REGENERATING LEFT BEHIND PLACES: LESSONS FROM THE PAST

Professor Pete Tyler

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**Introduction**

- Research commissioned by Local Trust to ‘test’ the hypothesis that local area initiatives with certain characteristics can successfully bring about positive economic change in Left-Behind places;
- Learn lessons from British regeneration policy;
- Interpretation of economic change; **Broad** perspective considers the full range of place and people outcomes that sum to influence the attractiveness of the neighbourhood as a place to live and work. **Narrow** perspective has focused on indices of economic deprivation;
- Review of literature and consultation with experts in regeneration;
- Draw out key characteristics of delivery and what worked;
- Key messages for new policies to assist Left Behind Areas
Left Behind Areas: The Nature of the Problem
General perceptions of problem in the light of the evidence base

The view is:

- A weakened economic base
- Large concentrations of unemployed and socially disadvantaged residents
- Often physical deterioration/poor environment

Once underway the problem has a momentum of its own passing from one generation to the next-cumulatively unbalanced nature of decline. Imbalances between supply and demand

Why do adjustments not occur and imbalances go away? Problem has fixity in the landscape and appears resistant to solution by market forces and orthodox policies and main programmes
Rationale for policy intervention

• If the interpretation of the problem is correct government policy is needed to address simultaneously the three components of the problem;
  – To strengthen the economic base
  – To raise the relative labour market competitiveness of the concentrations of unemployed/disadvantaged groups
  – To improve housing, the environment and, crucially, the connectivity and interaction of the area to its surrounding areas
• To achieve any one or even two of these is usually not sufficient for a permanent long-term solution
• Small achievements in securing one of the three policy objectives can easily be offset by further deterioration in circumstances relating to the other two
Leave it to the Market!

• The notion that the operation of market forces on their own will regenerate Left-Behind areas within an acceptable timescale is mis-guided. Trickle-down is often very weak and this is precisely the problem-the area is not interacting well with the economy around it;

• There is a need to help to correct the adverse impact of market forces and this forms part of the rationale for regeneration programmes.
Mainstream government intervention fails because:

- Poor targeting to deprived areas. A lot of funding targeted on population basis taking little account of special needs of those in Left Behind areas;
- Lack of incentives and opportunities for residents of Left Behind to move from welfare to work;
- Poor take-up of programmes by residents of in England’s most deprived Left-Behind neighbourhoods. SRB Evaluation found that in some local areas only 2% of working age residents had participated in Government training schemes, even though some 61% of working age head of household were unemployed or otherwise economically inactive. Too many not job ready.
- Poor co-ordination of mainstream programmes at national, regional or local levels.
Some key considerations in the debate would seem to be;

Most Left Behind areas have;

• severe deprivation in breadth and depth

• All aspects of life are affected - educational attainment, crime and safety, housing, jobs, skills; the environment and health. Benefit dependency is very high, employment is low.

• Main factor is that the majority of the local community are deprived - so that social exclusion and the welfare implications affect not just individual households but the whole area.

• Problems interact with each other, an adverse cumulative momentum builds-up so that the areas acquire a poor image and residents become resigned to the difficulties and tolerate what develops into a social exclusion culture in which area becomes dependent on the state for income.
British Regeneration Policy

From the late 1970s there was a significant increase in the number of Area Based Initiatives (ABIs) used by Government to regenerate areas that were experiencing relative decline.
Evolution of policy as it relates to Left Behind areas

• City Challenge/ Single Regeneration Budget in 1992, central government encouraged local stakeholders (local authorities, community groups, the voluntary and private sector) to come together in *partnership* to deliver more area based *holistic* models of delivery;

• Increasingly local partnership defined the spatial geometry of intervention, the initiatives they wished to fund, who led the partnership and, importantly, their scale and duration;

• The Single Regeneration Budget dominated the funding of local area based regeneration from the early 1990s for nearly a decade;

• By the late 1990s regeneration policy had assumed two main forms; the first, as reflected in the Regional Development Agency model, focused on addressing the *drivers of growth* at the sub-regional level across England. The drivers included skills, investment, innovation, enterprise and competition.
Evolution of regeneration policy

Second was a move to neighbourhood-based regeneration. The approach adopted by New Labour (NSNR, 1998) was based on:

- delivering initiatives to neighbourhoods of around the 4000 households, although there could be considerable variation;
- local empowerment in that local residents and businesses should have some degree of decision-making power and control in identifying need and the allocation of resources, but it was recognised that there had to be a basic level of local institutional infrastructure to deliver this;
- achieving sustainable outcomes but it was recognised this required long-term commitment (10-20 years);
- ensuring extensive boundary spanning across multi-levels of government responsible for the delivery of core services and;
- the neighbourhood should be better linked into, and appreciated by, the wider economic system of which it was a part.
New Deal for Communities; neighbourhood based regeneration

