

# The Single Regeneration Budget: final evaluation

This evaluation of the Single Regeneration Budget Programme and its contribution to local area regeneration was commissioned by the predecessor department of Communities and Local Government and was based in the Department of Land Economy, University of Cambridge. It was led by Professor Peter Tyler and John Rhodes<sup>1</sup> assisted by Angela Brennan, Colin Warnock, Steve Stevens and Mónica Otero-García.

## Key Findings

### **The nature of the problem being addressed**

The Government-commissioned National Evaluation of the Single Regeneration Budget (SRB) included a comprehensive assessment of the nature of local area regeneration problems which showed the diversity of causes from a distressed labour market, to worn-out infrastructure, to crime, social disorder or ill health. The worst areas experienced all of these problems, perhaps over many decades. The entrenched nature of the problems meant that neither the workings of the market nor the actions of mainstream government departments were able to tackle them adequately.

<sup>1</sup> This research could not have been undertaken without the inspiration, dedication and commitment of John Rhodes who died in 2001. John cared intensely about the problems faced by those who lived in economically depressed areas and spent most of his working life committed to evaluating the effectiveness of Government regeneration policies. His contribution to the advancement of urban and regional policy has been enormous. This Report is dedicated to his memory.

In addition to market failure, the geographical characteristics of the area were important including its place in the settlement hierarchy, its proximity to more prosperous locations/markets, the spending power of its residents and businesses as well as its overall resource base.

The likelihood that mainstream departments could make a difference in these areas without more specific, focused effort seemed unlikely as disparate mainstream services had to be coordinated vertically and horizontally across the tiers of Government. It is against this backdrop that the regeneration benefits arising from the Single Regeneration Budget programme have been evaluated.

### **Speeding up the workings of the market and mainstream services – how did SRB help?**

The balance of the evidence from the National Evaluation of the SRB programme is that if a depressed area is to turn its fortunes around then the core competencies or attributes of the place and its residents have to be enhanced so that the area becomes a relatively attractive place for people to live and for business to invest. This is achieved by bringing together the relevant agents of change from across all sectors including government, business, the voluntary sector, stakeholders and the community so that they address the problems of that locality and they do so in a strategic manner.

In successful places these components come together in a relatively seamless and timely manner so that adjustment is fairly spontaneous. However, in depressed areas adjustment is too slow and the role of an Area Based Initiative (ABI) has been to inform and encourage adjustment. The ABI seeks to overcome the barriers to adjustment that impede the working of the market and to alert mainstream service providers and other stakeholders as to how best to respond. As an ABI the evidence from the National Evaluation is that the SRB has been a cost effective and innovative approach. Many of the features of the SRB were well designed to meet the requirements for successful regeneration.

The key features that have been important are:

- The partnership based model of delivery. Over its lifetime SRB brought most of the required key players to the table. How each then contributed to the process of regeneration varied, but there are numerous examples of good practice detailed in the report.
- SRB provided a workable and popular format for private sector engagement and there was a relatively high level of financial leverage and commitment as a result. This was a good design feature of the SRB approach.
- The experience of the voluntary sector varied more, but improved steadily over the successive rounds largely because of the attention given by the Government Offices (GOs) to help build the capacity of voluntary sector representatives to engage in the process of regeneration.

- SRB aimed to provide a coordination mechanism through which mainstream programmes (education, health, housing, crime and safety) could come together to help solve the problems of these areas, in a strategic, coordinated and cost-effective way. This is often referred to as ‘bending’ mainstream activity, in terms of both providing customised policy delivery and more funding into the areas concerned. Overall the volume of mainstream funding into SRB areas remained disappointing. However, there was evidence of a strengthening, virtually across the board, throughout the successive rounds of SRB, in both the breadth and depth of mainstream player commitment to these areas.
- Engagement of the community was more variable, but again there are many examples of good practice, described in the report.
- The ability to submit regeneration bids for thematic schemes, which focused on the needs of particular groups of individuals, was of great value and allowed tailored approaches to be developed.
- Partners found the flexibility in the SRB funding format allowed regeneration schemes to be customised by geography, size, duration and objective. This was conducive to securing innovative and well-designed approaches and enabled matched funding.
- The lack of formally defined boundaries under SRB was a strong feature of its design and greatly assisted the regeneration process. It enabled a bid for funds to be submitted by a partnership in any location in England and for virtually any sort of regeneration activity. This meant that some areas with no tradition of making bids or receiving funds for regeneration could apply. It was a change from the essentially ‘boundary’ driven approach that had characterised much of previous regeneration activity (ie Urban Programme, City Challenge etc). Leaders locally were responsible for demonstrating the relative need for the regeneration scheme for the locality they defined and in a way that they identified as being appropriate.

## **Turning areas around and producing sustainable outcomes**

A significant part of SRB funding was designed to address the multi-faceted problems experienced by neighbourhoods in a holistic fashion. The research explored the impact of SRB on the key outcomes that were relevant for longer term regeneration and identified a number of good practice lessons.

A small number of SRB areas were chosen to be the subject of an extensive programme of social surveying. These areas were those that had been subject to a holistic package of regeneration measures, although the attention given to individual components of regeneration varied. There are significant conceptual and measurement problems that suggest it is best to exercise caution in interpreting the relationship between the programme and the measurable outcomes. Moreover, it is not argued or expected that all areas respond by outcome theme in the same way.

