

**The New Deal for Communities programme in England: is area based urban regeneration possible?**

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For almost four decades UK governments have sought to tackle problems of urban deprivation through the designation of Area Based Initiatives (ABIs). Typically ABIs are time limited programmes designed to address either a particular issue, or a combination of problems, impacting on defined urban localities. Previous ABIs has been subject to considerable evaluation and debate (Department of the Environment, 1994; Gripaios, 2002; Shaw and Robinson, 1998). Much of this has focussed on 'process outcomes' notably 'community engagement' and the apparent need to embed ABIs in 'partnership working'. This is not the place to engage with either of these well trodden debates. The key issue here is not so much what has proved central to the 'ABI agenda' but rather what hasn't. In particular there has been a dearth of **impact** studies. This emphasis on process and not on longer term impact is not surprising. Central government has provided a robust theoretical and practical framework within which ABI evaluations should ideally take place (ODPM 2004). However in practice evaluations have often proved of limited value for various reasons (Rhodes et al, 2005). One immediate practical problem is limited resources. Even when evaluations have been more generously funded many have been commissioned when the initiative concerned was well underway, indeed sometimes after ABI funding had actually ceased. There may too have been reluctance on the part of governments to fund evaluations on initiatives as potentially 'slippery' as ABIs: what might they reveal? Not surprisingly, the 2001 Review of the Evidence Base for Regeneration Policy and Practice concluded that 'there remains widespread neglect of issues such as the impact of intervention on both beneficiaries and anticipated outcomes' (DETR 2001, 15). However evidence emerging from the NDC Programme wide evaluation offers an unprecedented opportunity to explore the longer term impact of an innovative and intensive urban regeneration programme.

### **The New Deal for Communities Programme**

NDC Partnerships, launched in autumn 1998, were given the challenging target of helping to 'turn around the poorest neighbourhoods' (DETR, 1998, 1). The origins to the Programme lay in the 1998 Comprehensive Spending Review which announced a New Deal for Regeneration, one central element of which was to be NDC. This new ABI was in turn informed by the Social Exclusion Unit's Report 'Bringing Britain Together: A National Strategy for Neighbourhood Renewal' (SEU, 1998) which argued that, despite many years of area regeneration policy, there remained at least 4,000 multiply deprived neighbourhoods in England. NDC was hence to be an instrument through which 'to reduce the gaps between some of the poorest neighbourhoods and the rest of the country' (DETR, 2001, 2).

Partnerships were established in 39 locations across England, to devise and implement ten year strategies designed to reduce disadvantage in deprived of localities. 17 Round 1 Pathfinders were announced in 1998, a further 22 Round 2 NDCs a year later. Ten Partnerships are located in London, two in Birmingham and the rest in major cities and towns across England. On average about 9.800 people live in NDC areas. Programme wide funding was to amount to about £2 billion over ten years, although it was always anticipated that there would be additional 'matched' investment from other public agencies. In broad terms therefore each NDC would have about £50m to invest over ten years. This amounted to substantially more than had been made available to any previous English urban regeneration programme.

By the end of 2005/06 just over £1billion pounds of NDC spend had been committed which had drawn in of the order of about £400m match fund. Per capita spend between 1999/00 and 2005/06 amounted to slightly less than £3k. Funding has supported a wide range of projects including for instance some 400 improved community projects, 40 more police, 120 improved schools and 150 street wardens. Project level evaluations suggest displacement of existing activity is very low.

### ***The NDC Programme: The evidence base***

In 2001, the then Neighbourhood Renewal Unit (NRU) commissioned a consortium of some 14 academic and consultancy organisations headed up by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University to undertake the initial 2001-2005 phase of a national evaluation. This culminated in the publication of a 2005 Interim Report (NRU/ODPM, 2005). In 2005 CRESR was again commissioned with a smaller group of partners to undertake phase 2 of the national evaluation which is due to run through until 2008/09. The national evaluation team has collated and analysed several data sources including case study work, detailed Partnership level reports, and NDC level financial/output data. In this context three sources of evidence are of particular significance.

