation to 21 of these 26 indicators
- for 17 of these the rate of change was statistically significant at the 5 per cent level⁶.

There is little doubt that those who stayed in these 39 areas for this four year period enjoyed gains, some of which were considerable, across all of the outcome areas. This was especially true in relation to crime and attitudes towards the local area. There was perhaps less evidence of change in relation to health than for other outcome areas. This is not surprising: it may take many years before individuals benefit from NDC-funded health interventions.

⁶ A statistically significant difference at a 5 per cent level means that there is a difference between values at the two points of time and that we are 95 per cent confident that this difference is not due to chance.

Table 2.1: The 2002–2006 Panel: change 2002 to 2006		
	Percentage of residents	Percentage point change
	2006	2002–06
Education		
No qualifications (a) (h)	36.1	-2.2
Taken part in education or training in the past year (b)	21.2	-1.0
Need to improve basic skills (h)	26.3	-6.0
Health		
No physical activity for at least 20 mins (h)	11.1	2.9
Smoke (h)	33.6	-3.3
Health not good (h)	24.4	-1.2
Health worse than a year ago (h)	24.8	1.3
Satisfied with doctor (c)	86.4	0.9
Crime		
Lawlessness and dereliction index, high score (h)	13.8	-17.0
Feel unsafe after dark (h)	49.3	-9.0
Fear of crime index, high score (h)	19.7	-14.8
Been a victim of at least one crime (f) (h)	25.5	-7.9
Housing and physical environment		
Satisfied with area	72.3	9.8
Trapped (g) (h)	14.4	-0.1
Want to move (h)	35.9	5.4
Satisfied with accommodation	85.5	0.1
Think area has improved over last 2 years (d)	42.3	18.2
Problems with environment index, high score (h)	13.0	-9.3
Community		
Feel part of the community	46.6	5.9
Neighbours look out for each other	67.6	2.6
Quality of life good	80.3	1.9
Can influence decisions that affect local area	27.7	3.0
Worklessness and finance		
Receive benefits (h)	51.3	4.3
Workless households (e) (h)	37.0	-3.0
In employment (a)	54.4	2.7
Income less than £200 per week (h)	39.7	-8.1

Source: Ipsos MORI Longitudinal panel (2002–04–06)

Base: All, (a) Working age 2002 & 2006, (b) Working age & not in full time education 2002 & 2006, (c) Seen doctor in previous 12 months 2002 & 2006, (d) Lived in area two or more years 2002 & 2006, (e) Working age households 2002 & 2006

(f) Experienced at least one incident of: burglary; theft from outside the home; theft from the person; assault; vandalism; being threatened; or racial harassment.

(g) Want to move but feel it is unlikely to happen.

Note: Change scores in bold are significant at the 5% level

Positive scores indicate an improvement; except (h) where negative scores indicate an improvement

Individual-level change across themes

It is clear from Table 2.1 that NDC residents who stayed in these 39 areas saw benefits. Many indicators show positive and statistically significant change between 2002 and 2006. But is there any evidence to suggest that individual-level benefits in one outcome area are associated with benefits in another: is there any evidence pointing to synergy across different outcomes? The NDC Programme is an explicitly holistic Programme. It is designed to improve these 39 areas and individuals living within them across a range of outcomes. But this raises the question of how individuals might benefit from any interactions across different outcome areas. **The hypothesis explored here is that individual level change in relation to one of the six key outcome areas is associated with change in others.** The assumption that change in one outcome area will be associated with change in others is often assumed of ABIs. For example dealing with local environmental problems such as litter, degraded properties, and neglected open spaces might be associated with lower fear of crime or even actual crime rates. Similarly improving local education standards might be associated with positive change in relation to worklessness and crime.

These potential associations across outcome areas are often referred to as characteristic of 'holistic' approaches to regeneration where 'synergies' are created across different outcomes. However, although other ABIs may have claimed to be holistic in their approach, it is not clear that any previous ABI evaluation has had access to individual level change data which allows this assumption to be tested. It should be stressed that these analyses are not about *causal relationships* between interventions and outcomes, but rather *associations* across different outcomes. Associations between specific interventions and individual-level change for beneficiaries are explored in Chapter 4.

Because panel data provide evidence in relation to the changes experienced by every individual over this four year period, it is possible to explore associations across different dimensions of deprivation. And once again the overall findings are very positive. In particular there are strong statistically significant relationships across a range of place-based outcomes including fear of crime, satisfaction with the area, feeling part of the community, thinking the NDC has improved the area, and thinking the area has improved. Improvements in one of these outcome indicators tend to be strongly associated with positive change in others. To give just one example, individuals who showed evidence of becoming more satisfied with the area between 2002 and 2006 were also statistically more likely to show improvements in relation to:

- perceptions of the local environment
- fear of crime
- actual crime
- trust in local institutions

- feeling part of the community
- satisfaction with accommodation
- and mental health.

This NDC evidence supports the generally held, but often untested, view, that change in one outcome is associated with change in others. There therefore seems to be some justification for the view that ostensibly ‘holistic’ approaches to regeneration, such as that assumed by the NDC Programme, are characterised by positive synergies across outcome areas.

