

**NATIONAL EVALUATION OF NEW DEAL FOR COMMUNITIES:  
SCOPING REPORT**

**UPDATING THE REVIEW OF THE EVIDENCE BASE FOR REGENERATION  
POLICY AND PRACTICE**

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## **EXECUTIVE SUMMARY; AN AGENDA FOR FURTHER RESEARCH DURING THE EVALUATION OF NDC**

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At the beginning of 2001 DTLR published a review of the evidence base relating to regeneration policy and practice. The review sought to identify the broad policy questions central to the scope, delivery and impact of regeneration policy and programmes and to identify broad gaps in the existing evidence base. Regeneration was defined in broad terms as consisting of Area Based Initiatives (ABIs) that had been introduced in the main by the Department of the Environment and/or DETR in England since about 1990.

It is desirable that the national evaluation of the New Deal for Communities helps to close as many of the gaps in the regeneration evidence base as possible including those relating to our understanding of the rationale for ABIs and how they work to bring about real and lasting benefits to those who seek to live and work in deprived communities. With this objective in mind research was undertaken to bring the earlier evidence base work up to date and thus identify the gaps that remain to be filled at the present time.

Since the last Review there have been a number of additions to the evidence base. A small number of national evaluations have reported including the National Evaluation of the Single Regeneration Budget; Mid Term Review, a National Evaluation of the Former Regeneration Programmes in Scotland, and an Assessment of Key Lessons Emerging from the Experience of Urban Regeneration Companies. There has also been a Review of the Evidence Base as it Relates to Community Regeneration and Neighbourhood Renewal in Scotland undertaken by Professor Michael Carley (Carley 2001a). In this document results are presented under the headings of a) the rationale and scope of ABIs b) delivery of ABIs and c) the impact of local schemes and projects.

Although the evidence base has continued to be enhanced since the last review was undertaken there still remains significant gaps in knowledge that need to be addressed. The national evaluation of NDC offers a significant opportunity to make some progress in closing some of the gaps that remain. The following shortcomings in the evidence base are of particular importance and they set an agenda for research during the evaluation of NDC.

### ***The importance of neighbourhood based effects***

We are still too much in the dark as to how area or neighbourhood effects per se influence the degree of social inclusion and, importantly, its persistence. Whilst debate will continue as to how the degree and extent of social exclusion should be assessed in the United Kingdom it remains the case that a substantial proportion of those who are considered to be socially excluded are geographically concentrated in inner urban areas, out of town estates and perhaps more rarely seaside or more rural areas (Dabinett *et al*, 2001). Perhaps over one third of the socially excluded in England are to be found in the urban areas. In Scotland and Northern Ireland the proportion is somewhat higher.

Understanding the contribution of neighbourhood effects is of particular importance if they influence the persistence of social exclusion. Many of the NDC areas have been deprived areas for many years. The fact that these areas have not been turned around through the workings of market forces and the actions of mainstream providers remains of fundamental concern. Our existing evidence base points strongly to the powerful interactions between the physical, economic and social dimensions of the problems experienced and how they perpetuate the problem. As such, an ABI approach like NDC that seeks to join-up action across the different interfaces of the problem could be of fundamental importance in ensuring success. It will be important in the national evaluation of NDC to investigate these issues further.

### ***ABIs and outcomes***

The evidence base is probably at its weakest when it comes to the impact of ABIs on outcomes, particularly as they relate to levels of worklessness, health, education and crime in deprived neighbourhoods. The recent work undertaken to evaluate the achievements of the SRB (Brennan, *et al* 2002) has developed an approach that allows evidence on net outputs produced in standard evaluation work to be combined with outcome information derived from social household surveys and other data sources. It is important that this work be extended further in the national evaluation of NDC.

A further avenue of research that can be developed alongside the work on outcomes

is to investigate how the regeneration activities of the ABI interface with the action of mainstream providers particularly in the area of welfare to work, but also other service domains as well. This is another under-researched area and yet it would seem crucial that there should be more knowledge in this area particularly in addressing the question as to whether mainstream programmes are capable in their own right of solving the problems of the socially excluded in disadvantaged areas. When the take-up of mainstream training programmes on some estates is as low as 2%, even though 61% of working head of household is unemployed (Brennan, Rhodes and Tyler, 2000) it does tend to suggest that ABIs have a valuable role to play in helping to improve things. However, their precise role relative to enhanced area based actions by mainstream providers themselves remains uncertain and a better evidence base to guide policy in this respect is badly needed.

Evidence on the impact of individual mainstream actions designed to tackle the problems in specific domains like Health Action Zones, Education and Employment Zones is now beginning to emerge and this can be most usefully combined with the results of ABI research. New approaches to building the research base in the domain of education and learning as in the National Evaluation of Sure Start and other such initiatives provide an excellent opportunity for collaboration. The NDC evaluation offers an unique opportunity to build mutually beneficial research links and recent seminars and approaches by the National Sure Start Evaluation Team are to be welcomed in this respect.

### ***The costs and benefits of partnership working***

It is becoming clear from existing research that moves to deliver local regeneration through ABI partnership based approaches has been relatively successful when compared with the more top-down delivery that characterised ABI delivery in previous times. A lot is also now known about the key features of partnerships that tend to be associated with delivering good regeneration outcomes. However, we remain virtually totally ignorant as to the costs to the key partners and their organisations involved and how these might challenge the size of the regeneration benefits. This is a particularly serious shortcoming given the recent criticisms of the management costs associated with the proliferation of partnership based delivery and also the emphasis assigned to partnership delivery in the move to Local Strategic Partnerships (DETR, 2000). Again, in the NDC evaluation it would be

desirable to undertake more work in this area.

### ***Mainstream bending***

If it comes to prioritising a shopping list of research that would improve our understanding of the ways in which ABIs work to produce effective and lasting change there is probably little doubt that further knowledge on how ABIs are capable of influencing and bending the actions of mainstream providers is near the top of the list. Recent work in the National Evaluation of SRB (Brennan, *et al* 2002), by Carley (2001b) and earlier by Bramley (Bramley *et al*, 1998) is to be welcomed and this has added to the evidence base. However, given the relative importance of this issue the existing evidence base is remarkably thin. For this reason it would be very helpful to ensure that this element of research is given a high priority in future evaluation research including the national evaluation of NDC.

### ***Involving the voluntary sector, community and the private sector***

Understanding how ABIs can influence the actions of the voluntary sector, the community and the private sector all remain high on the agenda of the list for further research and clearly this should be a feature of the NDC work. The evidence base to date suggests that ABIs have been a particularly successful vehicle in involving each of these stakeholders. Although not demonstrated in any systematic way more progress has probably been achieved than would have been the case if the respective mainstream providers had tried to roll-out their own specific programmes.

The mainstream agenda is clearly changing in relation to the requirements on mainstream providers to work in a strategic manner with the community sector to tackle social exclusion. This is true across the whole of the United Kingdom. New mainstream based approaches are emerging that are running alongside that of the standard ABI model. It is time to assess the relative effectiveness of alternative approaches and this should be recognised in the research work undertaken under

NDC and in other initiatives.

It is also appropriate to consider how the research base concerning the engagement of the private sector in local regeneration be strengthened. Whilst there is clear evidence of considerable achievement it remains the case that involving the private sector in local regeneration remains a tough challenge in many areas. Most recently central government has been considering how changes to local taxes (i.e. stamp duty and rates etc) might be used to induce the private sector to engage further in the process of regeneration. The extent to which such initiatives can link in with other, on the ground, locally based initiatives including the use of the planning regime remains under researched.

### ***Good practice in designing regeneration schemes and projects***

The National Evaluation of NDC also provides an opportunity to understand more about the factors that influence good regeneration scheme delivery and the selection of good projects. Whilst there is a lot of existing material around it is very fragmented and it is often quite difficult to gauge what the main messages are. Whilst there will always be considerable variations in the balance of relative need and opportunity across and between areas that affects the quality of the regeneration achieved there is considerable scope to bring together more clearly what works well and why and what is the scope for read across between initiatives and areas.

