

# **THE SINGLE REGENERATION BUDGET: FINAL EVALUATION**

by

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with

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# Preface

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## The Single Regeneration Budget Evaluation Unit

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

The evaluation team has also included Steve Stevens, Colin Warnock, Roger Tarling, Susan Johnstone, Roland Lovatt, Christine Tyler, Mark Kleinman, Christine Whitehead and Wendy Russell. 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 5 of this Report. In 1998 the Team produced an evaluation of the Single Regeneration Budget at the interim stage which presented findings of how the SRB partnership-based model of regeneration was working at the local level and what early achievements could be identified. A Mid-Term evaluation report based on the evaluation lessons and evidence from ten SRB case studies was produced in January 2002.

The work was guided by a Steering Group from the Office of the Deputy Prime Minister (ODPM) which comprised Paul Evans, Mike Gahagan, Judith Littlewood, Demelza Birch, Lucy Spurling (Nominated Officer 2005), Angela Ruotolo (2003-2005), Stephen Penlington (2001-2003), 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 Regional Development Agencies, the Government Offices and also the following 20 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 the Report

This Report is structured in three parts:

Part One looks at the evolution of regeneration policy, focusing on:

- Chapter 1: The SRB Challenge Fund
- Chapter 2: SRB in the context of the changing policy response
- Chapter 3: Targeting social need

Part Two looks at the key issues related to tackling regeneration:

- Chapter 4: Partnership working and regeneration structures and how they are changing
- Chapter 5: The involvement of the community and voluntary sectors
- Chapter 6: The role of the private sector
- Chapter 7: The contribution of SRB to thematic issues
- Chapter 8: Bending the mainstream programme and the role of Area-Based Initiatives
- Chapter 9: Scheme outputs, additionality and value for money
- Chapter 10: Joined-up regeneration

Part Three considers turning areas around and the impact of SRB on final outcomes. It includes:

- Chapter 11: Measuring the impact of SRB regeneration schemes on outcomes
- Chapter 12: Environment and housing improvements
- Chapter 13: Business regeneration

- Chapter 14: Training, employment, education and youth
- Chapter 15: Community development, crime and safety and health
- Chapter 16: Turning areas around: migration
- Chapter 17: Main findings

In addition, the Report has four Annexes:

- Annex 1: The Evaluation Framework
- Annex 2: The household surveys
- Annex 3: Answering the really difficult questions
- Annex 4: SRB publications to date

# Executive Summary

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## ***Part One: The Single Regeneration Budget and the Evolution of Policy***

### **Introduction**

- 1 The Single Regeneration Budget came into operation in April 1994 and its key delivery features reflected the evolution of local area based policy over a number of years. SRB was designed to encourage partnership working between those with a stake in local regeneration by acting as a flexible funding supplement to main programmes. However, to get the funding required evidence of the intention that a range of partners wished to work together to deliver a well articulated regeneration scheme. It was part of a package of measures to make Government more responsive to **local** needs and priorities in England, including a unified network of Government Offices (formerly Government Offices for the Regions) and streamlined arrangements in Whitehall for promoting regeneration through a new Ministerial Committee.
- 2 This document is a summary of some of the key findings that have emerged from the Final National Evaluation of the Single Regeneration Budget. The Final Evaluation Report is in three parts. **Part One places SRB within the context of the evolution of regeneration policy in England. Part Two identifies the key issues that have emerged from SRB in relation to the regeneration process. Part Three investigates the impact of SRB on final outcomes and thus its ability to turn declining areas around.** Part One of the Report describes the specific features of the SRB approach to local area regeneration which were:
  - An emphasis on **partnership**, very much the “engine-room” of the SRB approach to regeneration. The argument being that the nature of the regeneration problem often contains diverse and complex features embracing economic, social and physical factors and thus regeneration requires bringing all the relevant partners to the table who have a stake in improving the general well-being of the area concerned. At the inception of SRB partnership working was still in its infancy across much of England;
  - The involvement of other public delivery agents was designed to encourage more **mainstream bending** of resources into the deprived areas. Where possible the involvement of community representation was hoped to facilitate more bottom-up responses;
  - Resources under SRB were allocated at least initially through a Challenge Fund based approach that required partnerships to bid and thus engage in **competition for funding**. The argument was that competition would encourage innovation in regeneration - in essence the players getting their act together. In the context of normal competitive processes this would mean delivering what the market wants. In relation to SRB it meant achieving a regeneration package and the associated outputs and capacity building that met the requirements of the Government Offices as the main delivery agents for the Government of the system in the first four rounds. Inevitably a more overt competitive based approach to delivery begged questions as to whether innovation in regeneration response compromised meeting need;
  - **“Hands-off management”**. Local partnerships have been responsible for the management of their regeneration schemes on the basis of guidance provided by the Government Offices and periodic performance review in the early rounds and the Regional Development Agencies in the last two rounds;
  - **Flexibility**. The SRB programme enabled regeneration 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**. It was possible under SRB to secure funding for **thematic** bids as well as more **holistic** bids.
- 3 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;
  - enhance the quality of life of local people, including their health and cultural and sports opportunities.

- 4 To evaluate the achievements of the SRB Challenge Fund the Government commissioned a National Evaluation of the programme in 1995. The evaluation had three objectives. These were;
- To design a methodology with which to evaluate the process by which economic, social and physical regeneration was achieved through the activities of SRB;
  - 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;
  - To undertake an analysis of those bids and partnerships which sought funding under the auspices of the Single Regeneration Budget but which were unsuccessful.
- 5 A distinguishing feature of the evaluation was the realisation that regeneration does not occur over night and that achievements thus need to be measured over a substantial period of time using new survey and measurement approaches that had not hitherto been used extensively in evaluation work. It was recognised that evaluating SRB with all of its complexities was a conceptually and empirically challenging exercise.
- 6 During the course of the evaluation of the Single Regeneration Budget it was important to;
- Understand more about the nature of the problems in run-down and deprived areas and their causes;
  - Identify the factors that make for successful regeneration and the scope for policy intervention;
  - Identify the contribution that the Single Regeneration Budget and its specific delivery and design features have made to successful outcomes.
- 7 The emphasis was thus on far more than Value For Money considerations. Rather, the focus was on assessing impact according to a whole range of what has been termed wider achievements that embrace the very process of partnership working and regeneration itself. Thus, the framework sought not only to assess the value for money associated with the SRB programme but also to gauge the contribution of SRB according to a number of features that included:
- The changing policy response (**Final Evaluation Report Part One Chapter Two**);
  - Targeting need (**Final Evaluation Report Part One Chapter Three**);
  - Partnership working and success in engaging the community, mainstream, voluntary sector and the private sector in the process of regeneration at the local level (**Final Evaluation Report Part Two Chapters Four, Five and Six**);
  - Developing innovative thematic solutions (**Final Evaluation Part Two Chapter Seven**);
  - Bending the mainstream (**Final Evaluation Report Part Two Chapter Eight**);
  - Scheme outputs, additionality and value for money (**Final Evaluation Report Part Two Chapter Nine**);
  - Joining-up regeneration endeavour across themes (**Final Evaluation Report Part Two Chapter Ten**);
  - Producing sustainable outcomes where the problems of deprived areas are measured according to indicators of the economic, physical and social well being of the area **relative to the nation as a whole** (**Final Evaluation Report Part Three Chapters Eleven, Twelve, Thirteen, Fourteen, Fifteen, Sixteen and Seventeen**).
- 8 The underlying evaluation framework and methodology adopted has been discussed at length and is available on the Department of Land Economy website ([Discussion Paper 83](#)). Over the last ten years the evaluation team has undertaken a considerable body of research that has sought to achieve the evaluation objectives and to assess the overall achievements of the SRB. This research has been disseminated in a number of reports. Some have concentrated on conceptual and measurement issues ([Discussion Paper 121](#)) as well as more substantive issues around the delivery of SRB including the effects of competitive bidding ([Discussion Paper 74](#)). The evidence from SRB was also used extensively by the researchers in a 'Review of the Evidence Base for Regeneration Policy and Practice' produced for ODPM (then DTLR) in 2001 (<http://www.communities.gov.uk>). Overall Summary evaluation documents were produced at the [Interim](#) and [Midterm](#) stage. This Report brings together findings at the Final Evaluation stage.

### *The Characteristics of the Single Regeneration Budget*

- 9 During the first six rounds of SRB a total of 1028 schemes secured SRB funding. Overall SRB funding accounted for almost 22% of total expenditure on SRB schemes. The other 78% 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 there was £4 of other funding. This was an impressive leverage ratio overall. Thus approximately £5.7 billion of SRB has been associated with a total regeneration spend of £26 billion. Regional levels of total expenditure fall generally in line with the proportion of SRB allocated where London and the North West alone account for just over half of total expenditure and 45% of SRB spend (**Final Evaluation Part One Chapter One**).

- 10 Some 42% of schemes received between £1.01m-£5m of SRB each and a further 18% fell in the smallest category of receiving up to £0.5m each. Another 5% of schemes received SRB funding in excess of £20m. 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 over £10m. A third of schemes overall have involved over £20m total expenditure 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 £1.01-£5m range in round two compared with 30% in round four.
- 11 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. 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% of all schemes. This 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.
- 12 The research methodology comprised the following key elements:
- An extensive desk-based study of all successful partnership bids in all six rounds of the SRB Challenge Fund;
  - An analysis of unsuccessful partnership bids selected from the bids for the first two rounds;
  - The selection of 20 case study partnerships<sup>1</sup> 12 of which received funding from the first round of SRB and the remaining 8 funded from round two. The 20 case studies were selected to feature a range of characteristics that would reflect other SRB schemes;
  - The construction of an extensive baseline in certain of the case study sample areas and certain other areas used as controls. The research approach was to update the baseline indicators at specific times in the future when the SRB partnership regeneration scheme had been operating in the area concerned for some time. The baseline was calibrated by:
    - drawing upon information from a range of published and unpublished sources. This included Census of Population information and material held by the case study partnership;
    - an extensive survey of households in seven of the case study areas (as indicated in footnote 1). These surveys concentrated heavily on social factors on which data from other published and unpublished sources is relatively scarce at the level of geographical resolution required.
  - An extensive range of interviews with the key players involved, including the Government Offices, the RDAs, local and central government, the voluntary and community sectors.

### SRB in the context of the changing policy response

- 13 Area-Based Initiatives (ABIs) were deployed more extensively in Britain's inner cities from the early 1980s onwards. The former Department of the Environment (DOE), now Department for Communities and Local Government (DCLG)<sup>2</sup>, 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 Department of the Environment 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 respect<sup>3</sup>.

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| Northumbria Community Safety         | Bristol 2020                                      |
| West Midlands Industrial Club        | Merseyside Learning Partnership                   |
| Limes Farm                           | Swadlincote Woodlands (social survey)             |
| West Cornwall Initiative             | Sth Leytonstone Community Partnership             |
| Brent & Harrow                       | Regenerating Central Brighton                     |
| Hangleton Knoll (social survey)      | City of Sunderland (social survey)                |
| Chalkhill Estate (social survey)     | Hull CityVision                                   |
| Lancashire Manufacturing Partnership | Nottingham Capturing the Dynamics (social survey) |
| Canalside Rochdale (social survey)   | Woolwich Development Agency                       |
| Regenerating Wolverhampton           | Royds Bradford (social survey)                    |

<sup>2</sup> Previously the Office of the Deputy Prime Minister (ODPM), Department of the Environment, Transport and the Regions (DETR) and Department of Transport Local Government and the Regions (DTLR).

<sup>3</sup> DETR (1998) *Regenerating London Docklands*. London: DETR.

DETR (1998) *Urban Development Corporations: Performance and Good Practice*. London: DETR.

- 14 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 Department of the Environment 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 Department of Environment 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. 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.
- 15 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 ODPM and other Government department policies. See **Final Evaluation Part One Chapter Two** for further detail.

### **Has SRB targeted social need?**

- 16 The evidence is clear. Over six rounds SRB has in practice been responsive to local need. Around a third of all SRB expenditure was targeted towards the top 20 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 expenditure. The top 99 most deprived districts received 80% of SRB funding and it is safe to assume that these funds were applied to pockets of deprivation in otherwise non-deprived districts. The geographic flexibility of the SRB approach is to be compared with previous initiatives. Urban Development Corporations (UDCs) targeted in only 16 or so District Areas, Enterprise Zones (EZs) in which 40 Districts were direct beneficiaries, City Challenge with less than 30 Districts and Urban Programme in which 57 Districts were assisted. All of these had fixed boundaries, so that only a small minority of Districts, irrespective of relative need, received nothing. SRB has been a flexible responsive approach to tackling local area regeneration across the whole of England, whilst in broad terms, not compounding the targeting of resources in line with overall need. It has meant that in some cases regeneration players have been able to secure funding for areas that were beginning to show the first signs of distress and thus act before the problem became too entrenched. (**Final Evaluation Part One Chapter Three**).

## **Part Two Tackling Regeneration: The key issues**

### **Features associated with attainment of good partnership working**

- 17 A central feature of the SRB approach to regeneration has been the emphasis on partnership working whereby interested parties come together at the local level to produce a regeneration scheme. The objective has been to tackle multiple deprivation in targeted areas of need and thus to work across traditional mainstream delivery programmes. It has been a feature from the outset that the number and range of partners represented in the partnership could vary considerably and that the lead partner could be from the public, private, community or voluntary sector.
- 18 The evidence points to substantial benefits to the process of regeneration as a result of the SRB partnership model. Partnership working under SRB has bedded in well and most players have understood what was required to achieve good partnership working, even if experience varied significantly in relation to actual attainment. The Main Report describes in greater detail the key mechanisms that stood out as being of importance under the partnership model relative to single agency delivery (Final Evaluation Part Two Chapter Four).
- 19 Whilst partnership-based delivery vehicles carry with them substantial advantages over single agency-based approaches in delivering regeneration the effectiveness of the partnership can vary substantially.

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DETR, 1998, *The Impact of Urban Development Corporations in Leeds, Bristol and Central Manchester*. London: DETR.

Tyler P (1993) "Enterprise Zones: the British experience". *International Economic Insights*, Vol. 4, (3)  
 Department of the Environment (1995) *Final evaluation of Enterprise Zones*, by PA Cambrigde  
 Economic Consultants in association with Richard Ellis and Gillespies, London: HMSO

There is no one-size-fits all ground-rule and relative good or bad practice is not associated with any specific structural characteristic like lead partner, objective or size. Rather, it is more to do with how it organises and manages itself and its ability to produce a strategy that enhances the core competences of the area and its residents. It takes time to establish and build partnerships. There are the nuts and bolts issues of obtaining a physical base, recruiting staff and establishing governance structures, as well as monitoring and financial systems - all in themselves sources of significant problems for new and developing partnerships. However, there are also matters relating to trust, confidence and the establishment of goodwill that are also not easy to establish and take considerable time. These 'set-up' costs may be very significant indeed.

- 20 The benefits from partnership working under SRB were examined at different points in time to help understand not only the type of benefits that might arise from partnership working but also how partners perceive them to have changed over the lifetime of the partnership and thus the general life-cycle of partnership behaviour. At the time of the interim evaluation, broadly two to three years into the lifetime of the regeneration schemes, partners were asked to identify whether they believed regeneration benefits were higher than if regeneration had been delivered through a non-partnership-based approach. The objective was to establish a 'baseline' perception from amongst the partners indicating the strength of partnership working and what key mechanisms were believed to be capable of adding to the regeneration product. To see how these partnership-working effects changed from this 'baseline' point to the position at the final evaluation stage was also examined.
- 21 The evidence indicated that at the baseline position, depending on the key mechanism considered, somewhere between a third and a half of the case study partnership respondents believed there were 'zero or negative' benefits from the SRB partnership-based model of delivery relative to the non-partnership approach. However, by the time of the final evaluation the position had changed quite considerably. Virtually all partnership mechanisms were felt to be contributing something to the regeneration product relative to the alternative position. It was of particular interest to note a relative improvement in the avoidance of duplication, indivisibility, scale and critical mass elements.

#### *Factors that make for good partnership working*

- 22 The best regeneration partnerships under SRB achieved good partnership working by avoiding missing-out partners if it was at all possible, or at least ensured that the partnership scheme had access to the missing partners through a link to a wider more strategic local partnership on which they were represented. They also sought to avoid having dominant partner(s) who often take control of key decisions since not only does this mitigate against good partnership working 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. **(Final Evaluation Part Two Chapter Four)**
- 23 It is better to avoid 'arranged marriages' in partnership formation – no matter how convenient they appear to the funding agency in appeasing bidders for scarce regeneration funding. They rarely work and have little likelihood of continuity. Where possible the partnership management and administration structure should build on what already exists, if there is a proven track record, and avoid re-inventing the wheel, thus avoiding the proliferation of partnerships for their 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 in this respect.
- 24 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 the best outcomes are secured when playing to the key strengths of the private sector and it often prefers not to be a lead partner. The community can be an effective lead partner but this usually requires considerable capacity building, often over many years, and in the early years there is often a need to access considerable support from professionals in local authorities and the voluntary sector.
- 25 Whoever leads a partnership it is essential that the partnership identifies its key objectives and how they may 'fit' with the wider goals of mainstream providers in the area. Successful partnerships identify emerging policy agendas at an early stage and seek to work in tandem with them. This is particularly true for thematic bids. Partnerships that require extensive geographical coverage have to ensure representation across areas and it is essential to have a strong secretariat in order to deliver this. Policies designed and drafted at one spatial level (national) need to be customised in their delivery to reflect circumstances on the ground and it is also important to recognise that the incidence of problems like crime can easily be displaced between areas. If such effects are to be minimised it is necessary to have a clear vision in place from the outset.
- 26 Successful SRB partnerships also ensured that they had effective monitoring and review procedures in place, capable of informing partners on a regular basis of progress against scheme targets. Too many

partnerships had monitoring systems that were relatively good at housekeeping matters but weak at providing the information needed to make strategic decisions. Such information has to be able to encompass relevant themes (e.g. drugs, enterprise, employability) and relevant geographies as appropriate (neighbourhoods, district, region).

#### *Implications for successor bodies*

- 27 A finding from the research was that if there are strong and well founded partnerships in place, then it is desirable to assess whether these can be used to continue regeneration in the area concerned when the original source of funding finishes. In other words, if core regeneration objectives still remain to be secured, then within reason, the broad format of existing delivery vehicles may well be such that they can continue to be used. This may seem common sense but unfortunately it has become rather too common in recent years to establish new partnership structures whenever a new initiative (and usually an associated funding stream) has emerged from Central Government, the European Commission or elsewhere. The term 'death through partnership' has considerable meaning in many parts of the United Kingdom at the present time!
- 28 Overall, the evidence suggests that even those partnership structures that were regarded as effective delivery agents of regeneration by the end of their original SRB funding underwent significant change as they responded to new needs. As would be expected, those partnerships identified as being effective took a considerable period of time to evolve their working practices, membership and structures. Where effective partnership structures emerged these bodies then went on to attract further rounds of SRB funding. In the best cases they were successful in all further SRB rounds – in itself a measure of the confidence they inspired in the relevant supporting agents. There are thus examples from the SRB case studies of where the core competences of the regeneration partnership have evolved sufficiently to meet the needs, at least in part, of later initiatives like Local Strategic Partnerships.
- 29 Whilst the SRB research demonstrates the merits of building on existing partnership structures that have built a holistic approach to regeneration, perhaps over many years, we should note that partnerships work largely as a result of people on their Boards who are committed to the task in hand and are senior enough to commit the resources of their respective institutions. If the seniority of the people is reduced this will change the whole cutting edge of the partnership and its ability to achieve real change.

#### **Partnership working and the involvement of the community and voluntary sectors**

- 30 After a slow start in rounds one and two, SRB began to encourage more effective community participation in local area regeneration. Building robust community structures and involving local people cannot be achieved quickly, and requires a careful strategy commencing at the pre-bid stage that is enshrined in the bid document/delivery plans that constitute the whole regeneration framework. (**Final Evaluation Part One Chapter Five**).
- 31 Out of 1028 approved SRB schemes in all six rounds only 31 were led by community groups and 93 by voluntary sector organisations. In any event, the evidence from the national SRB database shows that, compared with schemes led by other types of lead partner (e.g. local authority, private sector), those led by community groups and voluntary organisations tended to have below average expenditure and be of shorter duration.
- 32 While voluntary and community groups are key to enhancing the quality of life for local people, they are often poorly resourced, too fragmented to carry out substantive regeneration activity. Although SRB was designed to encourage community involvement in local regeneration, local people did not always possess the knowledge, skills and administrative resources to be effective partners and/or lead on regeneration. Relatively small budgets within SRB (5%-7% of SRB spend) in the early years for capacity building/management and administrative expenses left limited scope and in any event lead partners/accountable bodies tended to retain this element of the funding.
- 33 The Main Report describes a number of issues relating to the ability of SRB to enhance community and voluntary sector engagement (**Final Evaluation Part Two Chapter Five**).