Change across the 39 panels

Because the household survey is carried out in all NDC areas, there are in essence 39 separate ‘panel data packages’ one for each area. It is possible therefore to establish what change occurred to each of these panels and to assess the degree to which different rates of change are associated with a range of potential explanatory variables such as Partnership spend the management and operation of Partnership Boards, the number of overlapping other ABIs, and so on. In other words is it possible to explain why some of the 39 panels saw more change than others? In practice not many positive associations have been identified. This may seem surprising. But this finding chimes with previously published analyses based on cross-sectional area-based data⁷. It has to be remembered too that much of this evidence deals with just four years of change. It may well be that more associations emerge as the Programme rolls out. Nevertheless three findings merit specific comment:

- **there is consistent evidence that starting position is crucial:** panels in those NDC areas which were in a relatively more disadvantaged position in 2002 tended consistently to make greatest gains by 2006: there was simply more headroom for change; starting position can in a sense ‘crowd out’ other effects
- **there is now evidence of a statistically significant relationship between spend and one place-based outcome:** the more any NDC Partnership spent on crime projects the greater the probability of positive change for ‘their’ panel in relation to fear of crime; this is true even when starting position is included in the model; previous work by the NDC evaluation team has identified relationships between people-based outcomes and spend; but this is the first time change data has picked up relationships between spend and any place-based outcome

⁷ CLG 2006 NDC National Evaluation: an overview of change data. www.neighbourhood.gov.uk/publications.asp?did=1898
CLG 2007: NDC: a synthesis of new Programme-wide evidence: 2006–07, Research Report 39: www.neighbourhood.gov.uk/publications.asp?did=1930

- **when starting position is not included in models, relationships are also appearing between having more overlapping ABIs and positive outcomes:** there is emerging evidence across the evaluation that added value arises from having other overlapping ABIs.

A concluding comment

Three central messages emerge from this first cut at the panel data:

- as a group, those who stayed in the 39 NDC areas between 2002 and 2006 saw considerable benefits
- there are strong associations across outcome areas at the individual level; in particular change in relation to one place-based outcome tends to be associated with change in relation to other place-based outcomes
- analyses of change for each of the 39 NDC panels point to associations between positive change and three variables: starting position; spend in relation to fear of crime; and having more overlapping ABIs.

However, this initial exploration of the panel data needs further refinement. In particular there is an immediate and critical issue to address. How do we know that change to members of this panel has anything to do with the NDC Programme? Perhaps they would have seen similar rates of change had it not existed. As is explored in the next chapter, we need to benchmark change in NDC areas against what is happening elsewhere in order to establish whether there is an identifiable 'NDC effect'.

3. How does the NDC panel fare against the comparator areas panel?

The comparator areas panel

As is flagged up at the end of the previous chapter, it is not possible fully to understand change for the NDC panel unless this can be compared with what happened elsewhere. We need to be able to say whether the rate of change for the NDC panel is more than, less than, or about the same as, that occurring elsewhere. It looks as if members of the 2002 to 2006 NDC panel enjoyed considerable positive gains. But it may be that these changes were no more than those occurring in other deprived localities.

The evaluation team has used a number of benchmarks to establish how NDCs are changing when compared with what is happening elsewhere⁸. **In this context the key benchmark is that provided by other deprived neighbourhoods: the comparator areas.** Each NDC has a comparator area. This is a similarly sized neighbourhood in the same local authority. To avoid issues of 'NDC contamination', comparator areas do not share boundaries, or overlap, with, NDC areas. The original intention was that they would be as similarly deprived as their matching NDC area on the basis of the 2000 Index of Multiple Deprivation. In practice however, and the full implications of this are explored in the final chapter, NDCs are often the most deprived neighbourhoods in their local authorities. The comparator areas therefore tend to be somewhat less disadvantaged than their matched NDC area.

Nevertheless, this is the best benchmark available to the NDC evaluation. It provides an indication of what has been happening in other deprived neighbourhoods. This is invaluable in understanding the significance of change to the NDC panel outlined in the previous chapter. In order to capture relative rates of change, the NDC household survey referred to in Chapter One was also carried out in exactly the same way within the 39 comparator areas. By 2006 some 458 residents in the comparator areas had been interviewed in all three waves of the survey: 2002, 2004 and 2006.

⁸ Data is compared, where possible, with national, district and comparator area benchmarks in the full Programme-wide report

Table 3.1: NDC and comparator areas: percentage point change: 2002–06			
	Percentage point change 2002–06		
	NDC	Comparator	Net
Education			
No qualifications (c) (j)	-2.2	0.5	-2.7
Taken part in education or training in the past year (d)	-1.0	-0.3	-0.7
Need to improve basic skills (j)	-6.0	-1.9	-4.1
Health			
No physical activity for at least 20 mins (j)	2.9	4.8	-1.9
Smoke (j)	-3.3	-4.8	1.5
Health not good (j)	-1.2	2.0	-3.2
Health worse than a year ago (j)	1.3	5.1	-3.7
Satisfied with doctor (e)	0.9	0.6	0.2
Crime			
Lawlessness and dereliction index, high score (j)	-17.0	-12.9	-4.1
Feel unsafe after dark (j)	-9.0	-10.2	1.2
Fear of crime index, high score (j)	-14.8	-9.6	-5.2
Been a victim of at least one crime (h) (j)	-7.9	0.2	-8.1
Housing and physical environment			
Satisfied with area	9.8	4.3	5.5
Trapped (i) (j)	-0.1	1.5	-1.6
Want to move (j)	5.4	7.7	-2.3
Satisfied with accommodation	0.1	0.5	-0.4
Think area has improved over last 2 years (f)	18.2	13.1	5.1
Problems with environment index, high score (j)	-9.3	-7.5	-1.8
Community			
Feel part of the community	5.9	10.2	-4.3
Neighbours look out for each other	2.6	4.7	-2.0
Quality of life good	1.9	0.7	1.2
Can influence decisions that affect local area	3.0	2.3	0.7
Worklessness and finance			
Receive benefits (j)	4.3	5.3	-1.0
Workless households (g) (j)	-3.0	-3.4	0.4
In employment (c)	2.7	-0.3	3.0
Income less than £200 per week (j)	-8.1	-8.5	0.4

Source: Ipsos MORI Longitudinal panel (2002–04–06)

Base: All, (c) Working age in both years, (d) Working age & not in full time education in both years, (e) Seen doctor in previous 12 months in both years, (f) Lived in area two or more years in both years, (g) Working age households in both years

(h) Experienced at least one incident of: burglary; theft from outside the home; theft from the person; assault; vandalism; being threatened; or racial harassment.