### ***Value for Money***

Finally, it is essential that evaluations of ABIs adopt a more standardised approach to assessing Value For Money. It is only if this is done that it will be possible to compare the relative cost effectiveness of different approaches to the underlying problems. The inadequacies of VFM approaches in evaluation research to date have been assessed elsewhere (National evaluation of NDC: Strand 5 - NDC and issues relating to the assessment of value for money). A number of recommendations for future research have been made. If they are adopted in the evaluation of NDC and of other programmes it will become possible to make comparisons between programmes in a way that certainly has not been possible hitherto. Improvements to the evidence base in relation to VFM related issues would also be of great help in

assisting partnerships to benchmark their achievements.

As the breadth and indeed depth of regeneration activity has increased it is becoming ever more important that those involved in delivering regeneration be able to compare their achievements with those of others even if considerable care needs to be exercised in interpretation. If it is costing a regeneration scheme three times more to train a person than the broad average associated with such initiatives elsewhere then it is at least appropriate to ask why. Without some kind of benchmarking in place, particularly when it comes to assessing cost per unit of gross and net output or even in some cases outcomes it is simply not possible to do this and there is scope within the NDC evaluation to improve things in this respect considerably.



## **1 Introduction**

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- 1.1 At the beginning of 2001 DTLR published a review of the evidence base relating to regeneration policy and practice. The review had four main objectives;
- To identify the broad policy questions central to the scope, delivery and impact of regeneration policy and programmes
  - To consider the nature of the evidence base in regeneration policy
  - To highlight, and where appropriate assess, the evidence base as it informs key policy considerations
  - To identify gaps in the evidence base
- 1.2 Regeneration was defined in broad terms as consisting of Area Based Initiatives (ABIs) that had been introduced in the main by the Department of the Environment and/or DETR in England since about 1990.
- 1.3 It is clearly important that the national evaluation of the New Deal for Communities helps to close as many of the gaps in the regeneration evidence base as possible including our understanding of the rationale for ABIs and how they work to bring about real and lasting benefits to those who seek to live and work in deprived communities.
- 1.4 This document has the following objectives. It begins in the next section by summarising the key gaps in the existing evidence base that emerged in the 2001 Review of the Evidence Base for Area Based Initiatives and their relevance for the activities of the New Deal for Communities.
- 1.5 Section 3 then considers how the gaps in the evidence base identified in the 2001 Review have been addressed by research that has been undertaken since the Review was published.

## **2. Key Gaps Identified in the Review of the Evidence Base for Regeneration Policy**

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- 2.1 In relation to the **rationale for, and scope of, ABIs**, the review of the evidence base indicated that more evidence was required. To assess the extent to which the geographical concentration of social exclusion contributed to its perpetuation and thus whether adverse compounding neighbourhood effects acted as a barrier to its removal. It was also important to identify what, if any, were the special features of the ABI approach that might help to remove these barriers and enhance regeneration outcomes. The specific attributes of ABIs that have been suggested to be important are;
- the promotion of comprehensive regeneration schemes involving physical renewal alongside economic, social and community regeneration
  - the partnership approach at the neighbourhood level
  - the preparation of local area cross-cutting strategies and delivery plans in the context of circumstances prevailing in the wider district
  - securing the participation of the community and the private sector in the regeneration process.
  - the ability to sensitise, 'join-up' and bend the actions of mainstream departments in a manner that might not take place in the absence of the ABI
- 2.2 With regard to the **delivery of programmes** there were gaps in the evidence on the costs and benefits of partnership working, including an assessment of the impact of this form of delivery on outcomes:
- the degree to which the remit, spatial scale, strategic development, project selection, and composition of partnerships affect outcomes:
  - how the outcomes achieved in ABIs (notably SRB and NDC) differ from those achieved under single theme based initiatives such as Health, and Education, Action Zones and thus how the form of delivery contributed to achievement;
  - how the type of delivery mechanism affects the ability of the community, voluntary and business sectors to make an effective impact on outcomes.
- 2.3 In relation to the **Impact of Local Schemes and Projects**, the extent and significance of the gaps in the evidence base were very apparent and were felt likely to act as severe constraints of the implementation of policy in the future. More valid evidence was required to address:
- what works and thus a better understanding of the links between impacts and projects;
  - the links between project design and outcomes experienced by intended beneficiaries;
  - sustainable impacts and changes over time to explore what the lasting outcomes for areas and individuals might be;
  - the measurement of cost-effectiveness, in particular on how to undertake comparable assessments between different projects, and how to aggregate these measures to derive reliable ABI-wide measurements;

- the identification and measurement of impacts which cut across different ABI projects and also cut across ABI projects and mainstream initiatives.

### **3. The Contribution of Recent Research**

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3.1 Since the Review of the Evidence Base relating to regeneration policy and practice there have been a number of additions to the evidence base. A small number of national evaluations have reported and this section summarises the new results that have emerged from this work. The results are presented under the headings of a) the rationale and scope of ABIs b) delivery of ABIs and c) the impact of local schemes and projects. The main new evaluation reports covered include: the National Evaluation of the Single Regeneration Budget; Mid Term Review, Sustainable Regeneration Good Practice Guide, a National Evaluation of the Former Regeneration Programmes in Scotland, the Role of the Private Sector in Social Inclusion Partnerships, Community Participation in Social Inclusion Partnerships and Learning the Lessons of Urban Regeneration Companies. There has also been a review of the evidence base as it relates to community regeneration and neighbourhood renewal in Scotland undertaken by Professor Michael Carley (Carley 2001b).

#### **3a) The rationale for, and scope of ABIs**

*Whether the geographical concentration of social exclusion adds to the difficulties of removing it*

3.2 The delivery and design of Area Based Initiatives has changed considerably over the last twenty years. However, we should not lose sight of the fact that periodically the rationale for their existence has been questioned. The debate has tended to take two main forms. On one hand it has been argued by some that geographical concentration itself is not the main driver of the problem and that compounding effects associated with neighbourhood are of a smaller order in relation to other factors like the role of the family (Glennerster *et al*, 1999, Kleinman, 1999). Others have contended that even if geography does matter then the most appropriate way of addressing the problem is through the actions of the market or mainstream government providers. Any definitive resolution of these issues is unlikely in the near future given the conceptual and empirical problems that exist and one major problem is that there are strong interactions between the individual components of the problem. However, it is possible to enhance our existing understanding

considerably and there is the real possibility that ongoing and planned research will increase understanding significantly in the relatively near future.

- 3.3 The relevance of spatial concentration in the perpetuation of social exclusion, at least as it related to the workings of the labour market, was addressed in Brennan, Rhodes and Tyler (2000). There were strong arguments put forward in this paper that spatial concentration could play be an important influence particularly in urban areas in England where about one third of those people who can be argued to be social excluded are concentrated (In Scotland and Northern Ireland the urban concentration is even higher). The study showed how surveys of households in deprived neighbourhoods could help to enhance our understanding of some of the mechanisms involved. A recent paper by Powers (2001) has taken the debate further.
- 3.4 Powers discusses the powerful interfaces that exist between the social, economic and physical aspects of social exclusion in British cities. Her work points to the powerful influence of policy induced effects on the decline of many urban areas including dispersal, hidden subsidies to greenfield development and over supply of building land. She is particularly concerned to investigate the importance of adequate infrastructure including housing and transport in the ability of cities to adjust to economic change of the kind experienced in Britain. Whilst not explicitly concerned with appropriate policy solutions her work points to area-based initiatives as having a formative role in regenerating urban areas.
- 3.5 Carley has recently reviewed the evidence in Scotland on the importance of neighbourhood effects in perpetuating social exclusion (Carley, 2001a). He refers to the study of neighbourhoods and exclusion undertaken by Kintrea and Atkinson (2001) which involved the comparison of two deprived and non-deprived areas in Edinburgh and Glasgow. The Kintrea and Atkinson work discusses the role of social housing in concentrating social exclusion and seeks to identify the key elements behind the neighbourhood effect.

#### ***Impact of ABIs on outcomes***

- 3.6 One of the areas where evidence has been rather thin concerns the impact of ABIs on key outcomes, particularly as they relate to levels of worklessness, health, education and crime in deprived neighbourhoods. A better understanding of the

impact of ABIs on outcomes is essential if we are to assess whether ABIs can add something more to local regeneration than that achieved by individual mainstream service providers operating in isolation.

