

Lessons and evaluation evidence from ten Single Regeneration Budget case studies

Mid term report

John Rhodes, Peter Tyler, Angela Brennan, Steve Stevens,
Colin Warnock and Mónica Otero-García
Department of Land Economy

January 2002

Department for Transport, Local Government and the Regions: London

This report is dedicated to the memory of John Rhodes 1941-2001.

Department for Transport, Local Government and the Regions
Eland House
Bressenden Place
London SW1E 5DU
Telephone 020 7944 3000
Web site: <http://www.detr.gov.uk/>

© Queen's Printer and Controller of Her Majesty's Stationery Office, 2002

This publication, excluding any logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.

For any other use of this material, please write to:

*HMSO, The Copyright Unit, St Clements House, 2-16 Colegate, Norwich NR3 1BQ.
Fax: 01603 723000 or e-mail: copyright@hmso.gov.uk*

This is a value added publication which falls outside the scope of the HMSO Class Licence

Further copies of this guide are available from:

DTLR Publications Sales Centre
Cambertown House
Commercial Road
Goldthorpe Industrial Estate
Goldthorpe
Rotherham S63 9BL
Tel: 01709 891318
Fax: 01709 881673

ISBN 1 85112 519 1

Printed in the UK. Text printed on material containing 100% post-consumer waste.
Cover printed on material containing 75% post-consumer waste and 25% ECF pulp.
January 2002

CONTENTS

Preface	7
Executive summary	11
CHAPTER 1	
The SRB programme in the development of regeneration policy	28
1.1 Introduction	28
1.2 The changing policy response in relation to the perceived regeneration problem	31
CHAPTER 2	
Targeting social need	39
2.1 Introduction	39
2.2 Assessing the geographical variations in local need	39
2.3 Identifying the geographical distribution of SRB expenditure	41
2.4 Key findings	42
CHAPTER 3	
Community involvement and community capacity building	46
3.1 The role of local communities in the SRB process	46
3.2 Community and voluntary organisations as lead partners in SRB partnerships	47
3.3 Community and voluntary sector involvement within the ten SRB Schemes	49
3.4 Community led regeneration – the Hangleton Knoll experience	51
3.5 Community groups and voluntary organisations as partners in SRB Schemes	54
3.6 Assessment of community involvement in the ten case studies	56
3.7 Evidence of changing community perceptions of their local area from MORI Surveys	57
3.8 Participation of black and minority ethnic communities in SRB funded schemes	60
3.9 Lessons of community and voluntary sector involvement in SRB	67
3.10 Further policy development for community involvement	72
CHAPTER 4	
The role of the private sector	74
4.1 Introduction	74
4.2 Defining the private sector	74
4.3 Participation of the private sector in regeneration	75
4.4 The drivers for private sector involvement	76
4.5 Types of private sector organisation involved at partner level	78
4.6 Roles played by the private sector in regeneration	81

4.7	Motivations for private sector involvement and the extent of involvement	82
4.8	Benefits from private sector involvement	85
4.9	The limitations of private sector involvement in regeneration	87
4.10	Summary and lessons for future policy	88

CHAPTER 5

	Reducing social exclusion: bending the mainstream	90
5.1	Introduction	90
5.2	Mainstream programme bending	91
5.3	Difficulties experienced by mainstream departments as partners of SRB regeneration schemes	95
5.4	Links with mainstream programmes	97
5.5	Conclusion	98

CHAPTER 6

	Producing a good regeneration scheme: the role of partnership working	100
6.1	Introduction	100
6.2	Features associated with the attainment of good partnership working	102
6.3	The private sector as a lead partner	109
6.4	General conclusions on the factors that make for good partnership working	110

CHAPTER 7

	Thematic issues	114
7.1	Introduction	114
7.2	The creation of enterprise	116
7.3	Building links between schools and the world of work	119
7.4	Community safety, reducing crime including drug abuse	120
7.5	Enhancing mainstream delivery in relation to employability, training and the environment	121
7.6	Promoting urban renaissance	122
7.7	Promoting rural regeneration	125
7.8	Small thematic schemes as a source of innovation	127
7.9	Overall strengths and weaknesses to emerge from the thematic schemes	128
7.10	Conclusions on key problems in maintaining the momentum achieved by thematic schemes	130

CHAPTER 8

	Links between the physical, economic and social	132
8.1	Introduction	132
8.2	Combining the physical, economic and social: the evidence from the SRB case studies	136
8.3	Maintaining the momentum: ensuring sustainable outcomes across a broad front	139

CHAPTER 9

The measurement of short term cost effectiveness and the assessment of VFM over the longer term	144
9.1 Introduction	144
9.2 Case study gross outputs: indicators and definitions	148
9.3 Gross outputs and expenditure: measurement problems	149
9.4 Case study gross outputs	151
9.5 Outputs relating specifically to black and minority ethnic communities	155
9.6 Gross outputs: actuals compared with expected	155
9.7 Actual and expected expenditure	156
9.8 Gross to net: assessing additionality	158
9.9 Establishing value for money indicators	163

CHAPTER 10

Assessing the impact of regeneration outputs and outcomes: methodological and method issues	166
10.1 Introduction	166
10.2 Assessing the impact of regeneration schemes on outcomes	167
10.3 Obtaining the relevant information with which to assess the impact of regeneration schemes on outcomes: obtaining outcome data using social surveying	169
10.4 National comparator benchmark data	172
10.5 Interpreting the results from the SRB social surveys	172
10.6 Limitations of survey based approaches	173
10.7 Findings from the 1996 survey of SRB households	174

CHAPTER 11

Key changes in outcomes in three SRB estates 1996-1999	176
11.1 Introduction	176
11.2 Summary of main findings in the three SRB areas from the social household survey	177
11.3 Combining survey evidence on outcomes with net output data obtained from traditional evaluation approaches	191

Preface

The Single Regeneration Budget Evaluation Unit

In recognition of the need to assess the contribution which SRB has made to local area regeneration the DTLR commissioned an evaluation study based in the Department of Land Economy, University of Cambridge. It has been led by Dr Peter Tyler and John Rhodes assisted by Angela Brennan and Mónica Otero-García. The evaluation team are tracking the progress and achievements of twenty SRB case studies over a period of eight years.

The evaluation team has also included Steve Stevens, Colin Warnock and Roger Tarling. The core research team has been assisted in the social survey aspects of the study by Mark Speed, Bobby Duffy and Rachel Williams from MORI.

This study had three objectives. The first was to design a methodology with which to evaluate the process by which economic, social and physical regeneration was achieved through the activities of SRB. The second was to undertake an evaluation of the first and second rounds of the partnership programmes funded under SRB and thus establish the impact and cost effectiveness of the regeneration package. The third objective was to undertake an analysis of those bids and partnerships which sought funding under the auspices of the Single Regeneration Budget but which were unsuccessful.

Since the research team began its work it has addressed a number of key research questions relating to the design, delivery and achievements of the SRB programme. The research approach has been such that through the use of local household surveys it has also been possible to learn more about the nature of the problems faced by those who suffer social exclusion at the local level and how Area-Based Initiatives in general can seek to tackle the problems that they face. Key research findings have been published in a number of Journal articles and Discussion Papers which are listed in Annex 6 of this Report. In 1998 the Team produced an evaluation of the Single Regeneration Budget at the interim stage which presented findings as to how the SRB partnership-based model of regeneration was working at the local level and what early achievements could be identified.

This Report presents further findings relating to the regeneration achievements of SRB. Moreover, in this Mid Term Report it has proved possible to enhance the evidence base in relation to the programme by undertaking evaluations of ten case study SRB round one and round two partnerships as their activities drew to a close.

The work was guided by a Steering Group from the Department for Transport, Local Government and the Regions (DTLR), formerly DETR, which comprised Paul Evans, Mike Gahagan, Judith Littlewood, Stephen Penlington (Nominated Officer 2001), Jane Todorovic (1998-2001), Lesley Smith (1995-1998), Gillian Smith, Sam Mason, Paul McCafferty, Stephen Aldridge, John Wallace, Debbie Butler and Fiona Cruickshank. Other members of the Steering Group included: Daniel Hulls (HM Treasury), Celia Dale (Home Office), Steve King (Department of Social Security), John Elliot (Department

for Education and Employment), David Andrews (Department of Trade and industry), Robert Smith (Assistant Director Housing & Regeneration – GOEM), Ralph Ward (Government Office for London) and Keith Allen (East of England Development Agency)

Valuable assistance and comments were received from members of an Advisory Group which included: David McAlister (Scottish Office), John Elliot (Department for Education and Employment), David Andrews (Department of Trade and Industry), Steve Dunn (Rural Development Commission), Ailsa Blair (ADC Economic Development, Tourism & Leisure), John Woodall (Chief Executive, Dudley TEC), Gabriel Chanan (Community Development Foundation), June Dawes (Housing Corporation), Jill Goldsmith (National Audit Office), Joel O'Loughlin (Urban Forum), Cay Stratton (Business in the Community), Professor Peter Hall (University College London) and Richard Beattie (English Partnerships).

The research team would also like to acknowledge the extensive assistance given by the Government Offices for the Regions and also the following twenty case study partnerships without whose co-operation and help this research would not have been possible.

Northumbria Community Safety	Bristol Regeneration Partnership
West Midlands Industrial Club	Merseyside Learning Partnership
Limes Farm Partnership	Made in Swadlincote Partnership
West Cornwall Initiative	South Leytonstone Community Partnership
Brent & Harrow	Brighton Regeneration Partnership
Hangleton Knoll Project	City of Sunderland Partnership
Chalkhill Estate	Hull CityVision
Lancashire Manufacturing Partnership	Nottingham Partnership Forum
The Rochdale Partnership	Woolwich Development Agency
Regenerating Wolverhampton	Royds Bradford

Structure of this report

This Report is structured in the following way:

- Chapter 1: the development of regeneration policy, with a summary of the main changes that have taken place to the policy environment in which SRB has been operating in recent years;
- Chapter 2: the targeting of social need over the six rounds of SRB expenditure;
- Chapter 3: community involvement and capacity building under the SRB programme;
- Chapter 4: the role of the private sector in SRB schemes;
- Chapter 5: SRB and the bending of the mainstream;
- Chapter 6: factors that produce a good regeneration scheme.
- Chapter 7: thematic issues of SRB schemes;

- Chapter 8: links between the physical, economic and social elements of regeneration in SRB schemes;
- Chapter 9: early findings on value for money and the measurement of short-term cost effectiveness; and
- Chapters 10 and 11: the impact of SRB regeneration outputs on final outcomes drawing on the evidence of social survey work that was carried out in 1996 and 1999.

The Annexes¹ to this report have been produced as a separate document containing:

- Annex 1: key characteristics of the SRB schemes from the six rounds of the programme;
- Annex 2: a description of the case study areas that have featured so prominently in the research approach;
- Annex 3: findings from the 1999 MORI social survey which are discussed in Chapter 11;
- Annex 4: questions included in the 1999 ONS national Omnibus survey that provided English benchmarks for key questions in the social survey;
- Annex 5: lessons learned from the national evaluation of SRB in relation to how best to conduct local evaluations of area-based initiatives, as well as how to use local household surveys to understand the nature of the problems being tackled and the effect of policy on them; and
- Annex 6: SRB publications to date.

¹ The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

Executive summary

Introduction

- 1 This is a summary of the conclusions of the midterm evaluation of the Single Regeneration Budget which has been prepared by an evaluation team based in the Department of Land Economy in the University of Cambridge for the Department of the Transport, Local Government and the Regions. The evaluation team are tracking the progress and achievements of twenty case studies over a period of eight years and producing a series of reports at various stages in the life of these broadly representative case studies. (Reports to date are described in Annex 6).
- 2 The Annexes to this report have been produced as a separate document available from the Department's web site: www.regeneration.dtlr.gov.uk/research/htm or e-mail: handr.research@dtlr.gov.uk
- 3 This Mid Term Report summarises findings on the achievements of the SRB based on the experience of ten case study SRB partnerships that have now come to the end. Final evaluations have been completed for each. As part of this process a significant programme of interviews have been undertaken with regeneration partners and those involved in the delivery of area-based initiatives including the RDAs. The Mid Term Report also reports on findings from a second wave of social household surveys that were undertaken in three of the case study areas in 1999. Other evidence has also been assembled on the extent to which SRB expenditure over six rounds of funding has been able to address need at the local level across England.

The SRB programme in the development of regeneration policy

- 4 The Single Regeneration Budget has been the main source of support for local area regeneration in England over the period 1995-2001. The first round began in 1995/6 and the sixth and final round was announced in 2000/2001. Expenditure on the programme has varied considerably in each of the six rounds, but in total some £5.7 billion of funding has been committed through the SRB programme involving a total expenditure of £26 billion, of which £9 billion has been from the private sector.
- 5 There have been some changes to the broad format of the SRB programme throughout the six years but certain key features of its design and delivery have remained throughout. Central to the initiative has been an emphasis on a partnership led approach to regeneration whereby interested parties come together at the local level to devise a regeneration scheme and seek financial support through an annual bidding round organised and run by the Government Offices for the Regions (GORs) through the first four rounds and by the RDAs for the last

two (and only the last round in the case of London). The number and range of partners represented in the partnership can vary considerably and the lead partner can be drawn from the private, public or voluntary/community sector.

- 6 The regeneration scheme can be broadly based in that it seeks to tackle a very large range of issues of relevance to local regeneration or it can be thematic with an emphasis on a particular component of the problem. The size of the regeneration scheme has varied from a total cost of less than £1 million to sums of £100 million. The duration of the schemes has been from one to seven years and proposals for funding have come from any area in England since there were no formal geographic boundaries.

THE CHANGING POLICY RESPONSE IN RELATION TO THE PERCEIVED REGENERATION PROBLEM

- 7 Since the time of the publication of the *Interim Evaluation of the Single Regeneration Budget* (DETR 1998) there have been substantial changes to the policy environment in which SRB has operated. It has been a time of considerable policy evolution and as Chapter 2 of this report details, the funding stream that was associated with SRB has now been combined with other regeneration funds to produce a Single Pot to be operated by the RDAs from 2002/3 onwards. The Single Pot allows the RDAs to bring together funds that were previously committed to land and property led regeneration, business and other support with that of SRB. Early indications are that the RDAs are deploying these funds geographically according to a broad needs/opportunity formula where relative need is assessed according to the Index of Local Deprivation and opportunity is equated, at least in part, to the ability of local areas to encourage and accommodate new economic development on available sites. Local partnership based delivery remains central, sometimes at a sub-regional level, more often at a district or neighbourhood level but without the explicit managed Challenge Fund approach that was adopted under SRB.
- 8 At the neighbourhood level there are currently two other major initiatives. The first, New Deal for Communities, is offering thirty nine highly deprived neighbourhoods in England a substantial volume of funds to be committed over some years with the emphasis on community led partnerships delivering multi-faceted regeneration. The second initiative is the Neighbourhood Renewal Fund targeted on a further 88 deprived areas in England. NRF offers deprived neighbourhoods a ring-fenced funding stream delivered through the newly created Local Strategic Partnerships (LSPs). The LSP approach is bedding in across England as existing partnership structures are merged and modified as appropriate and as mainstream delivery partners sign-up to the approach. NRF is a component of a more general commitment on the part of Government to address local area problems across the whole of England, which contains other elements like Neighbourhood Management and much more besides.
- 9 In producing this mid-term Review of SRB the evaluation team was asked to reflect on the implications of their research against the background of these new policy developments. In this Summary we indicate a number of key findings that are relevant to:
 - the rationale for area-based initiatives and their importance in influencing mainstream departments to meet the needs of those who live in England's most deprived areas;
 - the design and delivery of area-based initiatives by RDAs and others; and
 - measuring the achievements of area-based initiatives.

THE SRB PROGRAMME IN ENGLAND: KEY CHARACTERISTICS OF THE REGENERATION PARTNERSHIPS OVER SIX ROUNDS

- 10 Annex 1² of the Report includes an analysis of the regeneration partnerships over the six rounds of SRB. During the first six rounds of SRB a total of 1028 schemes secured SRB funding. Almost a quarter of these were from London with the remainder spread more evenly throughout the remaining regions with just under 15% for the North West to slightly over 6% for the East of England.
- 11 Overall, SRB accounts for almost 22% of total expenditure on SRB schemes. The other 78% come from local authorities, Learning and Skills Councils, the voluntary and private sectors and European funding streams. Regional levels of total expenditure fall generally in line with the proportion of SRB allocated where London and the North West regions alone account for just over half of total expenditure and 45% of SRB spend. The lowest SRB and total expenditures have been in the East of England and South West regions (at around 2-3% of the total). Overall 42% of schemes received between £1.01m-£5m of SRB each and a further 18% fell in the smallest category of receiving up to £500,000 each. Some 5% of schemes received SRB funding in excess of £20 million. This has followed a similar pattern across most of the rounds with the exception of round four where nearly 60% of SRB funds were between £1.01m-£5m with only 1% of the programme receiving in excess of £10 million. When looking at total expenditure a third of schemes overall have involved in excess of £20 million with around one-fifth in the £1.01-£5m size range and 14% under £1m. There are some variations between the rounds with only 14% in the £1.01m-£5m range in round two compared with 30% in round four.
- 12 Most partnership schemes sought to regenerate a relatively small local area, consisting of a number of wards, and these accounted for almost a half of all the schemes. A further 20% overall concentrated on an entire local authority district. This was generally reflected across all regions, although a third of the London schemes focused on larger areas of two or more, local authority districts. Over two-thirds of all schemes are set to run for five years or more with a third designed for seven years duration. This tendency towards longer duration schemes is fairly consistent across the regions with the exception of the South West where only 48% are running for five years or more. The most common lead partner was the local authority accounting for 53% of all schemes. This has remained the dominant type of lead partner although by round six this had fallen to only 40% with an increase in joint partners and voluntary sector involvement.

Targeting Social Need

- 13 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-

2 The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

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.

Community involvement and community capacity building

- 14 After a slow start in rounds one and two, SRB has begun to encourage more effective community participation in local area regeneration. While the SRB Challenge Fund provides a range of examples of community involvement in regeneration, there is little evidence of a systematic approach to community capacity building within the round one and two schemes. There are, however, within these early rounds many examples of good practice in which the local community has made a positive input to the operation of the scheme and/or the delivery of projects.
- 15 DTLR the Government Offices for the Regions and more recently the RDAs have emphasised the need for community involvement over successive rounds of the SRB programme. However in rounds one and two the time scale and resources of some schemes has often limited extensive consultation with and involvement of local communities, particularly where physical and economic aspects have dominated.
- 16 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 that is enshrined in the bid document/delivery plans that constitute the whole regeneration framework. This has been recognised in subsequent rounds of SRB through the development of Bidding Guidance for new programmes and in DTLR publications.
- 17 Developing community capacity as a key objective of a programme 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 bid). Good community orientated schemes requires the involvement of the people in the target area at the earliest stage in the proposed regeneration initiative 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.
- 18 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.
- 19 Community representatives in partnerships need to play a full and effective role in the decision making process and be the conduit for informing local people of scheme decisions. The partnership will need to set in place adequate support for community representatives

to undertake their role effectively. While SRB rounds one and two laid some of the foundations for partnership working and community involvement in regeneration, our longitudinal study of these early years of the programme has vindicated the need to offer more robust guidance to SRB schemes.

- 20 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 as in Hangleton Knoll. Regeneration schemes need to take account of existing community resources and initiatives that 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.
- 21 Within the evaluated schemes 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. The SRB experience offers many valuable lessons and insights of how the community should be involved in regeneration. As local authorities prepare their Community Action Plans and as the New Deal for Communities and the deployment of the Neighbourhood Fund bed in it will be important that these lessons and insights are taken on board.

The role of the private sector

- 22 Against the odds in some cases, most schemes have 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.
- 23 The private sector is not a homogeneous group. Each firm will have different markets, different managers, 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 a 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.
- 24 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.

- 25 It is encouraging to note that 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 are 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.
- 26 Finally, 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.
- 27 In comparison with other programmes, 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.

Reducing social exclusion: bending the mainstream

- 28 The evidence suggests that every £1 of SRB funds has been associated with £2.7 of private sector spend, which is a very favourable ratio indeed. There is considerable variation across the schemes. Overall, leverage of all funds is £1 of SRB to £3.96 and this is again an impressive ratio. In our case study areas the amount of mainstream programme bending across local authority District boundaries is of the order of £2.4 million out of a total mainstream spending of £38.3 million. Programme bending within District boundaries is

higher at £12.6 million. There was also some bending of other regeneration programmes into SRB target areas, amounting to £2.7 million across District boundaries and £5 million between localities within Districts.

- 29 These figures should be set against case study funding from SRB itself of £46.5 million. Thus, for pure mainstream 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 figures rise to 11 pence (long distance), 38 pence (short distance) and 49 pence (total) respectively.
- 30 Overall, the analysis points to the conclusion that, whilst there has been 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 per year. It enhances the direct SRB funding contribution by only 7%.

Producing a good regeneration scheme: the role of partnership working

- 31 The research has identified good and weaker attainment across SRB schemes. Relative performance is not systematically correlated with size, duration or theme. The evidence does not support the view that there is one size fits all format to successful regeneration schemes.
- 32 Since the more obvious structural characteristics of an SRB scheme are not systematically associated with performance, the implication is that relative success is more to do with how partnership works and its structure. 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 issues stand out:
- 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 (ie, 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 appealing 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); and
- 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.

PRODUCING A GOOD REGENERATION SCHEME: STRATEGIC VISION AND EFFECTIVE MANAGEMENT

33 There are examples from across the case study partnerships as to what actions tend to help with securing good regeneration outcomes. These are:

- pay attention to the potential for interactions between themes in designing regeneration schemes and identify the appropriate service areas (ie, employment, health, crime, education, housing, environment, leisure, community development, transport and shopping) that the scheme is playing to and ensure that 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. Local Strategic Partnerships should help with this. Thematic schemes have to identify clearly how they are addressing the problems associated with the key area concerned;
- identify how the impact of changes to the physical nature of the area (ie, land, property, buildings etc) relate to the desired effects on people and how all the effects sum to tackle the original problems. 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;

- consider how the key themes and the associated projects identified can be co-ordinated to maximise the scope for synergy in the attainment of scheme objectives. It is often the case that individual components of the regeneration scheme operate in something approaching splendid isolation; and
- understand 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.

34 The changed 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.

35 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 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 some action.

36 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 are 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 our 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.

- 37 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.

Thematic issues

- 38 Thematic based bids have been able to make an effective and telling contribution. They have assisted the relevant parties concerned to develop a strategic approach to a common problem. By often concentrating on a more extensive geography – that is at the county or regional level – they have increased participation and, through a consistent and thought out approach, they have enabled economies of scale in scheme design and implementation to be achieved. However, if the scheme is to work there has to be a strong and effective central secretariat.
- 39 In the best cases they also appear to improve the degree and quality of inter-agency working and provoke the development of effective sub-regional and regional partnerships. These were often not in place when round one schemes were bid for, but by the end of the schemes effective partnership was apparent and was demonstrated by the continued operation of the partnership after the end of the round one/two schemes. Regeneration skills have been enhanced and good practice projects have been designed that ensured continued funding from other sources as part of their successor arrangements.
- 40 However, on the less positive side such schemes can also fail to bring about any lasting change in partnership working if during their life there was insufficient attention paid to promoting effective partnership working and the structures that this requires.
- 41 In terms of future practice, it can no longer be presumed that there is a more or less permanent rationale for undertaking thematic schemes per se. The rationale for each scheme should be clearly set out in advance covering the aspect of the market failure being addressed, the reasons why the failure is more pronounced in the local area concerned, the reasons why the mainstream programmes are failing to address the problems and why the proposed thematic schemes might have innovative or good practice characteristics which need to be tested in a pilot scheme.
- 42 Thematic schemes as a whole are not designed to tackle multiple deprivation and are rarely specifically targeted at disadvantaged households. Thematic schemes tend, thus, to address specific aspects of market failure that, if corrected, increase efficiency and output. In the early years of SRB they were less concerned with distributional issues relating to disadvantaged households and this might be argued to have been a weakness. However, in latter rounds of SRB more thematic bids have focused on the needs of specific groups and how they might be integrated more into mainstream society through specific initiatives, the design of which is often investigated in the bid. In these cases the bids are bringing about genuine innovative

responses that will assist mainstream delivery. Of course, if the mainstream programmes were operating effectively to meet the needs of all individuals in society, there would be no valid rationale for including area-based schemes within SRB or similar programmes.

Links between the physical, economic and social

- 43 During the course of our SRB work we have found that the following interfaces are of particular importance:
- combining physical regeneration (eg, developing sites, refurbishing buildings) with people related regeneration (eg, providing skills training, community facilities);
 - forging transport improvements and other links between deprived neighbourhoods and other parts of the often urban area where employment opportunities are available;
 - providing premises and support services for onsite training of residents most disadvantaged in the labour market;
 - providing premises and support services to encourage local small businesses and self-employment;
 - strengthening 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.
- 44 Land and property market interventions will remain central to the regeneration challenge, particularly in the older urban areas. The integrated approach that the RDAs can now offer in bringing together these elements alongside more people-related components in regeneration is to be welcomed and Urban Regeneration Companies have much to contribute here also. 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.
- 45 However, it is essential that regeneration initiatives think through how physical, social and economic initiatives can come together to deliver the best outcomes and this can only be achieved through a well articulated strategy from the outset.

The measurement of short term cost effectiveness and the assessment of VFM over the longer term

- 46 SRB has been a relatively cost-effective area-based initiative. The preliminary evidence from the ten SRB case studies is that for every £20,000 of net additional public expenditure under the SRB programme there has been a very large number of regeneration benefits created in the local area concerned (these are described fully in Chapter 9). The research team has been able to compare the cost effectiveness of the programme to date with that of other programmes like City Challenge. Such comparisons are inevitably fraught with conceptual problems because they are based on a basket of outputs per £ of public expenditure and the set of outputs that are in the basket reflect the underlying objectives of the programmes which clearly vary one to another. However, each net additional job created in the City Challenge basket was costing approximately £28,000 alongside a cost per qualification provided to a trainee of £3,450. The broad SRB equivalents are £25,000 per net additional job and £4,200 respectively per qualification provided and, on this broad basis VFM looks very similar between the two schemes. The research team will be undertaking a considerable body of further work to enhance the VFM component of the research during the next phase of the research programme.

The breadth and depth of the problem: findings from the baseline survey of SRB households

- 47 The results of the baseline social survey work undertaken in SRB areas in 1996/7 are fairly unequivocal and are summarised in Table X1. In the worst estate studied in our survey only 43% of the head of households were working, compared with a national average of 80%. The average from the seven areas is close to the worst estate average. Some 25% of the head of households on the worst estates were unemployed compared with a national average of 9%. The average was 16%. Those who were at home inactive not seeking work were 17% in the worst estate. The average was close to this but the national average was 6%. Ill health is a dominant feature of a sizeable proportion of the head of households in the worst estates and the average needy estates at 15% and 14% respectively. This compares with the national average of only 6%.
- 48 The chronic relative poverty in income terms is reflected in the fact that 40% of those households on the worst estates have an average of less than £100 a week. This compares with a national average of 22% with an income as low as this. The SRB estate average is close to that of the worst estate. The percentage of households on some form of income support at 61% of households on the worst estate compares vividly with the national average of 28%. The SRB area average is between the two. The proportion of households who are lone parents is 27% on the worst estate, 13% on the SRB and 6% nationally. Virtually all the households on the worst estate are in social housing, about half on the SRB estate average and only one in three nationally.

Table 1: Bringing the evidence together; the breadth and depth of social exclusion

	Worst estate	Average estate (seven areas)	National average
<i>Head of household</i>			
Working full or part time	43	54	80
Unemployed seeking work	25	16	9
At home not seeking work	17	16	6
Long term sick	15	14	6
% income below £100 (a week)	40	37	22
% on Income Support, Unemployment Benefit, Incapacity Benefit	61	46	28
% on Income Support only	40	26	15
% on Housing Benefit	50	34	20
% of lone parents	27	13	6
% social housing*	94	53	32
Dissatisfied with area	28	13	5
Very dissatisfied with dwelling	23	9	2
Area very unsafe after dark	50	42	11
Likely to move	46	23	17
Do not feel closely involved with community	80	72	

* Social housing is accommodation provided by Housing Associations.
Source: SRB Social Survey 1996/7.

- 49 There were 28% of head of households that were dissatisfied with their local area in the worst estate compared with a national average of only 5%. The SRB area average stood at 13%. Those households very dissatisfied with their dwelling were 9% compared with the national average of 2%. In the worst estate the percentage was 23%. One in two of those on the worst estate felt very unsafe after dark compared to 11% nationally. The average estate result at 42% was not far from the worst estate. Overall, 46% of those households on the worst estate wanted to move compared to 17% nationally and 23% in the average estate.
- 50 Fear of crime and general perceptions about safety at night were worse in all the estate areas compared with the English average. Fear of attack was regarded as the principal reason for the perception as to safety. Some 67% of households feared being attacked and in Chalkhill the proportion was a staggering 82%! The breakdown of any integration with the local community is clear. Overall, 80% on the worst estates do not feel closely involved with their community. The statistic for the SRB average areas is pretty similar and, whilst we do not know the national figures we can be pretty sure it would be a lot lower than the result for the worst estates and SRB average areas.
- 51 The evidence suggests that on the problem estates examined social exclusion exists in breadth and depth and that all aspects of life are affected. Moreover, the importance of labour market experience as a possible cause and component of social exclusion is clear. What the results show is that in the areas examined the majority of the local community population is deprived so that social exclusion affects the whole area. The problems interact with each other and persist as the area acquires a poor image and residents become resigned to the difficulties and tolerate what becomes a culture of social exclusion in which the area becomes dependent on the state for income and many people become excluded from participating in the wider society. Evidence presented in this Report derived from the SRB social surveys shows that the problems of market failure and take-up of mainstream services are endemic in these deprived neighbourhoods.

- 52 Against a background of this sort the indication is that the need for SRB type initiatives remains significant. These initiatives are required to improve the environmental and physical characteristics of the areas so that they become attractive locations for people to want to live in and for businesses to invest in as they had in the past. Locally targeted initiatives are also crucial in assisting mainstream providers to focus and target their resources so that the vicious circle of decline can be broken.

Key changes in outcomes in three SRB estates 1996-1999/2000

- 53 Between November 1999 and February 2000 a repeat social survey was undertaken in three SRB case study areas that had completed their SRB schemes, namely Hangleton Knoll in Brighton and Hove, the Chalkhill estate in the London Borough of Brent and Canalside in Rochdale. Useful insights are emerging of relevance to the regeneration of deprived neighbourhoods:
- 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 increasingly recognising the importance of the quality of school education in their local areas;
 - there is no evidence of improved health amongst residents of the three case studies – but the schemes did not directly address health issues;
 - 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; and
 - 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.

COMBINING SURVEY EVIDENCE ON OUTCOMES WITH NET OUTPUT DATA OBTAINED FROM TRADITIONAL EVALUATION APPROACHES

- 54 The Mid Term Report indicates how outcome evidence can be combined with evaluation obtained from standard evaluation approaches in order to gauge what the effects of SRB regeneration initiatives have been. In this Report we have focused on the case study of Chalkhill because this is the area where we have been able to assemble the best evidence at the present time.
- 55 The resident social survey on the Chalkhill Estate permits a fairly comprehensive measurement of changes in a wide variety of economic and social outcomes. One weakness of the resident survey was that it covered only three years out of the five-year life of the scheme. Another was that it was not able 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. After allowing for these problems the evaluation team found a degree of consistency between the results of the resident survey of outcome changes and the project output monitoring data, which measures the gross contribution of project net outputs to overall outcome change. By and large, 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.
- 56 There were, however, some more striking improvements in Chalkhill, from very unfavourable 1996 starting levels. There was a welcome reduction in the proportion of working age households who were dependent on state benefits for their income. The proportion of lone-parent households had also fallen. 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 evidence of 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.
- 57 The SRB scheme itself was small and had concentrated on projects concerned with training and job placement. The resident survey recorded an increase in the employment rate of Chalkhill households of five percentage points between 1996 and 1999 – from 43% to 45% (compared with 78% to 82% in England as a whole). The net output data from SRB projects suggested that without SRB the employment rate would have fallen back to about 42%.
- 58 Despite the contribution from SRB in Chalkhill there is an important lesson from Chalkhill, supported by a limited amount of evidence from other very poor estates. It is a key regeneration issue for the future and is central to understanding how mainstream departments can help to remove geographic concentration of social exclusion. The problems of high levels of worklessness have not hitherto been satisfactorily addressed by mainstream programmes, by area-based initiatives or so far by the two working together. The evidence from Chalkhill throws some light on why this is.

59 Given that family or individual participation in a regeneration programme is entirely voluntary, a key issue is what is the incentive for residents making a determined attempt to move from welfare to work? Evidence from Chalkhill suggests that the financial incentive to move from welfare to work is very low.

Table 2: Head of household & disposable income (£)

	Employees Income from main job	Economically Inactive Income from state benefits
Average Head of Household income per week (£)	207	86
Less income tax & employee national insurance contributions	- 39	0
Less housing costs	-58	0
Less travel to work costs	-15	0
Net Disposable income after housing costs	95	86

60 The social survey revealed 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. This suggests a substantial incentive to move from welfare to work. But these gross income figures are not the relevant comparison. In the research we have estimated the likely adjustments required bringing them into equivalence. A deduction of £39 per week to the employee’s wages is needed for income tax and national insurance contributions. The employee would be liable 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. We have also deducted a modest £3 per day from the employee’s earnings to cover travel to work costs and the extra cost of clothing and meals for those in employment. After these adjustments the average net disposable income after housing costs 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. This narrow gap could easily be made up by the smallest of participation in the informal economy. And 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 employees might well be better off if they moved from work into welfare. However, the introduction of the working families tax credit will improve incentives for one group of those with below average earnings.

61 It should also be taken account of that the income as an employee may be far less secure than the income from state benefits. Low paid, low skilled jobs tend to be less durable than skilled occupations, whilst state benefits are secure providing regulations are adhered to.

62 Under these challenging circumstances any attempt at engaging widespread participation in training and job placement services to secure regeneration requires service delivery which is accessible, relevant, attractive in its own right and well resourced so that the needs of an individual can be matched to the needs of local firms. A central 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 was able to demonstrate 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.

CHAPTER 1

The SRB programme in the development of regeneration policy

Summary of chapter:

The aim of this chapter is to describe the key features of SRB and its delivery over the six rounds, 1995/96 to 2000/01. The chapter also examines how area-based initiatives have evolved in England over the last twenty years and how SRB fits into this.

1.1 Introduction

- 1.1.1 The Single Regeneration Budget has been the main source of support for local area regeneration in England over the period 1995/96 to 2000/01. The first round began in 1995/96 and the sixth and final round was announced in 2000/01. As Table 1.1 shows, SRB expenditure for the six rounds of the programme was £5.7 billion. Total expenditure during this period reached some £26 billion of which £9 billion was from the private sector.
- 1.1.2 Regional levels of total expenditure fall generally in line with the proportion of SRB allocated where London and the North West regions alone account for just over half of total expenditure and 45% of SRB spend. Lowest SRB and total expenditure levels were from the East of England and South West regions at around 2-3%. See Table 1.1 below.

Table 1.1: Expenditure (all years) for all six rounds

	SRB £m	%	Other exp £m	%	Tot exp £m	%
East	136.7	2.4	566.3	2.8	703.0	2.7
E Mids	283.8	5.0	843.5	4.2	1,127.3	4.3
London	1,519.6	26.6	5,669.7	27.9	7,189.3	27.7
N East	650.2	11.4	1,856.3	9.1	2,506.6	9.7
N West*	1,085.5	19.0	4,772.2	23.5	5,857.6	22.5
S East	349.4	6.1	1,011.5	5.0	1,360.9	5.2
S West	168.1	3.0	489.1	2.4	657.3	2.5
W Mids	630.6	11.1	2,015.2	9.9	2,645.8	10.2
York/Humb	879.5	15.4	3,077.0	15.2	3,956.6	15.2
Total	5,703.4	100	20,300.8	100	26,004.4	100

* North West includes Merseyside, which was merged with the North West region in round five.

Source: DTLR and bid documents/Delivery Plans.

1.1.3 These schemes had a wide range of characteristics. A few key ones are summarised below.

- over 1000 schemes successfully secured SRB funding, with nearly a quarter within the London region;
- just over 40% of schemes received between £1 and 5 million of SRB expenditure, with 18% small schemes with below £500,000 of SRB funds. 10% were in excess of £15 million;
- in terms of total expenditure just over a third (39%) exceeded £20 million. Only 7%, overall, fell below £500,000;
- 47% covered a small target area less than a local authority district, with only 7% being region-wide;
- over two-thirds were set to run for five years or more. The South West had more short term schemes with 14% of only a year; and
- over half of the successful partnerships were led by a local authority, with 9% voluntary, 5% private sector and only 3% community led.

1.1.4 While there have been some changes to the broad format of the SRB programme throughout the six years certain key features of its design and delivery have remained. Central to the programme has been the emphasis on a partnership-led approach to regeneration whereby interested parties come together at the local level to devise a regeneration scheme and seek financial support through an annual bidding round. This was organised and run by the Government Offices for the Regions (GORs) through the first four rounds of SRB and by the RDAs for the last two rounds (only the last round in the case of London). The number and range of partners represented in the partnership can vary considerably and the lead partner can be drawn from the private, public or voluntary/community sector.

1.1.5 The regeneration scheme can either be broadly based, in that it seeks to tackle a very large range of issues of relevance to local regeneration, or it can be thematic, with an emphasis on a particular component of the problem. Proposals for funding have come from any area in England since there have been no formal geographic boundaries.

1.1.6 A further feature of the programme has been that, once regeneration partners have secured funding, they have been responsible for the management and operation of the scheme, reporting on a sixth monthly basis to GORs in the early years and more recently the RDAs through an established monitoring system. Successful partnerships had to meet at least one of the following objectives:

- enhance the employment prospects, education and skills of local people, particularly the young and those at a disadvantage, and promote equality of opportunity;
- encourage sustainable economic growth and wealth creation by improving the competitiveness of the local economy, including business support;
- improve housing through physical improvements, greater choice and better management and maintenance;

- promote initiatives of benefit to ethnic minorities;
- tackle crime and improve community safety;
- protect and improve the environment and infrastructure and promote good design; and
- enhance the quality of life of local people, including their health and cultural and sports opportunities.

1.1.7 Through the successive rounds of SRB there have been some changes to the basic framework within which it operates. Thus, in the fourth round GORs issued strategic guidance which allowed partnerships to gain insight into the broader regional context for regeneration within which they might seek to make a bid. Supplementary guidance was also issued, which set in context how measures to encourage regeneration might be considered in relation to crime (The Crime and Disorder Bill), drugs (Drugs Action Teams), ethnic minorities, public health and the needs of vulnerable groups. In round five strategic guidance was issued, which indicated that SRB funding was to be allocated according to a two tier approach whereby approximately 80% of new SRB resources went to support large, comprehensive schemes in the most deprived areas. The remaining 20% of resources was available for other areas of need and smaller pockets of deprivation, including rural and coalfield areas. In round six the two tier funding approach was continued and, although most SRB schemes were expected to reflect an area-based approach to regeneration, there was still a role for thematic bids (ie, community safety or drugs initiatives). Round six also emphasised the need for SRB bids to enhance, reinforce and add value to other initiatives and public spending programmes, including the main public services in the area, in particular recognising mainstream priorities with respect to:

- **education, employment and lifelong learning**, with regeneration projects complementing national programmes as well as recent initiatives like Sure Start Education Action Zones, Excellence in Cities, the New Deals and Employment Zones;
- **enterprise**, with the emphasis on linking into and reinforcing new initiatives like The Enterprise Fund, Enterprise Grants, the National Phoenix Fund and the new British Volunteer Mentoring Association;
- **health**, with bidders being urged to involve the local Health Authority Priority Care Groups and local service providers at a more operational level. Links with Healthy Living Centres and Health Action Zones are also emphasised;
- **crime**, with the template for activity here being the Crime and Disorder Partnerships arising from the Crime and Disorder Act (1998);
- **youth crime**, where bidders are being asked to contact the relevant New Youth Offending Team Manager for their area in order to co-ordinate activities and establish priorities;
- **drug misuse**, with the emphasis here on co-ordination with local Drug Action Teams;
- **housing**, where action has to be considered on the basis of the recent findings of the Policy Action Team 7 Report on unpopular housing in areas of low demand;

- **neighbourhood management**, with a considerable amount learned from the work of the Policy Action Teams and the recognition that, in developing proposals, SRB partnerships should consider with local residents the existing management and delivery arrangement for local services and how SRB initiatives can plug gaps in provision;
- **ethnic minorities**, with an emphasis on consultation with as wide a range of black and minority ethnic communities as possible and of relevance for making a bid;
- **tourism, culture and leisure** bids should consider the findings of Policy Action Teams on the impact which arts and sports, cultural and recreational activity can contribute to neighbourhood renewal;
- **transport**, with the relevant policy context the New Deal for Transport. Better for Everyone and recognition of the need for integrated provision. Provisional Local Transport Plans were submitted to DETR in July 1999 and the first Five Year Plans emerged in 2000. These plans provide the foundation for an integrated approach reflecting the wider strategy contained in Regional Planning Guidance; and
- **modernising local government**, with bids considering how proposed schemes can support best value in local provision, including planning and the promotion of the well-being of local communities against the background of the Local Government Act (1995).

1.1.8 It was announced in the 2000 Spending Review that there would be no further rounds of SRB and that budgeted funding would be rolled together into a Single Pot to be allocated by the RDAs.

1.2 The changing policy response in relation to the perceived regeneration problem

1.2.1 One of the most striking features of the United Kingdom economy has been that, despite criticisms about its overall macroeconomic performance in relation to other European countries, it has managed to generate an increased standard of living for the vast majority of its population throughout much of the post war period. Economic growth has averaged about 2% per annum and, although there has been considerable cyclical variation, this rate of economic growth has been sufficient to provide increased per capita real incomes of about 1.5% per annum. Alongside with increased real incomes there has been an expanding job base, and by the end of the last Century the United Kingdom had an employment rate of 74%, amongst the highest in Europe.

1.2.2 A second significant feature of the United Kingdom economy during the period has been that the distribution of economic prosperity has varied considerably according to geography. Simply put, where you have been born in the United Kingdom has influenced the degree to which you have been able to share in the economic benefits that have been created. One part of this has been the significant differences that have existed in the ability of the regions of the United Kingdom to generate jobs. This is the phenomenon commonly referred to as a North-South divide, since it has been the peripheral regions of Northern Ireland,

Scotland, and the North that have found it difficult to generate jobs in line with the growth of their working population. The consequence of the relative slow growth of jobs was that the Northern regions experienced levels of unemployment that were often twice that of the more prosperous South, as well as higher levels of inactivity and net outward migration.

- 1.2.3 Concerns with such regional divisions led to the United Kingdom being at the forefront in developing regional policies to combat these problems. The first efforts began in the 1930s with the old industrial districts being designated as Special Areas for the receipt of Government assistance designed to stimulate job creation. Although the subject of considerable change to their general format, such regional polices have remained through to the present time.
- 1.2.4 However, there have also been considerable spatial divisions within regions that in many ways have been more dramatic and entrenched than those represented by the North-South divide. Some of the most difficult problem areas have been in the United Kingdom's traditional inner cities, where the job base has suffered badly with the decline of the old industrial manufacturing sector and the enormous attrition to the historic job base in these areas that this has brought. For many years the economic problems of these areas were poorly understood and it was not until Peter Shore's White Paper of the late 1970s that there was a clear statement from Government that a serious economic problem was emerging in the inner cities. In fact, somewhat perversely, the relatively powerful economic forces that lay behind what has been labelled by many commentators as the urban-rural shift of economic activity was compounded and reinforced by New Town and Overspill policies designed to reduce urban sprawl and congestion.
- 1.2.5 A considerable amount of research into the problems of the inner cities and other areas that share similar characteristics has now been undertaken³. A useful summary of the evidence base is contained in *A Review of the Evidence Base for Regeneration Policy and Practice*, DETR 2000. The evidence suggests that problems often begin with the closure of companies that have been traditional providers of jobs in the area concerned for many years. However, as the relatively rich research base that now exists has been able to indicate, the problem is made up of a number of economic, social and physical elements that come together in a compounding way that makes it difficult to regenerate these areas. The cumulative, unbalanced nature of decline in the areas concerned seems to have a momentum to it that once underway is relatively impervious to resolution by market forces or the operation of conventional mainstream public policy intervention. Whilst large concentrations of unemployed and socially disadvantaged residents in areas characterised by very poor physical environments has been all too evident in the inner city areas of the United Kingdom's largest conurbations, it is also unfortunately been the case that other areas like peripheral housing estates, remote rural areas and increasingly seaside resorts have been experiencing such problems as well. The precise nature and extent of the problem can vary considerably, but the central feature is a stubborn persistence sometimes over many decades.
- 1.2.6 Some of the earliest attempts to address the problems of adjustment faced by the United Kingdom's oldest predominately urban areas were reflected in the operation of the Urban Programme which began originally in 1969. Funds under this programme were allotted predominantly to local authorities on essentially a project by project basis by application. In a similar vein, funds to overcome barriers to the reuse of urban areas associated with

3 Some of it as part of the national evaluation of the Single Regeneration Budget (DETR, Evaluation of the Single Regeneration Budget Challenge Fund; A Partnership for Regeneration, 1998).

land contamination and dereliction were addressed through the Derelict Land Grant. This was a well tried and tested mechanism for providing local authorities and other agencies with funds to enhance the process of reclamation.

- 1.2.7 Area-Based Initiatives (ABIs) as such were deployed more extensively in Britain's inner cities from the early 1980s onwards. The Department for Transport, Local Government and the Regions (DTLR)⁴, has historically been the main department responsible for the development of initiatives to tackle the problems facing such areas in England, although virtually all mainstream departments have had some sort of policy that has focused on a specific aspect of the problem. The DTLR programmes were largely orientated to land and property led physical and economic regeneration. Examples were the Urban Development Corporations (UDCs) and Enterprise Zones. The objective was to tackle what were deemed to be market failures in land and property markets and there is a substantial body of evidence pointing to considerable success in this respect⁵.
- 1.2.8 In the face of evidence that local area regeneration problems were, if anything, intensifying, there was a step change in the policy response from Government in the early 1990s. Again, the DTLR took the lead with the launch of City Challenge. This approach to regeneration represented something of a change from that which had gone before because it was a departure from the rather reactive, project driven approach of the previous decade. The central objective was to encourage sustainable improvements in deprived areas by encouraging local authorities to produce plans to regenerate their run-down areas and to submit bids to the DTLR for the funds to do this. Successful bidders were required to implement plans through a partnership-based approach that involved the local authority, private and voluntary sectors and the local community. On this basis, eleven Pacemaker Partnerships were launched in 1992 and a further twenty round two partnerships designated in 1993. The regeneration plans represented the first real attempts at seeking to bring about holistic regeneration in the local areas concerned since they embraced measures to address economic, physical and social issues in such areas.
- 1.2.9 In many ways the City Challenge initiative, with its focus on encouraging the implementation of multi-faced regeneration schemes developed by local players and selected according to a competitive bidding system of sorts, represented the foundation for the implementation of the Single Regeneration Budget in 1994. SRB comprised two main elements. The first was a regeneration agency called English Partnerships that was given its own ring fenced funding within the SRB regime. English Partnerships were tasked to operate in any area of England, although its activities were mainly concentrated in urban areas. Its central remit was to undertake land clearance and reclamation, assist through grants the building of new and refurbished buildings and provide premises in run-down areas. As such, it reflected the bringing together of three relatively well established instruments of local area regeneration, namely Derelict Land Grant, City Grant and English Estates.
- 1.2.10 The second element of the Single Regeneration Budget was a Challenge Fund approach to local area regeneration that was to be operated through the newly formed Government Offices for the Regions (GORs). The Challenge Fund combined eighteen previously separated programmes designed to bring about economic, physical and social regeneration in local areas (see Table 1.2 below).

4 Previously the Department of the Environment, Transport and the Regions (DETR).

5 DETR, 1998, *Regenerating London Docklands*. London: DETR.
 DETR, 1998, *Urban Development Corporations: Performance and Good Practice*. London: DETR.
 DETR, 1998, *The Impact of Urban Development Corporations in Leeds, Bristol and Central Manchester*. London: DETR.

Table 1.2: Previously separate programmes now under Challenge Fund

Estate Action	Regional Enterprise Grants
Urban Programme	Section 11 (part)
Task Forces	Ethnic Minorities Grant
Business start-up Scheme	Safer Cities
Local Initiative Fund	Ethnic Minority Business Initiative
Compacts	Grants for Education Support and Training 19
Teacher Placement	City Action Teams
Education Business Partnerships	Consolidated Fund Extra Receipts
TEC Challenge	Programme Development Fund

Source: The Government's Expenditure Plans 1997-98 to 1999-2000 (DETR).