(i) Want to move but feel it is unlikely to happen.

Note: NDC and comparator change scores in bold are significant at the 5% level; net change scores in bold indicate that either NDC or comparator change (or both) are significant at the 5% level

Positive scores indicate an improvement; except (j) where negative scores indicate an improvement

Rows may not sum due to rounding

Comparing experiences: NDC and comparator areas panels

Because the household survey was carried out in both NDC and comparator areas, it is possible to compare outcomes for these two panels (Table 3.1):

- the NDC panel saw significant improvement in 17 indicators between 2002 and 2006, the comparator areas eight; the latter saw significant deterioration in four indicators between 2002 and 2006, compared with three for the NDC areas
- of all the indicators showing significant change for either NDCs, or comparator areas, or both, between 2002 and 2006, NDCs outperformed comparators in 15 cases, showing relative deterioration in six
- the NDC panel saw more positive change for all of the six main outcome areas, although this advantage is perhaps less evident in relation to community indicators and also worklessness.

Because longitudinal panel data identifies what happens to every individual it is also possible to assess the degree to which the Programme has led to positive outcomes for every person in either of the NDC or the comparator areas panel. For each respondent the number of positive transitions has been tallied across some 25 indicators. Individuals in the NDC panel see more positive outcomes:

- the highest number of indicators showing improvement for any one individual in the NDC panel was 15, compared with 13 in comparator areas panel
- 9 per cent of comparator area residents experienced no improvements in any of the 25 indicators, compared with 7 per cent of NDC panel members.

Controlling for individual level socio-demographics

It might have been assumed that the evidence outlined above points to an unambiguous conclusion: the NDC panel is seeing more positive change than is the comparator areas panel. But these simple comparisons need to be refined in two ways.

First, as is discussed below, there is the complex issue of whether or not individual level starting off position needs to be incorporated into change models. Second, and less controversially, it is also important to ensure that models of change for those in both panels incorporate individual level socio-demographic factors such as age, gender, ethnicity, tenure and household composition. The reason why this is necessary is because it is known that some groups have different attitudes and responses to regeneration issues than have others. Women for instance are consistently more worried about crime than are men. Similarly, younger people are more likely to want

to move than are older respondents. Unless data is adjusted to take into account these individual level characteristics, apparent differences in rates of change may not in fact reflect real underlying trends, but rather the nature of the sample.

A statistical technique called General Linear Modelling incorporates individual level characteristics for those indicators where an individual is making an assessment on a scale such as from 'very dissatisfied' to 'very satisfied'. Once individual level socio-demographic factors alluded to above are included in change models, the NDC panel saw statistically significant change over and above that occurring to the comparator areas panel in relation to only three of fifteen indicators: satisfaction with the area, lawlessness and dereliction, and thinking the area has improved in the previous two years (Table 3.2.).

To look at indicators where respondents may be making a transition from one state to another, such as moving from not being in, to being in, employment, it is necessary to use adjusted odds ratios (ORs). ORs reflect the expected probability of a given outcome occurring to an NDC resident relative to a resident with similar characteristics in the comparator areas panel. For example in the case of making a transition from not being in, to being in, employment, an OR of two would mean a person is, on average, twice as likely to make the transition after all other factors in the model have been taken into account. However in relation to transitional data there are no significant differences between what happened to NDC residents when compared with residents in the comparator areas between 2002 and 2006. It is worth flagging up here that more detailed analysis included in the full report examining change over shorter time periods, found that NDC residents were almost twice as likely to move out of employment than those in the comparator areas in the shorter two year period: 2002 to 2004.

Table 3.2: General Linear Models NDC versus comparator area change: adjusted for differences in key demographics, 2002–2006

	Adjusted mean difference:	
	NDC – Comp	sig.
HOUSING AND AREA		
Satisfaction with repair of home	0.03	0.622
Satisfaction with accommodation	–0.01	0.811
Satisfaction with area	0.19	0.005
Lawlessness & dereliction score	0.52	0.034
Problems with environment score	0.03	0.776
Quality of life	–0.03	0.618
Extent area improved in the past two years	0.29	0.000
COMMUNITY		
Problems with social relations score	0.06	0.182
Vertical trust score	–0.14	0.387
Extent feel part of community	–0.10	0.202
Extent people in area are friendly	0.03	0.587
HEALTH		
SF36 mental health score	1.70	0.110
CRIME		
Fear of crime score	–0.40	0.279
Extent feel safe walking alone after dark	–0.03	0.681
Number of crimes been a victim	–0.20	0.530

Note: All coefficients have been placed on the same metric. Therefore, a positive score indicates that on average NDC residents improved more than comparator area residents, *ceteris paribus*. Figures in bold are significant at the 5% level.

Incorporating individual level starting position

All analyses designed to identify rates of change occurring to different areas, or to different groups of individuals, are faced with a conceptual conundrum. Should individual-level starting off position be taken into account in assessing rates of change? In other words when looking at changes to area satisfaction, for example, should we take into account how satisfied respondents were to start with, thus effectively comparing like with like? This might seem an obscure issue, but is actually a vital consideration in exploring change across these two panels. There are two views here.

Some would say that individual-level starting positions should be ignored in analyses. Those adopting this position would say that 2002 was effectively the base line for the evaluation. All of the individual-level changes between 2002 and 2006 should be added up for those in both the NDC panel and in the comparator areas panel. Rates of change would then be compared across the two panels.

But others would say that there is a problem in adopting this simple and straightforward approach. Throughout the evaluation whether dealing with cross-sectional area-based, or individual-level panel, data, the most deprived areas and individuals have made most progress. This is not surprising. More deprived individuals have greater headroom for change. To give one example of how this works. Questions frequently ask respondents to assess their attitudes on a scale typically running from 'very dissatisfied/worried' to 'very satisfied/not worried at all'. It is relatively easy to move people from, say, 'very dissatisfied' to 'satisfied', but much harder to move someone from 'satisfied' to 'very satisfied'. In effect it is easier for the most deprived to make some improvements than it is for the relatively less deprived to achieve further positive gains.