3.7 Some new evidence has emerged recently from the ongoing national evaluation of SRB in relation to the impact that ABIs can have on outcomes. This evaluation has been designed from its outset to use social household surveys in combination with more traditional evaluation approaches to identify the impact of the SRB on key outcomes in deprived areas. By using household surveys the SRB evaluation team has assessed the depth and breadth of the social exclusion that face those in deprived areas (Brennan, Rhodes and Tyler, 2000). However, research results are now emerging that take the analysis further and assess the contribution of policy on outcome changes in deprived areas. Because the SRB evaluation established a strong baseline position it has been possible to assess key outcome changes on three deprived SRB estates over the period 1996 to 2000. The three areas are Hangleton Knoll in Brighton and Hove, the Chalkhill estate in the London Borough of Brent and Canalside in Rochdale.

3.8 The research is summarised in (Brennan, Rhodes and Tyler, 2002a). However, the key findings from the research are:

- there are early signs that SRB, in conjunction with mainstream programmes, is beginning to achieve some movement from welfare to work - but only amongst younger age groups;
- parents in deprived neighbourhoods are beginning to recognise the importance of the quality of school education in their local areas;
- Small SRB funding in Chalkhill, combined with large scale mainstream housing renewal, has improved some regeneration outcomes in what was a highly deprived area with a concentration of ethnic minority groups;
- improvements were lower in Rochdale where the design of the scheme, with its economic and physical bias may have helped the larger District as a whole, but brought relatively few short-term benefits to the deprived residents of the SRB area itself;
- there is considerable movement in and out of the case study areas - at the rate of about 30% per decade. Compared with the panel sample, outward movers are young families living in social housing who are more deprived. These are replaced by similar families moving in although they are more inclined to be in work and receive higher incomes;
- the observed small net changes in outcomes are the small balancing item between larger proportions that experience improvements in outcomes and similarly large proportions that experience deterioration in their

circumstances.

- 3.9 The resident social survey on the Chalkhill Estate has permitted a particularly comprehensive measurement of changes in a wide variety of economic and social outcomes. The Chalkhill work (Rhodes *et al* 2002) has revealed some of the inherent difficulties of tracking change in inner city estates including the effects of people moving. Thus, it was not possible to reach in 1999 the 55% of 1996 residents who moved off the estate between 1996 and 1999, some of whom had benefited from SRB funded projects. However, what the Chalkhill experience demonstrates is that it is possible to bring together the results of surveys of outcome change experienced by residents and project output monitoring data that measures the gross contribution of project net outputs to overall outcome change. In general outcome changes over the three year period were small and within the range of sampling error. Small improvements in Chalkhill were frequently mirrored by small improvements in the counterpart outcome changes for England as a whole.
- 3.10 There were, however, some more striking improvements in Chalkhill. One was a reduction in the proportion of working age households who were dependent on state benefits for their income. The proportion of lone-parent households also fell. Average incomes remained low but there was some improvement in income distribution relative to England with a lower proportion receiving very low incomes. There was also a reduction in crime and in the fear of crime. The evaluation team attributed most of these improvements to the Chalkhill housing renewal scheme which was not funded by SRB, and its resulting reduction in housing densities and population. To some extent the former larger concentration of multiple deprivation was dispersed to other parts of the Borough by this housing renewal scheme.
- 3.11 The SRB evaluation in Chalkhill focused extensively on training and job placement since this was the main focus of the SRB scheme. The resident survey recorded an increase in the employment rate of Chalkhill households of five percentage points between 1996 and 1999 - from 43% to 48% (in line with the English average). The net output data from SRB projects suggested that without the SRB contribution the employment rate would have fallen back to about 42%.
- 3.12 The SRB evaluation in Chalkhill has been able to cast some light on our understanding as to how mainstream departments can help to remove geographic

concentration of social exclusion. However, one of the central implications is that it does not appear that the high levels of worklessness found in many inner city estates have been affected very much by either mainstream programmes, area based initiatives or the two working together. A key issue for future research is to identify how this position can be improved.

3.13 The Chalkhill research is also of interest since it has probed new ground by investigating the level of financial incentive required to induce residents to move from welfare to work and thus take advantage of the new training places or jobs provided by SRB. If ABIs are to be successful in tackling high levels of worklessness in deprived areas then it is important that we understand more about how they work alongside mainstream policy including tax and welfare provision. This is a key issue because the participation of an individual or a family in any regeneration programme is clearly a voluntary decision. The evidence from Chalkhill suggests quite clearly that at the present time the financial incentive to move from welfare to work is very low.

3.14 The social survey undertaken in Chalkhill indicated that the average head of household income for those in employment was £207 per week, whilst the average income received by those entirely dependent on state benefits was £86 per week. On the face of it this would suggest that there was a very real incentive for the resident to leave welfare benefits and take a job. However, the research went on to estimate other adjustments that reduce their gross income when they gain a job. The first is a deduction of £39 per week to the employee's wages to allow for income tax and National Insurance contributions. The employee would also have to pay housing rent and council tax, estimated at £58 per week, whereas the household reliant on state benefits would have its rent and council tax paid to the state. If a relatively small amount of £3 per day is then deducted from the employee's earnings to cover travel to work costs the average net disposable income is £95 per week for the employee and £86 per week for the head of household reliant on state benefits. On this basis, the incentive to move from welfare to work amounts to £9 per week - less than £2 per day.

3.15 The research indicates that this is a small difference that could easily be filled by a



small amount of income from the informal economy. For the 40% of Chalkhill resident employees earning less than the average £207 per week (including a significant proportion in part-time employment) there would not be any financial incentive at all from moving from welfare to work. Indeed, some might well be better off if they moved back from work into welfare. (The introduction of the working families tax credit will improve incentives for one group of those with below average earnings).

3.16 It should also be recognised that the job that an inner city resident takes may be relatively insecure whilst income from state benefit is not. Low paid, low skilled jobs tend to be less durable than skilled occupations, whilst state benefits are secure providing the relevant criteria are met. These circumstances mean that any measure designed to reintegrate residents on the estate whether mainstream inspired or ABI face an uphill task. It means that the policy has to be very effective at persuading local residents to increase their employability, train and gain a job. The service delivery thus has to be accessible, relevant, and attractive in its own right, and well resourced so that the needs of an individual can be matched to the needs of local firms. As the research states ; 'The key point is that hitherto mainstream programme training and job placement services have not been accessible to Chalkhill residents or locally well resourced and have not targeted effectively on Chalkhill residents. The SRB scheme has been able to show how good practice delivery mechanisms could be put in place. This, therefore, remains one of the key roles for locally targeted initiatives and in particular thematic schemes that address existing mainstream shortcomings in meeting the needs of deprived neighbourhoods.'

3.17 The recent evaluation of the former Regeneration Partnerships in Scotland has again sought to extend the evidence base as it relates to the attainment of outcomes. It emphasises that the essential pre-requisites for outcome based research are that there should be high quality project expenditure and output monitoring systems in place (which distinguish between what has been done and what has been achieved through projects), a clear set of priorities for intervention (measurable objectives with targets clearly attached) and a robust baseline that is relevant to the objectives being pursued, especially those which have been prioritised. Unfortunately, in the case of the Regeneration Partnerships none of these three requirements were met in a way that allowed robust indicators of outcomes.

- 3.18 This meant that it was only possible in a very partial way to assess how successful the activities of the ABIs concerned were in changing key outcome conditions in their areas. The implications of this for the evaluation of NDC are clear; establish robust baselines at the outset. The Scottish evidence also makes clear that problems in establishing outcomes are not just about good quality baseline data and monitoring. They are also about identifying clearly at the outset how the projects delivered under the respective regeneration scheme are expected to impact on local conditions. What is sometimes referred to as the appropriate theory of change.
- 3.19 These caveats aside, the Scottish work indicates that success was most evident in the employment and training domain. There was also success in the crime domain where there was evidence that partners by working together were able to bring real results on the ground, although only at the margin. In the health domain the evidence did not allow clear conclusions to be drawn and it was equally impossible to assess impacts on poverty.