- 1.2.11 The SRB Challenge Fund dramatic departure to local area regeneration contained a number of innovative features. It asked local partnerships formed from the public, private, voluntary and community sectors to put forward regeneration schemes that would seek to make a real and lasting change to the areas concerned. The bids would then be evaluated by the GORs through a competitive bidding process. There were no boundaries or restrictions on the objectives or spatial areas that could be covered in the SRB bid. This, therefore, represented a dramatic approach from the policy initiatives of the past that had traditionally focused on delivering a fairly standard package to an area defined by Government. Thus, areas that hitherto had not been eligible for regeneration funding now qualified. Bids encompassing a range of disparate aspects of local regeneration problems could be made, although bidders could also seek funding for specific thematic schemes. A further interesting aspect of the SRB regime was that the regeneration schemes could vary significantly in size from a few thousand pounds to many millions and the duration of the bid from one to seven years. The Single Regeneration Budget was delivered through the Government Offices for the Regions up until the end of the fourth round in 1998.
- 1.2.12 Other Government Departments have also focused on addressing specific aspects of local area problems that fell within their traditional domain. There were examples of this throughout the 1980s and early 1990s, with the Home Office responsible for the Safer Cities Initiative, Section 11 (a programme to support those with English as a second language), and the Ethnic Minority Business Initiative, the Department of Employment initiating Compacts, Employment Action, Job Clubs and the Department of Education responsible for Inner City Open Learning Centres. Throughout, the Department of Trade & Industry gave assistance to companies through Regional Selective Assistance. However, the scope of much of this activity was reduced with the advent of SRB when the funding for some of these initiatives was either reduced or rolled into the SRB budget line.
- 1.2.13 Since 1997 there have been further changes to the shape and form of local area regeneration policy and it is important to describe the most significant policy changes that have occurred as a backdrop to the evaluation of the Single Regeneration Budget. Significant changes have occurred to both DTLR and other Government department policies.
- 1.2.14 One substantial change to the policy scene has been the creation of the RDAs by the DETR (now DTLR) in 1998. Although they began operations in 1998 they were launched formally in the eight English regions on 1st April 1999 with the ninth in London, established on the 3rd July 2000 following on the heels of the establishment of the Greater London Authority. The RDAs have the statutory requirements of:

- furthering economic development and regeneration;
- promoting business efficiency, investment and competitiveness;
- promoting employment;
- enhancing development and the application of skill to employment; and
- contributing to sustainable development at the regional level.

1.2.15 The work of the RDAs is guided by regional strategies that have been agreed by Government. In their first year of operation the RDAs assumed the work and associated funding streams of the Single Regeneration Budget, English Partnerships and the Rural Development Commission. Much of their early funding was thus directed to programmes involving land and property, including the Direct Development Programme (this involved RDAs buying land and improving it themselves), Land Reclamation Programme (whereby Councils and Districts reclaimed derelict sites with funds from the RDAs), a Community Investment Fund, and the Partnership Investment Programme (which has now been abolished following a ruling from the European Commission).

1.2.16 Following the 2000 Spending Round the Government agreed to allow the RDAs to roll their various programmes of regeneration, including SRB into a Single Programme that was to be adopted from financial years 2002-2003. This meant that round six was the last official round of the SRB programme, although during the transition year of 2001-2002 the Government allowed the RDAs to switch resources between programmes. They could also continue to fund SRB type regeneration schemes if they wished as long as they were closely linked to the wider strategic approach of the RDA overall. For some RDAs this flexibility has meant that they were able to finance some residual regeneration schemes that did not receive funding under round six but who might reasonably have expected to receive funding under a round seven. In practice, the position across individual RDAs has varied considerably depending on their individual needs and resource position.

1.2.17 As part of the Spending Review 2000 the RDAs have also been asked to increase their role as strategic leaders of regional development. This has involved drawing-up Regional Strategies which set out the priorities for economic development and regeneration in their regions. In London, the London Development Agency (LDA) is preparing London's economic strategy for the Mayor. Besides the flexibility introduced with the Single Pot they will also have their overall resources increased by around £500 million per year by 2003-2004. The RDAs will also deliver a New Deal for Market Towns announced by the Government in 2001 whereby some 100 market towns in need of regeneration will receive assistance worth £37 million in total to attract additional investment and to strengthen their economies.

1.2.18 The RDAs have also been asked to set targets in relation to the reduction of deprivation in their most deprived wards, with a 10% reduction being desired in the early years. Other targets have been set for the development of brownfield sites within their respective regions and the allocation of new homes on previously developed sites. To improve job opportunities in the region the Government has also asked the RDAs to work alongside the newly established Learning and Skills Councils in order to improve the skills of the young people and to tackle progress according to NVQ guidance targets. Similar targets have been set by DTLR and The Treasury for the RDAs to achieve in relation to the encouragement of enterprise in deprived areas.

- 1.2.19 Besides the creation of the RDAs, the changed mode of delivery and the abolition of SRB there have also been other changes to regeneration policy. In 1997-98 DETR launched a new area programme for local area regeneration called the New Deal for Communities. The focus under the New Deal for Communities has been on addressing multiple deprivation in some of the most deprived areas in England, with a key emphasis on overcoming problems associated with high levels of crime, poor health, below national average educational attainment and generally low levels of economic activity in the local labour markets concerned. The deprived neighbourhoods that have been targeted for NDC usually contain between 1-4,000 households.
- 1.2.20 The scheme is administered by the GORs and involves a commitment of £800 million over three years. The individual neighbourhoods receiving assistance will roll out their local regeneration schemes funded under the initiative over some ten years. The intention is to turn the areas concerned around by making a real and effective impact on key outcome domains like health, education, worklessness and crime. In the first round of NDC some seventeen local authority districts have been selected to be Pathfinders. The scheme has now been extended to embrace a second phase of twenty-two further areas.
- 1.2.21 A second phase of change has now taken place in relation to local area regeneration following the response to a consultation document in April 2000⁶ and a Review of Government Interventions in Deprived Areas (GIDA)⁷. It reflected the work of the eighteen Policy Action Teams and set out a new approach to renewing poor neighbourhoods. As the forward to the document argued, the approach is quite different to that which had gone before because it seeks to encompass all the severely deprived neighbourhoods in England rather than a select few. Secondly, the focus is not just on housing and physical dereliction but also problems associated with worklessness, crime and poor public services. Thirdly, the strategy covers all the mainstream spending by government rather than simply regeneration funding alone. Fourthly, the strategy builds upon the partnership model adopting Neighbourhood Management and Local Strategic Partnerships that bring all parties to the table, namely residents, public, private and voluntary organisations in a partnership model.
- 1.2.22 Out of the National Strategy Action Plan the Government has set up a new Neighbourhood Renewal Unit (NRU) reporting to the Minister for Local Government, Regeneration and the Regions, and a Cabinet-level committee chaired by the Deputy Prime Minister. The NRU is tasked with creating a knowledge management system to share evidence on what works and ensuring that people at the local level have the necessary skills and training. Neighbourhood Renewal Teams in the Regions are to oversee local renewal strategies, administer funding and seek to join-up Government policy. Following the work of PAT 18, the Office of National Statistics has been asked to produce Neighbourhood Statistics that will help to track progress in neighbourhoods and identify those most at risk of decline (at ward level).
- 1.2.23 The National Strategy Action Plan also contained details of the Neighbourhood Renewal Fund (NRF). This fund is designed as a top-up to local authorities in eighty-eight eligible areas and is seen as a mechanism by which local authorities and others can improve core public services in the most deprived neighbourhoods. The NRF is un-hypothecated and local authorities can spend the money on their own service provision and that of other service providers. There are, however, five conditions:

6 National Strategy for Neighbourhood Renewal – a Framework for Consultation.

7 Part of the 2000 Spending Review the Government published in early 2001 *A New Commitment to Neighbourhood Renewal; National Strategy Action Plan*.

- the recipient must be part of, or working for, a Local Strategic Partnership;
- the local authority will be required to produce a statement of how the funds are being used each year;
- the relevant Public Sector Agreements will have a focus on local deprivation;
- the local authority has to make a commitment to contributing to the delivery of national targets for the relevant deprived areas; and
- all recipients will be required to operate within a Best Value Performance Plan.

1.2.24 Overall, the fund will be looked after by the Neighbourhood Renewal Unit. At the regional level the Government Offices for the Regions have the responsibility to ensure that there is a better integration of policies than has hitherto occurred.

1.2.25 The concept of Neighbourhood Management has also been introduced under the National Strategy Action Plan for Neighbourhood Renewal and, although detailed application at the local level is very much for individual areas to decide, the objective is that Neighbourhood Management will work by placing a single person, team, or organisation in charge of looking after local neighbourhoods. The Government is supporting the application of the concept over the next three years through Pathfinders with a development fund of some £45 million. A further development is that, in order to support local communities, the Government will be introducing a fund of £50 million over the next three years to set-up a local 'Community Chest' to provide small grants for community organisations in deprived areas.

1.2.26 As mentioned above, one key feature of the delivery of the Neighbourhood Renewal Fund is that it highlights the use of Public Sector Agreements for departments who it is felt can make an impact on deprived neighbourhoods. This has become part of the process by which the Treasury will grant the funding involved. The Government Departments identified as being relevant will have lead responsibility, but the expectation is that they will work closely with other departments and the local stakeholders at local authority and neighbourhood levels. The Local Strategic Partnerships are seen as part of the way by which these targets are considered at the local level and in formulating local initiatives to achieve them.

1.2.27 There are three further facets of recent policy development that it is helpful to mention as a background to the assessment of the achievements of SRB described in this Report. The first is that the eight Regional Chambers in England have now been given resources by DTLR to enable them to scrutinise the performance of RDAs in relation to their new performance targets. Secondly, following the work of the Roger's Task Force and the recommendations in the recent Urban White Paper, a number of areas across England are developing Local Urban Regeneration Companies to help to bring about regeneration in areas that have historically not responded well to regeneration policy. The Urban Regeneration Companies are designed to help co-ordinate urban regeneration often through land and property led initiatives. However, they have relatively small resources from Government, although the hope is that they will act as a conduit for the leverage of funds from elsewhere in the public sector and particularly the private sector. Moreover, they do not have formal powers to compulsory purchase land or vest land. So far, a number of areas have sought permission from DTLR to establish URCs.

- 1.2.28 Thirdly, other Government Departments have continued to develop their own policy initiatives to focus on specific areas and improve the services they provide to them. This has included initiatives like Employment Zones, Education and Health Action Zones and Sure Start as prominent examples. In this case the objective has been to sensitise mainstream service providers to the problems that relate to their particular domains and then bend, if possible, their funding to address the specific needs of the individuals and communities concerned. In other cases specific initiatives have been deployed. An example of such is the new Phoenix Fund from the Department of Trade & Industry in which social and commercial enterprises in deprived areas are set to receive state funded business support following the Governments decision to allocate £15.2 million from a promised overall £94 million. This programme is managed for the DTI by the Small Business Service.

CHAPTER 2

Targeting social need

Summary of chapter:

Over its six rounds SRB has been able to target social need and deprivation very effectively. Around a third of all SRB expenditure has been targeted towards the twenty most deprived local authority districts in England (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. These findings do give clear evidence that SRB funding in general has been responsive to local needs.

2.1 Introduction

- 2.1.1 While aggregate budgets for Regional Development Agencies are allocated according to the extent of deprivation in the region, there is no automatic presumption that a competitive challenge fund regime will lead to an allocation of regeneration resources which reflects closely the distribution of deprivation and the relative needs of each local area. The most deprived local areas may not prepare bids or may then be rejected on grounds of poor impact or cost effectiveness. At the same time, less deprived areas might be particularly effective in putting forward successful schemes.
- 2.1.2 At the interim⁸ stage of the national evaluation we considered the distribution of the SRB expenditure across England for the first three rounds of SRB to assess how closely local need was met, where need was measured on the basis of the Index of Local Conditions. In this Report we have assembled details of SRB expenditure for the first six rounds of the programme and have examined this aggregate SRB expenditure in relation to the Indices of Deprivation 2000.

2.2 Assessing the geographical variations in local need

- 2.2.1 For many years the DTLR have prepared deprivation indices covering a range of spatial areas. The exercise on targeting social need in the interim Report⁶ used the Index of Local Conditions which was based on 1991 data. This Index was revised in 1998 and further

⁸ Evaluation of the Single Regeneration Budget Challenge Fund, A Partnership for Regeneration: An Interim Evaluation, DETR 1998.

updated to the Indices of Deprivation 2000, which are the measures employed in this chapter. The Indices of Deprivation 2000 comprises:

- six Domain Indices at ward level – income, employment, health deprivation and disability, education skills and training, housing and geographical access to services;
- an overall ward level Index of Multiple Deprivation 2000 (based on the six ‘domains’ of deprivation);
- a supplementary Child Poverty ward level Index; and
- six summaries at local authority district level of the overall Index of Multiple Deprivation 2000.

2.2.2 The detail we have compiled of SRB expenditure for the six rounds is at the local authority district level and, as such, we have used the six summaries at district level for our analysis. The six district measures are:

- **local concentration** – the population weighted average of the ranks of each district’s most deprived wards that contain 10% of the district population. This identifies *hot spots* of deprivation within each district;
- **extent** – measures the proportion of the district’s population who live in wards that have been ranked within the most deprived 10% in the country. This shows how widespread *high levels* of deprivation are within a district;
- **income Scale** – the number of income deprived people in the district;
- **employment Scale** – the number of employment deprived people in the district;
- **average of ward ranks** – a weighted average of the combined ranks for the wards of each district; and
- **average ward of scores** – weighted average of the combined scores for the wards in each district. This takes account of the full range of ward scores across the district and has the advantage of reflecting ‘extreme’ ward scores that are not revealed to the same extent with the ranks.

2.2.3 Each of the district measures were given a rank and score with the exception of ‘Extent’ which, as it only includes districts with wards that fall within the top 10% of deprived wards in the country, could not attribute a score to every district. The ranks assigned to each of the 354 districts for each measure ranged from 1, indicating the most deprived according to the measure, to 354, being the least deprived.

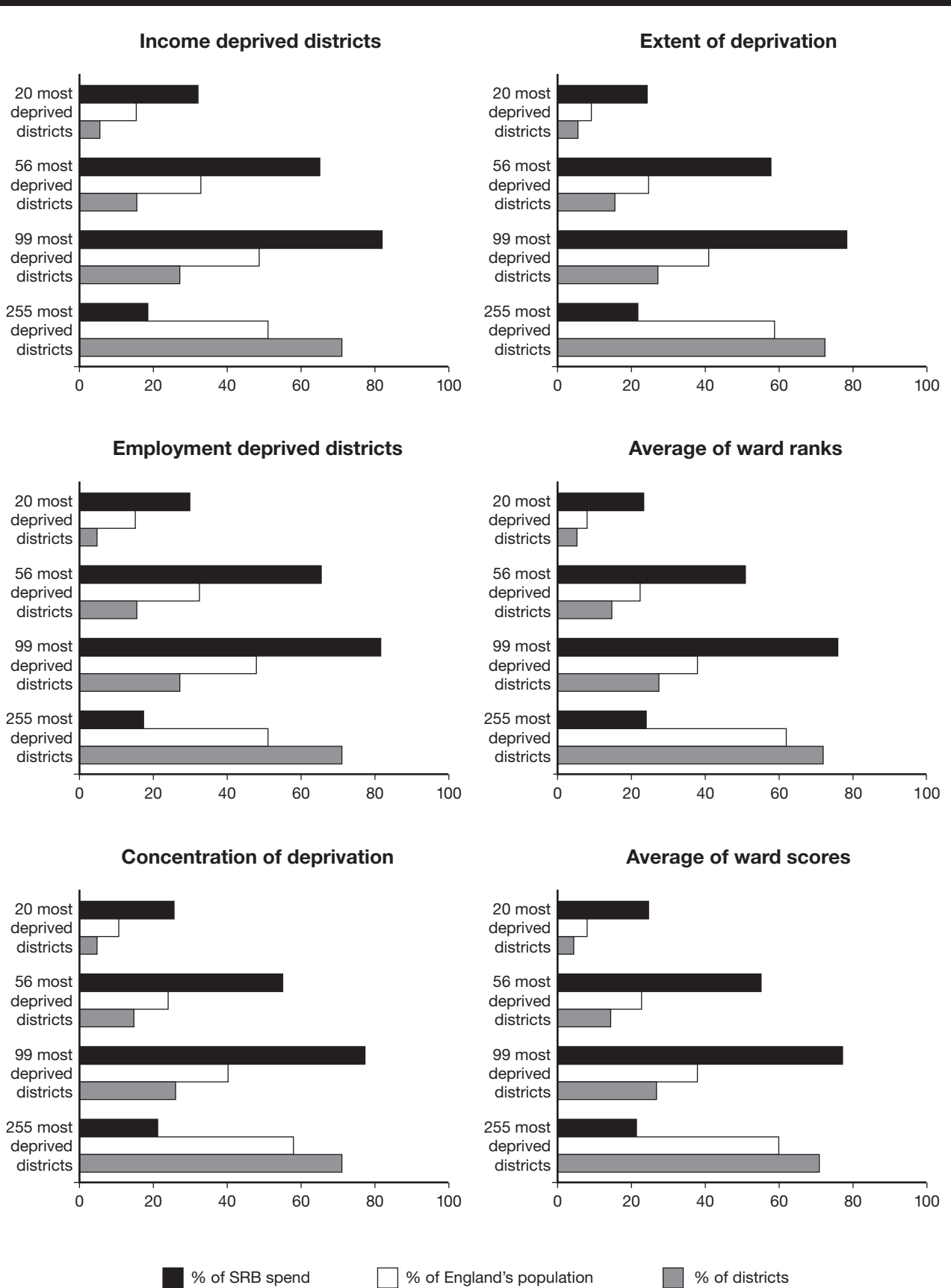
2.3 Identifying the geographical distribution of SRB expenditure

- 2.3.1 The data problems are more severe with respect to the measurement of SRB spend by area because successful SRB scheme's target areas are not defined systematically by any form of area categorisation such as Enumeration Districts (EDs), Wards or Districts. Indeed, most scheme target areas do not coincide with any of these but rather have boundaries which include parts of EDs, Wards and Districts. To obtain precise definitions of target areas would require detailed work on over 1,000 local schemes in the six rounds of SRB and, even if this was undertaken, the defined areas could not be matched to any standard areas for which the Indices of Deprivation 2000 is calculated. For this reason this exercise is carried out at the local authority district spatial level, where it is possible to measure both SRB spend within Districts and the Indices of Deprivation 2000. This is not ideal, however, in the sense that it provides only average SRB spend for the District and does not tell us how far SRB spend within the District has been targeted towards the District's most deprived localities.
- 2.3.2 The preparation of a database of SRB spend for each District proved time consuming. Databases for rounds four, five and six were prepared from scratch using individual scheme details provided by the DTLR website. Further work was undertaken to link each SRB scheme with the relevant LA District to cater for the fact that some LA Districts have several SRB schemes and the fact that some schemes are geographically broad and cover several LA Districts. In most cases where a scheme covered more than one district there was no indication of how much SRB would be attributed to each district. To overcome this problem SRB funding was distributed across all relevant districts according to their population. Once this exercise had been completed the databases for these later rounds were merged with the database of the first three rounds that had been compiled at the interim stage. Further refinements were made incorporating the changes in local authority districts that had occurred over the period to produce a merged database of total SRB expenditure by the 354 English districts.
- 2.3.3 Although analysis was undertaken separately for the six SRB rounds it was felt that the geographical distribution of funds for any one round or differences in results between rounds should not be considered as particularly significant. A better test of how well the SRB regime had been able to meet local need was to take the results for all six rounds together.
- 2.3.4 As there is no overall district summary of deprivation, our initial approach has been to consider SRB spend in relation to each of the six district summaries. To gauge the extent to which the most deprived districts in each of the six measures has received SRB we have examined blocks of districts from the 20 most deprived, the 56 most deprived and the 99 most deprived and then, finally, the remaining 255 districts non-deprived districts.

2.4 Key findings

- 2.4.1 Figure 2.1 illustrates the extent to which SRB funds have been channelled into areas of deprivation for each of the six district summaries of the Indices of Deprivation 2000.
- 2.4.2 When examining income and employment, around a third of all SRB expenditure had been targeted towards the twenty most deprived districts in each case (around 15% of the population). The top 56 districts (including the top 20) had almost two-thirds of all SRB which was distributed 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 wards (around 51% of the population) were in receipt of the outstanding 18% of SRB. These findings do give clear evidence that SRB funding has been responsive to local needs in practice.

Figure 2.1: The distribution of SRB expenditure for the most deprived local authority districts of England



Source: Department of Land Economy.

- 2.4.3 Results from the extent and concentration summaries show similar findings, although the proportion of the population that fall into the top 20, 56 and 99 levels are somewhat lower, with only around 40% of the population in the 99 most deprived districts. While SRB funding to these districts is lower at around 25%, the actual spend per head of population is between £304 and £270 respectively, which is somewhat higher than £241 and £224 per head for the 'Income' and 'Employment' most deprived districts (see Table 2.1 below). Similarly, results from the Average Ward Rank and Average Ward Scores indices fall more in line with the extent and concentration indices.

Table 2.1: SRB expenditure and spend per head for the most deprived* local authority districts of England

	Income	Employment	Extent	Concentration	Average Ward Rank	Ward score
Top 20						
SRB £m	1,824.3	1,719.9	1,369.9	1,503.0	1,319.7	1,461.8
Pop (000s)	7,541	7,652	4,504	5,550	4,085	4,391
SRB spend/head	241.9	224.8	304.2	270.8	323.1	332.9
Top 56						
SRB £m	3,690.6	3,760.9	3,286.1	3,166.4	2,897.4	3,162.5
Pop (000s)	16,159	15,885	12,116	12,185	10,978	11,640
SRB/head	228.4	236.8	271.2	270.8	263.9	271.7
Top 99						
SRB £m	4,650.9	4,669.2	4,469.1	4,443.6	4,319.8	4,436.6
Pop (000s)	23,828	23,706	20,123	20,064	18,578	19,064
SRB/head	195.2	197.0	222.1	221.5	232.5	232.7
Remaining 255						
SRB £m	1,052.6	1,034.2	1,234.4	1,259.9	1,383.7	1,266.9
Pop (000s)	25,139	25,261	28,844	28,903	30,389	29,903
SRB/head	41.9	40.9	42.8	43.6	45.5	42.4
All districts						
SRB £m	5,703.4	5,703.4	5,703.4	5,703.4	5,703.4	5,703.4
Pop (000s)	48,967	48,967	48,967	48,967	48,967	48,967
SRB/head	116.5	116.5	116.5	116.5	116.5	116.5

* Deprivation is measured by the six district summaries of the Indices of Deprivation 2000.

- 2.4.4 Finally, we looked at the correlation between SRB per district and all the Indices of Deprivation to see how close the relationship was (where a strong correlation is indicated by a result close to 1). Table 2.2 below sets out the results. There is a very strong correlation with four of the indices, particularly with respect to the number of employment and income deprived at 0.84. This would seem to reinforce the finding that SRB monies have been successful in targeting areas of need.

Table 2.2: Correlation between SRB spend per head and the Indices of Deprivation 2000

	No of Income Deprived	No of Employment Deprived	Extent Score	Local Concentration Score	Average Ward Raks	Average of Ward Scores
SRB spend per district	0.841	0.848	0.718	0.484	0.595	0.701

CHAPTER 3

Community involvement and community capacity building

Summary of chapter:

After a slow start in rounds one and two, SRB has begun to encourage more effective community participation in local area regeneration.

The participation of communities has varied across SRB schemes. From the ten round one and two schemes that have been the subject of our final evaluation, only Hangleton and Knoll was community led with the direct involvement of residents in the planning, development and delivery of projects. This was partly achieved through partnership working with community-based organisations that had built a strong reputation over time. The Hangleton & Knoll experience provides lessons for the SRB programme in relation to inclusion, project targeting, partnership working, links with existing community activity and sustainability.

3.1 The role of local communities in the SRB process

- 3.1.1 A key feature of the SRB programme has been a bottom-up approach by which partnerships have been formed at the local level to address multi-dimensional regeneration needs. The programme has been attempted to balance the economic and social aspects of regeneration and to offer a more co-ordinated strategic approach to tackling local deprivation.
- 3.1.2 While the majority of SRB schemes have offered opportunities for community/voluntary sector participation, there has been considerable variation across schemes in the actual degree of participation. Of the ten case study final evaluations to date only one initiative (Hangleton Knoll Brighton) was characterised by the local community actually taking the lead in planning and delivering projects. In other SRB schemes the community and voluntary organisations have not always been able to make a significant contribution and/or become involved in the early planning stages of the regeneration initiatives. In some cases capacity building within community groups has been a necessary prerequisite for their participation.
- 3.1.3 Where community involvement has been significant in SRB schemes there has often been a definable impact in terms of the effectiveness of the scheme in meeting its targets and developing a more robust forward strategy. A key factor in community capacity building is to ensure that individual projects have been designed to tie into existing structures and meet identified specific needs. Where this has occurred members of the local community have become more directly involved in issues that they have identified and perceived as

requiring attention. For example, the development of the Opportunities Centre in Hangleton Knoll directly involved the local community in the development of a project to enhance labour market opportunities/training. The Sandfield Neighbourhood Renewal Area Project in Rochdale, in which community capacity building was a feature, also provided a number of opportunities for the direct involvement of local people.

3.1.4 It is desirable to enhance the capacity of key community groups and voluntary organisations that have already built a solid reputation within an area because these are then in a stronger position to encourage the participation of local people in the regeneration process. This approach can also leave in place robust mechanisms that offer increased opportunities to draw down further resources to the area beyond the life of the SRB programme. In this chapter we have adopted conventional definitions. Thus:

- **community groups** are characterised as locally based often informal organisations in which activity and control are exercised by local residents, with and without paid staff; and
- **voluntary organisations** as usually being constituted as a charity or company limited by guarantee that deliver a specialist service often with paid staff supported by voluntary help and may have national, regional and/or local coverage.

3.1.5 Where local communities have been nominally involved in SRB schemes, (ie, their opinions may have been sought through surveys and meetings but they have not been actively involved in the delivery of projects), it has sometimes been difficult to build sustained local interest. As a consequence, this has often led to apathy, particularly during the initial developmental stages where there are often few tangible benefits to meet rising expectations. The development of an early rapport with local communities helps to enhance the delivery of projects, resulting in a clearer understanding, on the part of local people, as to the wider aims and objectives of the regeneration programme overall.

3.2 Community and voluntary organisations as lead partners in SRB partnerships

3.2.1 Out of 373 approved SRB schemes in rounds one and two only eight were led by community groups and fourteen by voluntary sector organisations, amounting to 2% and 3.8% respectively of the total. While the nine round one schemes were classified as being led by the voluntary sector, some were actually led by community groups. The thirteen schemes in round two were more precisely differentiated between community groups and the voluntary sector. In any event the evidence from the national SRB database shows that, in comparison with schemes led by other types of lead partner (eg, local authority, private sector), those led by community groups and voluntary organisations tend to have below average expenditure and be of shorter duration (see Table 3.1).

3.2.2 Some 10% of community/voluntary sector led schemes were targeted at ethnic community problems and disadvantaged groups such as children and the elderly. A further 20% of schemes were linked to improving the physical environment/facilities for the local community. Over a third of these schemes were operating in London, where the capacity of community groups and voluntary organisations is generally more developed, with 20% from the North East. None originated from the East Midlands (see Table 3.1).

- 3.2.3 Given the nature and characteristics of the vast majority of the schemes it has often been difficult for communities, community groups and voluntary organisations to be involved as an equal stakeholder alongside local authorities and the private sector. In the majority of cases local authorities are the accountable body and have often thus assumed responsibility for the overall development/delivery of the scheme. In some instances this has created some early tensions and mistrust within communities and has meant a slow engagement of local people in the regeneration of their area. It has also led to problems in subsequently delivering projects in which local co-operation has been a prime requirement. There is little evidence of funding being specifically allotted for capacity building, amongst the early rounds of SRB, although the position improved considerably in later rounds.
- 3.2.4 Although Councillors have sometimes been involved in individual SRB projects, the main influence of local authorities has been through Officers who have had responsibility for the operation of SRB schemes, generally as lead partners and/or the accountable body. While Councillors have participated in the development of projects (eg, in terms of sitting on the Boards of existing community organisations), this type of involvement was not significantly enhanced as a direct result of the SRB schemes. In reality, Councillors are involved in a range of local development initiatives that include projects within SRB programmes.

Table 3.1: SRB schemes with lead partner from the voluntary/community groups

	Duration of scheme (years)	Region	Total scheme cost (£)	Classification of local partner
Round 1				
Walker Open Learning & Fitness	2	NE	0.5	Vol
Social Partnership	2	NE	0.7	Vol
Miles Platting & Ancoats Young People	2	NW	2.0	Vol
Architecture Centre – N. Kent	3	SE	0.6	Vol
The Bloomsbury Project	3	LO	3.7	Vol
Cautioning Support Project	5	NE	0.5	Vol
Black Country Urban Forest	5	WM	0.8	Vol
Action for London's Environment	5	LO	4.7	Vol
Royds Bradford*	7	YH	104.6	Vol
Round 2				
The Brentwaters Partnership (Suffolk)	3	E	0.1	Com Group
Wolverton: Youth Community Business	3	SE	0.2	Vol
Casac Partnership (Leeds)	3	YH	0.2	Com Group
Amble Challenge Bid	3	NE	0.3	Com Group
Hardwick Comm Partnership Regeneration	3	NE	0.4	Com Group
Enhancing the dev't of ethnic minorities	3	LO	0.6	Vol
Stratford Regional Station	4	LO	1.6	Com Group
Hangleton and Knoll*	4	SE	1.6	Com Group
Children and Neighbourhoods in London	5	LO	0.3	Vol
Developing Park Royal's Offer	6	LO	2.0	Com Group
Older People: Harnessing Potential & Prov supp	6	LO	2.1	Com Group
Pan London Comm Regen P'ship (Ethnic Communities)	7	LO	0.8	Vol
Vital Centres and Green Links	7	LO	8.2	Vol
* Schemes that form part of the Cambridge twenty case study SRB Evaluation. The final evaluation of Hangleton & Knoll has been completed as part of the Mid Term Report.				
Source: DTLR Database.				

3.3 Community and voluntary sector involvement within the ten SRB Schemes

- 3.3.1 At the midterm stage of the research community and voluntary sector involvement in SRB has been modest but it has been increasing through time. Although this impact has been variable across individual schemes and projects within schemes, there is a growing interest among community and voluntary organisations in taking a stronger role in locally targeted regeneration schemes.
- 3.3.2 For those schemes that have been geared towards thematic programmes it has proved difficult to engage local communities beyond initial consultations and/or meetings to inform the public of programme developments. Moreover, it has been a complex process involving numerous local communities spread across wide geographical areas.
- 3.3.3 From its inception, the SRB Challenge Fund has placed greater emphasis than previous regeneration programmes on the requirement for schemes to address community need. This was achieved through encouraging the involvement of communities and ethnic minorities within communities in the regeneration process. However, GORs generally acknowledged that the majority of round one schemes/partnerships were weak in this regard and by round six specific guidance was issued by DETR to strengthen the position across SRB delivery. While part of the problem stemmed from the comparatively short time scale in bringing SRB on-stream, it was also evident that the majority of community groups and voluntary sector organisations did not have the resources or range of skills to play an active/lead role in the individual schemes. This has remained a key issue for all local area-based regeneration initiatives and emphasises the need to provide sufficient funding for community capacity building. A clear example of this need can be seen when a community or voluntary group has to make an effective contribution to managing a key theme in a partnership and thus requires funding for salaries.
- 3.3.4 However, it should also be pointed out that community groups often have their own agenda that does not always involve co-operative working with a range of other community partners. While it is an issue for communities in general, it is also of crucial importance for black and minority ethnic groups who may often feel isolated **within** local communities. Tensions can arise in terms of the ownership of community-based projects in which local people do not always feel that they have been adequately consulted regarding the scope and tenure of specific initiatives. For example, the membership of SRB Partnership Boards are often heavily biased towards local authorities, voluntary sector and other public sector bodies with little direct community representation.
- 3.3.5 In thematic schemes such as Northumberland Community Safety, Brent & Harrow, the Lancashire Manufacturing Partnership and Engineering in Education, there was little evidence of community influence and/or involvement in the management planning and development of the SRB initiatives. Moreover, where SRB schemes have been linked with major physical regeneration (as in Limes Farm and Chalkhill) community involvement has also been minimal.
- 3.3.6 As part of the Rochdale Canalside SRB scheme an extensive community consultation exercise was carried out. It showed low levels of participation in community groups, little sense of community identity and considerable fragmentation between local groups. As a

result, the scheme began to address this issue by supporting local community groups and convening a Community Empowerment Working Party. This Working Party evaluated the current situation and determined a strategy for future capacity building in the area. Their recommendations were subsequently passed on to the Corporate Executive (SRB round five) in order to help them to develop community participation in local regeneration.

- 3.3.7 In Hangleton and Knoll, where the SRB scheme was community led, there were significant opportunities for residents' participation in the development and operation of projects. Thus, the variable approach to community engagement in SRB may influence the perceived parameters for community involvement and could thus constrain the level of community commitment at the project level.
- 3.3.8 Despite the initial difficulties for round one schemes they have generally increased the involvement of both community and voluntary sectors over their lifetime. This capacity building has continued across successive rounds of SRB. In this respect, the SRB experience has strengthened the validity of capacity building among key local players/communities. This has been amply demonstrated in the case of Hangleton Knoll partnership where a modest £1.6 million of SRB expenditure has resulted in an effective regeneration programme for the two estates concerned, strengthened the operations of existing community-based groups and involved the wider community in the regeneration process. This scheme has thus provided evidence of the positive aspects of capacity building and how projects may be added to existing community-based activity. In the case of Hangleton Knoll this was achieved through the involvement of two estate-based community associations that had been involved in previous community-based regeneration prior to SRB.
- 3.3.9 Across the ten SRB projects evaluated in this Report a number of projects have actively involved the community, including:
- community safety/crime prevention;
 - health and drugs initiatives;
 - training/employment programmes;
 - the setting in place of community forums;
 - environmental projects;
 - community-based businesses;
 - housing development initiatives;
 - black and minority ethnic projects particularly linked to education and training;
 - the provision of community chests for new community groups; and
 - the development of existing community organisations.

- 3.3.10 While various projects have offered opportunities for community participation, this has often been through public meetings, consultations and participation in social surveys. In some cases this has created tensions between SRB partnerships and local communities who feel they have not been sufficiently involved in the regeneration activity in their area. This also has implications for sustainable development and the design of a viable forward strategy beyond SRB. Community groups clearly have a key role to play in the design of sustainable outcomes.
- 3.3.11 This issue was taken on board by DETR through the development of the Bidding Guidance for successive rounds of SRB. In round six guidance (December 1999), for example, greater emphasis has been placed on community participation and community capacity building as an integral part of the regeneration process.
- 3.3.12 The Home Office report of the **'Policy Action Team on Community Self Help'** (September 1999, Chapter 5) lays out the principles and action plan for community self help through the work of the Active Community Unit (ACU). It is envisaged that the work of the ACU would link with other programmes such as SRB, NDC, NRS and the Social Exclusion Unit within the Cabinet Office in encouraging a more proactive community role in the development of local areas.

3.4 Community led regeneration – the Hangleton Knoll experience

- 3.4.1 Hangleton and Knoll are two local authority housing estates to the north of Hove which are physically isolated from the Brighton and Hove urban area. This isolation had excluded local residents from the regeneration activity taking place elsewhere in the urban area. The Knoll Estate is one of the oldest council estates in the country and was built in the 1920s, whilst the Hangleton Estate was built mainly in the 1950s. The Council stock is of traditional construction and low rise. There are about 8,000 people in the target area. The Estates have no locally-based/focused employment opportunities and few leisure facilities and there are serious problems of crime and disaffection amongst young people. Given the £3 return bus fare to town centre facilities and shops, the geographical location of the estates is significant for those unemployed or on low wages with limited disposable income. Despite previous community development initiatives, SRB provided an opportunity to offer local people a greater stake in regeneration linked to their identified needs.
- 3.4.2 In Hangleton and Knoll the SRB scheme was community led and operated in conjunction with an existing community development agency (The Hangleton Knoll Project) that worked with local community organisations, charities and the local authority. The Hangleton Knoll Partnership (HKP) commenced its operations in 1983 as a Community Development Agency through the efforts of a small group of residents. The agency subsequently built a reputation for working to improve the quality of life for local residents. In its early years the Project employed just one community worker and for the first three years was funded solely from community resources. Over the period 1983 to 1995 the Project's work on the two estates attracted over £3 million of expenditure, including the input from the Community Centres but excluding substantial amounts of unpaid voluntary work by the community itself.

3.4.3 The Project under SRB employed some 10 staff and helped to initiate over 80 local community groups with some 180 residents regularly helping to organise and run community activities and attend meetings. This has been achieved through direct involvement in the planning operation of projects and/or participation in the various projects as beneficiaries. Although the number of local people regularly involved in the organisation of activities is only a few hundred, those using newly developed facilities has amounted to several hundreds with, for example, some 3,000 residents using new sports amenities. Local residents have been directly involved in such projects as planning environmental improvements, the Opportunities Centre (support for entering the labour market), the Community Festival, improvements to the physical and social amenities at the two community centres and the Youth Music Project.

3.4.4 The numbers of local residents involved are indicated in Table 3.2 below, which provides an indication of local interest in the SRB projects.

Table 3.2: Selected gross outputs for Hangleton and Knoll

Type of resident activity	Numbers involved
Residents accessing employment through training	323
Number of training weeks	1,760
Young people benefiting to promote social and personal development	1,289
Number attending youth crime prevention initiatives	473
No local people given access to new sports opps/facs	3,066
Number local people given access to new cultural opps/facs	3,006
Number using improved cultural facs	1,402
Number voluntary organisations supported	2
Number community organisations supported	23
Number individuals employed in voluntary work	404
Residents receiving emp/training/education advice	938
Residents receiving referral to jobs and/training	1,353
No volunteers receiving training	145

Source: Final evaluation of Hangleton & Knoll.

3.4.5 The other main partners in the scheme are the Hangleton Community Association, the Knoll Community Association, the Hangleton and Knoll Community Festival and Brighton & Hove Council (formerly Hove Borough Council). Part of the programme was delivered by East Sussex Careers Service and Sussex Chamber of Commerce Training and Enterprise. Each project was managed by its own steering group that included representatives from the main partners, though steering groups were required to report back to the HKP Board regarding progress. This created a degree of continuity while enabling the community to retain a measure of control on the scope of the individual projects.

3.4.6 The partners agreed that Brighton & Hove Council should act as the accountable body for the partnership. It should also be responsible for the financial management of SRB funds using the Council's financial management systems to enable accurate and timely budget monitoring and receipts and payment systems to be carried out. Where grant aid is awarded to community groups they are required to account for these and enable auditors to access records under the accounting guidelines set out by the Charity Commissioners.

- 3.4.7 In partnership with the two community associations a number of projects were developed to expand the scope of community-based activity and enable residents to increase their skills in relation to wider employment opportunities. The SRB programme built on previous community development work on the two estates and in consequence provided an opportunity for local residents to design and deliver a programme for the local community. In exceeding the vast majority of its targets, the programme sought to leave in place a robust framework that will enable the Hangleton Knoll Partnership, in conjunction with other community organisations, to encourage further regeneration on the two estates and increase community involvement in that process. The Opportunities Centre, as a major initiative to enhance labour market opportunities, has provided support to adjacent communities through the opening of a second office. The newly formed Trust for Developing Communities is hoping to operate in the wider Brighton and Hove conurbation as a support agency that can draw upon the Hangleton & Knoll experience in encouraging other communities to become involved in regenerating their areas.
- 3.4.8 The Hangleton & Knoll SRB scheme is a good example of intensive community involvement in regeneration in which the community can play a significant role in the regeneration process. The local authority, to which financial management has been delegated, plays a secondary supporting role as is the case in Royds Bradford, where the SRB scheme has enabled links between community bodies and city-wide organisations to be established. In Hangleton Knoll the position has been somewhat different, whereby the SRB scheme has brought badly needed extra resources to the community sector to enable it to broaden its regeneration activities and work in partnership with other bodies who have expertise in economic, social and environmental regeneration.
- 3.4.9 A simple and effective community structure was already in place, though SRB greatly extended the scope of its activities and enhanced its capacity to undertake more comprehensive regeneration. However, as is usually the case, much of the responsibility for the SRB scheme fell to a relatively small number of local individuals who had experience of community development through the operation of the Hangleton Knoll Partnership. Future activities could usefully link further capacity building to a robust forward strategy that would involve greater numbers of the local community in the regeneration process. This approach should be considered as an integral part of a framework for the future sustainable development of the area.
- 3.4.10 In delivering an effective SRB scheme, the Hangleton & Knoll experience has:
- linked SRB projects to local needs as defined by the estate-based communities;
 - recognised the value of developing and extending existing community-based organisations and initiatives in terms of capacity building and community participation;
 - attempted to build wider opportunities for local residents in terms of their future economic security, particularly through the Opportunities Centre and its links with the wider Brighton & Hove labour market; and
 - improved the amenities available to local communities through increased social facilities and environmental gains.

3.5 Community groups and voluntary organisations as partners in SRB Schemes

3.5.1 Table 3.3, over, indicates the nature and extent of community group/voluntary sector involvement in schemes led by other types of lead partner organisations such as local authorities and Training and Enterprise Councils. In all but two of the remaining eighteen case studies there is at least one partner from the community/voluntary sector, though participation varies widely between the case studies. Some of the reasons for this variation are:

- round two schemes were able to involve community groups and voluntary organisations more effectively than round one schemes;
- schemes focusing mainly on economic objectives and thematic schemes generally have relatively lower involvement of community groups/voluntary sector than multiple objective schemes, eg, Engineering in Education, Lancashire Manufacturing Partnership, City of Sunderland, Swadlincote Woodlands;
- small area estate-based schemes have the most strongly developed community group involvement because the community groups are directly and intimately affected by the scheme, eg, Chalkhill, Hull City Visions, Woolwich, Nottingham, South Leytonstone, Limes Farm and Central Brighton;
- town and city-wide schemes are characterised more by umbrella community groups/partnerships and city-wide voluntary organisations acting as partners in a more representative fashion as opposed to direct involvement, eg, Wolverhampton, Bristol and Canalside Rochdale;
- schemes extending over more than one District which also tend to be thematic are more likely to have token representation of a voluntary sector organisation or none at all, eg, Lancashire Manufacturing Partnership, Merseyside Learning Partnership, Northumbria Community Safety, West Cornwall Initiative and Engineering in Education fall within this group;
- some schemes recognised that the community sector was relatively under-developed and lacking in capacity and decided not to involve community groups as partners but rather build up their capacity through involvement in individual projects. To some extent this applies to Nottingham, West Cornwall, City of Sunderland, Swadlincote Woodlands and Canalside Rochdale; and
- community groups and voluntary organisations are less well developed in remote and scattered communities in more rural areas than in heavily urbanised areas, eg, West Cornwall, Swadlincote Woodlands.

Table 3.3: Community groups and voluntary organisations as partners across the twenty case study schemes

Name of scheme	Community/Voluntary Sector Partner(s)
Regenerating Central Brighton	Brighton Festival Society PACT Community Project West Hill Community Association Sussex Racial Equality Council Brighton Council for Voluntary Service
Chalkhill Estate*	None
Swadlincote Woodlands	Swadlincote Woodlands Community Forum (newly established)
Canalside Rochdale*	Rochdale Voluntary Sector Forum
Regenerating Wolverhampton*	Wolverhampton Voluntary Sector Council Community Partnerships sub-committee
Merseyside Learning Partnership	Merseyside Council for Voluntary Service
Brent and Harrow* (North West London TEC)	Community Works Partnership Forum Kilburn Skills
Limes Farm Estate*	Limes Farm Residents Association The Vineyard Church Citizens Advice Bureau
Northumbria Community Safety*	Racial Equality Council Northumbria Coalition against crime
South Leytonstone Community Partnership	Stratford Community Forum Cathall Road Estate Steering Group Avenue Estate Steering Group Waltham Forest Forum
Woolwich Revival	Greenwich Waterfront Community Forum (3 out of 9) Council for Racial Equality
Bristol Regeneration Partnership	Bristol Black Voluntary Sector Voluntary Sector Standing Conference on Urban Regeneration (VOSCUR)
Hull CityVision	Gipsyville Action Centre Steering Group Francis Askew School
Nottingham – Capturing the Dynamics	Broxtowe Estate Forum Voluntary Sector Urban Regeneration Forum
West Cornwall Initiative*	None (except at project level)
Lancashire Manufacturing Partnership*	None
City of Sunderland	City of Sunderland Forum
Engineering in Education*	West Midlands Industrial Club (charity) Education/Business Partnerships TELS Partnership

* First ten final evaluations that form part of this Mid Term Report.
Source: Cambridge Evaluation, Case Study documents.

- 3.5.2 There are also variations in the numerical strength which community groups/voluntary sector carry in the partnership relative to other partners on the Board. The most common practice is for each partner to have one representative on the Board. In some cases the local authority lead partner or partners has three or four representatives on the Board whereas other partners only have one. For example, in Wolverhampton there were fifteen Partnership Board Members of which the local authority had six, the TEC two and other partners one each, two of which were voluntary sector organisations. In other schemes the community/voluntary sector has given more weight on the Board and therefore greater influence on decision making.
- 3.5.3 For example, the Woolwich Partnership consists of a Board of nine Members, with three each from the London Borough of Greenwich, local business representatives elected through the Greenwich Waterfront Business Forum and community representatives elected through the Greenwich Waterfront Community Forum. In this case the weight given to community representation is a third, which is the highest of all the case studies where the community group is not the lead partner. However, it is more typical for the community/voluntary sector to have a Board representation of the order of 10% or even less. This often reinforces the view of the community that they are somewhat isolated and peripheral to the decision making process, leading to marginal or token involvement.
- 3.5.4 SRB programmes that purport to address community involvement in regeneration have to offer greater opportunities for community/voluntary sector organisations and local communities to have more direct involvement in the planning and operation of projects. This necessarily raises issues of capacity building, training and resource allocation as an integral part of the regeneration process and may involve a longer period in the consultation and planning stages of projects. In balancing the overall success of projects these early planning 'costs' could lead to increased effectiveness associated with the number of beneficiaries and the sustainability of initiatives through attracting longer-term funding.

3.6 Assessment of community involvement in the ten case studies

- 3.6.1 The evaluation team have made an assessment of the degree of effective community involvement across the ten case studies that form the Mid Term Report. In only one case was there high and effective community involvement. In four cases there was some community involvement but it was not very effective and the five remaining cases were token community involvement only.
- 3.6.2 Half of the case studies were placed in the token category where representation on the partnerships and development of individual projects only amounted to a minimal involvement on the part of the community/voluntary sector. Some of these were thematic schemes where the relevant target community had not been clearly identified. However, some schemes had multiple objectives covering a wide geographical area of a whole district or more in which there were several local communities that created major issues regarding their representation on any partnership structure. In the case of the Wolverhampton round one scheme there was little evidence of any direct involvement of the community in the management structure as the partnership was heavily biased towards the council and

the Chamber of Commerce, with no direct community representation. In many respects this set the tone regarding the role of the community in the regeneration process. Thus, although there were closer links with the community at the project level where consultation and capacity building are in evidence, projects were reliant on project officers taking the lead.

- 3.6.3 Only one scheme (Hangleton Knoll) had high and effective community involvement. This was located within a small geographical area and had multiple objectives targeted on two communities that had a strongly developed community structure linked to established community organisations. In this case the local authority (as the accountable body) recognised the capability of the community and its organisations to lead the regeneration process, based on the latter's previous community development experience. In general, local authority lead partners were more effective in involving community groups in the regeneration process than were the private sector or Training and Enterprise Councils.
- 3.6.4 According to our estimates 40% of the case studies were in the medium category, as is Limes Farm, where community-based initiatives were added alongside the physical upgrading of old housing stock that was itself part of a much larger, non-SRB, local authority housing renovation programme for the estate. While the community was consulted, their involvement in the design and operation of the scheme was limited, with little evidence of capacity building leading to effective resident participation in this regeneration programme.

3.7 Evidence of changing community perceptions of their local area from MORI Surveys

- 3.7.1 Three of the case study areas (Chalkhill, Hangleton Knoll and Canalside Rochdale) were the subject of MORI surveys. From these surveys it has been possible to discern the scope of community activity in terms of residents' informal support networks via family and friends, commitment to voluntary work/community organisations and perceptions of the area in which they live with respect to community safety issues. Collectively, these data have enabled the research to build a picture of local conditions and the context in which local people become involved in their community. This is important in determining the potential for the enhanced engagement of communities in local regeneration activity that could lead to sustainable development. The Survey results represent a cross-section of the residents of the three case study areas including a panel element which is shown in brackets in the table below.
- 3.7.2 Some of the findings from the MORI surveys were compared with national benchmark figures, though there were no such comparators available for use of informal social support networks and levels of community involvement. It should be noted that Chalkhill and Rochdale have significant Black and Asian populations while Hangleton Knoll is predominantly white, with just 1% of the local population from black and minority ethnic groups. There is also an issue of the Chalkhill population being decanted as a result of major housing redevelopment that clearly disrupted community life in the area. In some measure these factors may account for the differential responses in the MORI survey across the three areas, particularly in respect of involvement in the community, participation in voluntary/community activity and reliance on friends/relatives.