Because of this, it can be argued that where an individual started off in 2002 should be included in analyses. In effect this approach involves comparing outcomes in 2006 for NDC panel members with those seen by similarly deprived (in 2002) members of the comparator areas panel. In other words here we are comparing like with like. We are not simply adding up the positive changes to those in the NDC panel and comparing those with changes to members of the comparator areas panel. That process provides a kind of in-built 'pro-NDC bias': there were more deprived people in the NDC panel in 2002 so collectively they saw more change by 2006.

There is no definitive answer to the question of whether, or not, individual level starting positions should be included. But it is important to see what its effects are. And once both individual-level socio-demographic characteristics and also individual-level starting position are incorporated into models of change, then some interesting findings begin to emerge. In particular between 2002 and 2006 the comparator areas panel saw more evidence of statistically significant change than the NDC areas panel in relation to three indicators and the NDC panel saw more change than the comparator areas panel in just one: thinking the area had improved in the past two years (Table 3.3). For most indicators there was no evidence to indicate that one panel was seeing more positive change than the other.

Table 3.3: General Linear Models NDC versus comparator area change: adjusted for differences in key demographics and starting position, 2002–2006

	Adjusted mean difference:	
	NDC – Comp	sig.
HOUSING AND AREA		
Satisfaction with repair of home	–0.04	0.517
Satisfaction with accommodation	–0.06	0.236
Satisfaction with area	–0.01	0.873
Lawlessness & dereliction score	–0.51	0.006
Problems with environment score	–0.18	0.053
Quality of life	–0.06	0.192
Extent area improved in the past two years	0.37	0.000
COMMUNITY		
Problems with social relations score	0.00	0.964
Vertical trust score	–0.18	0.184
Extent feel part of local community	–0.09	0.159
Extent people in area are friendly	0.00	0.989
HEALTH		
SF36 mental health score	1.37	0.122
CRIME		
Fear of crime score	–0.67	0.028
Extent feel safe walking alone after dark	–0.14	0.020
Number of crimes been a victim	–0.12	0.615

Note: All coefficients have been placed on the same metric. Therefore, a positive score indicates that on average NDC residents improved more than comparator area residents, *ceteris paribus*. Figures in bold are significant at the 5% level.

A concluding comment

This chapter has explored relative rates of change for the two panels. The key headlines are these:

- the importance of starting position in understanding rates and direction of change: whether they lived in an NDC or in a comparator area, the more deprived the individual in 2002 the more likely they were to make positive change by 2006
- once starting position and also individual level characteristics (gender, age, ethnicity, etc) are incorporated into change models so that we are effectively comparing like with like, then the NDC panel does not see more in the way of statistically significant change than does the comparator areas panel
- for most indicators there is nothing to suggest that one panel saw more in the way of statistically significant change than did the other.

Bearing in mind the apparently generous resources allocated to the NDC Programme, these may seem somewhat surprising conclusions, the ramifications of which are discussed in the final chapter. But before that, it is worth pointing out that individual-level panel data also provides an altogether more positive perspective on change which will be explored in the next section.

4. The NDC panel: benefiting from Partnership interventions

Individual-level beneficiary data

The previous chapter explores change for the NDC panel when assessed against that occurring to the comparator areas panel. But there is a further, and intriguing, approach to panel data developed in this chapter. Here the emphasis is placed on exploring the effects of specific interventions on individual-level outcomes for members of the NDC panel alone⁹.

For the 2004 NDC household survey the evaluation team liaised with all 39 Partnerships to identify up to four named local projects based on:

- penetration rate: at least 20 per cent of respondents needed to be aware of each project in order to provide sufficient numbers of eligible respondents (around 100) for follow-up question on impact to be worthwhile
- projects had to be described in ways local residents would recognise
- projects needed to be selected from across the six main outcome areas.

In turn all respondents to the 2004 household survey were asked three questions about each of ‘their’ four local projects:

- had they heard of any of the (described) local projects supported by their local (named) NDC Partnership?
- had they or anyone in their household directly benefited from, used or attended any of these (named) projects?
- the extent to which each (named) project had improved the quality of life for themselves, their household, or the area generally?

An overview of projects and beneficiaries

150 projects were included in the 2004 household survey. These were subsequently grouped into seven categories: community development, crime and community safety, education, employment, health, environment, and housing. More than 80 of the 145 projects suitable for analysis had received funding of at least £500,000 by 2006. In general these are substantial, well-established projects. Absolute numbers of individuals benefiting or not benefiting from projects varies across the seven categories. For example,

⁹ This evidence is based on a different panel than that used in the two previous chapters: the 2002–2004 panel, not the 2002–2006 panel; but in other respects the analytical methods adopted here are the same as those outlined in previous chapters.

9,245 respondents from the 2002–2004 panel across 34 NDCs were asked about projects relating to crime and community safety. Of these, 2,434 said they had benefited from, used or attended the relevant project, while the remaining 6,811 said they had not.

In Chapter 2 the emphasis was placed on change for those constituting the NDC panel, and Chapter 3 on comparing outcomes for this NDC panel against change for the comparator areas panel. **Here analysis is based on exploring different outcomes for two groups of NDC residents: those who say they have, or have not, benefited from named projects.**

This individual-level beneficiary data provide a probably unique evidence base from which to address a research question central to all ABIs. Do interventions within defined regeneration areas help improve individual-level outcomes?

