

Cambridge Centre
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Planning Research

Creating positive economic opportunities for communities

Professor Pete Tyler
Dr Gemma Burgess
Kathryn Muir
Dr Katayoun Karampour

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UNIVERSITY OF
CAMBRIDGE

Dr Gemma Burgess
Cambridge Centre for Housing & Planning Research
Department of Land Economy
University of Cambridge
19 Silver Street
Cambridge
CB3 9EP

glb36@cam.ac.uk

Tel 01223 764547

www.cchpr.landecon.cam.ac.uk

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SUMMARY OF KEY FINDINGS

Context

Local Trust is responsible for delivery of the Big Local programme, which is supporting local residents in 150 communities across England over 10-15 years to improve their areas, drawing on £1.1m each of Lottery funds. In many Big Local initiatives, residents have been seeking to act to influence and improve their local economies. Local Trust is also supporting the development of the Alliance for Community Wealth that is proposing a multi-billion pound fund be created to support the development of poor and “left behind” communities, drawing on dormant assets and private sector contributions. To inform and support both of these areas of its work, Local Trust is seeking to test the hypothesis that successful positive economic change can be obtained in deprived, left-behind areas if the following characteristics are in place:

- The area represents a catchment of between 5-15,000 people;
- local people have decision making power and control over resources, can identify their own needs and opportunities and design their own solutions;
- there is a basic level of social or civic infrastructure in the area in the form of a place to meet, at least one community or civic association and a small core of actively engaged local people;
- a holistic approach is taken i.e. the intervention does not focus solely on jobs and training but takes into account broader issues which have an impact including transport and childcare;
- a bespoke approach rooted in the particularities of local areas;
- a long term commitment, 10-15 years;
- consistency in the approach adopted (as opposed to programme parameters changing regularly);
- while the initiative is local or hyper-local, it creates connections with economic opportunities outside the area.

To test this hypothesis they asked the Department of Land Economy in the University of Cambridge to undertake a rapid review of evidence on the impact of British regeneration policy and to seek the views of a number of regeneration experts.

Key findings

A clear message from the recent Brexit vote it is that there are deeply embedded economic imbalances that are provoking division in British society and the case for sustained government commitment to invest in left behind areas is clear. Ways have to be found to

enhance the levels of opportunity available to residents of these areas and integrate them more adequately into the mainstream of British society.

As Tyler, et al, (2007) comment, in the face of substantial economic restructuring many areas in the United Kingdom have adapted positively to economic change. Those areas that adapt well are able to attract the investment and people that revive their economic fortunes. In these areas, regeneration is a relatively painless process because the area has sufficient *opportunity* relative to its *need* to bring about positive change. This has not been the case Britain's Left Behind areas where the burden of the past weighs heavily. These areas need to transform land uses, overcome dereliction, secure new infrastructure, retrain, and re-skill their residents. ***Crucially, the level of economic opportunity in the areas concerned has to be increased.***

The evidence from the research presented in this Report indicates that:

- There is a strong consensus that local residents in relatively deprived, left-behind areas should be enabled to make an effective contribution to the provision of local services, including those relating to economic development, that impact on their quality of life. To make this contribution there has to be a basic level of social or civic infrastructure in place to enable local people to have decision making power and control over resources, identify their own needs and opportunities and design their own solutions;
- The research has examined what community-led partnerships have achieved when residents have been involved in this way in English regeneration initiatives over the last forty years. It has sought to 'test' the hypothesis that local area initiatives with certain characteristics can successfully bring about positive economic change. The characteristics are that the neighbourhood has a population of around 10,000 and that in seeking to regenerate their local area, the partnership adopted a bespoke, consistent, holistic and long-term approach that did not just focus solely on jobs and training, but also took into account broader issues including transport, childcare and the need to create connections with economic opportunities outside the area;

- We have interpreted economic change from both a narrow and a broad perspective. The broader definition has considered a range of outcome indices that encompass place and people related outcomes that all sum to influence the attractiveness of the neighbourhood as a place to live and work. The narrow perspective has focused only on indices of economic deprivation;
- It is important to emphasise a number of key factors that should be borne in mind when assessing the achievement of area based regeneration initiatives, whether community empowered or otherwise. These are that over the period of the intervention there are impacts on residents who lived in the area at its beginning and remain throughout. There will also be people who benefit from the policy but move into, or out of, the area. Benefits may also accrue to people who live outside of the neighbourhood ('leakage) and there could be displacement of economic activity between neighbourhoods. It is also important to be realistic about what such interventions can achieve, even if they operate for a substantial time. They operate at the margin to alter key outcomes. A wide range of other factors; namely the level of mainstream public sector and private sector expenditure in the area, are the big movers of change. With these caveats in place we can make the following observations;

Overall impact

- In general community empowered partnerships that have adopted a strategic holistic approach to regenerating their area have been able to achieve positive change on the *broad* definition encompassing place and people based indicators. Across the economic, physical and social indicators of change, the evidence is pretty convincing that success is greater in relation to place related aspects than people related aspects. The case for partnerships being involved in holistic approaches to regeneration thus tends to find support. Thus, the National Evaluation of the New Deal for Communities found that 'there is support for holistic approaches towards regeneration; spend and change in some outcomes is associated with change in others' (CLG, 2010).

- The evidence shows considerable variation in the achievement of partnerships that conform to the basic model. In the NDC programme there was considerable variation in the performance of partnerships and the best performers were able to;
 - Achieve a significantly greater increase in the percentage of residents involved in regeneration activities;
 - Had more ethnically diverse populations; and higher proportions of residents in social housing at the beginning of the intervention;
 - Had larger, growing populations;
 - Were situated in a Local Authority District that had a higher density of jobs.
- Further analysis of the factors that appeared to be associated with greater success in the application of the basic model from the NDC evaluation was based on a Composite Index of Relative Change that standardised, and brought together, change data for thirty six core indicators across the six core outcome areas of place; crime, community and housing and the physical environment and people (worklessness, education and health). The pattern of change in the NDC area was compared with changes in five groups of pooled comparator area data (CLG, 2010). Thus; 'the index measures the degree to which each of the 39 NDC areas achieved change over and above that for groups of similarly deprived comparator areas in the same geographic context' (CLG, 2010). The patterns of change were examined for three groups of explanatory variable that reflected attributes of the partnerships, characteristics of the NDC areas themselves and aspect of the wider context in which the NDC partnerships were located. This analysis revealed that the best performers tended to have the largest numbers of resident members and agencies on their boards and NDC partnerships which engaged with the largest number of agencies tended to see more change across the three place related outcomes (crime, community and Housing and the Physical Environment), taken together (CLG, 2010). In relation to NDC area level characteristics, it was noticeable that less change was apparent in people related outcomes for 'largely white, peripheral estates, in smaller non-core cities' (CLG, 2010).

- There is relatively strong evidence that community based regeneration initiatives have to be delivered over a long period if they are to secure sustainable impacts.
- A geographic focus of a round 10000 is helpful, although there is a view that a slightly larger catchment would be a better fit with some service providers;
- Overall, there is some support for the basic hypothesis. Community based interventions suitably resourced can bring about positive change *broadly* defined. The evidence from the most extensively evaluation of such initiatives undertaken in the United Kingdom is positive in this respect and there is support for this from other initiatives like SRB.
- Moreover, partnerships where the community has had a formative role have been able to assist in the required boundary spanning to focus mainstream providers on the relative needs of residents. Programme wide and project specific evidence shows that across the key outcome domains of health, education, crime partnerships have been able to assist in customising mainstream delivery of services to meet the needs of specific groups and individuals in the neighbourhood;
- However, there is more limited evidence of impact on indicators relating to the more *narrow* definition of economic change. The National Evaluation of NDC found no evidence for statistically significant positive net additional change in levels of worklessness for the neighbourhood population in aggregate, although there were impacts on specific communities, individuals and groups of residents in the neighbourhoods concerned, as shown in Annex B. Infact, individual project based evidence points to significant impacts on individuals and businesses in the target areas, particularly in enhancing employability and business development but in the aggregate change statistics the numbers tend to be swamped by other changes;
- The model works less well in integrating neighbourhood with organisations responsible for local economic development in the wider local area. ***Producing enough economic integration remains a significant challenge as discussed in the next section.***

Moving policy forward

HM Government does not currently have a national spatial strategy and new initiatives like the recently announced Stronger Towns Fund and the proposed Local Prosperity Fund are being considered against a backdrop of many years of austerity and public sector cuts.

The research undertaken in this paper lends support to a neighbourhood place based approach to addressing the needs of left behind areas, building on a partnership based model where the community is involved in the way described. There is a considerable body of evidence as to how new initiatives might build on experience and overcome well-known limitations with previous models. The research has highlighted Best Practice and specific project based activities that have been successful. Place based partnerships are important in encouraging the required boundary spanning.

A clear finding is that if new community based partnership initiatives are to be deployed to help deprived left behind areas then it is important to ensure that they have more than a transitory existence. Moreover, they have to be adequately resourced if they are to deliver holistic packages of regeneration.

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

However, a further feature of any new initiatives must be that the neighbourhood has to be better integrated into the wider economic system from which they have become increasingly dislocated. They have to share more in the economic growth occurring in their wider local economy. HM Government have made it clear that local economic policy will be delivered by LEPs working with local business and alongside local authorities and the agencies of government responsible for delivering skills, education and training. It is thus essential that where possible the relevant areas have community-facing organisations to which LEPs and other agencies of stakeholders can engage with in

building the economic capabilities of the area and its residents. Local communities require support to develop their capacity and articulate local economic plans.

Moreover, England is lacking effective *local* business engagement models and lobby groups relative to the position in other countries like Germany. There is often little effective representation of business in the community. The consequence of this in many of Britain's most deprived areas is that there are often weak links between local business and the community and this inhibits the development of a combined agenda that promotes the interests of both business and the community. The evidence points firmly to a role for business mentors to represent the community and local businesses, building links and providing a connection between bodies such as LEPs and local community groups. Community based enterprises have also tended to play an important role in connecting local residents with mainstream services.