#### **Partnership working and the role of the private sector**

- 34 The Main Report indicates the range and extent of private sector involvement in SRB case-study areas. It shows that 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 the early SRB schemes was very limited, and even when they had been persuaded to join partnership boards, active participation was not guaranteed - just as it would not be guaranteed with any other type of partner, whether public, voluntary or community. (**Final Evaluation Part Two Chapter Six**).

- 35 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 each 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 (though limited) evidence from our case studies to demonstrate that financial involvement by the private sector in SRB is positively associated with these types of project. The Main Report has investigated private sector involvement with SRB in considerable detail.

### **The contribution of SRB to thematic issues**

- 36 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 than the neighbourhood - 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. There are examples of good thematic schemes in relation to both the urban and rural regeneration agenda and these are discussed in the Final Evaluation Part Two Chapter Seven. In the best cases thematic schemes can also improve the degree and quality of inter-agency working and provoke the development of effective sub-regional and regional partnerships.
- 37 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. 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.
- 38 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 the 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 have brought about genuine innovative responses that 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!
- 39 In terms of future practice, there would seem to be a continued need for thematic regeneration schemes particularly in identifying why the mainstream programmes are failing to address the problems and how innovative or good practice approaches may be developed and tested through pilot schemes.

### **Mainstream programme bending and the role of area-based initiatives**

- 40 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 (**Final Evaluation Part Two Chapter Eight**).

- 41 A crucial part of the evaluation of SRB has thus been to assess how far its activities 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.
- 42 For pure mainstream programmes every £1 of SRB funding resulted in the bending of main programmes across District boundaries of a modest 4 pence but between local areas within District boundaries of another 25 pence - some 29 pence in all. If other regeneration programmes are added to mainstream programmes the figures rise to 7 pence (long distance), 32 pence (short distance) and 39 pence (total) respectively.
- 43 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 5% 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 4%. There are thus a number of major implications for policy and these are discussed in the Final Evaluation Part Two Chapter Eight.
- 44 Local authorities have shown some ability and willingness to target spending within their areas. However, the evidence shows 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.
- 45 As we have argued extensively during the course of the SRB evaluation, the nature of the regeneration problem is such that there are multiple interactions that generate a genuine circulation of causes and effects. Determined policy intervention at one point in the cycle is not sufficient because its beneficial effects will be offset by adverse interaction elsewhere – a genuine comprehensive approach is required that drives relentlessly, the actions of the market and the public sector towards the objective of regenerating the area concerned and improving the well-being of its inhabitants.
- 46 Such an approach will only be effective if locally based regeneration activities are combined with action by mainstream spending departments to provide the facilities and incentives for families to break-out of the cycle of multiple deprivation. If mainstream bending is to be increased then there is a need to customise the mainstream response with each provider assessing:
- What works well, rigorously exploring causality between impacts and projects and between impacts and need, understanding the links between regeneration actions and the final impacts on the desired beneficiaries;
  - How cross-cutting impacts between area-based initiatives and mainstream measures can be obtained;
  - How sustainable impacts can be secured with lasting outcomes for areas and individuals;
  - How best to measure the impact of actions and the value that can be placed on these impacts to improve the cost-effectiveness of policy interactions;
  - Recognising the opportunities that exist to co-ordinate benefit regimes and the delivering of mainstream services that seek to help individuals to improve their circumstances;
  - Moves to co-ordinate benefits and job take-up there are difficult interfaces in deprived areas that require customised responses.
- 47 However, the experience from the SRB case studies was that it proved very difficult on the ground to implement this Best Practice. There were a number of reasons for this. They include:
- **Statutory limitations relation to objectives.** 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.
  - **Departmental regulations, procedures and targets.** 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 and 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 TECs in particular were discouraged from contributing to high cost high quality training projects which some partnerships sought to implement.

In this context, local authorities are 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 often 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 housing in Chalkhill, Brent Council faced judicial reviews brought by residents of other neighbourhoods.

- 48 The SRB evaluation research also highlighted in some cases a lack of incentive and of opportunities for residents of deprived areas to move from Welfare to Work as well as poor take-up of programmes by residents of deprived neighbourhoods. Such problems have been exacerbated by poor coordination of mainstream programme spending and the more prosperous areas have managed to exert pressure to maintain their level of relative service provision.

### Scheme outputs, additionality and value for money

- 49 In recent years there has been considerable interest in estimating the impact of 'optimism' bias-that is the extent to which regeneration partners exaggerate the scale of the outputs that they are able to generate from their activities. With this in mind, an exercise was undertaken to assess the variance between forecast and attained outputs in 20 case study partnerships. Table 1 presents the results and shows that in the majority of the themes there was in fact an under-estimation of the actual outputs produced, the exception being the housing theme. Across the case study schemes examined there was similar spread around the mean of the 20 for the jobs, community safety and environmental improvements. The largest spread was under the housing theme, followed closely by economic growth and the community related theme (**Final Evaluation Part Two Chapter Nine**).

| Table 1: Mean and standard deviation of total actual gross outputs as a percentage of forecast |       |                          |
|--|-------|--------------------------|
| Theme  | Mean  | Coefficient of Variation |
| Jobs, training education   | 122.5 | 0.27                     |
| Economic growth  | 130.0 | 0.45                     |
| Housing  | 81.8  | 0.57                     |
| Community safety   | 147.0 | 0.27                     |
| Environmental improvements   | 109.6 | 0.20                     |
| Community related  | 144.1 | 0.47                     |

Source: Department of Land Economy

- 50 One of the requirements of the SRB monitoring framework was for partnerships to record separate output figures for members of the black and minority ethnic (BME) communities within the SRB target area. This was to enable an examination of the extent to which members of such communities benefit from SRB schemes. Obviously, the importance of this assessment depended upon the degree to which the BME communities were 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. Thirteen of the case studies collected these figures enabling them to be assessed as a proportion of total outputs. The BME population represented some 15% of the resident population in these areas taken together. The spread over the range of indicators was quite large, ranging from 30% of actuals achieved with regard to the number of community enterprises set up to only 3% for BME users of improved cultural facilities. There is general clustering between 9-27%. Over a quarter of all those achieving a formal qualification were from the black and ethnic minorities which was higher than had been targeted for this output.

### Value for Money

- 51 The methodology that has been adopted to investigate the Value For Money associated with SRB is set out in the **Annexes to the Main Report**. Some of the key findings from the **Final Evaluation Report Part Two Chapter Nine** are provided here. From Table 2 within the SRB target area for every £20,000 of net additional public expenditure 0.8 jobs had been created or safeguarded, 13.4 pupils had enhanced attainment, 4.6 young people received personal/social development and 19.1 people had benefited from community safety initiatives. In terms of the wider local economy the benefits per £20,000 of net

additional public spend was 0.7 created/safeguarded jobs, 11.9 pupils, 4.1 young people and 16.9 community safety beneficiary beneficiaries. In order to understand these achievements it is helpful to make some comparison with other similar programmes such as City Challenge and London Docklands. As always with any comparison it is important to be aware that care must be exercised as any set of benefits reflect the underlying objectives of the programme that vary from one to another. With City Challenge the cost per net additional job created was around £28,000. The corresponding figure for Docklands was £56,000 with SRB emerging at £25,000.

| <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 accessing employment through training                 | 0.4                | 0.4                  |
| Number of target disadvantaged 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

52 By grossing up from the estimates for the 20 case study areas we can get an indication of the likely benefits generated from the wider programme. The case studies were all from the first two rounds of the programme. Consequently this section grosses up net benefits expected for the first two rounds of the programme based on additionality estimates made for the 20 case study areas. Table 3 below sets out the gross outputs expected for the first two rounds of SRB as estimated using data provided by ODPM derived from the Delivery Plans of all 373 schemes. Using our additionality estimates for the 20 case studies we have made an estimate of net outputs for the target and local area.

| <b>Net Exchequer costs £ million:</b>                    |  | <b>Target Area</b>                       | <b>Local economy</b>                       |
|--|--|--|--|
| SRB  |  | 2236.4                                   | 2236.4                                     |
| Other net public expenditure                             |  | 2270.3                                   | 1877.4                                     |
|  |  | <b>4506.7</b>                            | <b>4113.8</b>                              |
| <b>Programme outputs</b>                                 | <b>Forecast Gross outputs lifetime</b> | <b>Estimated Net outputs Target area</b> | <b>Estimated Net outputs Local economy</b> |
| No. of jobs created/safeguarded                          | 541313                                 | 227793                                   | 186353                                     |
| No. of pupils benefiting with enhanced attainment        | 2898849                                | 1523059                                  | 1247025                                    |
| No. people trained with qualifications                   | 459006                                 | 256638                                   | 206966                                     |
| No. accessing employment through training                | 451649                                 | 281513                                   | 228253                                     |
| No. young people receiving personal/social dev           | 1038188                                | 487452                                   | 399781                                     |
| No. new business start-ups                               | 72777                                  | 30528                                    | 24423                                      |
| Area new/improved business & commercial floorspace (sqm) | 698436                                 | 2971513                                  | 2430942                                    |
| Hectares of land retained/improved                       | 8140                                   | 5331                                     | 4312                                       |
| No. of voluntary/community gps supported                 | 21837                                  | 13632                                    | 1146                                       |
| No. employed in voluntary sector                         | 69782                                  | 39644                                    | 32442                                      |

Sources: ODPM Dataease database based on Delivery Plans of the 373 SRB schemes from rounds one and two

53 Estimates of net additional public expenditure have been based on the projected total SRB and public expenditure amounting to £2.2 billion and £4.4 billion respectively. Using the additionality ratios estimated in the main report (**Final Evaluation Part Two Chapter Nine**) it was possible to calculate net additional public expenditure for the target area and local economy. In the same way this allowed us to reach estimates of net additional benefits from the first two rounds of SRB for every £20,000 of net additional public expenditure. This is set out in Table 4 below.

| <b>Table 4: Estimates of net additional benefits in the first two rounds of SRB for every £20,000 of net additional public expenditure*</b> |  |  |
|---|--|--|
| <b>Programme outputs</b>  | <b>Estimated Net outputs target area</b> | <b>Estimated Net outputs local economy</b> |
| Jobs created/safeguarded  | 1.01                                     | 0.91                                       |
| Pupils benefiting from enhanced attainment  | 6.76                                     | 6.06                                       |
| No. people trained with qualifications  | 1.14                                     | 1.01                                       |
| No. accessing employment through training   | 1.25                                     | 1.11                                       |
| No. young people receiving personal/social development  | 2.16                                     | 1.94                                       |
| No. new business start-ups  | 0.14                                     | 0.12                                       |
| Area of new/improved business & commercial floorspace (sqm)   | 13.19                                    | 11.82                                      |
| Land imp/rec for open space/dev (hectares)  | 0.02                                     | 0.02                                       |
| Voluntary orgs/community gps supported  | 0.06                                     | 0.05                                       |
| No. employed in voluntary sector  | 0.18                                     | 0.16                                       |

\*Due to the fact that it is not possible to satisfactorily estimate the expenditure and associated benefits for each year that the Round one and two schemes were running we have not adjusted expenditure for inflation or discounted the estimates of net additional benefits.

Source: Dept of Land Economy

- 54 Alternatively the achievements of SRB can be considered in respect of the number of schemes. A total of 373 schemes received SRB funding from the first two rounds. Table 5 below sets out the net outputs achieved for every scheme. It shows that on average each scheme target area is expected to create or safeguard around 600 jobs with just 755 residents finding jobs following targeted assistance. Around 37 voluntary and community organisations are estimated to receive support with 14 hectares of land improved or reclaimed for use as open space or development.

| <b>Table 5: Estimated net additional outputs achieved for every SRB scheme from the first two rounds</b> |                    |                      |
|--|--------------------|----------------------|
| <b>Programme outputs</b>   | <b>Target Area</b> | <b>Local economy</b> |
| Jobs created/safeguarded   | 611                | 500                  |
| Pupils benefiting from enhanced attainment   | 4083               | 3343                 |
| No. people trained with qualifications   | 688                | 555                  |
| No. accessing employment through training  | 755                | 612                  |
| No. young people receiving personal/social dev   | 1307               | 1072                 |
| No. new business start-ups   | 82                 | 65                   |
| Area of new/improved business & commercial floorspace (sqm)  | 7967               | 6517                 |
| Land imp/rec for open space/dev (hectares)   | 14                 | 12                   |
| Vol orgs/comm gps supp   | 37                 | 30                   |
| No. employed in voluntary sector   | 106                | 87                   |

Source: Dept of Land Economy

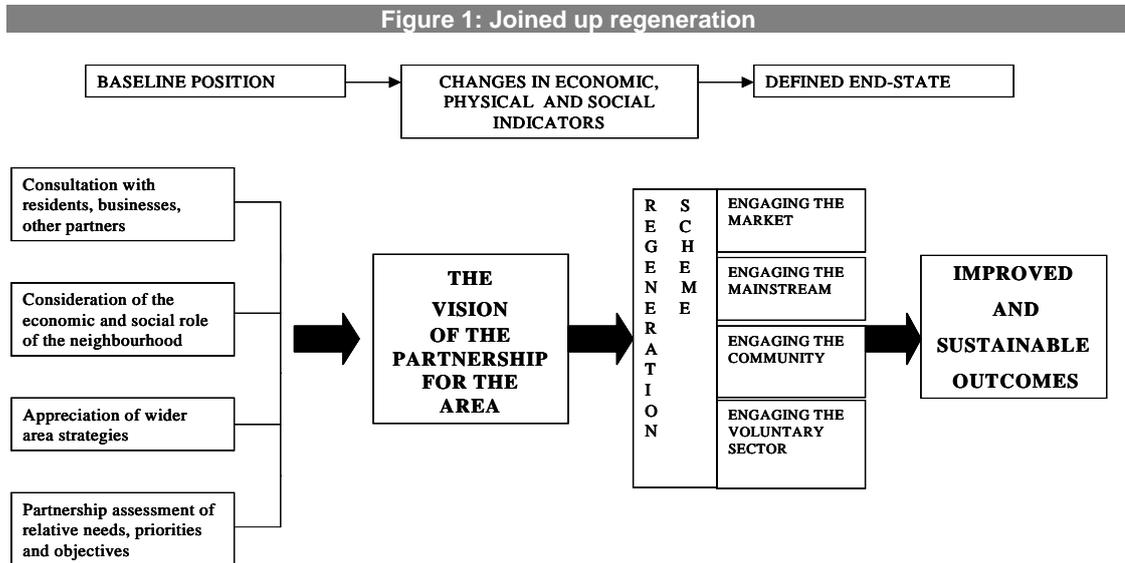
- 55 SRB has been a relatively cost-effective area based initiative. The preliminary evidence is that for every £20,000 of net additional public expenditure under the SRB programme there has been a large number of regeneration benefits created in the local area concerned. The research team has been able 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 that clearly vary one to another.

### **Joined up regeneration**

- 56 During the course of the evaluation of the Single Regeneration Budget the research team were able to build-up a good understanding of the factors that led to sound regeneration and how the SRB approach helped to produce this. There were a number of elements to this. Thus, a good partnership usually produced good regeneration outcomes because the partnership engaged its members in ways that were conducive to producing well thought out and executed actions.
- 57 Other elements, however, related to the ability on the part of the partnership and its members to identify projects and schemes that worked well to overcome the barriers to regeneration in the area concerned and thus produce sustainable outcomes. In some cases these barriers were considerable and required well thought-out solutions to overcome them. It is a fact of life that at any point in time some areas in the United Kingdom will be undergoing relative decline, perhaps due to a number of factors that may include the closure of a large employer. However, many such areas will eventually regenerate again because

they will attract new investment and support that will revive their fortunes. In many areas this regeneration is a relatively painless process because the area has sufficient opportunity relative to its needs to bring about positive change. However, in other areas, for reasons that are discussed extensively in Part Three of the Main Report, the process of readjustment becomes stalled and may require substantial policy intervention to be applied for a considerable period of time if an area is to revive.

58 **Chapter Ten in Part Two of the Final Evaluation** provides examples from our case study work of successful initiatives that helped to contribute to successful regeneration outcomes. In each case the nature of the activity concerned is described, its positive features and what was associated with relative success and the role of SRB support.



59 In describing the projects and actions concerned in the Main Report it was helpful to consider the overall process that characterises the most successful holistic regeneration partnership schemes that were considered in the SRB case studies as in Figure 1. Before the partnership can define its Vision for the area and its residents it is essential that a proper baseline analysis be conducted that involves consultations between all of the relevant parties. The baseline should consider the nature of the economic, physical and social problems that the area faces, relative needs, priorities and objectives and what are the assets or competences of a wide variety that the regeneration partnership has to work with. It is crucial that the partnership considers how the target regeneration area sits within its wider environment and the opportunities for positive linkage.

60 The strategy of the partnership should identify how its work and thus activities over the period concerned will engage with all the principal stakeholders to produce improved and sustainable outcomes and this requires a clear understanding of how to initiate change.

61 During the course of our SRB work we found that the following interfaces are of particular importance:

- Combining physical regeneration (e.g. developing sites, refurbishing buildings) with people related regeneration (e.g. 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.

62 Land and property market interventions will remain central to the regeneration challenge, particularly in the older urban areas. 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.

- 63 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.
- 64 To secure good regeneration schemes the key issues are:
- Pay attention to the opportunity for interactions between themes;
  - Identify the appropriate service areas (i.e. employment, health, crime, education, housing, environment, leisure, community development, transport and shopping) that the scheme is playing to and ensure 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;
  - To identify how the impact of changes to the physical nature of the area (i.e. 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;
  - The need to consider how the projects identified can be co-ordinated to maximise the scheme 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 to the detriment of overall goals and objectives. At the end of the day the objectives should be specified in terms of desired outcomes;
  - The advantages of understanding 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;
  - The importance of considering how difficulties experienced by residents in problems 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 importance of identifying what is the best way in which each of the respective partners can make their contribution;
  - 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;
  - Good project management is about the provision of good quality guidance and information systems. 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;
  - 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;
  - 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. 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.
- 65 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.

### **Part Three: Turning Areas Around: The impact of SRB on final outcomes**

- 66 It has been an integral part of the national evaluation of SRB to understand the difficulties that residents in disadvantaged areas experience and, importantly, to identify why these are not removed by the workings of the market as well as the activities of mainstream service providers. Good policies should address the barriers that prevent turning disadvantaged areas around. (**Final Evaluation Part Three**).
- 67 Our understanding as to what has caused some areas to decline whilst other areas have prospered is inevitably less comprehensive than we would like. Many of the areas that have experienced 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 other research for ODPM the present authors<sup>4</sup> 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.
- 68 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 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 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.
- 69 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 (i.e. Information Technology, Life Sciences etc) and, in the face of this, the older workers have found it hard to adjust to the pace of change.
- 70 In order to turn these areas around, regeneration programmes have to make these places attractive to both people and to industry if they are going to regain their longer-term economic vitality and create wealth and prosperity for those who live there. In terms of bringing about business success they need to deliver a quality of life that is attractive to those people and companies who can help to create this wealth.
- 71 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;
  - Ensure that the residents of the area can increase their respective access to jobs and the infrastructure that is beyond their area as a way of combating the social exclusion that they are experiencing. It may be that if the objective is to break the vicious circle of decline in deprived neighbourhoods, there could be some diversification of social mix through changed housing tenure. 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.
- 72 The approach adopted in the **Final Evaluation Part Three** has been to examine each of the main outcome areas of environment/housing, business regeneration, training and employment, education and youth, community development, crime and safety and health in seven case study areas where the SRB initiative was applied for a considerable period of time although clearly not all outcome areas received the same attention in each. In each outcome area the research examines the nature and the form of the intervention according to the projects implemented and discusses the basic theory of change that lay behind them. It then assesses the net outputs that resulted before moving to examine what the evidence revealed about the changes in key outcomes that have taken place and the possible impact of SRB. During the research the team were able to use social survey and beneficiary survey techniques to investigate the extent to which SRB had been able to improve the quality of life in the seven case study areas. An extensive discussion of issues relating to the conduct of Social Surveys in deprived areas is provided in the **Final Evaluation Annex Three**.