Modelling beneficiary change data

As is discussed in the previous chapter, change data needs to be adjusted to take into account both:

- **individual-level socio-demographic variables;** if this is not done there is a danger that results do not reflect real underlying trends, but rather arise because the sample may contain disproportionate numbers of, say, men, older people, White residents, and so on
- **individual-level starting position;** this is because, as is discussed in the previous chapter, the more deprived an individual, the more likely they are to see positive change.

Results are expressed as coefficients. These show the average expected effect on change in the outcome variable if a respondent is a project beneficiary compared with if they were not a beneficiary, after all other variables in the model have been controlled for. So, for example, a coefficient of 0.69 for being a crime project beneficiary in the 'change in fear of crime score' model implies that on average a crime project beneficiary experienced '0.69 units' more change than a non beneficiary after base individual-level socio-demographic factors have been taken into account.

The results are very clear cut (Table 4.1). Even after adjusting for individual-level socio-demographic characteristics (the base model) and starting position, there is statistically significant evidence pointing to beneficiaries seeing more positive outcomes than non-beneficiaries. This is especially true for crime reduction and environmental improvement projects. It is interesting here too to note positive outcomes for neighbourhood wardens' schemes designed to address anti-social behaviour, environmental problems and localised crime. There is a strong association between those who say they have benefited from such a project and positive outcomes in relation to fear of crime and environmental attitudes.

Table 4.1: General Linear Models: project beneficiaries versus non-beneficiaries: change in pseudo-continuous outcomes 2002–2004

Type of projects respondent has benefited from	Dependent Variable	Change 2002–04	
		Base model	Base plus 2002 score
Crime projects	Fear of crime score	0.69	0.50
	Lawlessness and dereliction score	0.52	–0.01
	Number of crimes been a victim	0.23	0.12
Neighbourhood wardens	Fear of crime score	0.82	0.82
	Lawlessness and dereliction score	0.37	0.09
	Number of crimes been a victim of	0.31	0.17
Environment projects	Problems with environment score	0.33	0.32
	Lawlessness and dereliction score	0.45	0.20
	Satisfaction with area	0.10	0.12
Community projects	Extent feel part of community	0.04	0.26
Housing projects	Satisfaction with accommodation	–0.05	–0.06
	Satisfaction with repair of home	0.29	0.09
Health projects	SF 36 mental health score	–1.93	–1.08
	Ease of seeing GP	–0.10	0.04
	Trust in local health services	0.16	0.11
Education projects	Trust in local schools	0.10	0.23

Note: All coefficients have been placed on the same metric. Therefore, a positive score indicates that on average beneficiaries improved more than non-beneficiaries, *ceteris paribus*. Figures in bold are significant at the 0.05 level.

As is discussed earlier, to look at indicators where respondents may be making a transition from one state to another, such as moving from not being in, to being in, employment, it is necessary to use adjusted odds ratios (adjusted ORs). These OR models also include sex, age, ethnicity, tenure, household composition, qualifications and so on (Table 4.2). Once again the evidence is quite clear. In virtually all instances beneficiaries saw statistically significant better outcomes than did non beneficiaries.

Table 4.2: Adjusted Logistic Regression Models: project beneficiaries versus non-beneficiaries: Transition models 2002–2004: Adjusted odds ratios

Type of projects respondent has benefited	Dependent variable	2002–04
		Base
Employment	Not in employment to in employment	2.32
	In employment to not in employment	1.43
Education	Improved qualifications	1.47
Community	Cannot influence to can influence decisions	1.34
	Not involved, to being involved, in local organisations	1.83

Note: A positive score indicates that on average beneficiaries improved more than non-beneficiaries, *ceteris paribus*. Figures in bold are significant at the 0.05 level

Finally in this analysis it is worth making the point that project size also impacts on outcomes especially for some place-based indicators. For instance individuals in NDC areas with relatively small crime projects showed, on average, significantly less improvement in their fear of crime and lawlessness and dereliction scores than those in areas with larger crime projects. It is not totally clear why larger projects make more of an impact than do smaller ones. But it may be that larger projects simply make more of an impact locally: more people will know about them; they may be better placed than smaller projects to deliver locally tailored and sustainable interventions; and they may be able to employ more experienced staff.

A concluding comment

The key headline finding in the previous chapter is that once change models include individual level socio-demographic characteristics and starting position, there is little to suggest that those constituting the NDC panel saw greater change than did those in the comparator areas panel between 2002 and 2006. In this chapter the emphasis is placed instead on comparing outcomes for two different NDC panel populations, those who said they had, or had not, benefited from NDC interventions between 2002 and 2004. And even after taking into account socio-demographic characteristics and starting position there is a clear and persistent pattern: those benefiting from NDC interventions saw more positive outcomes than those who did not. It is not clear that any previous ABI evaluation has ever before been able to make any direct links between regeneration interventions and individual level outcomes. This is an important and positive finding: interventions supported by NDCs are impacting on individual level outcomes. The final chapter addresses the policy implications of all of the findings outlined in this report.

5. Key policy implications

This final chapter explores key policy implications arising from evidence developed in this report.

Defining success

One benefit arising from individual level panel data is that it provides an insight into the complexities involved in defining success. As local authorities and other agencies develop their regeneration programmes¹⁰, they will want to know how successful these interventions have been in transforming deprived areas. **The problem here, as this report clearly shows, is that there is no single definitive way of assessing change.** Many ABI evaluations, including this one, have used cross-sectional area-based data. As is discussed in the first chapter, that is a perfectly legitimate way of understanding change within ABIs.

In this report the evidence base is enhanced by considering what happens to individuals who stayed in NDC and comparator areas for at least two, and usually four, years. That too is a perfectly legitimate way of recording change.