Section 1. Context

Local Trust is responsible for delivery of the Big Local programme, which is supporting local residents in 150 communities across England over 10-15 years to improve their areas, drawing on £1.1m each of Lottery funds. In many of those Big Local residents have been seeking to act to influence and improve their local economies. Local Trust is also supporting the development of the Alliance for Community Wealth that is proposing a multi-billion pound fund be created to support the development of poor and “left behind” communities, drawing on dormant assets and private sector contributions. To inform and support both of these areas of its work, Local Trust is seeking to test the hypothesis that successful positive economic change can be obtained in deprived, left-behind areas if the following characteristics are in place:

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To test this hypothesis they asked the Department of Land Economy in the University of Cambridge to undertake a rapid review of evidence on the impact of British regeneration policy and to seek the views of a number of regeneration experts. This Report begins in Section two with a discussion of key concepts as they relate to British regeneration policy (Annex A provides further detail). Section three then reviews the evaluation evidence on the regeneration programmes with the characteristics that conform to the Local Trust model. (Annex B adds further detail on impact by main regeneration initiative/theme). Section four then reports the views of experts in the regeneration field on the key lessons from previous initiatives. Section five then suggests key issues that new policy initiatives might consider in a Post-Brexit world.

Section 2. The Evolution of English Regeneration Policy and Key Concepts

The United Kingdom has deployed an extensive array of initiatives over the last forty years to address the economic needs of deprived areas, usually through some form of neighbourhood-based policy. Before reviewing the evidence base, it is helpful to discuss some key concepts.

HM Treasury considers that regeneration is the 'holistic process of reversing economic, social and physical decay in areas where it has reached a stage when market forces alone will not suffice' (ODPM, 2004)¹. In England, a key milestone in post war regeneration policy was the Inner City White Paper in 1977². In the late 1970s the focus of British spatial policy switched dramatically from diverting economic activity and population out of British cities to seeking to retain and expand it in those neighbourhoods where there were 'new problems of high unemployment, decay and dereliction, unbalanced population structure, with disproportionate numbers of the disadvantaged and the elderly, and an accompanying loss of internal morale and external confidence' (Hansard, 1977).

There has been much written about the circumstances of deprived and left behind areas (Brennan et al, 2000, Dabinett et al, 2001, Rhodes et al, 2003 and Rhodes, 2005). In this section, it is only possible to provide a brief insight. The problems faced by deprived areas are typically a distressed labour market, poor quality housing and relatively worn-out infrastructure. Residents often experience higher levels of ill-health and crime. A distinguishing factor is that the relative incidence of these factors is much greater than that of the surrounding areas and that of the nation as a whole. There are multiple interactions between different parts of the problem. As Brennan et al (2000) discuss, in the most deprived communities the majority of the residents are experiencing social exclusion in some form and an adverse cumulative momentum builds-up so that the area has a poor image and residents become resigned to a culture of social exclusion and a dependence on the state for income. Rhodes et al, 2007, argue that the extent of the problem is such that it has a fixity in the geographic landscape and neither the workings of the market or mainstream public service providers seem to be able to alter it much.

¹ Assessing the Impacts of Spatial Interventions, the 3 'Rs' Guidance (ODPM, 2004).
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191509/Regeneration_renewal_and_regional_development.pdf

² <https://api.parliament.uk/historic-hansard/commons/1977/apr/06/inner-cities-government-proposals>

Historically, piecemeal attempts to address problems have often been unable to ‘turn-things-around’ because they have been so marginal in scale and positive impacts have been offset by adverse changes in the market or mainstream government policy. The economic dimension and particularly the workings of the labour market and its interface with the housing market is of central importance in understanding how areas become and remain relatively deprived.

Research undertaken for the Barrow Cadbury Trust (Fenton et al, 2009) sought to understand more about why people in deprived neighbourhoods were relatively poor. The research focused on wards in Birmingham. Economic restructuring meant large job losses in manufacturing and new jobs had been created in relatively low paid sectors like retail, wholesale and catering. These processes had affected those who lived in the most deprived areas extensively and there was a fall in real incomes for those who had been traditionally been amongst the lowest paid and who were disproportionately concentrated in particularly inner city neighbourhoods. The movement of people also added to the concentration of those on the lowest incomes in the most deprived areas. In the most work poor wards there was a *net inward* movement of people who had routine or manual occupations, had never worked and were long term unemployed. This movement reflected the cost, tenure and availability of housing. There was *net outward movement* of people with better-paid occupations (Fenton, et al, 2009).

Tyler et al (2007) have discussed the rationale for policy intervention extensively. It is that action by market and mainstream service providers cannot, on their own, change things significantly within an acceptable timeframe. Regeneration initiatives require a strategic approach that enables the market, government and Civic Society to build the asset base of the area and the skills of its residents. The problems facing Left Behind areas demonstrate that whilst policy measures are needed to improve the skills of the *people in the place* there is also a crucial need to focus on improving the attractiveness of the *place*.

There is no single definition of what constitutes a *deprived* neighbourhood. HM Government has profiled areas at the Lower-layer Super Output Area level (approximately 1,500 people)³ based on indices that reflect the breadth and depth of deprivation. This was broadly the approach adopted in 2000, 2004, 2007, 2010 and 2015. The indices are based on domains that encompass income, employment, education, skills and training, health and disability, crime, barriers to housing and services and local environment. All of the domains are built

³ DCLG (2015). The English Indices of Deprivation. See <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

around a 'basket' of indicators. When the New Labour Government came to power in the late 1990s it focused extensively on the concept of social exclusion and how this should be measured⁴ (SEU, 1997). This had much to recommend it since it recognised that being excluded from the quality of life enjoyed by the majority of people in British society was much more than not having enough income, important as that is. Burchardt et al (1999) provides an excellent discussion of the core issues here. Analysis using the British Household Survey (Brennan, et al, 2000) revealed that in some neighbourhoods there were households excluded on three or more measures of social exclusion on a sustained basis. The Burchardt research emphasised that the households had no agency or control over the degree of exclusion that they were facing. The breadth and depth of social exclusion as it affected deprived areas in England was analysed extensively by Brennan, Rhodes and Tyler (2000).

More recently, there has been a tendency to see the problem in terms of communities being '*left-Behind*', although the discussion often focuses on areas much larger than neighbourhoods do and in some cases regions (Hendrickson (2018))⁵. In England left behind areas are all characterised by high level of deprivation as conventionally assessed but, as recent research commissioned by Local Trust has shown, they are also usually associated with a lack of core capacity in terms of community based assets, anchor institutions and are often physically and economically remote (Local Trust,2019)⁶

In relation to the core hypothesis being tested in this research it is important to define, what positive economic change would mean in deprived left behind areas given the problems they face. A narrow interpretation might focus on worklessness or some other labour market variable that relates to the economic characteristics of its residents. However, a broader definition should perhaps reflect a range of factors that represent the overall quality and well-being of the neighbourhood as a place to live and invest in. In this respect, consideration should be given to key outcomes indicators that are contained in the Index of Multiple Deprivation like worklessness, education, health, housing and the physical environment, community and crime. In the research, we have distinguished a *narrow* indicator of economic change based on economic deprivation indices but also a *broader* measure, which encompasses the standard place, and people related outcome indices.

⁴ Social Exclusion Unit, ODPM (1997).

⁵ Hendrickson, C, Muro, M and Galston, W (2018). Countering the geography of discontent: Strategies for left-behind places (2018). <https://www.brookings.edu/research/countering-the-geography-of-discontent-strategies-for-left-behind-places/>

⁶ <https://localtrust.org.uk/news-and-stories/blog/what-does-being-left-behind-mean-in-practice/>

British Regeneration Policy

Much has been written about how British regeneration policy evolved since the early 1980s. Figure 1 illustrates the extensive array of initiatives adopted. Appendix A provides a broad overview of the main initiatives and the shape and form they have taken. The reader is referred to Rhodes, Tyler and Brennan (2007)⁷. There are some defining features in how policy evolved that are of interest for the present research.

In the early years of regeneration policy funds were deployed to areas that varied considerably in their size but a common feature was that central government defined the boundaries of the areas that could receive assistance under the policy initiative. There was also considerable variation in the size of funding and the type of intervention supported across the full range of physical, social and economic dimensions. Many initiatives were delivered, or at least overseen, by local authorities with notable exceptions being Urban Development Corporations where a more corporate approach was adopted.

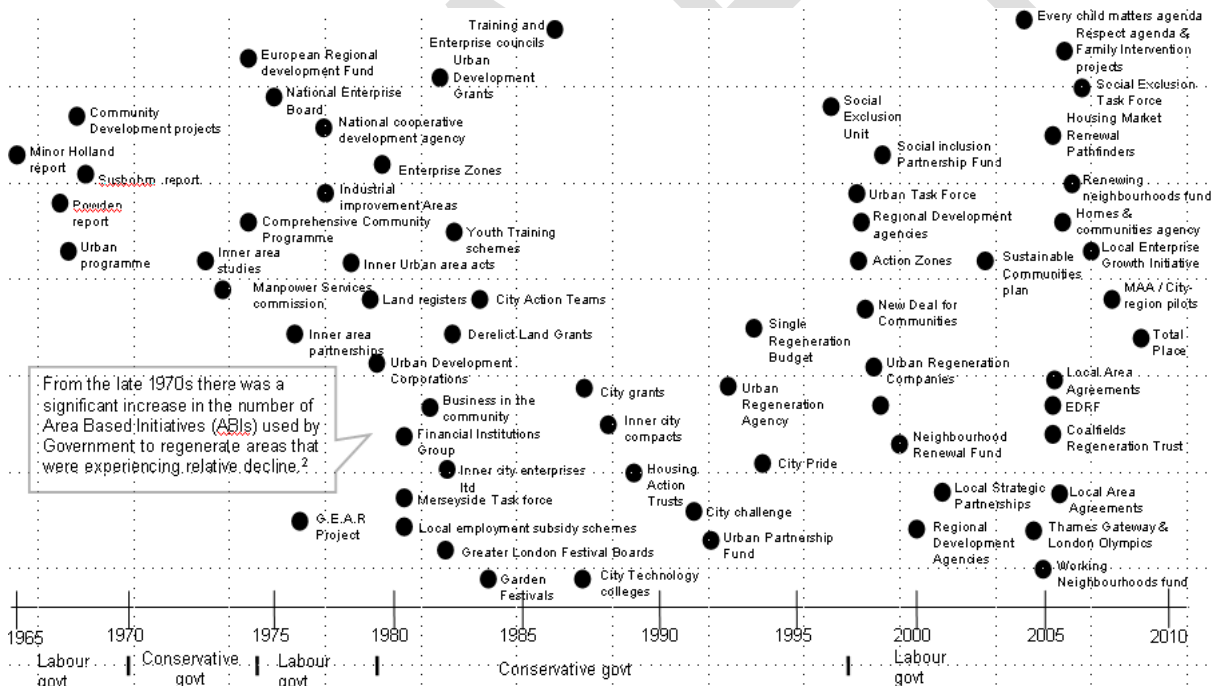


Figure 1. Major local economic development policy initiatives in the UK (1965-2010). Source: Pacione (2009).