Key outcomes identified in the SRB case study areas were:

- Household incomes improved; there was a statistically significant increase in those employed full-time; the proportion of those unemployed fell in all the SRB areas at a slightly sharper rate than the national rate and the employment rate increased at a rate slightly above the national average.
- Satisfaction with accommodation and the quality of the area increased significantly bringing it close to the national average. Corresponding levels of dissatisfaction fell. There was increased satisfaction with the area against a pattern of national decline and most area-based problems considered 'serious' went down in severity, which compared favourably with national change.
- There was a statistically significant increase in parents believing the local area was a good place to bring up children. The trend was up compared to England and perceptions of the area as a bad place for bringing up children were also reduced significantly.
- There was a significant rise in those agreeing they could rely on friends/relatives locally for advice or support.
- There was an encouraging increase in the number of people feeling very or fairly safe walking alone at night in their local areas – in contrast the national trend showed a slight decrease.
- There was a reduction in those considering themselves to be in good health and an increase in people in bad health, suggesting a considerable widening in the gap compared with the British average. Very few SRB case study schemes had prioritised expenditure on health related activities.

Overall, it is encouraging that there was a close association between the net outputs achieved by SRB and changes in net outcomes and the evidence is thus consistent with SRB having an impact. The most successful activities were improvements to the physical fabric of the area, building the community and enhancing social cohesion.

### **Lessons for future regeneration**

Whilst the evidence on outcomes in the SRB areas examined is encouraging, the real challenge across England remains to turn deprived areas around so that they can become the thriving locations that many once were. Over the last thirty years there has been no dramatic change in the relative ranking of the most deprived areas in England.

Despite the mainstreaming of regeneration partnership working (Local Strategic Partnerships), the evidence from the National Evaluation of the SRB is that mainstream services are still not being modified to tackle the needs of deprived areas more effectively.

SRB emphasised that if sustainable improvements in the well-being of a deprived area were to be achieved then the budgets of all the mainstream service providers would have to be focused on the specific needs of the area for a considerable period of time. There is a need for both more customised policy delivery for deprived areas and more funding for deprived areas relative to other areas. How this targeting is achieved, whether through ring-fencing or further incentivisation, remains a central question. Devolved local area budgeting, taxation and local area agreements on the part of local authorities are clearly of great relevance.

A further priority is to enhance the involvement of the private sector in local regeneration – too long absent in many areas in England at the level required.

Local regeneration requires all of the local stakeholders to recognise the part they have to play in the future viability and well-being of the area concerned. The SRB approach secured some success in this respect and this could usefully be built upon in future ABI initiatives – in particular, putting the business back into the neighbourhood place is essential if sustainable improvements are to be secured, but there are issues around how the work of existing delivery agencies can be better coordinated to secure more business involvement in neighbourhood based regeneration.

Significant consideration needs to be given to spatial scale to ensure that the neighbourhood is sufficiently prioritised. How government, regional and local authority economic, physical and social agendas can be better harmonised to achieve improvements in the most deprived neighbourhoods remains a pressing issue.

## Introduction

1. It is important to learn the lessons from government funded regeneration programmes both while they are being implemented and on completion. This extended summary provides the final assessment of the SRB programme that ran from April 1994 to 2004.
2. This evaluation of the Single Regeneration Budget Programme and its contribution to local area regeneration was commissioned by the predecessor department of Communities and Local Government and was based in the Department of Land Economy, University of Cambridge. It was led by Professor Peter Tyler and John Rhodes assisted by Angela Brennan, Colin Warnock, Steve Stevens and Mónica Otero-García.
3. There have been many outputs from the evaluation prior to the final report and this summary, including the interim evaluation and mid-term report referenced below. The other outputs are listed in Annex A of this summary.

*A partnership for regeneration – an interim evaluation* Department of the Environment, Transport and the Regions (1998)

[www.landecon.cam.ac.uk/research/reuag/uars/pdf/main.pdf](http://www.landecon.cam.ac.uk/research/reuag/uars/pdf/main.pdf)

*Lessons and evaluation evidence from ten Single Regeneration Budget case studies – Mid Term Report*, Department of Transport, Local Government and the Regions (2002)

[www.communities.gov.uk/pub/690/LessonsandevaluationevidencefromtenSRBcasesudiesPDF1036Kb\\_id1128690.pdf](http://www.communities.gov.uk/pub/690/LessonsandevaluationevidencefromtenSRBcasesudiesPDF1036Kb_id1128690.pdf)

4. The underlying evaluation framework and methodology adopted is available at [www.landecon.cam.ac.uk/research/reuag/uars/pdf/discussion\\_paper\\_083.pdf](http://www.landecon.cam.ac.uk/research/reuag/uars/pdf/discussion_paper_083.pdf)

## **Background to the Single Regeneration Budget Programme**

### **Aims**

The Single Regeneration Budget (SRB) came into operation in April 1994. It was part of a package of measures to make Government activity more responsive to local needs and priorities in England. SRB was designed to encourage partnership between all those with a stake in local regeneration by acting as a flexible funding supplement to main programmes.

Current priorities for deprived neighbourhoods (for example, New Deal for Communities), including improvements to the economic base of the area, physical improvements, movement towards mixed communities and the development of a sense of community, are clearly reflected in the objectives of SRB as set out below.