#### ***(i) The 2002, 2004 and 2006 Ipsos MORI Household Surveys***

A household survey was initially undertaken in 2002 to establish a 'baseline' in all 39 Partnerships. The survey questionnaire addressed socio-demographic, status and attitudinal considerations across key outcome areas such as health, education and crime. The survey was based on a random sample design and culminated in approximately 500 responses from all 39 areas. This survey was repeated in 2004 and 2006. In 2004

MORI/NOP revisited 2002 addresses. As a result 10,638 interviews were held with the same respondents as in 2002. Randomly selected top up interviews were held in all 39 areas to maintain a 500 sample in each NDC area. The same process operated in 2006, although the total number of interviews was reduced from 500 to 400 per NDC. As a result of revisiting addresses the survey in essence provided two types of data: area based cross sectional evidence for 2002, 2004 and 2006; and longitudinal data based on what happened to individuals between 2002 and 2004, 2004 and 2006, and for those who stayed for that full four year period. Sample sizes of this magnitude have a very high level of statistical reliability. A smaller survey has also taken place in 39 comparator areas: similarly deprived but non NDC areas in the same local authority. Because of sample size it is not possible to assess change at the level of the individual NDC against change in 'its' comparator area. But comparator area data does provide a benchmark against which to assess change across all 39 (ie Programme level change) and also for clusters of NDCs.

### **(ii) Administrative data**

The Social Disadvantage Research Centre (SDRC) at Oxford University has headed up the collation and analysis of NDC level administrative data. Data is gathered from a number of sources: the Work and Pensions Longitudinal Study (WPLS) from Department of Work and Pensions; house prices from Land Registry; individual pupil level attainment data from the Pupil Level Annual Schools Census (PLASC) provided by Department for Education and Skills (DfES); and recorded crime data sourced from all 39 police forces in England. Unlike the situation with the survey data it is possible to assess change in each of the 39 NDC areas against that occurring in a similarly deprived non NDC neighbourhood in the same LAD.

### **(iii) Case study work**

From 2006/07 onwards work is to take place in six NDC case study localities: Newcastle, Knowsley, Newham, Lambeth, Walsall and Bradford. The intention here is to explore in detail the kinds of issues which constrain or encourage 10 year change at the neighbourhood level. Ultimately too the intention is to establish the degree to which it is possible to identify the links between outputs and outcomes.

## **The evidence base: an overview**

Reflecting on **all of the evidence** base available to the national evaluation it seems reasonable to conclude that this is one of, if not, the best source of data ever available to any ABI evaluation ever commissioned in England and quite possibly anywhere in that it:

- encompasses both quantitative and qualitative evidence
- is possible to 'triangulate' across different data sources
- allows for an examination of change through time both for the 39 areas, and also for individuals living in these areas
- compares change in NDC areas against that occurring in comparator areas.

But there are weaknesses too, some of which reflect difficulties inherent to the Programme, others which come with the ABI terrain (Department of the Environment 1994). To give a **flavour** of just three of these problems:

- It is difficult to identify the 'NDC model': a fundamental requirement of any evaluation is that the 'programme' can be defined; but here there are 39 different schemes, designed to achieve different outcomes, operating in contrasting contexts
- There must be doubts as to whether it is ever possible to define the counterfactual: it is possible to assess NDC level change against national and local authority benchmarks; but these are 'distant' from the NDC experience; the most appropriate benchmark is that drawn from other similarly deprived 'comparator' neighbourhoods; but even then there are problems: NDCs tend to be more deprived than are comparator areas; and there are often other ABIs operating either in the 39 NDCs and/or in comparator areas, hence neither NDCs nor comparator areas are 'clean' :this is not 'policy off/policy on'
- Realist approaches to evaluation would stress 'Context-Mechanism-Outcome'; the evaluation is strong on context and outcome; but evidence in relation to the mechanism, 'the black box' is much more tenuous: each NDC has instigated about 160 projects: it will never be possible to tabulate how and why particular NDC areas move from context to outcome: it is all simply too 'noisy'.