⁷ Review of the Evidence Base for Regeneration Policy and Practice. ODPM, 2001. Also, Rhodes, J, Tyler, P and Brennan, A. The Single Regeneration Budget: The Final Evaluation (2009). Department of Land Economy. https://www.landecon.cam.ac.uk/pdf-files/cv/pete-tyler/SRB_part1_finaleval_feb07.pdf

By the time of City Challenge in the late 1980s, and then the Single Regeneration Budget in 1992, central government was encouraging local stakeholders from local authorities, community groups, the voluntary and private sectors to come together in partnerships to delivery more area based *holistic* models of delivery where the local partnership defined the spatial geometry of intervention, the initiatives they wished to fund, who led the partnership and, importantly, their scale and duration. The focus shifted significantly from a model where central government provided funding to stakeholders in defined areas to one where local area based regeneration initiatives were delivered from within the area by local stakeholders who decided the boundaries and themes of intervention. The Single Regeneration Budget dominated the funding of local area based regeneration from the early 1990s for nearly a decade.

By the late 1990s, regeneration policy had assumed two main forms; the first, as reflected in the Regional Development Agency model, focused on addressing the *drivers of growth* at the sub-regional level across England. The drivers included skills, investment, innovation, enterprise and competition. The second was a move to neighbourhood-based regeneration. The approach adopted by New Labour (NSNR, 1998) was based on:

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

Section 3. Evidence from Neighbourhood Based Regeneration Initiatives that have had a Strong Fit with the Relevant Criteria

An extensive review of the regeneration initiatives detailed in Annex A identified English Regeneration initiatives that fitted with the characteristics of the Local Trust hypothesis. In the case of the New Deal for Communities the fit was virtually perfect. In addition, of the 1029 partnerships supported by the six-year SRB programme, about one tenth of them also met the requirements, at least in part. Given the very strong fit of the NDC programme with the key characteristics, an in-depth analysis of the evaluation evidence for this initiative was undertaken.

New Deal for Communities

The New Deal for Communities was one of the most extensive area based interventions in England⁸. It was part of the HM Government's National Strategy for Neighbourhood Renewal and was announced in 1998. Its primary purpose was to reduce the gaps between some of the poorest neighbourhoods and the rest of the country in relation to three place-related outcomes relating to fear of crime, housing and the physical environment and the three resident related outcomes of health, education and worklessness.

Communities were seen to be 'at the heart of the regeneration of their neighbourhoods' and 39 local deprived communities were provided with around £50 million over a ten year period to reduce deprivation in their areas relative to others. The average size of the area was 9,800 people. As Lawless et al⁹ (CLG, 2010) discuss, each NDC established a community based partnership that had members from the local community and representatives from agencies responsible for delivering core services. The core services included the local authority, Job Centre Plus, the police and Primary Care Trusts. The Partnership developed a Delivery Plan that allocated resources with a vision to transform the lives of those living in the designated NDC area. Over the period 1999-2000 to 2007-2008 the Programme received £2.52 bn, of

⁸ SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal. DETR (2001) New Deal for Communities: Financial Guidance. ODPM (2004) Transformation and sustainability: future support, management and monitoring of the New Deal for Communities programme.

⁹ <https://extra.shu.ac.uk/ndc/downloads/general/A%20final%20assessment.pdf>

which CLG contributed £1.71 bn and there was matched funding of 0.81 million from others (CLG, 2010)¹⁰.

The Interim Evaluation, published in 2005, stated that ‘the participation of local residents in the NDC Programme is informed by a theory of change which assumes that the multiple deprivations experienced by residents in NDC areas leads to social exclusion and low levels of social capital, resulting in low social esteem, poor community cohesion, distancing of households from mainstream, poor community infrastructure, and high levels of crime and disorder’ (CLG, 2005)

The objective was on delivering neighbourhood regeneration based on the following characteristics:

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

Impact on bringing about positive economic and other change; evidence from the Mid-Term NDC Evaluation.

The Mid-Term evaluation assessed the extent to which NDC had been successful in regenerating the areas and residents on which it had been focused. In relation to **securing positive change overall** the evidence pointed to there **being some improvement in core outcome indicators** with the view being at this half-way stage that ‘partnerships have done

¹⁰ CLG (2010). The New Deal for Communities Programme: Assessing Impact and Value for Money. Volume 6.

as well as might reasonably have been anticipated; this was always going to be a difficult objective to achieve' (CLG, 2005).

In relation to the contribution of the individual characteristics, or features of the approach, that the Local Trust is interested in the evidence showed;

- 1) **creating dedicated community based partnerships for neighbourhood renewal;** 'existing agencies were often not too enthusiastic, nor were local authorities (-), progress was constrained by staffing, complex institutional structures, weakness in commissioning and learning from local evaluation-but, NDCs have become much more embedded within the renewal community; and some partnerships are widely seen as models of how neighbourhood renewal should be carried out';
- 2) **Community engagement**- 'there are signs that this approach is reaping benefits in relation to resident attitudes towards the area, the environment and the local NDC. it is nevertheless hard work and it is not yet possible to argue that placing such an emphasis on community engagement betters the chances of attaining ultimate outcomes such as fewer crimes, better educational attainment rates and improved health';
- 3) **Engaging partner agencies, securing a holistic approach and engaging.** The evaluation findings identified that 'joint working was essential if change was to occur across such a wide range of outcomes. There were early problems, often because NDCs lacked political awareness and experienced staff able to engage effectively with agencies. However, there has been a real improvement in NDC/agency relationships; agencies are much more inclined to be positive about NDCs in general and the quality of their staff in particular; some agencies, such as the police and PCTs have proved consistently more supportive than others have such as the LSC and local authority social service departments' ***However, some agencies, especially those operating at wider spatial levels, have generally not interacted with NDCs.***

Source: CLG (2005).

Impact on bringing about positive economic and other change; evidence from Final Evaluation of NDC.

By the time of the 2010, Final Evaluation a substantial amount of evidence had been assembled¹¹. The NDCs had undertaken some 6900 interventions. Over the period 1999-2008

¹¹ https://extra.shu.ac.uk/ndc/ndc_reports_02.htm

[The New Deal for Communities Experience: A final assessment \(March 2010\)](#)

[The New Deal for Communities Experience: A final assessment - Executive summary \(March 2010\)](#)

[The New Deal for Communities Programme: Volume one - Achieving a neighbourhood focus for regeneration \(March 2010\)](#)

[The New Deal for Communities Programme: Volume two - Involving local people in regeneration \(March 2010\)](#)

[The New Deal for Communities Programme: Volume three - Making deprived areas better places to live \(March 2010\)](#)

of the total programme expenditure some 18% went to community, Housing, physical environment 32%, crime reduction 10%, education 17%, worklessness at 12% and health at 11%.

Outcomes

The evidence (CLG, 2010)¹² showed that over the period 2002-2008 NDC areas experienced improvement in 32 of 36 core indicators, spanning crime, education, health, worklessness, community and housing and the physical environment. For 26 of the 27 indicators the differences were statistically significant. The greatest improvements were for indicators of people's feelings about their neighbourhoods; NDC residents recognised the change brought about by the NDC programme and are more satisfied with their place as a place to live'. The evaluation report commented: 'There has been considerable positive change in the 39 NDC areas; in many respects these neighbourhoods have been transformed in the last ten years'.

When benchmarked against similar areas in England, the evaluation found that 'NDC areas saw more improvement in 18 of 24 indicators. Compared to parent local authorities NDC areas saw more positive change for 10 of 13 indicators; net positive change was especially marked in relation to burglary and all three Key Stage education attainment levels; in relation to similarly deprived comparator areas, NDC areas saw more positive change for 21 of 34 indicators, NDC areas saw more positive change for 11 of the 13 indicators showing statistically significant change. In general, NDC areas have *narrowed the gaps with the rest of the country*. (CLG, 2010)'.

The evaluation found that the NDC partnerships were seeking to improve both place and people outcomes and deliver holistic regeneration. Many sought to deliver immediate physical improvements in their neighbourhoods with some three fifths of expenditure on place related interventions. There were strongly positive attitudes towards the local NDC and net positive improvements in housing and the physical environment outcomes based on attitudes to the area and the local environment. Positive, statistically significant change, also

[The New Deal for Communities Programme: Volume four - Improving outcomes for people in deprived neighbourhoods \(March 2010\)](#)

[The New Deal for Communities Programme: Volume five - Exploring and explaining change in regeneration schemes \(March 2010\)](#)

[The New Deal for Communities Programme: Volume six - Assessing impact and value for money \(March 2010\)](#)

[The Composite Index of Relative Change \(CIRC\): Identifying Change in NDC areas \(April 2011\)](#)

[Assessing Neighbourhood Level Regeneration and Public Expenditure \(Jan 2010\)](#)

[Tracking Economic Development in New Deal for Communities Areas \(Jan 2010\)](#)

¹² NDC volume 3. Making deprived areas better places to live; evidence from the ndc programme volume 3 national evaluation.

was apparent for some health indicators; much of it relating to improvements in mental health. There were also net positive improvements in residents being a victim of crime and improvements in an overall 'lawlessness and deprivation' index. However, although partnerships saw big changes in education, improvements in the relevant outcomes were rarely over and above that seen in deprived areas in general and there was no evidence for statistically significant positive net additional change in relation to the incidence of worklessness.