- Delivering strategic change through the implementation of ten year programmes to transform the 39 area with the average population being **10,000 people** (around 4,000 households);
- Close gaps between the relatively deprived localities and the rest of the country; with the emphasis on holistic regeneration that embraced the key outcome areas of housing and the physical environment, worklessness, crime, health and education;
- Adopting a partnership based model with local communities at the heart of the process of transformation. Community engagement and involvement designed to achieve increased self-confidence, enhanced participation in voluntary activities, boosting community capacity and infrastructure with residents involved as board members, and devising and running projects;
- The Partnerships were expected to engage with partner agencies in order to help transform the delivery of services to NDC residents and to locate their strategies within, and through their interventions contribute to, the wider evidence base on neighbourhood renewal.

NDC provides a good model to assess the strength of the basic hypothesis
What was achieved?
Evidence from NDC
(NDC volume 3. Making deprived areas better places to live; evidence from the NDC programme volume 3 national evaluation).

• Over the period 2002-2008 NDC areas experienced improvement in 32 of 36 core indicators, spanning crime, education, health, worklessness, community and housing and the physical environment;

• For 26 of the 27 indicators the differences were statistically significant. The greatest improvements were for indicators of people’s feelings about their neighbourhoods; NDC residents recognised the change brought about by the NDC programme and are more satisfied with their place as a place to live’.

• Evaluation report: ‘There has been considerable positive change in the 39 NDC areas; in many respects these neighbourhoods have been transformed in the last ten years’.
Overall impact

- In general community empowered partnerships that had adopted a strategic holistic approach were able to achieve positive change on the broad definition encompassing place and people based indicators;
- Across the economic, physical and social indicators success is greater in relation to place related aspects than people related aspects;
- On average, relatively small, but significant improvements in place related outcomes;
- The case for partnerships being involved in holistic approaches to regeneration thus tends to find support;

‘There is support for holistic approaches towards regeneration; spend and change in some outcomes is associated with change in others’ (CLG, 2010).
Economic impact

- In case NDC there was no evidence for statistically significant positive net additional change in levels of *worklessness* for the neighbourhood population in aggregate, although there were impacts on specific communities, individuals and groups of residents in the neighbourhoods concerned;

- Individual project evidence pointed to *significant impacts on individuals and businesses* in the target areas, particularly in enhancing employability and business development, but in the aggregate change statistics the numbers tend to be *swamped* by other changes.
Variation by Partnership

- Evidence showed that there is considerable variation in the achievement of partnerships that conform to the basic model. Thus, in the NDC programme there was considerable variation in performance and the evidence showed that the best performers were able to;
  - Achieve a significantly greater increase in the percentage of residents involved in regeneration activities and a significantly greater increase in the percentage of residents involved in NDC activities;
  - Had more ethnically diverse populations; and higher proportions of residents in social housing at the beginning of the intervention;
  - Had larger, growing populations;
  - Were situated in a Local Authority District that had a higher density of jobs.
Overall

• Strong evidence that community based regeneration initiatives require time to build capacity;

• A geographic focus of a round 10000 is helpful, although there is evidence that a slightly larger catchment would be a better fit with some service providers;

• In light of the evidence community based interventions suitably resourced can bring about positive change broadly defined.
Limitations of neighbourhood regeneration policy
Limitations......

- Unrealistic expectations about what could be achieved;
- Poor appreciation of the problem and how it was changing;
- Area based regeneration only operated at the margin to bring about change;
- Differences in ability to lever resources from public/private sector so that required thresholds could be attained;
- Thus, often insufficient leverage given the scale of the challenge and the linkages that exist between the declining area and its surrounding economy;
- Mixed success in getting business/mainstream service providers and households to put more investment into under performing areas;
- Incentivisation has often been too weak, too diffuse or insufficiently targeted;
- Insufficient attention given to capacity to deliver;
- Inadequate understanding of how places relate to other places and the dynamics of the local economy;
  - Displacement;
  - Leakage;
  - Population churn
Limitations (continued)

The relevant outcomes have not changed enough;
As a result;

• Business/residents have remained disillusioned (policy seen as a ‘quick fix’);
• External perceptions remain adverse;
• Unattractive place to acquire housing;
• Public sector intervention consigned to defensive expenditure, in some places public sector response continues to be overwhelmed by the breadth and depth of the problems.
Neighbourhood based regeneration model......