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<sup>4</sup> A Review of the Evidence Base for Regeneration Policy and Practice, ODPM March 2001.

- 73 In this executive summary we illustrate the basic approach for environment and training and employment. The Main Report provides the evidence for all key areas including housing, business regeneration, education and youth, community development, crime and safety and health. We then conclude by summarising what the overall change has been in final outcomes in our seven case study areas.

#### Assessing policy impact on environmental improvements

- 74 Projects designed to improve the local environment accounted for the largest proportion of total expenditure in the case study projects at one-third overall. This theme included some 56.5 projects amounting to nearly £29 million of SRB funds and a total spend of over £100 million. Sunderland undertook the greatest number of projects at seventeen funded by £6.7 million of SRB. Royds, however, carried out six much larger projects accounting for nearly £12million of SRB. Overall expenditure on this theme was greatest in Canalside with almost £45 million being spent on environmental and physical improvements. Over 80% of this spend coming from the private sector. In terms of per capita spend Royds Bradford environmental projects amounted to £1,500 per person with Canalside reaching £1,300. The table below sets out actual environmental expenditure by each of the case study areas.

| Theme           | No projects | SRB          | Other public | Private      | Total         | Total spend per capita | Duration (years) |
|-----------------|-------------|--------------|--------------|--------------|---------------|------------------------|------------------|
| Canalside       | 13.5        | 5273         | 3555         | 36101        | 44929         | 1.3                    | 5                |
| Hangleton Knoll | 4           | 631          | 351          | 68           | 1050          | 0.1                    | 4                |
| Nottingham      | 7           | 3473         | 6610         | 15200        | 25283         | 0.8                    | 6                |
| Royds Bradford  | 6           | 11849        | 5181         | 1151         | 18181         | 1.5                    | 7                |
| Sunderland      | 17          | 6724         | 1241         | 1645         | 9610          | 0.2                    | 7                |
| Swadlincote     | 9           | 831          | 309          | 117          | 1257          | .04                    | 6                |
| <b>Total</b>    | <b>56.5</b> | <b>28781</b> | <b>17247</b> | <b>54282</b> | <b>100310</b> | <b>0.6</b>             |                  |

\* No expenditure improvements for Chalkhill but ran alongside an Estate Action programme  
Source: Department of Land Economy

- 75 To get a more accurate picture of the likely impact of these effects on each area it was necessary to make an estimate of what would have happened in the area without SRB funding. On the basis of the final evaluations in each of the seven areas we have been able to estimate how many of the gross outputs would not otherwise have been created in the absence of the SRB intervention. This involved the use of a number of beneficiary surveys. Throughout, the contributions of any other major policy initiatives in the area was considered. The net outputs achieved for this theme have been estimated and presented in Table 7 below. This indicates that around 60% of all new and improved business and commercial floorspace occurred in Canalside. Improved and reclaimed land was an important feature in Sunderland, Canalside, Swadlincote and Royds. Overall nearly 70% of all buildings brought back into use were located in Sunderland.

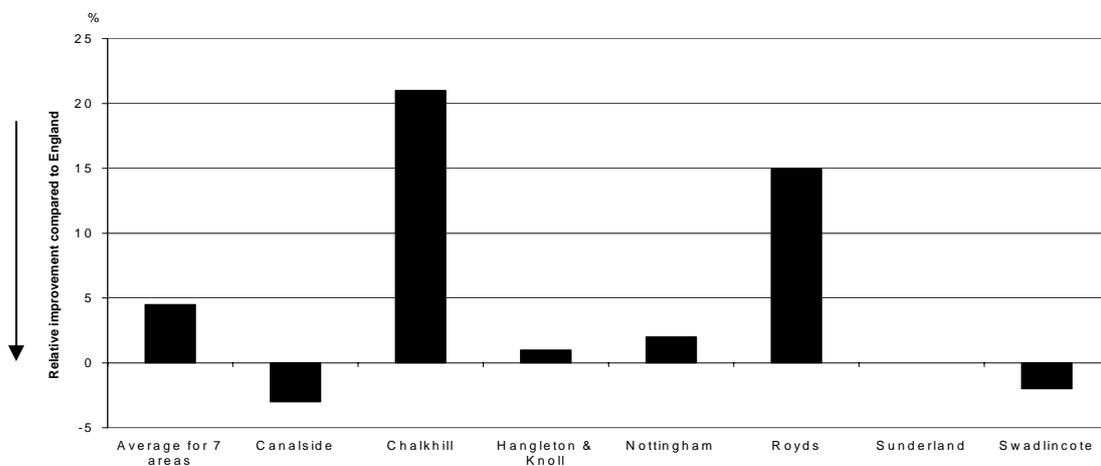
| Area            | No jobs created                                 | No pupils benefiting     | No people trained obt quals         | No training weeks      | Young ben from personal & social dev | No business start ups          | No business es advised |
|-----------------|---|--------------------------|-------------------------------------|------------------------|--------------------------------------|--------------------------------|------------------------|
| Canalside       | 144   |                          |                                     |                        |                                      |                                | 16                     |
| Hangleton Knoll |   | 43                       |                                     | 10                     | 26                                   |                                |                        |
| Nottingham      | 154   |                          | 18                                  |                        | 205                                  | 9                              |                        |
| Royds Bradford  | 1   |                          |                                     |                        | 64                                   |                                |                        |
| Sunderland      | 182   |                          |                                     |                        |                                      | 8                              |                        |
| Swadlincote     | 6   |                          |                                     |                        |                                      |                                | 30                     |
| <b>Total</b>    | <b>487</b>                                      | <b>43</b>                | <b>18</b>                           | <b>10</b>              | <b>295</b>                           | <b>17</b>                      | <b>46</b>              |
|                 | New/imp bus/com m floorspac e (m <sup>2</sup> ) | Dwellings complete d/imp | No buildings with upgraded security | HA land imp/recl aimed | No buildings back into use           | People access to new cult facs | Vol/com m orgs supp'd  |
| Canalside       | 15321   |                          |                                     | 20                     | 3                                    |                                |                        |
| Hangleton Knoll |   |                          |                                     | 3                      |                                      |                                | 2                      |
| Nottingham      | 8848  |                          |                                     | 5                      |                                      |                                |                        |
| Royds Bradford  |   | 15                       |                                     | 18                     |                                      |                                | 6                      |
| Sunderland      |   |                          | 25                                  | 24                     | 11                                   | 123                            |                        |
| Swadlincote     | 1543  |                          | 11                                  | 19                     |                                      |                                | 1                      |
| <b>Total</b>    | <b>25712</b>                                    | <b>15</b>                | <b>36</b>                           | <b>89</b>              | <b>14</b>                            | <b>123</b>                     | <b>9</b>               |

\* No theme for Chalkhill  
Source: Department of Land Economy

76 The scale and direction of the relative impact accords well with the original delivery plans and baselining of the areas. Thus, Canalside Rochdale, Royds Bradford, Sunderland and Swadlincote placed considerable emphasis on land improved/reclaimed. In all 89 hectares were reclaimed or improved.

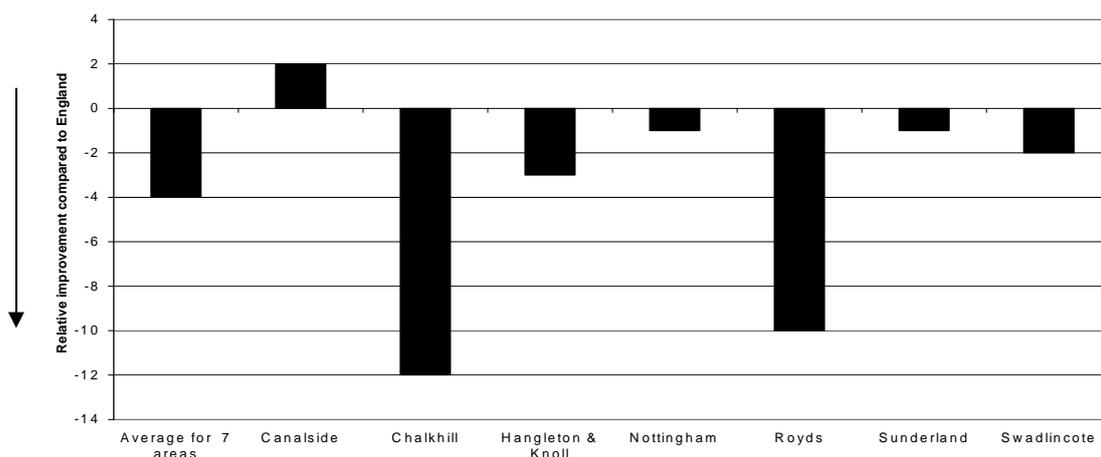
77 The figures below present the change in resident perceptions of the area in which they live from the baseline position in 1996 to the time of the completion of the SRB programme in their area. This has been shown relative to the England change for the same period. Thus, over the seven areas the increase in satisfaction with the area had increased 4.5% more than the England average. Individual areas generally experienced increases above the national average particularly Chalkhill and Royds at 21% and 15% respectively. This outcome ties in with the substantial physical improvements that were taking place in both areas (albeit indirectly in Chalkhill due to the housing renewal programme running alongside the SRB scheme), although there are conceptual and measurement problems that mean any direct interpretation must be made with considerable caution. Most other areas achieved more positive results than England although Sunderland fell in line with the national change. While it is a little disappointing to see a 3% drop for Canalside compared with England many of the works carried out were spread over a much longer term. By the time of the follow up survey many of these improvements would not have been evident to the local residents who were surveyed which may explain the poor result.

**Figure 2: Satisfaction with the area. % change from the baseline position relative to England change**



Source: MORI social survey

**Figure 3: Very dissatisfied with the area % change from the baseline position relative to the England change**



Source: MORI social survey

78 Overall in the seven areas there was a 4% fall in dissatisfaction with the area compared to the nation. Chalkhill and Royds experienced the largest falls in very dissatisfied residents of 12% and 10% respectively compared to England.

*Assessing policy impact on bringing about change in the provision of training and employment*

- 79 Overall 15% of total expenditure in the case studies was dedicated to training and employment. In terms of individual areas it is particularly significant for the Chalkhill scheme which assigned 93% of SRB and 97% of total expenditure on this theme as the scheme ran alongside a major housing renewal programme on the Chalkhill Estate. As can be seen from Table 8 below all seven areas included some projects within this theme which reached 42 in total. Nearly two-thirds of total expenditure came from the Chalkhill scheme. Chalkhill had the greatest spend per head at £4,800 reflecting the strong training element. In the other areas the actual expenditure per head was usually very small.

| Theme                  | No projects | SRB         | Other public | Private      | Total        | Total exp per capita | Duration (years) |
|------------------------|-------------|-------------|--------------|--------------|--------------|----------------------|------------------|
| Canalside Rochdale     | 4           | 619         | 937          | 423          | 1979         | 0.1                  | 5                |
| Chalkhill              | 12          | 3013        | 593          | 25197        | 28803        | 4.8                  | 5                |
| Hangleton & Knoll      | 1           | 376         | 181          | 137          | 694          | 0.1                  | 4                |
| Nottingham             | 12          | 2196        | 4564         | 531          | 7291         | 0.2                  | 6                |
| Royds Bradford         | 8           | 541         | 489          | 52           | 1082         | 0.1                  | 7                |
| Sunderland             | 2           | 146         | 586          | 0            | 732          | .01                  | 7                |
| Swadlincote            | 3           | 29          | 2778         | 905          | 3712         | 0.1                  | 6                |
| <b>Total for Theme</b> | <b>42</b>   | <b>6920</b> | <b>10128</b> | <b>27245</b> | <b>44293</b> | <b>0.2</b>           |                  |

Source: Department of Land Economy

- 80 In terms of net key outputs overall 182 direct jobs were created by the training and employment theme with over 60% of these created in Royds Bradford. People obtaining qualifications following training also featured in all areas with more than 2200 net outputs achieved (42% from Nottingham alone and a further 22% from Canalside in Rochdale). Local residents accessing employment through training and advice accounted for just over 1800 with around a quarter emerging from Canalside and Nottingham respectively. Training weeks reached over 38700 where two-thirds are attributable to the Swadlincote Woodlands SRB scheme. (See Table 9).

|                    | No jobs created | No. pupils benefiting | No people trained obtaining quals | Residents access emp thru training/advice |
|--------------------|-----------------|-----------------------|-----------------------------------|---|
| Canalside Rochdale | 2               |                       | 495                               | 436                                       |
| Chalkhill          | 21              |                       | 245                               | 259                                       |
| Hangleton & Knoll  | 18              |                       | 35                                | 283                                       |
| Nottingham         | 26              |                       | 934                               | 462                                       |
| Royds Bradford     | 113             |                       | 91                                | 220                                       |
| Sunderland         | 2               | 162                   | 88                                |   |
| Swadlincote        |                 |                       | 321                               | 144                                       |
| <b>Total</b>       | <b>182</b>      | <b>162</b>            | <b>2209</b>                       | <b>1804</b>                               |

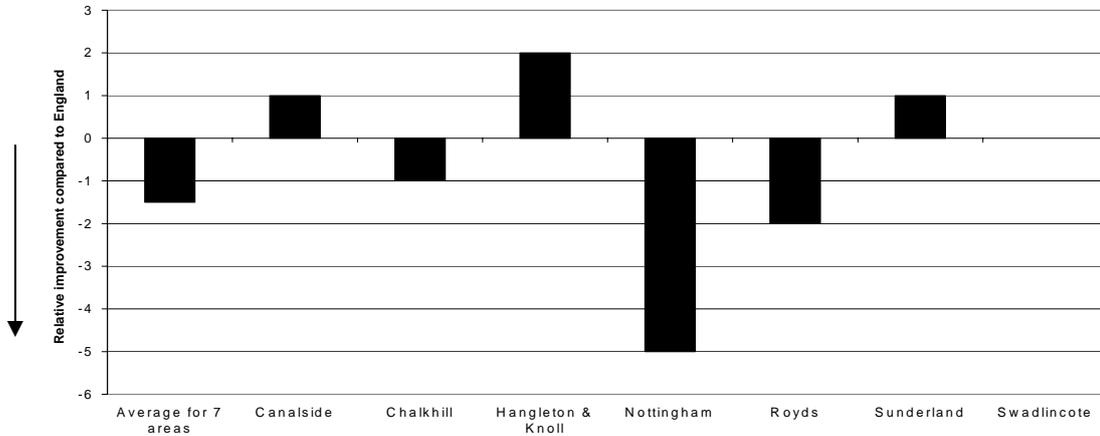
|                    | No training weeks | Young people benefiting from personal & social dev | New/imp bus/comm floorspace (m <sup>2</sup> ) | No vol/comm orgs supported |
|--------------------|-------------------|--|---|----------------------------|
| Canalside Rochdale |                   |  |   |                            |
| Chalkhill          | 7459              |  |   |                            |
| Hangleton & Knoll  | 1501              | 123  |   |                            |
| Nottingham         | 2208              | 16   | 231   | 48                         |
| Royds Bradford     | 1141              |  |   |                            |
| Sunderland         | 118               | 445  |   |                            |
| Swadlincote        | 26277             |  |   |                            |
| <b>Total</b>       | <b>38704</b>      | <b>584</b>   | <b>231</b>                                    | <b>48</b>                  |

Source: Department of Land Economy

- 81 In terms of perceived outcomes the figures below present further results from the social survey on the change in residents' unemployed status relative to the baseline year. The rate of unemployment as conventionally measured fell for all the individual areas, (with the exception of Hangleton and Knoll) most

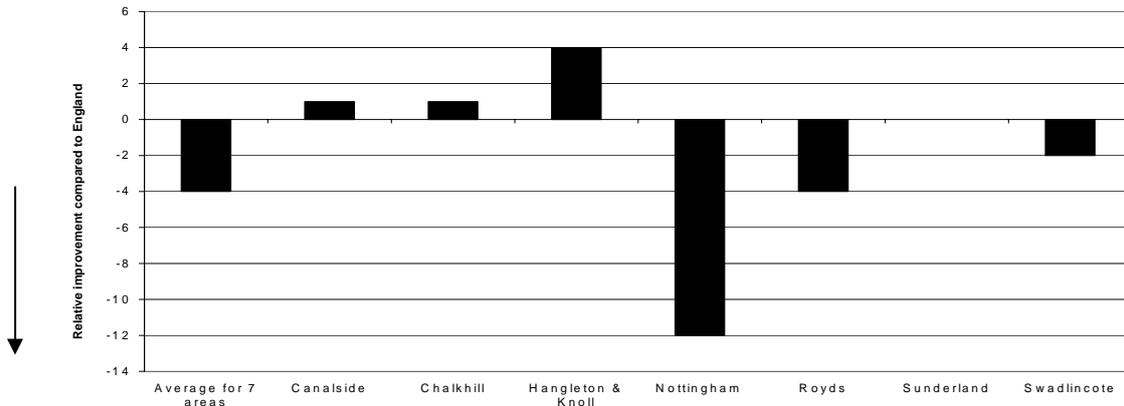
strikingly for Nottingham at 17% (20% for the panel) compared with the 5% national trend (thus leading to the 12% relative improvement for Nottingham as revealed in figure 4). The differences between the unemployment response by area revealed in figures 4 and 5 illustrate why it is necessary to consider registered and non-registered take-up of jobs in deprived areas.

**Figure 4: Unemployed (registered and non registered). % change from the baseline position relative to England change**



Source: MORI social surveys

**Figure 5: Unemployed (as conventionally measured). % change from the baseline position relative to England change**



Source: MORI social surveys

- 82 Table 10 shows further evidence of qualifications, skills and training outcomes. Encouragingly, the proportion of residents that hold no formal qualifications fell slightly for both 'heads of household' and 'any household member' in the seven SRB areas overall, which was generally in line with the national change. In terms of 'any member of household' the greatest change was in Nottingham and Hangleton Knoll which both experienced a 7% reduction. Other area falls were more in line with the national trend, although Chalkhill and Canalside both experienced slight increases. Greatest improvements for the panel element were in Nottingham where there was an 8% fall in heads of households with no qualifications and 9% fall for 'any member of the household'.
- 83 Overall there was an increase of 4% in heads of households with CSE/GCSE/ O'levels for the seven SRB areas (see Table 10). The greatest increase coming in Hangleton Knoll with an 18% rise by 1999. The panel results for heads of households are a little surprising as there is a fall in those with qualifications in most areas which implies a degree of mis-reporting. This fall was also recorded for the Royds Bradford panel "any member of household" (down 10%), which may also be due to the fact that some of the younger household members of the household have left the household since 1996.

| Table 10: Qualifications, skills, training   |                   |      |                |              |
|--|-------------------|------|----------------|--------------|
|  | Total 7 SRB areas |      |                |              |
|  | 1996              |      | Change 96-99/1 |              |
|  | %                 |      |                |              |
| No qualifications <sup>5</sup> :   |                   |      |                |              |
| Head of household  | 50                | (53) | -1             | (-1)         |
| Any member of household  | 47                | (49) | <b>-2</b>      | (-2)         |
| Of those with qualifications any CSE/GCSE/O'level:   |                   |      |                |              |
| Head of household  | 53                | (49) | <b>+4</b>      | (0)          |
| Any member of household  | 59                | (58) | <b>+3</b>      | (0)          |
| Taken part in education or training within the last 3 years<br>(all respondents under 60 not in education) |                   |      |                |              |
|  | 22                | (21) | <b>+8</b>      | <b>(+10)</b> |
| Type of training received:   |                   |      |                |              |
| Part of job  | 57                | (61) | -4             | (-2)         |
| Day/evening classes  | 32                | (32) | -1             | (-2)         |
| Government Training Scheme   | 8                 | (5)  | 0              | (+3)         |

Statistically significant figures in bold. (Panel figures in brackets)

Source: MORI

- 84 Take up of training was strong across all seven SRB areas, increasing by 8% since 1996 (10% for the panel). Overall, however, there was a 4% drop in those undertaking 'on the job' training and also a small fall in those doing day or evening classes. While only Bradford and Canalside showed an increase in "part of job" training, Chalkhill, Nottingham, Sunderland and Swadlincote undertook more Government Training Schemes. Day/evening classes tended to show a decline in usage with the exception of Hangleton Knoll and Canalside.