Successful regeneration schemes 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 through 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;
- enhance the quality of life of local people, including their health and cultural and sports opportunities.

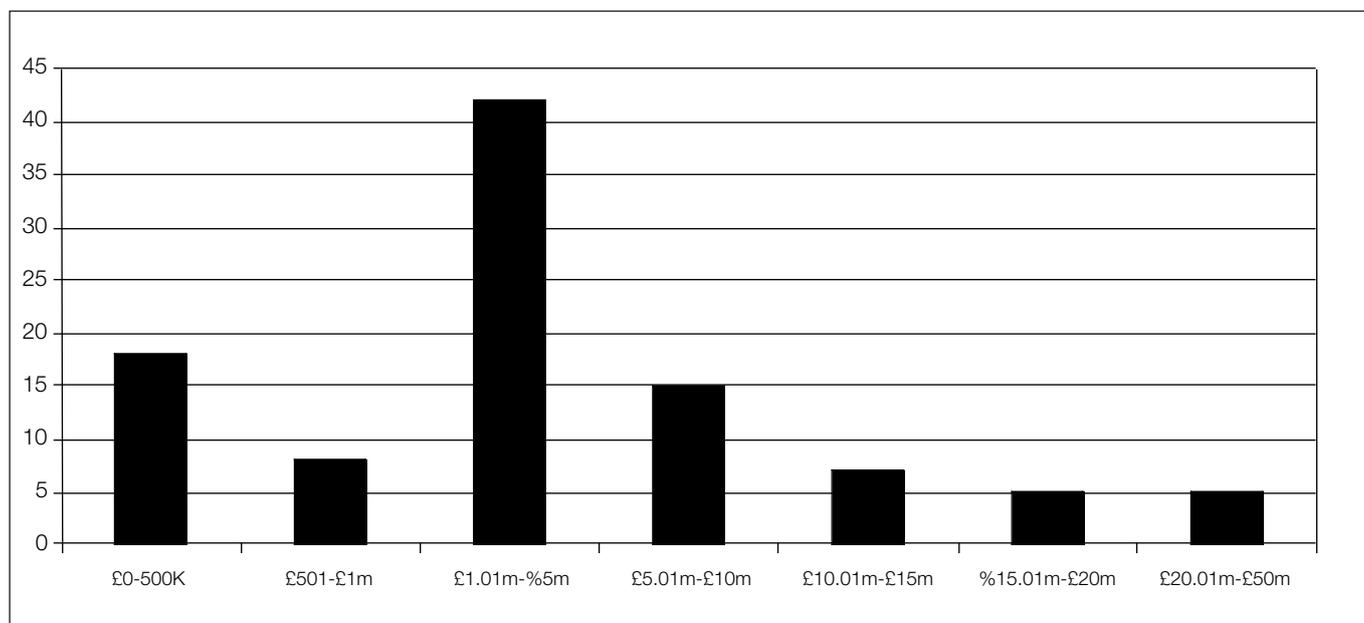
## Attracting other funding

Overall, SRB funding accounted for only 22 per cent of total expenditure on SRB schemes. The other 78 per cent came from local authorities, Training and Enterprise Councils (now Learning and Skills Councils), the voluntary and private sectors and European funding streams. For every £1 of SRB funding there was £4 of other funding. Thus approximately £5.7 billion of SRB funding has been associated with a total regeneration spend of £26 billion.

## Distribution of SRB funding

There was a wide range in the amount of SRB funding granted to areas. While 42 per cent of schemes received between £1.01m-£5m of SRB funding each and a further 18 per cent received up to £0.5m each, 5 per cent of schemes received in excess of £20m. When considering total expenditure (including funding from other sources), a third of schemes overall have involved over £20m with around one-fifth in the £1.01-£5m size range and 14 per cent under £1m.