The evaluation commented that 'the NDC programme has succeeded in making NDC areas better places to live. Sixty 5 of residents in NDC areas in 2008 thought that their NDC partnership had improved the area in the preceding two years, an increase of 27% percentage points since 2002. NDC residents recognised the role of the NDC programme in improving local areas. In addition, the proportion of residents thinking that their area has improved has increased more in NDC areas than nationally and in similar deprived comparator areas. These outcomes are testament to the investment of NDC partnerships and agencies in interventions to improve housing and local environments, and to secure a range of new and improved facilities and services for NDC areas'.

Overall, the evidence pointed to the programme securing small, but significant improvements in place related outcomes but progress was more limited for people related outcomes. Thus:

'At the programme level there was little change in relative levels of economic deprivation in the NDC areas or the comparator areas. The relative position NDC areas changed little over time. However, this was in a context where absolute rates of income and employment deprivations were falling across the majority of neighbourhoods in England. Despite the fact that there is relatively little change at the aggregate NDC level looking at each individual areas some areas have experienced large changes in both relative and absolute levels of deprivation' (CLG, 2010).

In relation to the contribution of the individual characteristics, or features of the approach, that the Local Trust is interested in the evidence showed;

- 1) creating dedicated community based partnerships for neighbourhood renewal¹³;**

The National Strategy for Neighbourhood Renewal had identified the short-term nature of most British regeneration initiatives to be a significant problem in being able to turn deprived areas around and it was for this reason that a ten-year time horizon was adopted in the case

¹³ *The new deal for communities programme: achieving a neighbourhood focus for regeneration. Volume 1. Geoff Fordham, Sheffield Hallam (2010).*

of NDC. The National evaluation reported; 'On the positive side, the evidence suggests that NDCs had time to develop long-term plans, establish good relationships with other key agencies in the area; and thus build influence locally. But NDCs had to cope with a number of changes of the ten year period; local demography, changing national framework, and changes in institutions they dealt with, however, there were two central conclusions in relating to time scales; different policy objectives and relevant outcomes require different time scales, tackling local environmental problems and crime and community safety may need funding for perhaps three to four years, while major physical redevelopment of regenerating areas may need at least ten years. However, secondly change over ten years will still be fragile and require further support beyond that lifetime' (CLG, 2010).

The experience from NDC, and also those community facing SRB initiatives, is clear; building the required capacity to enable community-based regeneration is a long-term business and as such, it is crucial to ensure that the process is under-pinned by longer-term fund commitment from whatever source possible.

2) Community engagement

NDCs partnerships spent a total of £248 million on community related interventions-18% of their total expenditure –almost one fifth went on new and improved community facilities, but also on involving local people and developing skills and community infrastructure. For those residents in NDC areas that remained over 2002-2008 some 44% had been involved in some NDC activity. Across most policy, themes there were clear examples of how community engagement had made a difference in terms of young people in educational services that relate to them and re-shaping health interventions. The National Evaluation (CLG, 2010) commented that;

'Programme teams value resident involvement because it brings insight into the concerns and needs of the community' and

'one of the important impacts of resident involvement is the effect it has on those who become involved-residents on boards identified a variety of impacts on their own lives, including knowing more people in the area, increased confidence and improved work related skills. Resident board members more likely to be satisfied with the area and feel part of their local community'.

The National Evaluation observed that 'the community dimension has been central to this Programme and, on balance; most observers think it has brought real benefits in its wake'. However, the evidence pointed to the significant issues in developing appropriate resident arrangements and translating enhanced resident participation into enhanced social capital (CLG, 2010 Volume 7).

3). Engaging partner agencies, securing a holistic approach and creating connections with economic opportunities outside the area.

The National Evaluation found ‘in most NDC areas representatives of the key agencies were involved at the beginning and representations from some agencies became firmly established-experience of success varied but successful relationships with service providers are often attributed to individuals and thus subject to people moving on (CLG, 2010)’. The neighbourhood focus worked better for some regeneration objectives than others. It was recognised that the neighbourhoods were not islands and improvements to core services inevitably benefited some people who lived outside the neighbourhood. Not all policy objectives benefit from a neighbourhood focus. The things most successfully tackled at the neighbourhood level were those that related to some aspects of crime, environment, housing management and public health. It was observed that other aspects of health, and secondary education in most areas, had to be addressed at larger spatial scales. Housing and worklessness strategies had to reflect aspects of wider housing and labour markets. In short, ‘the services that are best delivered at neighbourhood level are those that interact at that level with service users’.

Variations in the scale of impact by partnership

The evidence from the National Evaluation on change in the key outcome variables reflected the average result across *all* thirty-nine areas and it was important to identify what could be achieved in the best examples of the Programme application¹⁴. The National Evaluation investigated this. Characteristics of areas were examined using Principal Components analysis of underlying characteristics and a typology produced.

Based on a Composite Index of Overall Change was produced that combined and standardised change data for 36 core indicators across the Programme’s six core outcomes of crime, community and housing and the physical environment and health, education and worklessness. This enabled change in individual NDCs to be compared to all other NDCs.

The results from the National Evaluation (CLG, 2010) showed that the top five NDC areas experiencing the most change in the index did so for all six key outcomes. The statistical analysis of the characteristics of the best performing partnerships revealed that partnerships;

¹⁴ The Aston Pride NDC in Birmingham experienced the largest change in core outcomes over the period 2002-2008, followed by Hackney, Sheffield, Islington, Haringey, Plymouth, Walsall, Lambeth, Newcastle and Nottingham.

- with greatest numbers of resident board members and agencies on boards, and those with larger boards tended to see more positive change in the proportion of residents who thought the local NDC had improved the area;
- which engage with larger numbers of agencies tend to see more change across the three place-related outcomes as a whole (crime, community, Housing and the Physical environment) when taken in combination;
- who have experienced greater turnover of chief executives tend to see less change in Housing and Physical environment;
- expenditure in some outcome areas was associated with positive progress in others: partnerships which tended to spend more on Housing and the physical environment had tended to have more positive outcomes with respect to worklessness and crime; attaining improvement in one outcome helped achieve positive change in another; NDC areas seeing % greater change in housing and the physical environment were more likely to see greater improvements in crime and community.

NDCs doing better were located in local authorities that had seen a decline in the amount of social housing. Change in people-related outcomes was positively associated with the extent of deprivation in the local authority with the more deprived local authority district receiving more regeneration funding.

For the ten NDC areas seeing the most change, these NDCs had seen;

- A significantly greater increase in the percentage of residents involved in NDC activities; less per-capita spend on education and management and administration, and more on health;
- More ethnically diverse populations, and higher proportions of residents in social housing in 2002;
- A larger, growing population and;
- More employee jobs per head in the Local Authority District taken as a whole.

Source: CLG, 2010.

The overall core policy implications reported in the National Evaluation were:

- Evidence was largely supportive of the 'NDC model' of delivering regeneration although NDC neighbourhoods could have been larger than 10,000 people;
- There was support for holistic approaches towards regeneration; spend and change in some outcomes was associated with change in others;
- More change had occurred, and there were more associations, with place, rather than people;

- There were negative associations between higher levels of educational spend and outcome change;
- Peripheral, ex-public sector estates saw less change than other clusters of NDC areas;
- An increase in owner occupation was likely to help achieve positive change; but existing residents may not be able to afford prevailing house prices;
- Neighbourhood regenerations themes had only limited ability to influence change at the local level.

Source, CLG 2010.

The National Evaluation of the NDC also assessed whether the Programme represented Value for Money. Using an approach based on Shadow Pricing¹⁵ the evidence suggested that the monetary benefits exceeded the costs by a substantial margin. Thus, the programme appeared to provide good value for money.

Distinguishing evidence on change impacts for the whole area from that of individuals

The National Evaluation analysed one further key issue. This was the importance of disentangling the impact of regeneration initiatives on the population of the whole area from that of individuals in the area. This is an important distinction to make because even in the most extensive resourced initiatives like NDC, it is not plausible to believe that there will be change in all indicators of relative deprivation for *all* of the population concerned. The level of resources available and the scale of the problem make this implausible, although this is not often realised by those commenting on the relative success of the policy initiative. Lawless and Pearson (Lawless and Pearson, 2012) make the point well when observe; ‘ the main reason which helps explain discrepancy between area level change showing limited evidence of change when individuals see positive gains is that there are simply not enough individuals. Only a fifth of all residents who heard about their NDC were involved in any of its activities over a two-year period.

Moreover, there is now a substantial body of evidence from the evaluations of NDC, SRB and other evaluations that deprived areas experience substantial change in their resident populations over the period of policy intervention. So what tends to happen is that policy initiatives improve the well-being of individuals who then move to other areas and they are replaced with people with more need. Whilst this is an undoubted benefit to the individual, the area population, and thus its newly acquired residents, remain relatively deprived. The evidence from SRB indicated that there was considerable movement in and out of the SRB case study areas – at the rate of about 30 per cent per decade on the base. In-movers and out-movers compared to residents in the neighbourhood at the beginning of a period were

¹⁵ these methods are based in assessing the compensatory change in income that would produce an equivalent change in quality of life as would change in a given outcome,

more likely to be in the younger age groups, likely to be in rented accommodation, economically inactive and lone parents (Rhodes, et al 2007).

Evidence from the Single Regeneration Budget

Evaluation evidence from SRB is not as comprehensive in relation to community based local regeneration as that available from NDC. However, an extensive evaluation of the programme was undertaken¹⁶. Much of the evidence resonates with that from NDC. We do not repeat it here. However, the research explored a further issue of relevance to the Local Trust research question. It examined what had been the impact of specific types of *project interventions directly involved* in bringing about positive economic change and what had appeared to work well.