#### ***ABIs and Partnership working***

- 3.20 One central feature of the ABI approach adopted across the United Kingdom in recent years has been that of partnership working involving horizontal co-ordination across government departments, the community/ voluntary sector and the private sector. It has often been assumed that because mainstream departments have tended to operate in a vertical 'top-down' way and perhaps not always 'joined-up' with the activities of other government departments that the ABI partnership led approach is a relative improvement. This may not, of course, be the case.
- 3.21 The review of the evidence base undertaken in 2001 could not identify much by way of solid testing of the above proposition and it would be unrealistic to expect things to have changed that much over the last year or so. However, some work has been published recently that has augmented the evidence base somewhat. Of central importance has been the recent evaluation of the Former Regeneration Programmes in Scotland undertaken for the Scottish Executive. This study investigated whether partnership working adopted to deliver the nine former Regeneration Partnerships/ now Social Inclusion Partnerships in Scotland had brought benefits to the process of reducing social exclusion in some of the most severely deprived areas of Scotland than would otherwise of been the case.

3.22 The evidence was fairly unequivocal. The study (Cambridge Economic Associates, 2001) indicated that the partnership model of delivery available through the ABI approach had brought considerable benefits to the local process of regeneration than would otherwise of been the case. Moreover, these benefits were felt to be increasing as time went by. As the research argues, these benefits have to be considered in relation to the not inconsiderable costs involved with the partnership approach to delivery. A point made extensively in recent reviews by Government. However, the research is clear that that effective partnership working has been achieved in each of the nine RPs/ former SIPs and that the benefits arising from this method of delivery have far outweighed the costs. Moreover, the research suggests that the benefits are for the most part real and sustainable and in some cases have played an important platform for district wide partnership working.

Further insight into the extent to which ABIs have been able to make a telling contribution to the attainment of partnership working is contained in recent research from the Mid-Term Evaluation of SRB. This research has been focused on a number of specific case study areas and it supports the view that the ABI model has been particularly successful in enabling effective partnership working that has delivered important regeneration outcomes. What is of interest is that the research shows that the SRB approach has worked well in some cases to deliver the benefits of partnership working where there has been a thematic objective as well as the main goal has been to deliver more holistic multi-facted regeneration.

Success in thematic based schemes is particularly noticeable in the area of education and the interface with industry. To some degree with any thematic agenda the extent to which successful partnership based delivery is achieved will be a function of the capability and willingness of existing deliverers to come together and this will be influenced by many factors including the way in which the delivery of the relevant services has changed over the years. The SRB research has been able to provide a number of insights into how the success of the ABI approach has varied according to the broad thematic area concerned and more of this research is needed in order to identify more precisely where the ABI approach adds value in relation to other, more mainstream, methods of delivery. This is a central issue for the NDC research programme.

***ABIs and bending the mainstream***

- 3.23 Area-based initiatives such as SRB have been introduced explicitly as a means of bringing together the different mainstream programmes such as education, health and housing. An important part of the SRB Mid Term evaluation has been to assess how far SRB activities had been able to 'bend' these main spending programmes into the SRB target area and the degree to which other public funds are attracted to the regeneration scheme that would not otherwise of occurred. The SRB Mid Term Report analysed the contribution of other public funding for each of the ten case studies and then made an assessment of the degree to which mainstream bending had been achieved both within the boundary of the local authority district and across local authority districts.
- 3.24 The evidence suggested that in the main although there has been some success in improving mainstream delivery into deprived neighbourhoods, it has been modest and variable. For mainstream programmes the amount of mainstream 'bending' across District boundaries is of the order of 6% of the mainstream bending involved, an average sum of only £48,000 per case study area. It enhanced the SRB funding by only 7%. For pure mainstream delivery programmes every £1 of SRB funding resulted in the bending of main programmes across District boundaries of a modest 5 pence but between local areas within District boundaries of another 27 pence-some 32 pence in all. If other regeneration programmes are added to mainstream programmes the figure rises to 11 pence (long distance), 38 pence (short distance) and 49 pence (total) respectively.
- 3.25 Further insight into the degree to which ABIs can bend the mainstream is contained in the recent evaluation of the Scottish Regeneration Partnerships . Again, the evidence suggests that taken in the round progress in attracting funding from other government departments in the target areas has been slow and variable. Part of the explanation for this seems to lie with the degree to which effective partnership working is achieved. However, other factors were that the excessive fragmentation of target areas made it difficult for mainstream departments to focus their resources. The study reveals yet again the urgent need to gain a better understanding amongst mainstream departments as to the scope for switching funds and thus the importance of measuring existing expenditure flows more effectively. Recent work undertaken by Professor Michael Carley (Carley, 2001b) is a welcome addition in this respect. The earlier work undertaken by Glen Bramley (Bramley *et al* 1998) is

also illustrative of what is required.

***ABIs and the involvement of the community and the private sector***

- 3.26 There are some grounds to suggest that one of the most useful features of ABIs are that they are a relatively effective way of engaging the community in local area regeneration and that they are able to do this perhaps better than alternative methods deployed by mainstream providers. This component of the rationale for their existence therefore appears to be relatively well-founded. This is clearly a complex research area and it is difficult to derive evidence that is unequivocal in its findings. However, the national evaluation of SRB indicates that after a relatively slow start SRB has proved to be an effective way of engaging the community in local neighbourhood development. As the national evaluation shows progress has been variable and uneven by location. However, where regeneration schemes have been well thought-out and involvement of the community real rather than token substantial progress has been made and it is not clear that alternative delivery vehicles would have secured more. Further evidence, particularly where the community has taken the lead in partnership based delivery is to be found in the Mid-Term review of SRB (Brennan, *et al* 2002). Other findings are also presented below under the section relating to delivery.
- 3.27 Other support for the view that the ABI approach has been successful in harnessing community involvement in the process of local regeneration is to be found in the recent national evaluation of the former Regeneration Partnerships in Scotland. Two points are worthy of particular comment from the research. Firstly, whilst the evidence suggests that the level of community involvement has varied considerably by individual regeneration partnership it has been the case that since the launch of the Social Inclusion Programme in 1999 (that effectively re-badged the Regeneration Partnerships in the nine areas concerned) the community *has* to be fully involved in the regeneration initiative and this has produced a marked change in the response of the public agencies involved. Secondly, there has been a strong emphasis on embracing community representation and the partnerships have worked hard to achieve genuine involvement by the community in decision making structures, in projects and local representative groups. Some of the RP/SIPs are still struggling with the former, whilst a small number have made genuine progress in grappling with issues of real empowerment. As the research indicates, further strengthening is required to get the community more fully involved in decision

making, project selection and thus ultimately delivery and we examine the evidence on this shortly.

- 3.28 Although not concerned explicitly with investigating the issue of whether the ABI approach is a better way of involving the community in local regeneration than other mechanisms the recent research by Chapman and Kirk (2001) is very useful in considering many of the relevant issues. It provides an excellent insight into why it has proved difficult to investigate how successful ABIs have been because of a lack of precision in defining key concepts (the reference to the quote from Bennett *et al* 2000 that the term community is often 'shifting and slippery' as it is applied in the regeneration literature is particularly apt). The real strength of the research lies in its analysis and the suggestions it makes as to how community involvement and community capacity can be enhanced in regeneration. We examine this in the next section.
- 3.29 Ensuring that the private sector is involved in local area regeneration is also a great challenge and yet it is essential if sustainable solutions are to be found. Private sector participation in the regeneration process is often difficult to secure because business involvement is obviously mainly driven by the profit motive. Such opportunities for participation are most likely to be found in the short term in property development and business development projects. Some businesses also might make substantial and meaningful contributions to regeneration because they are concerned by longer term competitiveness issues particularly in relation to the supply of labour.
- 3.30 In relation to the rationale for the ABI approach the central question is whether ABIs can bring about the effective involvement of the private sector in regeneration and whether they are a more effective mechanism relative to mainstream departments operating on their own. The evidence on the former is quite strong and recent research has supported this. Thus, the Mid-Term Review of SRB demonstrates the wide range of private sector involvement in SRB and how, against the odds in some cases, most schemes have secured some form of private sector involvement. The research suggests that in comparison with other schemes SRB has generated a good level of financial commitment from the private sector which is the more impressive since there are a number of schemes that did not have a strong property or business focus. A good number of schemes have thus been successful in

engaging the private sector beyond the 'traditional' property or business development role.