**Figure 1: Range of SRB expenditure\* over six rounds (%)**

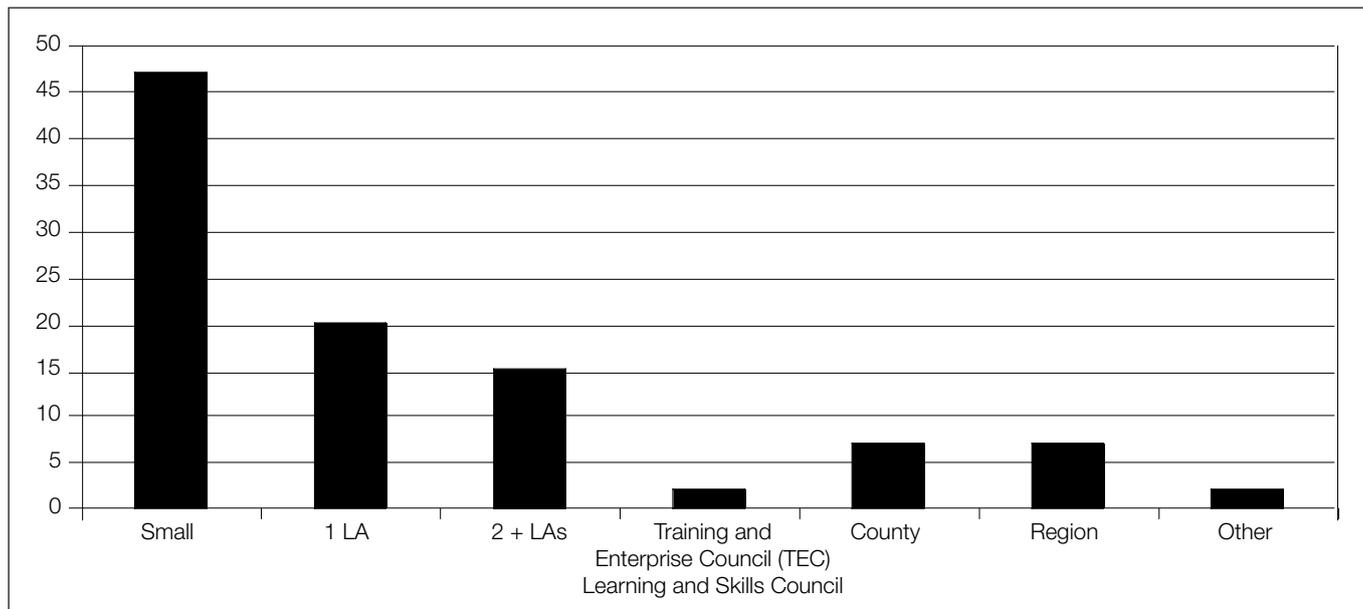


\* Current prices Source: ODPM and bid documents/Delivery Plans.

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, as shown in the figure below. A further 20 per cent overall concentrated on an entire local authority district. Over two-thirds of all schemes were set to run for five years or more, with a third designed for seven years duration.

The most common lead partner was the local authority accounting for 53 per cent of all schemes. This remained the dominant type of lead partner, although by Round 6 this had fallen to only 40 per cent, with an increase in joint partners and voluntary sector involvement.

**Figure 2: Schemes by type of area (%)**



Source: ODPM and bid documents/Delivery Plans.

## The nature of the regeneration problem

Economic prosperity is not evenly distributed in England – and varies considerably according to geography. One part of this variation has been significant regional differences in the ability to generate jobs. The evidence suggests that problems often begin with the closure of companies that have been traditional providers of jobs for the area (eg coalmines, ship building and manufacturing). However, the problem is made up of a number of economic, social and physical elements that come together in a compounding way making it difficult to regenerate these areas.

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, education and sometimes health problems and low employability.

Most inner city neighbourhoods have found it enormously difficult to cope with the effects of high job losses. New growth opportunities have often not been created in close proximity to the existing housing stock. High travel to work costs and poor public transport infrastructure has made it difficult for residents in such areas to find jobs elsewhere and the skill base of those who have lost their jobs has often been unsuitable for the jobs that are being created.

In order to turn these areas around, SRB programme activity had to make these places attractive to both people and investors in order to regain and sustain their longer-term economic vitality and create wealth and prosperity for those who live there.

## SRB and current policy

Chapter Two of the report describes how Area Based Initiatives have evolved in England over the last twenty years. SRB was delivered by the Government Offices for the Regions over its first four rounds and the Regional Development Agencies for the last two. Following the 2000 Spending Round the RDAs were allowed to roll their various regeneration programmes into a single programme.

The most recent major regeneration initiative is the Communities Plan – *Sustainable Communities: Building for the Future* which was launched in February 2003. The definition of a sustainable community captures the essence of regeneration programmes, ie to create ‘places where people want to live and work, now and in the future’. The programme includes £5 billion over three years to regenerate deprived areas.

The key features of the SRB approach to regeneration have been integrated into the developing policy response. The Table below summarises the key features of SRB and relates them to current policy.

The features and approach of SRB programme schemes have been adopted in current policies and practice – in adopting an integrated strategic approach, mainstreaming regeneration, engaging the community and operating flexibly and innovatively. The experience of SRB partnerships has provided valuable lessons and examples of good practice to those presently involved in regeneration at a local and national level.

**Table 1: Features of SRB compared with current policy**

Feature of the Single Regeneration Budget	Current policy priorities and themes
<p><b>Partnerships with local stakeholders and community organisations</b>, was the “engine-room” of the SRB approach to regeneration. This was essential to tackle the diverse and complex features embracing economic, social and physical problems of areas.</p>	<p>Devolving power to neighbourhoods, in part through community groups, is a focus of current policy. A <b>partnership approach and community engagement</b> is an integral part of Community Chests, the Community Empowerment Fund<sup>2</sup>, Neighbourhood Renewal Initiatives and Local Strategic Partnerships (LSPs).</p>
<p><b>Strategic approach:</b> in order to obtain SRB funding, evidence was required of the intention of a range of partners to work together to deliver a well articulated regeneration scheme.</p>	<p>The adoption of an <b>integrated and strategic</b> approach to regeneration/deprivation is now fundamental to regeneration policy. For example, this is evident in the work of the Social Exclusion Unit, (SEU) Regional Development Agencies, LSPs<sup>3</sup> and through Local Area Agreements<sup>4</sup>.</p>
<p>The encouragement of <b>mainstream service deliverers to focus more of their resources</b> on deprived areas.</p>	<p>Increasingly, policy reflects the recognition that the resources of <b>mainstream</b> service providers must be harnessed if regeneration is to be successful. This is apparent in initiatives right across Government, including the Neighbourhood Renewal Fund and LSPs, Employment Zones, Education and Health Action Zones, Action Teams for Jobs and City Academies.<sup>5</sup></p>
<p><b>Flexibility:</b> the SRB programme enabled partners to build regeneration schemes that could vary considerably according to their size, geography (no formal boundaries and any area in England could apply), duration, theme and objective. This approach and the system of competitive funding also promoted <b>innovative</b> responses to problems.</p>	<p><b>Flexibility and innovation</b> continue to be important principles in regeneration and public service reform. Recently the significance of innovation in tackling the problems of deprived communities has also been identified – particularly by the SEU.<sup>6</sup></p>
<p><b>Hands-off management</b><sup>7</sup>. Local Partnerships, involving private, public, community and voluntary sector partners were responsible for the management of their regeneration schemes.</p>	<p>This devolved approach to leading and managing programmes at the local level is exemplified by Local Strategic Partnerships and Local Area Agreements.</p>