Community initiatives that have been adopted to achieve economic change

Community based organisation have tended to bring about positive economic change by addressing some aspect of worker employability, particular skill enhancement.

On the *demand side* measures include;

- the promotion of enterprise ((including local business support and creation of new businesses/self-employment);
- the provision of premises and support services to encourage local small businesses and self-employment;
- the encouragement of social enterprise and investment in local assets to encourage business activity.

On the *supply side* measures include;

- measures to improve skills and employability;
- Intermediate Labour Market schemes; job brokerage;
- measures to assist with integration into work including child care; vocational training/ support;
- the provision of finance and measures to support income;
- credit unions and credits;
- support for income generating assets including the establishment of investment trusts;
- place-making to enhance provision and encouragement of new infrastructure including encouragement of anchor assets;
- Improvement of transport links between deprived neighbourhoods and other parts of the often urban area where employment opportunities are available.

The evidence on the impact of these interventions is summarised in Annex B.

¹⁶ National Evaluation of NDC

The review of the literature has identified the many different ways in which community organisations can assist in community based economic development. The next step in the research was to consult with experts to assess their views.

4. Learning from Previous Initiatives; the Views of the Experts

Influences on successful community involvement

The interviews explored the views of the experts on what they considered to be the key lessons learned from previous regeneration initiatives where community based organisations had been able to have an effective influence on creating positive economic opportunities in line with the core research parameters. They were asked to consider what they believed to be the contribution of each of the characteristics identified by the Local Trust and set out at the beginning of section one. This section summarises the main findings and Annex C provides more detail on the comments made.

The role of local communities in bringing about positive economic change. Giving local people have decision making power and control over resources, can identify their own needs and opportunities and design their own solutions;

A starting point in the discussions with the experts was to understand more about the rationale for some form of community led intervention in the creation of positive economic opportunities. Although there were different views expressed, many considered that local Control and 'ownership' of some projects was extremely important. Thus:

"Without local people having an influence on how resources are spent, there's no guarantee that the design of those resources is going to meet the needs of those local people."

"Unless you involve communities, and let their knowledge inform the agenda, then I just don't think that there will be positive outcomes."

There was a view expressed by many experts that it was important to build assets and also value the existing strengths and knowledge of local people. Some considered creating a local asset base actually in the hands of community-based organisations was important.

Community-based organisations focused on the improvement of place:

“If there's any legacy to be built, it's going to be built around them. And it's amazing how often they're side-lined in the process, or underutilised. They should be the focus of these sorts of programmes, because this will be the legacy to the programmes.”

A second reason why interviewees suggested that input from local people was important was that it gave them ownership over the initiatives concerned, and was therefore more likely to have a deeper and more lasting impact:

“It's got to be owned within that place for it to have a lasting impact and potential.”
“The involvement of large numbers of local people makes sure that it is a programme where the money ‘sticks’ and doesn't just wash away again.”

The ability of the community to engage with and use initiatives to address local economic development

Experts were asked to identify *“factors which influence the ability of the community to engage with and use initiatives to address local economic development”*. The experts identified several barriers which may prevent citizens being involved, including lack of trust and lack of capacity. The experts then suggested ways in which they could be addressed.

Several interviewees emphasised that a lot of work needed to be done to really engage with communities. Otherwise there was a risk of the people who became involved in projects being those who were the ‘usual suspects’, people who may already be involved in local decision making and not actually representative of the wider local community, and acting without support or consensus:

“People who already have pathways in decision-making, who don't always bring the community with them”.

They emphasised that programmes had to be proactive in seeking out and encouraging people to be involved. It requires time, resources and effort to encourage and support local people in deprived communities to engage with projects:

“It's something you've got to work at, people don't naturally just engage with the process... you've got to proactively go out there and talk to people, and engage people.”

One highlighted that in previous schemes this had not been the case, and therefore the community had not been genuinely represented. Instead the community is represented by the same specific group of people in decision making processes, people whose views and circumstances may not be representative of the wider community:

“One of the things that often happens, is that everyone expects the community to come to them, rather than they go into the community... and that's one of the reasons why, in regeneration schemes, we have ended up with just certain people that attended meetings. Or on citizens' juries where it's been the same people for years and years. That ceases to be effective.”

Building trust

Several said that it was important to build trust with local people, because often people in disadvantaged communities have had negative experiences of 'engagement' in the past. People in deprived communities may have been promised a change in local economic prosperity on previous occasions, and are disillusioned and sceptical of the length of time which a programme may be operational for, and of the benefits it can achieve. Interviewees emphasised the importance of building relationships and trust at the early stage of the programme:

“People are very sceptical and cynical about government, as they will have seen waves of public initiatives, and broken promises. You need to convince people that you're in it for the longer-term, and it's not another time-consuming consultation exercise that's going to get put on a shelf.”

Building capacity

There was a broad consensus that building community capacity was important. Several experts suggested that it was important to 'skill up' local people to enable them to engage in programmes, because people were not familiar with decision making processes or structures, lacked their own networks, and had not necessarily had experience of control over decisions and resources:

“People who have never had power in their communities, or in their lives, don't know who to go to, they don't know the pathway, they don't have the networks in place.”

Stakeholders described building community capacity as involving spending time and resources in both building skills and building confidence amongst local people. People need support in order to develop and realise their potential leadership skills, and to foster the personal self-belief that they can make a meaningful contribution:

“I think in every community there are people who will take this forward. But sometimes they need a little bit of encouragement because they probably don't believe in themselves enough.”

“I think that it needs to contain some attention to developing the leadership, and the influence of communities. There needs to be some attention about how you shift power from people who do not have power, to enable them to have more power and part of that is about their capacity, and their influence, and their relationships.”

Designing engaging projects

One expert suggested that the main barrier to people being involved was often not the lack of capacity or skills of local people, but that schemes had been designed in a way that made them difficult to engage with, and that there perhaps needed to be training for people running these schemes to know how best to communicate with the local community to foster interest and engagement:

“If people don't engage with something that you're delivering, it's not because they haven't got the skills to engage, it's because you haven't got the skills to engage them.”

Another agreed that making schemes exciting and engaging was the key thing, as building capacity could only begin once people had decided to be involved in the project. They suggested that organisers need to think about how to communicate with the local community so that people could see the opportunity for change:

“How you ignite the local flame to drive forward enthusiasm for this kind of approach, rather than people just immediately putting it in the ‘too difficult’ box? The ability to sell the idea, and to engage, energise, just get people really excited and motivated around the possibility, is probably the most important starting point.”

Early involvement

One expert suggested that residents are often unfairly criticised for not engaging, when they have only been consulted at a late stage of the process, or perhaps might actually have considered the initiative and decided it was not of benefit to them:

“There can be a tendency for people involved in local economic development to talk about residents ‘failing to engage’, as if these people are failures, but they might be being discerning citizens who don’t want to engage because they don’t think it’s of any use to them.”

Another suggested that working with the community at an early stage would mean they could truly shape the project to their needs, and would therefore be more likely to be involved. They also suggested that those delivering programmes did not always listen to local people or respond to the needs that local communities articulate for themselves:

“There needs to be much more pre-project work, there needs to be a lot more done around development, and there needs to be a lot more listening, and there needs to be a lot more responding to what the communities want.”

Practicalities

In terms of practical suggestions of how to encourage community engagement, one interviewee said that it was important to have a physical presence in a community:

“It might be in a community hub or some kind of community building which is enabling people to access advice and support.”

Another said that it was important to engage with existing community leaders:

“People in the local community who have people who are part of their wider group can act as enablers. Different religious or ethnic organisations have community leaders who can to bring people together on a wider basis.”

Another suggested that projects should be mindful of the practicalities of being involved and ensure that what is being asking of people is realistic, given the constraints on people’s time and perhaps limited enthusiasm for formal meetings and structures:

“You’ve also got the issue of sheer logistics of availability and time.... The initiatives have got to be customer-friendly and often they’re not, often they’re driven by activists who are used to sitting around in meetings and holding forums, but people don’t all interact in that way.”

Several interviewees were critical of some of ‘community consultations’, where communities are given fixed options rather than having the genuine ability to set the agenda. One expert considered that giving citizens a higher level of decision-making power would lead to better

results, and that this engagement was more than consultation but had to involve the devolvement of power to local communities:

“The engagement needs to be deliberative, it needs to be open and honest, and it can't be just a consultation... the community has to feel they have real influence and real power, otherwise they won't engage.”

A few interviewees said that local people should be fully responsible for deciding how to allocate resources in their communities, and actually putting these plans into action:

“Local people should decide, do they use their money to set up a credit union, buy a building, start a community transport scheme, or build a youth centre? I think it's important that group have almost complete control over the resources for action.”

Another added that this approach was more likely to attract more people to be involved in the project:

“I think that if people have got the opportunity to actually set up new projects, or new businesses that will engage larger numbers of people than if it's just about consulting people about how the money is spent.”

A neighbourhood based approach: The area represents a catchment of between 5-15,000 people;

Interviewees had different views about the best size of community to work with to create positive economic change. Some felt that very local level work was most effective, whereas others thought that the benefit of this was limited unless links were made with the wider economy. Several expert stakeholders emphasised the importance of the linkages between communities or neighbourhoods and the wider labour market or city and regional economy within which the communities and neighbourhoods are located. It is apparent that defining community boundaries is complex, and stakeholders felt that an appropriate community geography might differ depending on its relation to specific activities, such as education provision or employment, or the nature of the initiative being implemented.

There is a basic level of social or civic infrastructure in the area in the form of a place to meet, at least one community or civic association and a small core of actively engaged local people;

Staffing and a strategic approach

One interviewee was of the view that local development work required salaried staff to work full time in a community to support programmes, rather than relying on local volunteers who

may have limited time and capacity, and gave an example where local authority officers are paid salaries to carry out community engagement work:

“The Coalfield Regeneration Trust provides grants for strategic projects/ workshops and the like and the funding of officers to take forward the work. The funding of full time officer posts to develop and take forward programmes at the local level is crucial since inevitably local voluntary capacity is often constrained in what it can do.”