- 3.31 Where the evidence base remains very weak relates to the second consideration as to whether the ABI approach to private sector involvement at the local level is superior to other methods of potential engagement including delivery by an individual mainstream department. The evidence base remains fragmented in this respect and the NDC evaluation offers the potential for undertaking new work.

***ABIs and focusing on social need***

- 3.32 One other factor that is relevant to the rationale for an area based approach to local regeneration is the extent to which it can focus on genuine concentrations of need. Clearly, if the programmes either find it difficult to target the individuals and groups concerned, or have any real impact on them as might arise if the benefits simply *leaked* away to the more advantaged, then the arguments for delivery in this way are much reduced. This issue has also been covered in the Mid Term SRB Evaluation Report. This analysis was concerned in the main with the issue of whether the ABI had been effectively targeted on the needy groups rather than the issue of leakage. The analysis was based on all six rounds of the SRB programme and considered SRB spend down to local authority district level. The evidence from this work was:

- Over its six rounds SRB has been able to target social need and deprivation very effectively. Local authority district level analysis of SRB expenditure and the Index of Multiple Deprivation shows that around a third of all SRB expenditure has been targeted towards the twenty most deprived local authority districts (around 15% of the population).
- The top 56 districts (including the top 20) had almost two-thirds of all SRB that was distributed to around a third of the population.
- The top 99 districts (including the top 56) received over 80% of all SRB funds for a population of around 48%.
- As a result the remaining 255 non-deprived local authority districts (around 51% of the population) were in receipt of the outstanding 18% of SRB. It may be safe to assume that these funds were applied to pockets of deprivation in otherwise non-deprived districts.
- These findings do give clear evidence that SRB funding in general has been responsive to local needs.

Comment [a1]:

***ABIs and the promotion of comprehensive regeneration schemes involving physical renewal alongside economic, social and community regeneration***

- 3.33 Some ABIs have been deployed over the years to focus on one particular aspect of the problems facing residents and businesses in relatively depressed areas and there have been a wide variety of examples. However many ABIs have been designed to achieve more holistic, across the board, regeneration. In these cases the objective of the regeneration scheme has often been to enhance the attractiveness of the existing location as a place for people and investment through the actions of the market and mainstream providers. The scheme has also sought to ensure that local residents can gain better access to jobs, infrastructure and service provision.
- 3.34 The national evaluation of SRB has been focusing heavily on investigating the factors that make for good holistic area based regeneration and whether the ABI approach can add more than the sum of the individual parts if left to the mainstream providers in isolation. The evidence base, inevitably, remains somewhat less than required because although there is now a body of evidence emerging in relation to the impacts of ABIs the same is not true of the actions of individual mainstream providers as they have sought to address the needs of those in deprived neighbourhoods. This position is beginning to change as the results of recent evaluations of Employment Zones, Education Zones and Health Action Zones begin to emerge.
- 3.35 The Mid Term evaluation of SRB indicates that an integrated approach to tackling the problems of socially deprived neighbourhoods remains essential. The research draws upon case study evidence to illustrate how SRB has been able to do this in a number of areas and this tends to support this component of the rationale behind using the ABI approach. However, the research indicates that the success of the individual ABI scheme is heavily influenced by a number of factors including the quality of the partnership involved in delivery and thus whether the resources are used strategically. Too often the resource base has been stretched too thinly by the ABI partnership and resources have not been deployed strategically enough to ensure a good fit with the needs of a local area and its residents. Issues of this kind are examined further in the next section.
- 3.36 What is clear from recent evidence is that land and property market interventions remain central to the regeneration challenge, particularly in the older urban areas and ABIs remain a crucial delivery mechanism in this respect. Evidence from SRB and a range of other studies reinforce this. The key findings from the SRB research



are that land and property-based initiatives are particularly relevant because they enhance quality of life, external image and visual appearance of an urban neighbourhood. They often take place directly within the neighbourhood itself and thus provide a lasting and immediate contribution. There is also plenty of scope for imaginative use of planning controls.

3.37 It is a fundamental research finding that physical interventions require coordination with the more people-related components of regeneration and there are many examples emerging from research into SRB, Regeneration Partnerships and elsewhere that suggest that ABIs are an efficient and effective way of doing this when the regeneration scheme and partnership delivery mechanism are designed well. This is not always the case however, and these issues are discussed further in the next section.

### **3b) Delivery of programmes**

#### *ABIs and achieving effective partnership working*

3.38 Although the merits of delivering regeneration through a partnership based approach are now fairly well established there remains a considerable dearth of knowledge as to what makes for effective partnership working and this deficiency was highlighted in the review of the evidence base published in 2001. Some further insight has been gained from the ongoing national evaluation of SRB and is described in the Mid-Term Review (Brennan, *et al* 2002). The evidence from a number of SRB case studies is that the more obvious structural characteristics of an SRB scheme (i.e. size, duration etc) are not systematically associated with variations in performance. Rather, the implication is that relative success is more to do with how the partnership works and its structure. As the research indicates there is no perfect formula for partnership working that if followed would ensure the optimal benefits emerge for regeneration in the local area concerned. However, some common lessons would seem to be;

- avoid missing-out partners if it is possible, or ensure that the partnership scheme has access to the missing partners through a link to a wider more strategic local partnership on which they are represented. It is also important to avoid a dominant partner(s) who often takes control of key decisions since not only does this mitigate against good partnership by reducing possible synergies

but it usually means that there is little likelihood that the partnership will continue when specific regeneration funding comes to an end;

- ensure that the partnership has effective monitoring and reviews procedures that inform the partners on a regular basis as to progress against scheme targets and to do this it is necessary to have monitoring information that encompasses the relevant themes (i.e. drugs, enterprise, employability) and relevant geography as appropriate (neighbourhoods, district, region). The analogy with management information systems found in a well-run company is apt. Too many partnerships have monitoring systems that are relatively good at housekeeping matters but weak at providing the information to make strategic decisions;
- avoid shot-gun marriages no matter how convenient they appear to the funding agency in appeasing bidders for scarce regeneration funding. They rarely work and have little chance of being sustainable. In a similar vein avoid re-inventing the wheel and partnership proliferation for its own sake. Good partnership working requires officers experienced in regeneration priorities, objectives and regeneration 'speak'. There is a shortage of suitable qualified staff virtually across the board;
- it is not clear that the private sector is best placed to be the lead partner in a regeneration scheme. The private sector has a critical role to play but provides best outcomes when playing to its key strengths and often prefers not to be a lead partner. The community can provide effective leadership but usually requires considerable capacity building often over many years in an area in order to be able to do this;
- partnership should identify its key objectives and how they may 'fit' with wider goals of the mainstream providers/emerging policy items at an early stage. Successful partnership sources identify emerging policy agendas at an early stage and seek to work in tandem. This is particularly true for thematic bids. Partnerships involving extensive geographical coverage have to ensure representation across areas and it is essential to have a strong secretariat. It is necessary to recognise that policies drafted at one spatial level (national) need to be customised in their delivery to reflect circumstances on the ground. It is also important to recognise the incidence of problems like crime can easily be displaced between areas (zero sum game);
- where existing partnership structures are weak it will take successive rounds of funding over a sustained period to build capacity. The SRB bidding process with its project bidding, appraisal and approval elements has done much to develop the regeneration skills and local expertise required. This view, is now fairly common across all players concerned (local authority, private sector and community). The enhanced capacity of partners has improved ability to bid for funds from European programmes as well as lottery funding.