#### Overall impacts on final outcomes

- 85 The table below summarises the results from the seven social survey areas of some key outcomes that were recorded at the time. For each outcome we looked at the change between the baseline year and the follow-up survey year (these follow-up surveys were carried out in the final year of the respective SRB schemes; 3 in 1999 and the remaining 4 in 2001). For each outcome we considered the average result for the seven areas and then the 'worst' estate. The change was viewed in relation to the national change. Table 11 presents results for the cross-section of the sample. With regard to working full or part-time it was found that the 'worst' estate experienced a 6% increase in working over the survey period compared with 3% for the average of the seven areas. As the final 2 columns in the table show this represents a 3.5% increase over the nation for the 'worst estate and 0.5% for the average. Unemployment showed a fall of 2.5% more than the nation on the 'worst' estate and 3.5% for the average seven areas overall. Other results show significant falls in dissatisfaction of both area and dwelling, the proportion on benefits and those likely to move out of the area compared to the nation particularly for the 'worst' estate. These results were very encouraging, although again there is a need for caution given the conceptual and measurement problems that exist, and the Main Report provides extensive further analysis, including evidence for the panel data.

<sup>5</sup> England comparator 17% of working age population in 1996 with no qualifications falling to 16% in 1999 and 2001 (Regional Trends).

| Table 11: The breadth and depth of social exclusion and the changes since 1996-1999/2001 |                              |                          |                     |                              |                          |                                   |                          |
|--|------------------------------|--------------------------|---------------------|------------------------------|--------------------------|-----------------------------------|--------------------------|
|  | BASELINE RESULTS<br>1996 (%) |                          |                     | CHANGE 1996-<br>1999/2001    |                          | RELATIVE TO<br>NATIONAL<br>CHANGE |                          |
|  | Worst<br>estate/<br>locality | Average<br>of 7<br>areas | National<br>average | Worst<br>estate/<br>locality | Average<br>of 7<br>areas | Worst<br>estate/<br>locality      | Average<br>of 7<br>areas |
| <b>EMPLOYMENT</b>  |                              |                          |                     |                              |                          |                                   |                          |
| Working full or part time (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<br>(resp/spouse)  | 49                           | 37                       | 19                  | -18                          | -12                      | -15                               | -9                       |
| % on Income Support, Unemployment<br>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<br>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<br>community                                       | 79                           | 70                       | -                   | -6                           | -5                       | na                                | na                       |

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

Sources: MORI social survey, English Housing Survey (SEH), The General Household Survey (GHS), the British Household Panel Survey (BHPS), the British Crime Survey and the English House Condition Survey (EHCS).

86 The evidence summarised in Section Three of the Main Report indicates that:

#### Incomes

- All areas had experienced a shift away from low income households;
- There was a statistically significant increase in households earning over £300 per week;
- There was a statistically significant fall in those on 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% by 2001;
- The employment rate increased at a rate slightly above the national average;

#### Satisfaction with accommodation and area

- Satisfaction with accommodation had 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;

#### Housing Tenure

- The main change in housing tenure was away from local authority to Housing Association;

#### 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 nation;
- Perceptions of the area as a bad place for bringing up children were also reduced by a significant 6% compared with a 2% 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% 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 Great Britain average. The SRB case study schemes did not have a large health component in improving final outcomes in deprived areas.

87 The scale and direction of these net outcome changes accorded well with the identified improvements in net outputs in the target areas, particularly in relation to actions to improve the physical fabric of the area, build the community and enhance social cohesion. They provide evidence that is consistent with SRB having an impact in these case study areas. Whilst conceptual and measurement problems abound, the evidence is encouraging. What the exercise suggests is that in the assisted areas SRB made a small but valuable contribution to improving the well-being of residents across a number of the social, economic and physical indicators. The evidence suggests that changes to the physical environment and housing feed through fairly quickly into resident satisfaction with an area and it is encouraging that perceptions relating to satisfaction with an area as a place to bring-up children also change fairly readily. Incomes in the study areas have also 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 have been so deprived for such a long time. However, employment change appears more difficult to achieve and although there is evidence of a relative improvement by the end of the study period, the seven areas combined still had an employment rate some 22% points lower the England average, on a par with the 'all deprived' England average. In Chalkhill the employment rate remained some 34% below the England average and 13% below the 'all deprived' area average as the SRB scheme came to an end.

88 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 in thus not directly benefit the residents of the deprived area. The research was able to gain some. Thus of the net jobs created it is estimated that 71% went to current residents in the SRB areas. This gives some indication of the levels of employment of 'leakage' that can be associated with local area based regeneration schemes suggesting an average loss of 29%. The general 'rule' that emerges is roughly 2:1 that is every two jobs created for local people is reflected in a job for a resident from a surrounding area. Training 'leakage' is usually higher with 1:1 being a common outcome.

89 In the Main Report (**Final Evaluation Part Three Chapters Twelve-Fifteen**) we provide examples of good regeneration practice that emerged in each of the thematic areas. Some prominent features are:

#### **HOUSING**

**Interlinked projects:** Projects designed to interlink can produce a larger impact on an area than would have been the case with more disjointed stand-alone projects. A large part of the Royds SRB programme was centred around major housing renovation works which included related projects on property security, environmental improvements and social issues which gave this part of the programme a strong cohesive element. **Creation of mixed tenure provision:** In all three areas that had housing improvement schemes there were projects dedicated to facilitate the diversification of tenure. These included increased provision for new homes to buy and Housing Association properties. **Housing projects that encourage self-help:** Empowering local residents by equipping them with new skills to maintain and repair their properties to a safe standard can contribute to the sustainability of housing projects. The Building Trades Agency in Rochdale trained home owners to carry out their own repairs as did the Home 2000 project in Swadlincote. **Co-ordination of housing schemes:** Initiatives designed to bring together the various key players involved in housing can contribute to a greater harmonisation of developments in an area. The Rochdale Housing initiative was set up to work with all sectors and agencies involved to facilitate greater co-ordination.

#### **ENVIRONMENT**

**Consultation with the community:** Projects need to take account of the wishes of the community if they are to succeed and be perceived to have improved an area. The development of an environmental strategy in Hangleton Knoll is a good example where residents were encouraged to consider a number of projects and prioritise them. **Raising public awareness and participation:** Promotion of environmental issues is an important mechanism to encourage effective environmental management of an area. Engaging the community promotes a 'sense of ownership' which increases the chances of success. The

Royds Environmental Action Plan ran a series of activities and events involving local groups and schools to encourage public participation in improving the local environment. **Improving existing facilities:** Environmental improvements to existing facilities are an important contribution to the 'image' of an area and will have an impact on their continued use with a knock on effect for employment in the area. The Strategic Shopping Streets initiative undertaken in Sunderland improved a run down part of the City and helped safeguard and create jobs. **Stimulating inward investment:** Improvements to run-down industrial estates enhance the environment for existing businesses and encourage new businesses to move to an area. The refurbishment and new build carried out at three industrial estates in Canalside provided a much needed boost to the area.

**Engaging the business sector:** Projects designed to encourage greater awareness of environmental issues among local businesses can help improve the efficiency of business operations and benefit the local environment. The Envirotech project in Canalside and Environmental Management for Business project in Swadlincote are good examples. **Stimulating future development:** Clearance of old buildings and improvements to industrial areas are key to encouraging future private investment in an area. In Canalside the Land Assembly programme set out to acquire local sites and clear the land so that they were ripe for development. A number of sites were assembled in this way that went on to be developed for local housing. **Cross-cutting impacts:** Environmental projects are often designed to impinge on other themes within a regeneration programme. Road calming measures, such as those carried out in Hangleton Knoll, help to improve the 'quality of life' of people by reducing 'rat runs' and other hazards that affect daily life which indirectly impacts on crime and safety outcomes. **Improvement of the image of an area:** Large physical environmental projects can have a dramatic effect on an area. The eradication of an eyesore or enhancement of a run down location is a very powerful mechanism to improve an area. The development of the Forest Park in Swadlincote provided the town with a new facility on a previously neglected site close to the town centre. In addition the Royds experience has shown the importance of re-developing 'village centres' to enhance the image of the area. **Standards of improvement:** In carrying out environmental and other physical improvements to an area it is good practice that the quality of design and development is of an agreed standard. The Urban Codes project which ran alongside the physical and environmental improvements carried out on the three estates in Royds defined specific principles or 'Codes' that could be applied to the various phases of the work including – aspect and garden design, open public spaces, architecture and the local infrastructure.

#### **BUSINESS REGENERATION**

**Provision of premises:** Availability of premises is a key requirement of businesses seeking to move to or within an area. The managed workspace project in Swadlincote provided new business floorspace and the enhancements to industrial estates in Canalside, as part of the larger environmental improvements in the area, also provided new and improved premises for the business sector. **Loans and grants:** Financial assistance is a crucial area of support, particularly for new and growing businesses. There were a number of initiatives in the case study areas designed for this purpose including the Business Development Grants in Royds, Small Business Support in Swadlincote and the Canalside Business Adviser. **Encouraging innovation:** Business innovation is an important area to encourage if new products and cutting edge technology is to be advanced. In Sunderland the FUSE project sought to fund innovative new businesses. The Sunderland Business Innovation Centre was also set up to support further product and process development. **Skills of the local labour force:** Access to specific skills that are required by businesses is another important element for businesses. The East Midlands Mapping Skills project in Nottingham provided an opportunity for companies to develop the skill base of their workforce. **Stimulating local businesses:** The physical enhancement of an area can help to boost the local economy. In Swadlincote the Life in the Town Centre project assisted local businesses to improve their premises resulting in the improved appearance of the town. Encouraging inward investment: promotion of a regeneration area is vital to stimulate interest from existing businesses outside the area. The marketing and promotion project in Swadlincote is a good example.

#### **TRAINING EMPLOYMENT EDUCATION YOUTH**

**Training delivery on a more local basis:** One of the major obstacles to people within a deprived area remains the cost of travel to gain access to services. Where training can be provided locally, as demonstrated by the Broxtowe Training Centre in Nottingham, this barrier can be overcome and residents are able to benefit directly from local provision. **Training related outreach services:** There is also a need to recognise the value of a more proactive approach to training provision, particularly into isolated communities that are unaware of what facilities are available. The Vocation Preparation for Women project in Canalside sent outreach workers into the homes of women to encourage their participation in training programmes. **More 'informal' training facilities:** Training provision on a less formal basis can encourage higher take-up of services. The Opportunities Centre at Hangleton Knoll is a prime example of a shop front location within the SRB area. The service provided is geared towards local needs with mainstream outreach support to ensure that residents have access to the full range of services. **Knowing the local area:** A knowledge of the skills of local people and the needs of local employers is key to a successful training initiative. In Royds Bradford an Index of Skills and Employers was compiled to gain a comprehensive profile of the area that would help match employees and employers. **Basic training and**

**education:** Successful outcomes are also dependent on the training needs of individuals. In many cases people are not in a position to take-up mainstream services. Access to training and education programmes that recognise this and equip trainees with basic skills such as language, literacy and numeracy are essential providing a stepping stone to further education and training. This form of provision was adopted in many of the case studies, often involving BME communities.

**Customised training:** Training that is tailored to the specific needs of an individual is more likely to achieve successful outcomes. The customised training programme in Royds Bradford which culminated in the Royds training initiative is a good example of this. **Strengthening provision for disadvantaged groups:** Reaching out to the disadvantaged in the local area can be achieved by using specialist facilitators such as the Work Able Unit in Royds which helped local disabled people gain jobs. **Developing innovative approaches:** Encouraging employers to take on local people to train has proved to be a good model to adopt. In Chalkhill the Community Refurbishment Scheme provided construction training for local people that uniquely offered waged work experience as part of the course. The quality and duration of the training made it equivalent to a full apprenticeship. **Childcare facilities:** Another barrier to take up of training, employment and education opportunities is the lack of provision of childcare facilities. Where places are provided take-up particularly by women is improved. Childcare facilities at the Broxtowe Training Centre in Nottingham met this need. **Enhanced education facilities:** Support to local families through the provision of homework clubs, pre-school clubs and similar facilities encourage participation in education by local children. The involvement of parents in these activities has proved to be a good model in furthering adult involvement in local schools. This was evidenced in the homework club which ran in Chalkhill. **Preparation for 'world of work':** Projects that are designed to increase the awareness of schoolchildren about the 'world of work' provide a useful link between education, employment and training. These can take many forms from pupil mentoring to workplace visits and help to inform young people about their options when they leave school examples in Royds were the Headway and Stepping Out projects. **Youth needs:** Greater awareness of the needs of young people in a regeneration area contributes to a good take up of provision. In Swadlincote two youth needs surveys were carried out which led to the creation of the successful Youth Information Shop that offers a comprehensive service to young people in the area incorporating health, employment and social services.

#### COMMUNITY DEVELOPMENT

**Early engagement:** An early and active engagement of the local community at the planning stage of the regeneration process, through public meetings, consultations, focus groups and social surveys, has helped build more robust regeneration delivery and sustainable development as evidenced in Royds Bradford. **Continual engagement:** Ongoing inclusion of the community through newsletters, updates, roadshows etc are successful mechanisms to maintain community development. The Community Planning Weekend in Canalside Rochdale provided a platform for local people to become involved directly in future community participation. **Links with existing community organisations:** Projects linked with existing community-based structures/organisations/groups that meet a locally identified need, are more likely to successfully engage the community. This was the experience in Hangleton Knoll with the development of two existing community centres extending their facilities to meet local demand. **Training local people and organisations:** Managing, monitoring and evaluating a project may require a number of skills that local individuals or groups do not possess. Provision of specific training to meet these needs is an effective method of addressing this problem. In Royds the Community Education Programme was set up to help recruit and train volunteers in the area. **Outreach work:** Further development of the community can be achieved with outreach work to facilitate the future sustainability of a project. In Nottingham a Partnership Development Worker was appointed to support partnership working on the Bestwood and Broxtowe estates. **Community Chests:** These have been employed by most of the case study areas and have served as a useful tool in financing small projects that are important to local individuals and groups. A key to successful community chest projects is an inbuilt design to accommodate a forward strategy, which was practised in Hangleton and Knoll. **Sustainable projects that empower the community:** Sustainable projects that provide a new or enhanced facility, or increased information and advice are crucial in terms of future community development. The Sharpe's Resource Centre in Swadlincote provides a free venue for local people to explore the cultural heritage of the area and is set to become self-sustaining after financial support from the local authority in the first ten years of its life.

#### CRIME AND SAFETY

**Youth projects:** These include initiatives designed to provide diversionary activities for young people and included the youth music project in Hangleton Knoll and the Waithlands Youth project in Canalside. Other examples include outreach work such as the Bestwood Youth Action project in Nottingham. **Housing security:** A key factor in preventing crime is the improvement of security in dwellings to prevent burglary, particularly for the most vulnerable in society. The Broxtowe housing security project in Nottingham was set up to secure properties and the Community Safety Project in Swadlincote targeted help towards the elderly and young in the local area. **Interlinked projects:** The 'Designing out Crime' initiative in Royds, which was an integral element of the main housing programme, included property security and addressed the issue of defensible space linked to closing alleyways and other measures that sought to reduce crime in the area. These measures, which were innovative at the time have subsequently been taken on board

by the Home Office as part of its crime prevention strategy. **Security measures for local businesses:** Some projects were geared towards the specific crime issues faced by local businesses. In Canalside the Business Forum and Secure by Improvement projects gave local businesses support. **CCTV surveillance:** Investment in cameras for an area 'hot spot' can help to reduce crime in areas where people are at risk. In Nottingham the Hyson Green CCTV centred on the local shopping centre to help cut down crime.

## HEALTH

A comprehensive understanding of the state of health of the residents of the target area is essential. Thus, an appropriate baseline position is required. This is a prerequisite of a locally agreed health strategy. The strong interfaces between health outcomes and other theme areas have to be recognised from the outset. The more obvious links between housing conditions and health have been extensively rehearsed but in other cases the position is a lot weaker. **Raising awareness:** A key element of all health schemes has to be the promotion of awareness. Projects in Royds and Canalside successfully focused on drugs awareness. **Accessibility to health services:** Take-up of existing health services has strong interfaces with accessibility, particularly that related to transport. To obviate the problem the creation of the Healthy Living Centre on the Buttershaw estate in Royds Bradford and the Hendon Area project in Sunderland both provided people with local access to a wide range of health related services. **Health promotion for the young:** Greater information targeted at young people alongside health support services is vital in the battle against drug related problems, unwanted pregnancies etc. The Youth Information Shop in Swadlincote provides a comprehensive support service in an informal setting that has proved to be extremely popular with local young people.

### Turning areas around: migration

- 90 The interpretation of outcome change is complicated by movement into and out of the area, as the movers may differ in some significant way from those staying or from those moving into the area. These differences can serve to disguise the impacts of regeneration programmes. 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. (**Final Evaluation Part Three Chapter Sixteen**).

| Table 12: Key characteristics of outward movers, inward movers and the panel sample (%) |                   |                   |                     |
|---|-------------------|-------------------|---------------------|
|   | Panel sample 1996 | Outmovers* 1996-9 | 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

- 91 The SRB case study areas were not amongst the most deprived neighbourhoods in England and only a three/five year change (1996-1999/2001) was examined – so that in this case any “disguising” effect of

biased movement flows is likely to be limited to areas that are presently receiving higher in and out flows of population. 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 flows of movement. Compared with the panel, both in-movers and out movers were more concentrated in the younger age groups, likely to be in rented accommodation, economically inactive and lone parents (see Table 12 above).

### The achievements of SRB in the context of a simple model of regeneration

- 92 Regeneration problems often appear to vary enormously between one area and another. In some cases the key issue seems to be a distressed labour market, in others worn-out infrastructure and in yet others problems associated with crime, social disorder or ill health. The worst areas have all of these. However, it is possible to consider the problems within a common framework around four key factors.
- 93 The first is that the local area regeneration problems *per se* are rarely confined to any one dimension but have economic, physical and social components and there are multiple interactions that generate a genuine circulation of cause and effect between them. The second is to recognise that the problems along any one of the dimensions can be conceptualised as the result of imbalances between supply and demand. This is perhaps most easily illustrated using the labour market as an example where the problem of unemployment in an area is the result of the supply and demand for jobs being out of line. However, other problems relating to service delivery and environment can be considered in much the same way by defining a level of outcome that is desired (the 'standard' benchmark) whether it relates to education, health or environmental quality. The failure to attain the standard reflects an imbalance in the provision of the service in relation to the need for it in the area.
- 94 The third, however, is to recognise that the imbalance that occurs in an area between supply and demand along any of the relevant dimensions has a **local** and a **national** component. Again, using the labour market as an example, there will be some level of unemployment, and thus supply and demand imbalance in the labour market that exists at the national level-the national rate. However, the key feature of the labour market problem in the depressed area is that the local rate is higher than this (the converse is true in the most prosperous areas). The same distinction can be made in relation to the quality of service outcomes be it education, health or the environment. The defining characteristic of depressed areas is that the relative degree of imbalance along any of the dimensions considered within them is **relatively greater** than that of the national average. **This is the defining feature of the local area based regeneration problem - that it differs from the national average, usually significantly.**
- 95 The fourth factor that characterises the local regeneration problem is that the relative degree of imbalance (between nation and local) as defined **persists** through time. That is, it is not a cyclical phenomenon perhaps reflecting a temporary reallocation process, but rather something that remains throughout successive cycles and seems to have a more permanent existence and remain for many years, perhaps even decades. The fact that the relative degree of imbalance is so entrenched gives it a fixity in the geographic landscape and neither the workings of the market or the mainstream enable the area concerned to trend towards the national average such that the relative degree of imbalance (the difference between the nation and the area itself) falls to zero.
- 96 In practice, the notion of point convergence across all areas in a nation would seem unlikely whether it related to the labour market or any indicator of service level attainment. Certainly in relation to the labour market there will always be factors that lead to some degree of local variation from the national average. However, if the long term systemic problems of England's deprived areas are to be removed then it must be the case that we would wish to see a reduction in the size of the relevant gap between the most deprived areas and the nation - that is, in the jargon, a conditional reversion to some level that is felt to be the best possible given the institutional, economic and social characteristics of the people and place concerned. However, the problem across the whole of the United Kingdom in the post-war period has been that neither the workings of the market and the state have been able to achieve sufficient convergence that represents a real change to the status quo.
- 97 The market may fail for a number of well-researched reasons discussed in the Main Report but described more fully in 'A Review of the Evidence Base for Regeneration Policy and Practice' (DETR, 2001). Many of the problems for market failure are at their most pernicious in land markets but they are also severe in the labour market and elsewhere. The notion that the operation of market forces on their own will regenerate run-down areas within an acceptable timescale is misguided. Trickle-down effects are often weak or non-existent. The probability of successful adjustment in relation to the market is a function of the relative balance of need and opportunity in the depressed location compared to elsewhere and the **time** required to change things. The probability that successful adaptation will occur in the depressed area is determined by rigidities in land, labour and capital markets in that area relative to elsewhere and affected by the **geography** of the area, that is its place in the settlement hierarchy, proximity to more prosperous locations/markets and its size and thus the spending power and resource base, it contains. As described

in chapter ten of the Main Report a central factor is the competences/attributes of the area and its residents relative to other areas. Time and geography are thus crucial in determining the degree of convergence that can result.