Table 3.4: Changes in outcomes (panel in brackets)

	Chalkhill		Hangleton & Knoll		Canalside		England	
	1996	96-99	1996	96-99	1996	96-99	1999	96-99
Community involvement								
Those feeling closely involved with community	28 (27)	+11 (+8)	25 (28)	+1 (-2)	28 (30)	+10 (+5)	37	-
Whether taken part in voluntary/community activity in last year	12 (13)	-2 (-3)	22 (26)	+1 (-1)	10 (15)	+1 (-1)	-	-
% strongly agree if alone could rely on friends/relatives in area for help	32 (44)	+9 (+6)	58 (61)	+5 (0)	60 (65)	-1 (-7)	66	
% strongly agree could turn to friends/relatives in area for advice/ support	28 (37)	+7 (+4)	50 (51)	+5 (+3)	55 (60)	0 (-5)	46	
Crime and Safety								
Area very/fairly safe when walking alone in area after dark	36 (35)	-2 (0)	44 (44)	+5 (+7)	35 (31)	-2 (+1)	68	0
Area very unsafe/don't go out alone after dark	50 (53)	-5 (-8)	33 (31)	-3 (-4)	47 (51)	-2 (-7)	11	0
More safe than 3 yrs before	16 (16)	+11 (+14)	2 (12)	+5 (-4)	9 (19)	-4 (-15)		
Less safe than 3 yrs before	17 (22)	-5 (-8)	21 (22)	-3 (-3)	26 (32)	+7 (+5)		
Ethnic breakdown (HoH)								
White	35 (48)	+1 (-1)	98 (98)	0 (0)	77 (74)	-2 (-1)	95	-1
Black/Asian/other	65 (52)	-1 (+1)	2 (2)	0 (0)	23 (26)	+2 (+1)	5	+1
Main sources: MORI social survey 1996 & 1999. ONS Omnibus Surveys 1996 & 1999. British Crime Surveys 1996 & 2000.								

3.7.3 When invited to comment on whether they felt closely involved in the community, there was a significant increase over time of those responding positively in Chalkhill and Rochdale compared to Hangleton Knoll. These responses may be linked to the fact that the black and minority ethnic groups in Chalkhill and Rochdale have more developed networks within their own communities. The general trend across the three areas showed an increase in 'feeling closely involved in the community'. However, participation in voluntary/community activity was significantly higher in Hangleton Knoll (in the region of 24% compared to some 12% in Chalkhill and Rochdale). This could be attributable to the history of community led initiatives on the Hangleton and Knoll estates and the fact that the SRB initiative was a community led scheme. Those who strongly agreed that they were able to rely on friends and family were greatest in Hangleton Knoll and Rochdale, though the less positive response from Chalkhill may be linked to the disruption of community life due to major physical regeneration (see Table 3.4 above).

- 3.7.4 Safety within local communities is a crucial factor that can have a bearing on the commitment of individuals to participating in community-based activities and community organisations. In this respect all three areas had seen a decline in respondents who felt unsafe/very unsafe in their locality, though Hangleton Knoll had also seen a significant increase, over time, of those perceiving the locality to be very or fairly safe. Only in Chalkhill was there a significant increase in those indicating that their locality was 'more safe than three years before', whereas Rochdale showed a decline in the number of respondents sharing this view. In Chalkhill and Hangleton Knoll fewer respondents suggested that their locality had become less safe over the past three years, though Rochdale showed a significant increase in those indicating this view point (see Table 3.4 above). As the bulk of the Rochdale SRB funding was linked to physical regeneration, and the Building a Safer Community theme consisted of small targeted projects, there was limited impact on community-wide safety issues.
- 3.7.5 Across the three areas 17% of survey respondents had heard of the Single Regeneration Budget in 1999, compared with 10% in 1996. Awareness varied between areas, from 27% in Hangleton Knoll to 12% in Chalkhill and 13% in Rochdale. Panel respondents were more aware of SRB than the sample as a whole. The low level of participation in Chalkhill and Rochdale reminds us that relatively low SRB expenditure or the concentration on physical regeneration will not bring direct benefits to/or result in the involvement of many residents from deprived areas.
- 3.7.6 Hangleton Knoll is an interesting exception in which SRB funding of only £1.6 million has brought direct benefits to 36% of survey respondents. This was a community designed scheme for the community. In being led by community groups that were in touch with residents, funding was used mainly to develop community facilities, improve access to public services, training and the labour market, and improve the local environment. This resulted in an effective scheme that was closely linked to locally defined regeneration needs and could, therefore, draw on the established pattern of residents' involvement – albeit from a relatively small number of people.
- 3.7.7 While our evaluation has provided evidence of the levels of community involvement in SRB schemes/individual projects, the MORI surveys have provided indicative data regarding changing local perceptions over a three-year period. As an example, perceptions of community cohesion and crime and safety have generally shown a positive trend, though there have been differences across the three survey areas (see Table 3.4 above).
- 3.7.8 Although changes in community perceptions cannot be directly linked to participation rates in SRB initiatives, it is suggested that communities exhibiting a more positive attitude towards the social fabric and operation of their community are more likely to participate in further regeneration activities. This should be considered a starting point in building local capacity and sustainability.
- 3.7.9 Therefore, it is suggested that local surveys do have a part to play in the evaluation process. However, such surveys could benefit from the inclusion of questions as to how participation by local communities has impacted on their perceptions regarding further involvement and commitment to local regeneration.

3.8 Participation of black and minority ethnic communities in SRB funded schemes

SOCIAL EXCLUSION

- 3.8.1 Ethnic groups often experience particular problems. In 1998 we carried out a body of work based on the first baseline social survey of the seven case study areas to look at social exclusion⁹. The work undertaken was a logistic analysis of the surveyed residents which allowed an in depth assessment of the characteristics of those residents who were experiencing some form of exclusion. The socially excluded were defined as the unemployed, on low income (Income Support) and those who did not feel involved with their local community. A number of variables were introduced to the analysis as explanatory factor one of which was whether the head of household is non-white or white.
- 3.8.2 The results from this piece of work showed that for both low income and unemployed residents there was a statistically significant probability that they would be in rented accommodation, have relative ill-health and be non-white. While it was also found that non-white residents were more likely to feel closely involved with their community, the analysis showed that of all residents likely to move out of the area in the next two years there was a greater probability of them being male, under 45 years of age and non-white.

EVIDENCE FROM CASE STUDY FINAL EVALUATIONS – SOME EXAMPLES

- 3.8.3 Examination of our case study final evaluations indicates where some of these issues of exclusion have been tackled by projects targeted specifically towards these concerns. Findings have shown that, for areas where there is a significant proportion of the population from the ethnic minorities, there is concern to encourage these groups to take up some of the mainstream training and education programmes. Some projects have been specifically designed to tackle this problem as in the case of Canalside Rochdale. Three pre-vocational projects were funded by SRB to help alleviate this problem:
- the first of these was the **English as a Second Language** project, which provided pre-vocational training in English for four years aimed specifically at the Bangladeshi community. The project ran well and had a good take up, with 200 in total on the programme. This was managed by the Rochdale Borough Chamber of Commerce, Training and Enterprise (the Chamber) and was subsequently absorbed into the mainstream;
 - the **Vocational Preparation for the Asian Community** project had similar aims to the ESOL project, running courses in literacy and numeracy, IT, administration, catering. This training, provided by the Kashmir Youth Project (KYP), continued for four years and attracted over 200 trainees, 30 of whom went on to gain employment. KYP are now running the project with ESF money under Objective 2 status; and

9 *New findings on the nature of economic social exclusion in England and the implications for new policy initiatives*, Department of Land Economy Discussion paper 101, 1998.

- **Vocational Preparation for Asian Women** was designed as an outreach project and focused on the Deelish community of Rochdale. It was delivered by Pitman and Safara Training and was run initially from the women's homes and then from local community centres to overcome some of their concerns of training on unfamiliar ground and in English speaking environments. It was developed sensitively with a view to enabling trainees to learn at their own pace and gradually familiarise them with the learning environment. Training included numeracy and literacy, administration and IT. This project also ran for four years and was very successful with over 160 women taking part. It was the first project of its kind in Rochdale and has now been absorbed into the mainstream, benefiting other communities in the local area.

3.8.4 Following the success of these training programmes there is evidence from the Chamber that take up of mainstream programmes by people from the ethnic minorities has increased. Over 40% of SRB funds within the Training for Life and Work theme was dedicated to these three projects and those who benefited from the projects were the subject of a beneficiary survey undertaken by the SRB research team. A total of 67 trainees responded to the survey, which represented an estimated response rate of 21%. As this was quite low the results can only be treated as indicative but, nevertheless, they are quite encouraging. Main findings show:

- 94% of respondents indicated that this had been the first course they had attended in the last five years. This suggested that the project had been successful in targeting people who had not recently taken part in mainstream training programmes;
- views on the quality of training received were very positive, with 81% rating the training as excellent or good whereas only 5% thought it was poor. The main comments on training were of confidence that their English had improved and a recognition of good teaching from the staff along with a general encouragement and friendliness which had helped in the teaching process. When asked whether a similar course could have been found elsewhere, 63% felt they would not and a further 17% felt unable to comment;
- as one of the main aims of the projects was to encourage further uptake of training or education programmes, respondents were asked if they had sought to do this following the course. Just under a third (30%) had sought further training and a quarter had sought further education. 40% said they had more confidence in seeking work and, in fact, 15% have now gained employment; and
- it is also encouraging to see that 42% of trainees went on to use at least one other services/seek further information following participation in their course. Of those seeking further information nearly a third used the Employment Service and 19% approached voluntary organisations. It is also important to note that of those seeking further information 43% had been directed to them from their training course.

3.8.5 The results of this survey suggest that the three training projects had been successful in reaching their targeted population and that the training they received was considered of a good standard. Bearing in mind the respondents had generally not engaged in previous training programmes, it should also be considered a measure of success that nearly a third of trainees were encouraged to seek further training and 25% proceeded to further education. It is also important that the training programmes built confidence among participants and that 15% had now entered the labour market.

- 3.8.6 The Chalkhill SRB scheme was designed to assist Chalkhill residents, three-quarters of whom were from the ethnic minorities, in obtaining some job benefits from the housing renewal scheme which was running alongside through construction industry related training. In addition, it sought to raise residents employability in competing for jobs in the wider Wembley labour market. As part of this objective a number of projects were designed specifically aimed at the local ethnic population:
- **ESOL** was the first of these projects, which assessed clients for whom English was not their first language to determine their level of English in order to assign them to the appropriate class. The classes were offered at different times to suit the client's schedule and provided a much needed service in an area which receives many refugees and, therefore, has a great need of ESOL training.
 - **Basic Education** was a project designed to assist disadvantaged young people, the majority of whom were refugees, to move onto employment or further education and training. Participants took English language and numeracy classes as well as studying information technology. In the second term they had the opportunity to spend one day per week in a work placement. Throughout the course they had access to a guidance worker and complete action plans for their participation during the year – after which the majority of the students were able to move onto further education rather than employment.
 - **PACE (Practical Action for Choice of Employment)** also worked with young people to prepare them for the world of work. Clients trained for twenty weeks combining classroom training, including IT skills, with on-the-job experience with employers who had genuine job vacancies. Participating employers were expected to guarantee clients a job interview at the end of their work experience. This project was particularly successful in targeting residents from the ethnic minorities.
- 3.8.7 Overall, the Chalkhill SRB scheme was effective in targeting its activities towards ethnic minorities and some projects such as PACE were very effective indeed. Of all the residents trained into jobs by SRB 54% were from ethnic minorities.
- 3.8.8 The Wolverhampton regeneration scheme was a multi objective programme with a key focus on improving the economic base of Wolverhampton to ensure that it was a competitive location for the production of goods and services. An important objective was to remove obstacles to learning and development, with particular focus on realising the full potential of citizens from black and minority ethnic groups. The **community-based guidance project** was a key project managed by GATE – an agency within the Council's Adult Education Service providing vocational guidance. It focused on two deprived areas of the Asian population (mainly women) in Blakenhall and the Asian and African Caribbean population of Penn Fields. The intention of the project was to bring together existing initiatives in the areas to introduce an integrated approach. Initially residents were interviewed about their employment and training experiences before work on the ground commenced.
- 3.8.9 This project proved to be very successful. Among its key outcomes were the establishment of an Asian Women's group, an initiative to promote improved self-images of young black men through working with local schools and the establishment of an area Community Forum with links into the Borough's Network Consortium.

- 3.8.10 Health has also been an area of concern related to ethnic minorities from our case studies. In Canalside the **Ethnic Health Project** was set up to work with the local Asian community and healthcare providers to establish the uptake of services and preventative strategies to help tackle the high incidence of poor health within the Asian community (eg, diabetes). Advice and guidance on diet, screening and other preventative measures was offered as a service which was enthusiastically taken up by the local community. The project was SRB funded for three years and received further funding for a year by the Health Promotion Unit then taken into mainstream funding to cover a wider geographical area. Coverage of the programme was extended to include physical fitness, changing habits and to promote greater awareness. The project also now has funding for a dietician.
- 3.8.11 In Wolverhampton the **Women and Health** courses were targeted on women from ethnic groups to equip them with skills, information and confidence to enable them to make positive changes to themselves, their families and their communities as well as address health issues important to them. The take up of the scheme was extremely good as it was located centrally in a library, having good links with existing networks. One of the important outcomes from this project was the empowering of women to start new groups, eg, The Asian Women and Diabetes Group was set up and has continued successfully to secure further funding through the National Lotteries Charities Board.
- 3.8.12 In Brent and Harrow black and minority ethnic community businesses were targeted within the **Community Works** strand of the scheme. Community Works included members of the Equal Opportunities Group which had a strong representation from voluntary and community groups, many of which represented ethnic minority communities. Thus, the community representation was strong in a part of the scheme which was allocated about 10% of the SRB budget, which represented a significant proportion to devote to community capacity building.
- 3.8.13 Nevertheless, this small budget was devoted entirely to building the capacities of local community and voluntary groups and mainly those from ethnic minority neighbourhoods in the most deprived parts of south and east Brent. Some fourteen ethnic minority community businesses were established, 90 residents from ethnic communities were provided with vocational/business skills training and 205 ethnic minority voluntary groups were supported. An additional 73 residents were provided with training in voluntary work. This was targeted through a publicity initiative with the existing support agencies and local advertising, eg, a newsletter, leaflets and direct media advertisement. Overall, this was evidence of a significant contribution to capacity building in the ethnic minority communities of Brent.

EVIDENCE FROM MORI SOCIAL SURVEYS

- 3.8.14 Three of the ten case studies (Chalkhill, Canalside Rochdale and Hangleton & Knoll) were the subject of two social surveys which took place in the baseline and final years of the schemes. Evidence from these surveys throws some light on the characteristics of the ethnic populations in each of the areas and how they have changed over the period of the SRB programme. Tables 3.5-3.7 present key findings. Figures in brackets relate to the pure panel results.

3.8.15 In terms of ethnicity there is significant diversity between the three areas and, thus, the findings allow a considerable diversity of experience to be represented. It should be noted that the ethnic groupings across the three SRB survey areas varied and that further work would need to be carried out in terms of weighting the results to reflect the actual composition of each area.

3.8.16 From Table 3.5 the largest increase in Heads of Household with any qualifications was within the Black community. The rate of change for this group over the 1996-99 period was +18% for the cross section sample and +21% for the panel sample, making it the ethnic group with the largest number of Head of Household with qualifications by 1999.

Table 3.5: Any CSE/GCSE/'O'Level of head of household (panel in brackets) %			
	3 SRB areas		
	1996	1999	Change '96-'99
<i>Base: All with qualifications</i>	639 (248)	744 (245)	±%
Ethnicity			
White	49 (44)	58 (49)	+9 (+5)
Black	46 (50)	64 (71)	+18 (+21)
Asian	43 (40)	45 (36)	+2 (-4)
Other	41 (50)	47 (23)	+6 (-27)
Total	47 (44)	57 (49)	+10 (+5)

Source: MORI.

3.8.17 Head of Household unemployment levels by ethnicity indicated a marked decline over the three-year period for the Black and Asian populations. They also indicated a marginal decline for Whites, though this latter ethnic group experienced significantly lower levels of unemployment in both 1996 and 1999 (see Table 3.6).

Table 3.6: Summary table on head of household unemployment¹⁰ (Panel in brackets)				
	3 SRB areas			England
	1996	1999	Change '96-'99	
	%	%	±%	
Unemployment by Ethnicity				
White	7 (6)	6 (5)	-1 (-1)	5
Black	17 (16)	10 (10)	-7 (-6)	6
Asian	17 (14)	11 (9)	-6 (-5)	13
Other	13 (14)	25 (20)	+12 (+6)	13

Source: MORI.

10 Figures for England; Survey of English Housing 1995/96.

3.8.18 From Table 3.7 the percentage on 90% plus benefit income increased by 2% for the White population, with corresponding decreases of between 2-4% for the Black and Asian populations (1996-99). Within the Black population there was a decline of 8% of the cross section sample and 2% of the panel who did not rely on benefit.

Table 3.7: Percentage of benefit income – respondent/partner (panel in brackets)

	90%+			No Benefit			Total		
	1996	1999	'96-'99	1996	1999	'96-'99	1996	1999	'96-'99
<i>Base:</i>	517 (191) %	501 (172)	±%	377 (138)	675 (189)	±%	1,329 (527)	1,575 (527)	±%
Ethnicity (HoH)									
White	66 (68)	68 (70)	+2 (+2)	68 (82)	69 (77)	+1 (-5)	68 (77)	71 (76)	+3 (-1)
Black	15 (13)	13 (9)	-2 (-4)	20 (9)	12 (7)	-8 (-2)	15 (8)	11 (8)	-4 (0)
Asian	15 (17)	13 (15)	-2 (-2)	8 (7)	14 (12)	+6 (+5)	12 (12)	13 (12)	+1 (0)
Other	4 (3)	5 (4)	+1 (-1)	3 (2)	4 (3)	+1 (+1)	4 (3)	4 (3)	0 (0)

Source: MORI.

3.8.19 Table 3.8 provides an indication of Head of Household perceptions of health status. The figures show that the White and Asian populations generally indicated a slight increase in the 'good' status while the Black population recorded a marked decline in this category over the 1996-99 period.

Table 3.8: Perceptions of health status by household and accommodation characteristics (panel in brackets)

	Health status						Change over last three years					
	Good			Not Good			Better			Worse		
	1996	1999	Change '96-'99	1996	1999	Change '96-'99	1996	1999	Change '96-'99	1996	1999	Change '96-'99
<i>Base: All heads of household</i>												
Ethnicity	%	%	±%	%	%	±%	%	%	±%	%	%	±%
White	43 (44)	46 (41)	+3 (-3)	24 (23)	24 (27)	0 (+4)	9 (7)	9 (9)	0 (+2)	27 (28)	30 (35)	+3 (+7)
Black	60 (61)	50 (39)	-10 (-22)	15 (26)	20 (17)	+5 (-9)	10 (7)	7 (17)	-3 (+10)	19 (28)	22 (22)	+3 (-6)
Asian	38 (37)	43 (38)	+5 (+1)	36 (40)	28 (36)	-8 (-4)	8 (10)	5 (8)	-3 (-2)	36 (37)	32 (39)	-4 (+2)
Other	37 (36)*	53 (53)*	+16 (+17)	25 (36)*	27 (33)*	+2 (-3)	8 (0)	14 (13)*	+6 (+13)	25 (43)	31 (40)	+6 (-3)

* Very small sample sizes, under ten respondents.

Source: MORI.

3.9 Lessons of community and voluntary sector involvement in SRB

INTRODUCTION

- 3.9.1 There is a rapidly growing literature on the involvement of voluntary organisations and community groups in the regeneration process – not least from the community sector itself. The Interim Evaluation of City Challenge showed the increasing role that Community Forums played in many of the 23 City Challenge Areas. In 1996 the Community Development Foundation published guidelines to the community involvement aspect of the Challenge Fund, whilst the former DOE published a guide for involving communities in urban and rural regeneration in November 1995 as well as a handbook on effective partnerships (including the role of community groups) in January, 1997.
- 3.9.2 Much of this literature is couched in terms of what should happen in an ideal world – illustrated with the experience of good practice case studies. An important question for this mid-term evaluation is how far good practice has yet permeated SRB partnerships and how quickly progress is being made in building the capacity of the community sector and securing the active involvement of the community in the regeneration process.
- 3.9.3 Gabriel Chanan's article on '**Discovering Community Action**' (CDF, 1994) highlighted a continuing paradox in the role of the community in local regeneration. He drew attention to the importance of the voluntary sector and community groups in enhancing people's quality of life, on the one hand, and, on the other, the weaknesses of the community sector which constrain its ability to effectively carry out economic and social regeneration. It is often 'small and poorly resourced for the job it needs to do' and often 'too fragmentary or lacking in the necessary powers'. Community groups frequently splinter and are fiercely independent, while 'leaders' of a group may not represent the community as a whole. Where groups come together into 'umbrella' groupings these may not be sufficiently robust or independent to strengthen the community sector or give it 'a co-ordinated voice'. Whilst individual groups pride themselves on their independence, 'dynamic umbrella activity is needed to create strength in the local groups as a whole', and hence enable them to be effective partners in, for example, an SRB regeneration partnership, by compromising some independence in return for regeneration benefits. Chanan goes on to say (*ibid.* p15):

'No partnership can succeed if it treats the local community as a junior member. The community and its organisations is not just one amongst many agencies, as it is often treated. It has to be given equal weight with all agencies taken together: after all, it consists in itself of a wide range of agencies'.

CAPACITY BUILDING WITHIN COMMUNITY GROUPS AND THE VOLUNTARY SECTOR

- 3.9.4 From the outset the SRB Challenge Fund was designed to encourage the involvement of the community in local area regeneration, as the original guidance made clear. However, in round one, and to some extent round two, experience has suggested that 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. 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.

- 3.9.5 Even in this early stage there were mechanisms within SRB through which local partnerships could assist in capacity building amongst community groups. Firstly, local partnerships received about 5% of SRB spend (7% in schemes with high private sector participation) on the scheme to cover management and administrative expenses. In some cases this was distributed amongst the active and involved partners but in other cases the lead partners/accountable bodies tended to retain most or all of this funding. This was often at the expense of partners who had management, monitoring and administrative tasks to do, but required more robust resources and systems to carry out such tasks.
- 3.9.6 A second mechanism was through scheme projects run by community groups, the funding for which could include a component for managing and administering the project and, hence, building the capacity of community groups to undertake regeneration projects. Such a component was rarely built into project costs in round one schemes but was increasingly included in subsequent rounds. This approach has been successful in Hangleton Knoll where some projects have been 'grafted' on to existing community associations, which has further developed the capacity of these organisations to encourage residents to become involved in an increased range of activities.
- 3.9.7 The third mechanism was a project within the scheme, the objective of which was explicitly to build up the capacity of the community to take part in the regeneration process. Several case studies have deployed this mechanism, which can take one of several forms. At Limes Farm Estate, for example, one project funded a community development worker, whilst in Hangleton Knoll (Brighton) Woolwich and Swadlincote's (Derbyshire) a 'community chest' project had been set up to award small sums (typically £200 to £2,000) to community groups to enhance their organisational skills and capacity. Royds-Bradford are running a social network aid programme whilst Rochdale Canalside ran a community planning and training weekend and Hull City Visions run similar focus planning groups. Some of these are quite modest attempts at direct capacity building but they have the merit of recognising that very low levels of capacity have to be enhanced gradually – in some cases by helping to set up formal community groups where there were none before.
- 3.9.8 In rounds three and four 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.
- 3.9.9 Whilst SRB played an important role in building the capacity of community groups through these mechanisms, we have still encountered instances where the capacity of community groups remains extremely limited. In one case a community group was being led by an unemployed person working from his own home and he had to bear the costs of making telephone calls on behalf of the group – and on some estates without a community infrastructure this is not untypical. While some schemes are of short duration that often

makes community capacity building difficult, other initiatives can operate up to seven years and should be expected to show significant progress in drawing communities into the regeneration process.

- 3.9.10 Given that building the capacity of community groups remains paramount, future rounds of regeneration incentives in deprived local communities should place greater emphasis on capacity building than has hitherto been the case. All the mechanisms referred to above should be maintained and, where appropriate, applied more widely across all schemes. If community capacity building is to become an integral part of the strategic policy process, then community and voluntary groups should be included in the regeneration process at the earliest possible juncture so that they are able to fully participate and make informed choices. This is crucial at the consultation and planning stages, prior to the delivery of projects.
- 3.9.11 To go a step further, local partnerships could be required to assess the capacity of community groups in their target areas to play an active role in the regeneration scheme. Where the assessment is that capacity is high there should be full involvement of the community group in the scheme – at both partnership and project level. Where capacity is identified as weak the partnerships should demonstrate how capacity was to be strengthened throughout the duration of the scheme. Ideally, community groups should be strengthened to the point where they could continue the regeneration process after the SRB scheme has ended and this should be considered, where appropriate, as an integral part of the forward strategy.
- 3.9.12 We were also impressed by the arrangements in Royds Bradford and Hangleton Knoll whereby community groups remained firmly in control of the scheme as lead partners but had delegated 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 without 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.

BLACK AND MINORITY ETHNIC COMMUNITY GROUPS

- 3.9.13 A common feature of SRB case studies with a significant black and minority ethnic (BME) population is that the community sector is fragmented, often fiercely independent and is finding it difficult to become fully involved in local regeneration schemes. This is in spite of good intentions and considerable efforts of local partnerships to improve the position. Even where very specific structural arrangements have been put in place to help secure representation of BME representatives on SRB scheme boards of management, there were no clear cut examples in our twenty case studies of wholly successful involvement of BME community groups in SRB partnerships.
- 3.9.14 In Wolverhampton, for example, the Partnership Committee and management structure was heavily biased towards the Council and the Chamber of Commerce, with no direct community representation. Any involvement from the community came through a complex series of partnership committees to carry out different themes within the overall SRB scheme.
- 3.9.15 A novel feature in Wolverhampton, however, was the provision of an officer support structure from the TEC and Council designed to help the community sector with essential expertise and skills in project and programme management and to achieve the financial

and service delivery outputs required by the Government Office. This was an innovative and effective way of engaging minority groups in local area regeneration. Some success was achieved through such projects as the Community-Based Initiatives project, the Asian Women's Group, Afro-Caribbean integrated training and education provision. Another of these projects helped young black people in the establishment of a Community Forum. Such initiatives do have the potential for more substantive programmes linked to sustainable development.

- 3.9.16 Within the West Midlands the Engineering in Education SRB scheme was a thematically-based partnership made up of industry and school-based organisations. The scheme focused on the regeneration of the engineering sector through raising the status of engineering in the West Midlands schools/colleges and promoting equal opportunities within the industry irrespective of race, gender or creed. As the programme was delivered through schools and colleges there was no specific targeting of BME groups, but an interest in attracting young people per se to a career in the engineering sector. Nonetheless, of those participating in the scheme just over 6% were from the ethnic minorities and thus could be laying the foundations for further initiatives that are inclusive of minority groups within the school system. However, care needs to be exercised that the specific needs of black and minority ethnic groups are catered for within thematic programmes.
- 3.9.17 The domination of the Chalkhill non-SRB housing renovation programme has had an impact on the small SRB scheme. In consequence, the Chalkhill SRB Board became a sub-committee of Brent Council's Regeneration Committee, comprising six Councillors and four representatives from the private sector (including the housing developers). Thus, the partnership arrangements that emerged were very exclusive, with no mainstream public bodies or community representation. The Chalkhill experience has not only demonstrated the need for direct community involvement, but has raised issues regarding the balance between physical and socio-economic regeneration.
- 3.9.18 While it was a declared intention to ensure the effective delivery of SRB projects through strong links with Chalkhill residents (Customer First Approach), these intended arrangements did not materialise. This resulted in a limited consultation exercise that was not made easier with the decanting of a large proportion of residents as a consequence of the physical regeneration programme.
- 3.9.19 Although surveys of Chalkhill residents revealed an interest in training, early consultations with the community did not fully recognise the low educational attainment and skills base of the majority black and minority ethnic groups within the estate. This situation was exacerbated as the various groups were not invited to plan and develop SRB projects within a systematic consultation framework. While there was clear evidence of targeting projects towards minority ethnic groups (of all residents trained into jobs by SRB 54% were from such groups), the vast majority of the training was directly associated with the construction industry linked to the renovation of the estate. Only 25% of the £3.25 million SRB budget was directly linked to raising employability and finding jobs. However, two projects (Practical Action for Choice of Employment (PACE) and the Local Employment Initiative) did provide examples of good practice in terms of leading to recognised qualifications, work experience, training linked to identified job vacancies and preparation activities leading to employment.

- 3.9.20 With the completion of the Chalkhill SRB there was no clear legacy regarding successor arrangements as the scheme had not:
- developed a robust consultation framework between the SRB Partnership and residents;
 - encouraged residents to identify their primary needs;
 - involved local people in the planning, delivery and operation of SRB projects;
 - sufficiently linked SRB projects to other mainstream training and employment initiatives; nor
 - developed a forward strategy that was linked to a systematic approach to community capacity building as a precursor to longer-term sustainability.
- 3.9.21 In the Canalside Rochdale case study, in which the proportion of ethnic minorities was high, there were also added difficulties in obtaining a coherent neighbourhood identity and community representation due to the fragmentation of community groups. However, the Rochdale Racial Equality Council did join the Partnership Board and thus provided some limited representation for ethnic groups in the area.
- 3.9.22 The targeting of a few SRB social regeneration projects in Rochdale that focused on BME groups were nevertheless effective in terms of the proportion of these groups within the local community. For example, whereas 25% of the Canalside population was of Asian origin, some 40% of participants of SRB funded training projects were drawn from this group and 45% of those accessing employment through training and advice were Asian. Some 41% of SRB supported new business start-ups were BME businesses.
- 3.9.23 Within the Brent and Harrow SRB there were three elements involving new business development, schools/industry links and community enterprise. While the two areas had ethnically diverse populations, ethnic minorities only had limited representation on the 'Community Works' strand of the SRB through local voluntary and community groups sitting on the Equal Opportunities Sub-Group. Although this third element aimed to encourage the development of community enterprise in deprived ethnic neighbourhoods, it only accounted for 10% of SRB expenditure. With the business development element the initiative was targeted at members of the ethnic communities who constituted 37% of total start-ups (226 businesses) with a survival rate up to three years later of some 30%. This was a ratio above the proportion of ethnic communities within the total population that suggests effective targeting towards such communities. With schools/industry links there was some provision for targeting BME groups through Harrow Black Mentoring and work experience for refugee students, though minority groups would have been involved in a range of school-based projects.

CONCLUDING COMMENTS

- 3.9.24 These examples and others like them have provided sufficient evidence for the evaluation team to reach the conclusion that the existing provision within the SRB system for building the capacity of BME community groups to become involved in local area regeneration should be strengthened further. It has been found that many smaller community groups and black and minority ethnic groups do not have a history of participation in the regeneration process and/or lack the resources and capacity to develop their involvement.

- 3.9.25 While SRB has provided evidence of 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.
- 3.9.26 In moving towards a more inclusive framework it is necessary to:
- set in place a consultation process for local BME communities;
 - engage BME communities in the planning process;
 - directly involve BME communities in the operation of projects; and
 - engage BME communities in the forward planning process.
- 3.9.27 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.

3.10 Further policy development for community involvement

- 3.10.1 While the SRB Challenge Fund has provided a range of examples regarding community involvement in regeneration, there was little evidence of a systematic approach to community capacity building within round one and two schemes. This is not to dismiss examples of good practice in which the local community has made a positive input to the operation of the scheme and/or the delivery of projects (eg, Hangleton & Knoll).
- 3.10.2 From our research it is evident that building robust community structures and involving local people cannot be a rapid process. It should be viewed as a strategic element commencing at the pre-bid stage and enshrined in the bid document/delivery plans that constitute the regeneration framework. This has been recognised in subsequent rounds of SRB through the development of the Bidding Guidance for new schemes and in the DETR publication 'Involving Communities in Urban and Rural Regeneration – A Guide for Practitioners' (September, 1997). Round five guidance (Annex E) marked a significant step forward in offering a more coherent framework for community involvement/engagement in terms of the need to:
- involve local people (including ethnic minorities, the voluntary sector and faith communities) in planning and operation of regeneration activities;
 - involve communities in regeneration as a means of effective delivery and ensuring sustainable development;
 - support those from the community who wish to become directly involved in the management of regeneration;

- develop community capacity building as a key objective of schemes. In some cases this may require that the bulk of their activities and resources be 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 bid); and
- encourage communities to develop their own community-based regeneration initiatives, encourage other bodies to operate initiatives on their behalf or become involved in partnerships that could lead to such activities as Credit Unions, Development Trusts, Local Exchange and Trading Systems and Community Enterprise.

3.10.3 The Community Development Foundation's publication *SRB6: Involving the Community* (December, 1999) also provided detailed information regarding the involvement of communities in regeneration. This sits alongside DETR round six Bidding Guidance (December, 1999) which developed the themes from round five guidance by offering more precise details regarding the role of communities in local regeneration. More specifically, Part 1, Section 4 *Community participation* (paragraphs 1.4.1-1.4.4 and 1.4.7) provide a clear picture of the scope for community engagement and the implications of achieving that engagement. In paraphrasing the DTLR guidance it is suggested that:

- the involvement of those people in the target area at the earliest stage in the proposed regeneration initiative ensures that schemes are better focused on their needs and priorities;
- bids should 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;
- community representatives in partnerships need to play a full and effective role in the decision making process and be the conduit for informing local people of scheme decisions; and
- the partnership will need to set in place adequate support for community representatives to undertake their role effectively.

3.10.4 While SRB rounds one and two laid some of the foundations for partnership working and community involvement in regeneration, the research evidence vindicates the decision by DTLR to subsequently offer more robust guidance to SRB schemes.

CHAPTER 4

The role of the private sector

Summary of chapter:

Private sector participation in the regeneration process is likely to be difficult to secure because of the market and institutional failures which characterise many target areas or themes. There is evidence to suggest that business involvement is driven by short or longer run profitability motives. Private sector leadership of regeneration schemes is therefore rare, and often in the form of business groups where scale economies can be secured and risks minimised. The chapter identifies a variety of potential roles for private sector involvement, including strategic roles, resourcing roles, as well as beneficiary and delivery roles. Across the ten case studies, all of these roles were apparent. As expected, the profit motive is identified as a powerful driver. Such opportunities are most likely to be found in property development and business development projects, and in the ten case studies these tended to attract higher private sector financial leverage. Some businesses have made substantial, meaningful contributions to regeneration motivated by concerns over longer term competitiveness, particularly in respect of the quality of future labour supply. The SRB experience suggests that there needs to be a more consistent effort across ABIs to involve businesses at the strategy development stage to identify where private sector participation makes sense, what benefits it would bring (to all concerned), which businesses would be best suited to help, and how they could be persuaded to join in. The recent guidance to LSPs acknowledging the myriad of potential private sector contributions and the difficulties of securing commitment and suggesting the need for business brokers is therefore welcome.

4.1 Introduction

- 4.1.1 This section of the report considers the role played by the private sector in SRB regeneration schemes drawing principally on the evidence of the first ten case study evaluations as well as the national evaluation database covering SRB rounds one to six. The analysis uses this evidence base to highlight the types of regeneration programme and type of role in the regeneration process where the private sector is more or less likely to participate. It also draws out lessons from the private sector experience of the first two rounds of SRB for future policy.

4.2 Defining the private sector

- 4.2.1 For the purposes of this evaluation we have defined the private sector to include:

- private firms with limited liability operating alone;
- a company limited by guarantee; and

- companies in either of these categories which have formed a group or association or partnership to achieve common goals which may either be industry/sector based or may also be more public spirited and focus on the regeneration problems of a particular region or local area.

4.2.2 The distinction between companies with limited liability and those which are limited by guarantee is important in considering the role of the private sector in regeneration because of the regulations each type of firm operates within under the Companies Act.

4.2.3 The definition of private sector used here excludes the voluntary sector and community groups (which are considered elsewhere in this report), the former Training and Enterprise Councils (now Local Learning & Skills Councils) and universities. Although the voluntary, community and higher education sectors have historically been classified as the private sector for national accounting purposes, and TECs had considerable board representation from private firms, our concern here is to define the private sector in a focused way to cover only organisations which have a corporate profit motive.

4.3 Participation of the private sector in regeneration

4.3.1 All too often commentators have taken a narrow definition of private sector involvement, looking for programmes which have been 'led' by the private sector, or for evidence of high private sector leverage as a worthwhile private sector contribution, irrespective of the conditions in a local area or the regeneration activity being pursued. As regeneration practitioners know only too well, the reality of private sector involvement in regeneration is more complex than that, in terms of the pathways to involvement, the inclination of the private sector to become involved in different areas and projects, and, once they are involved, in managing relationships between the private, public, voluntary and community sectors.

4.3.2 From the first ten case studies we have identified several private sector roles in SRB-funded regeneration schemes, namely:

- a lead partner in a regeneration partnership;
- one of several non-lead partners;
- a non-lead partner financial or in-kind contributor to the programme or specific projects;
- property developer;
- beneficiary of the programme, particularly through business support initiatives;
- an employer of programme beneficiaries who have entered or re-entered the labour market with assistance from the regeneration programme; and
- supplier of goods and/or services to the partnership (including sub-contractors delivering part of the programme).

- 4.3.3 Section 4.5 considers the extent of private sector participation at partner level, while section 4.6 maps out the other roles played by the private sector in each of the ten case studies.

4.4 The drivers for private sector involvement

- 4.4.1 The list above demonstrates that the potential contribution of the private sector to regeneration extends beyond the easy to define partner and/or funder to encompass those making in-kind contributions, those who have become employer destinations for individual scheme beneficiaries, and those who have actively participated in (and profited from) the delivery of the programme. However, in spite of the variety of types of involvement, intuitively one would expect private sector involvement in regeneration programmes in the most disadvantaged areas to be far from automatic. After all, programmes in these areas are often designed to tackle multiple deprivation caused by deep-seated market and institutional failures. By definition, market failures act to limit the private sector interest in an area, while institutional failures (for example, failures to tackle low educational attainment, health inequalities, high levels of crime) will often be seen as negative signals which further act to dissuade private sector interest.
- 4.4.2 There would therefore seem to be quite strong *a priori* arguments that the private sector will be a difficult partner to attract to the regeneration cause. Nevertheless, across the UK as a whole there is growing interest by private sector executives and shareholders, encouraged by Government, in 'Corporate Social Responsibility' (CSR) – a catch-all title which embraces the role of the private sector in society and which includes community involvement and local economic development.
- 4.4.3 While there is a certain degree of philanthropy embodied within the CSR ideal, it is likely to be very modest indeed. The more logical reason for increasing interest in CSR is that by engaging in community or other external activities the private sector will gain some business benefit. A series of recent case studies¹¹ designed to encourage more businesses to become socially responsible dwelled on the business case for CSR, namely its contribution to improved reputation amongst customers and employees, improved flexibility and better responsiveness to local needs – all of which should ultimately have a positive influence on profitability.
- 4.4.4 The profit motive is a central theme when we come to examine the nature and scale of private sector involvement in the ten SRB case studies. SRB schemes represent a wide range of regeneration contexts and have implemented a variety of projects in an attempt to bring about change in their areas. Some of these schemes will be more likely to involve the private sector than others. Those with a strong physical regeneration element – particularly property development – will be seeking to use SRB and other public sector monies to create the right conditions to attract property developers for key sites. Developers (and their associated investors) will bring substantial amounts of development finance to create or refurbish dwellings or industrial or commercial floorspace which are expected to lead to beneficial social or economic outcomes for the local area. Their reason for 'getting involved' in the regeneration scheme is obvious – investors and developers are continuously seeking out new opportunities to make a return on their investment or to profit from constructing and trading property.

11 Department of Trade and Industry, 2001: *Business and Society – Developing corporate social responsibility in the UK*, DTI, London (URN 01/720).

- 4.4.5 Some SRB schemes have attached some priority to increasing the rate of start-up or growth of local firms, to attract inward investment or enhancing the competitiveness and profitability of firms. Those firms participating in SRB-funded projects will be doing so to enhance their profitability, whether through increased turnover or improved productivity or both. They will often be paying something towards the support of advice, guidance and training (though rarely the full cost), and will be expecting some enhancement to knowledge, products and/or processes which will aid their competitive position in the market-place and increase profit. We know from our business survey work on some of the ten case studies that some businesses will have received multiple forms of support. However, in the absence of wider business support monitoring and evaluation evidence, it is impossible to quantify the extent of ‘cross-selling’ of different forms of support to the same businesses.
- 4.4.6 Both groups of activities will attract some private sector leverage, and in the case of property development projects there is likely to be a substantial private sector investment per £ of public sector expenditure. However, it is likely that SRB schemes which do not include significant elements of land and property or business development activity will find it harder to attract significant private sector *financial leverage*, because the opportunities for private sector returns are more limited. There may be some private sector involvement on the partnership, or through a consultative mechanism, or even financially or in kind through the CSR-type actions described above, but in hard cash terms – as observed through leverage ratios – private sector ‘involvement’ will be more limited.
- 4.4.7 As already noted, however, private sector financial leverage is only one pathway to involvement in regeneration. It might participate in an SRB partnership to exert some influence on decisions being made on key infrastructure projects, or provide in-kind support such as cheap or free office space or the donation of IT equipment or other materials. We expect that the motives for involvement are likely to vary according to the local circumstances, the priorities of the SRB programme (which may or may not have drawn on private sector views), and the nature of the projects themselves.
- 4.4.8 However, even where conditions for private sector involvement are most fertile, the objectives of firms operating under the Companies Act are likely to reduce the effective participation in many cases. Firms with limited liability, for example, are expected to compete effectively and make profits supplying goods and services. These operating principles in themselves suggest that if they were to behave rationally, many firms would only participate in a regeneration programme where there were reasonable returns to be made on their investment of time or money. That implies some project-based, rather than directorial or management role, as the latter is not a profitable exercise and involves a considerable amount of time and risk. Firms might, however, seek to work with other, like-minded businesses if there were common interests at stake and ways of achieving some scale economies in their involvement. For that reason we would expect to see more groups of businesses involved than individual firms. Where single firms do participate at a strategic level we would expect them to be larger, with higher profiles, and with – perhaps – resources available for Corporate Social Responsibility activities.
- 4.4.9 The rest of this chapter draws on the evidence provided by the ten case studies to see what patterns emerge in respect of:
- the types of private sector organisation involved in regeneration;
 - the roles they played;

- their likely motivations for participating in different kinds of SRB schemes and different types of projects (especially those beyond the obvious property and business development spheres);
- the extent of their involvement (financially and in other ways);
- the benefits of private sector involvement for the design, delivery and effectiveness of the regeneration programme;
- the constraints on private sector involvement; and
- the lessons for future policy.

4.5 Types of private sector organisation involved at partner level

4.5.1 Table 4.1 shows the organisations involved in the ten round one case-study schemes. They are a mix of the three types described earlier in this section, although business groupings tend to be the norm, with individual businesses rarely represented at partner level.

PRIVATE SECTOR LEADERSHIP OF SRB SCHEMES

4.5.2 Across all 1,028 SRB schemes in rounds one to six, only 51 (5%) are led by the private sector. In our small sample of ten case-studies, 2 are described in national monitoring data as being ‘led’ by the private sector (West Country Initiative (WCI) and Engineering in Education), though it could be argued strongly that only the latter has genuine private sector leadership.

Table 4.1: Types of private sector organisations involved in case-study SRB schemes (private sector led-scheme in bold)

Scheme name	Names of private sector partners	Types of private sector partners (where known)	Summary type
West Cornwall Initiative (private sector led)	<ul style="list-style-type: none"> • BT • Barclays • WCI • Cornwall Chamber of Commerce • West Cornwall Enterprise Trust • Business in the Community 	<p>Individual firm (plc)</p> <p>Individual firm (plc)</p> <p>Grouping</p> <p>Grouping</p> <p>Grouping</p> <p>Grouping</p>	<p>General, sub-regional, business groups – established pre-SRB – plus 2 major plcs</p> <p>WCI origins informal and partnership dominated and led, in accountability terms, by public sector interests</p>

Table 4.1: Types of private sector organisations involved in case-study SRB schemes *contd.*
(private sector led-scheme in bold)

Scheme name	Names of private sector partners	Types of private sector partners (where known)	Summary type
Northumbria Community Safety	<ul style="list-style-type: none"> • Northumbria Coalition Against Crime 	Broad-based coalition which includes a number of private sector representatives	But private sector involvement at partnership level very limited
Engineering in Education (WM) (private sector led)	<ul style="list-style-type: none"> • TELS Partnership • WM Industrial Club 	Groupings (including <i>Engineering Employers Fed – the Accountable Body</i>)	Groups, dominated by private sector interests
Limes Farm Partnership	<ul style="list-style-type: none"> • W. Essex Business Education Partnership • Essex Careers & Business Partnership • Epping Forest Industry Matters Group 	Grouping Grouping Grouping	Specific interest groups – sub-regional – two with public sector backing.
Brent and Harrow	<ul style="list-style-type: none"> • Brent Business Venture • Harrow in Business • Midland Bank 	Enterprise Agency Enterprise Agency Individual firm (plc)	Two Enterprise Agencies plus one major bank
Hangleton & Knoll	<ul style="list-style-type: none"> • Sussex Chamber of Commerce 	Group	One general group only
Chalkhill	<ul style="list-style-type: none"> • Wimpey Construction UK • Metropolitan Housing Trust • Onyx • Ujina 	Individual firm Individual firm Individual firm Individual firm	Two housing developers and two other firms with local presence.
Canalside Rochdale	<ul style="list-style-type: none"> • Rochdale Chamber of Commerce • Rochdale Development Agency 	Group Development Agency (primarily public sector)	Three groups, one with regeneration/economic development remit (effectively public sector regeneration agency), the other a general business forum.
Regenerating Wolverhampton	<ul style="list-style-type: none"> • Wolverhampton Chamber of Commerce • Wolverhampton & District Trades Council 	Group Group	Two general groups only
Lancashire Manufacturing Partnership	<ul style="list-style-type: none"> • Enterprise plc 	Individual firm	One economic development consultancy/property developer
Source: Evaluation case study reports.			

- 4.5.3 The Interim Evaluation noted that while the WCI had its origins in a group of local business people with a common interest in the development of Cornwall, many of these were retired and did not represent either their companies or the Chamber of Commerce. The informality of their structure and lack of a legal entity meant that they could not become a lead partner, a role which was filled instead by one of the three District Councils involved.
- 4.5.4 The Engineering in Education initiative, classified as voluntary sector for national monitoring purposes, is, on the other hand, one of SRB's rare examples of genuine private sector leadership in partnership with the public sector. The West Midlands-wide scheme has involved significant private sector time inputs by over 440 firms, which has led to the provision of a wide range of information and direct and indirect advice to school pupils on careers in engineering industry.

OTHER PRIVATE SECTOR INVOLVEMENT AT PARTNER LEVEL

- 4.5.5 In the section above on drivers for private sector involvement we noted our *a priori* expectation that individual firms would be much less likely than groups of firms to participate in the direction and management of regeneration schemes than individual businesses. The evidence in Table 4.1 above seems to bear this out. The ten case-study schemes have a total of 25 private sector partners. Of these, only eight (32%) are individual firms. All eight individual firms are major companies which either have a strong operating profile in the area or land ownership or property development interests. There were no examples of individual small firms taking a leadership or management role at the programme level.
- 4.5.6 All of the other private sector participants at partner level take the form of groups or agencies with business interests. Business groups include Chambers of Commerce (in four of the ten case studies), Education Business Partnerships and Careers Partnerships (eg, Limes Farm), or – much more rarely – sub-regional industry groups (eg, Epping Forest Industry Matters). There are also a number of enterprise or development agencies. However, we would argue that these organisations are so heavily backed by the public sector that they should not be labelled private sector.
- 4.5.7 What is striking about the evidence is how few sub-regional business groups (beyond traditional Chambers of Commerce) have participated in SRB at strategic, partner level. The small number of examples seem to have done so when their own internal strategic and delivery structures are well developed, and where there are thematic, single issue, schemes which are clearly aligned with the business interests of their constituents. The best example of this amongst the ten case studies is the Engineering in Education scheme which is directed, designed, managed and delivered by the private sector partners to a consistent format in each of eleven sub-regions across the West Midlands.
- 4.5.8 In stark contrast, one objective of another thematic bid – the county-wide Lancashire Manufacturing Partnership – was to build a representative, sustainable, private sector manufacturing forum which might provide a valid successor arrangement for the public-sector SRB scheme. That this was an agenda item at all for a large-scale manufacturing oriented scheme reinforces the point that private sector involvement is by no means automatic. Even when SRB is tackling issues which ought to be of interest to particular groups of businesses, and is operating at a recognisable geographical level, the area's economic development history, the business culture and/or the institutional arrangements seem to have given rise to conditions where business networking and joint action – in this sphere, at least – is limited.

4.6 Roles played by the private sector in regeneration

4.6.1 Looking beyond its role at partner level, however, there has been a widespread and diverse engagement by the private sector in regeneration schemes funded through SRB. Table 4.2 below summarises the ways in which the private sector has participated in the ten case-study schemes.