2 These were all aimed at improving the skill base of the community and facilitate community participation.

3 A significant part of the role of RDAs as strategic leaders of regional development includes drawing up Regional Strategies. LSPs in the 88 most deprived areas must produce local neighbourhood renewal strategies.

4 LAAs aim to join up services more effectively by allowing greater flexibility for local solutions.

5 In the case of other government department initiatives 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.

6 The Social Exclusion Unit report ‘Inclusion Through Innovation’ (2005) focuses on the importance of the innovative use of technology to support solutions to problems of social exclusion.

# How SRB worked in practice

## Meeting Need

Analysis of SRB expenditure over the six rounds of the programme in relation to the Indices of Deprivation (2000) indicates that SRB was responsive to particularly deprived local authorities:

- Around a third of all SRB expenditure was targeted towards the top twenty most deprived local authority districts (around 15 per cent of the population).
- The top 56 most deprived districts (including the top twenty) had almost two thirds of all SRB expenditure.
- The top 99 most deprived districts received around 80 per cent of SRB funding.

The evidence indicates that SRB has been a flexible and responsive approach to tackling local area regeneration across the whole of England, introducing a new level of geographic flexibility to Area Based Initiatives. SRB did not operate within any formal boundaries and any area of the country could apply for funds. In some cases regeneration players were able to secure funding for areas that were beginning to show the first signs of distress but before the problems became too entrenched.

## Partnership working

A central feature of the SRB approach to regeneration was the emphasis on partnership working across traditional mainstream delivery programmes. The evaluation shows substantial benefits of partnership working for regeneration initiatives. In particular, the evidence points to considerable benefits arising from coordination between partners (avoidance of duplication/larger scale activities/partners' specialising in areas of expertise) and the adoption of common objectives within the partnership. SRB provided a popular and workable format for private sector engagement and there was a relatively high level of leverage and other commitment as a result. These issues, along with some general lessons on partnership working (being inclusive of all interested parties including the community, developing a strategy that builds on the assets of the area and its residents, and effective monitoring and review procedures) are discussed in some detail in Chapters 4, 5 and 10 of the report.

## The role of the private sector

Across all 1028 SRB schemes in Rounds 1 to 6, 51 (5 per cent) were led by the private sector. Of the 20 case studies, 2 were described as being led by the private sector and the 20 case study schemes had a total of 68 private sector partners, of which 35 (51 per cent) were individual firms.

The financial leverage ratio achieved was:

- £0.59 private per £1 public across all SRB schemes Rounds 1-6;
- £0.71 private per £1 public across 20 case studies.

The evaluation found that schemes with a wide geographical coverage provide better scope for involving private sector firms in regeneration. The nature, timing, as well as format and mechanisms used for private sector engagement were also of key importance. For example, a range of practical lessons emerged from the case studies including holding Board, theme group or project meetings at breakfast time or in the evening, rather than during the day and having shorter more focused agendas, with short papers circulated well in advance.

The evaluation showed that the private sector can take a wide range of roles beyond the leading or being a member of the partnership itself. These roles included:

- financial or in-kind contributor to projects;
- property developer;
- beneficiary (eg of business support);
- employer of individual beneficiaries;
- supplier of goods or services (including sub-contractors responsible for delivery).

More detail on private sector involvement can be found in the Chapter 6 of the report.

## **Thematic schemes**

Thematic SRB schemes were designed to focus on one particular aspect of the problems that face residents and businesses in relatively depressed areas.

The original rationale for a thematic programme was often based on the existence of particular aspects of institutional failure that were not being satisfactorily addressed by existing mainstream programmes. Increasingly they 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 people living in deprived areas. In other cases the rationale for a thematic intervention was to seek to develop a specific innovative response to a particular set of problems.

Some 30 per cent of SRB schemes focused on one objective. The thematic issues addressed varied considerably, with attention given to enterprise, education, training ethnic minorities, crime, community, housing and young people. The case study thematic schemes covered different geographies, ranging from the small areas to regions.

Thematic schemes have been able to make an effective and telling contribution by developing strategic approaches to common problems. They were effective in working across different spatial levels and in the best cases have improved the degree and quality of interagency working.

All the thematic schemes studied identified gaps in mainstream provision and developed initiatives to help fill them. They usually covered areas much larger than the neighbourhood. In some cases there was effective targeting on disadvantaged and socially excluded groups, for example, drug users, ethnic community groups, under-achieving

pupils. A key characteristic of these thematic schemes was that a wide range of agencies were successfully encouraged to work with each other, including private firms, community groups and the voluntary sector. Some were also successful in encouraging mainstream departments to direct funding into an area. More detail is provided in Chapter 7 of the report.