- 98 The probability of adjustment by the mainstream is, in many ways, more difficult to gauge than the market response. Partly because the response by the mainstream needs to be *coordinated* across the different departments that deliver the service responses required. And the difficulty is that this coordinated response has to be secured at different levels of delivery vertically and horizontally across the tiers of Government for a range of quite disparate services and at different geographical levels of service delivery. Again, as with the market adjustment, both time and geography are of central importance in affecting desired outcomes and thus the degree of convergence that will result. In recent years most Government departments are making strenuous efforts to be more sensitive to the needs of particular places and the Neighbourhood Renewal Unit has been tasked with driving forward this process of change.
- 99 There are also interactions between the public and private sector that complicate the adjustment process as well. Thus, the degree to which the indigenous private sector may become involved in the regeneration of the area in which it is based may be affected by local taxation and its relationship to local expenditure. And the ease with which the market can respond is affected by factors like planning and zoning. These interaction affects are non-trivial and affect the ability of places to expand or contract.

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

- 100 The balance of the evidence from the national evaluation of SRB is that if depressed areas are to turn their fortunes around then they have to overcome the market and mainstream failures described above. This requires three key components:
- Enhance the **core competencies or attributes** of the area and residents so that it is a relatively attractive place for businesses to want to invest in and people to live in;
  - Bring together the relevant **agents of change** from across all sectors be it the government, businesses, voluntary sector stakeholders or residents to work together to address the problems concerned; and
  - To do so by adopting a **strategic** approach.
- 101 In successful places these components come together in a seamless and relatively timely manner such that adjustment is fairly spontaneous. In such circumstances there is little or no need for specific area based interventions. However, in many other places the process of adjustment has been too slow for the reasons discussed above and the role of an Area Based Initiative is to help things along. In a perfect world it would not be needed but the real-world is far from perfect. It seeks to overcome the barriers to adjustment that impede the working of the market and to alert the mainstream and other stakeholders as to how best to respond.
- 102 As an Area Based Initiative the evidence from the national evaluation is that SRB has proved to be effective and many features of its design have played well to the above three components associated with the attainment of 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 agents of change to the table. How each then contributed to the process of regeneration varied, but there are numerous examples of good practice detailed in the Main Report. It provided a workable and popular format for private sector engagement and there was a relatively high level of leverage and other commitment as a result. This was a good design feature of the SRB approach. The experience of the voluntary sector has perhaps varied more than that of the private sector, but improved steadily over the successive rounds largely because of the attention given by the GOs (Government Offices) to help build the capacity of the smaller players to engage. Mainstream engagement also varied but there was a strengthening across the board throughout the rounds of SRB in the breadth and depth of mainstream player commitment. Delivery through the GOs in the first four rounds helped significantly because for the first time in post war Britain much of the mainstream expertise could be brought together to assess the merits of the bids and thus improve coordination of delivery at the regional and local level. Engagement of the community was much more variable, but again there are many examples of Good Practice, some described in this Report;
  - The ability to submit bids for thematic schemes has been of great value and allowed innovative and customised regeneration to be developed;

- Partners found flexibility in the SRB funding format that allowed regeneration schemes to be customised by geography, size, duration and objective. This was conducive to securing matched funding, particularly when European funding was involved;
- The lack of formally defined boundaries for SRB was a strong feature of its design and has 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 since the basic objectives behind SRB allowed this. This meant that some areas with no tradition of making bids for funds, and thus receiving any form of regeneration funding, could apply. It was a step change away from the essentially 'boundary' driven approach that had characterised much of previous regeneration activity (i.e. Urban Programme, City Challenge etc). It fell to the local players concerned to demonstrate the relative need for the regeneration scheme proposed for a geographical area that **they** identified as being appropriate. It meant that, at least in theory, if local players felt that their area and community were beginning to experience signs of decline and weakness they could make application for funds to help to improve things before dramatic decline set in. They could develop the regeneration scheme to help to overcome market and mainstream failures that were preventing the area converging to the national average in relation to the full range of key outcomes described in this Report.

103 Whilst the evidence on outcomes in the SRB areas examined is encouraging, the real challenge across England is to turn deprived areas around so that they can become the enterprising locations that they once used to be. Over the last thirty years there has been no dramatic change in the relative ranking of the most deprived areas in England and although there have been some notable success stories at the very local level in general progress is far too slow. Despite the mainstreaming of regeneration partnership working (LSPs) there has to be more focus by mainstream service providers on meeting the needs of deprived areas on an ongoing basis. The 'budget' element of 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. How this targeting is achieved, whether through ring-fencing or further incentivisation is a central question. Devolved local area budgeting and Local Area Agreements on the part of local authorities are important in this respect. There remains a role for ABIs to help to focus the activities of mainstream providers by improving the co-ordination of regeneration activities and promoting a more strategic approach to area based activities. At the neighbourhood level it is essential to seek genuine involvement of the community.

104 A lot has been learned from SRB and indeed other initiatives in recent years as to the most appropriate form that the ABI interventions should take and it is important that these lessons are not lost or simply reinvented. It also remains critical to the attainment of longer term success that ABIs continue to build the involvement of the private sector in local regeneration – too long absent in many areas in the United Kingdom at the level required. A range of imaginative policy tools are now available to encourage this involvement and moves to allow the local authorities to retain some part of the business rate are to be welcomed in this respect. 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.

# Part I

## The Single Regeneration Budget and the Evolution of Regeneration Policy

*This part of the Report is concerned to describe the key features of the Single Regeneration Budget and its delivery over the six rounds 1995/96 to 2000/01. It discusses the approach that has been adopted to evaluate the SRB programme and then describes briefly how area-based initiatives have evolved in England throughout the last decade and how SRB fits within this. It concludes with an analysis of how well SRB has targeted social need on the basis of the Index of Local Conditions. It does this because there was no automatic presumption that the competitive challenge fund regime that characterised the operation of the programme in its early rounds would lead to an allocation of resources that reflected relative need across England.*

# 1. The SRB Challenge Fund

## 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 describes the basic approach that has been adopted to evaluate the SRB programme. It concludes with a summary of how this Report is structured.

## 1.1 Introduction

1.1.1 The Single Regeneration Budget was 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 £5.7billion. 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 are 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       |
| <b>Total</b>  | <b>5,703.4</b> | <b>100</b> | <b>20,300.8</b> | <b>100</b> | <b>26,004.4</b> | <b>100</b> |

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

Source: ODPM and bid documents/Delivery Plans.

1.1.3 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 (GOs) through the first four rounds of SRB and by the Regional Development Agencies (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 varied considerably and the lead partner could be drawn from the private, public or voluntary/community sector.**

- 1.1.4 The regeneration scheme was either be **broadly based or holistic**, in that it sought to tackle a very large range of issues of relevance to local regeneration, or it could be **thematic**, with an emphasis on a particular component of the problem. Proposals for funding came from any area in England since there were no formal geographic boundaries. There was thus considerable **flexibility** because the regeneration scheme could vary by size, geography, duration, theme and objectives in a way that had not hitherto been possible in regeneration initiatives.
- 1.1.5 A further feature of the programme was **the relatively hands-off approach to management of the regeneration scheme itself**. Thus, once regeneration partners secured funding, they were responsible for the management and operation of the scheme, reporting on a sixth monthly basis to GOs in the early years and later on to 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;
  - Enhance the quality of life of local people, including their health and cultural and sports opportunities.
- 1.1.6 Through the successive rounds of SRB there were some changes to the basic framework within which it operated. Thus, in the fourth round GOs issued strategic guidance that 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 continued and, although most SRB schemes were expected to reflect an area-based approach to regeneration, there was still a role for thematic bids (i.e. 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 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 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 were 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 were asked to contact the relevant 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 had to be considered on the basis of the 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 could 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 needed to consider the findings of Policy Action Teams on the impact which arts and sports, cultural and recreational activity could 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 ODPM 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;
- **Modernising local government**, with bids considering how proposed schemes could 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).

1.1.7 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 Regional Development Agencies (RDAs).

## 1.2 The basic characteristics of the SRB over its lifetime

1.2.1 Evidence on the basic characteristics of the SRB Programme over its six rounds was obtained with the help of the ODPM SRB Team and Regional Development Agencies and also by drawing on Delivery Plans/bids for the first three rounds. The ODPM Database database covered rounds one and two and further SRB documentation was available from the ODPM regeneration website.

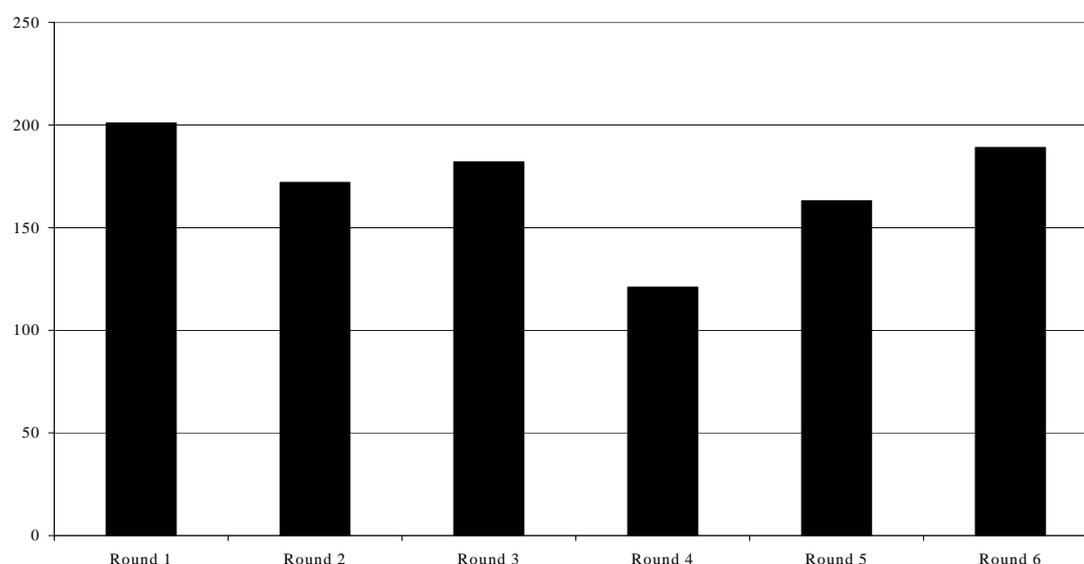
1.2.2 Table 1.2 shows that during the first six rounds of SRB a total of 1,028 programmes successfully secured SRB funding. Almost a quarter of these were from London, with the remainder spread more evenly throughout the remaining regions from just under 15% for the North West to just over 6% for the East of England.

| Table 1.2: Breakdown of number of SRB schemes by round and by region |     |     |     |     |     |     |             |
|--|-----|-----|-----|-----|-----|-----|-------------|
| Region   | R1  | R2  | R3  | R4  | R5  | R6  | All Rounds  |
| East   | 13  | 9   | 9   | 7   | 11  | 16  | 65 (6.3%)   |
| E Mids   | 11  | 15  | 14  | 10  | 11  | 19  | 80 (7.8%)   |
| London   | 49  | 41  | 48  | 22  | 38  | 46  | 244 (23.7%) |
| N East   | 29  | 17  | 20  | 12  | 16  | 19  | 113 (11.0%) |
| N West*  | 35  | 19  | 33  | 21  | 23  | 20  | 151 (14.7%) |
| S East   | 19  | 24  | 19  | 14  | 24  | 21  | 121 (11.8%) |
| S West   | 10  | 11  | 14  | 10  | 8   | 18  | 71 (6.9%)   |
| W Mids   | 13  | 21  | 9   | 11  | 18  | 11  | 83 (8.1%)   |
| York/Hum   | 22  | 15  | 16  | 14  | 14  | 19  | 100 (9.7%)  |
| Total  | 201 | 172 | 182 | 121 | 163 | 189 | 1028        |

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

Source: ODPM and bid documents/Delivery Plans.

Figure 1.1: Number of SRB schemes by round



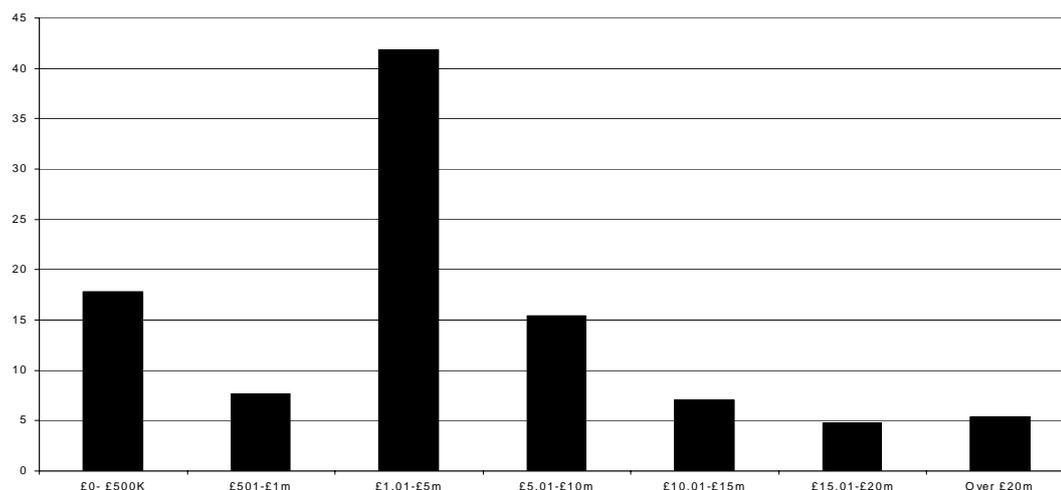
Source: ODPM and bid documents/Delivery Plans.

1.2.3 Table 1.3 below indicates that, overall, 42% of schemes received £1.01-£5 million of SRB and a further 18% fell in the smallest category up to £500K. 5% of schemes received SRB funding in excess of £20 million. This followed a similar pattern across most of the rounds with exception of round four where nearly 60% of SRB funds fell between £1.01-£5 million, with only 1% in excess of £10 million.

| Table 1.3: Range of SRB expenditure* (all years) by round % |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|
|   | R1         | R2         | R3         | R4         | R5         | R6         | All Rounds |
| £0- £500K   | 21         | 19         | 15         | 20         | 11         | 21         | 18         |
| £501-£1m  | 10         | 7          | 5          | 6          | 8          | 9          | 8          |
| £1.01-£5m   | 40         | 33         | 50         | 58         | 45         | 31         | 42         |
| £5.01-£10m  | 10         | 17         | 17         | 15         | 12         | 20         | 15         |
| £10.01-15m  | 8          | 11         | 6          | 1          | 10         | 5          | 7          |
| £15.01-£20m   | 5          | 6          | 5          | 0          | 3          | 8          | 5          |
| £20m-£50m   | 6          | 6          | 2          | 0          | 11         | 5          | 5          |
| £50-£100m   | 0          | 1          | 0          | 0          | 0          | 1          | 0          |
| <b>Total</b>  | <b>100</b> |

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

Figure 1.2: Range of SRB expenditure\* over six rounds (%)



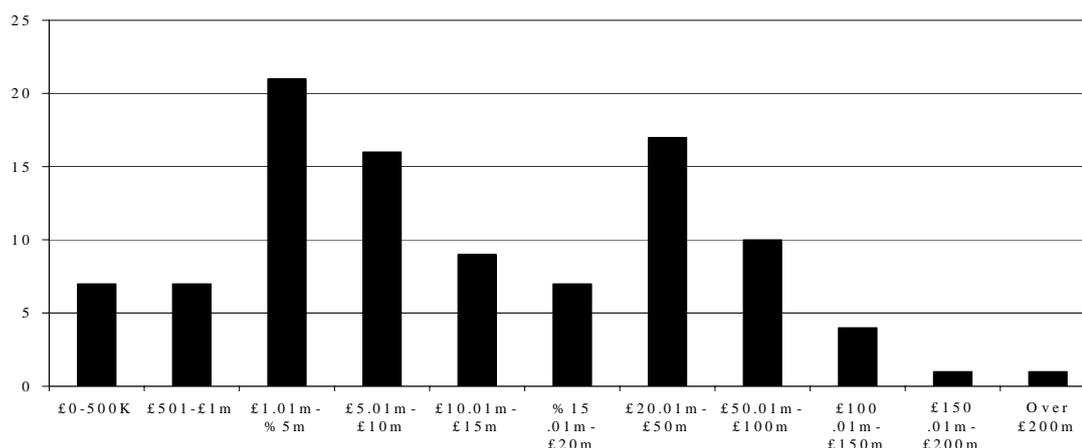
\* Current prices Source: ODPM and bid documents/Delivery Plans.

1.2.4 In terms of total expenditure a third of schemes, overall, were in excess of £20 million, with around one-fifth in the £1.01-£5 million size range and 14% under £1 million. There were some variations between the rounds, with only 14% in the £1.01-£5 million range in round two compared with 30% in round four (see Table 1.4 and Figure 1.3 below).

| Table 1.4: Range of total expenditure* (all years) by round % |            |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|------------|
|   | R1         | R2         | R3         | R4         | R5         | R6         | All Rounds |
| £0- £500K   | 4          | 6          | 6          | 6          | 5          | 13         | 7          |
| £501-£1m  | 8          | 10         | 5          | 7          | 7          | 6          | 7          |
| £1.01-£5m   | 23         | 14         | 16         | 30         | 25         | 20         | 21         |
| £5.01-£10m  | 16         | 13         | 21         | 26         | 16         | 7          | 16         |
| £10.01-15m  | 9          | 9          | 9          | 11         | 9          | 11         | 9          |
| £15.01-£20m   | 5          | 8          | 10         | 4          | 8          | 6          | 7          |
| £20.01-£50m   | 15         | 19         | 18         | 12         | 15         | 21         | 17         |
| £50.01-£100m  | 10         | 14         | 9          | 4          | 12         | 8          | 10         |
| £100.01-£150m   | 7          | 6          | 3          | 0          | 1          | 6          | 4          |
| £150.01-£200m   | 2          | 0          | 2          | 0          | 1          | 1          | 1          |
| Over £200m  | 1          | 1          | 1          | 0          | 1          | 1          | 1          |
| <b>Total</b>  | <b>100</b> |

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

Figure 1.3: Range of total expenditure\* over six rounds (%)



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

### 1.3 Area type, duration of schemes and lead partners

1.3.1 From Table 1.5 below it is clear that most partnership schemes sought to regenerate a small local area as they accounted for almost a half of all the schemes. A further 20% concentrated on an entire local authority district. This was generally reflected across all regions, although a third of the London programmes focused on larger areas of two or more local authority districts.