Table 4.2: Role played by the private sector in regeneration					
Case-study scheme	Private sector 'led'	On partnership	Developers	Beneficiaries	Other (specify)
West Cornwall Initiative	✓ (in name only)	✓	✓	✓	
Northumbria Community Safety		✓			✓ (substantial financial contribution by individual firm to project)
Engineering in Education (WM)	✓	✓			✓ (mentors for schools)
Limes Farm Partnership		✓	✓	✓	
Brent and Harrow		✓		✓	✓ (mentors for school pupils)
Hangleton & Knoll					
Chalkhill		✓	✓		✓ training delivery, employing local residents
Canalside Rochdale		✓	✓	✓	
Regenerating Wolverhampton		✓	✓	✓	✓ (project delivery)
Lancashire Manufacturing Partnership		✓	✓	✓	✓ (project delivery)
Source: Evaluation case-studies.					

- 4.6.2 Only one of the schemes has had no private sector involvement at all (Hangleton & Knoll¹²). The private sector has played a property development role in six areas, and individual businesses have been the recipients of support through SRB-funded projects in the same number of schemes.
- 4.6.3 However, the final column of Table 4.2 above best illustrates the full range of private sector participation. Examples include individual firms acting as mentors for under-achieving school children in Brent & Harrow, or promoting the engineering industry in the West Midlands; a large firm (Procter & Gamble) committing over £150,000 towards a drugs fact file for parents in Northumbria; and a major supermarket chain (Asda) participating in a good example of local recruitment in Chalkhill. Other areas have also had private sector involvement in project delivery – especially where this has taken the form of training or business consultancy.
- 4.6.4 These other forms of support will only rarely show up in financial leverage ratios, as they represent time inputs or other in kind support which is often not accounted for with the same rigour as money. We would argue, however, that these other pathways to involvement are just as significant in terms of the benefits they bring for the regeneration schemes in question.

4.7 Motivations for private sector involvement and the extent of involvement

- 4.7.1 Looking at the different roles played by the private sector in our ten case studies, clear profit motives (whether short or long term) are apparent in every single case – the private sector has not donated significant amounts of time or money to causes which are not worthwhile in its terms. This applies across the full spectrum of involvement from leadership, through other partner involvement, to direct participation on projects.
- 4.7.2 Earlier in this chapter we posited the view that financial leverage is most likely to be generated in those schemes where projects offer developers or other businesses scope to improve their competitive position – notably land and property projects and business support initiatives. The information we have on the SRB schemes (see Table 4.3 below) allows a crude analysis which helps to illuminate this point. With only ten observations we need to be very cautious about the extent of any relationship. From Figure 4.1 below the trend line shows that there is a positive relationship between the amount of SRB funding on business development and property development projects and the amount of private sector financial leverage per £1 of public sector funding.

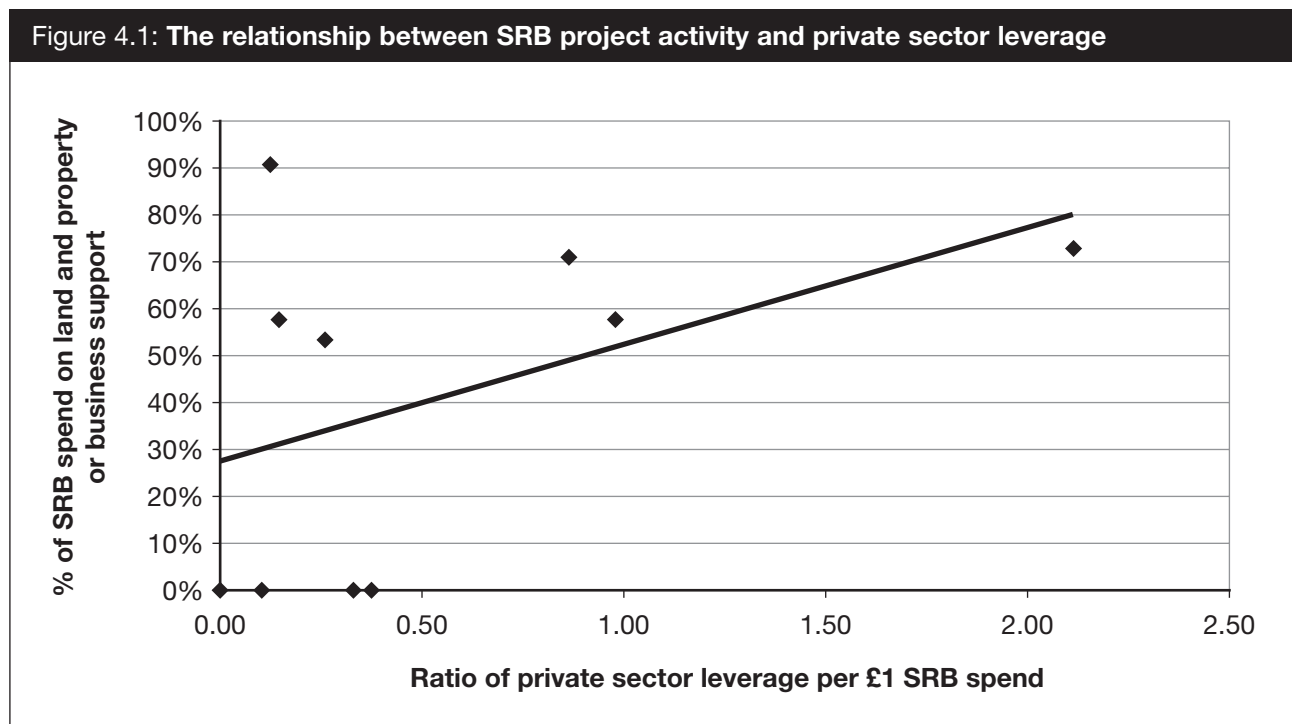
12 The leverage ratios for Hangleton & Knoll suggest otherwise, but expenditure counted as private sector in fact was sourced from community based organisations including the long-standing Hangleton Knoll Project. We would argue that genuine leverage from organisations with a corporate profit motive is negligible.

Table 4.3 Extent of private sector involvement and type of contribution

Case-study scheme	Leverage ratio (£ private per £1 public)	% public spend on physical regeneration	% public spend on business development	Other, in-kind contributions (time, gifts or core funding)	Summary of involvement – (very high, high, medium, low, very low, none)
West Cornwall Initiative	0.26	27%	27%	Time inputs by partners	Medium – clawback thought to have prevented higher leverage. Not genuinely private sector led.
Northumbria Community Safety	0.10	0%	0%	Significant contribution by one large employer to an information campaign	Medium, given the scale of contribution and the nature of the scheme
Engineering in Education	0.37	0%	0%	Substantial contributions of time-based inputs by 442 WM firms in project delivery and through leadership of scheme	Very high. Substantial time-based leverage taking a variety of strategic and project-related forms.
Limes Farm Partnership	0.13	91%	<1%	None	Medium. Note that Very Low in the absence of the Housing Trust activity.
Brent and Harrow	0.15	0%	58%	Substantial time inputs by 650 firms, or 5-10% of business population in area as mentors	Medium to High
Hangleton & Knoll	0.33	0%	0%	Effectively no input at all from private sector. Leverage ratio represents community based inputs	None
Chalkhill	0.00	0%	0%	Links to separate housing renewal programme; local recruitment, training delivery	High

Table 4.3 Extent of private sector involvement and type of contribution <i>contd.</i>					
Case-study scheme	Leverage ratio (£ private per £1 public)	% public spend on physical regeneration	% public spend on business development	Other, in-kind contributions (time, gifts or core funding)	Summary of involvement – (very high, high, medium, low, very low, none)
Canalside Rochdale	2.12	66%	7%	Time inputs on partnership working.	High
Regenerating Wolverhampton	0.98	32%	26%	Time inputs on partnership working	Medium to high
Lancashire Manufacturing Partnership	0.87	23%	48%	Time inputs on partnership working. Delivery	Medium to high
All case-studies	1.18	36%	24%		
All SRB schemes Rounds 1 to 6	0.59				

4.7.3 Whatever the accuracy of the correlation, the chart below demonstrates that there are some schemes where private sector involvement and leverage can be generated through projects which, at first glance, might not seem quite so attractive to business.



- 4.7.4 In Chalkhill, for example, Asda has actively participated in a local customised training initiative to provide current or former residents of the Chalkhill Estate with training which would enable them to take up employment opportunities at a new Asda supermarket. While Asda has obviously invested significant time resources, it has been significantly assisted in finding a pool of available, low cost, appropriately skilled labour for its new store. It will undoubtedly have made savings in management time and expenditure on recruitment and training and may also have lowered its overall wage bill by being able to recruit so many of those returning to the labour market from unemployment or inactivity. Moreover, the firm will have gained considerable kudos (and, we assume, initial customer interest) from being seen as actively involved in the regeneration of the area.
- 4.7.5 In Brent & Harrow the motivation for businesses to provide mentoring support to underachieving pupils in schools is likely to have its origins in similar labour market motivations, albeit those of a much longer time horizon. Employers are looking ahead to the time when these pupils might become potential recruits. They are building profile of their own firm, of their sector, and are leaving positive messages behind about a career in either – as well as helping directly to improve educational attainment and the quality of those potential recruits.
- 4.7.6 Similar labour market concerns will have predominated in the Engineering in Education scheme in the West Midlands, where concerns over the limited numbers of school leavers entering industry, or taking further or higher education courses of relevance to manufacturing, were at the heart of the scheme's rationale and design.

4.8 Benefits from private sector involvement

- 4.8.1 Some of the most obvious benefits of private sector involvement in regeneration are that it:
- reduces the gross public sector capital cost of regeneration, especially in relation to land and property development;
 - brings to bear a range of business disciplines to the strategy development, business planning, project management, accounting and monitoring tasks of any regeneration scheme;
 - subjects projects to more rigorous assessments of market demand, competing supply, and short and long-run viability – which may aid their effectiveness and long-term sustainability; and
 - can bring innovations to a process which can, at times, be perceived as slow and bureaucratic, whilst ensuring accountability and probity in the use of public funds.
- 4.8.2 Good examples of the private sector developer role can be found in Rochdale, Wolverhampton and West Cornwall, all of which managed to attract and sustain private sector interest in, mainly, brownfield sites for commercial, employment-generating use. The best example of a complete private sector role in the process – which embodies all of the features above – is Engineering in Education, which was led and delivered by the private sector. A brief pen-portrait of the programme is provided below.

Engineering in Education

The Engineering in Education Scheme was led by The Engineering Liaison Service partnership (TELS), which is a forum for the promotion of engineering, science and technology activity in the West Midlands. TELS is, in fact, an umbrella for a wide range of other industry partnerships and organisations which, in addition to strong private sector representation, include, for example, education business partnerships, careers information services, universities, secondary schools and the Government Office for the West Midlands. The partnership was motivated to bid for SRB in an attempt to bring more co-ordination and focus to the wide range of existing industry-education initiatives. Studies had suggested that the lack of coherence reduced the potential impact of the initiatives (in terms of school children choosing a career in engineering and manufacturing industry), that duplication of effort was inefficient, and that the confusing plethora of schemes dissuaded managers from becoming involved.

The accountability body for the scheme was the Engineering Employers Forum in the West Midlands. In addition to the Steering Group and a dedicated Project Director there were project managers and project co-ordinators in each of the nine sub-regions which was covered by the programme. A wide range of projects were funded by the programme but with the common theme of employer involvement and participation in education, at both primary and secondary school levels. Examples included the Young Engineers Clubs, promotion of involvement in the CREST (Creativity in Science & Technology) Awards Scheme, promotion of Technological Advanced GNVQs, the Year in Industry (gap year) scheme.

In all, over 440 separate employers were involved in these and other collaborative projects, and 156 of these had developed employee volunteering schemes as part of the SRB programme. In addition to the strategic leadership role of the EEF and its partners, individual employers were involved as mentors, accreditors, hosts for student and teacher placements and in setting challenges for students and advising and supporting teachers with the delivery of particular aspects of the curriculum. In all, over 13,600 students were involved in the range of projects.

Given the scale of these activities, it is not surprising that the in-kind contributions from the private sector were substantial – estimated at almost £250,000, which together with a similar level of public sector funding was used to match the £416,000 SRB award. The scale of commitment by all involved, and of the achievements generated, was judged to be impressive.

The partnership was highly regarded and considered to have worked effectively and efficiently, with an appropriate amount of control to maintain consistency, yet delegated authority and flexibility to sub-regional managers and co-ordinators to meet local needs.

- 4.8.3 There have been some examples, however, where we feel private sector involvement could have been better managed, especially in terms of the transparency of the relationship between key private sector partners and the SRB programmes in those cases where private sector partners were also responsible for delivery. In the Lancashire Manufacturing Partnership, one of the three partners was a private sector economic development consultancy and property developer. The organisation had a long history of involvement in economic development support having originated from the county council's economic development department. As a public limited company it was one of only three partners and had responsibility for delivering multi-million pound business support and/or property development projects, with no apparent checks or balances on its participation in the contract awards.
- 4.8.4 A similar situation arose in Chalkhill where the housing renewal contractors from a related initiative (even though entirely separate from SRB) played the dominant private sector role on the SRB committee. More than two thirds of the SRB expenditure (£2 million) was awarded, through a single project, to the lead housebuilder to deliver construction training.

- 4.8.5 Neither scheme performed well, though we have no evidence that the participation of either private sector organisation restricted the schemes' performance, or that the involvement of alternative private sector partners or project deliverers would have altered the outcome. What is clear from our evaluation of both schemes, however, is that the use of public funds requires more transparent processes to ensure that conflicts of interest are avoided, and – equally important – are seen to be avoided. There are strong arguments for separating the roles of partner and participant. Where this is not possible or desirable, steps need to be taken to ensure that conflicts of interest are declared early and that best value is secured for the public purse through rigorous development competitions or tendering procedures.

4.9 The limitations of private sector involvement in regeneration

- 4.9.1 Whatever the benefits of business participation in the regeneration process, it is clear that private sector participants can play a variety of roles, from strategist to supplier, from financial contributor to the merely vocally supportive.
- 4.9.2 The circumstances where such involvement is more or less likely – or desirable (see above) – are also many and varied. Blanket guidance that states the private sector involvement is, without exception, a good thing is unhelpful. The private sector clearly does not need to operate energetically at all levels in the regeneration process whatever the circumstances to make the process effective or efficient. Amongst these case studies at least, the number of examples of dominant private sector involvement of unsuccessful schemes equals those which have been successful.
- 4.9.3 This analysis suggests, on the strength of ten case studies, that there are some types of regeneration initiative where private sector involvement is critical (notably those with a physical regeneration or business development objectives), and that there are others where it is unlikely, or where it could be distracting in terms of limited regeneration resources available for other solutions. The latter are most likely to be the community-based regeneration schemes in neighbourhoods where there is a limited business base, or in schemes where mainstream service delivery improvements are being pursued. There may be roles for the private sector to get involved – especially through service delivery and/or activities which play well to the corporate social responsibility urges of larger, higher profile, employers. However, it would be unrealistic to expect SMEs to participate in schemes of this kind, either at a strategic level or in terms of financial contributions to projects.
- 4.9.4 Recent guidance from DTLR on Local Strategic Partnerships¹³ raises the prospect of Local Business Brokers, whose role would be to promote private sector involvement, 'work out what their best contribution could be, and to navigate the maze of local initiatives'. This guidance reflects the more complex drivers of business motivations to participate in regeneration and some of the less direct pathways to involvement. However, we would concur with the findings of recent work for DfES on partnerships with business¹⁴ that there are two vital ingredients to such a role. The first is that the brokers need to be proactive in

13 DTLR (formerly DETR), *Local Strategic Partnerships: Government Guidance* (March 2001).

14 E Duce Ltd and GFA Consulting for DfES, 2001: *Five Vital Lessons: Successful Partnership with Business*.

identifying and creating opportunities for involvement, as well as advising them of existing opportunities. There are undoubtedly schemes – even small, community-based regeneration initiatives – where business participation, even from local SMEs, could be secured, but appears to have been largely ignored so far by scheme partners and managers. Second, once appropriate opportunities for business involvement have been identified, it is essential that there is a persuasive approach to selling the benefits of private sector involvement. These two ingredients to the brokerage role could be embodied in a simple check-list and its application would apply some discipline to the process of identifying private sector roles, spotting the right participants and encouraging them to engage.

4.10 Summary and lessons for future policy

- 4.10.1 This chapter has demonstrated the range and extent of private sector involvement in ten SRB case-study areas. It shows that, against the odds in some cases, most schemes have secured some form of private sector involvement. There are also isolated cases of genuine private sector leadership of regeneration schemes.
- 4.10.2 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.
- 4.10.3 The private sector is not a homogeneous group. Each firm will have different markets, different managers, 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.
- 4.10.4 There is an emerging tendency for firms to consider and engage in corporate social responsibility (CSR) actions, 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 have reflected 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. It offers some signals of the important role which the private sector can play in informing public policy, both mainstream and discretionary, even if business participation does not extend much beyond that in some areas of regeneration activity.

- 4.10.5 It is encouraging to note that 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 are 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.
- 4.10.6 Finally, 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.
- 4.10.7 In comparison with other schemes, SRB has also generated quite 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.

CHAPTER 5

Reducing social exclusion: bending the mainstream

Summary of chapter:

SRB schemes have had a degree of success in bending mainstream funding into deprived areas but, overall, the response of mainstream programmes has been modest. Thus, in terms of final outcomes on the ground, progress in removing disparities has been small in relation to the size of the deprivation problem. This is particularly the case for the first ten case studies, which were of relatively short duration involving low levels of SRB expenditure. It also has to be remembered that these case study schemes were designed as far back as 1994-95, when such notions as partnership working, holistic area-based regeneration and community involvement were relatively new and untried in many parts of England. SRB achievements have been steady and cumulative, so that schemes in later SRB rounds between 1996 and 2000 were generally of much improved design, much larger and with higher overall impact on bending the mainstream.

5.1 Introduction

- 5.1.1 Area-Based Initiatives (ABIs) such as SRB have been introduced explicitly as a means of bringing together the activities of mainstream programmes (education, health, housing, crime and safety) to address geographical concentrations of deprivation and social exclusion found in local areas. Although ABIs usually bring with them an element of 'top-up' funding to be spent exclusively in the deprived local area, their main stated function is to provide a co-ordination mechanism through which mainstream programmes come together to develop appropriate actions to help to solve the problems of these areas. The emphasis is on doing this in a strategic, co-ordinated and cost effective way. This process is often referred to as 'bending' mainstream activity into the deprived areas concerned.
- 5.1.2 A crucial part of the evaluation of SRB has thus been to assess how far the activities of the Challenge Fund have been able to 'bend' the main spending programmes in the local area with respect to education, transport, housing and other local government services. It is also important to assess the bending of mainstream training programmes through the former Training and Enterprise Councils, the Employment Service, the Benefits Agency and the National Health Service. SRB regeneration schemes are unlikely to bring permanent local area regeneration solutions unless they can alleviate both failures in private sector markets and the failure of main programme services to concentrate sufficient resources on the areas of greatest need.
- 5.1.3 In the 1980s and 1990s ABIs, of which SRB is the prime example, were introduced with the principle objective of improving mainstream programme delivery into deprived neighbourhoods in order to more effectively reduce local area disparities. SRB was aiming to do this by:

- promoting a more holistic approach to neighbourhood regeneration which addressed all the main aspects of deprivation and dereliction at the same time;
- encouraging a more strategic rather than adhoc approach to area regeneration, so that all departments were targeting their services into the deprived area for a sustained period of time of three to seven years;
- achieving better inter-agency working and improved co-ordination by the formation of partnerships at the neighbourhood level as a vehicle for mainstream departments to work more closely together; and
- involving local communities in neighbourhood regeneration and building their skills in regeneration in order to improve service delivery into the deprived area to raise service take-up rates and to secure longer lasting and sustainable regeneration benefits for the neighbourhood.

5.1.4 Using evidence from the evaluation of our first ten case study SRB schemes we examine the achievements of SRB with respect to those four principle SRB objectives.

5.2 Mainstream programme bending

5.2.1 Chapter 4 considered how SRB had been effective in leveraging private sector funding into its local partnership regeneration schemes. There had been some notable successes but, overall, the achievements in relation to private sector leverage were similar to other non-SRB schemes carrying out the same types of regeneration. In this chapter we examine the degree of mainstream bending that has taken place under SRB on the basis of the ten case study partnership schemes. Previous evaluations of regeneration schemes have addressed this issue with an approach that was essentially qualitative, and in some cases anecdotal. They established that some mainstream programme bending had occurred but not how much – not even as an order of magnitude. In the evaluation of SRB we have gone one step further and quantified the order of magnitude of mainstream programme bending in SRB partnership schemes.

5.2.2 Apart from discussions with partnerships themselves the main place to look for evidence of mainstream programme bending is non-SRB other public expenditure in SRB schemes. This represents the gross financial contribution of non-SRB public sector expenditure to SRB schemes. Table 5.1 shows that, for the ten case studies, total ‘other public’ expenditure for the duration of the schemes is £58.4 million – compared with expenditure from SRB of £46.5 million and private sector expenditure of £125.4 million. Table 5.1 also shows the sources of other public expenditure as, for example, from local authorities, TECs, health authorities, home office/police, DfEE other than TECs and the Housing Corporation. These examples are clearly mainstream programmes.

5.2.3 However, two other public sector sources are also shown to be large contributors to case study schemes. These are English Partnerships and European Structural Funds. The latter are not mainstream programmes under the normal definition of the term but rather other regeneration programmes more similar to SRB itself. These three regeneration programmes together account for £20.1 million (34.4%) of the total £58.4 million of ‘other public expenditure’. This, therefore, leaves £38.3 million (65.6%) as the gross contribution of mainstream programmes.

Table 5.1: Breakdown of expected expenditure for all years

Case Study Name	SRB		Other Public		Private		Total		Target area pop (000s)	£ million										
	£m	£m	£m	£m	£m	£m	£m	£m		LA	TECS/ Bus Link	Health Auths	Educ/ coll.	DfEE	HO/ Police	Hous Corp/ Ass.	EP/oth DETR	EU	Herit/ Lott/ mil	Other
Northumbria Community Safety	0.9	0.9	0.2	0.2	2.0	1400.0	0.3	0.1	0.06	-	0.1	0.1	-	-	0.1	-	0.1	-	-	0.06
Engineering in Education	0.4	0.2	0.2	0.2	0.8	6100.0	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-
Limes Farm Partnership	1.0	7.9	1.2	1.2	10.1	2.5	7.3	-	0.4	-	0.2	-	-	-	-	-	-	-	-	-
West Cornwall Initiative	2.7	11.6	3.7	3.7	18.0	230.0	3.0	-	-	-	-	-	2.1	6.5	-	-	-	-	-	-
Brent & Harrow	1.6	0.4	0.3	0.3	2.3	440.0	0.02	0.4	-	-	-	-	-	-	-	-	-	-	-	-
Hangleton Knoll Challenge Fund Prog	1.6	0.6	0.8	0.8	3.0	13.0	0.3	0.2	-	-	0.01	-	-	-	-	-	-	-	0.05	-
Chalkhill Estate	3.3	0.9	25.4	25.4	29.6	6.2	0.3	0.4	-	-	-	-	-	-	-	-	0.04	-	-	0.2
Lancashire Manufacturing Partnership	8.1	8.3	15.1	15.1	31.5	1400.0	2.9	3.3	-	-	0.1	-	-	-	-	1.2	0.8	-	-	-
Canalside Rochdale	10.5	11.6	46.7	46.7	68.8	14.0	4.9	0.6	-	-	-	-	-	-	0.9	0.9	2.6	-	-	1.7
Regenerating Wolverhampton	16.4	16.0	31.8	31.8	64.2	242.0	2.6	6.2	-	-	*	-	-	0.3	1.0	0.3	5.5	-	-	0.1
TOTALS	46.5	58.4	125.4	125.4	230.3		21.62	11.4	0.46	0.1	0.11	0.56	2.0	4.5	15.5	0.05	2.06			

* Less than £0.01 million.

Source: Case study delivery plans.

- 5.2.4 There is evidence from discussion with case study partnerships that SRB has had an effect in bending both mainstream programmes and ‘other regeneration programmes’. Before considering a detailed assessment of both types of programme bending in each case study, however, a further distinction should be made between short distance and longer distance bending.
- 5.2.5 Longer distance programme bending would occur where mainstream public expenditure was diverted **into** a local authority, a TEC or a health authority area as a direct consequence of an SRB scheme within a part of one of those areas. Short distance programme bending occurs when public expenditure is diverted from one local area to another **within** a local authority, TEC or health authority area. The evidence suggests that longer distance mainstream programme bending has been the exception rather than the rule, and has consequently been relatively small in magnitude. Short distance bending of programmes has occurred frequently and has been of more importance quantitatively.
- 5.2.6 Such a finding should not come as a particular surprise. Mainstream departments allocate funding to their main delivery areas according to a formula reflecting each department’s geographical needs assessment. The local authority system, for example, is a standard expenditure assessment of a central judgement of each local authority’s need to spend on its own client groups such as primary school children, secondary school children, old people, the under 5’s, miles of road to maintain etc. Similarly, the DfEE central formula for TECs takes account of an area’s unemployment and long term unemployment in allocating funding, whereas the Department of Health carry out health authority area spending allocation based on health based needs indicators. In none of these mainstream department expenditure allocations by geographical area are there provisions for changing the allocation according to whether the area has been successful or not in obtaining SRB schemes. At this wider area level it is not possible for SRB to bend mainstream programmes unless there are discretionary elements within the mainstream programmes which are not allocated on a formula basis. There are such discretionary elements in some programmes as, for example, with DfEE, where there is a small central special initiatives challenge fund element which individual TECs can bid for.
- 5.2.7 There is more opportunity for the bending of main programmes over short distances because local authorities and TECs, among others, have more flexibility in the allocation of project funding **within** their own boundaries. This allows them to join in with SRB schemes as partners to help tackle small localities of acute multi-faceted deprivation and disadvantage where unit costs of provision tend to be high but where SRB funding can cover the higher unit costs. However, there is a binding constraint on the extent of short distance programme bending that can occur. Thus, local authorities and TECs have statutory and other obligations to provide a basic level of service to all the sub-areas within their boundaries, which limits the funding which can be diverted into the target location of SRB schemes.
- 5.2.8 The opportunities for programme bending obviously also exist in the case of other regeneration programmes such as English Partnerships (EP), EU Structural Funds and the Lottery/Millennium commission. These programmes are in any case more area selective or targeted and they also require matching funding before projects are allowed to proceed – and, like SRB, they tend to be delivered through local/sub-regional partnerships. The SRB challenge fund has provided an invaluable framework for building regeneration projects involving matched funding – because, once approved, SRB funding is certain and provides an opportunity to build project partnerships which use and provide matching funds from other regeneration programmes. The effect of this is to bring forward those projects in EP and EU Single Programming documents which are part of SRB funded schemes. In some cases the effect

is to increase the aggregate project funding moving into the area at the expense of non-SRB areas lacking in matching funding opportunities, where projects may be delayed or finally cancelled.

- 5.2.9 Keeping these distinctions between mainstream programme and regeneration programme bending, and between short and long distance bending in mind, discussions with lead partners and other partners in case study schemes have enabled the evaluation team to make estimates of how effective SRB has been in bending mainstream programme expenditures. These estimates are subject to wide margins of error and should be regarded only as orders of magnitude.
- 5.2.10 The results of the assessment are shown for the ten case studies in Table 5.2 below. For mainstream programmes the amount of mainstream programme bending across LA District boundaries is of the order of £2.4 million out of a total mainstream spending of £38.3 million. Programme bending within District boundaries is significantly higher at £12.6 million. There was also some bending of other regeneration programmes into SRB target areas, amounting to £2.7 million across District boundaries and £5 million between localities within Districts.
- 5.2.11 These figures should be set against case study funding from SRB itself of £46.5 million. Thus, for pure mainstream 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 it resulted in another 27 pence – some 32 pence in all. If other regeneration programmes are added to mainstream programmes the figures rise to 11 pence (long distance), 38 (short distance) and 49 pence (total) respectively.
- 5.2.12 So far as the evaluation team is aware, previous evaluation of other regeneration programmes have not attempted a quantification of mainstream programme bending achievements. If this is correct it is not possible to compare these results for SRB with the achievements of any other regeneration programme. However, the stand-alone results for these case studies is that SRB has to encourage and cajole mainstream programmes to bend substantial funds. It is an uphill task. The reasons for this are set out in Table 5.2 below.
- 5.2.13 The modest programme bending achievements at the inter-LA District/TEC level are not unexpected, given that each Department has its own independent formula for allocating its funds geographically – irrespective of what other Departments are doing. At the within LA District/TEC level, main Departments are operating more flexibly and entering into local partnerships more enthusiastically and have shown more willingness to divert programme expenditure between localities accordingly.

Table 5.2: Estimates of programme bending in SRB case study schemes

	£ million					
	Mainstream Programmes			Other regeneration programmes		
	Total	Short distance bending	Long distance bending	Total	Short distance bending	Long distance bending
Northumbria Community Safety	0.8	0	0	0.1	0	0
Engineering in Education	0.2	0	0	0	0	0
Limes Farm Partnership	7.9	3.5	1.3	0	0	0
West Cornwall Initiative	3	1.5	0.1	8.6	2.1	2.1
Brent & Harrow	0.4	0.1	0	0	0	0
Hangleton Knoll	0.5	0.2	0	0.1	0	0
Chalkhill	0.9	0.4	0	0	0	0
Lancashire Manufacturing Partnership	6.3	1.5	0	2.0	0.6	0.5
Canalside Rochdale	8.1	3.4	0.8	3.5	1.3	0.6
Wolverhampton	10.2	2.0	0.2	5.8	1.0	0.5
Total	38.3	12.6	2.4	20.1	5.0	2.7

Source: SRB Evaluation Team, Department of Land Economy.

5.3 Difficulties experienced by mainstream departments as partners of SRB regeneration schemes

5.3.1 An important lesson from our ten SRB case studies is that mainstream departments have experienced some difficulties in participating as full partners in regeneration scheme partnerships. In most cases these difficulties have not been serious enough to prevent participation in partnership working, but it has affected adversely enthusiasm for participating in future. The type of difficulties encountered in one or more of the ten case study areas can be summarised briefly as follows.

STATUTORY LIMITATIONS IN RELATION TO OBJECTIVES

5.3.2 Some mainstream delivery agents have clear statutory objectives which limit what they can do as partners in holistic regeneration schemes – and, in particular, the type of project to which they are able to contribute funding. This constrains their ability to develop innovative approaches to tackling the problems of deprived areas and encourages them to support only the conventional type of project which they would themselves otherwise undertake.

5.3.3 Perhaps the best example of this was the Training and Enterprise Councils (now replaced), which had a key labour market/training function. TECs had a statutory objective which limited their activity to economic renewal and, therefore, could not participate in projects with wholly or partly social and/or community objectives. In areas of multiple deprivation

social and community actions are a necessary pre-requisite to providing pure economic skills training of job search assistance. Many unemployed residents of such areas are not 'job ready'.

DEPARTMENTAL REGULATIONS, PROCEDURES AND TARGETS

- 5.3.4 Mainstream programme expenditure and initiatives have their own set of guidance and rules, dictated centrally by the Department, which are applied strictly and evenly to delivery agents throughout England. In most cases these regulations/rules/eligibility criteria had also to be applied to any funding contribution made by the mainstream department to an SRB scheme. There was little discretion given to local delivery agencies to relax these rules in order to tackle, more flexibly, the particular problems of deprived neighbourhoods. Departments frequently have guidelines which limit the permissible cost per unit of project output, which act as an incentive to avoid the high unit cost of delivering services into deprived areas. Thus, in some of our case study areas the former Training and Enterprise Councils in particular were discouraged from contributing to high cost high quality training projects which some partnerships sought to implement.
- 5.3.5 In this context, Local Authorities should be regarded as the delivery agent for some mainstream services such as school education and social housing. As a convention they have been charged with delivering a level of service into their various neighbourhoods, which is commensurate with the relative needs of neighbourhoods. Their funding from Central Government is partly based on indicators of relative need at the District level – but relative needs at neighbourhood level are not systematically measured. In practice, neighbourhoods may receive equal provision of services rather than provision according to relative needs, and political pressure to maintain high levels of expenditure in more prosperous neighbourhoods is in many cases intense. Thus, when Local Authorities target a service to a deprived neighbourhood – such as, for example, housing in Chalkhill, in this case Brent Council faced judicial reviews brought by residents of other neighbourhoods.

RATIONALISATION OF MAINSTREAM SERVICE DELIVERY

- 5.3.6 Over recent decades successive cost cutting exercises have had the effect of increasing the area covered by local mainstream service providers. There are fewer and larger local authorities (eg, Learning and Skills Councils are larger than their predecessors, the TECs). Health authorities may cover several local authority Districts, police authorities cover whole cities or even regions. The same process has been going on at a more local level where each of these organisations reduces the number of local offices and rationalises into larger local offices. In some of our case study deprived neighbourhoods the nearest job centre was two or three miles away. Under these circumstances mainstream service provision has become more remote to residents of deprived neighbourhoods who do not regard them as accessible. Take up of service remains low. To deliver a service into a deprived neighbourhood directly mainstream service providers have increasingly relied on sub-contracting to very locally based organisations such as local training providers or community-based projects, which tend to be small, financially insecure, not well managed and providing an uneven quality of service.

- 5.3.7 An important consequence of rationalisation is that a local mainstream service provider may be asked to become a partner in a large number of SRB schemes. In some of our case studies mainstream service providers were partners in as many as ten SRB schemes as well as partners in other types of local partnership. At the same time, the rationalisation process has been going on within mainstream delivery agencies, which have been under constant pressure to reduce staffing levels.

5.4 Links with mainstream programmes

- 5.4.1 The previous section concluded that a small amount of mainstream ‘bending’ had occurred in the ten case studies. Only a very small amount of mainstream funding had been attracted from outside the District or County Council area, but rather more ‘bending’ locally had taken place within the County or District – to the SRB target area.
- 5.4.2 The Limes Farm SRB scheme followed this general pattern. There was some main programme bending towards the estate by the Metropolitan Police and the Essex and Herts NHS Trust. Bending was entirely limited to sources within the wider local area. In the Northumbria Community Safety scheme the participating local authorities diverted some funding to support the SRB scheme, which would otherwise have been spent in the SRB area but on other council services. Local authorities did not spend more overall as a consequence of SRB, but more expenditure was devoted to tackling drug abuse than would otherwise have been the case.
- 5.4.3 In Brent and Harrow 25 pence of mainstream expenditure was incurred for every £1 of SRB funding, and this was from the mainstream funding of the lead partner, NW London TEC. Again, these funds would have been spent in the TEC area, even in the absence of SRB, so that arguably no significant amount of mainstream programme bending occurred.
- 5.4.4 Going only on the indicative evidence of the smaller schemes out of our ten case studies, there is a suggestion – to be followed up in further research – that mainstream programme bending in small schemes may be lower than average. There is no evidence whatsoever to suggest that small Partnership schemes may be relatively more effective in attracting mainstream programme expenditure than large schemes.
- 5.4.5 The general point can be illustrated with the Hangleton & Knoll scheme. There is clear evidence that Employment and Youth Services have been encouraged to develop their outreach programmes in Hangleton & Knoll through the Opportunity Centre, the Youth Music Project and the expanded activities of the Community Festival. However, local authority programmes have also been influenced by the Hangleton & Knoll Partnership (HKP) SRB scheme in that traffic calming, Greening Hangleton and Knoll, the Hangleton Park improvements and Hangleton Community Centre have received a direct input from the local authority who has tailored some of its resources to meet identified community needs. However, for an SRB scheme of this modest size (£3 million) it is difficult to see how further mainstream bending might have occurred. In developing a partnership with the local authority as the accountable body, HKP has also influenced the council in terms of the lessons that have been learnt from the regeneration of Hangleton & Knoll. These lessons are now being considered by the local authority in relation to further unified SRB programmes and wider regeneration activities across Brighton and Hove. For example, the

proposed Trust for Developing Communities initiative, which grew out of a clearer understanding of the local regeneration experience within Hangleton & Knoll, could be developed as part of a coherent regeneration strategy across Brighton and Hove. Such initiatives have clear implications for the development of Local Strategic Partnerships.

- 5.4.6 In rural areas such as West Cornwall SRB has helped mainstream delivery by:
- alerting mainstream agencies to weaknesses in delivering regeneration and the need for innovative approaches; and
 - bringing a range of local stakeholders together (including partnership working with key agencies) and providing opportunities for both short distance and, to a lesser extent, long distance bending of mainstream funding within a coherent regeneration programme.
- 5.4.7 In Chalkhill there was a case for focusing limited resources on one key government regeneration objective – namely employment, training and employability. This strategy offered a real possibility that SRB could make a positive contribution to local residents. However, one adverse consequence of this approach was that mainstream programmes as a whole played a relatively small role in the SRB scheme. In this case, £0.9 million of mainstream expenditure was linked to £3.3 million of SRB funding.
- 5.4.8 With Canalside Rochdale SRB mainstream bending was strongest within the Training for Life and Work, Economic Regeneration and Housing Action themes. Mainstream funding broadly came from the Chamber of Commerce, Training and Enterprise (formerly the TEC), EU structural funds, RMBC, the Countryside and Forestry Commissions, HIP and Derelict Land Grant, and English Partnerships. While mainstream bending in the Canalside case has had an impact on the delivery of SRB projects, the heavy commitment of public expenditure to housing regeneration would have gone ahead anyway.

5.5 Conclusion

- 5.5.1 Overall, the analysis points to the conclusion that, whilst there has been success in improving mainstream delivery into deprived neighbourhoods, it has been modest and variable. For mainstream programmes the amount of mainstream bending across LA District boundaries is of the order of 6% of the mainstream spending involved – an average sum of only £48,000 per case study per year. It enhances the direct SRB funding contribution by only 7%. It occurs because of improved local targeting of policy to the worse off areas. Because SRB funding can only be devoted to the benefit of residents of the SRB areas, contributions to SRB projects from mainstream projects tend also to be more targeted on SRB area residents than would otherwise have been the case.
- 5.5.2 Mainstream programme-funding contribution to SRB projects were highest in those case study areas where small SRB schemes were designed to slot into (and fill a gap in) other schemes, which other departments were about to commence in the area. This was particularly the case in West Cornwall, Limes Farm, Canalside Rochdale, Wolverhampton and Lancashire Manufacturing. In rounds one and two it was common for SRB to be used in this way – namely to make already planned renewal schemes a little more comprehensive or of better quality.

- 5.5.3 Whilst there is some rather weak qualitative evidence that on average SRB had the effect of diverting a very small amount of mainstream programme funding to SRB area residents – from residents of other neighbourhoods – it is perfectly feasible that any such diversion could have been zero or negative in particular cases. In one or two of our ten case studies in which partnership structures and arrangements were poor, this could easily have occurred. This was particularly likely where partnership structures were narrow, with only two or three partners, and mainstream service providers were generally excluded for the partnership or where mainstream providers had disputes with the SRB lead partner over the design and characteristics of SRB projects. When this happens the mainstream service provider is tempted to divert funds away from the SRB area to other needy neighbourhoods in the Districts which do not have the benefit of SRB designation.
- 5.5.4 Despite the fact that representatives from key agencies sat on the round one and two SRB boards, the notion of ‘joined-up regeneration’ within local areas has been slow to develop as part of a strategic policy planning/delivery process. However, after a hesitant start, a considerable momentum has now built up over the subsequent four rounds of SRB to 1999-2000, and this augers well for the future and the work of Local Strategic Partnerships.
- 5.5.5 Within SRB there have been opportunities for mainstream funders to target identified areas of deprivation as an integral part of their overall national/regional strategy, and this is now beginning to take place. Where mainstream players have been directly involved in SRB partnerships, there has been an increased opportunity for mainstream bending that in some cases has led to the development of a more robust forward strategy beyond the life of specific SRB schemes. In general, mainstream providers have been able to bend their budgets most effectively where they have been an integral part of the partnership. In cases where the work of the partnership has been heavily influenced by a dominant partners progress has been more hesitant.

CHAPTER 6

Producing a good regeneration scheme: the role of partnership working

Summary of chapter:

The research has identified good and weaker attainment across SRB schemes. Performance is not systematically correlated with size, duration or theme. The evidence does not support the view that there is a one size fits all format to successful regeneration schemes. Since the more obvious structural characteristics of an SRB scheme are not systematically associated with performance, the implication is that relative success is more to do with how the partnership works and its structure. This chapter draws upon the SRB case studies to identify the key features associated with the attainment of good partnership working and the development of strategic regeneration.

6.1 Introduction

- 6.1.1 It would be wrong to believe that there is any set formulae or procedure that if it were followed by the relevant interested parties would automatically lead to an effective resolution of the problems faced by deprived communities in run-down areas. If there is one single lesson that had been learned from over thirty years of experience of regeneration policy in the United Kingdom it is that there is no quick fix that will turn around declining areas and necessarily improve the quality of life of the people concerned. Regeneration at the local level is a slow business where, over usually a considerable period of time, a lasting improvement is achieved such that there is relative improvement. It is about working at the margin in a consistent and effective manner so that the necessary adjustments occur in the market place as well as the delivery of mainstream services to the people concerned.
- 6.1.2 Producing an effective regeneration scheme requires putting in place a number of key elements in relation to partnership working. Our objective in this chapter is to identify what these may be and how the characteristics of partnerships influence the degree of relative success or failure.
- 6.1.3 There has been considerable variation in what has been achieved by locally targeted initiatives when it comes to tackling the needs and problems of local areas. As previously noted, there will never be any one set of rules or a template that, if followed, will guarantee success. However, there are lessons as to what might constitute good or bad practice, particularly with respect to partnership working. This chapter presents findings that have emerged at the final evaluation stage of our analysis of ten SRB case study partnerships.

- 6.1.4 However, before examining the features of partnership working that make for relative success it is helpful to identify how we should gauge success, although this is not straight forward. Many of the things that are often heralded as a successful feature of regeneration activity are really in themselves the instruments by which success in delivery and achievement is obtained. Partnership working presents a good example. There may be all sorts of reasons why good partnership working is felt in its own right to be a very worthwhile thing to achieve. However, partnership working has been sought by policy makers because it is felt it leads to better regeneration outcomes. It is thus the final regeneration outcomes that we are after.
- 6.1.5 Opinions vary as to the ultimate goals or objectives that regeneration policy should be seeking to achieve and, thus, around which measures/indicators of relative success should be constructed. However, we can point to some fairly obvious candidates, one of these being the attainment of a sustainable outcome such that the problems facing the area and its inhabitants are removed.
- 6.1.6 Our research into the nature of the problems being faced by the areas and residents that are the subject of SRB assistance leads to the same question being asked repeatedly: why has a more adequate adjustment response not been made by both the public sector (and thus mainstream providers) and the private sector (and thus the market) to the problems of the area concerned? A sustainable outcome is one that has altered public and private perceptions and actions so that the need for specific regeneration assistance falls away. A strong regeneration scheme is one that allows this to happen as quickly as possible.
- 6.1.7 Alongside sustainability we should also highlight inclusion. The overarching objective of a regeneration initiative is to remove the inequalities that lead to the inhabitants of distressed areas having a lower quality of life than those who live elsewhere in the United Kingdom. These inequalities exist along a number of dimensions including the labour market, but also relate to access to both public and private services and the physical environment. They are perhaps most frequently measured in terms of gaps or shortfalls. Thus, in relation to the labour market the gap or difference between the national average unemployment and that in the distressed local area is used as an indicator of the degree of economic distress in the deprived area. Strong regeneration initiatives should assist in closing the gap. A sustainable outcome is where the gap stays closed through time.
- 6.1.8 Our research does not show that any of the more obvious factors that have differentiated SRB partnerships across England show any systematic tendency to be associated with relative success or failure in attaining their respective regeneration outcomes. Whilst assessing relative performance is always fraught with a number of measurement issues and is inherently value laden, there are examples of relatively good and weaker attainment for both small and large schemes, multi-faceted or thematic, a variety of partnership type and scheme. This evidence supports the view that there is 'no one size that fits all' format to regeneration schemes.
- 6.1.9 Although this may seem an obvious finding, it is worth reflecting that one implication of this is that there is thus scope to allow for considerable variety in regeneration schemes in terms of their size, duration, partnership lead. It is a noticeable and impressive feature of the SRB delivery mechanism that it has allowed this to happen. Thus, since the more obvious structural characteristics of SRB regeneration schemes do not seem to explain relative scheme success, it indicates that success is more to do with good practice in the operation of a partnership, ie, what it does in its day to day operations and how it is set up. It is to an examination of this which we now turn.

6.2 Features associated with the attainment of good partnership working

- 6.2.1 The evaluation of ten case studies at the final evaluation stage has enabled a more extensive analysis of the benefits of the partnership approach than was possible at the interim stage, for initial teething difficulties and a range of project related problems had settled down more by the time of the final evaluation fieldwork.
- 6.2.2 Regenerating Wolverhampton and Canalside Rochdale were fairly similar in that they were both round one schemes focusing on the regeneration needs of old urban areas. They were reasonably large in the SRB funds committed (£16.5 and £10.5 million respectively) and multi-faceted in that they covered a range of objectives relating to the physical renewal of land, premises and housing, the stimulation of local enterprise, helping local people to access training, creating safer communities and encourage community involvement in the process of regeneration. They were also both of five years duration.
- 6.2.3 In Wolverhampton the evidence points to a number of key issues relating to partnership working. Firstly, many of the partners that are important in local area regeneration were present on the partnership. However, others were not. The absence of the voluntary and community sectors on the main Partnership Board was initially a case in point. This was a weakness of the original partnership structure and would not happen now.
- 6.2.4 The partnership model adopted to deliver the scheme was one that was heavily biased towards the Council and the Chamber of Commerce/TEC. It worked relatively well to ensure that output targets were met and that appropriate appraisal and general monitoring procedures were followed, at least over the general life of the programme. However, it was not good at bringing about synergy between those working in particular themes and sometimes even between projects within any one individual theme. This was in many ways a missed opportunity because the nature of many of the projects lent themselves to being linked together in a strategic fashion and, indeed, this was a good design feature of the original bid. Moreover, if there had been better and more effective representation of other partners on the Partnership Committee, it would have helped to avoid criticism that decisions were too dominated by the big players like the Council and the Chamber/TEC. These lessons have been learned in other bids for SRB funding from Wolverhampton.
- 6.2.5 The partnership delivery mechanism also seemed to be good at general housekeeping matters but not so effective when it came to monitoring and reviewing the progress of the regeneration package in relation to the key targets and outcomes that it had set itself. Perhaps this reflected the belief that in an output driven regime like SRB output monitoring was the main requirement. However, the failure to upgrade the original baseline position throughout the scheme meant that, in general terms, the Partnership Committee did not know how well they were moving to solve the underlying problems they identified at the inception of the programme. The individual themes tended, in the main, to do their own thing, albeit relatively well. In a similar vein, although the Programme Management Unit sought to ensure that the required procedures and targets were met, it is clear that it did not have sufficient resources to do much by way of providing evidence for strategic guidance.

- 6.2.6 It can be suggested (with the benefit of hindsight) that the original round one bid in Wolverhampton sought to do too much over too large a physical area and for too many companies and people. This was, in fact, a general feature of round one schemes under SRB and reflected the perception at the time that to be successful bids had to be holistic and multifaceted. However, the scale of funding available, itself down sized from the original bid, was not sufficient to deliver such a programme. There are arguments that better targeting on particular client groups in specific areas might have been more effective and this general view has certainly been reflected in the main in bids that have been submitted from Wolverhampton in other rounds of SRB. A very ambitious regeneration scheme needs a very effective and coherent partnership structure to drive it along and the round one in Wolverhampton scheme did not have this.
- 6.2.7 Some aspects of partnership working have developed well in traditional Northern industrial towns, partly because of the longer-term legacy of District-wide industrial decline, high unemployment and the need to encourage net job creation. One of the aspects of partnership working that works in many of these towns is concerned with the 'pulling together' of public sector departments and agencies behind the objectives of regenerating a neighbourhood. The Canalside Rochdale partnership provides a good example.
- 6.2.8 In Canalside Rochdale the process had begun under earlier policy attempts to regenerate depressed industrial areas but gained momentum under the inter-agency partnership approach of the EU Structural Funds Objective II initiatives. These encouraged public sector agencies to combine to take a more holistic view of regeneration and to co-ordinate the use of regeneration funding from domestic, mainstream programme sources with additional regeneration funding from EU sources. SRB has given the process a further major boost in that it has focused good practice inter-agency working between local authorities and mainstream agencies/departments, where local authorities take on the role of the lead partner. It has also focused attention on the urgent need for focusing inter-agency working at the neighbourhood level rather than the District-wide or sub-regional level.
- 6.2.9 The major SRB enhancement of inter-agency working in Rochdale has brought with it important benefits for the residents of Rochdale as a whole. Firstly, effective partnership working at the neighbourhood level began to develop a district neighbourhood identity for residents of Canalside. Secondly, improved co-ordination of public sector activities at the neighbourhood level and the resulting geographical concentration of project activity highlighted emerging opportunities for new development that could then be undertaken profitably by the private sector. Every £1 of SRB regeneration funding 'levered in' £4.45 of private sector development funding – an excellent private sector leverage performance for a town with a depressed wider local economy.
- 6.2.10 Thirdly, SRB developed the regeneration expertise of the public sector in Rochdale, particularly in the local authority, but also amongst managers in charge of delivering mainstream programme services into local deprived neighbourhoods. SRB greatly facilitated this by providing an element of funding which could be legitimately devoted to the direct staff cost of managing the regeneration scheme. Thus, SRB contributed £531,000 to the costs of administration and management staff (the standard 5%), whilst other public sector agencies contributed a further £37,000. This management element of funding was, as noted above, an important innovation of SRB that greatly helped to develop local regeneration expertise from the very low level found back in 1994. The principle should be maintained in future regeneration initiatives. The standard level of allowance set for SRB at 5% originally was too low. The 5% level tends to be used up by salaries of dedicated staff employed by the local partner, leaving little or nothing for developing skills in other partners or in funding

formal staff training in regeneration skills. SRB and other regeneration programmes still rely far too heavily for their success on the dedication of a handful of key managers who implement programmes and run partnerships, often in their 'spare time' and on an unpaid basis, because they have demanding full time jobs with their principal employer.