Despite these caveats the NDC data base still provides an extraordinarily rich evidence base against which to assess change. This paper explores **cross-sectional area based data** as of late 2006. During 2007 further analysis will be undertaken on the longitudinal individual level data. This is an important distinction to make. The cross sectional area based evidence explored below generally points to modest changes across the Programme, However, it

should be stressed that when the national evaluation team last explored change, from 2001/2 to 2004, the individual level evidence pointed to more positive outcomes than was true for area based data (NRU/ODPM, 2005). This is a critical distinction to make.

### **Cross Sectional Area Based Change Data: 2001/2 to 2006**

Reflecting across the 2002, 2004 and 2006 surveys, and relevant administrative data, four overarching can be drawn about area based change in the 2001/2 to 2006 period. These headlines are expanded in on greater detail in a recently published DCLG report (DCLG 2007c).

First, there has been continuing, if generally relatively modest change across the 39 areas. Analysis of some 36 core indicators suggests 32 moved in a positive fashion, seven 10 percentage points or more, but 17 by four percentage points or less. Those thinking the NDC had improved the area rose more than any other indicator: 24 percentage points. Four indicators moved in a 'perverse' fashion but only one by more than one percentage points.

Second, an overview of the 16 indicators achieving greatest change between 2002 and 2006 (Table 1) points to more obvious signs of positive change in relation to place (fear of crime, attitudes to the area, thinking NDC improved the area, and so on) rather than people, based outcomes including more jobs, or improving 'ultimate' health indicators such as mortality and morbidity. This is by not an absolute distinction. Some people based indicators improved during this four year period. The proportion of NDC pupils achieving 5 GCSEs at Key Stage 4 rose for instance from 28 per cent in 2003 to 37 per cent in 2005. But in broad terms indicators of place improved at a faster rate than did those relating to people based outcomes. There are a number of reasons why this might be so. Some people based outcomes, notably in health and education will take many years, even decades to become apparent. In addition the NDC Programme may well in the long run confirm the widely held assumption that the neighbourhood is an ideal locale within which to achieve place based renewal outcomes. Problems surrounding the environment, crime, liveability, community cohesion and so on are of areas, and can be resolved within them. People based outcomes are just harder to achieve at the neighbourhood level. It may also be the case that people based outcomes are more difficult to identify through area based data: more people are aware of, and affected by, area based schemes such as say more police on the street than is the case with projects designed to boost say educational outcomes through initiatives such as more teachers' assistants.

**Table 1 about here**

Third, a disproportionate amount of positive change occurred between 2001/02 and 2004, rather than in the following two year period. It might have been assumed that the opposite would occur: change would accelerate through time. However there are several possible explanations for this apparently counterintuitive finding. It could be, for example that initial positive effects arising from 'quick wins' implemented by NDCs in their early days have diminished through time. For some attitudinal indicators such as fear of crime and perceptions of the area it may be easier to make bigger, earlier shifts because there is simply more 'headroom' for change. And for some harder edged outcomes it may be the case that there is actually relatively little room for further positive change. Between 2001 and 2005 theft fell from 2.2 to 1.7 per cent of the population. How plausible is it to imagine further decreases will occur? Perhaps the pattern of change in areas subject to long term renewal programmes is one of relatively rapid initial movements followed by a longer period of consolidation.

Fourth, change in NDC areas is not massively different from what is happening elsewhere. It is possible to benchmark change in these 39 areas against a range of benchmarks of which three are briefly outlined below: national equivalents, other ABIs and the comparator areas. For some 22 indicators it is possible to compare change in NDC areas with national benchmarks. For 13 of these change in NDC areas is similar to national trends. Of the remaining nine changes in NDC areas proved to be at least three percentage points greater than the national average and for three the reverse was true. NDCs tended to outperform national benchmarks in indicators relating to satisfaction with the area and fear of crime (CLG 2007a). The pattern of change in NDCs is also similar to, although perhaps slightly greater than, that occurring in other ABIs such as the Neighbourhood Management Pathfinder areas (NRU/CLG 2006). And a broadly similar pattern is evident when change in NDC areas is compared against that occurring in the comparator areas. For 25 of 31 indicators differences between changes in NDC and comparator areas was two percentage points or less. For four indicators, relating to satisfaction with the area and environmental perceptions, change in NDC areas was four percentage points or more greater than that occurring in the comparator areas. For example between 2002 and 2006 the proportion of residents satisfied with the area as a place to live rose 11 percentage points in NDC areas but just four in the comparators.