## **Mainstream programme bending and the role of SRB**

SRB regeneration schemes are more likely to bring permanent local area regeneration solutions if they can alleviate failures in private sector markets and the failure of main programme services to concentrate sufficient resources on the areas of greatest need. SRB aimed to provide a coordination mechanism through which mainstream programmes (education, health, housing, crime and safety) could come together to help solve the problems of these areas in a strategic, coordinated and cost-effective way. This process is often referred to as ‘bending’ mainstream activity into the deprived areas concerned in terms of both providing customised policy delivery and more funding.

### **What did SRB achieve?**

Analysis of the actual expenditure, and discussions with lead partners and other partners in the 20 case studies, enabled estimates to be made of the financial bending associated with SRB. The estimates indicate that:

**Every £1 of SRB funding resulted in the bending of £0.39 in total from mainstream programmes and other regeneration programmes**

Overall, the analysis points to some success in improving levels of mainstream funding and delivery into deprived neighbourhoods, but that success has been modest and variable.

The evidence suggests that longer distance mainstream programme bending – that is where mainstream public expenditure was diverted into a local authority area, a Training and Enterprise Council (TEC) area, or a health authority area as a direct consequence of an SRB scheme within a part of one of those areas – has been the exception rather than the rule and has consequently been relatively small in magnitude.

Short distance bending of programmes (where public expenditure is diverted from one local area to another within a local authority, TEC or health authority area) has occurred frequently and has been of more importance quantitatively. SRB has also provided an invaluable framework for building regeneration projects involving matched funding.

For mainstream programmes, mainstream programme bending across local authority district boundaries accounts for £7.4 million out of a total mainstream spending of £152.2 million. Programme bending within district boundaries is significantly higher at £44 million. More information on financial bending can be found in table 8.2 of the report.

## Improving mainstream bending in the future

Local authorities have shown some ability and willingness to target spending within their areas. However, the evidence indicates that the ability of other mainstream providers to focus budgets to meet the needs of deprived areas is limited reflecting the rigidity of existing mainstream funding priorities at the local level. The key constraints to mainstream bending include statutory limitations in relation to objectives ie funding can only be contributed to projects which directly match objectives; departmental regulations, procedures and targets dictated centrally and rationalisation of mainstream delivery.

## Turning areas around: The results of SRB

The evaluation examined each of the main outcome areas of:

- environment/housing;
- business regeneration;
- training and employment;
- education and youth;
- community development;
- crime and safety;
- health.

These were explored in seven case study areas where the SRB programme funding operated for a considerable period of time, although clearly not all outcome areas received the same attention in each.

### Impacts on final outcomes

During the research, the team used social and beneficiary surveys to investigate the extent to which SRB had been able to improve quality of life in the case study areas. Table 2 summarises the results of the baseline survey (undertaken at the beginning of the evaluation in 1996) and the follow-up surveys. For each outcome the results were assessed for the 'average' result for the seven areas and then the 'worst' estate/locality. The change was compared with national changes.

The areas chosen for social surveying were those that had been subject to a holistic package of regeneration measures, although the attention given to individual components of regeneration varied. There are significant conceptual and measurement problems that suggest it is best to exercise caution in interpreting the relationship between the programme and the measurable outcomes. Moreover, it is not argued or expected that all areas respond by outcome theme in the same way.

The scale and direction of the net outcome changes reported below support the view that SRB made a small but valuable contribution to improving the well-being of residents across a number of the social, economic and physical indicators.

**Table 2: The breadth and depth of social exclusion and the changes since 1996-1999/2001**

	Baseline Results 1996 (%)			Change 1996-1999/2001		Relative to National Change	
	Worst estate/locality	Average of 7 areas	National average	Worst estate/locality	Average of 7 areas	Worst estate/locality	Average of 7 areas
<b>EMPLOYMENT</b>							
Working full or part time Head of Household (HoH)	29	41	57	6	3	3.5	0.5
Unemployed (reg & not reg) (HoH)	17	10	5	-3	-4	-2.5	-3.5
Economically inactive (HoH)	38	28	10	2	-1	2	-1
Long term sick	13	9	6	-2	0	-0.75	1.25
<b>INCOME</b>							
% income below £100 a week (resp/spouse)	49	37	19	-18	-12	-15	-9
% on Income Support, Unemployment Benefit, Incapacity benefit (household)	76	67	74*	-14	-9	-9.5*	-4.5*
% on Income Support (household)	42	26	19	-11	-5	-4	2
% on Housing Benefit (household)	58	34	19	-12	-2	-10	0
<b>SOCIAL CHARACTERISTICS</b>							
% of lone parents	26	13	6	-5	-1	-6	-2
% of in social housing**	91	46	22	-11	4	-9.5	5.5
<b>PERCEPTIONS/SATISFACTION</b>							
Very dissatisfied with area	28	13	3	-11	-3	-12	-4
Very dissatisfied with dwelling	23	9	2	-10	-4	-10	-4
Area very unsafe when walking alone after dark	27	16	11	-6	-3	-7	-4
Likely to move	46	22	17	-15	-4	-18	-7
Do not feel closely involved with the community	79	70	-	-6	-5	na	na

\*Households in which at least 1 member is in receipt of any benefit. (HoH – Head of household) \*\*Social housing is accommodation provided by local authorities and Housing Associations.