Another highlighted the importance of encouraging communities to be strategic, and said that economic development requires groups to have both time and resources to make decisions about future plans:

“To be successful and transform the economy, you need space and time and resource to be able to come together as a group and decide what direction you're trying to travel in. Without that lots of groups do lots of individually good things, which don't ultimately have a lasting impact.”

**A holistic approach is taken i.e. the intervention does not focus solely on jobs and training but takes into account broader issues which have an impact including transport and childcare;
A bespoke approach rooted in the particularities of local areas;**

Interviewees stated the importance of programmes engaging with key stakeholders beyond just local people in order to maximise the chances of success, and most interviewees listed a similar set of organisations in a local area that programmes should work with. Some interviewees highlighted that the relative power of different institutions varies a lot in different places, so it is important to map out the local dynamics of a particular place in order to determine which organisations to engage with. The majority of the interviewees stressed the importance of working with local authorities. Many interviewees suggested that programmes should also involve businesses, particularly major employers in the area.

Local authorities

The majority of the interviewees stressed the importance of working with local authorities. One said this was because *“their interests overlap and their actions influence local life in a way that nobody else does”*. Another said that they should be involved because they are locally democratic. Others suggested that there were pros and cons of local politicians being involved in programmes, because they tend to be risk averse and constrained by their political campaign needs:

“They're always thinking of the ballot box, they're always thinking of the opposition, they're risk averse in general, because they're thinking of their reputation.”

Therefore, it is important to think carefully about the best degree of involvement with local government. One recommended that *“it is important to have local government as a partner, but to be independent of local government”*.

Businesses

Many interviewees suggested that programmes should be involved with businesses, particularly major employers in the area:

“You need to get the business community behind you, absolutely. Get business views on the direction of travel, engage with the business representative organisations.”

One said the priority should be *“supporting individual businesses with business support, to improve their position in the supply chain to create more jobs”*. Some spoke about ‘anchor institutions’ that are rooted in the local area, such as universities, hospitals, utility companies, as potential partners. One advocated:

“Thinking about who are the kind of anchor institutions in the area, and how can you maximise their role in an area to the benefit of the economy? How many people do they employ locally? Do they offer apprenticeships? Do they actually invest in the local economy?”

Another said that more attention should be paid to small and medium enterprises (SMEs):

“Something like 90-95% of the national economy is dependent on SMEs, perhaps they’re not given the profile and credence that they should be by national initiatives”

Some interviewees identified barriers to businesses getting engaged. One said that local businesses often operate in their own ‘bubble’, mainly focused on keeping their own business running. Conversely, big businesses were seen as being difficult to engage with because they have priorities outside of the community. One interviewee warned against big businesses being given incentives to be involved, however, as this would only be likely to encourage temporary engagement, rather than a genuine commitment.

Other agencies/ organisations

Those interviewed recognised the importance of interventions engaging with transport providers, schools, further education providers and universities, who can enhance the economic prospects of an area. The importance of Faith Organisations was highlighted:

“In the most stripped back communities...they’re sometimes some of the only people left standing”.

As was the role of Housing Associations to use their supply chain to add social value was mentioned with others doing the same:

“On our large-scale developments we do all of that stuff around “How we can maximise the impact on a supply chain? How we can build the skills of local people? How we can draw those local people in and give them work training so that they can be part of the development and construction? But also helping people to access support, and set up their own companies and social enterprises.”

A couple of interviewees emphasised the importance of having a joined-up approach across service providers. One talked about designing early-intervention services at the neighbourhood scale, giving the example of work that is being done in Greater Manchester:

“So if you've got families that are experiencing particular difficulties, rather than talking one way to health services, one way to probation services, one way to police, one way to employment support, there's an attempt to try and bring those things together. And to treat people as human beings, rather than clients.”

A long term commitment, 10-15 years

All of the expert stakeholders said that the duration of community orientated initiatives was an important factor, and almost all agreed that initiatives had to be relatively longer term; at least seven years to ten years. Local economic decline is a long term structural problem and requires many years of engagement and investment in order to change underlying structures and embed positive change. However, it was also recognised that it may be difficult to see positive results in the short term, and an assessment of benefits must take a long term approach.

“There's a natural cycle of roughly three years for an individual project: building relationships, designing a project, getting it going, letting it play out and seeing the results ... I think if you are actually trying to structurally change an economy in an area, you have to go through that process about three times. So nine or ten years is the length of time it takes.”

“These declines have been going on over 50 years, so we can't expect to turn things around overnight, even ten years is far too short, and they need a much, much longer timescale.”

Two stakeholders said that actually achieving long term, sustainable economic change in an area of decline takes a generation. They felt that, in an ideal world, support would be for 20 – 25 years to transform the

“There's an argument to say if you're really serious about turning around economic fortunes in an area, you've probably got to be planned to be around for at least a generation, which would

Suggest you're looking at 20 to 25 years”.

“To try and transform a community you're looking at a 20-year timescale, if you're really going to have a proper vision. And that's to do with the amount of time it takes a generation to be born and grow up, and be educated and become economically active.”

However, although programmes would ideally be long term investments, they also need to have in built flexibility to respond to changing local needs, and that programmes should work to develop a local asset base with the capacity to respond to long term changes. Thus, as one respondent mentioned:

“You can't do a 25-year plan that imagines what the world's going to be like in 25 years' time. Instead you need to create locally accountable organisations that will be sustainable, and will be able to build their local asset base, to build capacity, and to be able to manage whatever changes came about in terms of the wider economy and society over that period of time.”

Why a long time-frame is important

Experts identified different reasons as to why it is beneficial for projects to be funded over the longer-term. One identified the need to build trust in the community, and highlighted how this can take a long time, particularly in communities where people feel let down and disillusioned with previous attempts at engagement and economic improvement:

“In disadvantaged communities you need a lot of lead-in time because communities need a sense of healing ... after years of bad relationships with government it takes a

while for people to believe that an offer is real, and not something that will become another broken promise."

An interviewee who works on a project based on building skills, confidence and employability said that such projects need a long time frame because:

"You are often working with people who have multiple barriers so they need support that can address these. One person will be different to another, so it's got to be much customised, and take as long as they need."

Another suggested that long time frames are important because they separate initiatives from political cycles:

"I think things are more likely to succeed when they last longer than one political cycle, possibly two political cycles, because they can then look beyond just trying to do something which is in line with the current political context, either nationally or in their local authority area."

Two interviewees highlighted that long time frames are needed because certain practical changes take a long time. Changes to local employment contracts can take a long time, and the process of housing redevelopment can be very slow. Programmes with short time frames trying to achieve such changes are at risk of failure:

"If one is also talking about big employers changing their practices, they're often tied into three- or, five-year contracts, and then you have to wait for those to expire before they can renegotiated."

"If you're trying to do something around housing, from finding the opportunity for land, to making the purchase, to getting planning permission, you're already looking at four or five, or six years from starting to actually having some kind of result. A ten-year period gives less of a failure risk of all of those kinds of activities."

Several interviewees were clear that programmes that were too short-term could cause more harm than good, as they raise expectations but require results quickly which can create a rapid sense of failure amongst the local community:

"It actually can be really damaging to try and push things too quickly, and then create almost a sense of failure before you've even really started, which is the danger of rushed government programmes."

Funding cycles

Some interviewees discussed the point at which programmes should be assessed to decide on continued funding. One interviewee suggested that programmes should be assessed after 3-4 years, and funding stopped if they were not working:

"I'd say give any initiative a decade, but be prepared to monitor it and pull it if it doesn't work after three or four years. You usually can get a feel for if something is going to work after that time."

However, another stakeholder said that the problem with previous initiatives was that they had been assessed too early and not given the long term chance to see if they were successful:

"Very few programmes in the UK have survived more than five years, before somebody has pulled up the roots to see if they're growing."

One interviewee suggested that whilst initiatives are more likely to be successful if funded over the long term, there is also a potential risk of communities becoming dependent on funding:

"I think the longer the guarantee of funding, the more likely there'll be long-term success. But it's not a straightforward relationship, because, at the same time, there's also a risk of becoming dependent on that funding."

Reference was made to the place based approach operated by the European Union whereby funds were provided through a Managing Authority for at least seven years. Thus:

"European funding tends to be for seven years. While it would ideally be even longer, it's a step in the right direction. Because it's long term it gives a bit of coherence and stability."

While the initiative is local or hyper-local, it creates connections with economic opportunities outside the area.

Whilst the need for the neighbourhood to connect with economic opportunities around it was recognised those interviewed highlighted the factors that had made this difficult in recent years in particular.

Stakeholders were asked about what they saw as the main barriers to local economic development. One barrier highlighted was the lack of commitment from central government and the lack of a national strategy for regeneration. Several interviewees considered that the centralised nature of decision making in Britain was a disadvantage. Concentration of economic growth in cities, particularly in the South East of the country was a reflection of deep seated regional imbalance and inequality that was difficult to change.

A major barrier to new approaches at the present time was seen to be the wider backdrop of austerity and public sector cuts, which were considered to have dramatically reduced the ability of local authorities to fund anything other than their core services. Another barrier was the lack of understanding of community-led neighbourhood activity at a local authority and at central government level, which leads to a lack of connections and lack of joined-up working to try and bring about positive change.

“As cuts come on-board... councils are increasingly forced to focus on their statutory responsibilities around service delivery. So they don't always quite have the resources and the team to drive forward local growth.”

“Planning and local economic development - a lot of those parts of councils have been really decimated over the last ten years. That's a real challenge.”

One interviewee explained how, even prior to the current environment of austerity, deprived places tend to have stretched public services, because more skilled people tend to move away from these areas due to a lack of opportunities:

“More highly-skilled or able people move away from the area, leaving a residual hard-core population of lower-skilled, more deprived people, those with more limited means. That very quickly results in public service overstretch.”

They highlighted how austerity has exacerbated this problem.

A couple of interviewees also said that centralised governance was a barrier to local economic activity because it restricts the ability of local authorities to set their own policies in areas such as welfare, labour market, or skills:

“It's an absurd situation that you find in barely any other country in the world, where something as distinct as local labour market welfare and skills policies are determined centrally. It doesn't make any sense.”