- 6.2.11 Fourthly, the effective inter-agency partnership working has resulted in successor arrangements that should ensure that the momentum of regeneration in Inner Rochdale continues on into the future. Many SRB funded projects have been taken over by mainstream programmes and will continue to operate. The partnership was successful in obtaining a further round five SRB scheme for the regeneration of Inner Rochdale that includes some of the Canalside communities.
- 6.2.12 The majority of the other ten SRB case studies examined at the final evaluation stage have been concerned with one or a relatively small number of components of local area regeneration. They were, therefore, more thematic in their original objectives. At the final evaluation stage the research has thus sought to learn lessons that are important for partnership working in the delivery of such schemes. Again, the choice of the case studies has allowed a diversity of experience to be examined and a number of key lessons learned.
- 6.2.13 The Chalkhill scheme, for example, was scheduled to be completed over a five-year period. The SRB scheme was itself quite small in comparison with more recent schemes aimed at tackling deprived run-down inner city estates. Over the five-year period SRB expenditure amounted to £3.2 million. However, this small SRB scheme was designed to run alongside a housing and physical renewal scheme for the estate, which was originally scheduled to involve total costs of about £80 million. The original proposed partnership structure failed to materialise. In the original bid it was intended that the partnership would consist of the London Borough of Brent, Wimpey Construction UK, Metropolitan Housing Trust, North West London Training and Enterprise Council, West London Leadership and Chalkhill/Wembley Business Support Group. The Partnership Board was to be based at a newly established Chalkhill Employment and Training Access Centre Ltd (CETAC) that would itself be linked closely to a wider Brent Employment Agency.
- 6.2.14 These arrangements either did not come fruition at all or were abandoned mid-way through the scheme. The Brent Employment Agency was closed down in 1997 and CETAC Ltd, on the advice of consultants, was then regarded as unviable and was abandoned in 1998. The North West London TEC did not become a partner because of tension over the future of SRB construction training projects, and West London Leadership and the Chalkhill/Wembley Business Support Group also failed to become SRB partners. Instead, the Chalkhill SRB Board became a sub-committee of Brent Council's Regeneration Committee, comprising six Councillors and four representatives from the Chalkhill private sector partners – Wimpey Homes and Metropolitan Housing Trust together with two local employers – Ujima and Onyx. The Board was serviced by the Director of SRB Programmes for Brent Council with delegated powers.
- 6.2.15 Thus, the partnership arrangements which actually emerged were very exclusive – Brent Council and the housing renewal developers. They also formed the Housing Renewal Partnership. Brent Council was nominally the lead partner but the private sector had the greater influence on scheme design and implementation. The two dominant partners worked reasonably well together with both obtaining benefits from the housing renewal scheme. Brent Council obtained the renewal of one of its main problem estates at no cost to itself. The North West London TEC contributed a small amount of funding for some

SRB projects but never became a partner, even though the SRB scheme was focused very much towards raising employability and training. Thus, given the overarching objectives of the partnership and its original longer term objectives, the relative exclusive nature of the partnership has to be seen as something of a limitation and a feature that should be avoided in future partnership working of this sort. There were no representative of mainstream Government departments on the partnerships and in many quarters this would be regarded as unacceptable.

- 6.2.16 The Limes Farm estate case study had some similarities with Chalkhill in terms of its basic objectives. It was designed to address the problems of the Limes Farm estate in Chigwell, Essex. The housing stock dated from the late 1960s and was built to poor design and construction standards. The estate had many of the problems associated with tight geographical concentration of the relatively socially excluded. The partnership was instigated and led by Epping Forest District Council but there were a wide variety of members from the County Council (Transportation, Social Services, Education), the Police, Limes Farm Community (formerly Residents Association) and the Community Health Trust. Other partners were the London and Quadrant Housing Trust, the Probation Service, Essex TEC, West Essex Business Education Partnership, Essex Careers and Business Partnership, Citizens Advice Bureau, local schools and the Church.
- 6.2.17 In practice, however, the partnership was dominated by the local authority. Other partners played a relatively minor role and were informed and consulted rather than being genuinely involved in decision taking, although the involvement of the London and Quadrant Housing Trust provided an opportunity to diversify tenure on the estate and this formed an important part of the overall Limes Farm Housing Involvement Programme. The partnership has achieved its objectives, but in such schemes dominated by a lead partner partnership working falls way relatively quickly after the objectives of the original regeneration scheme are achieved.
- 6.2.18 The Hangleton Knoll Partnership has been of particular interest in the research because it represents one of the few examples of a partnership led by a community organisation, albeit with a relatively restrictive composition. It is also a clear example of where a community-based group was able to tap into regeneration funding in such a capacity and the flexibility inherent in the SRB delivery system to allow this was acknowledged by the partnership to be a substantial advantage over previous delivery mechanisms.
- 6.2.19 Whilst the accountable body was originally Hove Borough Council, the SRB scheme was managed by the Hangleton Knoll Partnership, which is a registered charity. The Hangleton Knoll Partnership Board had been in existence for a substantial period and, therefore, had an intimate knowledge of the area and its needs. The original partnership with Hove Council was replaced when Brighton and Hove became a unitary authority in 1997 and took over as the Accountable Body for all SRB schemes in their administrative area. The Council has subsequently implemented a unified SRB Programme that is now delivered through the Brighton and Hove Regeneration Partnership (BHRP). However, although functioning within the wider strategic direction of the Brighton and Hove Regeneration Partnership, the Hangleton Knoll Partnership has continued to develop detailed policy and managed the original SRB scheme. One advantage of this is that it has enabled the Hangleton Knoll Partnership to link in with partners from the wider area.

- 6.2.20 Thus, the notion of partnership working in Hangleton Knoll has proved successful in terms of community-based organisations and the community. However, the private sector direct involvement in the regeneration process has been limited partly because, like so many areas, there is no natural base of business/commercial interests in the area other than relatively small retail outlets. A further weakness of the existing partnership structure is that it had originally relatively poor representation from partners from mainstream departments.
- 6.2.21 Nonetheless, the main advantages of the original partnership remain in that it has demonstrated how a community organisation can work with a local authority to develop locally-based initiatives that reflect and respond to locally-based needs.
- 6.2.22 Hangleton Knoll is also a good example of where the desired access to the private sector and mainstream departments can best be facilitated by the community-based partnership linking into a wider Local Strategic Partnership. In Brighton, the obvious candidate that has emerged is the Brighton and Hove Regeneration Partnership that allows for a broader base of relevant expertise to be tapped, including private sector representation from the wider economy of which Hangleton Knoll is a part. We return to this issue later in this report.
- 6.2.23 The Northumbria Community Safety Partnership represents an example of a thematically driven SRB scheme designed to address issues relating to improved community safety and crime reduction in Northumbria across a fairly wide geographical area. In formulating a co-ordinated approach it was recognised from the start that the partners had a wealth of collective experience and knowledge regarding drug issues and the impact of drugs on local communities and, thus, the ability to raise the profile of drugs-related issues amongst the young people and other high risk groups.
- 6.2.24 Apart from Gateshead MBC there are five other local authorities involved and also other agencies, including the Probation Service, the Crown Prosecution Service, the Prison Service, the Northumbria Coalition Against crime, Victim Support, the Home Office Drug Prevention Unit, HM Customs and Excise, the Race Equality Council and a number of others.
- 6.2.25 Progress has historically been relatively slow in reducing crime and improving the safety of local communities, particularly when it comes to drug-related issues and young people. Some of the most obvious reasons for such slow progress have been that:
- historically, existing institutional frameworks have been rather rigid, with often quite sharp distinctions between those responsible for the maintenance of law and order and those responsible for dealing with the consequence of crime;
 - the absence of robust locally delivery mechanisms with which to tackle the problems concerned and a failure to recognise that policies drafted at the national level need to be customised in their delivery to reflect the nature of the problems on the ground;
 - the incidence of crime can be very easily displaced between local neighbourhoods and so there is a need for co-ordination at that level;
 - to achieve a safe and secure local environment requires action in many different areas of public and, indeed, increasingly private service provision; and
 - there is an absence of good statistical evidence about the incidence of the problem being experienced and, thus, a need to co-ordinate experience and expertise in the gathering of data and other material.

- 6.2.26 In circumstances of this sort a partnership driven approach to tackling the problems concerned can offer rich returns in harnessing the efforts of a number of agencies to make a real impact on the problem. The evidence from the Northumbria Community Partnership is that it was able to establish an institutional format that has enabled interaction and collaboration across a wide number of often quite diverse partners. The advantages of this has been a rapid dissemination of best practice and the development of an evidence-based approach to tackling problems of crime and drugs abuse. It has also allowed strategic wide decision taking but with local area-based implementation.
- 6.2.27 In summary, the attractive features of the approach adopted by the Northumbria Community Safety Scheme which have served the partnership well in the face of considerable changes in the level and nature of crime were:
- the development of a framework that is more able to bring together issues relating to crime prevention, enforcement and welfare support for the victims of crime;
 - a policy which ensures that the overall strategy, priorities and decisions about funding are taken by a Strategy Board with members drawn from each of the key partners;
 - that policy initiatives are implemented by Local Area Groups that work at the grass roots level. The Area Groups work within strategies and priorities that are agreed by the Strategy Board; and
 - an active attempt to ensure *networking* between key players.
- 6.2.28 What is also of interest in the context of the Northumbria Safety Partnership is that it has firmly established itself and evolved to meet new challenges. A very positive feature is that the Community Safety Strategy has now become more of an integrated part of the mainstream activities of the mainstream players represented on the Strategy Board. This undoubtedly reflects the fact that the original idea and structures that emerged through the SRB funding have proven themselves suitable of meeting new and emerging policy imperatives (for example, the impact of the Crime and Disorder Act 1998 that places a statutory responsibility on local authorities to formulate local strategies for the reduction of crime and disorder). As the Act says, such strategies have to be based on evidence from crime and disorder audits that reflect the views of local communities. The benefits of partnership working encouraged through the SRB have been real and lasting.
- 6.2.29 Three of the case study partnerships have been predominately concerned with the promotion of enterprise and, as such, have represented examples of partnership working in thematic schemes. The three partnerships are Brent and Harrow, West Cornwall and Lancashire Manufacturing. It is also possible to identify a further thematic dimension to the schemes in that the West Cornwall scheme has been concerned to promote rural enterprise and thus falls within the broad thematic area of the rural economy. On the other hand, the Brent and Harrow scheme was concerned to promote business enterprise in predominately urban areas and thus falls within the broad area of the Urban White paper and the promotion of urban regeneration. Interestingly, the third SRB regeneration scheme, Lancashire Manufacturing, was a county-wide thematic bid and has thus been concerned to promote enterprise across both rural and urban areas.
- 6.2.30 Brent and Harrow was a first round SRB scheme that ran for three years and was tasked with targeting business advice and support across the North West London TEC area, particularly to community businesses in the most deprived minority ethnic neighbourhoods.

It also sought to improve business/school interaction through private sector based mentoring in schools. North East London TEC was the lead partner. There were sub-partnership groups who met annually to harmonise endeavour. Each of the sub-groups had a variety of partners depending on their focus drawn from two enterprise agencies, the Midland Bank, the London Borough of Brent and Harrow, the Careers Service Partnership, the existing Education/Business Partnership, individual schools, FE Colleges, the private sector and national and local voluntary and community groups and the Princes Trust.

- 6.2.31 Whilst each of the three sub-groups involved in the overall regeneration partnership were able to work relatively well together to achieve their respective objectives, there was little by way of overall co-ordination of effort for the partnership taken as a whole. Effectively, the co-ordination between the three sub-partnerships was undertaken by officers of the TEC rather than through genuine partnership channels, which was a mechanism that could bring about the wider benefits of partnership working that were described at the beginning of this chapter. In this approach other partners are informed and consulted rather than being genuinely involved in decision making *per se*.
- 6.2.32 The West Cornwall Initiative was a round one SRB scheme and the concept of what was meant by effective partnership delivery of regeneration outputs was just beginning to be appreciated. The partnership was more a loose confederation of those who wished to bring about regeneration in the area, but they did not have, at that stage, a clear strategy, or what we might term a vision statement. This is something that they have been able to change as they have secured SRB funding over other rounds and they have benefited from the guidance provided over successive rounds. There is a central message for partnership working from this and it has to be seen against the background of the objectives for rural areas that the Government has recently presented in the White Paper. Rural partnerships that are seeking to bring about multi-faceted regeneration have to demonstrate to the partners involved at an early stage the value of each individual component of the scheme and how the totality of achievable outcomes is worthwhile. Inevitably, this will mean that the regeneration scheme in rural areas will contain elements that will help to increase the economic potential of the whole area, as well as containing projects that play to the priorities of individual partners. It is a very difficult balance to strike, but it is crucial if harmonious and effective partnership led regeneration is to be achieved.
- 6.2.33 There is no doubt that SRB has been the instrument that has strengthened the local delivery for Cornwall, both East and West. The management body for the delivery of SRB in Cornwall is Cornwall Regeneration and remains the channel for SRB and the Territorial Employment Pact. Recent constitutional changes in the two initiatives (ECI and WCI) are tangible examples of what has been achieved. However, the outstanding new agenda for Cornwall is how these issues will help or hinder the Objective One Programme, which will become the main focus of regeneration across Cornwall for the next five or six years.
- 6.2.34 The Lancashire Manufacturing Partnership was a thematic round one scheme designed to improve the competitiveness and performance of manufacturing industry across the administrative county of Lancashire through a strategically targeted programme of integrated business support and training initiatives. It was technically a private sector led scheme and, thus, of great rarity in the scheme of SRB partnerships. The three partners had initially submitted three separate small round one SRB bids and the Government Office for the Region negotiated with the three partners and persuaded them, reluctantly, to come together to form a larger partnership with a more ambitious joint programme of support for manufacturing across the whole County. This was convenient to the GO, faced as it was with large scale over prescriptions for round one funding, but for the three partners it represented something

of an ‘arranged marriage’ that placed a constraint on their ability to get on with their own activity in their own area. Relationships between the three main partners remained cordial throughout but were somewhat distant.

- 6.2.35 This unfortunate historical legacy led to a degree of effective partnership working which, by today’s standards, would be regarded as inadequate. The problems of lack of expertise in the running of such programmes at the centre led to problems in the relationship between LMP and GONW, which were compounded by lack of continuity as co-ordinators left, but also by the genuine difficulties which TECs faced in becoming partners in an SRB scheme whilst also operating as a mainstream agency for DfEE and DTI programmes. The SRB systems were complied with, but with delays that attracted official warnings from GOR. The costs of partnership working were real and visible, but the normally expected benefits of partnership – joint working on projects, increased synergy of partner objectives, community involvement in decision making, reduction in duplication, opportunities for economies of scale and coping with indivisibilities and improved coherence and co-ordination – were more elusive. It is illustrative of the difficulties faced now that the scheme has finished that there has been no obvious successor body to carry on its work. And, although this can partly be explained by changes to the way that training and business services are now delivered, it has to be said that there appears to be very little enthusiasm amongst those involved in maintaining the partnership structure.

6.3 The private sector as a lead partner

- 6.3.1 It was characteristic of the early rounds of the SRB that great efforts were made by Government to encourage private sector firms to be partners or lead partners in SRB schemes. Lancashire Enterprises plc was a local partner in LMP. It was entrepreneurial in culture and sought market driven solutions to property development and regeneration. The culture of the market and the desire to get on and do things can clash with the culture of public accountability, spending controls and monitoring systems around which the SRB framework, and other regeneration initiatives, are designed. Thus, there did seem to be some delay in setting up the monitoring and other systems that ensure public accountability. There are also some financial problems remaining. Several months after the scheme has ended the private sector remain in dispute with the RDA North West about the extent of financial claw back to be repaid on account of newly developed properties, partly funded by SRB, sold for a higher value than was assumed when funding was released. This is an important lesson for current and future regeneration initiatives. Private sector companies clearly have much to contribute to local regeneration. It is not clear, however, that they are best placed to lead such regeneration schemes.
- 6.3.2 The Engineering in Education Scheme (EIE) was a round two partnership led by the private sector in the form of the Engineering Employer’s federation. Other partners included a number of TECs and Education Business Partnerships across the West Midlands region, which was the geographic focus of the bid. The overall mission of the partnership was to attract, educate and train young people into occupations of relevance to engineering and manufacturing across the west Midlands. Funding was modest, amounting to £416,000 over the three years.

- 6.3.3 There was a general consensus that the (EIE) Partnership has worked extremely effectively. There is clear evidence of good networking and that the individuals involved have been able to learn from each other. Meetings of the project managers and the co-ordinators from each area allowed the sharing of best practice, particularly as it had related to delivery relatively innovative programmes at the school level like the Technology Tree. The partners felt that a larger scale of activity had been achieved as a result of partnership working under the scheme than would not otherwise have been the case. The benefits from partners working in areas of expertise where they had comparative advantage had been significant. It had been possible to attain a critical mass that was in many ways greater than the sum of the individual parts and to use the scheme to generate interest in other programmes and issues of relevance in bringing the world of industry into schools. Key to the process of partnership working had been the adoption of common objectives by the individual partners and a strong and organised Central Secretariat. Interagency working was a particularly strong feature of the programme.
- 6.3.4 Thus, as noted above, the Engineering in Education Scheme represented a very effective partnership with a very clear strategic vision in place from the outset. The partnership benefited from a strong central secretariat but with, in the main, a strong locally-based delivery framework across much of the West Midlands. The private sector led effectively in this case and this reflected the establishment of clearly defined goals and objectives from the outset. This scheme also demonstrates the importance of a good manager at the centre of things – the importance of this cannot be over estimated.

6.4 General conclusions on the factors that make for good partnership working

- 6.4.1 There is no perfect formula for partnership working that, if followed, would ensure that the optimal benefits emerge for the regeneration product achieved in the local area concerned and in relation to the strategic theme being pursued. However, some of the findings that are relevant are:
- 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;
 - seek to avoid dominant partner(s) who often take 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. 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;

- ensure that monitoring information encompasses relevant themes (ie, drugs, enterprise, employability) and relevant geographics as appropriate new neighbourhoods, district, region;
- avoid shot-gun marriages, no matter how convenient they appear to the funding agency in appealing bidders for scarce regeneration funding. They rarely work and they have little likelihood of continuity;
- ensure the partnerships management and administration structure build on existing structures if they have a proven track record;
- avoid re-inventing the wheel – avoid partnership proliferation for its own sake;
- good partnership working requires officers experienced in regeneration priorities, objectives and ‘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. Private sector has a critical role to play but often provides best outcomes when playing to its key strengths. Often prefers not to be lead partner;
- the community can be an effective lead partner but usually requires considerable capacity building often over many years. It needs access to officer support heavily in early years – often from local authority;
- partnerships should identify their 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, 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 deliver on the ground. It is also important to recognise that the incidence of problems like crime can easily be displaced between areas (zero sum game);
- rural partnerships encompassing extensive geography have to make clear from the outset to their respective partners how key elements of the scheme will benefit the wider community eventually;
- regeneration schemes designed to enhance the competitiveness of urban areas need coherent Strengths, Weaknesses Opportunities and Threats analysis from the outset that identifies how each element, and thus each respective theme, enhances the competitiveness of the target areas; and
- it is clear that, 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 biddings, 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.

6.4.2 There are examples from across the case study partnerships and other evidence assembled by the consultants as to where, with the benefit of hindsight, the regeneration partners concerned would have changed their overall strategy given what they have now learned. It is helpful to point out some of the key issues that have emerged. Thus, in formulating their regeneration strategy the partners should consider:

- the need to pay more attention to the opportunity for interactions between themes (we address these issues further in Chapter 8);
- identifying the appropriate service areas (ie, employment, health, crime, education, housing, environment, leisure, community development, transport and shopping) that the scheme is playing to and ensuring that resources are deployed appropriately. Better to concentrate and do well in specific areas but identify how the scheme fits into a bigger, wider, more holistic strategy for the area concerned. Local Strategic Partnerships should help with this. Thematic schemes need to identify clearly how they are addressing the problems associated with the key area concerned;
- identifying how the impact of changes to the physical nature of the area (ie, land, property, buildings) relate to the desired effects on people and how all the effects sum to tackle the original problems. 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;
- how the projects identified can be co-ordinated to maximise synergy for the scheme in the attainment of scheme objectives. It is often the case that individual components of the regeneration scheme operate in something approaching splendid isolation to the detriment of overall goals and objectives. At the end of the day the objectives should be specified in terms of desired outcomes;
- how the needs of the 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;
- how difficulties experienced by residents in regeneration areas interface with the policies of mainstream programmes. This is of great importance in the relation to welfare to work and thus the interface between benefit regimes and encouraging people into work. However, there are also specific issues relating to how the regeneration scheme and its constituent activities on the ground through its projects can encourage those experiencing social exclusion to take up mainstream programmes that will help them improve their circumstances. The evidence from the social surveys presented in Chapter 10/11 points to very low rates of take-up amongst the residents of some of the areas that have been subject to social surveying, such that it is difficult to believe that the problems concerned will ever be turned around if left to the status quo. An effective strategy needs to build in from the beginning how these interfaces are going to be improved and enhanced. This is too frequently not the case. (We address these issues further in Chapter 11); and

- the importance of identifying what is the best way in which each of the respective partners can make their contribution. There are a number of issues here that the evidence from the case studies has highlighted. Involving the private sector in particular needs very careful thought. In some cases the private sector involvement is relatively well bounded, particularly if it is property driven. In other cases it will be less clear. The research suggests that in some cases the private sector is not necessarily best placed to be a lead partner since there can be very significant clashes of culture. In a similar vein, there can be very significant difficulties when it comes to involving the community. The key issue is to ensure that each partner is involved in a way that allows them to make an effective, and ideally, sustainable commitment to the process of regeneration in the area concerned. These issues are addressed further in other chapters in this report.

CHAPTER 7

Thematic issues

Summary of chapter:

Thematic schemes have been able to make an effective and telling contribution by developing strategic approaches to common problems.

Thematic schemes cannot, by their very nature, fully address the multi-dimensional regeneration needs of local areas within any single scheme. They have worked across different spatial levels and in the best cases they have improved the degree and quality of inter-agency working.

7.1 Introduction

- 7.1.1 Thematic regeneration schemes have been designed to focus on one particular aspect of the problems that face residents and businesses in relatively depressed areas and there have been a wide variety of examples. Table 7.1 provides evidence on how SRB schemes have varied according to their main objective. In general terms, some 70% of SRB schemes have contained more than one objective and have not been thematic. The thematic issues that have been addressed have varied considerably, with attention given to enterprise, education, training ethnic minorities and the young.

Table 7.1: Summary of thematic schemes for all six rounds

Main Objectives	Number of schemes	Total SRB (%)	Total Expenditure (%)
Community	27	0.82	0.63
Crime	48	1.44	0.81
Economic growth/enterprise	70	6.89	6.47
Education	113	4.80	4.19
Training/employment	62	3.68	3.70
Environment	20	1.27	1.07
Ethnic minorities	40	4.29	4.95
Health	6	0.43	0.25
Housing	13	2.94	3.10
Youth	45	3.41	2.14
Multi objective	584	70.03	72.69
	1,028	100	100

Source: Department of Land Economy.

- 7.1.2 That there have been a variety of thematic schemes is reflective of the origins of the SRB scheme. The funding for SRB was constituted by eighteen smaller existing programmes (see Table 1.2 earlier in this report) that were brought together from a number of different Government Departments. Many of these existing programmes were thematic, eg, concerned with small business development, school-industry links or crime prevention. It would clearly have been problematic, at least at the outset, to take funds from these former programmes and not permit SRB to accept thematic schemes that had previously been the subject of these programmes.
- 7.1.3 In a very real sense the eighteen programmes themselves had previously established with the Treasury the rationale for intervention in their particular thematic area. To an extent, therefore, there was no need for SRB to re-establish the justification for funding schemes under those themes, unless circumstances had changed. The original rationale for a thematic programme was often based on the existence of particular aspects of market failure that were not being satisfactorily addressed by existing mainstream programmes. In some cases, and perhaps increasingly within SRB, the thematic scheme has sought to address areas where existing mainstream provision was seen to be failing or not sensitised enough to the particular service delivery needs of the socially disadvantaged in deprived areas. In other cases the rationale for a thematic intervention was to seek to provoke a specific innovative response to a particular set of problems.
- 7.1.4 In the first two rounds of SRB individual partnerships were not pressurised to set out a formal justification for individual thematic schemes. In the more recent rounds of SRB, however, changes to the composition and area targeting of initiatives within mainstream programmes themselves (eg, Health Action Teams, Education Action Areas, Employment Zones) have meant that the arguments for further specific intervention by a regeneration initiative like SRB have had to be more tightly defined. At the same time mainstream funders have increasingly focused on the targeting of residents in specific areas in seeking to address key problems using innovative approaches. The evidence suggests that the SRB thematic schemes have been well placed to meet this need.
- 7.1.5 The broad theme upon which the regeneration scheme has been targeted has varied considerably, particularly as Government has sought to recognise the needs of residents and businesses in deprived neighbourhoods. Thus, prominent examples have been:
- enterprise;
 - education, employment and lifelong learning;
 - health;
 - crime, and particularly youth crime;
 - drug misuse;
 - tourism, culture and leisure;
 - black and minority ethnic communities; and
 - transport.

- 7.1.6 It is also possible to consider the objectives, and thus ultimate achievements of regeneration schemes, according to a broader over-arching theme, like promoting urban or rural development, reflecting Government attention to these spatial divisions as manifested in the two recent White Papers. The common thematic issue is thus that such areas have been linked, somewhat arbitrarily, according to their geographical identity. In relation to the rural agenda this issue is often centred around relative remoteness or peripherality. In the case of the urban agenda it has often been more focused on physical dereliction and decay and a lack of flexibility in the resource base of the area concerned to adjust to change. Throughout both urban and rural thematic schemes transport related issues and problems have predominated.
- 7.1.7 The main thematic issues examined in the sections that follow are:
- creation of enterprise;
 - building links between schools and the world of work;
 - community safety, reducing crime, including drug abuse;
 - enhancing mainstream delivery in relation to employability, training and the environment;
 - promoting urban renaissance; and
 - promoting rural regeneration.

7.2 The creation of enterprise

- 7.2.1 In relation to the creation of enterprise we focus on two case studies. The Brent and Harrow regeneration scheme was concerned with increasing the start-up rate and quality of new businesses within the two London Boroughs of Brent and Harrow in order to create a small firm enterprise culture in the area. The Lancashire Manufacturing Partnership was devoted to the single regeneration theme of providing advice and assistance to the manufacturing sector in the large county area of Lancashire. The scheme also included an element that sought to improve business education links.

BRENT AND HARROW

- 7.2.2 The Brent and Harrow SRB scheme was led by the former local Training and Enterprise Council. It was a three-year scheme which began in 1995. The scheme had three strands (New Business Development, Community Works and Understanding Business), two of which (New Business Development and Community Works) were directed towards the creation of enterprise.
- 7.2.3 New Business Development, which drew just under 60% of the SRB funds, was set up to bolster and link in with two existing local enterprise agencies (Harrow in Business and Brent Business Venture) by more closely targeting support services to new and existing small businesses in the area. This element provided counselling and planning support for

new businesses and management support for existing firms. Soft loans and business audits were also carried out. This part of the scheme was successful in creating over 600 new businesses supporting over 1,000 jobs (see Annex 2 for full details of scheme outputs)¹⁵.

- 7.2.4 Community Works, which was only allocated 10% of the SRB budget, was designed to encourage community groups and individuals to set up community businesses and to develop community enterprise by providing start-up grants and allowances, skills training and business support. Despite the small budget this part of the scheme made a significant contribution to capacity building in the area with seventeen new community enterprises being formed. The approach adapted in Community Works was very innovative in that it targeted minority ethnic community-based businesses in an attempt to lay the foundations for economic sustainability within the local area. Targeting was achieved through a successful publicity initiative based on a newsletter, leaflets and direct media advertisement. However, the small scale of the scheme and the absence of effective successor arrangements meant that sustainable achievements have been elusive.
- 7.2.5 In relation to specific project attainments of relevance to the theme of encouraging local enterprise, there were examples of good practice in demonstrating how the private sector can make an important contribution to 'people related' aspects of local regeneration at very little cost to the public sector or to the firms themselves. More specifically, this scheme developed the scope of **existing** support agencies and encouraged community-based businesses.
- 7.2.6 Thematic schemes are often able to bring forward good practice projects because of the focus they give to securing specific objectives. This concentration of endeavour often brings out good project design and Brent and Harrow was no exception in this respect. While an element of sustainability was achieved through the continuing operation of the business support agencies, it was unclear whether part of their operations would continue to be tailored to meet the specific needs of small businesses in Brent and Harrow. The weakness of such approaches, demonstrated clearly in the case of Brent and Harrow, is that insufficient attention is given to how sustainable outcomes can be brought about. And, unfortunately, good practice is not passed on effectively between the agencies/departments concerned.

LANCASHIRE MANUFACTURING PARTNERSHIP

- 7.2.7 The Lancashire Manufacturing Partnership was a round one SRB scheme of five year duration. It was devoted to the single regeneration theme of providing advice and assistance for the manufacturing sector and business education links in the large county area of Lancashire. The rationale of the scheme, namely to remove the long standing shortfall in manufacturing jobs by raising the competitiveness and growth of the manufacturing sector, seemed a valid way of limiting and reducing the incidence of long term unemployment and deprivation.
- 7.2.8 A difficult issue to resolve in the evaluation of all private sector support programmes operated by the public sector is how any improved competitiveness can be recognised and measured. The SRB monitoring system, although focused on output measurement, contained no indicators that remotely represented improvements in private sector competitiveness. The Lancashire Manufacturing Partnership (LMP) mechanically adopted the official SRB monitoring system. However, for thematic schemes of this kind the monitoring framework

¹⁵ The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

was inappropriate and much too limited in scope. Unfortunately, the local partnership did not take the opportunity to develop their own monitoring system which was appropriate to the particular thematic nature of this scheme.

- 7.2.9 To address this issue a survey of companies who had received assistance from one or more of the LMP sponsored projects was carried out as part of the final evaluation of LMP. Companies were asked whether they felt their involvement in the SRB projects had contributed towards an increase in their competitiveness. Evidence from the survey found that 29% felt they were more competitive as a direct result of participation in the scheme and 45% considered that the programmes had had longer-term benefits in improving the quality of ongoing subsequent decision making. To try to identify these improvements more specifically companies were asked to indicate how competitiveness had been improved. A summary of the findings are presented in Table 7.2 below.

Table 7.2: Indicators of improved competitiveness for LMP surveyed companies	
	% of firms
Improved business planning/financial control	55
Improved product development, innovation, production processes	36
Entry into new home and export markets	42
Improved reliability/delivery/after sales service	28
Increased sales	23
Increased profits	35
Improved management systems and training	28
Source: Lancashire Manufacturing company survey.	

- 7.2.10 Because improved competitiveness manifests itself in a variety of ways, many of which are not measured at the small area (county) level, it remains very difficult to quantify the extent of the benefit in terms of downstream macro indicators for Lancashire county as a whole.
- 7.2.11 It is important to ask the question whether there are lessons from the experience of Lancashire Manufacturing Partnership (LMP) which are relevant for considering whether or not highly thematic schemes at countywide level should be a feature of locally-targeted initiatives such as SRB or neighbourhood renewal. Such as it is, the balance of the evidence is that they should not.
- 7.2.12 On the plus side LMP was of a size that created some economics of scale in providing specialist technical support, such as innovation centres, for all manufactures in the county, something which would not be achieved by locally-targeted initiatives focussed more at the neighbourhood level. Moreover, LMP was successful in engaging the county's schools through the single county LEA.
- 7.2.13 On the downside the LMP suffered too many layers of management and administration – DTLR, GOR, LMP partnership, the two TECs, local service providers, a clumsy structure which failed to proactively supervise the actual delivery of services at the local level. Moreover, thematic SRB schemes are at their best when they take the form of innovative, experimental, pilot, small scale schemes set up to test new approaches to regeneration. However, LMP was a large county-wide scheme which was always in danger of doing more or less the same as mainstream programmes using the same pool of scarce delivery staff. New institutions have been (are being) set up at regional and district levels – RDAs and

LSPs, which together with the new forthcoming national Small Business Service should provide a comprehensive structure for the provision of business support services at appropriate geographical levels – achieving necessary economies of scale whilst ensuring effective services delivery at the local level. There are thus important implications from this research as to how RDAs should seek to deliver this service.

- 7.2.14 Meanwhile, the problems of regenerating deprived neighbourhoods are acute in relation to public funding available for regeneration programmes overall. Area-based initiatives such as SRB, NDC and Neighbourhood Renewal should focus on comprehensive regeneration at the neighbourhood level – rather than highly thematic schemes covering wide geographical areas. This by no means precludes neighbourhood partnerships becoming involved in business support programmes in or near to their target areas – indeed this will be an essential component if concentrations of deprived non-working residents of deprived neighbourhoods are to re-enter the productive labour force in a sustained way.

7.3 Building links between schools and the world of work

ENGINEERING IN EDUCATION

- 7.3.1 In relation to school industry links we focused on the Engineering in Education scheme. The overall mission of this partnership was to attract, educate and train young people into occupations of relevance to engineering and manufacturing across the West Midlands. Assisting in the regeneration of the West Midlands Region through the attraction of capable talent into the manufacturing and engineering base was stated as the main mission of the partnership. A central feature of the approach was to ensure that individual activities delivered in schools through existing programmes could be tailored to reflect the needs and priorities of local industry while ensuring a core curriculum. This was achieved through the adoption of a ‘master menu’ of activities from which each local-based delivery team could select. There were eight core learning programmes in the scheme which covered the age range of pupils and students from 5 up to 25 years.
- 7.3.2 The Engineering and Education Scheme has been successful in a number of important ways that suggest lessons for other schemes. Although a relatively small SRB scheme with a key thematic focus, it was able to establish an effective partnership whose members, as previously noted, selected from a core menu a range of programmes designed to introduce young people into the world of industry. Regional wide coverage with a delivery mechanism that ensured there was a local project manager and co-ordinators customising and implementing the scheme at the local level proved to be a good design feature. Local schools have worked more effectively with local industry and the scale of achievement and commitment has been impressive. Thus, certain elements of the programme can be seen to have lessons in developing further initiatives in terms of:
- strategic co-ordination across areas through the establishment of Area Co-ordinators;
 - building on a tried and tested pilot that was effective and well received;
 - recognising the need for sub-regional differentiation;

- a commitment from volunteers and the strong support from schools and a relatively small number of companies in developing the concept of an 'Engineering Related Curriculum';
- getting a committed and dedicated project manager who can deliver and focus on detail;
- the involvement of representatives from the full range of local agencies and relevant parties;
- activities and individual projects targeted and delivered across the regional labour market to accommodate the inter-dependencies between local labour markets;
- strengthening the links between any improved human skill base and increased business competitiveness through the labour market;
- achieving wider private sector involvement in the overall delivery of vocational guidance;
- recognising that there were opportunities for intervention in schools within all age ranges to increase the understanding and importance of engineering;
- strong equal opportunities agenda in terms of gender and race in order to offer the programme to as many young people as possible and break down traditional boundaries; and
- improving the image of engineering as a credible employment route.

7.3.3 However, success does not come cheaply, and the point is that achieving strategic, co-ordinated delivery in a joined-up manner is relatively expensive in terms of time and resources, both from salaried staff, volunteer staff and the private sector. Moreover, at the present time, against a background of significant change to the delivery of education, training and business services, it is very easy for the powerful gains from joined-up working to be lost. Recognition has to be given to ensuring that the baton is passed on after the original regeneration scheme has finished. This entails a forward strategy that would require a co-ordinating body willing to develop a coherent area-based strategy and an effective delivery mechanism that will encourage the continuing commitment of key agencies and schools in partnership working.

7.4 Community safety, reducing crime including drug abuse

NORTHUMBRIA COMMUNITY SAFETY

7.4.1 In relation to drugs and crime we have been able to concentrate on the Northumbria Community Safety Partnership led by the Northumbria Police Authority. This was a scheme to bring about a co-ordinated response to tackling problems of drug abuse and crime across the county of Northumbria. This thematic scheme was run by a newly created partnership prior to the success of the SRB bid and was not lead partner dominated. It was able to design good partnership arrangements and their usefulness is demonstrated by the fact that the partnership has continued following the ending of the original SRB funding.

- 7.4.2 Included in the community safety initiatives were:
- seminars for parents, teachers, school governors;
 - the launch of a number of initiatives such as the free Infoline;
 - the appointment of Community Safety Officers and drugs Co-ordinators for each local authority area within Northumbria;
 - workshops and student centre activities for primary and secondary schools designed to raise awareness of issues surrounding drug misuse/abuse;
 - literature on drug abuse for young people; and
 - the appointment of youth workers and development of youth projects which reinforced the message/impact of the drugs programme and the importance of understanding the key issues regarding drugs.
- 7.4.3 The Drugs Accord programme through its Strategy Board and Area Teams developed initiatives designed to reach the maximum number of individuals. Moreover, it set in place sustainable support structures using the resources of a wide range of organisations committed to tackling drugs related issues. Over 175,000 people benefited from the initiative, which represented 12% of the total population of Northumbria.
- 7.4.4 In essence, the success of the scheme was that a wide range of agencies were successfully encouraged to work together, whereas the innovative factor was the institutional delivery mechanism that came about. This inter-agency working has now become invaluable in implementing the recent Crime and Disorder Act in which local authorities, in partnership with the police and other agencies, are required to develop and implement a strategy to reduce crime and the fear of crime in every neighbourhood.

7.5 Enhancing mainstream delivery in relation to employability, training and the environment

CHALKHILL

- 7.5.1 Some of the case study SRB partnership schemes have sought to concentrate on one component of regeneration, but with a very specific and often tight area focus, usually an estate. The theme element as such is promoted in relation to the regeneration needs of one very specific community of residents and the focus is on the bending of mainstream funding into the area concerned to more adequately meet these needs. An example of this can be seen with the Chalkhill estate scheme. In Chalkhill the emphasis was more on increasing the employability of the residents of the Chalkhill estate through initiatives that would link them more effectively into the wider labour market and away from the culture of benefit dependency. The Chalkhill scheme was complicated, however, in that it ran alongside a very large non-SRB Estate Action refurbishment programme, but this was, in many ways, a major opportunity.

- 7.5.2 The Chalkhill scheme was also in some ways a thematic scheme designed to assist Chalkhill residents in obtaining some job benefits from the housing renewal scheme and to raise their employability in competing for jobs in the wider Wembley labour market area. The dominant theme of the SRB scheme was, therefore, that of improving training and raising employability of Chalkhill residents, with over 90% of the thematic SRB expenditure devoted to projects concerned with employment, training and employability.
- 7.5.3 However, the evidence from the Chalkhill evaluation in terms of its progress in the direction of this particular thematic area is relatively mixed. As Chapter 11 indicates, the scheme had a limited impact on the high levels of worklessness found on the estate, nor helped the existing mainstream provision to become better focused.
- 7.5.4 In fact, the experience of Chalkhill is full of many of the ironies that figure in many British post-war local area regeneration initiatives. On a positive note, private sector participation was strong – and indeed dominant, whereas very few SRB schemes have had such strong private sector participation. By 2003 the SRB scheme, by working alongside a major housing renewal programme financed by Estate Action, will have delivered a major housing renewal scheme at very low cost to the public sector that will transform the visible appearance, external image and environment of Chalkhill. However, because of the failure of the scheme to bring together the entrepreneurial culture of the private sector, the highly regulated and regimented culture of mainstream programmes and the culture of multiple deprivation on estates such as Chalkhill, it has failed to make serious inroads into the problems of worklessness amongst the residents on the estate. And the mainstream, rather than alter its hitherto relatively unsuccessful policies in this area by drawing on innovative solutions, was effectively squeezed out.
- 7.5.5 The Chalkhill experience also contains invaluable lessons in relation to the nature of the welfare to work problems that exist on deprived estates. We focus on these specifically in Chapter 11.

7.6 Promoting urban renaissance

- 7.6.1 Regenerating Wolverhampton and Canalside Rochdale were not thematic schemes as such. However, it is helpful to refer to a number of issues raised in their approach to tackling urban regeneration as they are clearly relevant to the Urban Renaissance agenda, as described in the recent Rogers Report and the Government's Urban White Paper¹⁶. Both Wolverhampton and Canalside were multi faceted schemes.

¹⁶ *Our town and cities: the future – delivering on urban renaissance*. The Urban White Paper, DETR, November 2000.

REGENERATING WOLVERHAMPTON

7.6.2 In Wolverhampton four main themes were addressed:

- The **Generating Wealth** theme reflected the need to tackle a number of issues that are currently impeding the pace of economic change in Wolverhampton. Particular attention was focused on bringing forward land and property for commercial development and upgrading landmark buildings and key gateways.
- **Learning and Development** was designed to remove obstacles to learning and development.
- The **Empowerment and Diversification of Housing** theme had the aim of moving forward the general process of stock improvement, tenure diversity and tenure empowerment in four estates in Bilston.
- The **Cohesive Community** theme was designed to help engage and anchor the voluntary and community sectors more effectively in the regeneration process.

CANALSIDE ROCHDALE

7.6.3 The strategy devised for regenerating Canalside was designed to operate 46 projects within four key programme areas. These are:

- **Economic Regeneration** Just over half the SRB budget was dedicated to Economic Regeneration, which was designed to concentrate public investment into the physical regeneration of the Canalside area to create an environment that would attract private investment.
- **Training for Life and Work** was targeted at the most disadvantaged communities in Canalside. This theme sought to provide new training opportunities, create better access to jobs with new guidance and vocational preparation programmes, reach people most in need of training and guidance, strengthen education business links in local schools and establish a business start-up programme with a particular focus on the Asian community.
- **Environmental Renewal** was designed to enhance the image of Rochdale by improving the condition of buildings, streets, open and neglected spaces to make the area a better place to live and work.
- **Building a Safer Community** comprised a number of elements including drug awareness, security, youth crime, community safety, health issues, racial issues and community capacity building.

SOME LESSONS OF URBAN RENAISSANCE

7.6.4 In their approach both schemes highlighted a solid appreciation of the issues that need to be addressed if there is to be a renaissance of Britain's old industrial areas. When economic systems lose a major part of their existing economic base there are a number of ways by which new industry can be attracted and economic prosperity restored.

- 7.6.5 Economic change has clearly taken place continuously across the British settlement pattern throughout the whole of the post-war period, with some areas adjusting to change relatively well. This cannot, however, be said to be the case in the majority of Britain's older industrial areas such as Wolverhampton and Rochdale. The reasons for the relatively slow rate of adjustment are fairly obvious. Physical and economic renewal can never be frictionless and rapid when the loss of the traditional sector in the area concerned occurs rapidly. This is because at the beginning of the period of adjustment so much of the existing stock of floorspace, human and physical capital of the area is committed to the production of goods and services which no longer exist or which are now made elsewhere. New investment at the margin can only change things slowly unless there are very large investment flows into an area. Dereliction, contamination and a whole range of imperfections and rigidities in land and property markets impede the process of adjustment, as it has been pointed-out clearly in the recent Roger's Report and the Urban White Paper.
- 7.6.6 It takes time for new infrastructure to go in and replace the worn-out infrastructure in areas that have often been under-invested in for decades, if not centuries. The availability of good serviced land can be a critical constraint, at least initially. But some of the biggest challenges are to be found in the labour force where the existing skill base is inappropriate to meet the needs of the modern industries that might replace the old. The problem of adjustment is often more than round pegs and square holes. It also reflects a raft of cultural and social issues.
- 7.6.7 Moreover, it is not just about changing the characteristics of the indigenous workforce. Dynamic economic systems need to attract new people with the skills required by modern industries. This is again to state the obvious. Regenerating areas have to be attractive places to both people and industry if they are going to retain their longer-term economic vitality and to turn themselves around. In terms of bringing about business success they need to deliver a quality of life that is attractive to those people and companies who wish to be enterprising.
- 7.6.8 It is also important to consider that, whilst relatively declining areas are seeking to regenerate themselves, there are often other areas around them that are perhaps currently relatively better placed to meet the needs of modern industry. This is simply because they do not have the legacy of a previous industrial heritage to deal with and is often the case when it comes to offering a ready supply of land and premises. They can adjust relatively quickly to change because they have flexibility which more traditional areas cannot be expected to have. Economically, the terms of trade have been relatively against old urban areas and in favour of the near accessible areas around them. It is this comparative disadvantage that areas like Wolverhampton and Rochdale have had to overcome in a short space of time.
- 7.6.9 In both Wolverhampton and Rochdale the regeneration schemes focused on improving the economic advantage of their locations. This requires that they have skilled and flexible workforces as well as a good supply of quality land and premises. This economic objective is complemented by the need to improve the quality of life of the local population by making selective improvements to the physical landscape including housing related factors. In both Wolverhampton and Rochdale the economic and environmental themes were reinforced in their Vision Statements by encouraging learning and development amongst the younger population, particularly those from ethnic minorities.

7.7 Promoting rural regeneration

- 7.7.1 Government Support for rural regeneration is undergoing radical change. From April 1999 the Regional Development Agencies took over much of the rural regeneration work of the Rural Development Commission (RDC), whilst the Countryside Agency, RDCs successor, continues to have an important role to play in rural regeneration in advising RDAs on rural problems. Meanwhile, the RDCs Rural Challenge Programme was incorporated into Round five of the SRB Challenge Fund, which had a strong rural element within it of an estimated budget to be £50 million per annum.
- 7.7.2 The PIU Report Economic (Dec 1999) identified a need to modernise the rural policy framework so that efforts were focused on creating enterprising economies, a sustainable agriculture, an enhanced environment and thriving communities in rural areas. There is broad support for the five principles outlined in the Governments Rural White Paper consultation document 'Rural England', which was published in 2000.
- 7.7.3 Meanwhile, the SRB round six bidding guidance confirmed that, as with round five, 80% of SRB funding would be targeted towards comprehensive regeneration in up to 50 large schemes for the most severely deprived urban neighbourhoods. 20%, on the other hand, will go to other areas of need including rural areas, the former coalfield areas, pockets of deprivation in smaller market towns and coastal towns. In assessing bids for rural or partly rural areas particular regard has been given to bids which address needs and priorities within Rural Priority Areas (formerly the 31 Rural Development Areas as designated in 1994 by RDC). Proposed schemes have also had to support the regional strategies which have emerged from the Regional Development Agencies.

WEST CORNWALL INITIATIVE

- 7.7.4 The West Cornwall Regeneration Initiative was designed to regenerate the corridor of old industrial areas that stretch from Penzance through Hayle, Camborne and Redruth to Falmouth and Penryn.
- 7.7.5 The West Cornwall scheme enhanced the ability of its partners to improve the creation of enterprise across its extensive geographic area. This first round scheme acted as a catalyst for change that continued to be enhanced over successive rounds of SRB funding. It is clear that in areas where existing partnership working capacity is relatively weak it will often take successive waves of funding over a sustained period before a critical mass can be attained. The SRB process through its project bidding, appraisal and approval elements did much to develop the regeneration skills and local expertise of those involved. This, in turn, enhanced the capacity of the partners across the regeneration corridor to attract funds from European programmes (5b and specific initiatives), as well as funding from the Lottery.
- 7.7.6 The West Cornwall scheme was thus able to provoke innovation by helping to bring about institutional change. The SRB requirement of partnership working acted as a catalyst to achieve such working. In the process it helped to build the infrastructure required. Innovation as such has been through the improved institution format that has evolved through time.
- 7.7.7 A central message to emerge is that rural partnerships require a clear strategic approach to the problems they tackle at the beginning of their activities. Rural partnerships have to demonstrate to their partners at an early stage the value of each individual component of the

scheme and how each individual outcome is worthwhile. This means that rural regeneration schemes will include both elements to help increase the economic potential of the whole area and projects that target the concerns of individual partners. This balance is difficult to achieve but the evidence from the West Cornwall case study scheme shows that it is vital if effective partnership-led regeneration is to be achieved in rural SRB schemes.