Sources: MORI social survey, 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), Family Resources Surveys 1995/6, 1998/9, 1999/2000

## **In summary, the key findings from the social surveys are:**

### **Incomes**

- There was a statistically significant increase in households earning over £300 per week.
- There was a statistically significant fall in those claiming Income Support.

### **Employment**

- There was a statistically significant increase in those employed full-time.
- The proportion of those unemployed fell for all the SRB areas at a slightly sharper rate than the nation, bringing the overall figure down to 6 per cent by 2001.
- The employment rate increased at a rate slightly above the national average.

### **Satisfaction with accommodation and area**

- Satisfaction with accommodation increased significantly bringing it very close to the national average. Correspondingly, levels of dissatisfaction fell. There was increased satisfaction with the area against a pattern of national decline.
- Most area-based problems considered 'serious' had gone down in severity and compared favourably with national change.

### **Local area as a place to bring up children**

- There was a statistically significant increase in parents believing the local area was a good place to bring up children. The trend was up on the national trend.
- Perceptions of the area as a bad place for bringing up children were also reduced by a significant 6 per cent compared with a 2 per cent reduction for England.

### **Community involvement**

- Across the SRB areas there was a significant increase in the proportion of those feeling closely involved with the community.
- There was a significant rise in those agreeing they could rely on friends/relatives locally for advice or support.

### **Crime and safety**

- It was encouraging that the SRB areas overall showed an increase in the number of people feeling very or fairly safe walking alone at night in their local areas. In contrast the national trend showed a slight decrease.
- There was a drop of 4 per cent in those feeling very unsafe/did not go out along in area after dark which was against the national trend.

## Health

- Overall, the results showed a reduction in those considering themselves to be in good health and an increase in people in bad health, suggesting a considerable widening in the gap compared with the British average. The SRB case study schemes did not have a large health component in improving final outcomes in deprived areas.

In summary, changes to the physical environment and housing feed through fairly quickly into resident satisfaction with an area and perceptions relating to satisfaction with an area as a place to bring-up children also change fairly readily.

Incomes in the study areas have converged relative to relevant benchmark indicators and although it is difficult to be precise as to the contribution of SRB in this respect, it is an encouraging result in areas that had been so deprived for such a long time.

However, employment change appears more difficult to achieve<sup>7</sup>. In the seven case study areas the total SRB expenditure on training and employment was £6,920,000, producing net outputs of, among other things, the creation of 182 jobs and 1804 residents accessing employment through training/advice. The total SRB spend on business regeneration in the seven areas was £6,568,000. This led to net outputs of, among other things, the creation of 1629 jobs, advice given to 3744 businesses and 747 business start-ups. However, when set against expenditure and net outputs, the changes in unemployment in the case study areas do not provide a clear picture of the impact of SRB projects. Although there was a relative improvement by the end of the study period, the seven areas combined still had an employment rate some 22 per cent points lower than the England average, on a par with the 'all deprived' England average. In Chalkhill, as the SRB scheme came to an end, the employment rate remained some 34 per cent below the England average and 13 per cent below the 'all deprived' area average.

## Turning areas around: the role of migration

The interpretation of outcome change is complicated by movement into and out of the area, as the movers (out-movers) may differ in some significant way from those staying<sup>8</sup> or from those moving into the area (in-movers). These differences can serve to disguise the impacts of regeneration programmes<sup>9</sup>.

<sup>7</sup> One issue to bear in mind is that when jobs and indeed training places are created in an area then some of them will 'leak' out in the sense that they will be taken by commuters and thus do not directly benefit the residents of the deprived area. The research was able to gain some idea of the extent of such effects. It is estimated that 71 per cent of the net jobs created went to current residents in the SRB areas. The general 'rule' that emerges is that every two jobs created for local people is reflected in a job for a resident from a surrounding area (a ratio of 2:1). Training 'leakage' is usually higher with 1:1 being a common outcome.

<sup>8</sup> Throughout the analysis, the people staying are described as the 'panel'.

<sup>9</sup> If 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. (For more detail please refer to the report, Chapter 16).

There was considerable movement in and out of the SRB case study areas – at the rate of about 30 per cent per decade. The evaluation did conduct a comparison of characteristics of the baseline survey panel (1996) against those from the panel that subsequently moved out of SRB areas, and with those that moved in (1999). The intention had been to track outmovers to conduct further analysis, but it proved too difficult to track sufficient numbers to produce reliable data.

A comparison of the characteristics of outward movers with those of inward movers did not reveal many differences of statistical significance. Rather, the larger differences were between the panel sample and both in and out-movers. Compared with the panel, both in-movers and out-movers were more likely to be in the younger age groups, likely to be in rented accommodation, economically inactive and lone parents.

See the Table below for more detail.