3.39 A considerable amount of further evidence in relation to the extent to which ABIs are able to build partnership working and its importance in addressing local social exclusion is contained in the recent evaluation of the Former Regeneration Programmes in Scotland. This study indicates that effective partnership working tends to be very difficult if there is significant fragmentation of the target areas. The

question raised in the Scottish research was whether a focus on relatively small, widely distributed areas render it impossible to achieve the benefits of a co-ordinated approach, and as we discuss below, bend mainstream resources into relatively small areas. The Scottish work highlights the need to consider how the spatial scale of the partnership influences the extent to which it can be successful in bringing about regeneration. As the partnership approach has been rolled-out by government across a broad range of different spatial scales from relatively tightly defined neighbourhoods (as in the case of NDC) through to whole counties (as in the case of SRB) this would seem to be a central area in which further research is required, particularly against the ongoing development of Local Strategic Partnerships.

- 3.40 Some research of relevance to the implementation and future impact of Local Strategic Partnerships specifically has begun to emerge. The recent study by Hilary Russell into the experience of New Commitment to Regeneration Pathfinders and the lessons for Local Strategic Partnerships is revealing in this respect (Russell, 2001). The research indicated that the NCR pathfinders helped to raise the profile of regeneration in local areas and acted in a catalytic fashion to promote joint working. Building good partnership relations, not unsurprisingly, was a relatively slow process and required substantial manpower commitment and staff time dedication. The creation of the formal partnership structure in essence 'raised the game' of partnership. The study also highlighted yet again the frustration experienced by the respective partners in being able to customise the programme of mainstream providers to meet the needs of local areas. The research concludes by describing the challenges faced by partnerships of this kind in measuring what they are able to achieve, the value they add and the most appropriate delivery structures through which they should seek to conduct their work.
- 3.41 Research carried out by the University of the West of England in conjunction with the University of Newcastle and the Office for Public Management has focused on collaboration and co-ordination in area-based initiatives. The study has been based in six areas of England (East London, Newcastle, Plymouth, South Yorkshire, Sandwell and West Cumbria) and has examined evidence from nine area-based initiatives including New Deal for Communities, Sure Start, Education Action Zones and the Single Regeneration Budget.
- 3.42 The central aims of the research have been to identify and map the interaction of

initiatives and the barriers to co-ordination, examine the reasons for the barriers and the scope for more effective joint working, assess how support to ensure best practice in working could be provided and to develop a framework for monitoring and evaluation of the long term effectiveness of co-ordinated working.

3.43 Evidence from the six case study areas indicates that it takes considerable time to develop partnership working particularly particularly when new partners are included and expectations had to be in line with this. There were obviously lessons for the rolling out of partnership as in Local Strategic Partnerships and these were;

- **Stakeholder involvement** - the need for clarity with regard to the organisations and individuals involved in the partnership and what they are each expected to contribute. More detail is also essential to set out the roles of local government and politicians who have a part to play in the partnership. Evidence also suggested that a greater involvement by the local Government Office would be welcomed;
- **Structures and systems** - the need to rationalise existing partnerships by clearly stating relationships either in terms of hierarchy or an agreed set of protocols. In addition there was need for a route map to contribute to the understanding of how action is taken, structures of accountability made available both to all partners and the wider public, the rationalisation or establishment of sub-structure, staffing issues in terms of possible secondments or dedicated staff to the partnership and staff turnover issues.
- **Organisation and culture** - the importance of the lead partner role in engendering commitment to the partnership and combating the onset of 'partnership fatigue', adapting the organisation in response to change and initiating new cultures. While the research did not find any evidence in the six areas of recognition for activities such as joined up working or collaborative working, there was some confirmation of a commitment to carrying out cross-cutting work.

*ABIs and optimising the involvement and capacity of the community*

3.44 An important part of the national evaluation of SRB has been to identify the ways in which effective community involvement can be secured within the regeneration process. The Mid-Term Review of SRB that has now been completed contains a number of important findings in this respect. It suggests that from a low base there are signs across England of a more effective community participation in local area regeneration, although evidence of systematic approaches to community capacity building remains more elusive. The key findings are:

- In rounds one and two of SRB the time scale and level of resources of some schemes has often limited extensive consultation with, and the involvement of, local communities, particularly where physical and economic aspects have been

important in the SRB scheme. It is evident from the research that building robust community structures and involving local people cannot be achieved quickly. It requires a careful strategy commencing at the pre-bid stage and one that is enshrined in the bid document/delivery plans that constitute the whole regeneration framework. This has been recognised in subsequent rounds of SRB in the development of Bidding Guidance for new programmes and in DTLR publications.

- Developing community capacity requires resources being devoted to the effective engagement of local communities (in addition to SRB administration costs, up to a further 10% of resources can be devoted to capacity building projects over the life-time of the scheme). Good community orientated schemes need the involvement of people in the target area at the earliest stage to ensure that schemes are best focused on their needs and priorities. Communities are often alienated when inappropriate or inadequate channels of communication are set in place that fail to offer opportunities for an exchange of ideas regarding regeneration initiatives and identified areas of need. The effective engagement of communities offers greater opportunities for the building of a forward strategy and sustainable development.
- Many community groups/voluntary organisations did not possess the knowledge, skills and administrative resources to be effective partners, let alone lead partners of regeneration schemes at the beginning of the SRB programme. During this early period, although the Government Offices for the Regions sought to give special help to community led bids, community groups found the competitive approach to the funding of regeneration difficult to get to grips with. Some community groups made failed bids in rounds one and two and thus became increasingly dispirited. However, through successive rounds of SRB the confidence of the voluntary and community sector in being able to make and contribute to successful SRB bids has increased substantially.
- Capacity building can be developed extensively by putting scheme resources into projects that build capacity explicitly. The research provides several case study examples including projects that have involved the funding of community development workers, the use of “community chests” to award small sums to community groups to enhance their organisational skills and capacity, the running of social network aid programmes and the use of training weekends and other means of engagement.
- The research from SRB indicates that during latter rounds of SRB the Government Offices for the Regions began to play a more pro-active role in building successful schemes out of two or more community-based bids which individually would not have been approved, given limited funding. The introduction of the “outline bid stage” in the bidding process provided a means for the Government Office to improve and merge together partnerships and schemes, involving community groups into something more viable and coherent which would also serve to build the capacity of the community sector.
- Schemes should seek to encompass the talents and resources of all sectors of the community, including minority ethnic groups, young people, the voluntary sector, community organisations and faith-based groups. There must be a clear indication of the ways in which local communities and the voluntary sector

have been involved in developing the bid, their role in implementing the scheme and the framework for funding community projects.

- While SRB has provided evidence of Black and ethnic minority (BME) communities becoming involved in key capacity building, training, education, employment and small business development projects, there has been little evidence of a strategic and coherent framework for BME community engagement across the board. It is suggested that BME communities generally find it difficult to participate in the regeneration process and often feel that they have not been sufficiently consulted regarding programmes of regeneration. The research indicates that if the BME are to be engaged more effectively in the process of local regeneration then it is necessary to have effective consultation processes, engage BME communities in the regeneration planning process from the outset, involve BME communities directly in the operation of projects and also the forward planning process. Such a framework must accommodate the varying needs of different ethnic groupings within the identified geographic areas of deprivation and develop an engagement strategy that fosters longer-term sustainable development.
- Community representatives in partnerships have to play a full and effective role in the decision making process and be the conduit for informing local people of scheme decisions. The evidence from the evaluation of SRB indicates that the partnership has to set in place adequate support for community representatives to undertake their role effectively.
- The ownership of projects and their subsequent development can become a crucial factor in the commitment of local communities to the regeneration process. This has been most successful where community organisations and local activity is well established and has facilitated the integration of SRB projects on to existing initiatives. Schemes have to take account of how existing community resources and initiatives reflect and express the concerns and interests of local communities. While social surveys provide valuable socio-economic data for baselines, these should be linked to social audits to assess the existing skills, resources and levels of activity within a local community.
- There was often an element of disillusion regarding the regeneration process, as community involvement often depends on a few committed individuals who can become over worked. In developing the local regeneration process in the future it is necessary to find ways to broaden the base of community involvement.
- Two SRB schemes are of particular interest precisely because of the emphasis they gave to community leadership in their delivery. Thus, arrangements in Royds Bradford and Hangleton Knoll were such that the community groups remained firmly in control of the scheme as lead partners while delegating the financial accounting for the scheme to the local authority as a service provided to the partnership for an appropriate fee. This type of arrangement could usefully be extended in potential schemes to be led by community groups who lack sufficient accountancy/administrative resources. However, it should be stressed that the longer term strategy should be, where possible, to build sufficient skills resources within communities/community-based organisations

that clearly lead to their enhanced capacity to fully engage in the regeneration process.