Hence reflecting on all of the area based cross sectional change data available to the national evaluation team as of late 2006, the key headline is that, whilst change has continued to occur in the 39 areas, the scale of this transformation is often relatively modest, is not out of line with what is happening nationally or in other deprived areas, and if anything appears to have moderated through time. This raises an intriguing dilemma. By historic

standards the NDC Programme is an exceptionally well funded, intensive ABI seeking to effect change over fully ten years. If any ABI was ever going to 'work' it was surely this one. It would be wrong to suggest the Programme has 'failed': there is, for example, no evidence of any indicator moving in a negative or perverse manner. It should be stressed too that analysis of longitudinal individual level data to be carried out later in 2007 may well point to more positive change than is evident from this cross sectional area based data. And it may be too that explorations of change across different social groups and in cross different categories of NDC also points to more positive changes for some groups and some types of NDC area. Nevertheless, it would be hard to argue that evidence presented here points as yet to major, irreversible positive change occurring across all of these areas.

### **Discussion: why is neighbourhood level regeneration so difficult?**

There are a number of factors which might help explain the apparently modest rate of change across the Programme. Five are explored below.

First, this is a very ambitious Programme. The original architects clearly reflected on weaknesses apparent in previous ABIs, such as their relatively short time horizons, limited community engagement and lack of clarity in relation to outcome objectives. But the pendulum perhaps swung too far with NDC. The Programme was premised on several key principles: the creation of 39 separate Partnerships, the community being at the 'heart of the Programme', extensive engagement with other delivery agencies, and the implementation of ten year renewal schemes. This was always going to be challenging. As the Programme evolved, it became apparent too, that there were tensions across some of these underlying principles. For instance renewal driven by 'community engagement' was not always the best mechanism through which to plan ten year strategies. Community representatives on NDC boards were generally more interested in immediate issues of the area, crime and environment in particular, and less on jobs, health and education.

Second, Partnerships have always struggled because there is no comprehensive evidence base to guide regeneration agencies from baseline problems, through suites of interventions, to outcomes. To take one obvious example: are high rates of crime best addressed through say more investment in crime prevention such as additional police and/or initiatives on other outcome areas notably in education and worklessness? It is not possible definitively to say. And because NDCs operate in very different local contexts it may never be possible to tabulate the most appropriate suites of interventions to move any regeneration partnership from identifiable problems through to realistic ten year outcomes. Change has not largely been driven by a definitively evidence base but rather through the implementation of projects



which are assumed, possibly plausibly, likely to have some beneficial impact on change. But there is often not a great deal of thinking in relation to exactly how interventions will lead NDC areas from known baseline problems to 10 year outcome targets.

Third, an increasingly critical problem is that of demographic change. This is a complex arena. But in brief. There has always been tension in ABI policy between place, and people, based outcomes. The former have the huge benefit of 'staying put'. However interventions designed to achieve people based outcomes such as training, job mentoring, improving health and education are perhaps more likely to transform lives. But the argument has always been that those receiving people based interventions will tend to leave the area: benefits are thus lost to the ABI. In fact NDC evidence is not clear cut here (CLG 2007 b). A survey of some 330 people who left NDC areas between 2002 and 2004 suggests that they moved overwhelmingly because of area and housing related factors, and not generally for say job related reasons. And there was nothing to suggest that this group was more or less involved in (and hence potentially benefiting from) NDC interventions than were those who stayed in NDC areas. But mobility does have an impact on people related outcomes. Those who left NDC areas between 2002 and 2004 were much more likely to be owner-occupiers and in employment than those who moved into these 39 areas. These patterns of mobility suggest NDC areas increasingly accommodate those who are most likely to need investment in people based outcomes and are losing those who are more likely to help NDCs achieve person based outcomes. And the scale of this population churn is startling: 40 per cent of residents wanted to move from NDC areas in 2006 (a slight increase on 2002 and 2004); and by 2006 English was not the first language for 21 per cent of NDC residents a five percentage points increase on 2004. Population churn is likely to make it increasingly difficult for NDCs to achieve person based change.