- 7.7.8 A further lesson that the West Cornwall scheme demonstrated was that, with respect to the broader rural agenda other than enterprise, it is important that more mainstream involvement is secured at the outset, particularly with reference to the rural social exclusion agenda and issues of health, education and the like. Rural areas can experience particular problems in relation to mainstream delivery of these services because of the scattered nature of the settlement pattern. If the SRB scheme does not improve this, then any benefits to the overall process by which regeneration problems are tackled can be elusive and scattered. Economic measures on their own are not sufficient. In this context, the evidence suggests that locally targeted initiatives can identify innovative ways of addressing need that the relevant mainstream departments can pick up.
- 7.7.9 Another lesson from the West Cornwall scheme was that it is essential that such schemes detail at the beginning of their work how they expect scheme outputs to make a difference to desired outcomes, ie, what are the supposed mechanisms that the projects concerned are supposed to effect the change envisaged. It is also necessary to indicate how actions that are taken to strengthen the economy of market towns can help the wider community around them.
- 7.7.10 The West Cornwall round one scheme has some clear strengths and weaknesses in assessing its design and achievement against the emerging criteria for a reformed Rural Regeneration Policy. On the plus-side the scheme was targeted at one of the most inaccessible and disadvantaged rural areas in England. The strengths of the scheme were:
- its commitment to rural enterprise, particularly with respect to its contribution to improving the advice and support to new and existing small businesses and the provision of workspace for new business start-ups;
 - its contribution to the upgrading and expansion of the tourism infrastructure, facilities and attractions;
 - its achievements in improving the environment, notably in clearing derelict and contaminated land and in bringing old decaying buildings back into use;
 - its recognition of the need to undertake regeneration projects in market towns which provide services for disadvantaged residents in their rural hinterlands;
 - its substantial achievements in building the regeneration capacity of local agencies and in greatly enhancing the extent of inter-agency working. SRB round one was instrumental in building up a centre of expertise in the design of schemes and the development, funding, implementation, appraisal and management of projects. This additional capacity had the effect of substantially increasing the overall number of regeneration projects opening in the area;
 - its effectiveness as a catalyst for attracting other public sector funding and private funding for this larger volume of projects with relatively modest amounts of SRB funding; and

- its contribution to the upgrading and modernising of skills and improving the employability of those groups disadvantaged in their access to the labour market.

7.7.11 The main weaknesses of the West Cornwall Initiative identified in the evaluation were as follows:

- a slow start and build-up of the scheme, which was a common facility amongst round one schemes;
- a fragmented, project-based approach was adopted, lacking vision or area strategy;
- the scheme failed to achieve any genuine community involvement in the regeneration process as a whole – although this failure is now being corrected in the successor body partnership arrangements;
- the balance of project activity as between physical regeneration on the one hand and social/community/people related regeneration on the other was not thought through at the outset. Both were clearly needed but physical regeneration was given more emphasis because needs were more easily identifiable. More social issues concerned, for example, with community health were not addressed; and
- important current rural issues which were relatively low priority in the scheme were the provision of affordable housing, improvement in public transport and the accessibility to and delivery of public services in remote rural areas.

7.7.12 In spite of these limitations of the West Cornwall round one scheme, the evaluation results, overall, indicate that SRB can be a suitable vehicle for bringing together, co-ordinating and building the capacities of local regeneration partnership in rural areas such that effective regeneration takes place. In the case of West Cornwall a real impact was made in terms of employment, tourism and environmental improvement outcomes. For example, in the case of employment in these Districts covered by the scheme, this increased by 3,000 during the lifetime of the scheme. The evaluation concluded that about half of these were directly attributable to regeneration projects in which the SRB scheme made a contribution, along with other public sector funding organisations.

7.8 Small thematic schemes as a source of innovation

7.8.1 The majority of the case studies considered in this chapter have been very small. However, small schemes tend to develop innovative approaches to regeneration and can be an important source of developing good practice. All those considered identified gaps in mainstream provision and developed initiatives to help fill them. They usually covered areas much larger than the neighbourhood. Effective targeting to disadvantaged and socially excluded groups were partly responsible for the innovations, eg, drug users in Northumbria and ethnic community groups and under achieving pupils in Brent and Harrow. In Northumbria a wide range of agencies were successfully encouraged to work with each other. In Brent and Harrow schools, private firms and community groups were encouraged to work together, whereas in Limes Farm the formation of the partnership was successful in

encouraging mainstream departments to direct funding onto the estate. The Brent and Harrow approach to building the capacity of black and minority ethnic community groups and the voluntary sector was very innovative, although in the event not wholly successful.

- 7.8.2 Thus, the research indicates that relatively small thematic SRB schemes can be effective in working-up innovative approaches to local area regeneration problems. The innovation can occur through new institutional delivery vehicles as in the case of the Northumbria Community Safety Scheme, or through devising effective ways of delivering regeneration benefits to specific disadvantaged groups as in the case of Limes Farm.

7.9 Overall strengths and weaknesses to emerge from the thematic schemes

STRENGTHS

- a notable achievement in Northumbria Community Safety, Engineering in Education and Canalside Rochdale was in building the capacity for improved inter-agency working and partnership working;
- regeneration expertise has been significantly enhanced particularly in West Cornwall where it had previously been very scarce. This expertise has been instrumental in implementing subsequent SRB schemes, EU Objective 5b schemes and, more recently, in planning schemes and projects under Objective 1 funding;
- schemes with a wide geographical coverage do provide scope for involving private sector firms in regeneration. Engineering in Education was one of very few private sector led schemes where the private sector was engaged in collaborating in schools to make pupils and teachers more aware of opportunities for school leavers in the engineering sector. The West Cornwall scheme contained a high proportion of physical regeneration which provided opportunities to attract private sector leverage of funding from developers;
- both Engineering in Education and the West Cornwall initiative had identified limitations in the provision of education/business links and rural policies in their respective areas, promoting a strategy to fill these local gaps in a cost-effective way. They have been useful schemes, demonstrating good practice. How sustainable the benefits prove to be will depend on whether the legacy of inter-agency working and regeneration expertise is used to best advantage by the mainstream agencies such as RDAs and the new Learning Councils in developing their future initiatives. Both policy areas nationally are currently undergoing intensive review and change;
- the small amount of resources available to smaller schemes provides an incentive to target their activities closely to small geographical pockets of deprivation or to particular thematic activities to specific client groups. There was evidence that early round one schemes had some success in reaching their target client groups;
- small schemes offer an opportunity to develop and deliver new types of regeneration initiative. Some case studies had been innovative in particular parts of their scheme. For example, Northumbria Community Safety was innovative with respect to developing

an inter-agency and inter local authority strategy to counter drug abuse whereas the Brent and Harrow scheme was original by introducing mentoring for underachieving pupils and in attempting to build the capacity of black and minority ethnic community groups; and

- in the light of Northumbria Community Safety and Brent and Harrow experience it can be shown that small schemes tend to be cost-effective as measured in the conventional way as the public sector cost per unit of net additional output. In many such schemes small benefits were associated with low costs, resulting in a favourable cost/benefit ratio relative to larger schemes. This could not be maintained if the scheme were greatly extended in scale.

WEAKNESSES

- one problem with thematic schemes is to assess who is the relevant 'community' and this requires careful consideration, otherwise involvement can be weak;
- small scale schemes of short duration covering wide areas cannot be expected to shift basic core outcome indicators dramatically and, therefore, assessment of achievement needs to concentrate more on intermediate outcomes;
- small scale schemes find it difficult to achieve a critical funding mass in order to continue their work without adoption, if appropriate, by mainstream. SRB cannot be expected to roll them out nationally;
- in two of the three case studies the lead partners were dominant. Use was made of some existing Partnerships and some partners were marginalised and did not consider themselves to be involved in decision-making;
- the small scheme case studies had made genuine attempts to involve the community in their activities but had not been wholly successful – partly because of the short duration of the schemes;
- private sector leverage of funding was below the average for all SRB schemes. In the case of small schemes this was partly due to the absence of larger capital projects;
- the extent of mainstream programme bending was limited across all SRB schemes. This created some limitations in terms of joined-up regeneration and partnership working;
- successor arrangements were hit and miss depending on whether further regeneration funding was secured. In two cases where further regeneration funding was not secured the durability of the benefit was at risk; and
- the impact of the schemes on area regeneration outcomes was small – almost by definition. Small schemes do not in themselves reach the threshold required to develop the momentum to secure dynamic improvements in neighbourhood outcomes, which will be sustainable in the longer term. In this sense they may only offer good value for money when closely targeted to small client groups in an innovative way.

7.10 Conclusions on key problems in maintaining the momentum achieved by thematic schemes

- 7.10.1 Bringing about strong and lasting solutions to regeneration problems at the local level requires a commitment over many years. It is a slow process and the role for thematic led locally targeted regeneration initiatives to help with mainstream recognition and focus onto the problems concerned is significant. However, maintaining the momentum is difficult. Thus, in the case of the Engineering in Education scheme, which was well received and highly regarded, it was very difficult to obtain funds to maintain its momentum from mainstream funding. In such cases the valuable benefits that accrue to the process of local area regeneration can readily be dissipated. The payback from investment in such schemes is often into the future, as it may be many years before the young people so inspired can make a contribution to the success of a company. Such schemes gradually change attitudes and perceptions so that longer-term goals can be attained. They work by making a continued, relatively small but significant, contribution that has a cumulative effect.
- 7.10.2 Small schemes of short duration are in danger of not having the time and resources to build up a regeneration momentum that can secure sustainable dynamic change, unless very sound successor arrangements are put in place to take on and expand the work of the partnership when it closes. On this issue, the evidence from the three case studies is mixed.
- 7.10.3 The work of the Northumbria Community Safety Scheme has been able to continue in a modified form due to the partnership's success in attracting later rounds of SRB funding. Moreover, the useful inter-agency work set up and developed by the round one scheme has been invaluable in implementing the recent Crime and Disorder Act in which local authorities, in partnership with the police and other agencies, are required to develop and implement a strategy to reduce crime and the fear of crime in each local neighbourhood. This new legislation has thus ensured, perhaps by good fortune, that effective successor arrangements were in place.
- 7.10.4 The exit arrangements for Brent and Harrow were less robust. The business support services for start-ups has reverted to Business Link and Enterprise Agencies, but their focus is moving back to supporting existing SMEs. Funding for new start-up support may be reduced. The TEC was able to continue to build the capacity of black and minority ethnic community groups for a time following closure, but on a much-reduced funding basis. Thus, in spite of the development of innovative approaches to changing the business culture in Brent and Harrow, the small scale and short duration of this scheme meant that it has proven very difficult to produce a sustainable enhancement of the business culture in the borough.
- 7.10.5 In terms of future practice in area-based interventions it can not be presumed that there is a more or less permanent rationale for undertaking thematic schemes. The rationale for each scheme should be clearly set out in advance, covering the aspect of the market failure being addressed, the reasons why the failure is more pronounced in the local area concerned. It is necessary to set out the reasons why the mainstream programmes are failing to address the problems and why the proposed thematic schemes might have innovative or good practice characteristics that can be tested in a pilot scheme.

- 7.10.6 Thematic schemes as a whole are not designed to tackle multiple deprivation and are rarely specifically targeted at disadvantaged households. They tend to address specific aspects of market failure that, if corrected, increase efficiency and output. In the early years of SRB they were less concerned with distributional issues relating to disadvantaged households *per se*, and this can be argued to be a weakness. However, in latter rounds of SRB more thematic schemes have focused on the needs of specific groups and how they might be integrated more into mainstream society. In these cases the schemes are bringing about genuine innovative responses that will assist mainstream delivery. Of course, if the mainstream programmes were operating effectively to meet the needs of all individuals in society, there would be no valid rationale for including thematic locally targeted schemes within SRB or similar programmes. However, this is a big if!
- 7.10.7 Thematic based bids have been able to make an effective and telling contribution. They have assisted the relevant parties concerned to develop a strategic approach to a common problem. By often concentrating on a more extensive geography – that is at the county or regional level – they can increase participation. Moreover, through a consistent and thought out approach they can enable economies of scale in scheme design and implementation to be achieved. However, if the scheme is to work there has to be a strong and effective central secretariat.
- 7.10.8 In the best cases thematic schemes also appear to improve the degree and quality of inter-agency working and provoke the development of effective sub-regional and regional partnerships. These were often not in place when round one schemes were bid for, but by the end of the schemes effective partnership was apparent and was demonstrated by the continued operation of the partnership after the end of the round one/two schemes. Regeneration skills have been enhanced and good practice projects have been designed that ensured continued funding from other sources as part of their successor arrangements. However, on the less positive side, such schemes can also fail to bring about any lasting change if during their life there is insufficient attention paid to promoting effective partnership working and the structures that this requires.

CHAPTER 8

Links between the physical, economic and social

Summary of the chapter:

If effective local regeneration is to be attained it is essential that the economic, social and physical aspects of deprivation be tackled in a holistic way. SRB schemes have proved effective at doing this.

8.1 Introduction

- 8.1.1 It is an integral part of the evaluation of SRB that we should seek to understand difficulties that the disadvantaged area and its residents are currently experiencing and, importantly, assess why they are not removed by the workings of the market as well as the activities of mainstream service providers. Good policies should address the constraints that prevent such adjustment occurring.
- 8.1.2 Our understanding as to what has caused some areas to decline relatively whilst other areas have prospered is inevitably less comprehensive than we would like. Many of the areas that are currently the subject of very intensive economic and physical decay like the inner cities were once centres of great prosperity and vitality, and this not many years ago. In recent research for DTLR¹⁷ the present authors have discussed at some length what is known about the causes of relative decline and the extent to which existing locally targeted initiatives have been able to address them adequately.
- 8.1.3 One common factor is that many areas start with a weakened economic base, often as a result of the closure of companies that have had a presence in the area for many years. And in many ways it is not that decline occurs, *per se*, which is an inevitable feature of the pattern of economic change that occurs across a nation. Rather, it is the unbalanced nature of the decline such that there ends up being relatively large concentrations of the unemployed and disadvantaged in the areas concerned, often alongside a physical environment that is very run-down. Once underway the problem has a momentum of its own that appears to pass from one generation to the next, it is very resistant to the activity of mainstream providers and is largely isolated from the economic prosperity that may be occurring in adjacent areas.

¹⁷ *A review of the evidence base for regeneration policy and practice*. Department for Transport, Local Government and the Regions (formerly DETR), March 2001.

- 8.1.4 The failure of areas and their residents to adjust to changing economic circumstances reflects a number of factors. One is that the area does not attract enough new investment to restructure to new and growing industries. Another is that mainstream service providers are unable to respond adequately to the disproportionately greater needs of the inhabitants of these areas that result from them having poor housing, poor education and sometimes poor health and low employability. The public sector response in expenditure terms often looks high – but is heavily skewed towards expenditure on benefit. A further factor is to do with the individuals and the key households tenancies in the deprived area and their reluctance or inability to travel to secure work or housing elsewhere. There are often very pernicious interfaces with welfare regimes.
- 8.1.5 There is clearly not one simple answer to what has led to some areas being relatively unattractive and uncompetitive locations. The evolution of a nation's settlement pattern reflects a sequence whereby specific locations have characteristics that give them comparative advantage in terms of attracting human and physical capital. This comparative advantage, that may be due originally to proximity to scarce resources, markets or an attractive physical environment, attracts enterprising behaviour on the part of people and business. The scale of this advantage can sometimes be so great that the areas concerned become overheated and this leads to rising land, property and labour costs as well as a deterioration in the quality of life of residents through congestion and overcrowding.
- 8.1.6 In Britain, in the post-war period, the areas that have prospered relatively have been the near urban accessible areas that lie around the conurbations, the inner cities of which have been in decline. Evidence presented elsewhere suggest that the environment of the near accessible expanding areas has attracted a high proportion of those people and companies, actual or potential, who are likely to be good at enterprising behaviour wherever they are located¹⁸. The expanding near accessible areas have also often had the economic, physical and social infrastructure, including housing, that has enabled enterprising behaviour to occur in those locations more readily than elsewhere.
- 8.1.7 Companies in these areas have been particularly successful at targeting new and emerging markets, particularly those associated with growing demand for specialised and technologically sophisticated services and products from other business, and higher quality, small batch products from consumers enjoying rising incomes. They also usually undertake more frequent development of product and service innovations, including investment in new technology and technologically based services and products.
- 8.1.8 Such companies are successful at exploiting competitive advantages resulting from the direct benefits of a high amenity living and working environment, greater labour market force stability, quality and motivation, good management-labour relations and, in general, lower premise, rates and labour costs. In addition, these areas have often had access to modern telecommunications, good transport and business and financial services that are at least as good as the older, urban areas. Thus, the availability of these factors no longer differentiates urban and rural locations.

18 Keeble, D and Tyler, P (1995) *Enterprising Behaviour and the Urban-Rural Shift*. *Urban studies* 32, No. 6, 975–97.

- 8.1.9 Many of the biggest problems of adjustment have faced the old urban cores of the United Kingdom, where the scale of job attrition has been great. In the six conurbations taken together there has been a differential employment **decline relative to the European average** over the last thirty years of 2 million jobs. Very few areas (across the whole of Western Europe¹⁹) have had to adjust to such a formidable employment loss.
- 8.1.10 Most inner city neighbourhoods have found it enormously difficult to cope with the effects of such job loss. Moreover, new growth opportunities have often not been created in close proximity to the existing housing stock and high travel to work costs and poor public transport infrastructure has made it difficult for residents in such areas to find jobs elsewhere. It has been a feature of the older areas that workplaces were close to where people lived. The skill base of those who have lost their jobs has often been unsuitable for the jobs that are being created in the New Economy and, in the face of this, the older workers have found it hard to adjust to the pace of change.
- 8.1.11 There is also evidence to suggest that many small companies develop more quickly in areas with a small company tradition, but that the large cities historically have been associated more with the presence of large employers. New Start-Up rates are also disproportionately lower in the older areas than the more accessible areas around them. The premises and associated infrastructure required to encourage small firms is usually pretty thin on the ground in the older urban areas and local entrepreneurs may find it difficult to borrow funds from either private or public sources.
- 8.1.12 Good quality housing that allow the aspirations of people to be accommodated is also an essential feature of relatively prosperous areas and, yet in post war Britain, the demand for private housing has been greatest on the edges of the conurbations. Private sector housing projects have been relatively scarce in deprived inner city areas in comparison and have often required support from the public sector to ensure that an economic return can be obtained. Recent pressures on the urban fringe and changes to planning supporting brownfield development may be beginning to turn the tide again to the benefit of the older urban areas. However, this will be a long haul until inner city areas have an adequate mix of housing capable of meeting the local needs that exist.
- 8.1.13 Land markets have been particularly slow to work in some of the older urban areas and multiple ownership in the older cities have caused considerable land assembly problems. The cost of development and improving transport access has often been too high for profitable development to take place. Some land owners have held onto land speculatively in the hope of future gains, since the holding costs have been relatively low and future expectations relatively high. A perverse chicken and egg situation often occurs where nothing happens at all for many years. It is for reasons of this sort that there remains a continued need for physical regeneration in any attempt to regenerate the older conurbation areas. However, it is also necessary to ensure a balance in seeking to attain physical and people related regeneration outcomes, and it is this which this chapter is about.
- 8.1.14 Helping local people to get jobs is often central to successful regeneration. Urban labour markets are highly segmented and many workers have very limited mobility. Segmentation can be significant by age, sex, skill and ethnicity, and it is not unknown across virtually all of the United Kingdom at this point in time that there are considerable shortages of key workers alongside relative large surpluses of workers with no skills at all.

19 Martin, R and Tyler P (2000) *Regional Employment Evolutions in the European Union; A Preliminary Analysis*. *Journal of Regional Studies* 37, No 7 601-16.

- 8.1.15 An extensive analysis of the labour market conditions experienced by those who live on the most deprived estates has been undertaken by the researchers during the course of the SRB research (this work was published in OXREP 2000²⁰). This work revealed that residents in the most deprived estates in Nottingham, for example, were characterised by 44% of heads of households being unskilled, compared with 20% for England taken as a whole. The ability to search for a job was also similarly differentiated. In the SRB survey 68% of those seeking work would only consider jobs that involved them with travel times of less than 30 minutes using public transport (car ownership in this group was very low). The reasons for the constrained job search area related partly to history, but also the costs of travel, which were very significant for those on benefit and likely to earn relatively low incomes.
- 8.1.16 As we also demonstrate in Chapter 11, there are some very difficult interfaces between the incentive for people on deprived neighbourhoods to want to work and benefit regimes. Temporary jobs available to many of those on deprived estates are often low paid, uncertain and not highly motivating. In such circumstances it is entirely logical that workers will stay on benefit regimes, particularly those involving housing benefit rather than take relatively low paid jobs. The minimum wage, in-work benefits and the working family credit are designed to address such poverty traps, but the evidence suggests they have not gone far enough as yet. There also remains the lure of the informal economy.
- 8.1.17 There is only limited evidence from the SRB social surveys that mainstream training schemes reach out to those on deprived estates. In the SRB resident survey discussed in Chapter 11 only 2% of working age residents had participated in Government Training Schemes, even though on some estates 61% of working age head of household were unemployed, or otherwise economically inactive. Many would-be workers need pre-labour market skills that until recently have not been easily accessible from mainstream schemes. For a number of reasons take-up of mainstream schemes remains low.
- 8.1.18 Thus, the challenge for the most deprived, often older areas, is to bring about economic, physical and social renewal against a backdrop where so much of their existing stock of floorspace, human and physical capital is committed to the production of goods and services that either no longer exist or which are now made elsewhere. New investment at the margin can only change things slowly.
- 8.1.19 Regenerating areas have to be attractive places to both people and industry if they are going to retain their longer-term economic vitality and to turn themselves around. In terms of bringing about business success they need to deliver a quality of life that is attractive to those people and companies who wish to be enterprising.
- 8.1.20 In essence, the objective of a regeneration scheme is to:
- enhance the attractiveness of the existing location as a place for people and investment through the activities of both the market and the mainstream public sector providers. Attractive areas are those where people and business want to come to, stay in and leave reluctantly; and

20 *The nature of local area social exclusion in England and the role of the labour market. Oxford Review of Economic Policy*, 16,(1), 129–46.

- ensure that the residents of the area can increase their respective access to jobs and infrastructure that is outwith their area as a way of building out of the social exclusion that they are experiencing. It may also be that, if the objective is to break the vicious circle of decline in deprived neighbourhoods, then there could be some diversification of social mix through changed housing tenure. There is some evidence to suggest that if deprived residents are dispersed to more prosperous neighbourhoods they will improve their chances of lifting out of social exclusion. There is also increasing evidence that private housing tenure can change the social structure of deprived neighbourhoods and reduce adverse effects like high crime rates, poor health and poor educational attainment.

8.1.21 Declining areas need to increase their ability to attract new investment from both the public and private sector if they are to break-out of the compounding and reinforcing downward spirals that have characterised their problems. One role for local area regeneration initiatives like SRB in these circumstances is to facilitate initiatives that emphasise the linkages that exist between the physical, different economies and social. There is good evidence from the case studies that a key distinguishing feature of SRB has been that it has encouraged initiatives that recognise these key interfaces.

8.1.22 The case study analysis reveals the following interfaces to be of particular importance:

- combining physical regeneration (eg, developing sites, refurbishing buildings) with people related regeneration (eg, providing skills training, community facilities);
- forging transport improvements and other links between deprived neighbourhoods and other parts of the often urban area where employment opportunities are available;
- providing premises and support services for on-site training of residents most disadvantaged in the labour market;
- providing premises and support services to encourage local small businesses and self-employment;
- strengthening 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.

8.2 Combining the physical, economic and social: the evidence from the SRB case studies

8.2.1 The evidence from the SRB case studies is encouraging in that SRB regeneration partnerships have demonstrated considerable ability to identify the key interfaces across the physical, economic and social. The design of regeneration schemes is indicative of this. The Regenerating Wolverhampton and the Canalside Rochdale Partnerships were illustrative of how the physical, economic and social elements of regeneration can be brought together well. In what follows we examine each scheme separately and illustrate with key examples.

REGENERATING WOLVERHAMPTON

- 8.2.2 The relative decline of manufacturing industry in the United Kingdom since the early 1970s has produced dramatic changes to many of the United Kingdom's oldest urban areas. Wolverhampton is no exception. With 300 years history as a centre of industrial activity the savage contraction of the industrial sector over the last thirty years has led to high levels of worklessness and associated deprivation. It was against this background that the SRB round one Regenerating Wolverhampton scheme was conceived. The scheme covered the whole borough of Wolverhampton, an area with a population of some 240,000.
- 8.2.3 In Wolverhampton a key focus to emerge was the need to improve the economic base of Wolverhampton and to ensure that it was a competitive location for the production of goods and services. There were thus initiatives designed to improve the skill base and also the supply of good quality premises and land. However, the economic component of the scheme was accompanied by a desire to improve the quality of life of the local population by making selective improvements to the physical landscape, including improvements to the housing stock. Besides these economic and physical themes there were also social elements that encouraged learning and development amongst the younger population, particularly those from ethnic minorities.
- 8.2.4 Multi-faceted regeneration schemes in the older urban areas can often usefully focus on regenerating their town centre and Wolverhampton adopted this approach. The starting point was to undertake an audit of the attributes and weaknesses of the existing central area. Alongside this, attention was also given to reducing crime and the fear of crime on the grounds that there was little point in encouraging physical regeneration of the centre if people were afraid to go there. The SRB funding regime allowed Wolverhampton to begin what has become a very successful process of upgrading its City Centre and, indeed, that of surrounding centres as well.
- 8.2.5 The breadth of the Wolverhampton approach across the physical, economic and social is illustrated by the projects undertaken under each of its broad themes. Thus, the Generating Wealth theme contained Business Support Land and Property and the Town Centre Improvement-landmark buildings and gateways. It also contained projects designed to help with company start-up, encourage business expansion and provide business advice, customised training and assist businesses with their security.
- 8.2.6 Within the Learning and Development theme there were four sub-themes. These were realising the full potential of citizens from ethnic groups (Raising Literacy Standards in Primary Schools and Community Based Guidance), helping the unemployed gain reintegration in the labour market, upgrading childcare facilities linked to economic activity (Training and Childcare Support), vocational guidance to adults particularly from ethnic communities (Community-Based Initiatives) and creating enthusiasm amongst young people in occupations in industry (Developing Vocational Skills).
- 8.2.7 However, whilst the Wolverhampton scheme demonstrates the sort of holistic thinking required to bring about multi-faceted regeneration, it does also illustrate some of the attendant difficulties that arise in delivering such schemes.
- 8.2.8 The original round scheme sought to do too much over too large a physical area and for too many companies and people. This was, in fact, a general feature of round one schemes under SRB and reflected the perception at the time that to be successful bids had to be holistic and multifaceted – ie, breadth and, where possible, depth. However, the scale of

funding available, itself down sized from the original bid, was not sufficient to deliver such a programme. There are arguments that better targeting on particular client groups in specific areas might have been more effective and this has been reflected in bids submitted by Wolverhampton in subsequent rounds of SRB.

- 8.2.9 As discussed in Chapter 6, multi-faceted regeneration schemes working across the physical, economic and social also require strong and effective partnership delivery structures backed up by adequate and well-sourced information systems if they are to work. In Wolverhampton the partnership delivery mechanism was good at general housekeeping matters but not so effective when it came to monitoring and reviewing the progress of the regeneration package in relation to key targets and outcomes that it had set itself. Perhaps this reflected the belief that in an output driven regime like SRB output monitoring was the main requirement. However, the failure to upgrade the original baseline position throughout the scheme meant that, in general terms, the partnership committee did not know how well they were moving to solve the underlying problems they identified at the inception of the programme across the economic, physical and social. Thus, the individual themes tended, in the main, to do their own thing, albeit relatively well.

CANALSIDE ROCHDALE

- 8.2.10 The Rochdale Canal was built early in the nineteenth century and operated a busy trade route between Yorkshire and Lancashire. In Rochdale, as the waterway developed, many textile mills and engineering works sprang up along the canal along with some terraced housing. The increased activity resulted in successive housing programmes which continued until the 1960s. However, by this time competition from other forms of transport had culminated in the closure of the canal and, following this decline, many of the mills and other industrial premises fell into disrepair. There was a subsequent drop in occupancy levels of many older industrial premises with the emergence of vacant industrial land and a degraded local environment. By the early 1990s this area had been identified by the Rochdale Partnership as a Priority Action Area and was selected to apply for SRB funding due to its severe need combined with its potential to attract private sector investment into the area.
- 8.2.11 The Canalside Rochdale SRB scheme had its origins in a failed City Challenge bid. The latter aimed to bring about the economic and environmental regeneration of a large tract of over 200 hectares of derelict, former industrial land, running alongside the Leeds Liverpool Canal, which had itself fallen into disuse and dereliction. Hence, 78% of SRB expenditure was devoted to economic regeneration (designed to concentrate public investment into the physical regeneration of the area largely through the assembly and preparation of land and sites in fragmented ownership for development by private developers), housing improvement and environmental improvement. Only 17% was devoted to more people-related social and community regeneration, which was centred around raising employability for the most deprived households and enhancing community safety.
- 8.2.12 It was hoped at the time that the economic and environmental improvement of the area would generate benefits which would, at least in part, 'trickle down' to the 11,000 people living in the immediate and adjacent deprived communities and the 35,000 people resident in all the communities in that part of the town. The evidence from the evaluation research is that these trickle down benefits have so far been small, with a slight fall in satisfaction with the area recorded in the 1999 social survey. However, the economic

regeneration of the area was still underway at this point and larger longer-term benefits may yet accrue to local communities from the continuing investment, which includes a housing programme and new build for local businesses.

- 8.2.13 However, the emphasis of the scheme on the economic and physical regeneration did constrain the resources available for people related social regeneration in deprived communities. SRB expenditure on these people related aspects of regeneration was limited to £1.75 million – an average of only £350,000 per year. These training and social projects were targeted on the wider ‘Area of Benefit’ comprising 35,000 people which further diluted their impact. It could be argued that the design of the Rochdale SRB scheme was modelled too much in the direction of a mini-UDC scheme in which the long-term benefits of physical and economical renewal would be spread widely across the town – with only a small proportion of benefit accruing to residents of deprived neighbourhoods. But in Northern industrial towns regeneration resources have to create jobs in the area as well as improving the employability of residents in deprived neighbourhoods. With the benefit of hindsight the Rochdale scheme could have been more evenly balanced between these two basic objectives – with a larger share of regeneration resources being devoted to more direct people-related activity for the residents themselves.
- 8.2.14 Two key issues emerge from the Rochdale scheme in relation to multi-facet regeneration. The first is that it is necessary to consider how ‘balance’ is to be achieved between the projects designed to tackle the economic, social and physical. The precise allocation of resources clearly depends on the priorities and the nature of the problems that exist. However, too many schemes seem to pay too little attention to the social/community issues and too often commit inadequate resources. Secondly, it is essential to recognise the interfaces that exist between physical issues, perhaps relating to transport infrastructures and the labour market. Economically, it is important to identify how activities across each domain interact with each other in relation to the overall regeneration objectives. It is also necessary to identify how local residents in deprived areas can be linked into the wider local labour market. The broader geographical picture and how linkage can be increased is often not assessed effectively.

8.3 Maintaining the momentum: ensuring sustainable outcomes across a broad front

- 8.3.1 The evidence suggests that, if the problems of socially deprived areas are to be addressed adequately, then it is essential to apply a comprehensive programme of regeneration across the physical, social and economic. If the scheme resources are spread too thinly across wide areas and if they are only of a single thematic nature, then they will have a minimal impact on the breadth and depth of social exclusion in the ‘worst’ neighbourhoods.
- 8.3.2 Within regeneration schemes there has to be a clear emphasis on maintaining the momentum. An attractive and valuable feature of SRB schemes has been that they have enabled a focussed approach to problem areas up to seven years.
- 8.3.3 However, whatever the length of the SRB funding commitment, it is necessary for regeneration schemes to consider successor arrangements from an early stage. If projects demonstrate their worth it may be that mainstream departments and agencies of

Government will adopt them. In other cases projects will have achieved their worth by demonstrating an innovative approach to tackling local problems and the need for further funding may fall away.

- 8.3.4 Ensuring adequate success arrangements is a difficult-part of regeneration. We conclude this chapter by describing some of the experience that has emerged from the two multi-faceted five year programmes of regenerating Wolverhampton and Canalside Rochdale whilst recognising that we will be able to say more about sustainability when we have examined all of the twenty SRB case study partnerships.

REGENERATING WOLVERHAMPTON

- 8.3.5 The post SRB successor arrangements in Wolverhampton have resulted in some 26 of the 39 original projects continuing beyond the life of the SRB scheme. However, successor arrangements have varied according to the economic, social and physical nature of the problems being tackled.

- 8.3.6 Thus, within the scheme's four regeneration themes of Generating Wealth, Learning and Development, Empowerment & Diversification in Housing and Cohesive Community there have been varying fortunes regarding successor arrangements:

- The **Generating Wealth** theme has little by way of a successor strategy which is disappointing, given that SRB projects were concerned with the crucial aspects of business growth, engineering development, training and development of the town centre.
- The **Learning and Development** theme has relied heavily on WMBC mainstream funding, with some support from the Adult Education budget, FEFC and possibly NDC.
- **Empowerment and Diversification in Housing** forward planning has been dependent upon WMBC's Housing Capital Programme, which has funded properties that were not covered under the original SRB project and is not ,therefore, strictly a successor strategy.
- The **Cohesive Community** theme has relied on WMBC Voluntary Sector funding used in conjunction with Lottery funding and SRB three.

- 8.3.7 For many projects continuing beyond SRB the main sources of funding have been from WMBC main budget (including Social Services, Education Department and the voluntary sector), the Small Business Service, merging with NDC/NRS initiatives, Wolverhampton Centre of Engineering Excellence, Heath Town Estate Management Fund and the Lottery.

- 8.3.8 Thus, although some two-thirds of SRB projects will continue, there is a significant reliance on WMBC as a funding source, with little evidence of other wider mainstream bending or a broad private sector input. Given the partial focus on wealth creation and the development of the town centre, it might have been expected that SRB projects could have provided an opportunity for the creation of a strategic forward strategy that built upon partnership working with key local players. The continuation of projects under the Learning & Development and Cohesive Community themes have been more successful in setting in place a range of initiatives that can offer opportunities for further community development and capacity building.

CANALSIDE ROCHDALE

- 8.3.9 An important strength of the Canalside Rochdale programme was the forward strategy developed in the early stages of the scheme. At the bid stage projects were classified into three categories to inform their exit strategy. These were:
- **turn Key projects** – which focused on key barriers to the regeneration process such as physical condition and ownership. The economic regeneration projects that fell within the Land Assembly Programme were ‘Turn Keys’. These projects were intended to take place in the early part of the programme to help clear the land and sort out fragmented ownership before land could be disposed to the private sector for development;
 - **finite projects** – which were expected to meet their objectives within the lifetime of the SRB scheme (eg, housing projects); and
 - **enhancement projects** – were of a longer-term nature and not expected to be fully met within the lifetime of SRB. The purpose of these projects was to bring the area up to the standard of other parts of the Borough so that normal mainstream support would be sufficient to enable local people access mainstream programmes (eg, through training).
- 8.3.10 During the first three years of the programme exit strategies were produced for all the projects and a first draft forward strategy was brought out in March 1997, drawing on literature from the Joseph Rowntree Trust on sustainability and Challenge Fund guidance on ‘Developing Effective Forward Strategies’.
- 8.3.11 All project leaders became involved in the development of the strategy. A seminar and a number of small workshops were held during the summer to look in detail at the draft of a pro forma to be designed for completion by all projects. The pro formas indicated the current position and future expectations for the project. To ensure consistency this was set in the context of nine ‘benchmark criteria’:
- the maintenance of partnerships;
 - changes against the baseline;
 - the impact of post SRB;
 - the management and support of projects after SRB;
 - funding and resource issues;
 - maintenance issues;
 - sensitive window and exit;
 - community empowerment and involvement; and
 - the influence on mainstream provision.

- 8.3.12 A Forward Strategy Working Group was set up later in the year comprising members from all the partner agencies in each of the three Action Teams (Business Action Team, Canalside Action Team and Human Resources Action Team). The Working Group's function was geared towards ensuring all agencies had an input into the Forward Strategy and that this work was then fed back to all Action Teams to ensure the maximisation of knowledge and expertise and the strengthening of links between initiatives.
- 8.3.13 The Working Group looked at all returned pro formas and considered issues relevant to each project such as future funding and possible links with other projects. It would also submit suggestions and comments to programme agents.
- 8.3.14 Following the completion of the Canalside Scheme, the Accountable Body – Rochdale Metropolitan Borough Council – took over the responsibility for the formal roles of the Partnership in relation to Canalside. The Corporate Executive continues to function until all works are complete. In addition, the Canalside Action Team continued to meet, becoming a strategic operational group to ensure partnership working beyond March 2000 on the physical regeneration programme. The Rochdale Challenge Partnership attained SRB funding for a round two and round five scheme.
- 8.3.15 Middleton Pride is the SRB two six-year programme which secured £10.7 million SRB funds and is focused on the Priority Action Area of Middleton in the south of the borough. It has five programme areas of environment, health & safety, housing, physical economic regeneration and training & education. The business start-up project included in the scheme is an extension of the Canalside Business start-up project and the outreach work pioneered in Canalside was used to inform the Outreach Adult Guidance project run under Middleton Pride.
- 8.3.16 The round five 'Inner Rochdale – Opportunity and Inclusion' programme is funded by £25 million SRB, with the three themes of improving health, community involvement and sustainability. The target area incorporates much of the Canalside area, ensuring a continuation of the regeneration work started under SRB one. The Land Assembly Programme will continue under the SRB five programme and the experience of the SRB one Community Capacity Building project and issues identified by the working party have been passed on to inform the Corporate Executive of SRB five. Other projects, which have continued to run with some funding from SRB five, include the Business Start-up project and Building Trades Agency.
- 8.3.17 As a result of the Canalside Forward Strategy the life of many of the individual projects was extended beyond SRB one. From the 41 SRB projects only 7 have not continued beyond the life of the scheme. For those projects continuing beyond SRB the main sources of funding/support were RMBC (including Education Department finance and Drugs Action Team), Business Link, Chamber of Commerce, RDA, Northern Counties Housing Association, Groundwork Trust, NDC, SRB five, Guinness Trust, training organisations and ESF.
- 8.3.18 Within the scheme's five regeneration themes of Training for Life & Work, Economic Regeneration, Housing Action, Environmental Renewal and Building a Safer Community there has been a wide range of successor arrangements:

- Under the **Training for Life and Work** theme a variety of successor arrangements will be developed, involving funding/support from training organisations, Business Link, ESF funding and mainstream education/schools finance. The forward strategy will enable a wide range of projects to provide a variety of entry points for those wishing to take up training.
- Projects within the **Economic Regeneration** theme have drawn down continuing support from the Chamber, Business Link, housing association/housing co-operative and Regional Development Agency (RDA). The RDA is involved in promoting industrial units completed within the SRB programme and directly linked to increasing future business activity in the local area. A number of land assembly/land reclamation SRB projects have been the precursor of continuing infrastructure initiatives that will lead to economic regeneration.
- Under the theme **Housing Action** some projects will continue until 2005 within the Sandfield Renewal Area strategy, while others will be supported through SRB five and NDC in an attempt to make them self-sustaining. A housing association will operate maintenance programmes for improved/new build properties that were developed under SRB and will now come under their jurisdiction. A small number of properties have been taken back by RMBC and will be rented out.
- Projects within the **Environmental Renewal** theme are continuing to be supported by RMBC maintenance programme and the Groundwork Trust. One project has been turned into a borough-wide programme (Access to Envirotech), though the experience gained through SRB projects has been used to help develop newly designated Renewal areas.
- The **Building a Safer Community** theme, which consisted of some health and drugs related projects, will eventually be absorbed into LA mainstream programmes such as the Drugs Action Team and the Health Promotion Unit. Community Capacity building and the Community Trust Fund will continue to operate through an SRB five Trust Fund, and an SRB initiative addressing youth crime will be taken on board by the Guinness Trust.

8.3.19 Within the Rochdale experience there has been a greater variety of continuation funding with less reliance on local authority finance than in Wolverhampton. Across all themes there has been an attempt to create a sound forward strategy that will hopefully build upon and consolidate the gains made under the SRB scheme and continue to assist multi-faceted regeneration. As with Wolverhampton, greater involvement of the private and voluntary sectors, linked to further mainstream bending, would have been a distinct advantage in building a coherent forward strategy and could obviously bring longer-term benefits to the SRB area.

CHAPTER 9

The measurement of short term cost effectiveness and the assessment of VFM over the longer term

Summary of chapter:

SRB has been a relatively cost-effective area-based initiative. The preliminary findings are encouraging in that a very large number of regeneration benefits have been created at a cost to the Exchequer that is in line with that of earlier programmes, although significant conceptual and measurement difficulties exist.

9.1 Introduction

- 9.1.1 Evaluation of government programmes is not an exact science and there are many problems of both a conceptual and measurement kind. HM Treasury has provided some guidance as to the best way forward when it comes to evaluating the effects of central government policies with regeneration objectives (EGRUP 1995).
- 9.1.2 There is no such thing as a straight forward evaluation and, certainly, there will always be some difference of opinion as to how the various costs and benefits associated with a policy should be considered and what performance indicators are the most appropriate in assessing the achievements of a programme. Some programmes are more difficult than others to evaluate however, and when it comes to embracing the potential range of difficulties provoked it would seem fair to suggest that SRB is near the top of the list!
- 9.1.3 One particularly difficult area relates to the sheer breadth of benefits which the SRB programme is capable of providing. Bidding Guidance (April 1995) indicated that there are seven different broad objectives associated with SRB. These covered:
- the enhancement of employment prospects of local people through training;
 - improvements to the underlying competitiveness of local businesses both new and existing;
 - improving the physical infrastructure and the state of the local environment;
 - improving the housing conditions of disadvantaged groups in the local area;

- improving access for ethnic minorities;
- tackling crime and community safety; and
- enhancing the quality of life for local people including their health and cultural and sports opportunities.

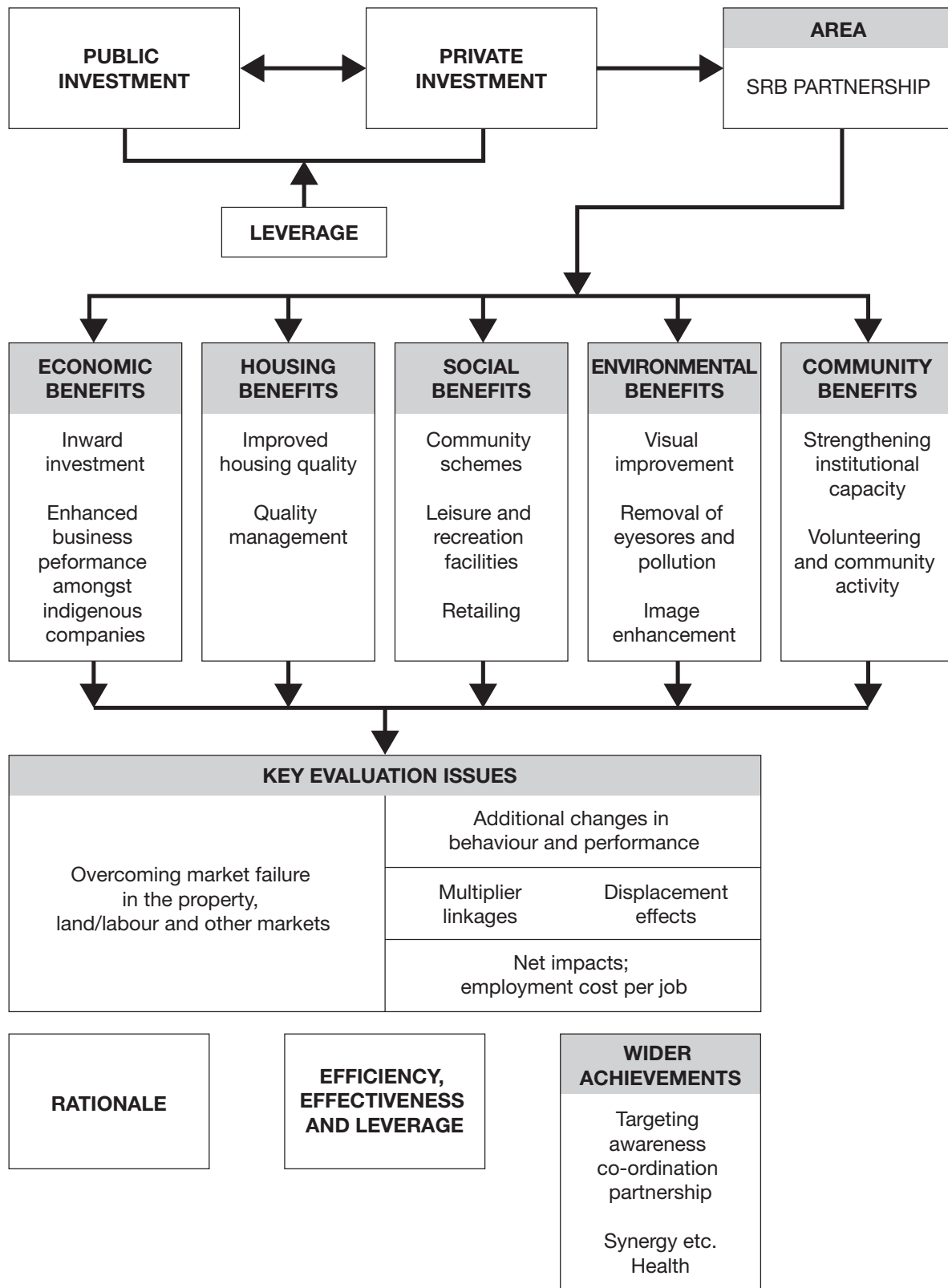
9.1.4 There are thus multiple benefits associated with SRB of an economic, social and physical kind. Some of the benefits will arise directly from SRB funding but others arise indirectly from the bending of main programmes or other resources into target areas as a result of the SRB initiatives. Not only are there relatively poor measures of some of the benefits which may arise, particularly when it comes to social benefits, but there are also many interesting issues provoked when it comes to bringing the benefits together into a common basket to try to obtain an idea of what they all add up to. It is not immediately clear what, if any, weighting systems are the most appropriate in such circumstances. However, if we do not attempt to bring the benefits of the programme together in a coherent manner it is difficult to summarise what the impacts of the programme as a whole are.

9.1.5 One feature of a good evaluation framework is that it should enable the outputs or benefits of a policy or programme to be compared with the inputs or costs. It is only with information of this kind that an assessment of value for money can be made. The standard approach as contained in the EGRUP guidelines (HM 1995) has evolved over a number of years and it is to establish a cost benefit account for the regeneration measure concerned and, under certain conditions, performance measures can be derived which allow one measure to be compared with others.

IDENTIFYING THE APPROPRIATE STREAM OF BENEFITS

9.1.6 Figure 9.1 provides a broad overview of the evaluation framework. The activities which come about as a result of the SRB support produce a number of outputs. The Single Regeneration Budget Monitoring and Periodic Review (Guidance Note Number 1, April 1995) identifies a number of measures of both direct activities and outputs (for convenience they are all referred to in the Guidance Note by the generic name of output measure). Thus, by way of an example, the provision of small workspace (measure 2Bi) partly funded by SRB support may allow a number of jobs to be created (measure 1Ai). These output measures seek to capture the principal benefits of the programme and form the basis of the credit entries in the cost benefit account. In a similar fashion we can refer to other categories of benefits and beneficiaries contained within the general remit of the SRB initiative. These include number of training weeks provided (measure 1E) as a further type of economic benefit. It also includes an indicator of environmental benefit (number of buildings improved and brought back into use 6C) and social benefit (number of local people given access to new cultural facilities 7Ai).

Figure 9.1: An evaluation framework with which to evaluate SRB partnerships



Source: SRB Evaluation Team, Department of Land Economy.

- 9.1.7 The principal economic benefits considered are clearly jobs, training places and enterprises. These have the advantage that their number provides a ready measure, although there may be substantial differences in the quality of them and this needs to be recognised within the evaluation. There may also be economic benefits arising from enhanced community activity like increased volunteering and such benefits require careful measurement where this is possible. A further important consideration is also the length of time which the benefits will exist, itself a measure of quality. It is desirable for this reason to express jobs and training places in terms of job/training place years. A further complication arises, however, when the streams of benefits are likely to unfold over a considerable period of time. EGRUP guidelines (HM 1995) suggest that the outputs of programmes with employment effects are best measured over the medium term (typically between 2 and 5 years), but in the context of the SRB evaluation there are job streams arising over 7/8 years and there is an important issue as to how to treat such outputs in this circumstance.

GROSS TO NET

- 9.1.8 A key feature of the evaluation framework is the distinction made between gross and net outputs or benefits. The starting point for all evaluation must be to seek to identify the gross effects but to then reduce these to the extent that they would have occurred anyway in the absence of the programme concerned. True dead-weight in its simplest form is where the programme did not produce any additional benefits at all in the sense that the economic agents concerned would have done exactly what they actually did if the programme support had not existed. It has been recognised in recent years, however, that it is also important to assess whether the programme might have enhanced the quality of the benefits provided, as is frequently the case with respect to the provision of training, or actually brought forward the benefit in time. We have used the broader measure of additionality in the context of the SRB evaluation since the nature of many of the projects supported is such that pronounced quality and time shortening effects are quite probable.