Table 1.5: Number of schemes by type of area (by region)

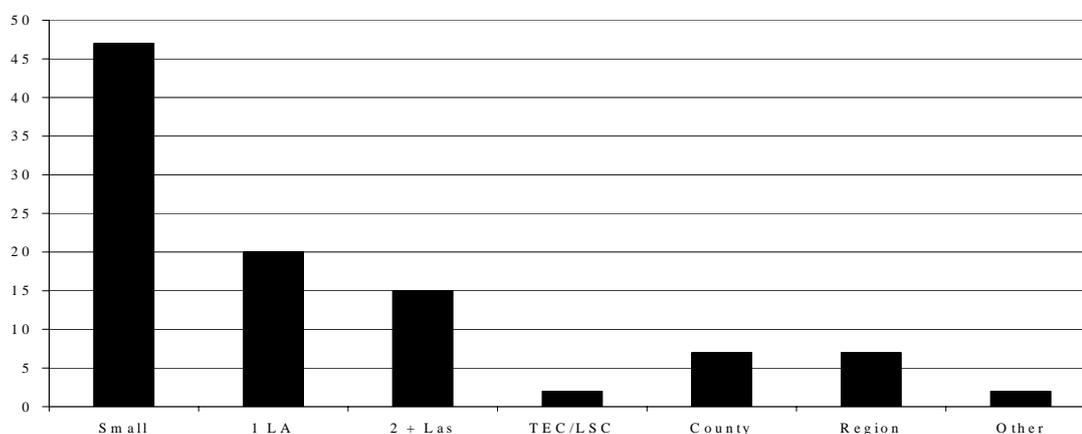
|                      | Type of area |            |            |           |           |           |           | Total       |
|----------------------|--------------|------------|------------|-----------|-----------|-----------|-----------|-------------|
|                      | Small**      | 1 LA       | 2+ LAs     | TEC       | County    | Region    | Other     |             |
| Eastern              | 41           | 10         | 6          | 0         | 7         | 1         | 0         | 65          |
| E Mids               | 42           | 13         | 12         | 1         | 7         | 5         | 0         | 80          |
| London               | 87           | 33         | 79         | 11        | 2         | 28        | 4         | 244         |
| N East               | 58           | 22         | 8          | 2         | 15        | 8         | 0         | 113         |
| N West*              | 82           | 34         | 7          | 3         | 9         | 10        | 6         | 151         |
| S East               | 57           | 33         | 23         | 0         | 3         | 3         | 2         | 121         |
| S West               | 33           | 13         | 7          | 1         | 11        | 4         | 2         | 71          |
| W Mids               | 30           | 24         | 9          | 2         | 9         | 5         | 4         | 83          |
| York/Hum             | 53           | 26         | 6          | 0         | 9         | 3         | 3         | 100         |
| <b>All regions</b>   | <b>483</b>   | <b>208</b> | <b>157</b> | <b>20</b> | <b>72</b> | <b>67</b> | <b>21</b> | <b>1028</b> |
| <b>All regions %</b> | <b>47</b>    | <b>20</b>  | <b>15</b>  | <b>2</b>  | <b>7</b>  | <b>7</b>  | <b>2</b>  | <b>100</b>  |

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

\*\* Small target area covering only a part of one local authority district.

Source: ODPM and bid documents/Delivery Plans.

Figure 1.4: Schemes by type of area (%)



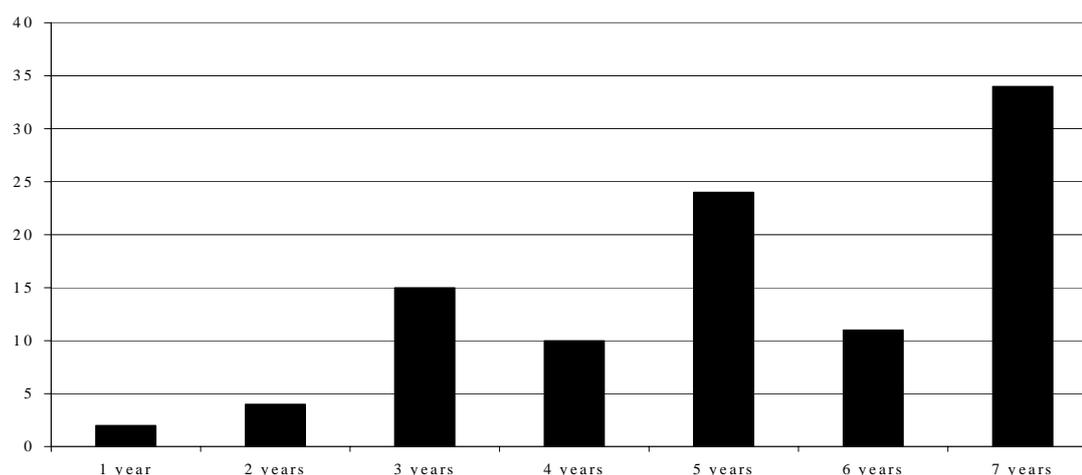
Source: ODPM and bid documents/Delivery Plans.

1.3.2 Schemes funded by the SRB programme ran between one and seven years. Table 1.6 below sets out the breakdown of this duration by regions for all six rounds. Over two-thirds of all programmes were set to run for five years or more, with a third designed for seven years duration. This tendency towards longer duration programmes is fairly consistent across the regions, with the exception of the South West where only 48% are running for five years or more.

| Table 1.6: Number of schemes by duration (by region) |                 |           |            |            |            |            |            |              |
|--|-----------------|-----------|------------|------------|------------|------------|------------|--------------|
|  | Number of years |           |            |            |            |            |            | Total        |
|  | 1               | 2         | 3          | 4          | 5          | 6          | 7          |              |
| Eastern  | 0               | 2         | 11         | 8          | 9          | 3          | 32         | 65           |
| E Mids   | 3               | 3         | 2          | 12         | 30         | 14         | 16         | 80           |
| London   | 1               | 6         | 50         | 17         | 67         | 16         | 87         | 244          |
| N East   | 2               | 4         | 26         | 13         | 28         | 10         | 30         | 113          |
| N West*  | 2               | 7         | 11         | 9          | 35         | 24         | 63         | 151          |
| S East   | 3               | 7         | 23         | 15         | 19         | 12         | 42         | 121          |
| S West   | 10              | 5         | 11         | 11         | 16         | 11         | 7          | 71           |
| W Mids   | 0               | 0         | 10         | 3          | 12         | 17         | 41         | 83           |
| York/Hum   | 2               | 3         | 11         | 12         | 30         | 10         | 32         | 100          |
| <b>All regions</b>                                   | <b>23</b>       | <b>37</b> | <b>155</b> | <b>100</b> | <b>246</b> | <b>117</b> | <b>350</b> | <b>1,028</b> |
| <b>All regions %</b>                                 | <b>2</b>        | <b>4</b>  | <b>15</b>  | <b>10</b>  | <b>24</b>  | <b>11</b>  | <b>34</b>  | <b>100</b>   |

\*North West includes Merseyside, which was merged with the North West region in round 5.  
Source: ODPM and bid documents/Delivery Plans.

Figure 1.5: Number of schemes by duration (%)



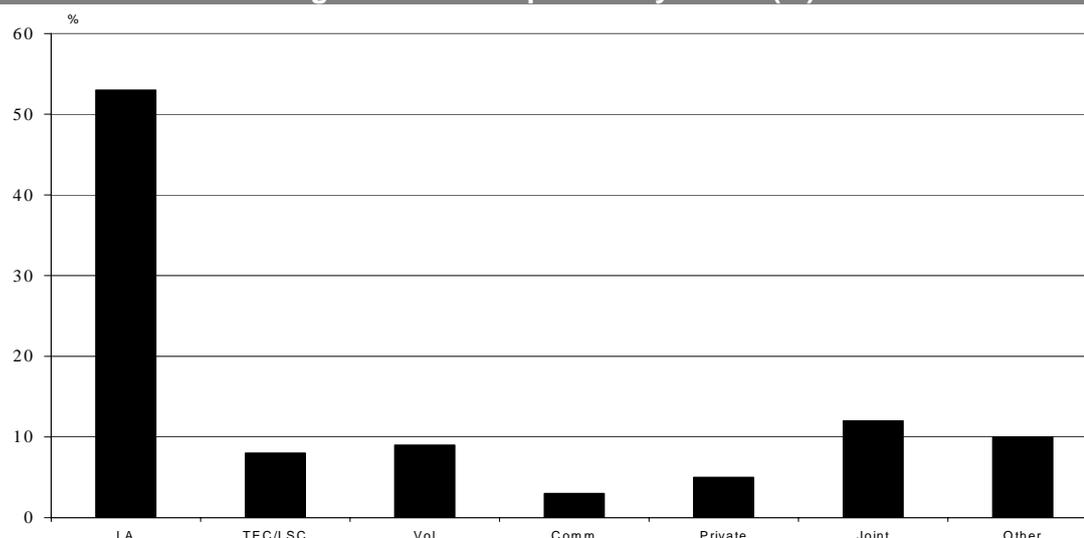
Source: ODPM and bid documents/Delivery Plans.

1.3.3 Finally, Table 1.7 below considers the type of lead partners responsible for the partnerships. The most common lead partner was the local authority accounting for 53% of all programmes. Local authorities remained the dominant type of lead partner, although by round six this fell to only 40% with an increase in joint partners and voluntary sector.

| Table 1.7: Lead partner by round (%) |            |            |            |            |            |            |            |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Region                               | R1         | R2         | R3         | R4         | R5         | R6         | All Rounds |
| LA                                   | 53         | 54         | 60         | 55         | 54         | 40         | 53         |
| TEC                                  | 23         | 9          | 7          | 6          | 2          | 1          | 8          |
| Voluntary                            | 4          | 3          | 5          | 10         | 13         | 18         | 9          |
| Community                            | 0          | 5          | 5          | 4          | 2          | 5          | 3          |
| Private                              | 7          | 4          | 8          | 4          | 1          | 3          | 5          |
| Joint                                | 6          | 13         | 8          | 14         | 14         | 21         | 12         |
| Other                                | 7          | 12         | 7          | 7          | 14         | 12         | 10         |
| <b>Total</b>                         | <b>100</b> |

Source: ODPM

Figure 1.6: Lead partner by round (%)



Source: ODPM and bid documents/Delivery Plans.

## 1.4 SRB scheme forecast and anticipated outputs

1.4.1 This final section looks at the types of outputs already achieved by the SRB partnerships and what is expected overall from the first five rounds of the programme. The types of outputs vary from jobs created/safeguarded, pupils benefiting from projects and new business start-ups to people benefiting from community safety initiatives, hectares of land improved/reclaimed for open space and voluntary sector/community groups supported.

1.4.2 Table 1.8 below shows the outputs that were achieved in each of the years SRB has run up to 1999-2000. The final column has a forecast of lifetime outputs for the first five rounds. While it should be noted that, as forecasts, the lifetime outputs may change where remaining schemes update subsequent Delivery Plans, it is still clear that SRB has produced a considerable raft of outputs for the areas targeted. The volume and variety of outputs presented reflect the multi-faceted nature of the regeneration problems being addressed by the programme.

Table 1.8: Summary of actual & forecast outputs for SRB schemes<sup>1</sup>

| Programme outputs  | Achieved outputs |                       |                       |                       |                        | Forecast                               |
|--|------------------|-----------------------|-----------------------|-----------------------|------------------------|--|
|  | Round 1<br>95-6  | Rounds<br>1-2<br>96-7 | Rounds<br>1-3<br>97-8 | Rounds<br>1-4<br>98-9 | Rounds<br>1-5<br>99-00 | Rounds<br>1-5<br>lifetime <sup>2</sup> |
| Jobs created/safeguarded   | 39,320           | 78,380                | 107,530               | 183,200               | 103,925                | 696,000                                |
| Pupils benefiting from projects                                    | 531,900          | 687,860               | 968,760               | 1,486,540             | 1,195,668              | 5,371,000                              |
| Residents of target area finding jobs (due to targeted assistance) | 21,270           | 33,910                | 40,960                | 107,710               | 62,942                 | 409,000                                |
| New business start-ups   | 10,460           | 16,360                | 19,480                | 11,680                | 9,946                  | 87,600                                 |
| Area new/imp bus & comm floorspace (sqm)                           | 323,110          | 821,450               | 1,323,590             | 1,365,630             | 1,448,003              | 10,097,000                             |
| Homes completed/impd   | 6,960            | 20,530                | 36,090                | 60,680                | 55,983                 | 308,000                                |
| People benefiting from community safety inits                      | 1,062,120        | 1,561,440             | 2,420,950             | 2,887,160             | 4,145,511              | 12,700,000                             |
| Homes & buildings with imp security                                | 16,780           | 40,140                | 61,250                | 84,790                | 98,158                 | 393,000                                |
| Ha land imp/rec for open space                                     | 320              | 650                   | 770                   | 1550                  | 5,600                  | 7,100                                  |
| Ha land imp/rec/serviced for dev                                   | 180              | 270                   | 450                   | 640                   | 533                    | 4,400                                  |
| Buildings imp/back into use  | 420              | 1660                  | 9,310                 | 7,260                 | 3,912                  | 18,440                                 |
| Vol orgs/comm gps suppd  | 5410             | 13,010                | 20,500                | 27,660                | 35,442                 | 136,000                                |
| Private sector leverage  | £263m            | £577m                 | £911m                 | £846m                 | £898m                  | £6.7bn                                 |

<sup>1</sup>Actual & forecast outputs are total outputs for SRB schemes - i.e. they include outputs from all funding sources. <sup>2</sup>Each round may cover a period of up to seven years.

Source: ODPM Annual Report 2001

## **1.5 Evaluating the achievements of SRB: the evaluation framework**

- 1.5.1 The decision by ODPM to evaluate the Single Regeneration Budget was consistent with the desire on the part of Government to ensure that regeneration policy was guided by a firm evidence base. The overall evaluation framework and research methodology that has underpinned the evaluation has been published elsewhere and is available from the Department of Land Economy website ([Discussion Paper 83](#)). It is not repeated here though it is helpful to point to a number of key features of the approach that has been adopted. The evaluation framework has been influenced heavily by the need to incorporate guidance available from Government that has included the EGRUP Guidance (HM Treasury) and as reflected more recently in the Assessing the Impacts of Spatial Interventions (the 3 R Guidance, ODPM).
- 1.5.2 It is clear that evaluation of government programmes is not an exact science and there are numerous problems of both a conceptual and measurement kind. As such, there can be no straightforward evaluation. Some programmes are more difficult than others to evaluate and there is little doubt that when it comes to considering the possible ranges of difficulties encountered then SRB comes near the top!
- 1.5.3 One particularly difficult area has been the sheer breadth of the benefits that the programme has been capable of producing. The original Bidding Guidance (April 1995) pointed to seven different broad objectives associated with SRB and covered virtually every aspect of human endeavour from the enhancement of the employment prospects of local people through training, improvements to the underlying competitiveness of local business, improving physical infrastructure and the state of the environment, improving housing conditions, improving access to ethnic minorities, tackling crime and community safety and enhancing the quality of life for local people through the enhancement of sports, health and cultural facilities.
- 1.5.4 There are thus a number of benefit streams associated with SRB of a physical, economic and social nature. Some of the benefits arise directly from projects funded under the programme, but some arise more indirectly as SRB increased market and Government based activity in the areas concerned by overcoming market failures and bending mainstream service delivery.
- 1.5.5 The evaluation framework underpinning SRB had also to identify, analyse and quantify the specific contribution of a partnership-based approach to the delivery of regeneration in relatively small areas. Whilst much has been written about the benefits of partnership delivery to local area regeneration, there have been few serious attempts to measure the achievements of a partnership-based approach to local area regeneration in a consistent way. Much of what was previously written had been mainly concerned with describing the process rather than any vigorous attempt to quantify the scale of impact on key regeneration goals.
- 1.5.6 There was also a clear recognition from the outset that an evaluation of a programme like SRB should not just be concerned with questions of value for money, although these are obviously important. It was also necessary to consider how well the benefits derived were helping to alleviate the underlying problems on which they were targeted and thus the effectiveness of the measure. How well were they helping to turn the area around and thus changing key outcomes that related to, and reflected, the economic and social vitality of the area concerned? Related to the achievements of net improvements in key outcomes was the desire to ensure that a

sustainable step change in the performance of the area concerned had been achieved. Ultimately, if such a change is to be attained, it requires that market failures and inadequacies associated with mainstream service delivery be overcome. However, it is also important that there are changes in local institutional capacity. Such changes relate to improvements in community involvement and trust and co-operation between all relevant stakeholders.

- 1.5.7 Because of the way that regeneration was delivered under SRB it has also provoked significant issues for evaluation associated with what might be termed geography and the scale of the regeneration initiative. The areas covered by SRB have ranged from major metropolitan areas to individual estates. Some partnerships have a broad range of social, economic and environmental targets, whilst others have been mainly concerned with thematic issues.

## **1.6 Main features of the research method**

- 1.6.1 A number of factors have influenced the nature of the research methodology which has been adopted. Establishing what would have otherwise happened in the absence of SRB is very complex given the large variety of influences operating on the economy of the areas concerned. Moreover, the effects of the programme will unfold over a considerable period of time and the mechanisms by which economic regeneration may occur are many, and often quite diffuse. One approach frequently used in evaluation work is to identify a range of economic indicators that might be expected to be affected by the programme and then establish a baseline of information for these variables. Subsequent changes in the values of the indicators concerned in the policy active period can then be compared and contrasted with the indicators at the baseline before the policy began, or more likely with the value of the indicators in a period **before** the policy began to allow some indication of the broad pattern of change before assistance.
- 1.6.2 There are good arguments for establishing a baseline from which to evaluate the achievements of the SRB and this has been a feature of the research approach adopted. The advantages of this in establishing the achievements of social and partnership effects may be significant. There are also advantages in relation to the economic effects because a coherent baseline allows an assessment of the nature and the scale of the problem before the initiative has operated and can be compared to the final outcome position.
- 1.6.3 The baseline information required encompassed a range of economic, social and physical variables. Some information of relevance was already contained in the SRB output indicators and monitoring system which partnerships were required to establish. Other information was contained in a range of published and unpublished sources, including evidence on property related variables. Other sources of baseline information could only be derived from surveys of businesses and households. This was particularly the case with respect to social factors like income and benefit receipt, social deprivation, community involvement and attitudes and perceptions towards the general quality of life in the area, and specifics like fear of crime, leisure facilities and attitudes to housing conditions. Data on these factors was relatively limited at the level of the geographical resolution required from administrative and secondary data sources.
- 1.6.4 Whilst the derivation of a comprehensive baseline was an important part of the evaluation methodology, it could only be one component of it. The calculation of

additionality and displacement required the use of carefully constructed questionnaires and interviewing techniques applied to a very large number of people and organisations. It is only in this way that the information required for a thorough evaluation could be acquired. There really did not appear to be any alternative given the intricate and involved nature of the policy and non-policy interactions concerned.

1.6.5 With the above factors in mind the research methodology comprised the following key elements:

- An extensive desk-based study of all successful partnership bids in all six rounds of the SRB Challenge Fund;
- An analysis of unsuccessful partnership bids selected from the bids for the first two rounds;
- The selection of 20 case study partnerships which received funding from the SRB Challenge Fund during the first and second rounds. The 20 case studies were selected to feature a range of characteristics that would reflect other SRB schemes;
- The construction of an extensive baseline in certain of the case study sample areas and certain other areas used as controls. The research approach was to update the baseline indicators at specific times in the future when the SRB partnership regeneration scheme had been operating in the area concerned for some time. The baseline was calibrated by:
  - drawing upon information from a range of published and unpublished sources. This included Census of Population information and material held by the case study partnership;
  - an extensive survey of households in seven of the case study areas. These surveys concentrated heavily on social factors on which data from other published and unpublished sources is relatively scarce at the level of geographical resolution required.
- An extensive range of interviews with the key players involved, including the Government Offices, the RDAs, local and central government, the voluntary and community sectors.

## 1.7 The 20 case studies

1.7.1 The 20 case studies were selected to reflect a range of characteristics that were felt *a priori* to be important influences on regeneration outcomes. These characteristics were: (a) duration of case study, (b) SRB expenditure devoted to the scheme, (c) the region in which the scheme was situated, (d) the type of partnership leader, (e) the objectives of the scheme, (f) the area type e.g. small area, local authority district, two or more districts, county or region. The 20 case studies are described in Table 1.10 below.