It might have been assumed that this individual level panel data would provide clear and unambiguous assessments of change. However, this is not the case. Reflecting on previous chapters, panel data alone points to there being at least four ways of defining change:

- when the NDC panel is explored as an 'independent' entity, as is developed in Chapter Two, there are signs of positive and significant change for 17 of 26 indicators
- as is outlined in Chapter Three, change in NDC areas needs to be benchmarked against that occurring in comparator areas; when unadjusted change data is used NDCs again appear to be doing well: the 2002–06 NDC panel enjoyed significant improvement against the comparator areas for 15 indicators, a relative deterioration in just six
- but when the relative rates of change occurring to the two panels are adjusted to take into account individual-level socio-demographic factors and also starting position, effectively comparing change for a group of people with similar characteristics in both the NDC and comparator areas panels, then there is little to suggest that people in the NDC panel are seeing significantly better outcomes
- however, when two other panels are explored, those living in one of the 39 NDC areas who either did, or did not, benefit from NDC projects

¹⁰ As laid out in CLG 2008 Transforming places; changing lives
www.communities.gov.uk/documents/citiesandregions/pdf/896104.pdf

then, as is outlined in the previous chapter, the former clearly saw better outcomes than did the latter over the 2002 to 2004 period.

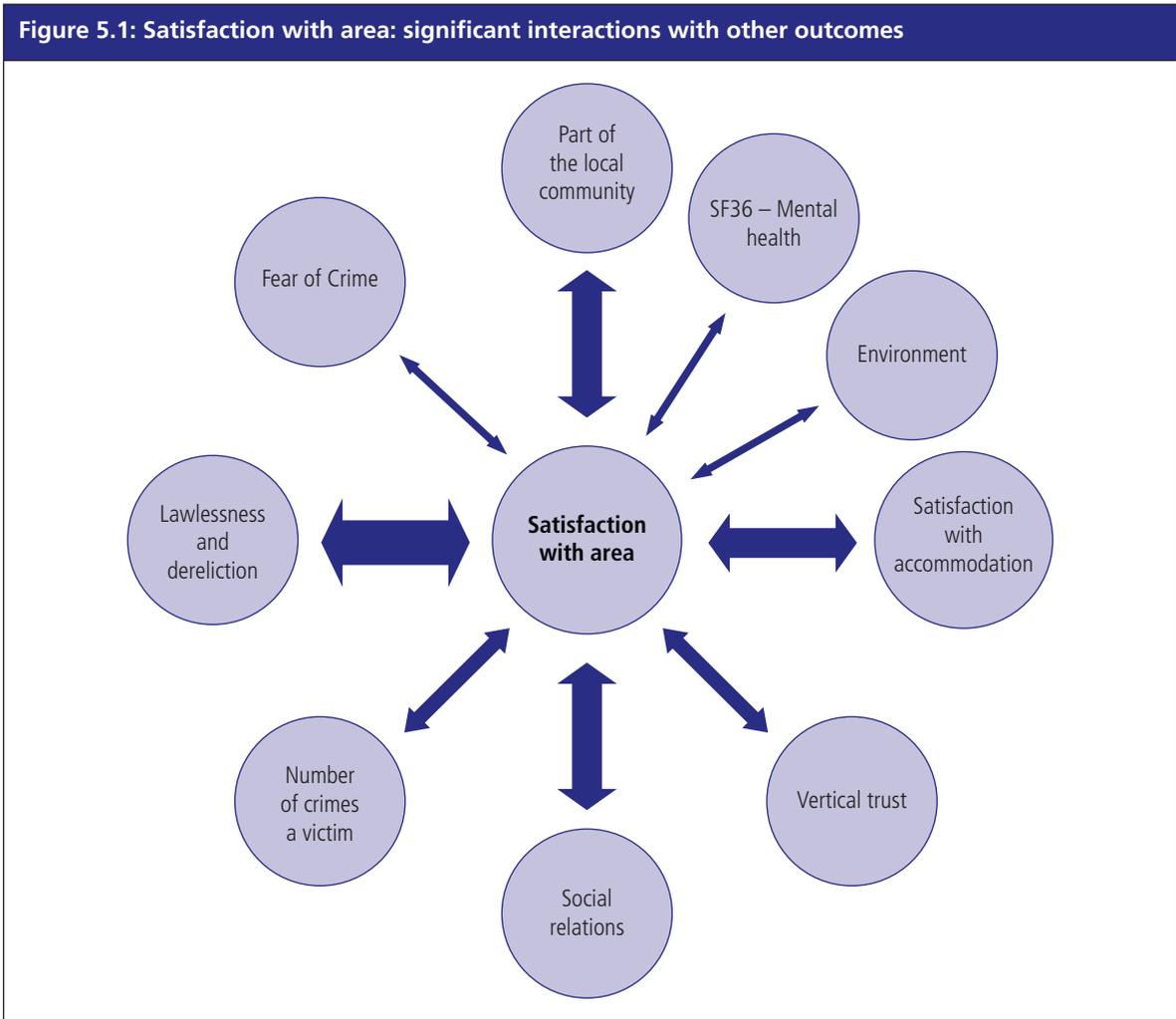
Assessing the success of neighbourhood-level interventions is contested territory. It is not possible to say that any one method will provide a definitively better insight into change than will another. Different types of data will tend to give contrasting, if complementary, reflections on change.