GROSS TO NET: ALLOWING FOR DISPLACEMENT

- 9.1.9 Once an adjustment has been made to the streams of benefits to allow for the element of deadweight the next adjustment is to allow for displacement. This is the degree to which the extra benefits created in the local area of relevance to the SRB support have been at the expense of other economic agents in the area concerned or elsewhere. Diversion of economic activity between areas can occur in a number of ways but a common form would be through product market displacement. Clearly, the displacement effects of a policy are of particular concern for the policy maker because, whilst some degree of displacement may be inevitable and acceptable, it is also desirable that on grounds of equity that displacement is from the less needy to more needy areas. In practice, measuring displacement is a very difficult exercise, but the need to establish broad estimates and to discount gross additional effects to reflect this is clear.
- 9.1.10 A particular form of displacement with respect to training and the labour market is that of substitution. Again, this could take a number of forms. A simple example would be where a worker who acquires a job as a result of an SRB project does so at the expense of some other worker in the local labour market. Such effects can be quite profound, particularly where the level of skill involved in the substitution is relatively low.

- 9.1.11 Whilst recognising that it is important to pay particular attention to displacement effects arising from SRB support it is less easy to decide what should be the relevant geographical building blocks with which to calculate displacement. EGRUP gives some guidance. It argues that evaluation should provide estimates on displacement at a local and national level.
- 9.1.12 EGRUP also recognises that, whilst it would be desirable to have consistent definitions as to what is meant by local areas across programmes, this will not always be possible because the scale and size of displacement depends on the economic and physical nature of the areas considered. There is a suggestion that, in the main, it is appropriate to aim for Travel To Work Areas in order to measure local labour market effects, and this is probably the best way forward for the SRB programme. Whilst Travel to Work Areas are appropriate to consider issues like displacement, it is important not to lose sight of the need to consider such factors as whether it is local people in deprived areas who secure job benefits arising from programme activity.
- 9.1.13 The implications from the EGRUP guidelines is that the SRB evaluation should seek to measure displacement at the level of the local area, although whether a travel to work definition is appropriate will have to be considered on a case by case basis. Equally, it is not clear whether there is a need to have an even smaller geographical unit within the local area as is the case with predominately locally targeted policies like UDCs and Enterprise Zones. It will clearly vary on a partnership by partnership basis.

GROSS TO NET: LOCAL LINKAGE AND MULTIPLIER EFFECTS

- 9.1.14 Once the overall gross benefits arising from the SRB partnerships have been adjusted to allow for dead-weight and displacement it is then possible to calculate the net benefits associated with the SRB programme. One further adjustment is required, however, and this is to allow for extra benefits that might arise to a local area from increased linkage activity between both local businesses as a result of the programme and additional local income generated by increased local demand for goods and services. The evaluation framework must, therefore, include these effects to ensure that the overall estimates of net additional benefits associated with the SRB programme are robust. In practice, a body of empirical work has been undertaken to produce such multipliers by category of local area and these will be drawn on in the evaluation.

9.2 Case study gross outputs: indicators and definitions

- 9.2.1 The standard gross output indicators measure a wide variety of outputs, focusing upon, inter alia, job creation, training and education, business formation, housing development, land reclamation and the provision of social, health and cultural facilities within the SRB target area. Separate account is also taken of gross outputs that directly benefit the ethnic community where the ethnic population is of significance within the target area. Gross outputs attained provide both a measure of success of a scheme and a means of comparison with what the scheme was expected to achieve. This latter measurement is possible through comparison of Delivery Plan expectations (or forecasts) with the cumulative actuals provided in returns by partnerships to the Regional Development Agencies.

- 9.2.2 Actual gross outputs for individual projects within SRB schemes were recorded throughout their lifetime usually by the individual project managers. They were then collated by the Partnership lead partner and submitted to the Regional Development Agency (previously the Government Office for the Region). Initially, these returns were made on a quarterly basis, but these requirements were subsequently relaxed, with returns required every six months.
- 9.2.3 The standard SRB output measures provide a broad spectrum of different types of quantifiable output from numbers of jobs created and safeguarded, companies supported, dwellings built or improved through to number of community safety initiatives, new and improved facilities and voluntary and community groups supported. Clearly, the extent to which these different measures apply to each scheme varies considerably according to their strategic objectives, and only the very broadest multi-objective partnership will utilise all of them. Overall, the ten case studies recorded outputs for most of the standard measures. These are summarised in Table 9.1.
- 9.2.4 Many of the case studies also employed non-standard output measures in order to more precisely reflect the results of their individual regeneration schemes. These measures varied widely across the case studies and usually indicated the very specific nature of the projects being run by the partnerships. For example, non-standard measures included the number of area drug forums that had been established (Northumbria Community Safety), number of environmental initiatives established (Hangleton Knoll) and the number of liner metres of canal dredged (Canalside Rochdale).
- 9.2.5 Details of expenditure were also supplied on a six-monthly basis to the RDAs as part of the required output returns. This data (Outputs 9A1 – 9A3) was broken down into three broad categories: SRB spend, other public sector spend and private sector leverage respectively. ‘Other public sector’ expenditure includes all funding from public (or quasi-public) bodies, including other government departments, the European Union, local government, health authorities, the police, education establishments, housing associations.

9.3 Gross outputs and expenditure: measurement problems

- 9.3.1 The monitoring and return process for quantifiable outputs should provide a comprehensive database of outputs and expenditure across all SRB partnerships within each region. However, at the interim stage of this national evaluation (DETR 1998) we noted some significant differences in the process of monitoring across regions and across individual partnerships, which had led to some difficulties in comparison and analysis. Examples included:
- inconsistencies between quarterly returns and cumulative totals;
 - missing and incomplete returns, particularly in relation to expenditure, forecast and black and minority ethnic data; and
 - definitional problems relating to output categories and the units of measurement.

- 9.3.2 As the programme has progressed some of these difficulties have reduced. The modification to six-monthly output returns has taken away some of the burden on partnerships. Also, changes in output definitions (which took place between rounds one and two) did not occur to the same extent in later rounds, giving a degree of familiarity of the output measures being monitored by the partnership. In general, we found that as partnerships became more used to making returns and their own monitoring systems became more robust the process of making returns got somewhat easier. Expenditure details also improved as programmes progressed and all ten case studies had complete expenditure data both forecast and actual.
- 9.3.3 Some issues of output monitoring did still emerge however, particularly with respect to the limitations of using standard SRB output indicators, as highlighted by the Lancashire Manufacturing scheme. As a thematic scheme it sought to influence the efficiency, competitiveness and performance of the private manufacturing sector in Lancashire. This would have been best measured using indicators such as manufacturing value-added or production, productivity and investment. None of these were, however, part of the standard output measures and, as the Partnership did not introduce any non standard indicators, the full impact of the scheme could not be adequately assessed.
- 9.3.4 A further consequence of thematic schemes emerged from Northumbria Community Safety where the large number of scheme beneficiaries were included in the 5Ai indicator figure, which was a measure of all those benefiting from any community safety initiative. Further disaggregation was not possible, which had implications when assessing the overall impact of the scheme as the type of benefits received varied from receiving literature on drugs or using the helpline to participating in focus groups or seminars.
- 9.3.5 Double counting was also an issue for some of the case studies. In Brent and Harrow there was an element of this with respect to the number of pupils involved in collaborative projects (1Kii) where some pupils had visited projects in three different school years. Thus, the gross figure overestimated the actual number of pupils involved. Also in Lancashire Manufacturing, where a more mechanical approach to counting had been employed, it was felt that insufficient care had been taken over the double counting issue. Where this has arisen the evaluation team have adjusted the figures to better reflect the actual position.
- 9.3.6 In some of the case studies we also found that there were still some gaps with forecast outputs particularly for black and minority ethnic figures. This has affected some of our analysis as we are using aggregate data and actuals since a percentage of forecast sometimes appears much more significant due to incomplete forecast figures. Where this has affected the result we have marked it with an asterisk on Table 9.1 below.
- 9.3.7 In aggregating final output data for the ten completed case studies the differences within each case study are somewhat concealed, ie, some were highly thematic using only a few of the output codes (eg, Chalkhill and Northumbria Community Safety) and others were larger multi-objective schemes where most of the indicators were used (eg, Canalside Rochdale and Regenerating Wolverhampton). The output codes set out in Table 9.1 below are presented with round two definitions which, by the end of the ten case study schemes, had been adopted by all partnerships. This has meant that more output detail can be assessed compared with the interim stage (DETR 1998), where differences in output definitions being used meant that greater aggregation was necessary.

9.4 Case study gross outputs

- 9.4.1 Table 9.1 below sets out the gross outputs in aggregate form for all ten completed case studies. The 'actual outputs' column shows what has been attained for all years of each of the ten schemes. While it is difficult to gauge these achievements in broad terms without suitable benchmarks for comparison, it is clear that for just ten SRB schemes there have been some notable successes.
- 9.4.2 Over 8,400 jobs were created with a further 7,600 safeguarded. More than 180,000 pupils also benefited from involvement with collaborative projects. There were 2,675 business start-ups with over 1,000 new businesses supported created, of which over a quarter had survived past 78 weeks. Nearly 1,500 new dwellings had been built with a 295 improved. Towards 400,000 people had benefited in some way from a community safety initiative and over 2,000 commercial buildings had upgraded their security. 160 buildings had been brought back into use and 178 hectares of land had been reclaimed or improved for open space. Over 400,000 people had access to new community cultural facilities and nearly 60,000 had use of improved cultural facilities. 2,051 voluntary sector organisations had received some support from SRB and over 5,000 individuals had become involved in voluntary work as a result of SRB projects.

Table 9.1: Summary of gross outputs for the ten case studies (all years)

Description	Actual outputs	Forecast outputs	Actual as % of target actual	BME outputs as % of EM Target	BME outputs as % of
Jobs, training & education					
1a1 No FTE jobs created	8,430	8,590	98	13	117
1a2 No FTE jobs safeguarded	7,605	5,477	139	5	142
1a3 No FTE construction jobs (person wks)	18,663	19,129	98	0	-
1b No pupils benefiting from projects assigned to enhance/improve attainment	180,339	137,510	131	9	145
1c No people trained obtaining qualifications	29,634	28,215	105	30	121
1d No residents accessing employment through training advice or targeted assistance	4,188	3,046	138	29	114
1e No training weeks	17,777	8,508	209	-	-
1f1 No people trained obtaining jobs	3,066	3,465	89	28	69
1f2 • Who were formerly unemployed	2,330	3,222	72	26	55
1g No entering self-employment	187	88	213	16	188
1j No young people benefiting from projects to promote personal & social development	16,367	5,477	299	11	198
1k1 No employers in collaborative projects with educational institutions to improve student performance	2,455	2,220	111	0	-
1k2 No students in collaborative projects	74,814	20,791	360	7	138
1l No teachers who have had a placement into business in the last period	3,117	1,300	240	0	-
Economic growth					
2a No new business start-ups	2,675	2,834	94	19	107
2b1 Business/commercial floorspace improved (m ²)	82,468	107,243	77	-	-
2b2 New bus/commercial floorspace (m ²)	259,714	65,455	397	-	-
2c1 New businesses supported	1,092	664	165	12	85
2c2 • Surviving 52 wks	574	391	147	8	47
2c3 • Surviving 78 wks	257	336	77	15	47
2d No businesses receiving advice as a result of SRB assisted activities	9,614	7,428	129	5	127
Housing					
3a1 No private dwellings completed	135	111	122	-	-
3a2 No private dwellings improved	624	253	247	-	-
3a3 No local authority dwellings completed	0	0	-	-	-
3a4 No local authority dwellings improved	864	843	103	-	-
3a5 No Housing association dwellings completed	160	328	49	-	-

Table 9.1: Summary of gross outputs for the ten case studies (all years) contd.

Description	Actual outputs	Forecast outputs	Actual as % of target	BME outputs as % of actual	BME outputs as % of EM Target
3a6 No Housing Association dwellings improved	0	0	-	-	-
3b No dwellings in tenant management organisation	150	650	23	-	-
Community safety/crime prevention					
5a1 No benefiting community safety initiatives	387,441	101,818	381	11	709
5a2 • Aged over 60	8,894	6,200	144	3	161
5a3 • Females	78,999	27,089	292	1	174
5b1 No dwellings with upgraded security	2,306	2,009	115	-	-
5b2 No commercial buildings with upgraded security	2,046	1,166	176	-	-
5c No community safety initiatives	228	155	147	-	-
5d1 No youth crime prevention initiative	160	101	158	-	-
5d2 • No. attending crime prevention initiatives	19,889	18,198	109	18	69
Environmental improvements					
6a Land improved/reclaimed for open space (Ha)	178	128	140	-	-
6b Land improved/reclaimed for development (Ha)	24	22	110	-	-
6c No buildings back into use	160	114	140	-	-
6d1 Roads built (km)	0	0	-	-	-
6d2 Roads improved (km)	1.5	0	-	-	-
6e No traffic calming schemes	12	5	222	-	-
6f No waste management/recycling schemes	6	6	100	-	-
Community facilities					
7a1 People access to new health facilities	39,403	300	13,134*	2	394
7a2 People with access to new sport facilities	84,682	146,953	58	2	7,000*
7a3 People access to new cultural facilities	416,288	200,627	208	0	-
7a4 No new health facilities	3	2	150	-	-
7a5 No new sports facilities	14	11	127	-	-
7a6 No new cultural facilities	24	2	1,200*	-	-
7b1 No using improved health facilities	635	0	-	0	-
7b2 No using improved sports facilities	2,207	15,541	14	0	-
7b3 No using improved cult facilities	57,717	60,772	95	0	-

Table 9.1: Summary of gross outputs for the ten case studies (all years) *contd.*

Description	Actual outputs	Forecast outputs	Actual as % of target	BME outputs as % of actual	BME outputs as % of EM Target
7b4 No health facilities improved	25	0	-	0	-
7b5 No sports facilities improved	14	20	70	0	-
7b6 No cultural facilities improved	17	27	63	0	-
Voluntary/community sector					
8a1 No voluntary organisations supported	2,051	978	210	16	101
8a2 No community organisations supported	208	47	443	0	-
8c No individuals involved voluntary work	5,189	1,958	265	14	392
8d No employee volunteering schemes	156	25	624	0	-
8e No community enterprise start ups	17	20	85	82	93
Childcare					
10a No childcare places provided	151	160	94	11	-

Source: Department of Land Economy ten case study final evaluation reports

* Results affected by incomplete forecast figures.

9.5 Outputs relating specifically to black and minority ethnic communities

- 9.5.1 One of the requirements of the SRB monitoring framework is for partnerships to record separate output figures for members of the black and minority ethnic (BME) communities within the SRB target area. This is to enable an examination of the extent to which members of such communities benefit from SRB schemes. Obviously, the importance of this assessment depends upon the degree to which the BME communities are represented in the SRB area and only those areas containing significant proportions of the population drawn from these communities were obliged to record separate figures. Eight of the ten case studies recorded figures for the members from black and minority ethnic communities. Limes Farm and the West Cornwall Initiative had very low proportions of members from black and ethnic minority communities and, thus, did not include separate figures in their outputs.
- 9.5.2 The results of this analysis can be seen in Table 9.1 above, which shows actual BME outputs as a percentage of the total achieved. The spread over the range of indicators is quite large, with some general clustering between 8-20%, although for some outputs this is exceeded. More specifically, in the 'Jobs training and education' outcome grouping nearly a third of pupils benefiting from collaborative projects were from the ethnic minorities and a similar proportion of residents accessing employment and people training into jobs were from the ethnic community. In the 'Economic growth' grouping nearly one fifth of new business start-ups were from ethnic minorities, although only 5% survived to 52 weeks with 15% of the remainder remaining operational to 78 weeks. Support of ethnic voluntary organisations was also quite high at 16%, with 82% of community start-ups being ethnic, although this is largely skewed by the result from the Regenerating Wolverhampton scheme.
- 9.5.3 It should be remembered that these are aggregate figures and that, as such, some of the individual detail from the case studies is lost. For example, some partnerships designed projects exclusively for the ethnic community to help address the problem of the lack of take up of mainstream programmes in the area. An example of this is the 'pre-vocational training for the Asian community' project in Canalside which was set up to encourage further training take up by the local Asian community. In addition, the Wolverhampton scheme 'women and health courses' project focused specifically on women from BME groups who are disproportionately affected by inequalities in health.

9.6 Gross outputs: actuals compared with expected

- 9.6.1 One of the purposes of the annual Delivery Plan is for the partnerships to specify their expected outputs for both the year ahead and 'all years' of the scheme. These projections provide a basis on which the output achievements can be measured. This is a useful tool for the Regional Development Agencies to review progress and investigate if outputs are falling below partnership predictions. Inevitably, during the lifetime of schemes a degree of adjustment has to be made to the 'total all years' forecast to take account of unforeseen changes during the programme (eg, where other funding or planning delays affect outputs that can be achieved within the period of SRB funding). Because of these changes we have used the latest possible forecast (from the final Delivery Plan) to compare against the

actual outputs achieved for all years (see Table 9.1). It should be noted, however, that some outputs were achieved with no forecast by the partnership and, in a few instances, as the results are only based on ten case studies, the achievement rate looks much higher than should be the case.

- 9.6.2 The majority of outputs exceeded the original targets set by the partnerships, with many achieving two and three-fold increases. More specifically, jobs created and construction jobs were in line with expectations and safeguarded jobs nearly 40% higher. Training weeks reached double the target and the number of people benefiting from personal and social development was almost trebled. New business start-ups were just short at 94% of expectations but new commercial floorspace was almost four times the original target. Dwelling improvements also exceeded targets as did new build for private houses. All community safety outputs were exceeded as were the majority of environmental improvements. Community facility outputs were largely attained, although it should be noted that the excessive achievement for people with access to new health facilities was skewed due to the West Cornwall Initiative scheme, which had failed to include a forecast for the output in the Delivery Plan. The voluntary and community sector emerged strongly in attaining outputs, although, again, it should be noted that the degree of over achievement for community organisations supported is affected by one or two schemes that did not set out an original target for this output.
- 9.6.3 The area of improved commercial/business floorspace was around three-quarters of the forecast, as was the proportion of businesses that had survived over 78 weeks. Housing Association improvements were only half expected, reflecting some of the problems associated with larger capital schemes. Also, the number of dwellings expected to be in tenant organisations were much lower at just below a quarter of what was expected. The other main areas that performed below expectations were some of the community facilities, most notably only 14% of those expected used the improved sports facilities and the number of improved cultural and sports facilities were only around two-thirds of expectations.
- 9.6.4 Overall, BME achievements met with expectations with job, training and education outputs mostly exceeded. In terms of economic growth new business start-ups and businesses advised were higher than forecast. Community safety and voluntary outputs also show successful achievement rates. Disappointingly, however, only 85% of ethnic new businesses were supported and, while nearly half of these survived to the 52 week stage, this was a considerably lower survival rate compared with other new businesses.

9.7 Actual and expected expenditure

- 9.7.1 In addition to the outputs discussed above, indicators 9a1, 9a2 and 9a3 recorded SRB expenditure, other public expenditure and private sector expenditure respectively. Table 9.2 below sets out total actual spend for all years, generating £46.5 million SRB spend and an overall aggregate of £230.4 million for the ten case study schemes. Not surprisingly, the greatest expenditure came from the schemes with the longest duration, eg, Canalside with just under £69 million and Wolverhampton at around £64 million.

Table 9.2: Total actual expenditure – all years

	£000s			
	SRB	Other public	Private	Total
Northumbria Comm Safety	936	876	179	1,991
Engineering in Education	416	233	242	891
Limes Farm	996	7,869	1,127	9,992
West Cornwall Initiative	2,731	11,544	3,709	17,984
Brent & Harrow	1,561	459	295	2,315
Hangleton & Knoll	1,597	667	755	3,019
Chalkhill	3,250	923	25,466	29,639
Lancashire Manufacturing	8,089	8,279	15,048	31,416
Canalside Rochdale	10,472	11,616	46,736	68,824
Regenerating Wolverhampton	16,410	15,981	31,838	64,229
Total all 10	46,458	58,447	125,395	230,300

Source: Final evaluations of ten case study partnerships.

9.7.2 The extent to which expenditure reached expectations can be seen from Table 9.3 below, which shows actual expenditure as a proportion of the spend forecast in the most recent Delivery Plan. Overall, total expenditure was 84% of what was expected. This fall is largely accounted for by other public expenditure, particularly with respect to Lancashire Manufacturing where just under a third of expected other public funds were secured. SRB was generally in line with predictions, although there was some claw back with the Lancashire Manufacturing scheme. Private sector funding secured was extremely varied, ranging from a more than four-fold increase in the case in Chalkhill to only 40% of the forecast in Lancashire.

Table 9.3: Total actual expenditure – all years as a % of expected (from most recent Delivery Plan)

	SRB	Other public	Private	Total
Northumbria Comm Safety	100	100	97.8	99.8
Engineering in Education	100		60.9	109.6
Limes Farm	99.6	98.7	86.4	97.2
West Cornwall Initiative	97.5	78.2	56.7	74.6
Brent & Harrow	100.0	100.0	100.0	100.0
Hangleton & Knoll	99.2	153.5	126.9	114.4
Chalkhill	100.0	102.6	438.5	297.7
Lancashire Manufacturing	93.5	32.3	40.7	44.1
Canalside Rochdale	100.0	71.0	64.1	69.0
Regenerating Wolverhampton	100.0	107.5	152.8	123.2
Total all 10	98.7	73.3	85.7	84.3

Source: Final evaluations of ten case study partnerships

9.8 Gross to net: assessing additionality

9.8.1 This section assesses how far the gross outputs for SRB projects represent additional outputs to the SRB target area which would not have been generated in the absence of SRB. In practice, regeneration projects do not only work to make things happen that would not otherwise occur. They also work to bring outputs forward in time and/or improve the quality of them. The assessment of the non-SRB ‘alternative position’ cannot be precise and estimates are subject to a wide margin of error. The estimates are made by classifying additionality of projects into one of five categories:

	Range	Mid-point
Negligible additionality	0-9%	4.5
Low additionality	10- 34%	22.0
Medium additionality	35-54%	44.5
High additionality	55-74%	64.5
Very high additionality	75-100%	87.5

9.8.2 What is being estimated in this additionality assessment is what proportion of the gross outputs of SRB projects would have been supplied and taken up by residents if SRB projects had not existed. In making this assessment we rely heavily on SRB project managers and others knowledgeable about the local area and its public services. An alternative is to ask participants themselves what they think would have happened to them had they not participated in SRB projects. The participants however are not usually familiar with the alternatives which might have been available.

9.8.3 Frequently, alternative services would have been available but they would have been supplied on a passive basis and usually some distance away. Much of the additionality of a neighbourhood regeneration scheme is to bring the service geographically closer to residents and to target particular groups of residents on the estate. Also, where SRB funding permits longer duration, highly resourced service provision, the quality can be much higher – as in the case of Chalkhill.

9.8.4 In each of the ten final evaluations we discussed issues of additionality with the partnerships and project managers to determine the non-SRB ‘alternative position’ for each of the projects. The appropriate ratio was then applied to individual project outputs to obtain an estimate of overall net additional project outputs for the scheme. These additionality ratios have been applied to the projects for all case studies to produce the net additional outputs. These have been aggregated in Table 9.4 below.

9.8.5 From Table 9.4 there are clear differences between outputs indicators in terms of additionality. Once again, however, care must be taken in interpreting these results as they are based on only ten case studies and some figures may be skewed by the impact of one or two schemes.

- 9.8.6 Jobs created and safeguarded overall are around a third of the gross output figures, whereas training outputs emerge as approximately 50-60% additional. Housing new build is between 39-48% additional, while improvements were a little lower at 37-45%. Community safety initiatives emerged quite strongly generally in the 50-60% range. This was fairly consistent across all the schemes as were the environmental improvements. Community facilities, voluntary/community sector and childcare indicators were generally more additional. Again, this was fairly consistent among all case studies, indicating the importance of SRB funding for community related projects. BME outputs tend to be more additional, particularly for training and education and the voluntary/community sector.

Table 9.4: Summary of net additional outputs for the ten case studies (all years)

Description	Net additional outputs	Net additional outputs as % gross	Net additional BME outputs	Net additional BME outputs as % gross
Jobs, training & education				
1a1 No FTE jobs created	2,660	32	310	29
1a2 No FTE jobs safeguarded	2,278	30	91	26
1a3 No FTE construction jobs (person weeks)	6,058	33	-	-
1b No pupils benefiting from projects assigned to enhance/improve attainment	97,398	54	10,030	63
1c No people trained obtaining qualifications	17,084	58	5,552	63
1d No residents accessing employment through training advice or targeted assistance	2,308	55	732	61
1e No training weeks	10,981	62	-	-
1f1 No people trained obtaining jobs	1,476	48	444	52
1f2 • Who were formerly unemployed	1,047	45	277	45
1g No entering self-employment	87	46	13	43
1j No young people benefiting from projects to promote personal & social development	7,848	48	1,186	65
1k1 No employers in collaborative projects with educational institutions to improve student performance	1,520	62	-	-
1k2 No students in collaborative projects	37,542	50	3,296	67
1l No teachers who have had a placement into business in the last period	1,870	60	-	-
Economic growth				
2a No new business start-ups	816	31	137	27
2b1 Business/commercial floorspace improved (m2)	22,376	27	-	-
2b2 New business/commercial floorspace (m2)	113,690	44	-	-
2c1 New businesses supported	391	36	45	34
2c2 • Surviving 52 wks	205	36	15	34
2c3 • Surviving 78 wks	91	35	13	-
2d No businesses advised as a result of SRB assisted activities	3,148	33	145	29
Housing				
3a1 No private dwellings completed	65	48	-	-
3a2 No private dwellings improved	278	45	-	-
3a3 No local authority dwellings completed	-	-	-	-
3a4 No local authority dwellings improved	318	37	-	-
3a5 No Housing Association dwellings completed	63	39	-	-

Table 9.4: Summary of net additional outputs for the ten case studies (all years) *contd.*

Description	Net additional outputs	Net additional outputs as % gross	Net additional BME outputs	Net additional BME outputs as % gross
3a6 No Housing Association dwellings improved	-	-	-	-
3b No dwellings in tenant management organisation	97	65	32	65
Community safety/crime prevention				
5a1 No benefiting community safety initiatives	206,888	53	26,180	63
5a2 • Aged over 60	4,091	46	127	52
5a3 • Females	34,678	44	376	53
5b1 No dwellings with upgraded security	1,178	51	-	-
5b2 No commercial buildings with upgraded security	1,135	56	-	-
5c No community safety initiatives	122	54	-	-
5d1 No youth crime prevention initiatives	81	51	-	-
5d2 • Nos attending crime prevention initiatives	12,478	63	2,339	65
Environmental improvements				
6a Land improved/reclaimed for open space (Ha)	104	58	-	-
6b Land improved/reclaimed for development (Ha)	14	58	-	-
6c No buildings back into use	85	53	-	-
6d1 Roads built (km)	-	-	-	-
6d2 Roads improved (km)	1	67	-	-
6e No traffic calming schemes	7	60	-	-
6f No waste management/recycling schemes	3	50	-	-
Community facilities				
7a1 People access to new health facs	26,023	66	458	65
7a2 People with access to new sport facs	55,748	66	1,355	65
7a3 People access to new cultural facs	275,495	66	-	-
7a4 No new health facilities	2	60	-	-
7a5 No new sports facilities	9	64	-	-
7a6 No new cultural facilities	16	65	-	-
7b1 No using improved health facs	420	66	-	-
7b2 No using improved sports facs	1,365	62	-	-
7b3 No using improved cult facs	38,182	66	-	-

Table 9.4: Summary of net additional outputs for the ten case studies (all years) *contd.*

Description	Net additional outputs	Net additional outputs as % gross	Net additional BME outputs	Net additional BME outputs as % gross
7b4 No health facs improved	13	52	-	-
7b5 No sports facs improved	9	61	-	-
7b6 No cultural facs improved	11	63	-	-
Voluntary/community sector				
8a1 No voluntary orgs supported	1,386	68	231	71
8a2 No community orgs supported	155	75	-	-
8c No individuals involved vol work	3,352	65	461	65
8d No employee volunteering schemes	125	80	-	-
8e No community enterprise start ups	13	77	11	79
Childcare				
10a No childcare places provided	97	65	11	65

Source: Department of Land Economy.

9.9 Establishing value for money indicators

- 9.9.1 Estimates of value for money or cost effectiveness tells us what net achievements were secured for a given sum of public money. While Table 9.4 above presents net outputs achieved for the ten case studies at a total public cost of £105 million (see Table 9.2 for a breakdown of this cost by case study), most of us have little idea of what could be achieved on the ground with this expenditure or what other mainstream programmes and regeneration schemes have achieved elsewhere or in the past. To obtain a better understanding of what these net outputs mean it is useful to consider them in respect of a set amount of public expenditure to enable comparison of achievements across different programmes. It is, therefore, useful to express this cost benefit ratio to show what was achieved on average for every unit of £20,000 of public expenditure.
- 9.9.2 Before this exercise can take place an assessment of expenditure additionality needs to be made. All SRB expenditure is assumed to be 100% additional, but some of the ‘other public’ expenditure may have occurred in the SRB area anyway. Discussions with the partnerships enabled us to make an assessment of the degree to which other public expenditure was additional for each scheme. Table 9.5 below sets out estimated net additional public expenditure for the ten case studies, giving a total net additional public expenditure figure of £71.4 million.

Table 9.5: Net additional public expenditure – all years

	SRB	Net additional other public	Total additional public expenditure
			£000s
Northumbria Comm Safety	936	389.6	13,25.6
Engineering in Education	416	186.6	602.6
Limes Farm	996	876.0	1872
West Cornwall Initiative	2,731	5,700.0	8,431
Brent & Harrow	1,561	279.3	1,840.3
Hangleton & Knoll	1,597	443.1	2,040.1
Chalkhill	3,250	646.4	3,896.4
Lancashire Manufacturing	8,089	3,311.8	11,400.8
Canalside Rochdale	10,472	5,336	15,808
Regenerating Wolverhampton	16,410	7,767.2	24,177.2
Total all 10	46,458	24,936	71,394

Source: Final evaluations of ten case study partnerships.

- 9.9.3 Table 9.6 below sets out some of the key net additional outputs per £20,000 of net additional public expenditure (ie, by dividing each net additional output by £71,394,000/£20,000 = £3,570).

9.9.4 The preliminary evidence from the ten SRB case studies is that for every £20,000 of net additional public expenditure under the SRB programme there has been a very large number of regeneration benefits created in the local area concerned. The research team has been able to compare the cost effectiveness of the programme to date with that of other programmes like City Challenge . Such comparisons are inevitably fraught with conceptual problems because they are based on a basket of outputs per £ of public expenditure, and the set of outputs that are in the basket reflect the underlying objectives of the programmes which clearly vary from one to another. However, each net additional job created in the City Challenge basket was costing approximately £28,000 alongside a cost per qualification provided to a trainee of £3,450. The broad SRB equivalents are £25,000 per net additional job and £4,200 respectively per qualification provided and, on this broad basis, VFM looks very similar between the two programmes. The research team will be undertaking a considerable body of further work to enhance the VFM component of the research during the next phase of the research programme.

Table 9.6: Summary of net additional outputs per £20,000 of net additional public expenditure (all years)

Description	Net additional outputs	Net additional BME outputs	Net additional outputs per £20,000 net add pub expend (Ethnic minorities)
Jobs, training & education			
1a1 No jobs created	2,660	310	0.8 (0.09)
1a2 No jobs safeguarded	2,278	91	0.6 (0.03)
1c No people trained obtaining quals	17,084	5,552	4.8 (1.6)
Economic growth			
2a No new business start-ups	816	137	0.2 (0.04)
2d No businesses advised	3,148	145	0.9 (0.04)
Housing			
3a1 No private dwellings completed	65	-	0.02
3a2 No private dwellings improved	278	-	0.08
Community safety/crime prevention			
5a1 No benefiting comm safety inits	206,888	26,180	58.0 (7.3)
5b1 No dwellings upgraded security	1,178	-	0.3
Environmental improvements			
6a Land imp/rec for open space (Ha)	104	-	0.03
6c No bldgs back into use	85	-	0.02
Community facilities			
7a1 People access to new health facs	26,023	458	7.3 (0.1)
7a2 People with access to new sport facs	55,748	1,355	15.6 (0.4)
7a3 People access to new cultural facs	275,495	-	77.2
Voluntary/community sector			
8a1 No voluntary orgs supported	1386	231	0.4 (0.07)
8a2 No community orgs supported	155	-	0.04

Source: Department of Land Economy.

9.9.5 Table 9.7 below sets out one further area of VFM work that is currently being developed within the research programme. The table shows how the net additional benefits per £20,000 vary across the different case studies, reflecting the different emphasis accorded to particular benefit streams as well as a number of other factors that will be explored in ongoing research.

Table 9.7: Comparison of net additional outputs per £20,000 net additional other public expend for selected outputs					
	Jobs created	No businesses advised	No private dwellings improved	No benefiting from comm safety inits	People with access to new sports fac
Northumbria Comm Safety	-	0	0	1,176	0
Engineering in Education	0.2	0	0	0	0
Limes Farm	0.06	0.13	0	21.4	3.3
West Cornwall Initiative	1.4	0.5	0	1.1	119.4
Brent & Harrow	2.1	0	0	0	0
Hangleton & Knoll	0.03	0	0	0	19.4
Chalkhill	0.1	0	0	0	0
Lancashire Manufacturing	0.6	2.2	0	0	0
Canalside Rochdale	0.6	0.1	0.4	11.7	0
Regenerating Wolverhampton	0.9	1.3	0	97.0	2.6
All ten case studies average	0.8	0.9	0.08	58.0	15.6

CHAPTER 10

Assessing the impact of regeneration outputs and outcomes: methodological and method issues

Summary of chapter:

Existing evaluation methodology has been criticised for focusing too heavily on counting the outputs associated with area-based initiatives and not enough on assessing change in regeneration outcomes in the area concerned. This chapter examines the conceptual and measurement problems that exist in measuring the effects of SRB on changing outcomes and discusses how local social surveying can be used to good effect.

10.1 Introduction

- 10.1.1 Hitherto evaluation methodology has largely concentrated on an analysis of gross and net additional project and scheme outputs and this can be seen to be both a strength and a weakness of evaluation work designed to identify the achievements of regeneration policies. The weakness is that it has led to the relative neglect of other aspects of evaluation such as the measurement of overall regeneration outcomes or changes in outcomes in the neighbourhood. It is important to measure these outcome changes in order to reach conclusions as to whether progress is being made in narrowing economic and social disparities between the deprived neighbourhood and the national, regional or district average. Existing policy has focussed on measuring net additional scheme outputs, as described in the previous chapter, because this, in principle, is the regeneration scheme's contribution towards changing outcomes and the narrowing of disparities. It is important to measure this policy contribution, specifically if meaningful cost-benefit ratios for VFM are to be determined, as we shall show in the last chapter. This policy contribution cannot be disentangled from other causal factors affecting disparities using measures of outcome change alone.
- 10.1.2 The estimation of net additional costs and benefits, as outlined above, has been the only way available for estimating the specific contribution which regeneration initiatives make to the changes in outcomes in an area. Existing methodology is rightly criticised as being too narrow, too heavily output based and full of estimation problems. Critics point to the need to measure benefits or outcomes directly by examining 'downstream' (ie, longer-term) outcomes and changes in these outcomes, rather than simply measuring programme outputs. This can be achieved through time series analysis of small area data sets and bespoke

residential survey data. The National Evaluation has allowed us to assess the scope and practicality of this. In this chapter and the next we examine early findings based on the three SRB case study areas of Chalkhill, Canalside Rochdale, Hangleton & Knoll, bringing together the traditional output based evaluation approach with outcome evidence obtained from extensive local area social surveying.

- 10.1.3 This chapter begins by discussing the importance of establishing a solid baseline in the area that is the subject of policy. The next section then outlines the role of local social surveys in obtaining the relevant indicators required and describes the approach adopted in the national evaluation of SRB. There is then a discussion of the conceptual and measurement problems that exist in interpreting change.

10.2 Assessing the impact of regeneration schemes on outcomes

- 10.2.1 In order to assess the impact of regeneration schemes on overall outcomes it is necessary to acquire a considerable body of evidence relating to the area concerned. The starting point is to establish firm and comprehensive information at a *baseline* point that allows an indication of the social and economic conditions in the designated area at a point in time immediately prior to the commencement of the regeneration programme. Ideally, these baseline economic and social conditions should be measured relative to a 'standard' or norm which may represent the wider area or region or national average. This commencing baseline position would also ideally record whether relative social and economic conditions had been deteriorating, constant or improving in the past relative to the standard comparator, although this has been rarely attempted.
- 10.2.2 The second key feature of the baseline is that the same economic and social conditions in the area should be revisited and measured again at the end (or continuously during) the period of regeneration policy intervention – again relative to the standard comparator. This converts the static baseline measurement to a dynamic measure of change in economic/social conditions during the course of the programme and will indicate:
- whether there has been improvement, no change or deterioration in economic and social conditions in absolute terms;
 - whether there has been improvement, no change or deterioration relative to changing conditions elsewhere in the 'standard' comparator; and
 - this dynamic feature of the baseline should therefore reveal the degree of progress, if any, in regenerating the area, irrespective of its causes.
- 10.2.3 The third essential feature of the baseline is that it measures economic and social outcomes for the target areas. It follows that the change indicators used to measure the baseline should measure a range of social and economic outcomes which adequately reflect progress or otherwise in economic and social regeneration in a broad sense.

- 10.2.4 Baseline indicators, therefore, measure a broader set of economic and social changes than indicators which measure the specific gross outputs of programme/project policy interventions. Baseline indicators must be capable of being influenced by programme/project interventions but are also subject to a wide variety of other policy and non policy influences. For this reason baseline indicators and gross output indicators need to be clearly distinguished. This is particularly so with programmes with multiple economic and social objectives, such as SRB, because different parts of the programmes may generate interactive and, hopefully, cumulative benefits. For example, social and environmental projects enhance economic performance, leading in turn to a more rapid improvement in incomes and social conditions.
- 10.2.5 Thus, the fourth essential feature of the baseline is that it is capable of recording change or progress in those conditions which relate directly to each strategic objective of the regeneration programme. Moreover, it must also be capable of measuring more general economic and social conditions which are capable of being influenced (directly and indirectly) by all strategic objectives and interventions. These conditions should reflect not only the benefits to area residents but also any alleviation of constraints on the regeneration processes in the area.
- 10.2.6 Baseline measurement is needed, therefore, as an integral part of the evaluation evidence in order to assess the overall and wider achievements of the policy interventions, the value for money of the programme and the limitations of the programme in relation to changing regeneration needs. During the course of the national evaluation of SRB the research team has conducted a thorough analysis of the quality of baseline work that has been undertaken by SRB partnerships and this is reported elsewhere²¹.
- 10.2.7 A further desirable feature of baseline measurement is that indicators should be measured (as far as possible) consistently across the whole programme. This is not easy to secure across hundreds of SRB schemes which vary widely in terms of size of geographical area and type of policy intervention and scheme strategic objectives. The need for consistency in the choice of indicators and their precise measurement is to enable valid comparisons to be made of social and economic change as influenced by the regeneration achievements of different types of SRB schemes in different types and sizes of local areas in different parts of the country.
- 10.2.8 Finally, measurement of baseline conditions implies that indicators be quantitative in nature even where qualitative change is being assessed. For example, perceptions such as fear of crime or extent of community involvement or image of an area, which are all potentially valuable qualitative changes associated with regeneration outcomes, can be given a quantitative dimension using sample survey techniques by indicating the extent to which perceptions in the resident population have changed.

21 Evaluation of the Single Regeneration Budget Challenge Fund: an examination of baseline issues, Discussion Paper 109, Department of Land Economy, 1999.

10.3 Obtaining the relevant information with which to assess the impact of regeneration schemes on outcomes: obtaining outcome data using social surveying

- 10.3.1 It is important to be clear about the distinction between outputs and outcomes. Outputs are what is 'purchased' by regeneration expenditures and can be measured by what a specific SRB project produces. Outcomes show what has happened to the deprived area and its community regarding aspects of prosperity, housing conditions and quality of life. If SRB schemes are successful, then they have to achieve relative improvements in the main dimensions of these broad outcomes such as improving health, reducing crime and the fear of crime, increasing educational standards, raising employment levels and satisfaction with other aspects of quality of life.
- 10.3.2 Unfortunately, good quality information with which to produce indicators of outcomes and changes therein is noticeable by its absence at the level of the local area. As Hilary Armstrong remarked in the report on the work of PAT 18 *'if so little is known about the social conditions in an area, how can effective programmes be deployed to tackle social exclusion? If the level of deprivation is not known, or reliable baselines cannot be established, it will be difficult to assess whether renewal has been successful'* (PAT 18, 2000).
- 10.3.3 The SRB work has revealed quite clearly that, at least at the present time, there is no alternative but to undertake social surveys in the areas that are the subject of multi-faceted regeneration policies if the key impacts on the required outcomes are to be assessed.
- 10.3.4 The resident social surveys that have been used have been based on a longitudinal design, exploring residents' socio-economic status (including work status and benefit dependency) and views on their home and area before and after the SRB Challenge Fund activity in their area. The surveys have obtained information from households in relation to:
- household attributes: family structure, age, ethnicity;
 - qualifications, skills and training;
 - work and worklessness;
 - income benefit dependency;
 - health;
 - childcare arrangements and attitudes to education;
 - crime and safety;
 - sport and leisure facilities;
 - community involvement;

- satisfaction with accommodation and area;
- housing tenure;
- movement in and out of SRB areas; and
- gross changes in the responses of the panel sample.

10.3.5 The areas that were chosen for social surveying reflected a number of different socio-economic characteristics, particularly in relation to their labour market area. This was so because one objective of the research was to investigate whether the degree of the social exclusion varied according to the vitality of the surrounding local labour market. It was also clearly important to assess what had been the impact of policy according to this characteristic. The areas chosen were:

- **Chalkhill** – the Chalkhill Estate covering an area of some 6,000 people, in the London Borough of Brent.
- **Hangleton and Knoll** – two local authority housing estates in Hangleton and Knoll both situated in the North of the Borough of Hove.
- **Bradford** – the Royds area of Bradford, a complex of three housing estates on the South periphery of Bradford.
- **Rochdale** – the Canalside area of Rochdale situated half a mile south of the town centre. The area covers 215 hectares with a population of over 11,000.
- **Swadlincote** – the Swadlincote Woodlands area is within the District of Derbyshire and includes the communities of Swadlincote, Church Gresley, Castle Gresley, Newhall, Midway and Woodville, with a population of around 31,000.
- **Sunderland** – three areas, namely Sunderland City Centre, Houghton-Hetton coalfield communities and the Hendon-East Maritime Zone.
- **Nottingham** – three priority areas within the City of Nottingham, namely the Broxtowe estate, the Bestwood estate, and the Urban Initiative area (covering Radford, Hyson Green and Forest Fields estates).

10.3.6 The baseline survey carried out in 1996-97 was made up of 4,200 interviews conducted face-to-face in respondents' own homes, with fieldwork conducted between 8th November 1996 and 2nd February 1997.

10.3.7 Between November 1999 and February 2000 a repeat resident social survey was undertaken by MORI in the three SRB case study areas that had completed their SRB schemes, namely Hangleton and Knoll in Brighton and Hove, the Chalkhill estate in the London Borough of Brent and Canalside Rochdale. The survey used virtually the same questionnaire as the one which was used in the baseline survey which was undertaken in the three areas in 1996. This enabled a three year comparison of changes in resident characteristics, behaviour and attitudes over the period of the SRB schemes and, therefore, provides useful statistical evidence on any possible regeneration outcomes which may have been caused, at least in part, by the SRB schemes.

- 10.3.8 In a third round of social surveying to be conducted in late 2001 survey results are being obtained for the remaining four areas of Bradford, Swadlincote, Sunderland and Nottingham.
- 10.3.9 In addition to the 'panel element' of the sample an attempt has been made to track outward movers and also obtain results for inward movers for the estates concerned. The tracking of outward movers proved to be impossible except in a few cases too small in number to give valid statistical results. However, for the 1999 repeat surveys it has been possible to compare the 1996 characteristics of households that were to move out between 1996 and 1999 with the 1999 characteristics of households which had moved into the neighbourhood between 1996 and 1999.
- 10.3.10 In order to obtain 1999 survey results for the three SRB areas surveyed comparable in random sample size to the 1996 survey, sample numbers for 1999 were 'topped up' with new households which had not been surveyed in 1996.
- 10.3.11 The total sample for the 1999 surveys has thus comprised of three components:
- households in each area in both 1996-1999 – the panel of 'stayers';
 - households moving in and out of the neighbourhood; and
 - additional top-up households.
- 10.3.12 This structure was selected in order to gain a better understanding of the main factors generating change in deprived neighbourhoods – and which groups are benefiting from the apparent aggregate changes. It also permitted some analysis of how far it is the most needy of households which have been effectively targeted by the SRB scheme. For example, analysis of the panel component tells us how far, if at all, benefits have been received by those who remain living in deprived neighbourhoods – and, if so, is it the poorer or richer households who receive main benefits. The analysis of households moving in and out of the neighbourhood should reveal contrasts in the composition of the inward and outward flows. If, for example, the inflow is biased towards very deprived families whilst the outflow was biased towards working households with higher incomes, this alone might have offset any improvements observed for the households which 'stayed', thus leaving the outcomes for the 'area' largely unchanged.
- 10.3.13 Table 10.1 below presents the sample sizes for the 1996 and 1999 repeat surveys.

Table 10.1: Sample sizes for 1996 and 1999 surveys

	Cross-section sample		Panel sample		Response rate %	
	1996	1999	Total	As % of total sample	1996	1999
Chalkhill	465 (35%)	477 (30%)	128	(27%)	61	63
Hangleton Knoll	384 (29%)	538 (34%)	204	(38%)	56	52
Rochdale	480 (36%)	560 (36%)	195	(35%)	51	55
Total	1,329 (100%)	1575 (100%)	527	(33%)	56	57

10.4 National comparator benchmark data

- 10.4.1 Whenever possible outcome changes in the SRB case study areas have been compared with their counterpart changes in England as a whole. The residents' questionnaire was designed so that many of the core questions were comparable with national data sets, including the Survey of English Housing (SEH), the General Household Survey (GHS), the British Household Panel Survey (BHPS), the British Crime Survey, and the English House Condition Survey (EHCS). A module of questions was also included on the ONS Omnibus survey (from March-May 1997) so that a timely set of data would be available at this stage across a range of issues. Overall, the purpose of this benchmarking was to compare change over time in the residents' survey data with change from data across a range of national surveys. In the longer term it will be important to match the SRB residents' survey data with both national and more focused data on comparable deprived areas.

10.5 Interpreting the results from the SRB social surveys

- 10.5.1 When changes in outcomes are observed in the SRB case study areas the problem remains of interpreting what caused the changes. A deterioration in outcomes does not necessarily mean that the SRB regeneration scheme had negative effects, in the same way that an improvement in outcomes does not necessarily mean that the scheme was effective. A variety of national or local policy or non-policy influences not connected with SRB could conceivably have caused the changes.
- 10.5.2 A first step in attempting to disentangle the possible effect of the SRB scheme is to compare changes in case study areas against their counterpart changes in England as a whole. The England averages will be influenced *inter alia* by national changes in the economic cycle. The period 1996-1999 was in a favourable 'upswing' stage in the national cycle, which should have shown through in some socio-economic indicators for England. The SRB case study areas might be expected to share in the national improvements but, because of concentrated deprivation, perhaps not to the full extent. Local changes less than the England averages might be indicative of the SRB scheme having only small or negligible effects. But local changes above the England average might lead to a presumption that the SRB scheme (in the absence of any other known special local factors) had been beneficial to the area.
- 10.5.3 A second step in the disentangling process is to compare the changes in particular outcomes, locally, with the design of the SRB scheme itself. If the SRB scheme focused on community development the largest improvements in local outcomes (relative to England) could be expected in areas of community involvement, participation in community groups, voluntary work and satisfaction with the area and community facilities. If, however, the SRB scheme focused on training then the largest relative outcome improvements could be expected to occur in those taking up employment. This kind of interpretation cannot be taken too far because there are interconnections between regeneration action in one service area and changed outcomes in others. Improvements in housing, for example, may improve health or reduce crime and the fear of crime. Similarly, improvements in educational attainment may increase employment which may also improve health and reduce crime. Nevertheless, the larger and short term improvements in outcomes ought to have a direct link to the

thrust of the SRB scheme. It will be useful to have in mind, therefore, the nature of the SRB scheme (and other policy intervention occurring at the same time) in each of the three case study areas.

- 10.5.4 A third type of evidence available to help disentangle the effect of the regeneration scheme on neighbourhood outcomes is our survey data, which provides information on how many residents were aware of SRB funded projects and participated in or were beneficiaries of them. The questionnaire asked residents about key SRB projects in each of the three local areas using the name of the project which was in common use locally. Consequently, most respondents would be aware of whether or not they had made use of or been the beneficiary of a particular local project.
- 10.5.5 A further component of the survey methodology is to show how relatively small net changes in household responses were made up of much larger gross changes in responses in both directions. For example, if satisfaction with the area had increased by two percentage points it is possible to see how this small net change occurred as the balance between larger gross numbers who recorded improved satisfaction levels between 1996 and 1999 partially offset by those who recorded no change or a deterioration in satisfaction levels. It was also possible to see the proportions making only one step up the satisfaction rating (eg, from fairly satisfied to very satisfied) and those leaping eight steps from very dissatisfied to very satisfied.