**Table 1.9: Characteristics of the 20 case study schemes**

| Case Study Name                           | Rnd 1/2 | SRB Exp £m | Duration | Lead Partner | Region | Objectives  | Area Type   |
|---|---------|------------|----------|--------------|--------|---|-------------|
| Northumbria Community Safety              | 1       | 0.9        | 2        | Other        | NE     | Crim, Emp, Ethn   | Region      |
| Engineering in Education                  | 2       | 0.4        | 3        | Vol          | WM     | Emp   | Region      |
| Limes Farm Partnership                    | 1       | 1.0        | 3        | LA           | ES     | Hous, Crim, Env   | Small area  |
| West Cornwall Initiative                  | 1       | 2.8        | 3        | Priv         | SW     | Econ, Emp   | > 1 LA      |
| Brent & Harrow SRB Bid                    | 1       | 1.6        | 3        | TEC          | LO     | Emp, Educ, Train  | > 1 LA      |
| Hangleton & Knoll                         | 2       | 1.6        | 4        | Com Gp       | SE     | Emp, Educ, Train, Env, Crim, Qual                           | Small area  |
| Bristol 2020                              | 1       | 7.6        | 4        | LA           | SW     | Emp, Econ, Hous, Ethn, Crim, Qual                           | LA District |
| Merseyside Learning Partnership           | 2       | 4.5        | 5        | TEC          | ME     | Educ, Emp   | County/TEC  |
| Chalkhill Estate                          | 1       | 3.3        | 5        | LA           | LO     | Emp   | Small area  |
| Lancs Manufacturing Partnership           | 1       | 8.1        | 5        | TEC          | NW     | Econ, Emp   | County      |
| Canalside Rochdale                        | 1       | 10.5       | 5        | Joint        | NW     | Econ, Emp, Hous   | Small area  |
| Regenerating Wolverhampton                | 1       | 16.4       | 5        | Joint        | WM     | Emp, Econ, Hous, Ethn, Crim, Env                            | > 1 LA      |
| Swadlincote Woodlands                     | 2       | 3.4        | 6        | LA           | EM     | Educ, Train, Econ, Env, Hous, Crim                          | Small area  |
| South Leytonstone Community Partnership   | 2       | 10.0       | 7        | LA           | LO     | Hous  | Small area  |
| Regenerating Central Brighton             | 2       | 11.8*      | 5        | LA           | SE     | Emp, Train, Educ, Econ, Hous, Ethn, Crim, Env, Qual, Health | Small area  |
| City of Sunderland Partnership            | 1       | 10.8       | 7        | Priv         | NE     | Econ  | LA District |
| Hull CityVision                           | 2       | 11.7       | 5        | Other        | YH     | Emp, Educ, Train, Hous, Crim, Env, Qual, Health             | LA District |
| Nottingham Capturing the Dynamic          | 2       | 12.9       | 6        | Joint        | EM     | Emp, Educ, Train, Econ, Hous, Ethn, Crim, Env, Health       | LAD/TEC     |
| Greenwich Regeneration - Woolwich Revival | 1       | 24.9       | 7        | LA           | LO     | Econ  | LA District |
| Royds Bradford                            | 1       | 29.5       | 7        | Comm         | YH     | Hous  | Small area  |

\*This includes £1.4m SRB that was drawn down for a Round 2 project but had been originally allocated for later rounds.

Source: Department of Land Economy and ODPM Database

### *Northumbria Community Safety Strategy*

- 1.7.2 The Northumbria Community Safety Strategy (NCSS) was a multi-agency approach pre-dating SRB and covering the Northumbria area (i.e. the counties of Northumberland and Tyne & Wear). While the partnership and Drugs Accord Strategy were already in existence, SRB funding of nearly £1million over two years (1995-1997) has enabled the operation of this initiative to be strengthened through capacity building among the partners and enhancing the delivery structure at local authority level. While a drugs initiative was considered a crucial area for attention, it was viewed as part of a wider Community Safety Strategy in which the issues of crime prevention and safety required a strategic and co-ordinated approach across the Northumbria area. The SRB programme provided an opportunity for local authorities to contribute to a county-wide strategy while recognising the specific needs and requirements of local delivery.

### *Engineering in Education*

- 1.7.3 The Engineering in Education scheme was submitted for SRB funding in 1995 by the West Midlands Industrial Club (WMIC) on behalf of The Engineering Liaison Service Partnership (TELS). TELS is a forum for the promotion of engineering, science and technology activity in the West Midlands region (now changed to SETPOINT - Single Access to Comprehensive Information about Science, Engineering, Technology and Mathematics). The organisation represents the interests of a wide range of organisations, whose principal aim is to promote the value of a career in the engineering, science and technology sectors. The SRB programme was designed to harmonise and focus the activities of the partnership members who were concerned to attract young people in the West Midlands to a career in engineering and manufacturing more generally. The partners were involved in educating and training young people in the skills required for a career in the manufacturing sector. The scheme was of three years duration attracting £416,000 from the SRB Challenge Fund. Other public expenditure amounted to some £233,000, with £242,000 from private sources, securing a total of £891,000.

### *Limes Farm*

- 1.7.4 The Limes Farm SRB scheme was designed to address the problems on the Limes Farm housing estate in Chigwell, Essex. The housing stock predominantly dated from the late 1960's and was built to poor design and construction standards, with a block of high-density council properties centrally located in three courtyards within the estate. This central area proved to be unpopular under the Right to Buy scheme and also had severe re-letting problems, giving the estate the highest void rates in the district. As a result, the estate fell into general decline. The Limes Farm SRB scheme commenced in 1995 and was of three years duration. Actual SRB expenditure was £1million, with £7.9million other public expenditure and a further £1.1million from the private sector, making a total of £10million over the SRB three year period. Some expenditure on the housing programme pre-dated the SRB period and continued for a further year when all housing improvement works were completed, with the total expenditure for this five year period being £13.2million.

### *West Cornwall Initiative*

- 1.7.5 The West Cornwall area comprises the three districts of Carrick, Kerrier and Penwith, with the high priority areas being the corridor of old industrial towns stretching from

Penzance through Hayle, Camborne and Redruth to Falmouth and Penryn, including Helston. There are strong local community identities despite the damage done to life chances by the industrial decay, which provide a basis for local actions. The area is also characterised by extensive dereliction with just under 3,000 hectares of land derelict in 1993. The broad focus of the West Cornwall Initiatives was, on the one hand, town centre and related environmental improvements, supported by community development initiatives to develop local capacity and, on the other hand, a number of economic initiatives to promote employment opportunities. It was a round one four year programme of activity (1995/96 to 1998/99), with a total SRB spend of £2.7million and a total expenditure of just under £18million. It also comprised £11.5 million other public and £3.7million private sector spend.

### *Brent and Harrow*

- 1.7.6 Brent and Harrow was a first round SRB scheme which ran for three years from 1995 to 1998. It was a thematic scheme concerned with increasing the start up rate and quality of new businesses and creating a small firm enterprise culture in the North West London TEC area. The SRB scheme complemented and supported the "London New Business Programme" as it applied in Brent and Harrow. SRB expenditure on the scheme totalled about £1.5million. A scheme of this size, covering a large area, could not be strategic. Rather, the scheme was used to top-up and enhance the expenditures and activities of two existing local partnerships through which the North West London TEC was already delivering part of its training and enterprise strategy for Brent and Harrow.

### *Hangleton & Knoll*

- 1.7.7 The Hangleton and Knoll programme was a round two SRB scheme which was led by the Hangleton and Knoll Project Partnership, which is a registered charity with trustees drawn from local organisations and residents. It was focused on the two housing estates in Hangleton and Knoll situated in East Sussex. The programme ran for six years with £1.6million of SRB monies and matched funding from the local authority, private sector and other public finance, giving the scheme a total budget of just over £3million. This SRB Programme is one of the few community led SRB schemes and, as such, provides valuable lessons regarding the role of local communities in the regeneration process. From its inception the scheme built on development work undertaken in previous years while providing increased opportunities for the community to become more involved in the social and physical development of their area.

### *Chalkhill Estate*

- 1.7.8 The Chalkhill Estate SRB scheme was approved by the Government Office for London in July 1995 and was completed over a five-year period, with SRB expenditure amounting to only £3.25million. 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 £80million. The focus of the SRB scheme was on projects designed to increase employability and training, with the majority of SRB funding being devoted to long duration, high quality and high cost construction training and work experience on the Chalkhill housing renewal schemes itself. The main training effort was, therefore, devoted to relatively few residents on the estate. There were also projects addressing employability more generally across the estate but these were relatively small compared with construction training.

### *Lancashire Manufacturing Partnership*

- 1.7.9 The Lancashire Manufacturing Partnership programme was a thematic SRB round one scheme. Its mission was to improve the competitiveness and performance of the manufacturing industry in the county of Lancashire through a strategically targeted programme of integrated business support and training initiatives. It was focused on the manufacturing sector across the whole of Lancashire. This included the coastal area of West Lancashire containing the towns of Morecambe, Lancaster, Blackpool and Preston, and the former traditional textile area of East Lancashire containing towns such as Blackburn, Burnley, Accrington, Nelson and Colne and Rossendale. In 1994 the area had a population of 1.4million and over 4,600 businesses. The scheme received £8.1million of SRB monies, with a further £8.3million from other public expenditure and £15million levered in from the private sector.

### *Canalside Rochdale*

- 1.7.10 Canalside Rochdale was a round one scheme which ran for five years, securing £10.4million from the SRB Challenge Fund with a further £58.4 million levered from the private and public sectors. It focused primarily on the Canalside area of Rochdale which had been identified as a Priority Action Area within the Rochdale Economic Development Strategy. The scheme operated within five key theme areas of housing action, training for life and work, economic regeneration, environmental renewal and building a safer community and comprised around 46 projects. Over half of SRB funds were allocated to physical projects, many of which involved the assembly and preparation of land and sites in fragmented ownership for development by private developers. Some of the other projects became 'models' which were used in other programmes including Learning Support, which was replicated in Sure Start and Vocational Preparation for Asian Women, which applied to other local communities through New Deal.

### *Regenerating Wolverhampton*

- 1.7.11 This scheme covered the whole borough of Wolverhampton. It was of five-year duration with a total expenditure of £45million by its completion in 2001. Of the total regeneration expenditure some £16million was from SRB. Its key focus was on improving the economic base of Wolverhampton and to ensure that it was a competitive location for the production of goods and services. This would require that Wolverhampton had a skilled and flexible workforce as well as a good supply of quality land and premises. This economic objective was accompanied by the desire to improve the quality of life of the local population by making selective improvements to the physical landscape including housing related factors. The economic and environmental themes were reinforced in the bid document Vision Statement by recognition of the need to encourage learning and development amongst the younger population, particularly those from ethnic minorities. It was also emphasised that effective regeneration required that the community be represented and involved in the regeneration process from the outset. This scheme provides an example of the difficulties that urban areas have faced in adapting to the decline of British industry, and where the problems of bringing about economic and social regeneration are arguably amongst their greatest.

### *Bristol 2020*

- 1.7.12 The Bristol 2020 round one scheme ran for five years from 1995/96 to 2000/01 and covered the twelve most deprived wards in the city located in a crescent stretching

from the north to the south of Bristol, covering parts of Lawrence Weston, Southmead and Lockleaze in the north, an Inner City area focused on Lawrence Hill, and parts of the Knowle West and Hartcliffe & Withywood areas to the south. . The scheme comprised sixteen projects that ran across a large part of the city for a total of SRB funds of £7.6million SRB with a further £7.0million other public and £3.4million from the private sector giving funding of £19.0 million.

### *Merseyside Learning Partnership*

- 1.7.13 The Merseyside Learning Partnership (round two) was a thematic (education) SRB scheme which ran from 1996 to the end of March 2001. It was a £10.8million scheme, with a budget of £4.5million from the SRB Challenge Fund, matched with £2.0million from other public sector sources and £4.3million from the private sector. Merseyside Learning Partnership (MLP) aimed to raise the educational achievements and skills of disadvantaged young people, and thus to enhance their employment prospects. It focused on two groups of young people, with a particular emphasis on those “in care” of the local authorities. The area targeted by MLP covered inner-city and other disadvantaged areas in the three metropolitan boroughs of Liverpool, Knowsley and Sefton. The scheme aimed to reintegrate already disaffected 14 – 16 year olds as well as to take action to prevent younger pupils becoming disaffected as they progressed through secondary school. It included training programmes for all the agencies involved with disaffected young people and a specific programme of multi-media centres in schools designed to raise the IT skills of pupils.

### *Regenerating Central Brighton*

- 1.7.14 This second round SRB scheme constituted part of a merged programme of regeneration activity which had been taking place in Brighton and Hove through a total of eight SRB programmes which had been administered by Brighton & Hove Council as the Accountable Body (a total of £41million SRB). The regenerating Central Brighton round two scheme amounted to some £11.8million of SRB, with a further £41.6million levered in from other public and private funds. It was a multi objective scheme with four main strands dedicated to Regency Revival with a community and physical focus, cultural improvements, small business development and the renovation of the Phoenix Brewery. The scheme included some big physical projects which impacted on a number of sectors including tourism through the improvements to the seafront, the Dome, Museum and Art Gallery, social housing via the development of the Phoenix Brewery and the business sector with the improvements carried out to New England House. Other projects proved to be quite innovative including the Equinox Centre for street drinkers which provided a ‘wet room’, the Brighton Oasis Project which specifically targeted women, drug-misusers and their children, and the Community Base project that developed a central base for local voluntary and community groups.

### *Swadlincote Woodlands*

- 1.7.15 This round two scheme was run by the Made In Swadlincote Partnership (MISP) with South Derbyshire District Council (SDDC) the Accountable Body. This scheme attracted £3.4million of SRB funds and successfully levered over £36million, £30 million of which was from the private sector. It was set in the rural town of Swadlincote located at the heart of the National Forest in the District of South Derbyshire. This was a multi objective scheme with projects which sought to embrace a wide range of activities designed to achieve an enhancement to employment, education and skills training for local people, economic growth and

wealth creation through business support and marketing initiatives, improving housing quality and the state of the physical environment, tackling crime and improving community safety. One of the central projects to the scheme was the development of the Forest Park close to the centre of the town in an area that had been previously neglected which provided a new facility for the town and the two complementary housing projects adjacent to the Forest Park funded by Gresley Investments Limited.

### *Woolwich Revival*

- 1.7.16 The Woolwich Revival SRB Round 1 scheme in the London Borough of Greenwich ran for seven years from 1995/96 to 2001/02. It covered four wards which included part of the Thames waterfront, Woolwich town centre and a number of housing and industrial estates. The scheme addressed all seven SRB Strategic Objectives through 160 individual projects. A quarter of the SRB expenditure was incurred on one housing renewal scheme in the Cardwell Estate, and similar levels of resources were devoted to the aspects of the mixed use redevelopment of the Royal Arsenal site. Significant support was also directed at education and skills and, at more modest levels, to Woolwich Town Centre, to business development and support and a range of community safety initiatives. Total SRB funding for this scheme was £24.9 million with a further £62.3 million from other public sources and £23.3 million from the private sector giving a total expenditure of £110.5million for the scheme overall

### *Royds Bradford*

- 1.7.17 The Royds Bradford round one scheme concentrated on a complex of three housing estates in Buttershaw, Woodside and Delf Hill accommodating around 12,000 residents on the southern edge of the City in the wards of Queensbury, Wibsey and Wyke. The SRB scheme which was community led ran for seven years and received £29.5 million with further public funding of £19 million and private sector spend of a further £19 million levered in giving a total expenditure for the scheme of £67.5 million. It was aimed primarily at housing improvements incorporating refurbishment work for public sector homes with new build for rent and to buy. Other smaller projects were targeted towards jobs, training opportunities, educational attainment, business development and social provision. Capacity building within the local community was an integral part of the strategy, linked to sustainable development of the SRB regeneration activities. These initiatives were being developed within a social strategy in which existing health, education, leisure and recreation services were upgraded and developed in improving the quality and image of the three estates.

### *Hull CityVision – Gipsyville Estate*

- 1.7.18 This Round 2 SRB scheme was focused on the housing estate in the Gipsyville area of Hull. It attracted £11.6 million of SRB funds along with a further £23.2 million from other public bodies and £32.8 million from the private sector giving a total expenditure of £67.6 million. This scheme was run by the Hull CityVision Partnership (HCV) being an integral part of the city-wide regeneration strategy that identified a number of Geographical Priority Areas in relation to regeneration need.

### *City of Sunderland*

- 1.7.19 The City of Sunderland first round SRB scheme was a seven-year programme that commenced in April 1995 and ran up until March 2002. It was a £23 million scheme,

with an actual SRB contribution of £10.9 million matched with £4.3 million from other public sector sources and just under £8 million from the private sector. It covered three local areas within Sunderland, namely the City Centre, the Houghton-Hetton coalfield communities and the Hendon-East End Maritime Zone, which in total included a population of some 55,000 residents. The scheme was managed by the City of Sunderland Partnership (CSP), a pre-existing partnership originating from the City of Sunderland Forum, made up of local business people already representing a wide range of interests within the City.. A total of 28 projects were funded under this scheme with environmental and physical projects accounting for over 60% of all SRB monies and the remaining expenditure being devoted to projects which focused on business support, training, employment and education. SRB is seen particularly as a catalyst to the regeneration of Sunderland city centre, helping to provide the call to join further funding from Council's own resources, from other public and private sector sources.

### *Nottingham Capturing the Dynamics*

- 1.7.20 Nottingham Capturing the Dynamics was a second round scheme which concentrated on three areas in the City of Nottingham that were experiencing urban deprivation, poor social and environmental conditions and had been prioritised within the partnership's wider regeneration strategy, namely Broxtowe, Bestwood and the Radford/Forest Fields/Hyson Green Urban Initiative Area. The scheme sought to improve access for local people to employment prospects, help sustain local communities and enhance business competitiveness. This latter aim was tackled by focusing on the wider Business Support Area containing some 6,200 firms in the main area of job search for the residents of the three priority areas. It was managed by the Greater Nottingham Partnership and ran for six years. The scheme received almost £13 million of SRB monies and secured a total over £63 million which included £19.3 million from other public sources.

### *South Leytonstone Community Partnership Scheme*

- 1.7.21 The South Leytonstone SRB2 programme was a seven-year multi-objective regeneration scheme with a total expenditure of £36 million, of which almost £10million came from SRB. It targeted the area within the London Borough of Waltham Forest that stretches from Maryland Point north along Leytonstone High Road to the railway bridge at Leytonstone High Road Station. The area takes in all of Cathall Ward and some of Cann Hall, comprising a population of nearly 25,000 people. The initial bid was submitted in 1995 by the newly formed South Leytonstone Partnership, with the London Borough of Waltham Forest as the lead partner and Accountable Body. The scheme was managed on a day-to-day basis by Stratford Development Partnership Ltd. Many projects targeted the local community (training related projects, a crime prevention project, a Leisure Centre, Langthorne Park), with the main feature being the housing redevelopment of the Avenue Road estate. With almost £10million expenditure this constituted the largest of the South Leytonstone SRB projects. A significant part of the expenditure also went into the redevelopment of the Cathall Road Estate.

## 2. SRB in the context of the changing policy response

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The aim of this chapter is to describe briefly how Area-Based Initiatives have evolved in England over the last 20 years and how SRB is positioned within this.

### 2.1 Introduction

- 2.1.1 One of the most striking features of the United Kingdom economy has been that, despite criticisms regarding 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.
- 2.1.2 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.
- 2.1.3 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 policies have remained through to the present time.
- 2.1.4 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.

- 2.1.5 A considerable amount of research into the problems of the inner cities and other areas that share similar characteristics has now been undertaken<sup>6</sup>. 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. Large concentrations of unemployed and socially disadvantaged residents, in areas characterised by very poor physical environments, have been all too evident in the inner city areas of the United Kingdom's largest conurbations. However, it has also been the case that other areas like peripheral housing estates, remote rural areas and some seaside resorts have been experiencing similar problems. The precise nature and extent of the problem can vary considerably, but the central feature is a stubborn persistence sometimes over many decades.
- 2.1.6 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 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.
- 2.1.7 Area-Based Initiatives (ABIs) as such were deployed more extensively in Britain's inner cities from the early 1980s onwards. The former Department of the Environment (DOE), now Office of the Deputy Prime Minister (ODPM)<sup>7</sup>, 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 Department of the Environment 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 respect<sup>8</sup>.

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<sup>6</sup> 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).

<sup>7</sup> Previously the Department of the Environment, Transport and the Regions (DETR) and Department of Transport Local Government and the Regions (DTLR).

<sup>8</sup> 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.