3.45 An extensive addition to the evidence base in relation to the best ways of means of engaging the community in the process of local area regeneration has been produced recently by Chapman and Kirk (2001). Their research emphasises that;

- Each community is different, requiring its own individual strategy to encourage involvement;
- Previous experience of regeneration initiatives is also a factor whereby former disappointments may engender a feeling of being let down by policy makers and less enthusiasm by the local community to begin the process again;
- Community development is a continuous process requiring ongoing support;
- Communities with little previous involvement will need particular attention. An appropriate framework should be set in place to address a clear link between the community and regeneration stakeholders. Also ensuring that attention is given to the necessary mechanisms that need to be put in place to allow consultation with all key groups within the local community who want to take part in the regeneration process.
- A key component of community development is 'social capital' - a concept of the interlocking relationships between community organisations and the individuals within these communities which support efficient joined-up working. Where this exists in a strong systematic way it can act as a catalyst in encouraging stronger social ties in addition to improving the long term sustainability of an area
- Seeking to strengthen 'social capital' may not always be conducive to the partnership process, however, as funding timescales could appear as a barrier to encouraging more long term effective networking within the local area which by its very nature will take time to develop. More still needs to be learnt about the positive and negative impacts of 'social capital' on both local communities and individuals.

3.46 A further study is that by Chapman, Kirk, Carley and Brown (Chapman *et al*, 2001) on community participation in Social Inclusion Partnerships. This research has looked at good practice in relation to building more effective partnerships including community membership, training and information needs of the community, the role of support organisations and methods of reaching the wider community. It identified a number of key lessons as a basis for encouraging effective community participation in partnership structures. These were;

- Partnerships should be clear on what constitutes the local community and seek to be as inclusive as possible;
- Partnerships should map out and build upon existing community activity;
- The role expected of the community should be clearly articulated at the outset;
- Structures should remain transparent and open to increasing participation over the lifetime of the partnership;
- Partnerships should consult a wide spectrum of community views including excluded groups and pursue participation at different levels simultaneously;
- Community participation requires supporting infrastructure and resources;
- Measures of success should be built into monitoring and evaluation frameworks relating to community capacity building, confidence building, skills development and training.

3.47 The overall findings from this report are that :

- Community participation in multi-agency partnerships promotes comprehensive, holistic and innovative approaches to regeneration and social inclusion. It is now widely recognised that more should be done to ensure that communities are treated as true equal partners and that communities can influence the decisions that directly impact on their day-to-day lives;
- The importance of active community participation is not confined to multi-agency partnerships. It is important for partnerships to work closely with relevant Government and local authority departments to ensure synergy between regeneration and other social inclusion initiatives and that wider policy interests are understood and are transparent to all partners including the local community;
- Creating participatory structures that are transparent and flexible over the lifetime of the partnership is essential. To consult a wide spectrum of views including excluded groups and pursuing participation at different levels simultaneously is also critical;
- Community participation involves empowering communities through meeting specific training and information needs. In turn, addressing the specific training and information needs of partner agencies is just as vital to the long-term success of the partnership;
- The strength of the partnership approach is its embeddedness within the wider community or the extent to which the partnership is listening to communities. Raising awareness of the partnership within the wider community is important;
- Achieving meaningful and lasting community involvement in the regeneration process is not an easy task and there are many obstacles to effective participation. However, through partnership working, community capacity building, education and skills development, real benefits to communities can be achieved.

*ABIs and maximising the Involvement of the private sector in local regeneration*



3.48 The SRB Mid Term Report also contains new evidence on the extent to which SRB regeneration schemes have successfully attracted private sector participation and considered the factors relevant to securing the involvement of this sector. The main conclusions from the evidence are;

- Most schemes secured some form of private sector involvement. There are also isolated cases of genuine private sector leadership of regeneration schemes. However, private sector participation in the regeneration process is far from automatic. Consultation amongst businesses at the bid development stage for many of these early SRB schemes was very limited, and even when they have been persuaded to join partnership boards, active participation is not guaranteed - just as it is not guaranteed with any other type of partner, whether public, voluntary or community.
- The private sector is not a homogeneous group. Each firm will have different markets, different managers, and a different history and, overall, will “tick” slightly differently from every other. What most firms do have in common, though, is an urge to make profits. The management of regeneration schemes does not offer such opportunities, except for a small handful of specialist regeneration firms. Participation in certain projects will offer profit-making opportunities, however, depending on the risks and rewards. These are most likely to be found in relation to land and property development and business development – though in each case, market or institutional failures may mean that considerable persuasion is necessary before the private sector engages. There is some evidence from our case studies to demonstrate that financial involvement by the private sector in SRB is positively associated with these types of project.
- There is an emerging tendency for firms to look beyond the bottom line to matters of corporate social responsibility, but these inclinations are as likely to be driven by shareholders’ return on investment as they are by philanthropy. Nevertheless, the case-study evidence reveals that some businesses are making substantial, meaningful contributions to regeneration, which have been motivated by their concerns over long-term competitiveness. The evidence suggests that such actions reflect concerns over the quantum and quality of the future labour market. That businesses are prepared to pool resources and work alongside their competitors to help tackle the consequences of institutional failure is revealing of the importance attached by business to getting mainstream policies right in the long-term.
- Recent DTLR guidance for Local Strategic Partnerships has acknowledged the complexity of the potential roles for business engagement in regeneration and set forward some mechanisms to aid the process. The evidence from this evaluation suggests that private sector involvement is not the be-all and end-all of regeneration in every case – and there is as many cases of poorly performing or managed private sector schemes as star performers. But there should be a core level of involvement at the strategy development stage and a consistently applied minimum effort to identify where private sector participation makes sense, what benefits it would bring, which businesses would be best suited to help, and how they could be persuaded to join in. At that point in the decision-

making process, there might be various routes in terms of membership (and leadership) of the partnership, participation (beyond partner level) in core support for the scheme, and participation in individual projects, whether as developer, beneficiary, supporter or deliverer.

- The case studies allow us to draw some conclusions on the appropriateness of SRB, or a similar vehicle, for encouraging private sector participation. The diversity of SRB, in terms of the nature of the areas targeted and the objectives pursued, has demonstrated that the private sector will participate in areas with the most deep-seated market and institutional failures. The multi-faceted regeneration needs and opportunities presented by these areas, and the objectives pursued by SRB schemes, have elicited many different forms of private sector involvement. The flexibility of local management and delivery embodied within SRB has also provided good opportunities to engage with an appropriately energised private sector, although these opportunities have not always been fully exploited.
- SRB has also generated a good level of financial leverage from the private sector, which is all the more impressive given that there are many schemes without a strong property or business development focus. A good number of schemes have been successful in engaging the private sector beyond the “traditional” property or business development roles. The case studies demonstrate the importance of innovation in project design and delivery which has been enabled through SRB and which has led to more cases of successful business mentoring. These different types of participation also serve as a reminder that financial leverage ratios should not be used as the sole measure of private sector involvement in SRB, or any other locally targeted initiative.

3.49 The Report by the Training and Employment Research Unit of the University of Glasgow on the role of the private sector in Social Inclusion Partnerships considered the part the private sector played in the inclusion process and how best to secure and retain this involvement. The following rationale for the encouragement of the private sector with social inclusion emerged:

- the important link between the private sector and access to employment
- the link between private sector services and people's ability to maintain a healthy lifestyle and home, care for a family and manage on a low income
- attracting resources and skills otherwise not available or in short supply (e.g. financial management, legal advice, recruitment and training)
- introducing different perspectives, practices and techniques (e.g. output driven project and programme management)
- exploiting sources of influence (e.g. helping to persuade other companies to lend support to partnership activities)
- taking advantage of the private sector's ability to act outside bureaucratic constraints or independently of local politics
- facilitating access to external funding where private sector involvement is a requirement (i.e. Challenge Fund, Private Finance Initiative).