10.6 Limitations of survey based approaches

- 10.6.1 Early lessons from three SRB areas which were the subject of resident surveys in both 1996 and 1999, aimed at measuring outcome changes, suggest that there are also severe estimation and attribution difficulties in measuring the benefits of policy through this route. This is particularly the case over periods of time as short as three or four years and where domain regeneration expenditures are relatively small in relation to mainstream expenditure.
- 10.6.2 One problem that the SRB survey work has highlighted is that the movement of people off and onto an estate can affect outcome changes. To avoid the distortions of movers it is necessary to have a large panel element in the survey made up of households who answer the same questionnaire at different points in time. However, to maintain a large panel element is extremely difficult over four years, let alone seven or ten years in areas where the turnover of population in and out of social housing is large. Moreover, the panel element, even if it remains large enough to provide statistically significant results for sub-groups, ages over time (compared with national benchmark comparators) and this introduces new distortions in outcome changes (eg, health deteriorates with age and employment rates fall). Moreover, outward movers have proved difficult to trace partly for reasons to do with the Data Protection Act.
- 10.6.3 Another lesson from our surveying work has been that outcome changes over a three or four year period may be quite small (+ or – 1 or 2 percentage points), with similar small changes occurring in the national benchmark comparators. These changes are within the margins of sampling error, indicating little or no change in absolute or relative outcomes. The attribution of policy impact cannot be deduced from such net outcome change figures alone. The gross changes lying behind the net change figure tend to be larger. For example, a net change in the employment rate of + 1% over a three year period was made up of 9%

of the sample who had changed from 'not working' to 'working' and 8% of the sample who had changed the other way from 'working' to 'not working'. What is needed is to know who amongst the +9% and the -8%, as well as the 'no change' residual of 83%, had participated in specific regeneration projects. This is where we have been able to use our social surveying to good effect, the results of the change analysis being presented in the next chapter. We conclude the present chapter by summarising what the baseline SRB surveys undertaken for all of the seven areas have been able to show about the breadth and depth of deprivation that exists.

10.7 Findings from the 1996 survey of SRB households

- 10.7.1 Table 10.2 below brings together the social survey results for the worst estates examined, the average for all the estates in the survey and, wherever possible, national averages for the full range of socio-economic indicators. The survey thus provides a comprehensive baseline with which to assess both the nature of the problems faced but also, as we shall see in the next chapter, the possible contribution of regeneration policy. The evidence indicates that, on the basis of the estates examined, social exclusion exists in breadth and depth and that all aspects of their life are affected. Moreover, the importance of labour market experience as a possible cause and component of social exclusion is clear.
- 10.7.2 The results are fairly unequivocal. In the worst estate studied in our survey only 43% of the head of households were working, compared with a national average of 80%. The average from the seven areas is close to the worst estate average. Some 25% of the head of households on the worst estates were unemployed, compared with a national average of 9% and 16% in the seven areas. Those who were at home inactive not seeking work were 17% in the worst estate. The average in the seven areas was close to this, but the national average was 6%.
- 10.7.3 Ill health is a dominant feature of a sizeable proportion of the head of households in the worst estates and the average deprived estates, at 15% and 14% respectively. This compares with the national average of only 6%.
- 10.7.4 The chronic relative poverty in income terms is reflected in the fact that 40% of those households on the worst estates have an average of less than £100 a week. This compares with a national average of 22% with an income as low as this. The needy estate average is close to that of the worst estate.
- 10.7.5 The percentage of households on some form of income support at 61% of households on the worst estate compares vividly with the national average of 28%. The needy area average is between the two.
- 10.7.6 The proportion of households who are lone parents is 27% on the worse estate, 13% on the needy and 6% nationally. Virtually all the households on the worst estate are in social housing, about half on the needy estate average and only one in three nationally.

Table 10.2: Bringing the evidence together: the breadth and depth of social exclusion

	Worst estate	Average estate (seven areas)	National average
Head of household			
Working full or part time	43	54	80
Unemployed seeking work	25	16	9
At home not seeking work	17	16	6
Long term sick	15	14	6
% income below £100 (a week)	40	37	22
% on Income Support, Unemployment Benefit, Incapacity Benefit	61	46	28
% on Income Support only	40	26	15
% on Housing Benefit	50	34	20
% of lone parents	27	13	6
% social housing*	94	53	32
Dissatisfied with area	28	13	5
Very dissatisfied with dwelling	23	9	2
Area very unsafe after dark	50	42	11
Likely to move	46	23	17
Do not feel closely involved with the community	80	72	

* Social housing is accommodation provided by Housing Associations.
Source: SRB Social survey.

- 10.7.7 Those households dissatisfied with their local area in the worst estate was 28%, compared with a national average of 5%. The needy areas stood at 13%. Those households very dissatisfied with their dwelling was 9%, compared with the national average of 2%. In the worst estate the percentage was 23%. One in two of those on the worst estate felt very unsafe after dark, compared to 11% nationally. The average estate result at 42% was not far from the worst estate. Overall, 46% of those households on the worst estate wanted to move, compared to 17% nationally and 23% in the average estate.
- 10.7.8 Fear of crime and general perceptions about safety at night were worse in all the estate areas compared with the English average. Fear of attack was regarded as the principal reason for the perception as to safety. Some 67% of households feared being attacked and in Chalkhill the proportion was a staggering 82%!
- 10.7.9 The breakdown of any integration with the local community is clear. Overall, 80% on the worst estates do not feel closely involved with their community. The statistic for the needy areas is pretty similar and, whilst we do not know the national figure, we can be quite sure it would be a lot lower than the result for the worst estates and needy areas.
- 10.7.10 The evidence from the social survey provides a clear baseline from which to assess the possible effects of SRB in each of the areas. The next chapter extends the analysis further for three of the SRB areas where it has been possible to update the 1996 survey work. It is to this that we now turn.

CHAPTER 11

Key changes in outcomes in three SRB estates 1996-1999

Summary of chapter:

This chapter draws upon the results of extensive 'social surveys' undertaken in three SRB areas to assess the pace of change that has occurred and the possible impact of SRB programme on this.

11.1 Introduction

- 11.1.1 Between November 1999 and February 2000 a repeat resident social survey was undertaken in three SRB case study areas that had completed their SRB schemes, namely Hangleton Knoll in Brighton and Hove, the Chalkhill estate in the London Borough of Brent and Canalside in Rochdale.
- 11.1.2 The survey used virtually the same questionnaire as was used in the baseline survey that had been undertaken in the three areas in 1996 and that was described in the previous chapter. It enabled a three year comparison of changes in residents characteristics, behaviour and attitudes over the period of the SRB schemes and provides useful statistical evidence on regeneration outcomes that may have been caused, at least in part, by the SRB schemes.
- 11.1.3 This chapter summarises the key findings that have emerged. It also demonstrates, using the Chalkhill estate, how we have sought, in line with the reasoning described in the previous chapter, to combine the survey evidence relating to outcomes with the evaluation evidence on net outputs (described in Chapter 9 of this report) in order to say something about the possible impacts of the SRB initiative in the area concerned. Section 11.2 summarises key findings and makes reference to the full survey tables in Annex 3²².

22 The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

11.2 Summary of main findings in the three SRB areas from the social household survey

- 11.2.1 Across the three SRB areas, 17% of survey respondents had heard of the Single Regeneration Budget in 1999, compared with 10% in 1996. Awareness varied between areas, from 27% in Hangleton Knoll to 12% in Chalkhill and 13% in Rochdale. Panel respondents were more aware of SRB than the sample as a whole.
- 11.2.2 However, higher proportions had heard of the key projects, given their local name, which SRB had funded. 45% of respondents in Chalkhill (57% of panel respondents) had heard of at least one key SRB funded project. This compares with a very high figure of 82% in Hangleton Knoll and a low figure of 41% in Rochdale.
- 11.2.3 Much smaller proportions stated that they had directly participated in or gained direct benefits from SRB funded key projects – 8% in Chalkhill, 36% in Hangleton Knoll and 5% in Rochdale. These are telling results in terms of their overall relatively low level, but also in terms of the differences between areas.
- 11.2.4 The low level of participation in Chalkhill and Rochdale reminds us that SRB funding of £3.3 million over four years in Chalkhill will not go far in regeneration terms for a population of 6,000 people, nor will SRB funding of £10.5 million on mainly physical regeneration in Rochdale bring direct ‘trickle-down’ benefits to many local deprived residents. If SRB schemes bring direct benefits to such small proportions of households, it cannot be expected that final regeneration outcomes can be transformed for all residents to such an extent as to bring rapid and substantial convergence with the England averages. This survey evidence supports that from other work which suggests that such convergence could only be delivered if regeneration schemes are much larger and sustained over a long period, with the very active financial and other support of mainstream programmes as a whole. Bending mainstream expenditure remains the key to success and the ability of regeneration schemes to do this will be the ultimate measure of their success.
- 11.2.5 Hangleton Knoll is an interesting exception that may contain useful lessons for the future. In this case a total of SRB funding of only £1.6 million brought direct benefits to 36% of survey respondents. This small scheme was unusual in that it was led by community groups and used its SRB funding mainly to develop community facilities, improve access to public services and to improve the visual appearance and environment of the estates. In other words, the SRB scheme served to improve the neighbourhood management of the two estates. One of the survey findings was that the most serious area-based problems facing residents in all three areas were crime, hooliganism, traffic, litter and open space. These are all problems that can be effectively tackled through better neighbourhood management.

HOUSEHOLD ATTRIBUTES: FAMILY STRUCTURE, AGE AND ETHNICITY

- 11.2.6 Overall, the three areas had a lower proportion of single person households and households of 65+ than England, but they had higher proportions of larger (5+ persons) and lone parent families (see Table A3.1 in Annex 3).

- 11.2.7 The largest difference between SRB areas and England relates to ethnicity. In 1996 95% of head of households in England were white, compared with an average of 68% for the three SRB areas taken together. The majority of households in Chalkhill (64%) were from minority ethnic communities, whilst in Rochdale 23% were members of minority ethnic communities, compared with 5% in England. Hangleton and Knoll is a predominately white estate (98%).
- 11.2.8 The results for the panel sample of households which responded to both the 1996 and 1999 surveys indicate that a lower proportion of these 'panel' households are lone parents and that a high proportion (as would be expected in an ageing panel) are aged 65+. The fall in lone parents is due to children leaving and the existence of new partners.
- 11.2.9 The changes between 1996 and 1999, measured as a change in percentage points, show only small changes in household composition in SRB areas as in England. The main exception to this relates to households aged 65+. The increase in this group is larger for all SRB areas than in England and the difference is statistically significant at the 95% confidence level – indicating a degree of change over and above what one would expect from an ageing panel.

QUALIFICATIONS, SKILLS AND TRAINING

- 11.2.10 About half the households in SRB areas had no formal qualifications in 1996 (compared with about a quarter for England as a whole). The proportion with no formal qualifications is particularly high in Rochdale. Of those with qualifications, about half have one or more CSE/GCSE or O'level pass (see Table A3.2 in Annex 3)²³.
- 11.2.11 Of respondents aged under 60 and not in full time education 21% had taken part in some form of education or training (within the last three years) in 1996 and this had increased to 29% by 1999 (three SRB areas). Of those receiving training, over half received it as part of their job, 29% attended day/evening classes and 11% attended a Government Training Scheme.
- 11.2.12 Changes between 1996 and 1999 in the proportion with qualifications and training are quite small, as might be expected over a short time period. But there are two main exceptions. Firstly, the proportion with no qualifications has increased in Chalkhill, suggesting perhaps a degree of misreporting – and a relatively low proportion of Chalkhill residents have received training in connection with their job, reflecting the low employment rate in the area. Overall, receipt of training is higher in Hangleton & Knoll than either Chalkhill or Rochdale, although only Rochdale shows no real increase from the baseline. While a relatively low proportion of these respondents in Chalkhill have received training in connection with their job – perhaps reflecting the lower employment rates in this area, more have been involved in day/evening classes than elsewhere.
- 11.2.13 Secondly, attendance at Government Training Schemes has not increased in the period 1996-99 during which the New Deal for the Unemployed was introduced (1998). An increase in attendance at Government Training Schemes was recorded in Chalkhill but this was offset by reductions in Hangleton Knoll and Rochdale.

23 The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

WORK AND WORKLESSNESS

- 11.2.14 The percentage of all heads of households who were in full-time or part-time work in the SRB areas was 42% in 1996 and 41% in 1999, compared with 57% and 59% respectively in England. The proportion employed in Chalkhill was particularly low at 36%. Proportions in the panel sample were similar to those in the full sample (see table A3.3 in Annex 3)²⁴.
- 11.2.15 The proportion of retired heads of household increased by 7 percentage points in SRB areas between 1996 and 1999 and converged quickly towards the English average – and this had the effect of reducing the proportions in employment. If retired heads of household are excluded the improvement in the employment rate (as a proportion of the population of working age) increased by 4 percentage points in SRB areas in line with England as a whole.
- 11.2.16 Some encouragement might be taken from the significant achievement of securing an employment rate in deprived SRB areas, which was maintained broadly in line with increases at the national level. On the other hand, it is clear that SRB working alongside mainstream programmes could not secure any substantial convergence in employment rates, which by 1999 in SRB areas remained 23 percentage points lower than in England. In Chalkhill the employment rate deficit remained as high as 34 percentage points as the SRB scheme came to an end.
- 11.2.17 The rate of unemployment (registered and non registered) fell by more in SRB areas than in England, as did proportions of economically inactive. Most of these reductions, however, went to increase those who were retired than to increase employment. This trend was more marked than in England as a whole. The unemployment rate (as conventionally measured in DfEE and Labour Force Survey statistics) had fallen back to 16% by 1999 (compared with 5% in England) but remained as high as 29% in Chalkhill. It was lower in Rochdale at 14% and in Hangleton Knoll at 9%.
- 11.2.18 We are carrying out more analysis relating to the extent of worklessness including more investigation into retirement and sickness.

INCOMES AND BENEFIT DEPENDENCY (RESPONDENT/SPOUSE)

- 11.2.19 Reliable income figures are particularly difficult to obtain in surveys of households because of the absence of accurate records and the general sensitivity about divulging information. Those in the informal economy are most unlikely to respond accurately.
- 11.2.20 Allowing for these qualifications there is evidence to suggest that the income distribution has improved in SRB areas at least in line with the England average, although average incomes remain well below the England average. There are statistically significant reductions in the proportions receiving income support, housing benefit and those receiving 90% or more of their income in the form of state benefits. These reductions (which are shared by panel and non-panel members of the sample) are larger in SRB areas than in England as a whole. Moreover, there has been an increase of 15 percentage points (from 38% to 43%) in the proportion of households receiving no benefit income (see Table A3.4 in Annex 3)²⁴.

²⁴ The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

- 11.2.21 This is at least indicative of policies beginning to have some effect in transferring deprived households from welfare into work. The reduction in benefit dependency is consistent, on the other hand, with an increase in the employment rate of the non-retired. However, the reduction in benefit receipts seems to be larger than the increase in employment, although this apparent mismatch could be accounted for by inaccurate responses relating to benefit incomes.
- 11.2.22 Those receiving a national insurance pension have not increased in line with those claiming to be retired. This implies an element of early retirement that is confirmed by cross-referencing with the age breakdown. Lone parents, single persons and large adult households secured a larger improvement in incomes than married couples with dependent children or older couples of retirement age. This may be accounted for by additional employment amongst those of working age without children.
- 11.2.23 The weekly income figures are not adjusted for the (low) rate of inflation between 1996 and 1999, so that judgements about improvements should focus on the difference between SRB and the England average. A significant feature of the results is that the improvement in incomes in SRB areas relative to England is concentrated at the lower end of the income scale, being more marked in households with social and private rented housing tenure than in owner occupied households.
- 11.2.24 It is encouraging that there was some convergence of incomes in SRB areas with those in England in the lower ranges of the income scale, but less so in the higher income range. By 1999 47% of households in England received incomes in excess of £300 per week (£15,600 per year), compared with only 24% in these three SRB areas, which are by no means the most deprived in England.
- 11.2.25 In spite of low incomes, almost two-thirds of household respondents in SRB areas stated that they were coping reasonably comfortably and only 35% were finding it very or fairly difficult to cope. Some 66% had no debts and, of those that had debts, 81% were not actually behind with their payments in 1999. The debt position and coping with low incomes had improved significantly between 1996 and 1999. By 1999 only 6% of the full sample were behind with repayments of debt. Fewer households received loans in SRB areas than in England and the proportion with loans fell significantly in SRB areas but not in England between 1996 and 1999. The main sources of loans were credit companies (14%), personal loans (8%) and hire purchase (8%).

HEALTH

- 11.2.26 Improved health in deprived communities is a key objective of Government, but none of the three SRB schemes focused directly on health improvement or access to health facilities. Any improvement would have had to be secured indirectly through, for example, improved housing, better employment prospects or reduced fear of crime. Respondents were asked to say whether they would describe their health as good, fairly good or not good. In SRB areas in 1996 45% described their health as good and 24% not good. Differences in response between the three SRB areas were small. Panel members were more inclined to say their health was not good in Chalkhill and Rochdale (see Table A3.5 in Annex 3)²⁵.

²⁵ The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

- 11.2.27 In terms of changes in responses between 1996 and 1999 panel members recorded a sharp deterioration in Hangleton Knoll and Rochdale. But for the full cross-sectional sample changes between 1996 and 1999 were not statistically significant. The more adverse responses from panel respondents in 1999 relative to 1996 is related to the more rapidly ageing population of the panel.
- 11.2.28 Respondents were also asked, in 1996 and 1999, to say retrospectively whether their health had improved in the previous three years. In SRB areas 27% said it had got worse when answering in 1996 and this increased to 29% when answering in 1999. Only 9% said that their health had improved (1996) and this fell back to 8% in 1999. In the 1999 survey some 85% of respondents in SRB areas considered it to be relatively easy to access the services of a doctor while 14% considered access to a doctor to be difficult. It was considered harder to access hospital services (48% easy, 50% difficult).

CHILDCARE ARRANGEMENTS AND ATTITUDES TO EDUCATION

- 11.2.29 In this section results are presented for the full cross-section sample only because sample sizes for the panel are relatively small.
- 11.2.30 Working respondents who were responsible for children aged under 16 were questioned about the arrangements they had for childcare. Some 27% only worked whilst their child was at school, whilst 39% relied on their spouse/partner for childcare and 18% looked after the child themselves, 16% relied on relatives, 7% on neighbours or friends and 5% on an older child. A declining proportion from 17% (1996) to 12% (1999) relied on more formal childcare provision such as a registered childminder, a nanny, a day nursery or workplace nursery. This decline in the use of formal arrangements of childcare had taken place in each of the three SRB areas individually. National schemes to improve the provision of formal childcare arrangements such as Surestart could not have had significant effects in these areas by the end of 1999.
- 11.2.31 Answers relating to educational aspirations for their children at school suggest that residents of deprived areas have a level of aspiration which approaches that of the English average, although views in 1999 were very similar to those expressed in 1996. 77% agreed that what you learn at school is the most important part of your education, as many as 96% considered that parents should get involved in their child's education and 91% thought parents should get involved in activities at their children's school. Views about higher education were more divided, with 53% maintaining that attendance at College or University does not prepare you for life in the real world. This proportion had increased from 48% in 1996. Only one fifth of respondents thought that higher education did prepare you for life in the real world.

Table 11.1: Respondents views on their local area as a place to bring up children

	3 SRB areas		Chalkhill		Hangleton		Rochdale		England	
	1996 %	96-9	1996 %	96-9	1996 %	96-9	1996 %	96-9	1996 %	96-9
Area as a place to bring up children										
Good	51	+2	27	+11	74	+2	54	-10	81	+2
Bad	30	-9	49	-19	10	-2	27	-2	14	-2
Improved over last 3 years	10	+6	9	+12	11	+7	10	-2	-	-
Worse over last 3 years	21	-4	24	-12	12	+1	24	+2	-	-
Reasons why area good*										
Schools	30	+14	16	+13	46	+10	29	+13	54	+5
Neighbours	20	+5	10	+6	15	+14	34	-5	37	+5
Open space	12	+5	4	+1	29	+5	6	+1	42	-8
Play facilities	12	+3	6	+1	24	+6	6	-1	27	0
Reasons why area bad*										
Gangs/peer pressure	19	-5	30	-6	8	-1	18	+3	46	+2
Drugs	11	-2	11	0	4	0	11	+3	32	-1
Nothing to do/no play facilities	9	0	28	-8	3	-1	7	+2	23	+7
Crime	12	-4	19	-9	3	0	12	-1	38	-6

* Top answers only are shown here.
Source: MORI. ONS Omnibus Surveys 1996 & 1999.

11.2.32 The survey revealed what residents think of their local area as a place to bring up children. In the three SRB areas together 51% thought their area to be a good place to bring up children in 1996, rising to 53% in 1999 (see Table 11.1 below). The respective figures for England are 81% (1996) and 83% (1999). But those who considered their area to be a bad place to bring up children fell much more sharply in SRB areas (from 30% in 1996 to 21% in 1999) than in England (down from 14% to 12%). Moreover, residents who thought the area had become a better place to bring up children increased from 10% in 1996 to 16% in 1999, whilst the proportion considering the area to have become worse in the last three years fell from 21% in 1996 to 17% in 1999. These are encouraging figures. Chalkhill in particular recorded very adverse views in 1996 that had become more favourable in 1999.

11.2.33 Those respondents who considered the area to be a good place to bring up children were then asked for reasons why they felt this to be the case. Table 11.1 above shows the four most popular reasons that were given. In SRB areas the quality of the schools was considered to be the most important reason and there was a 14 percentage point increase between 1996-1999, from 30% to 44%, compared with 54% to 59% in England. Significant improvements in the perceptions about local schools were found in all three SRB areas separately, but in Chalkhill the increase was from an exceedingly low starting point in 1996. Other reasons relating to neighbours, open space and play facilities scored less well than schools, but for the three areas overall all these changes were positive. Only Rochdale shows a decrease in the proportion saying neighbours and play facilities are good features of the area, although these changes are not statistically significant.

- 11.2.34 The four most adverse factors cited making the area a bad place to bring up children were gangs/peer pressure (19% in 1996), drug abuse (11%), no play facilities (9%) and crime (12%). In all three SRB areas combined these factors were considered to be less adverse in 1999 than they had been in 1996, but in Rochdale, gangs, peer pressure, drug abuse and play facilities were all perceived to be worse in 1999 than 1996. By 1999 14% of respondents in Rochdale considered that the area was a bad place to bring up children because of the use of drugs. This compares with 11% in Chalkhill and only 4% in Hangleton Knoll.

CRIME AND SAFETY

- 11.2.35 Although four-fifths of residents in SRB areas have actually witnessed a crime or offence in the last year, and one fifth have witnessed 5+ crimes or offences in the last year, 38% of respondents in 1996 felt very safe or fairly safe walking alone in and around the area after dark (compared with 68% for England) this increased slightly to 39% by 1999. Of the remainder, 44% felt very unsafe/would not go out alone after dark in 1996, which was much higher than the national average of 11%, this fell by 4 percentage points by 1999 to 40% (37% for the panel). Residents in the panel sample tend to feel marginally safer than the full cross-sectional sample (see Table A3.6 in Annex 3)²⁶.
- 11.2.36 The proportion of residents who felt safe walking alone at night increased in Hangleton Knoll between 1996 and 1999, whereas the proportion feeling unsafe fell. These improvements were not experienced by households in Chalkhill and Rochdale.
- 11.2.37 When asked whether respondents feel safer now than three years earlier a rather higher proportion in 1999 felt safer than had been the case when answering the same question in 1996. Even so, a higher proportion answered that they felt less safe in both 1996 and 1999.
- 11.2.38 By contrast, residents feel much safer when they are at home alone after dark than when they are walking in the area. In 1999 80% felt very safe or fairly safe at home alone after dark, 12% felt a bit unsafe and only 6% felt very unsafe.
- 11.2.39 Fear of attack remains the most commonly stated reason for feeling unsafe. This fear has increased since 1996, particularly in Hangleton Knoll. Problems of youths 'hanging around' remains a worry for almost a third of residents and this fear has increased, particularly in Hangleton Knoll and Rochdale. Fear of youths has actually fallen in Chalkhill. Problems of poor lighting as a cause of fear of crime has diminished in Chalkhill and Rochdale. Some 11% perceive drug users/dealers to be a source of fear of crime and this fear has also increased in Hangleton Knoll and Rochdale but fallen in Chalkhill.

SPORT AND LEISURE FACILITIES

- 11.2.40 Satisfaction with leisure facilities has increased in SRB areas (up seven points to 24%). However, this increase is largely accounted for by the large rise in Rochdale from 18% in the baseline to 34% this year. In contrast, the proportion of those who are very dissatisfied with leisure facilities in Chalkhill has increased significantly from the baseline (up six percentage points to 35%).

²⁶ The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

- 11.2.41 Reflecting these findings, while just 3% of residents in Chalkhill say leisure facilities have improved in the last three years, more say they have got better in both Rochdale and Hangleton & Knoll (18% and 16% respectively). Again, Rochdale shows the greatest improvement, with an increase of 13 percentage points from just 5% in 1996.
- 11.2.42 Respondents were presented with a list of leisure facilities and asked which they had used in the last month. Among those services used most frequently were parks (32% overall), libraries (28%) and pubs and bars (23%). However, use does vary between areas. For example, use of parks is greatest in Hangleton & Knoll (49%) – where notably more respondents say they value local open spaces. While libraries are the most commonly mentioned facility in Chalkhill (30%), they are also popular in Hangleton & Knoll (33%). In contrast, pubs and bars have been visited by fewer respondents in Chalkhill (9%) than either Hangleton & Knoll (31%) or Rochdale (28%).
- 11.2.43 The proportion having used any facility is greatest in Hangleton & Knoll (79%), falling to 70% in Rochdale and 49% in Chalkhill. In general, there have been few significant changes in the use of any facilities since the baseline, although the proportion using pubs has fallen significantly in Chalkhill (by six points from 15%), and recent visits to libraries have fallen in Hangleton & Knoll (down eight points from 41%).

COMMUNITY INVOLVEMENT

- 11.2.44 In 1996 some 27% of respondents in the three SRB areas felt closely involved with their communities. This increased by 7 percentage points in 1999 to 34%, which was almost in line with the national average of 37%. The proportion feeling involved has increased between 1996 and 1999 in Chalkhill (+11 percentage points) and Rochdale (+10 percentage points), but has remained relatively unchanged in Hangleton Knoll (see Table A3.7 in Annex 3)²⁷.
- 11.2.45 Some 14% of residents (in 1996) had taken part in voluntary/community activity in the last 12 months but there were no significant changes between 1996 and 1999. Panel respondents were slightly more likely to feel closely involved with their communities and to be involved in community/voluntary activity.
- 11.2.46 Overall, in 1996 around 50% or more of residents felt strongly that they could count on local friends and relatives for help and to keep an eye on their home, with 44% feeling they could turn to friends/relatives locally for advice/support. The main exception was Chalkhill where only around a third (28%-32%) felt they could rely on friends/relatives locally in this way, although reliance by panel members was somewhat higher at 37% to 45%. This lower feeling of being connected with the community in Chalkhill is likely to be related to the large scale decanting of population associated with the housing renewal scheme.
- 11.2.47 Overall, there was an increase in the extent to which residents felt they could turn to local friends/relatives (between 5% and 7%). Main improvements were recorded by Chalkhill residents with increases of 7%-10%.
- 11.2.48 Among those who do not feel involved, the main reasons stated were being too busy (31%), not interested (18%), only have time for family (15%) and not being asked to be involved (10%). Some 26% had no particular reason for not feeling closely involved with their community.

²⁷ The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

SATISFACTION WITH ACCOMMODATION AND AREA

- 11.2.49 Satisfaction with accommodation increased significantly in SRB areas between 1996 and 1999, from 74% to 85% respectively, compared with 90% to 91% in England as a whole (see Table A3.8 in Annex 3)²⁸. This was due mainly to the 18 percentage point increase in Chalkhill (from the low starting level of 53%) where a large housing renewal scheme ran alongside the SRB scheme. The panel respondents, who lived at the same address throughout, showed only average and small improvements in satisfaction with accommodation. Those who were very dissatisfied with their accommodation amounted to 11% in 1996 and 6% in 1999 (compared with 2% in England), again due mainly to a 10 percentage point improvement in Chalkhill. Only 5% of panel respondents in SRB areas remained very dissatisfied with their accommodation (13% in Chalkhill).
- 11.2.50 Satisfaction with the local area also improved in SRB areas by more than in England as a whole from 64% to 72%, but it remained below the England figure (87%-86%). This was again caused by a 20 percentage point increase in Chalkhill from a very low baseline of 45%. In Rochdale satisfaction with the area fell back by 4 percentage points. Panel respondents tended to have higher absolute satisfaction levels than the full cross section sample, but improvements in satisfaction were much lower or none at all.
- 11.2.51 Those who were very dissatisfied with the area, 16% in 1996 falling to 12% in 1999, were again concentrated in Chalkhill, although, as noted above, there has been a positive shift in satisfaction with the area here from the baseline. The proportion of those very dissatisfied in Rochdale increased amongst panel respondents and others.
- 11.2.52 Respondents were asked, in both 1996 and 1999, to state the positive and negative locally targeted attributes of living in the area. Panel respondents had higher scores on the positive attributes, but improvements in 1996-99 were lower than in the full sample. The same positive attributes came out in both surveys. Being close to shops, peace and quiet, good neighbours, location and open space were important attributes and their relative importance changed little over the period. The exception to this was in Hangleton Knoll where open space was valued relatively highly in the baseline, but mentioned by significantly fewer in 1999. This is disappointing since part of the SRB scheme was to improve the environmental quality of the open space on the two estates. This seems to have been successful in terms of final beneficiary outcomes. In Chalkhill there was a large increase in the positive attribute 'close to shops', again probably caused by the housing renewal scheme and its effect on access to nearby shops.
- 11.2.53 The serious locally targeted problems identified in the baseline and follow up surveys were crime, vandalism/hooliganism, litter, traffic, dogs and drugs. Whilst there were small improvements in crime, vandalism and dogs in SRB areas, problems of litter, traffic and drugs became more serious between 1996 and 1999, particularly in Chalkhill and Rochdale. Crime and vandalism have improved substantially in Chalkhill (from high baseline levels). Respondents in Rochdale perceive there to be a rapidly increasing drug problem which increased from 21% for cross sectional respondents up to 29% by 1999 compared with 3% in England as a whole. A similar percentage increase was recorded by the Rochdale panel respondents (from 18% to 26%).

28 The Annexes to this report have been produced as a separate document which is available from the Department's web site: www.regeneration.dtlr.gov.uk/research.htm or e-mail: handr.research@dtlr.gov.uk

HOUSING TENURE

- 11.2.54 Over 60% of respondents in Hangleton Knoll and Rochdale lived in owner occupied housing (69% in England). Tenure remained largely unchanged in these two areas, but there was a small switch in the rented sector in Hangleton Knoll from local authority to Housing Association units. Owner occupation in Chalkhill was only 6% in 1996 increasing to 18% by 1999. Within the dominant social rented stock there was a 20 percentage point switch from Local Authority to Housing Association stock. Panel members were more likely in all areas to live in owner occupied housing than the full cross section sample.

MOVEMENT IN AND OUT OF SRB AREAS

- 11.2.55 The interpretation of changes in outcomes in survey findings is complicated by the fact that people moving out of an area may have social and economic behaviour, attitudes and characteristics which differ from those for the people who have remained living in the area and from those moving into the area. If, for example, outward movers were biased towards those with jobs and larger incomes whilst inward movers were biased towards unemployment and poverty, then, overall, outcome change will be adversely affected by movement, even where the regeneration scheme had achieved positive outcomes.
- 11.2.56 Over long periods of ten years population turnover in the most deprived areas can reach more than 50% of the total population. These three SRB case studies are not amongst the most deprived neighbourhoods in England and only a three year change (1996-1999) is examined – so that in this case any ‘disguising’ effect of biased movement flows is likely to be limited. Indeed, in these case studies the population is relatively stable with a turnover rate nearer to 30% per decade. Of the full cross sectional sample, 79% of households had lived in their areas for six years or more, including about 60% who had lived there for over ten years. For the three SRB areas taken together only 10% of the households had lived there for three years or less – and, if anything, the propensity to move had slowed down between 1996 and 1999. In 1996 28% of respondents said that they were likely to move in the next two years and by 1999 this had fallen to 19%. However, for panel respondents the respective figures were 14% (1996) and 17% (1999). In movers are more likely to think they will move out in the next two years than panel respondents (25% compared with 14%).
- 11.2.57 Because insufficient outward movers could be traced to their new address in different area destinations in order to be interviewed, the study team identified the characteristics of those who had moved out after taking part in the baseline survey in 1996 (see Table 11.2 below). Because of the difficulties caused by decanting in Chalkhill, the data on outward movers covers Hangleton Knoll and Rochdale. Their characteristics were then compared with the characteristics of the panel members in 1996. Outward movers were significantly younger than the panel and more of the outward movers were likely to be lone parent families. Outward movers were also far more likely than the ‘panel households’ to live in rented accommodation. They had a larger proportion of non-working households than the panel even though they had fewer retired households. However, outward moving households had lower incomes and higher levels of benefit dependency than the baseline panel and had been less closely involved in community activity.

Table 11.2: Key characteristics of outward movers and inward movers compared with the panel sample (Rochdale & Hangleton Knoll only)

	Panel sample 1996	Outmovers 1996	Inmovers 1999	%
1 person households	23	24	22	
5+ person households	14	18	7	
Lone parent family (with dep children)	9	16	17	
Age 65+ (Head of Household)	28	14	14	
White	86	92	87	
Age:				
18- 34	14	36	46	
35-44	19	30	25	
45- 64	38	20	19	
65+	28	12	14	
Owner occupied housing	71	42	38	
Rented housing:				
Local Authority	70	83	37	
Housing Association	17	10	26	
Private	12	7	38	
Employed (full and part-time)	46	46	49	
Unemployed	6	10	10	
Economically inactive	19	30	25	
Retired	29	14	13	
No qualifications	53	50	39	
Income support recipients	21	28	22	
90% benefit income	32	44	28	
Income below £100 per week	23	34	19	
Satisfaction with accommodation	88	82	82	
Satisfaction with area	74	72	75	
Area very/fairly safe	38	38	49	
Feel closely involved with community	29	22	22	
Source: MORI.				

- 11.2.58 Table 11.2 above also shows the characteristics of inward moving households as it had at 1999 for Rochdale and Hangleton Knoll.
- 11.2.59 Inward moving households were more likely to be lone parent families (17%) compared with the panel (9%). They were also more likely to be non-retired households and to be families with children. Over three-quarters of inward movers live in rented accommodation compared with 29% in the panel. Of the non-retired households the employment rate amongst in movers was 67%, compared with 73% for the panel. Consequently, unemployment and inactivity was slightly higher for inward moving households than for panel households. In moving households were more likely to claim income support and housing benefit than the panel households.
- 11.2.60 A comparison of the characteristics of outward movers with those of inward movers shows few differences of statistical significance. There are fewer large households amongst the inward movers. The latter also tend to be more economically active, to have higher incomes than outward movers and to have far less fear of crime.

11.2.61 The larger differences are between the panel sample and both flows of movement. The movement flows are concentrated in the younger age groups, those in rented accommodation and the economically inactive.

GROSS CHANGES IN THE RESPONSES OF THE PANEL SAMPLE

11.2.62 The survey results presented so far take the form of (mainly small) net improvements in final outcome indicators such as ‘satisfaction with the area’. But for panel respondents, who answered the same questions in both 1996 and 1999, we can analyse how far the small net changes were the result of larger gross differences in how individuals answered the same question in the two years – and in particular how far the proportion recording improvements were offset by those recording deterioration in their circumstances or satisfaction. It is possible, at the same time, to see how far respondent answers moved up or down a scale, for example, of satisfaction, ranging between very satisfied to very dissatisfied.

11.2.63 We cannot present a full set of results here. Rather we illustrate the approach using examples which relate to key regeneration objectives of employment, health, fear of crime and overall satisfaction with the area.

Table 11.3: Work status: head of household – including retired households

				%
1996-1999	Three SRB areas	Chalkhill areas	Hangleton Knoll	Rochdale
Not working to working	7	9	4	8
No change	84	84	86	82
Working to not working	9	7	9	9
Net change in H of H working +/-%	-2	+2	-5	-1

Source: MORI.

11.2.64 A large degree of stability dominates the labour market position with 82% to 86% of the panel in all three areas giving the same answer in both 1996 and 1999 and, hence, indicating no change in circumstances (see Table 11.3 above). Only 7% of panel respondents changed from not working to working, more than offset by 9% changing from working to not working – giving a net change in outcome of -2. When retired households are excluded there was a small net movement from not working to working.

11.2.65 Gross changes can be cross tabulated by age and other characteristics, as illustrated in Table 11.4 below. Amongst younger age groups up to 44 years more people have moved from not working than the other way. The middle age group 45-54 are in balance. In older age groups more head of households have changed from working to not working. This would obviously be expected from those over 65, but it is also the case for the age group 55-64, which includes women reaching retirement age.

11.2.66 There has been a movement of black population into work of a net 8 percentage points, but for whites and Asians more people changed from working to not working than the other way round. Married couples with children and lone parents showed a larger gross movement into work than out of work, but for other groups the flow out of work is larger than the gross flow into work.

Table 11.4: Gross change in work status of head of household by demographic characteristics. Three SRB areas combined (1996-1999 panel respondents)

	%		
	Working to not working	No change	Not working to working
Total	9	84	7
Male	8	85	7
Female	10	83	7
Age			
18- 34	6	81	13
35-44	10	77	13
45-54	12	76	12
55- 64	9	85	5
65+	7	92	1
Ethnicity			
White	10	84	7
Black	2	88	10
Asian	9	84	6
Household type:			
Married couple (no children)	12	81	6
Married couple with children	8	82	10
Lone parent family	8	75	17
Large adult household	9	85	6
Single person household			
- male	7	91	2
- female	5	94	1

Source: MORI.

- 11.2.67 Although there was no significant net change in the health status of panel respondents, the gross changes are quite large. 19% recorded an improvement. This was, however, wholly offset by 24% who recorded deterioration in health status – with 57% recording ‘no change’ (see Table 11.5 below).

Table 11.5: Gross changes in health status of panel respondents (527). (Three SRB areas, 1996-1999).

Point changes in scale of satisfaction	%
+2 (points on the scale)	2
+1 (point on the scale)	17
No change	57
-1	19
-2	5
Mean	-0.07
Variance	0.63

Source: MORI.

- 11.2.68 There has been an overall net reduction in the fear of crime. Whilst more people recorded a deterioration of 1 point in the scale than an improvement, those moving up the scale by 2, 3, and 4 points outnumber those moving down the scale by more than 1 point. Only 36% recorded 'no change' in their response.

Table 11.6: Gross changes in fear of going out alone by day & at night of panel respondents (527). (Three SRB areas 1996-1999).

Point changes in scale of satisfaction	%
+4 or more	2
+3	5
+2	10
+1	17
0	36
-1	21
-2	8
-3	2
-4	0
Mean	0.15
Variance	2.03

Source: MORI.

- 11.2.69 For 'overall satisfaction with the area' proportions moving up the scale are evenly balanced by proportions moving down the scale with 47% recording no change.

Table 11.7: Gross changes in satisfaction with the area for panel sample (527). (Three SRB areas, 1996-1999).

Point changes in scale of satisfaction	%
+4	1
+3	3
+2	7
+1	14
0	47
-1	16
-2	6
-3	4
-4	1
Mean	0.05
Variance	1.82

Source: MORI.

- 11.2.70 These examples of the analysis of gross change suggest a larger change in responses over a three year period than is indicated by the 'net change' survey results, although on most issues the majority of responses are clustered around a point of 'no change'. In the last example, where the overall net change is zero or negligible, 25% recorded an increase in satisfaction whilst 27% recorded a reduction in satisfaction. This raises some, as yet, unanswerable questions. Did the regeneration scheme help the 25% who recorded an improvement in satisfaction and not the 75% who did not? How do people's expectations and aspirations

change over time in relation to real changes in their actual circumstances? These are some of the unresolved difficulties in using survey evidence of this kind as an input into the evaluation of regeneration schemes.

11.2.71 Overall, useful insights are emerging of relevance to the regeneration of deprived neighbourhoods:

- 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 increasingly recognising the importance of the quality of school education in their local areas.
- There is no evidence of improved health amongst residents of the three case studies – but the schemes did not directly address health issues.
- 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 minority ethnic 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.

11.3 Combining survey evidence on outcomes with net output data obtained from traditional evaluation approaches

11.3.1 We conclude this chapter by demonstrating how outcome evidence can be combined with evaluation obtained from the standard evaluation approaches described in Chapter 9 of this Report in order to gauge what the effects of SRB regeneration initiatives have been. We have chosen to focus on the case study of Chalkhill because this is the area where we have been able to assemble the best evidence at the present time. The approach will be extended to other SRB case study areas when the third round of social surveying is completed in 2002.

11.3.2 We should emphasise that in the case of SRB we are essentially investigating the impact of two area-based initiatives over the study period. The most significant was the housing renewal programme focused under Estate Action, but it was also implemented in conjunction with the SRB scheme which concentrated on training and job placement.

11.3.3 The outcome change figures described in the previous section showed that for all the three areas including Chalkhill there had been small rather than large changes in outcome figures over the three year period 1996-1999, with a few exceptions. Many of the key outcome indicators show favourable changes rather than deterioration and, in many cases, the change in Chalkhill is not significantly out of line with counterpart changes in the England average. The notable changes for Chalkhill were:

- small improvements in the proportion of head of households of working age groups who are working and a reduction in those unemployed. These changes are much in line with change in England;
- an increase in one person households in Chalkhill, larger than in England, and a reduction in the proportion of lone-parent households, against a small increase in England;
- a very sharp rise in the proportion of head of households in Chalkhill with no qualifications;
- a larger favourable change in incomes than in England as a whole;
- a sharp fall, relative to England, in the proportion of households receiving income support;
- panel respondents record a small improvement in their health status;
- very sharp improvements in Chalkhill residents' views of the estate as a place to bring up children;
- as expected from the housing renewal programme (albeit it behind schedule), there were notable increases in satisfaction with accommodation;
- satisfaction with the area also improved markedly between 1996 and 1999, though less so for panel respondents;
- of five serious area-based problems vandalism and crime were thought to have improved by Chalkhill residents between 1996 and 1999, but graffiti, litter and drug-related problems had become worse;
- the proportion of respondents witnessing crimes and offences in the last year fell significantly between 1996 and 1999, but there was a deterioration in how safe residents felt when walking alone after dark;
- there was an increase in dissatisfaction with leisure facilities on the estate; and
- there was a slight fall in the proportion undertaking community activity/voluntary work but an increase in the percentage feeling closely involved with their community.

11.3.4 The causes of any improvements in outcomes cannot be easily disentangled in any robust statistical way, but the evidence does suggest some strong presumptions. Because of the dominance of training and job placement in the SRB scheme, the impact of SRB should

be visible first and foremost in the proportion of working age residents who are in employment rather than unemployed or economically inactive. The social survey recorded a 5 percentage point rise from a low level of 43% in this employment rate between 1996 and 1999, in line with the English average change.

- 11.3.5 The evidence on the net outputs associated with the Chalkhill scheme is presented in Table 11.8 below. It shows that the net additional contribution to job placement on the Chalkhill estate itself was 265 jobs over five years, of these 119 went to Chalkhill residents who remained on the estate and 146 went to former residents who had moved away. This is a **gross** figure in the sense that it does not allow for job placements being of quite short duration or for the fact that residents not participating in SRB projects are continuously losing jobs. Were it not for this SRB contribution, the employment rate would have fallen from 43% in 1996 to 42% in 1999, instead of actually rising to 48% in 1999 – an improvement due to SRB of about 6 percentage points, compared with what would otherwise have happened²⁹. The evaluation team regard this as plausible and consider that the project based output estimates to be consistent with the social survey measures of net change. Moreover, it is also consistent with the analysis of gross changes in the panel survey results.

Table 11.8: Net additional outputs from Chalkhill SRB case study*

	Current Chalkhill residents	Former Chalkhill residents	Total residents of Brent
Jobs created	11 (3)	13 (4)	24 (6)
Pupils assisted	80 (51)	98 (66)	178 (112)
Residents gaining qualifications	140 (79)	171 (96)	310 (175)
Number of training weeks	3811	4659	8470
Training people into employment	134 (72)	163 (89)	297 (161)
Residents placed into jobs	119 (70)	146 (86)	265 (156)
Placed into further education	46 (22)	56 (28)	102 (50)

* Figures in brackets show number of ethnic minority beneficiaries.

- 11.3.6 The causes of other favourable changes on Chalkhill such as the fall in the proportion of lone parent families, a reduction in the witnessing of crime, and the higher satisfaction with the area and the accommodation are more likely to have been the result of the Estate Action housing renewal programme and the resulting loss of population than SRB. The housing renewal programme has transformed the visual appearance and atmosphere of the estate and has caused a sharp reduction in the size of the geographical concentration of multiple deprivation. These improvements should continue to be made between 2000 and 2003.
- 11.3.7 The resident social survey on the Chalkhill estate permits a fairly comprehensive measurement of changes in a wide variety of economic and social outcomes and, thus, allows us to investigate the impact of both the Estate Action and SRB area-based initiatives. One weakness of the resident survey was that it covered only three years of the five year life of the scheme. Another was that it was not able to reach in 1999 the 55% of 1,966 residents who moved

²⁹ In order to estimate the SRB effect on the employment rate of those Chalkhill residents who remained in 1999 we have made the following assumptions. The working population on the Chalkhill estate in 1999 was 599. We estimate the net additional SRB contribution by 1999 to be 70 jobs for Chalkhill residents. Thus without this contribution the working population would be 528, other things being equal. This would give an employment rate of 42% instead of the 48% that actually existed.

off the estate between 1996 and 1999, some of whom had benefited from SRB funded projects. After allowing for these problems, however, the evaluation team found a degree of consistency between the results of the resident survey of outcome changes and the project output monitoring data, which measures the gross contribution of project net outputs to overall outcome change.

- 11.3.8 By and large, 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. There were, however, some more striking improvements in Chalkhill from very unfavourable starting 1996 levels. There was a welcome reduction in the proportion of working age households who were dependent on state benefits for their income. The proportion of lone-parent households had also fallen. 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 evidence of a reduction in crime and 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.
- 11.3.9 Despite the contribution from SRB in Chalkhill there is an important lesson thus from Chalkhill, supported by a limited amount of evidence from other very poor estates. It is a key regeneration issue for the future and it is central to understanding how mainstream departments can help to remove geographic concentration of social exclusion. The problems of high levels of worklessness have not hitherto been satisfactorily addressed by mainstream programmes, by ABIs or so far by the two working together. Does evidence for Chalkhill throw any light on why this should be?
- 11.3.10 Given that family or individual participation in a regeneration scheme is entirely voluntary, a key issue is what is the incentive for residents making a determined attempt to move from welfare to work? Evidence from Chalkhill suggests that the financial incentive to move from welfare to work is very low.

Table 11.9: Head of household & disposable income (£)		
	Employees income from main job	Economically inactive from state benefits
Average Head of Household income per week (£)	207	86
Less income tax & employee national insurance contributions	- 39	0
Less housing costs	-58	0
Less travel to work costs	-15	0
Net Disposable income after housing costs	95	86

- 11.3.11 The social survey revealed 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. This suggests a substantial incentive to move from welfare to work. However, these gross income figures are not the relevant comparison. We have estimated the likely adjustments required to bring them into equivalence. A deduction of £39 per week to the employees' wages is needed for income tax and national insurance

contributions. The employee would be liable 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. We have also deducted a modest £3 per day from the employees earnings to cover travel to work costs and the extra cost of clothing and meals for those in employment. After these adjustments the average net disposable income after housing costs 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. This narrow gap could easily be made up by the smallest of participation in the informal economy. And 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 employees might well be better off if they moved from work into welfare. However, the introduction of the working families tax credit will improve incentive for one group of those with below average earnings.

- 11.3.12 It should also be taken account of the fact that the income as an employee may be far less secure than the income from state benefits. Low paid, low skilled jobs tend to be less durable than skilled occupations, whilst state benefits are secure providing regulations are adhered to.
- 11.3.13 Under these challenging circumstances, any attempt at engaging widespread participation in training and job placement services to secure regeneration requires service delivery which is accessible, relevant, attractive in its own right, and well resourced so that the needs of an individual can be matched to the needs of local firms. A central point is that hitherto mainstream programme training and job placement services have not been accessible to Chalkhill residents or locally well resourced, and they have not targeted effectively on Chalkhill residents.
- 11.3.14 The SRB scheme was able to demonstrate how good practice delivery mechanisms could be put in place and we believe that there is a crucial role for area-based initiatives like SRB in this respect. Such initiatives can be used to focus on the main welfare to work inter-faces and enhance the impact of changes in natural programmes. On their own, mainstream programmes are finding it extremely difficult to even scratch the surface of the clients group concerned. We shall be investigating these issues further in our next stage of the SRB research programme.