Understanding individual-level change

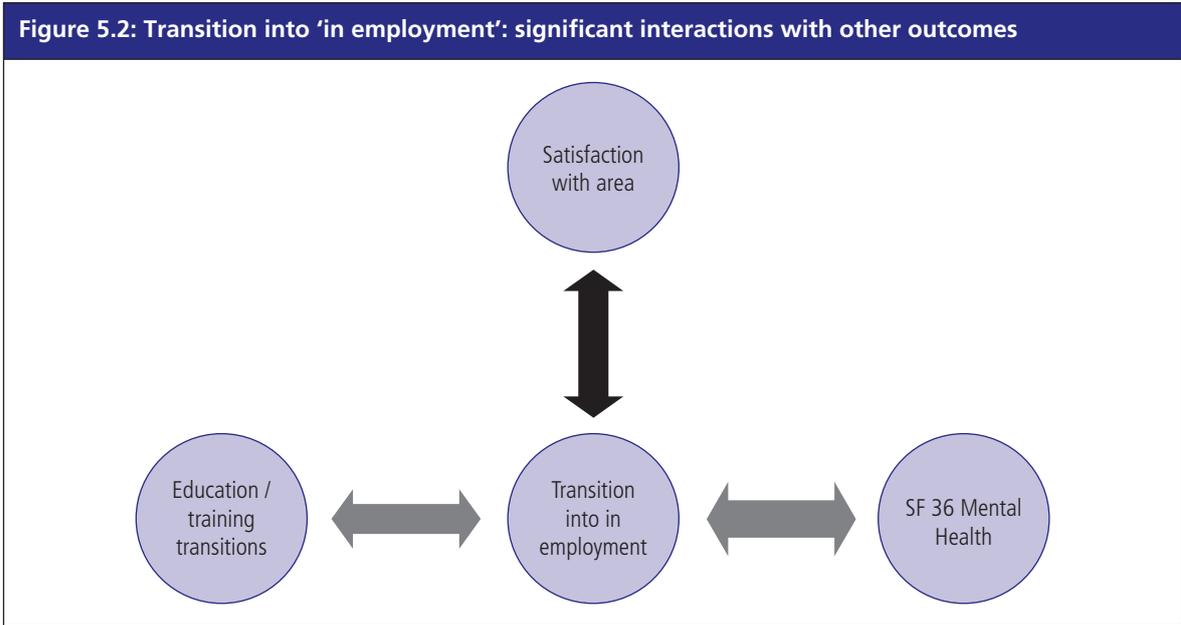
Analyses of panel data help identify individual-level associations between, and across, different outcome areas. As is discussed in Chapter Two this evidence suggests that improvements in one outcome area are often associated with positive change in others. But there is an interesting distinction here between place and people-based outcomes.

There are strong and consistent relationships across that nexus of place-based issues surrounding fear of, and actual crime, environmental perceptions, attitudes to the area, and so on. Figure 5.1 provides a visual representation of the strength of associations between satisfaction with the area and a range of other outcome areas. This strength of association can be seen as a justification for a holistic approach to area-based regeneration: achieving change in place-based outcomes is associated with change across a wide range of inter-related outcomes.

However, it is interesting to see that fewer positive relationships have as yet emerged in relation to two key people-based outcomes: moving into employment and into education. Figure 5.2 provides a visual indication of the limited range of associations between that transition from not being, to being, in employment and other outcome areas.



Note: width of each arrow shows the relative effect on change in 'satisfaction with area' score on average arising as a result of an improvement in the score of other outcomes.



Note: width of each arrow shows the relative change in probability of positive transitions into employment arising from a change in the score of other outcomes. Grey indicates positive, black a negative, change

For many years there has been a debate about whether ABIs should largely major on place-based issues, such as crime, the environment and community development, or whether they should expand their remit by addressing people-based outcomes primarily relating to worklessness, health, and education. The evidence here is not conclusive. It may be, for example, that it takes more time for NDC investment to impact on people-based outcomes. But as yet the evidence emerging from 2002 to 2006 NDC panel data suggests that place-based interventions are more likely to reap positive, and statistically significant gains in related outcome areas, than are people-based initiatives. Perhaps place-based interventions are just a better ‘fit’ for neighbourhood level regeneration schemes. It appears to be the case that whereas there is an intensive neighbourhood-level dynamism across place-based outcomes, this is less apparent in relation to change for people-based outcomes. Perhaps the latter are more dependent on labour market processes operating beyond the immediate neighbourhood and on well established institutions, notably schools and health services, charged with achieving national, not local, targets.

What does this evidence mean for the principle of area-based regeneration?

Analyses developed throughout this report, especially in Chapter Three, raise questions about the rationale for ABIs. Once individual level socio-demographic factors and starting position are fed into models of change, there is little to suggest that NDC panel residents enjoyed greater positive change between 2002 and 2006 than did equivalently deprived individuals in the comparator areas. It might therefore be argued, if residents in relatively well resourced NDC areas do not appear to be enjoying better outcomes than those in the comparator areas, what future is there for area-based interventions? Do ABIs have any role to play in addressing neighbourhood level deprivation? However, this would be a simplistic interpretation of the panel data. For a number of reasons, we need to be careful about playing down the potential role of ABIs, such as the NDC Programme, in moderating deprivation. Two of these are explored below: issues concerning the use of the comparator areas; and the interplay between areas and individuals.

The comparator areas

The comparator areas panel is the most important benchmark against which to assess change for the NDC panel. But there are complexities inherent to its use. For example, it is not the case that NDC areas received all regeneration funding in the 2002 to 2006 period and the comparator areas none. Many of the latter will have benefited from other ABIs such as the Single Regeneration Budget or from various European Union funds. We can say that most NDC areas will have received more regeneration funding than their comparator area. But we cannot say what would have happened if:

- NDCs had received all available regeneration funding and the comparator areas none; in such circumstances it is plausible to imagine NDC areas and residents would have seen more in the way of positive change than the comparators
- neither had received any support, where it is reasonable to suggest that because of the sheer concentration of deprived individuals in NDC areas, it may well have been the case that individual-level problems would have remained as entrenched, or even worsened.

Seeing how the NDC panel changed against the comparator areas panel is the best benchmark available to the evaluation. But it is not perfect.

Areas and individuals

It is also important here to flag up a more complex set of factors surrounding that interplay between areas and individuals.

ABIs are designed to enhance both individual, but also area, level outcomes. The national evaluation team has reported on cross-sectional area-based change on a number of occasions most recently in 2007¹¹. That strand of work examined the degree to which NDC areas changed against comparator areas based largely on the 2002, 2004 and 2006 household surveys.