3.50 The main evidence following consultation with SIP managers, the private sector

players and other relevant actors found that:

- Most Social Inclusion Partnership (SIP) managers welcome the involvement of the private sector and see various roles for business in helping achieve the aims and objectives of the SIPs.
- Around two-thirds of SIP managers feel that the private sector can make its most important contribution to social inclusion as a provider of job opportunities.
- Over half (57%) of the SIPs interviewed have at least one player from the business community represented on their Board, and 23% involved business representatives in the strategy development process.
- The private sector is much less likely to be engaged with the thematic SIPs, which target excluded groups, although this partly reflects the fact they have been in existence for less time.
- The majority of private sector consultees saw the role of business as making a contribution to delivering the SIP aims and objectives at an operational level.
- The barriers to private sector involvement can be divided into two broad categories:
  - constraints within the private sector (e.g. demands on staff time)
  - barriers associated with working with the public sector (e.g. frustration with decision-making processes).
- In terms of encouraging private sector involvement the key factors cited by SIP managers were the need for:
  - clarity on what is required from the private sector
  - the development of personal relationships.

3.51 The report on learning the lessons of Urban Regeneration Companies (Amion Consulting 2001), sought to draw out practice issues and lessons of the URC approach from the three pilot URCs in Liverpool, Manchester and Sheffield. One of the fundamental issues identified as crucial to the success of the URCs was the inducement of the private sector as an investor by creating a favourable climate for investment in the local area. Ten contributory elements to achieving this position were identified:

- Full commitment and involvement by the key partners
- A close and effective working relationship with the local authority
- Getting the local strategy right and communicating it widely
- Appointing a highly effective Chair, Board, Chief Executive and Executive team. The Board should comprise key decision makers and influential individuals.
- Developing a prioritised programme with clear implementation arrangements
- Effectively involving and engaging of stakeholders
- Influencing the investment decisions of partners, other public sector organisations and importantly private sector investors

- Integrating with other initiatives and establishing a clear agreement on roles and responsibilities
- Establishing a positive momentum, through early high profile projects that are successfully delivered, and maintaining the momentum
- High quality standards in terms of design and architecture

### **3c) Impact of local schemes and projects**

- 3.52 Further research since the last Review has been able to investigate the factors that lead to good regeneration schemes and the delivery of good projects. Thus, research presented in the SRB Mid term Report presents a number of key findings in relation to the derivation of good regeneration schemes and the development of successful project intervention.
- 3.53 In devising a successful regeneration scheme it was important to pay attention to the potential for interactions between themes and identify the appropriate service areas (i.e. employment, health, crime, education, housing, environment, leisure, community development, transport and shopping) that the scheme is playing to and ensure resources are deployed appropriately. It is better to concentrate and do well in specific areas and identify how the scheme fits into a bigger, wider, more holistic strategy for the area concerned. In the future the move to Local Strategic Partnerships should help with this considerably. It was particularly important that thematic schemes identify at the outset how the activities undertaken under the scheme were likely to change things and thus what was the basic reasoning behind the initiative concerned. Too often the chain of proposed cause and effect not clearly set out.
- 3.54 A further issue in the development of regeneration schemes with multiple objectives was that the links between changes to the physical nature of an area (i.e. land, property, buildings etc) and the desired effects on people need to be spelt-out. The links are often poorly developed. A common problem is to presume that changes to housing and the physical environment of an area will be sufficient to solve the social exclusion problems of the local inhabitants. Alas, it is rarely so.
- 3.55 There is a clear need in formulating regeneration schemes to ensure that key themes and the associated projects identified are co-ordinated in order to maximise the scope for synergy in the attainment of scheme objectives. It does appear that in some regeneration schemes that individual components of the scheme operate in

something approaching splendid isolation;

- 3.56 Recent research undertaken into SRB is also pointing to the importance in developing regeneration schemes of considering how the needs of residents in the regeneration areas can be met by facilitating greater interaction with adjacent areas. One of the most obvious examples of this relates to the labour market. An appreciation of how residents in deprived areas can interact in the wider labour market is essential if problems of worklessness and the like are to be addressed adequately, particularly when it comes to thinking about increasing the mobility of the unemployed.
- 3.57 The SRB research is also indicating that the changing format by which policy is now delivered has created considerable demands at the local level for professionals who can bid for funds, manage the delivery of the regeneration scheme concerned and identify ongoing funding strategies as appropriate. Whilst there is a clear necessity to divide labour in delivering the regeneration product there is a very real need for project managers who can see the big picture and have the skills with which to do this. The case studies provide ample evidence that good management equates with good regeneration outcomes.
- 3.58 However, the research has also indicated that good project management is not just about the people, and the ability, of those who manage and run the regeneration scheme. It is also about the provision of good quality guidance and information systems. Again the evidence from the SRB fieldwork points quite clearly to some partnerships not having in place information and management systems that allow for effective and timely decisions to be made. This is very important in a world that is changing rapidly. There is often too much attention to ensuring that output returns are delivered rather than addressing the bigger questions of how key outcome indicators might be changing in relation to baseline evidence. In fact, baseline information must be one of the most neglected aspects of the work put in by partnerships to secure their funding. Many of those involved in the process of delivering regeneration do not re-visit baseline material and assess how the net additional outputs arising from the project activities might be affecting key baselines and whether this accords with what was intended for the area and communities concerned. In a similar manner it is necessary to establish clear

milestones for a regeneration scheme - as the failure to attain them should trigger action by the partnership.

- 3.59 It is also important that partners understand the value of key management tools like appraisal, monitoring and evaluation. There is an increasing need for this particularly as the community is involved more in the formulation and delivery of regeneration. Although there is a considerable amount of distance learning material and screen based information systems now available it does seem from the research that the real deficiencies lie in understanding how the key tools can be used effectively to aid with decision taking. This is particularly true of evaluation. The better case study SRB schemes were often also those that went to considerable lengths to adopt sound appraisal and evaluation procedures. There is an urgent need to educate many of those involved as to how good evaluation can be used as an effective management tool to ensure that regeneration is delivered effectively and that lasting outcomes are delivered. Some of the case study partnerships did not, for instance, undertake intermediate evaluations even though the duration of the regeneration scheme was five years or more. This is an obvious shortcoming but again relates back to a failure amongst those concerned to understand what evaluation is about and what it can deliver as a management tool.
- 3.60 There is one further issue that should be emphasised in relation to the use of evaluation and related techniques in regeneration and this relates to the issue of benchmarking. As the breadth and indeed depth of regeneration activity has increased it is becoming ever more important that those involved in delivering regeneration be able to compare their achievements with those of others even if considerable care needs to be exercised in interpretation. If it is costing a regeneration scheme three times more to train a person than the broad average associated with such initiatives elsewhere then it is at least appropriate to ask why. Without some kind of benchmarking in place, particularly when it comes to assessing cost per unit of gross and net output or even in some cases outcomes, it is simply not possible to do this.
- 3.61 The recent research undertaken into the impact of SRB has also sought to identify examples of good projects that develop the key interfaces between the physical, economic and social aspects of regeneration and a number of good examples have been highlighted which;

- Combine physical regeneration (e.g. developing sites, refurbishing buildings) with people related regeneration (e.g. providing skills training, community facilities);
- forge transport improvements and other links between deprived neighbourhoods and other parts of the often urban area where employment opportunities are available;
- provide premises and support services for onsite training of residents most disadvantaged in the labour market;
- provide premises and support services to encourage local small businesses and self-employment;
- strength the capacity of the community to manage the physical neighbourhood effectively;
- and bringing about changes in housing tenure and, in particular, securing the underlying conditions for suitable profitable private sector house building.

3.62 The evaluation of the Former Regeneration Partnerships in Scotland (Cambridge Economic Associates, 2001) has provided further evidence on the extent to which partnerships are adopting innovative approaches in developing projects that meet the needs of the socially deprived. There are some encouraging signs although the overall picture is that there is considerable variation across the partnerships concerned.

3.63 What does stand-out from this review of the changes to the evidence base since the earlier study undertaken in 2000 is that there does not appear to have been much new work in relation to what constitutes good practice in project development and this again would seem to be an area that the NDC evaluation should focus on explicitly.

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