**Table 3: Key characteristics of outward movers and inward movers compared with the panel sample (%)**

	All movers		
	Panel sample 1996	Outmovers* 1996	Inmovers* 1999/2001
1 person households	22	27	22
5+ person households	10	13	10
Lone parent family (with dependent children)	9	13	16
Age 65+ (Head of Household)	26	15	8
White	93	93	89
Age (Head of Household):			
18-34	18	36	52
35-44	20	26	24
45-64	36	22	15
65+	26	15	12
Owner occupied housing	61	37	38
Rented housing:			
Local Authority	80	86	42
Housing Association	11	7	20
Private	8	7	38
Employed (full and part-time)	42	47	51
Unemployed	7	13	8
Economically inactive	20	25	29
Retired	29	14	10
No qualifications	54	48	34
Income support recipients	21	30	24
90% benefit income	31	47	30
Income below £100 per wk (respondent/partner/ spouse)	31	35	28
Satisfaction with accommodation	87	81	82
Satisfaction with area	74	69	70
Area very/fairly safe	41	37	48
Feel closely involved with community	32	25	21

\*Excludes Chalkhill

### **Outputs, additionality and value for money**

The net additional public expenditure associated with SRB includes SRB spend and any mainstream funding bent into the target area due to SRB. Taking all case studies together, on average 52 per cent of public spending going into the SRB target areas from within that local authority area was judged to be additional, with the proportion falling to an average of 43 per cent when considering spending going into the local area economies (defined by LA District/LSC area). There is considerable variation around these averages. More detail can be found in section 9.5 of the report.

Some of the key findings from the report (Chapter 9) are presented in the table below, indicating what can be achieved for every £20,000 of net additional public expenditure:

**Table 4: Net additional benefits in the 20 case study areas for every £20,000 of net additional public expenditure**

<b>Net additional Benefits</b>	<b>Target area</b>	<b>Local economy</b>
Number of jobs created/safeguarded	0.8	0.7
Number of pupils with enhanced attainment	13.4	11.9
Number of people trained with qualifications	1.6	1.4
Number of people accessing employment through training	0.4	0.4
Numbers from disadvantaged groups being targeted obtaining employment	0.03	0.03
No. of young people receiving personal/social development	4.6	4.1
Number of new business start-ups	0.1	0.1
Number of businesses advised	0.6	0.5
Number of dwellings completed/improved	0.3	0.2
Hectares of land retained/improved	0.02	0.02
Number of community safety beneficiaries	19.1	16.9
Numbers using additional health, sports, cultural facilities	31.9	28.3
Number of voluntary community groups supported	0.3	0.3
Number employed in voluntary sector	0.5	0.5
Number of child-care places provided	0.09	0.1

*Source: Department of Land Economy*

*PM Dataease database based on Delivery Plans of the 373 SRB schemes from rounds 1 and 2.*

As can be seen in the table, net additional benefits achieved for every £20,000 of net additional expenditure at the local economy level are lower than those achieved for the target area, as displacement is higher in the former. The difference in displacement levels can be illustrated by thinking about the creation of jobs. For example, if a certain number of jobs are created within an SRB target area (which is usually a relatively small local area consisting of a number of wards) it is quite unlikely that these jobs will displace others that would have been created within that same area anyway. However, if considering jobs created by SRB (within the target area) it is more likely that they will displace other jobs that would have been created within the local economy (local authority area) anyway, without SRB.

A full description of the framework used to assemble the evidence on activities, outputs, outcomes and expenditure is described at length in Annex (1) to the report.

## Annex A

### **PREVIOUS OUTPUTS FROM THE NATIONAL EVALUATION OF THE SINGLE REGENERATION BUDGET PROGRAMME**

Brennan A, Rhodes J and Tyler P (1999) “The distribution of the SRB Challenge Fund expenditure in relation to local-area need in England”. *Urban Studies*, Vol. 36, No. 12, pp. 2069–84.

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Department of Land Economy (1997) *The evaluation framework*, Discussion Paper 83.

Department of Land Economy (1998) *Expenditure in relation to local area needs in England*, Discussion Paper 91.

Department of Land Economy (1998) *Key results from the residents’ baseline social surveys*, Discussion Paper 100.

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

Department of Land Economy (1999) *An examination of baseline issues*, Discussion Paper 109.

Department of Land Economy (1999) *First final evaluation of three SRB short duration case studies. (Northumbria Community Safety, Brent and Harrow and Limes Farm Estate in Epping Forest District)*, Discussion Paper 111.

Department of Land Economy (2000) *Second final evaluation of two SRB short duration case studies (Engineering in Education in the West Midlands and the West Cornwall Initiative)*, Discussion Paper 114.

Department of Land Economy (2002) *Answering the really difficult questions: the role of local social surveys in assessing the impact of regeneration initiatives*, Discussion Paper 121.

Department of Land Economy (2002) *Evaluation of the Single Regeneration Budget Challenge Fund: summary household survey results 1996-1999*, Discussion Paper 122.

Department of the Environment, Transport and the Regions (1998) *A partnership for regeneration – an interim evaluation*.

Department of Transport, Local Government and the Regions (2002) *Lessons and evaluation evidence from ten Single Regeneration Budget case studies – Mid Term Report*.

Rhodes J, Tyler P and Brennan A (2003) *New developments in Area-Based Initiatives in England: the experience of the Single Regeneration Budget*. *Urban Studies*, Vol. 40, No. 8, pp. 1399–426.

## Further Information

Further information is contained in the full report, *The Single Regeneration Budget : final evaluation*, which is available via the University of Cambridge website:  
[www.landecon.cam.ac.uk/research/reuag/uars/projects/urgsrb.html](http://www.landecon.cam.ac.uk/research/reuag/uars/projects/urgsrb.html)

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