Lastly, the centralised financial system means there are limited incentives for local government to think of ways to generate growth in their area:

“There's not a great deal of fiscal independence, so often there's not a great deal of incentive for local councils to experiment with different ways of generating growth...because with so much the money just simply gets fed up to locally raised

taxes, get fed up to central government and central government redistributes according to formula.”

Disconnect between neighbourhood activity and national policy

Another highlighted barrier was the lack of understanding of community-led neighbourhood activity at a local authority and a central government level, which leads to a lack of connections and joined-up working:

“I think relationships between neighbourhood-based organisations and local authorities can often be quite difficult... often the local authority will have quite a different set of ... political agendas and the local authority may not be the same as the desires of people at a neighbourhood level.”

The activity of LEPs was seen as contributing to this problem, because LEPs were seen as too far removed from community or neighbourhood economic development:

“The Localism Agenda from 2010 onwards seems to have not really considered how the very local level relates to the geography of local authorities and LEPs. They have tended to have ‘parallel agendas’. We need to see LEPs doing more to bring the different geographies and parties together.”

One suggestion was that linking LEPs into housing or some other equivalent architecture would enable local people and communities to link in at the local level, and that a national spatial strategy could help with this. One suggested that LEPs are locked into maintaining a centralised approach to economic development:

“They tend to look at how to replicate the centralised economic theories within a place, rather than the place driving the economic theory. So I think as a consequence of that there's a low level of confidence, understanding and skills around (a) what the economy actually is; (b) how to meaningfully engage in it; and (c) who the key partners are to be able to make all of that work.”

Unintended consequences

A couple of interviewees said that an inherent difficulty with economic development is that people are increasingly transitory. This means that local economic development can end up having unintended consequences: schemes that focus on building people's skills and employability often result in the beneficiaries of these schemes moving out of the area:

“You can undertake activities that improves the economy of a place, but it doesn't last in the long-term, because either the money washes away again, or the people wash away as they improve their circumstance and leave that place behind. So things can improve, but the fundamental, spatial geography doesn't necessarily change.”

Alternatively, one described how the reverse can happen, if the economy of an area improves and it becomes more desirable, then it can end up becoming gentrified:

“The fortunes of a place improve, but that has a knock-on impact on things like house prices. And people want to start moving into that area, because it's improved and local people who maybe have been there for years start to be priced out.”

Key things that community organisations should do in promoting the economic development of their area

Positive features of previous regeneration initiatives

Experts were asked about their views on previous government initiatives which aimed to improve local economic development. They were asked to highlight what they saw as the strengths and weaknesses of these previous initiatives. There was some consensus about the relative strengths and weaknesses of different schemes, but many points of disagreement.

This section is a collection of views on different schemes, rather than an overarching thematic analysis. This is because different interviewees spoke about different schemes, and many only had experience of a particular initiative. Therefore, it is not possible to draw overarching conclusions about what experts think about any particular scheme from this section.

Problems with previous government initiatives

A general criticism of government initiatives is that they tend to treat communities homogeneously, meaning that communities and interventions did not always get the support they needed locally to reflect the needs of particular communities. Previous initiatives were seen as being too short term with an emphasis on securing rapid results to be demonstrated, which meant that initiatives did not have time to develop and show positive results with government evaluation tending to be too focused on seeking the positive outcomes, rather than being balanced assessments of what did, and did not, work. It was considered that there had been too much constant change of policy direction and types of intervention, with many initiatives with very short time-frames which often do more harm than good:

“It takes decades to build the institutions of civic society and this had not been recognised enough in the delivery of local development policy. The building of institutional capacity has suffered as a result.”

The New Deal for Communities (NDC) was praised for having a long time-scale, being genuinely driven by local communities and having positive outcomes in many areas:

“The projects ... made visible changes to places: if you go and visit them the memories and the facilities are still there, groups were set up which in some cases are still going, and the benefits across quite a wide range of different sorts of activities from jobs to education to health.”

NDC was also praised for having a strong evaluation which showed its benefits:

“The evaluation was quite rigorous and looked at comparator areas that didn't receive the money and didn't receive the initiatives, and found that the New Deal areas improved, and that they improved faster than the comparator areas.”

One interviewee suggested it was useful that there was a 'year zero' in the project, meaning that communities did not have to spend in the first year, and could therefore have a proper planning phase. Others felt that it was positive because it had a strong asset base and substantial funding.

Negative

A couple of interviewees suggested that New Deal for Communities had awarded too much funding to areas too quickly, which had a negative impact because the areas did not have sufficient capacity to make robust decisions:

“Mistakes came from awarding too much money too quickly, when there wasn't the capacity to decide how to use it in a kind of robust and accountable way.”

Two said that the large scale of the project, and the large amount of money awarded to each area, led to the programme being overly bureaucratic:

“A lot of the process was around reporting and risk management, and accountability, and getting plans and amounts authorised, and signed off by government. It was treated like a big public programme.”

Another explained that the programme ended up being too top-down in its management:

“It was such a big, high-profile programme and such a high-risk programme from the government's point of view, because they were putting so much money in, I think they couldn't help but try to micromanage the programme from the top.”

However, the view was expressed that the NDC had targeted spatial areas that were too narrow and too focused on the people, did not transform the wider local economy and suggested that this was a general problem with area-based initiatives, as they focused on supply side issues, and not demand side problems:

“The problem with those area-based initiatives has always been that they are disconnected from wider strategies... there was some quite good...schemes around employment support, and individual supply side initiative skills that were successful. But they don't overall transform the economies of those neighbourhoods... They're about helping individuals to better compete in labour markets, broadly speaking. And, therefore, they're missing the demand side.”

The Single Regeneration Budget was praised for being flexible and for funding different things in different areas:

“The single regeneration budget had the advantage of variety and funding a lot of different things.”

Other factors that were seen as advantageous about this scheme were that the programme was long term and substantially funded without this being excessive:

“There was a lot of money involved, but it wasn't quite such a big slug of money as New Deal for Communities.”

The view was also expressed that in some cases the outcomes of the Single Regeneration Budget had been extremely patchy, with certain areas benefitting a lot more than others:

“The SRBs were not strategic ...some of them were successful and some of them weren't, but they were at random spatial scales, they were shorter term.”

Another interviewee was critical of the approach taken by the Single Regeneration Budgets, because they focused on funding large infrastructure projects and large businesses. He felt that focusing on small-scale economic activity in an area would have been more impactful, and that these type of large projects were not likely to last. This stakeholder said of the Single Regeneration Budgets:

“It was too focused on ‘how do we get big businesses to move ... to the area and employ lots of people?’ It attempted to go for big projects, big infrastructure projects, achieve scale ... Those kind of bigger projects can feel like they're more impactful, but they can also be things that dissipate quite quickly.”

One interviewee made the point that the areas which benefitted the most from Single Regeneration Budgets were those located in areas which would be growing economically anyway, even without the scheme i.e. those located close to city centres in growing cities like London, whereas the ones that benefitted least were the ‘left behind places’. This stakeholder did not believe the Single Regeneration Budget, or any other government schemes, had been able to reverse the decline of these places:

“The areas which were more peripheral to broader economic opportunitieshad the worst trajectories. And they constitute the left behind places, and none of the smattering of government initiatives that have gone in there to try and help those places, have fundamentally changed those trajectories, and you wouldn't expect them to; because that's not how they were designed.”

Local Enterprise Growth Initiative

One interviewee was very positive about this initiative. This stakeholder felt that it was particularly effective for two reasons, firstly because it focused on stimulating economic development activity through encouraging business start-ups and entrepreneurship:

“Unusually, compared to some of the other locally-based programmes, it was much more focused on private sector, rather than community development. It was about business start-ups.”

Secondly, because the focus was on the small-scale:

“It was about having the aggregate benefit of adding lots and lots and lots of small businesses and sole traders to an economy ... I suspect this is more likely to have a longer-term impact. Because it's more indigenous, it's more woven into the fabric of local economy.”

They suggest that this approach should be taken more often, but it is a difficult proposition for people to accept that this is most effective way of working, as opposed to, for example, funding large infrastructure projects:

"It's hard for big programmes to accept that they can scatter a lot of seeds quite widely, and let a thousand flowers bloom... For top-down programmes and people thinking about accountability, and wanting immediate results, and to be able to point at the big, shiny buildings or infrastructure projects, that kind of approach is much more difficult to get a handle on, but it is much more impactful, I think."

Community Economic Development Programme

One interviewee was very positive about this programme. It funded quite small-scale communities to develop economic development plans. The programme encouraged different organisations within neighbourhood areas to apply in partnership. They felt that funding this space to make a local plan was extremely beneficial:

"Through thinking about things in a constructive way, it... gave them a template that they could use, in terms of forging the necessary partnership from the beginning, to lay the foundations for a more ambitious local economic development approach."

They also thought that the inclusion of mentors in this programme were very helpful.

"Mostly it was about offering support and encouragement, and providing a reflective space for partnerships to be able to move forward. And I think that was very, very valuable for an awful lot of them, and it is what proved essential in being able to devise plans that were base-rooted in the reality of those places".

They also felt that it was impactful to just fund the planning stage, rather than providing any ongoing funding, and that this was actually what the local areas preferred:

"The areas that were forthcoming in that bid were really keen to develop stronger local governance, and actually just wanted to be independent. So they didn't really want endless grants, they were actually interested in change within the power dynamics of their local area".

However, they felt that it was quite rigidly defined and that the scheme would have been more successful if it had the flexibility to respond to the individual characteristics and circumstances of areas.

The importance of enabling community based delivery organisations to connect with their residents and the ways of doing this

Some interviewees drew attention to the inevitable problems associated with ensuring that organisation involved in representing the community view and the allocation process were reflective of the whole community of which they were a part with some pointing to some of

the difficulties faced by NDC partnerships, particularly in the early phase of their operation. It was important to overcome issues that might cause delay, cost and divisions within the local community. One said that the best way to avoid such particularism and the capturing of local interests, was to consult with community over a much wider geographical area as this might prevent specific interest groups from resisting change that might be of benefit to the wider community.