Fourth, although it is often argued that this is a well funded ABI Programme, in practice NDCs have relatively limited resources: perhaps about than £100 per person, per theme, per year. It is not surprising therefore that it is only recently that any evidence, and that tenuous, has emerged suggesting any relationship between spend and change at the Partnership level. It was always assumed from the outset that genuine change would depend on NDCs securing alliances with other agencies in order to enhance the quality and scale of local services. This was always an ambitious goal: why should delivery agencies 'bend resources' or improve the quality of services to relatively well funded NDC areas? In the event as NDCs have matured many have been able to secure mutually beneficial alliances with a range of organisations including the police, Primary Care Trusts (PCTs) , and various local government departments. Most NDCs engage 'significantly' with at least six other agencies. But this process of 'partnership' working has not always run smoothly. National policy

demands can undermine attempts by other delivery agencies to effect a 'neighbourhood agenda'. For instance central government instructions to the police to reduce rates of burglary led to fewer resources being made available to address the issue which local NDC residents invariably prioritise: anti-social behaviour. Some agencies, PCTs being a classic example, have also been reluctant to enter longer term agreements because of financial uncertainties. And although many NDCs originally secured the engagement of senior agency personnel, there has been a tendency for these key players to move onwards and upwards to LSPs and to be replaced by middle managers unable to make strategic commitments. In part this, perhaps, reflects a sense that the NDC Programme is something of an historic oddity. There is widespread belief that the future of ABI policy is generally cloudy, and that no ABI programme will ever be as well funded again. Hence, the NDC experience might have only limited applicability to other 'normally funded' deprived neighbourhoods.

And fifth, the Programme's ten year horizon has raised a perhaps unexpected dilemma. There is widespread agreement that the effective renewal of these deprived areas will be a long term process requiring at least a ten year time span. But in order to plan ten year strategies, ideally NDCs would have preferred an institutionally stable context. It is simply much easier to plan longer term programmes when there is a reasonable degree of certainty in relation to institutions, funding mechanisms and policy agendas. And that is exactly what they have not had. There is a strong argument that the last ten years has seen greater change in relation to the governance of urban regeneration than in any previous era. NDC Partnerships have needed to familiarise themselves with, respond to, and if necessary secure alliances with, new agencies such as Local Strategic Partnerships, new funding mechanisms notably Local Area Agreements and new policy priorities including community cohesion, citizen governance, social capital, and social enterprise. Perhaps in the light of this scale of institutional flux, and bearing in mind other barriers outlined immediately above, the real question may be not why NDC achievements appear relatively modest, but rather why they have done so well.

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**Table 1: Survey data 2002-2006: indicators showing greatest change**

	2002	2004	2006	2002-06	Change 2004- 06
NDC improved area (a)	33	51	57	24	6
Heard of NDC	63	79	80	17	1
Car crime a serious problem	38	27	21	-17	-6
Have Internet at home	25	32	41	16	9
Abandoned/burnt out cars a serious problem	21	11	5	-16	-6
Have a PC at home	35	42	50	15	8
Vandalism a serious problem	33	26	18	-15	-8
Household burglary a serious problem	25	16	11	-14	-5
Very worried about burglary	34	25	20	-14	-5
Very worried about being mugged	30	22	18	-12	-4
Satisfied with area as a place to live	60	66	71	11	5
Litter a serious problem	37	33	26	-11	-7
Very worried about vandalism	28	21	17	-11	-4
Feel very/fairly unsafe walking alone after dark	55	49	45	-10	-4
Run down or boarded up properties a serious problem	19	15	9	-10	-6
Very worried about being physically attacked by strangers	27	20	17	-10	-3

Base: All; (a) All heard of local NDC, (12,661), 2004 (15,749), 2006 (13,008) Rates of change: 2004-2006 compared with 2001/02-2004