However, it can be argued that ‘areas’ have no independent life of their own. Rather they are composed of individuals and households living in certain neighbourhoods. This report has explored what happened at the individual-level to those who stayed in two sets of areas: the 39 NDC areas and the comparator areas. And in so doing one of the key findings to emerge is that where an individual lives is actually of limited significance compared with their personal characteristics.

This issue needs to be teased out in a little more detail. The national evaluation team has used **multi-level modelling (MLM)** to establish the degree to which individual level-change is due either to where an individual lives (in either an NDC area or in a comparator area), and/or because of personal characteristics such as age, gender, ethnicity, tenure and so on¹². The results are very clear. An example of this is provided below in relation to the one indicator where the NDC panel consistently outperformed the comparator areas panel between 2002 and 2006: thinking the area has improved in the last two years.

In looking across 40 areas (the 39 NDCs and a composite single comparator area), some 96.8 per cent of variation in individual level change between 2002 and 2006 was due to personal socio-demographic factors such as age, gender, ethnicity and so on. Just 3.2 per cent of variation can be explained by whether an individual lived in an NDC or a comparator area. Interestingly

¹¹ CLG 2006 NDC National Evaluation: an overview of change data. www.neighbourhood.gov.uk/publications.asp?did=1898
CLG 2007: NDC: a synthesis of new Programme-wide evidence: 2006–07, Research Report 39: www.neighbourhood.gov.uk/publications.asp?did=1930

¹² MLM techniques have been used in educational research in order to disentangle the effects on individual pupils of processes operating at different spatial scales: family, classroom, school, city and so on.

there was nevertheless a statistically significant difference between the two panels: those who lived in an NDC area between 2002 and 2006 were more likely to have seen an improvement in the area in the previous two years than those in the comparator areas. But even then, what an individual thought about change in the previous two years was overwhelmingly driven by their individual level characteristics, and not by whether they lived in either an NDC area or in a comparator area.

What this means is that any ABI is likely to have only a marginal impact on individual level trajectories. What happens to any individual will fundamentally depend on their personal characteristics and not whether or not they live in a regeneration area. This is a critically important finding. Bearing in mind this evidence it is unrealistic to imagine that in just four years the 39 NDC Partnerships would have been able to introduce policies culminating in statistically significant improvements for individuals in the NDC panel when compared to what happened to those in the comparator areas panel. In practice on average annual NDC funding amounts to about an additional £400 per resident. That is not a huge resource, and of course many of those living in the comparator areas will also themselves have benefited from similar, albeit not NDC-funded, regeneration interventions. Any assumptions about what the NDC Programme has achieved should be rooted in a full understanding of how individual-level change occurs: we need to be realistic about what any ABI can reasonably achieve in relation to individual level change.

Bringing the argument around full circle back to area-based change – there is one obvious reason why NDC areas have seen more positive change than have the comparator areas. Whilst individuals in NDC areas may not have seen more positive change than similarly deprived individuals in the comparator areas, there were, however, simply more deprived people in the 39 NDC areas in 2002. The more deprived the individual, the more likely they were to have made progress by 2006. This ‘density of deprivation’ in these 39 NDC neighbourhoods is hidden in individual-level, but not area-level, analyses. NDC areas have made more progress because they contained more deprived people than did the comparator areas in 2002.

So what is the role of area-based regeneration?

The finding from the analysis of NDC and comparator areas panel data that there is as yet little to indicate contrasting outcome change for the two panels should not be taken to imply that there is no ongoing role for area-based (or area-focused) interventions in addressing neighbourhood level disadvantage. Effective area-based programmes:

- still appear to be an appropriate vehicle through which to attack some of the problems faced by deprived individuals in disadvantaged areas, particularly those that are primarily ‘place-based’ such as housing and the physical environment, crime and community and particularly in areas with high concentrations of deprivation

- can create cross-cutting synergies amongst agencies delivering local services; such synergies may well help generate positive cross-outcome changes outlined in Chapter 2
- assist in the build up of professional and practical expertise on the neighbourhoods concerned within the organisations of partner agencies and other ABIs
- with appropriate planning, can help sustain benefits of improved outcomes through time, after ABI funding ceases.

A concluding comment

It is probably true to say that no previous evaluation of any English ABI has had access to the depth of panel data explored in this report. Where other evaluations have had access to any change data, this has almost always been cross-sectional in nature providing evidence of change to **areas** through time. Here a complementary approach to assessing change has been explored: what happened to those **individuals** who stayed in an NDC, or in a comparator, area, for that four year period 2002–2006? This evidence provides a mixed picture of change.

On the positive side of the equation, members of the NDC panel saw considerable change as is developed in Chapter 2 and, as outlined in Chapter 4, positive associations have also emerged between those who say they benefited from a specific, named NDC project and individual level outcomes. But on the other side of the equation, as explored in Chapter 3, there is little to suggest that when looked at on a like for like basis members of the NDC panel saw much more in the way of positive change than did those in the comparator areas.

Despite the importance and originality of this evidence, it would nevertheless be inappropriate at this stage to make too much of these findings:

- analyses of cross-sectional data undertaken elsewhere by the national evaluation team which look at how NDC areas have changed when compared with comparator areas¹³, tend to paint a rather more positive picture than does this individual-level data; this is an important consideration for what is an area-based initiative and reflects the fact that NDC areas tend to comprise higher concentrations of deprived people than comparator areas
- the evidence developed in this report covers just four years of a ten year Programme; the national evaluation team is to revisit changes to the two panels using six years of data (2002–2008), results from which will be developed in final evaluation reports to be published in 2010.

¹³ CLG 2006 NDC National Evaluation: an overview of change data. www.neighbourhood.gov.uk/publications.asp?did=1898
CLG 2007: NDC: a synthesis of new Programme-wide evidence: 2006–07, Research Report 39: www.neighbourhood.gov.uk/publications.asp?did=1930

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