- 2.1.8 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 Department of the Environment 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 Department of Environment 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.
- 2.1.9 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.
- 2.1.10 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 (GOs). The Challenge Fund combined eighteen previously separated programmes designed to bring about economic, physical and social regeneration in local areas (see Table 2.1 below).

| Table 2.1: Previously separate programmes brought within the SRB Challenge Fund in 1994/95 |  |
|--|--|
| 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 (Department of the Environment)*.

Tyler P (1993) "Enterprise Zones: the British experience". *International Economic Insights*, Vol. 4, No. 3.

Department of the Environment (1995) *Final evaluation of Enterprise Zones*, by PA Cambrigde Economic Consultants in association with Richard Ellis and Gillespies, London: HMSO

- 2.1.11 The SRB Challenge Fund approach 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 GOs 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 hundred 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 up until the end of the fourth round in 1998 (fifth round in London).
- 2.1.12 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 1980's 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 and 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.
- 2.1.13 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 ODPM and other Government department policies.
- 2.1.14 One substantial change to the policy scene has been the creation of the Regional Development Agencies (RDAs) by the ODPM in 1998. Although they began operations in 1998 they were launched formally in the eight English regions on 1<sup>st</sup> April 1999 with the ninth in London, established on the 3<sup>rd</sup> 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.
- 2.1.15 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.

2.1.16 The top level, 'Tier 1' Objectives for RDAs are to :

- promote economic development and regionally balanced growth;
- promote social cohesion and sustainable development through integrated local regeneration;
- help those without a job into work by promoting employment and enhancing the development of skills relevant to employment.

2.1.17 These are translated into 11 Tier 2 Targets which include Sustainable Economic Performance, Regeneration, Urban and Rural Renaissance, Physical Development, Enterprise, Employment and Skills. These relate to a number of PSA targets for individual government departments. In assessing RDA performance, GOs pay particular attention to how well RDAs are playing their role under the first Tier 2 Target, in creating the 'strategic framework' and influencing what partners in the region do. Individual RDAs then define these targets more precisely for their own region through Regional Economic Strategies (RESs) which they develop with partners and their own annual business plans. The latter include Tier 3 Targets, which are more focused on what the RDAs deliver themselves. (Essentially, Tier 2 Targets are outcome targets whose achievement is very much dependent on the work of all relevant partners, not just the RDA. Current Tier 2 Targets for all RDAs can be found on the [Association of Regional Observatories](#) website).

2.1.18 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 in the financial years 2002-03. This meant that round six was the last official round of the SRB programme, although during the transition year of 2001-02 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.

2.1.19 As part of the Spending Review 2000 the RDAs were asked to increase their role as strategic leaders of regional development. This 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) prepared London's economic strategy for the Mayor. Besides the flexibility introduced with the Single Pot they also had their overall resources increased by around £500million per year by 2003-04. The RDAs are also delivering 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 £37million in total to attract additional investment and to strengthen their economies.

2.1.20 The RDAs have 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 to improve the skills of the young people and to tackle progress according to NVQ guidance targets. Similar targets have been set by ODPM and The Treasury for the RDAs to achieve in relation to the encouragement of enterprise in deprived areas.

- 2.1.21 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 the Social Exclusion Unit was established to identify cross cutting issues important in bringing about local area regeneration and the removal of social exclusion. The Unit works with all levels of Government and a wide range of external stakeholders in order to provide more integrated policy solutions and is located within the ODPM. In 1997-98 a new area programme for local area regeneration called the New Deal for Communities was launched. The focus under the New Deal for Communities (NDC) 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 scheme targets 39 severely deprived areas across the country with neighbourhoods that usually contain up to 4,000 households.
- 2.1.22 The scheme is administered by the Government Offices (GOs) 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 the key outcome domains of health, education, worklessness, crime and housing and the physical environment.
- 2.1.23 A further phase of change took place in relation to local area regeneration following the response to a consultation document in April 2000<sup>9</sup> and a Review of Government Interventions in Deprived Areas (GIDA)<sup>10</sup>. 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 (LSPs) that bring all parties to the table, namely residents, public, private and voluntary organisations in a partnership model.
- 2.1.24 Out of the National Strategy Action Plan the Government set up the Neighbourhood Renewal Unit (NRU) that reports 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

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<sup>9</sup>National Strategy for Neighbourhood Renewal - a Framework for Consultation.

<sup>10</sup>Part of the 2000 Spending Review the Government published in early 2001 'A New Commitment to Neighbourhood Renewal; National Strategy Action Plan'.

overseeing local renewal strategies, administering funding and seeking 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).

2.1.25 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:

- 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;
- all recipients will be required to operate within a Best Value Performance Plan.

2.1.26 The conditions underpinning the grant are described and reviewed annually in a Special Grant Report and approved allocations are paid to the local authority through the Revenue Support Grant System. A local authority receiving NRF funds is required to produce a Statement of Use, agreed with the LSP, detailing the expenditure and how it helps to meet the goals of the LSP (attaining floor targets, mainstreaming, etc). In October 2002 the Neighbourhood Renewal Unit produced an assessment of Statement of Use for 2001-02. The 2000 Spending Review provided the NRF money designed to help the process of neighbourhood renewal - £200million in 2001-02, £300million in 2002-03 and £400million in 2003-04. At the conclusion of Spending Review 2002, the Government announced that the NRF would continue beyond 2003-04, providing £450million in 2004-05 and £525million in 2005-06. The NRF can be spent in any way that tackles deprivation in the most deprived neighbourhoods, particularly, but not exclusively, in relation to the floor targets and to local targets set out in the Local Neighbourhood Renewal Strategy (LNRS) agreed by each of the 88 LSPs. Overall, the fund will be administered by the Neighbourhood Renewal Unit. At the regional level the Government Offices have the responsibility to ensure that there is a better integration of policies than has hitherto occurred.

2.1.27 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 supported the application of the concept through the introduction of 20 Pathfinders in July 2001. Each Pathfinder has produced a Delivery Plan that is currently being implemented. The Pathfinders will run for seven years and by then it is hoped that improvements will be sustainable. Pathfinders receive funding averaging £200,000 per year to cover management and administration, with other funding of up to £1.5million over three years with up to a further £600,000 over the following two years. This funding is for projects to improve neighbourhoods relating to public services and quality of life. A further round of the programme was announced in August 2003.

- 2.1.28 A further development to support local communities was introduced in 2001 with a fund of £50million to run until 2004 for communities to set up local 'Community Chests' which provide small grants for community organisations in the 88 Neighbourhood Renewal Fund districts. In 2002 Community Learning Chests were introduced to boost the Community Chests with a budget of £10million to improve skills and learning among residents and groups in these areas with small grants of between £50 and £5,000. Both these programmes are monitored by the GOs and the Community Participation team in the NRU assesses performance nationally on the basis of regional reports. In addition, the Community Empowerment Fund (CEF) was set up in 2001 to help local people and community and voluntary sector groups get involved in decision-making on a strategic level through the Local Strategic Partnership. This Fund will provide £60million between 2001-06 to set up Community Networks in the NRF areas. It is intended that the Networks will bring together the entire range of local organisations in the area, especially those representing the most deprived neighbourhoods and most marginalised groups.
- 2.1.29 Two other programmes that are part of the Neighbourhood Renewal Unit are the Neighbourhood Warden and Street Warden schemes. Neighbourhood wardens were first introduced in 2001 providing a visible presence to an area helping to promote community safety and assist with some environmental improvements. This was followed up by the street warden scheme which gave greater emphasis to improving the physical appearance of the area by tackling environmental problems such as litter and graffiti. £50million was announced in 2002 to set up 123 street warden schemes and this was extended in summer 2003 by a further £19million.
- 2.1.30 A further initiative which followed the Performance and Innovation Unit's report in 2000 'Counter Revolution – Modernising the Post Office Network' was the £15million Deprived Urban Post Office Fund, launched in December 2002. This Fund provides grants of up to £50,000 to sub-postmasters in the most deprived urban areas of England to modernise their branches as part of the Government's long-term drive to regenerate impoverished urban communities. More than 400 post office branches in the 10% most deprived wards without an alternative branch for more than half a mile were given priority in the first six months. After this time other post office branches in the 10% most deprived wards were able to apply and in December 2003 branches in the rest of the 20% most deprived wards became eligible. This Fund should be seen in the wider context of the various programmes aimed at supporting the Post Office network such as the Urban Network Reinvention Programme, the £2million Capital Rural Start-Up Initiative and the Rural Post Office Fund.
- 2.1.31 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.
- 2.1.32 Local Strategic Partnerships are tasked with bringing together public, private, community and voluntary sector partners to improve community well-being through adopting a strategic approach to the planning and delivery of public services within a given local authority area. All LSPs are expected to play a role in the development of Community Strategies (which local authorities have a duty to produce). Those in NRF

areas are expected to produce Local Neighbourhood Renewal Strategies that describe how the LSP and its members intend to work to achieve the desired floor targets in each of the main key areas of service delivery. Many of these floor targets are also the subject of Local Public Service Agreements that individual local authorities have agreed with Central Government. It is intended that LSPs enable priorities and service provision in relation to deprived areas to be better co-ordinated, that service providers and the consumers of these services should be brought together and that there should be a partnership-based approach to delivery.

- 2.1.33 On the ground there is growing realisation that if LSPs are to be successful then they have to develop their decision-making and delivery structures in ways that allow for more joined-up working and a tighter focus on ensuring that mainstream services work better in deprived areas. Stronger actions are often required to promote equality and the inclusion of the wider community (including faith and BME communities). In NRF areas, there is a requirement by ODPM/NRU to have an accredited LSP in order to access NRU funding (NRF and Community Participation programmes).
- 2.1.34 The DTLR White Paper (*Quality Local Leadership: 2001*) recognized the need for LSPs to be able to rationalize, subsume and co-ordinate other partnerships as well as promote strong partnership working between stakeholders within an LSP. LSPs provide an opportunity to streamline and rationalize the numerous existing partnerships at the local level. However, Government is aware that planning, accountability, monitoring and evaluation functions can differ between programmes and initiatives as this will reflect their different focus/priorities across areas (*LSPs: Government Guidance, March 2001*).
- 2.1.35 LSPs are aligned with local authority (LA) boundaries, though this does not mean there will be a separate partnership for every LA administrative area. The establishment of an effective LSP is proving particularly challenging in areas with both county and district councils, as regeneration issues often straddle administrative boundaries and services are delivered at both county and district level. There is often a fine balance between leadership and dominance when it comes to the role of individual partners. LSPs clearly have to function within a wider regional framework, and as such there will need to be a clear working relationship between LSPs and sub-regional partnerships (*Collaboration & Co-ordination in ABIs-Research Report No. 1, NRU/RCU May 2002*).
- 2.1.36 There are four 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 ODPM 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 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. Following the first three URCs in Liverpool, Manchester and Sheffield formed in 1999, a further 20 have been announced 18 in England, 1 in Wales and 1 in Northern Ireland.

2.1.37 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, Action Teams for Jobs, Education and Health Action Zones, City Academies 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 Phoenix Fund from the Department of Trade and 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 £94million. Following the 2002 Spending Review the programme's life was extended to 2005-06 with a further £25million allocated for both 2004-05 and 2005-06. This programme is managed for the DTI by the Small Business Service.

2.1.38 Finally, there was a major new initiative within the Office of the Deputy Prime Minister (ODPM) itself. This is the Communities Plan – Sustainable Communities: Building for the Future, which was launched in February 2003 with a government budget of some £22 billion. It comprises a number of elements to tackle the key areas of:

- Housing shortages, with a particular emphasis on the four 'growth areas: the Thames Gateway, London-Stansted-Cambridge corridor, Ashford and Milton Keynes-South Midlands. It focuses on providing affordable housing for 'key workers' in the public sector and tackling homelessness with the aim of ending bed and breakfast accommodation for the homeless by March 2004,
- Low demand and abandonment of homes, focusing on the worst affected areas in the North and Midlands;
- Decent homes, which seeks to ensure that social housing is brought up to a decent standard by the end of the decade and that the vulnerable residing in private housing achieve an improvement in living conditions;
- Liveability, which is concerned with environmental improvements for communities such as cleaner streets and better open spaces;
- Protecting the rural countryside, looking at effective land use with most new build on previously developed land rather than greenfield sites with some increases in designated greenbelt land.

2.1.39 Funding for this initiative is scheduled to take place up to 2005-06. Funding initiatives include over £200million to improve parks and other public spaces, £350million to modernise the planning system and over £600million assigned to the four 'growth areas'. As part of this initiative the Government has enabled regeneration parties to set-up Urban Development Corporations.

### 3. Has SRB targeted social need?

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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 20 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.

#### 3.1 Introduction

3.1.1 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.

3.1.2 At the interim<sup>11</sup> 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.

#### 3.2 Assessing the geographical variations in local need

3.2.1 For many years the Office of the Deputy Prime Minister (ODPM) has prepared deprivation indices covering a range of spatial areas. The exercise on targeting social need in the interim Report<sup>6</sup> used the Index of Local Conditions which was based on 1991 data. This Index was revised in 1998 and further updated to the Indices of Deprivation 2000, which are the measures employed in this chapter. The Indices of Deprivation 2000 comprise:

- 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);

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<sup>11</sup>Evaluation of the Single Regeneration Budget Challenge Fund, A Partnership for Regeneration: An Interim Evaluation, DETR 1998.

- A supplementary Child Poverty ward level Index;
- Six summaries at local authority district level of the overall Index of Multiple Deprivation 2000.

3.2.2 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:

1. **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;
2. **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;
3. **Income scale** - the number of income deprived people in the district;
4. **Employment scale** - the number of employment deprived people in the district;
5. **Average of ward ranks** - a weighted average of the combined ranks for the wards of each district;
6. **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.

3.2.3 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.

### 3.3 Identifying the geographical distribution of SRB expenditure

3.3.1 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.

3.3.2 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 ODPM website. Further work was undertaken to link each SRB scheme with the relevant LA District to cater for the fact

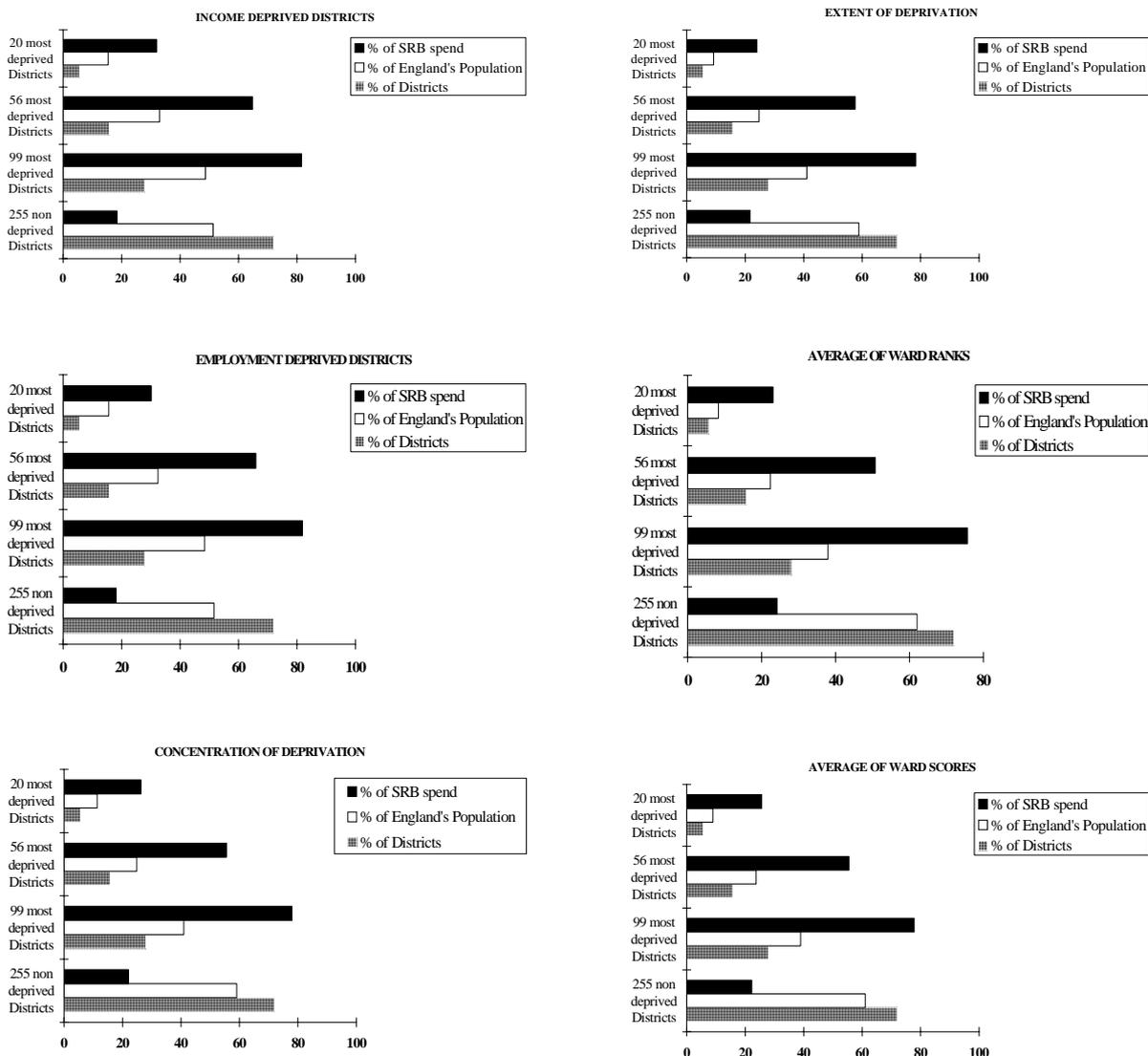
that some LA Districts have several SRB schemes and the fact that some schemes are geographically broad and cover several LA Districts. In most cases where a scheme covered more than one district there was no indication of how much SRB would be attributed to each district. To overcome this problem SRB 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.

- 3.3.3 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.
- 3.3.4 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 non-deprived districts.

### **3.4 Key findings**

- 3.4.1 Figure 3.1 below 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.
- 3.4.2 When examining income and employment, around a third of all SRB expenditure had been targeted towards the 20 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.
- 3.4.3 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 3.1 below). Similarly, results from the Average Ward Rank and Average Ward Scores indices fall more in line with the extent and concentration indices.

**Figure 3.1 The distribution of SRB expenditure for the most deprived local authority districts of England**



Source: Department of Land Economy

| <b>Table 3.1: SRB expenditure and spend per head for the most deprived* local authority districts of England</b> |               |                   |               |                      |                     |                      |
|--|---------------|-------------------|---------------|----------------------|---------------------|----------------------|
|  | <b>Income</b> | <b>Employment</b> | <b>Extent</b> | <b>Concentration</b> | <b>Av Ward Rank</b> | <b>Av Ward score</b> |
| <b>Top 20</b>  |               |                   |               |                      |                     |                      |
| 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             | 4504          | 5,550                | 4,085               | 4,391                |
| SRB spend/head   | 241.9         | 224.8             | 304.2         | 270.8                | 323.1               | 332.9                |
| <b>Top 56</b>  |               |                   |               |                      |                     |                      |
| SRB £m   | 3,690.6       | 3,760.9           | 3,286.1       | 3,166.4              | 2,897.4             | 3,162.5              |
| Pop (000s)   | 16159         | 15,885            | 12,116        | 12,185               | 10,978              | 11,640               |
| SRB/ head  | 228.4         | 236.8             | 271.2         | 270.8                | 263.9               | 271.7                |
| <b>Top 99</b>  |               |                   |               |                      |                     |                      |
| 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                |
| <b>Remaining 255</b>   |               |                   |               |                      |                     |                      |
| 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                 |
| <b>All districts</b>   |               |                   |               |                      |                     |                      |
| 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.

3.4.4 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 3.2 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.

| <b>Table 3.2 Correlation between SRB spend per head and the Indices of Deprivation 2000</b> |                              |                                  |                     |                                  |                           |                               |
|---|------------------------------|----------------------------------|---------------------|----------------------------------|---------------------------|-------------------------------|
|   | <b>No of Income Deprived</b> | <b>No of Employment Deprived</b> | <b>Extent Score</b> | <b>Local Concentration Score</b> | <b>Average Ward Ranks</b> | <b>Average of Ward Scores</b> |
| SRB spend per district  | 0.841                        | 0.848                            | 0.718               | 0.484                            | 0.595                     | 0.701                         |

<sup>i</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.