- Works less well in integrating neighbourhood with organisations responsible for local economic development in the wider local area.
- Producing enough economic integration remains a significant challenge as discussed in the next section.
Moving policy forward in a Post-Brexit world

A clear message from the recent Brexit vote it is that there are deeply embedded economic imbalances that are provoking division in British society. The case for sustained government commitment to invest in left behind areas is clear. Ways have to be found to enhance the levels of opportunity available to residents of these areas and integrate them more adequately into mainstream society.
OCSI Community Need Score vs Brexit Vote
Moving forward in a post-Brexit world

- In the face of substantial economic restructuring many areas in the United Kingdom have adapted positively to economic change;
- Areas that adapt well are able to attract the investment and people that revive their economic fortunes. In these areas regeneration is a relatively painless process because the area has sufficient opportunity relative to its need to bring about positive change;
- This has not been the case Britain’s Left Behind areas where the burden of the past weighs heavily;
- These areas need to transform land uses, overcome dereliction, secure new infrastructure and retrain and re-skill their residents;
- Crucially, the level of economic opportunity in the areas concerned has to be increased and their connectivity to economic opportunity in the wider local economy.
Moving Forward

• Currently no national spatial strategy and new initiatives like the recently announced Stronger Towns Fund and the proposed Local Prosperity Fund are being considered against a backdrop of many years of austerity and public sector cuts;

• Research supports a neighbourhood place based approach to addressing the needs of left being areas, building on a partnership based model often with community involvement;

• There is a considerable body of evidence as to how new initiatives might build on past experience and overcome well known limitations with previous models. Much Best Practice and specific project based activities that have been successful;

• Place based partnerships are important in encouraging the required boundary spanning;
Moving forward in a Post-Brexit world

- Strong consensus that local residents in relatively deprived, left-behind areas, should be enabled to make an effective contribution to the provision of local services, including those relating to economic development, that impact on their quality of life;

- Requires basic level of social or civic infrastructure in place to enable local people to have decision making power and control over resources, identify their own needs and opportunities and design their own solutions;

- But, new initiatives must seek to integrate the neighbourhood better into the wider economic system from which they have become increasingly dislocated;

- Have to share more in the economic growth occurring in their wider local economy.
A Total Place approach

• Core requirement of a community based approach is to understand how the flows of economic activity and public expenditure in the wider economy can be bent to support the needs of the deprived area and its residents. **A Total Place** approach is required;

• a Total Place approach to regeneration as it affects the targeting and focus of public expenditure on deprived areas underpinned the early thinking behind the Single Regeneration Budget in England in the early 1990s;

• In the Single Regeneration Budget, the ‘budget’ element emphasised that if there was to be a sustainable improvement in the wellbeing of an area then the budgets of all of the mainstream service providers, would have to be focused on the particular needs of the deprived area for some considerable period of time.
Linking the Left Behind Area into the Wider Economy

- Clearly identified pathways by which community organisations/groups can become involved in the work of the relevant mainstream service providers and agencies responsible for local economic development;
- Requires careful understanding of the particular context of deprived areas and how they are linked into the wider sub-regional and regional context;
- Fundamental audit of the place and people based assets of the area (including land, property and relevant core anchor institutions) and;
- A clear understanding of how the quality and quantity of mainstream service provision is determined in relation to the needs and priorities of residents;
Stronger Town Regeneration Budget

- Funds from the proposed Stronger Towns Fund allocated to Community based partnerships;
- Focus on the development of an enterprising place agenda for Left Behind areas. The allocation model could be similar to that adopted under the Single Regeneration Budget;
- A Stronger Town Regeneration Budget would highlight how relevant mainstream expenditures could be ‘bent’ systematically over time to assist the Left-Behind area;
- The funds provided through a SRB approach could help to lever funding from new Community Based Wealth Funds, particularly when it comes to supporting business start-ups and even scale-up as relevant;
- A core objective would be to ensure that each Left Behind area had an ambassador or community economic development officer who could work closely with local councillors to promote and advance the interests of the area and its representatives with the LEP and other relevant agencies.
Business Mentors for Left Behind Areas

• Moreover, England is lacking effective *local* business engagement models and lobby groups relative to the position in other countries like Germany. There is often little effective representation of business in the community;

• The consequence of this in many of Britain’s most deprived areas is that there are often weak links between local business and the community and this inhibits the development of a combined agenda that promotes the interests of both business and the community;

• The evidence points firmly to a role for business mentors to represent the community and local businesses, building links and providing a connection between bodies such as LEPs and local community groups. Community based enterprises have also tended to play an important role in connecting local residents with mainstream services.
Evaluation Reports

- NDC Centre for Regional Economic And Social Research; Sheffield Hallam University. 2005 Interim Evaluation:
- All NDC reports: [http://extra.shu.ac.uk/ndc/ndc_reports.htm](http://extra.shu.ac.uk/ndc/ndc_reports.htm)
- SRB at: [https://www.landecon.cam.ac.uk/directory/professor-pete-tyler](https://www.landecon.cam.ac.uk/directory/professor-pete-tyler)