What other features should future programmes have?

Towards the end of the interview, experts were asked “*what features should any future local area based programmes have if they are to bring about economic improvement in ‘left behind areas’?*” Many reiterated points about the length of engagement, size of community, and nature of community engagement (which are covered in detail in the sections above). Interviewees also made suggestions in the areas below:

Focus on people

Several experts said that the aims of projects should focus on what will genuinely improve the quality of life for local people, and that sometimes the focus has been on the wrong outcomes. For example, there has been a focus solely on economic outputs rather than improving local education, which is a long term investment:

“There tends to be too much of a focus on hard economic outputs: job outcomes, investments, numbers of businesses, that kind of thing. And, actually, I think a lot of the issues need to be focused on the people in an area, and investing in people's education... Because if people aren't being invested in, it doesn't matter how many new trains you build, or how many new enterprise parks, will just simply bypass people who live there.”

One was critical of New Labour’s focus on ‘regeneration’ which they saw as often restricted to new housing development, which might improve the local environment from an aesthetic perspective, without making any fundamental difference to the economic prosperity of the local people.

“One of the big lessons for me from previous initiatives in the New Labour years, that they were often very focused on property developing. And so places looked and felt better, but, actually, a lot of people who actually lived there didn't see any benefits at all.”

Governance and management

Some made suggestions about the way future programmes should be managed, although stakeholders often had contradictory views. One said that they should be fully managed by community groups, rather than overseen by public bodies: *“Independent community-led governance... not controlled by public agencies; because public agencies are caught in that kind of national cascade top-down chain of command.”*

Another said that the institutions managing the project needed to be stable enough to offer security to investors:

“Programmes need to be guided by stable institutions, because you need to engage investors and provide some assurance over the project... if they're going to invest in a ten-year housing or commercial project, they need the stability of the assurance that it's going to be there for that period.”

Lastly, one stressed the importance of programmes having clear and flexible processes, and suggested that European projects tended to be too complex and inflexible:

“It needs to have flexible processes. The European Social Fund doesn't have set or easy processes, they are too complex. And that means that a lot of smaller organisations just cannot take part in it, it's just too expensive for them without having admin capacity, and it would cost too much for them to get it. So too much money going on the back office, rather than the frontline.”

Sufficient funding and investment

A couple of interviewees made the point that there needs to be sufficient financial investment to make projects a success. It is not enough to bring people together to make plans for local economic growth, if there is insufficient funding to implement such plans:

“You need sufficient resource to be able to invest real money in things. I've seen lots of programmes ... where people have time to think about what they want to do, and people have time to develop their skills. But there's still not really any money going into actual economic activities, or new businesses. Programmes then actually need to give communities access to resource to do things with.”

One emphasised the scale of investment often needs to be quite large to make a real difference, and that this may require very substantial investment from national government to bring about lasting economic change:

“If you're going to be getting the big numbers of jobs or changing the structure of the labour market, investment needs to be done on a large scale. For example, to get the

Nissan plant in Sunderland, the government paid a sweetener of £60million pounds, on top of other subsidies. That has had a lasting impact on the labour market in Sunderland... that shows you the kind of scale of money and space that you need."

Strategies for building economic growth

It was emphasised that the best strategy for economic growth would be different in different areas, and therefore work needed to be done to understand the problems in an area, to understand which solution would best fit. There is no one solution that will work in every community:

"You need to get an understanding, really forensically, what is going wrong in a place, what are the opportunities in that place and how do you correct what's going wrong, and to maximise the impact of those opportunities."

In some areas, the best strategy was seen as strengthening connections to growth sectors in other areas:

"Looking for the opportunity to connect those places to wider economic growth... thinking about what their potential links are to growth sectors in the economy in other regions (such as digital or advanced manufacturing), and work around actually connecting those up, and developing from local firms that they're better placed to operate in those supply chains."

However, in areas where this would not be possible it was suggested that programmes could focus on looking at opportunities to engage with the public sector, perhaps taking over the running of some services:

"What are the opportunities in the public sector in care, and local services? What opportunities are there for the development of co-ops and mutuals to run some of those services, so you've actually got a kind of bottom-up community economic development for things going on."

Alternatively, it was suggested that programmes could support people to start their own business ventures:

"Think about how you can restructure the economy a bit, so that instead of all those people working for someone else at the bottom of a chain they're owning and running some of their own businesses, which support their own local economy."

5. Moving Forward in a Post-Brexit World

Key findings

A clear message from the recent Brexit vote it is that there are deeply embedded economic imbalances that are provoking division in British society and the case for sustained government commitment to invest in left behind areas is clear. Ways have to be found to enhance the levels of opportunity available to residents of these areas and integrate them more adequately into the mainstream of British society.

As Tyler, et al, (2007) comment, in the face of substantial economic restructuring many areas in the United Kingdom have adapted positively to economic change. Those areas that adapt well are able to attract the investment and people that revive their economic fortunes. In these areas, regeneration is a relatively painless process because the area has sufficient *opportunity* relative to its *need* to bring about positive change. This has not been the case Britain's Left Behind areas where the burden of the past weighs heavily. These areas need to transform land uses, overcome dereliction, secure new infrastructure and retrain and re-skill their residents. ***Crucially, the level of economic opportunity in the areas concerned has to be increased.***

The evidence from the research presented in this Report indicates that:

- There is a strong consensus that local residents in relatively deprived, left-behind areas should be enabled to make an effective contribution to the provision of local services, including those relating to economic development, that impact on their quality of life. To make this contribution there has to be a basic level of social or civic infrastructure in place to enable local people to have decision making power and control over resources, identify their own needs and opportunities and design their own solutions;
- The research has examined what community-led partnerships have achieved when residents have been involved in this way in English regeneration initiatives over the last forty years. It has sought to 'test' the hypothesis that local area initiatives with certain characteristics can successfully bring about positive economic change. The

characteristics are that the neighbourhood has a population of around 10,000 and that in seeking to regenerate their local area, the partnership adopted a bespoke, consistent, holistic and long-term approach that did not just focus solely on jobs and training, but also took into account broader issues including transport, childcare and the need to create connections with economic opportunities outside the area;

- We have interpreted economic change from both a narrow and a broad perspective. The broader definition has considered a range of outcome indices that encompass place and people related outcomes that all sum to influence the attractiveness of the neighbourhood as a place to live and work. The narrow perspective has focused only on indices of economic deprivation;
- It is important to emphasise a number of key factors that should be borne in mind when assessing the achievement of area based regeneration initiatives, whether community empowered or otherwise. These are that over the period of the intervention there are impacts on residents who lived in the area at its beginning and remain throughout. There will also be people who benefit from the policy but move into, or out of, the area. Benefits may also accrue to people who live outside of the neighbourhood ('leakage) and there could be displacement of economic activity between neighbourhoods. It is also important to be realistic about what such interventions can achieve, even if they operate for a substantial time. They operate at the margin to alter key outcomes. A wide range of other factors; namely the level of mainstream public sector and private sector expenditure in the area, are the big movers of change. With these caveats in place we can make the following observations;

Overall impact

- In general community empowered partnerships that have adopted a strategic holistic approach to regenerating their area have been able to achieve positive change on the *broad* definition encompassing place and people based indicators. Across the economic, physical and social indicators of change, the evidence is pretty convincing that success is greater in relation to place related aspects than people related aspects.

The case for partnerships being involved in holistic approaches to regeneration thus tends to find support. Thus, the National Evaluation of the New Deal for Communities found that 'there is support for holistic approaches towards regeneration; spend and change in some outcomes is associated with change in others' (CLG, 2010).

- The evidence shows considerable variation in the achievement of partnerships that conform to the basic model. In the NDC programme there was considerable variation in the performance of partnerships and the best performers were able to;
 - Achieve a significantly greater increase in the percentage of residents involved in regeneration activities;
 - Had more ethnically diverse populations; and higher proportions of residents in social housing at the beginning of the intervention;
 - Had larger, growing populations;
 - Were situated in a Local Authority District that had a higher density of jobs.
- Further analysis of the factors that appeared to be associated with greater success in the application of the basic model from the NDC evaluation was based on a Composite Index of Relative Change that standardised, and brought together, change data for thirty six core indicators across the six core outcome areas of place; crime, community and housing and the physical environment and people (worklessness, education and health). The pattern of change in the NDC area was compared with changes in five groups of pooled comparator area data (CLG, 2010). Thus; 'the index measures the degree to which each of the 39 NDC areas achieved change over and above that for groups of similarly deprived comparator areas in the same geographic context' (CLG, 2010). The patterns of change were examined for three groups of explanatory variable that reflected attributes of the partnerships, characteristics of the NDC areas themselves and aspect of the wider context in which the NDC partnerships were located. This analysis revealed that the best performers tended to have the largest numbers of resident members and agencies on their boards and NDC partnerships which engaged with the largest number of agencies tended to see more change across the three place related outcomes (crime, community and Housing and the Physical

Environment), taken together (CLG, 2010). In relation to NDC area level characteristics, it was noticeable that less change was apparent in people related outcomes for 'largely white, peripheral estates, in smaller non-core cities' (CLG, 2010).

- There is relatively strong evidence that community based regeneration initiatives have to be delivered over a long period if they are to secure sustainable impacts.
- A geographic focus of a round 10000 is helpful, although there is a view that a slightly larger catchment would be a better fit with some service providers;
- Overall, there is some support for the basic hypothesis. Community based interventions suitably resourced can bring about positive change *broadly* defined. The evidence from the most extensively evaluation of such initiatives undertaken in the United Kingdom is positive in this respect and there is support for this from other initiatives like SRB.
- Moreover, partnerships where the community has had a formative role have been able to assist in the required boundary spanning to focus mainstream providers on the relative needs of residents. Programme wide and project specific evidence shows that across the key outcome domains of health, education, crime partnerships have been able to assist in customising mainstream delivery of services to meet the needs of specific groups and individuals in the neighbourhood;
- However, there is more limited evidence of impact on indicators relating to the more *narrow* definition of economic change. The National Evaluation of NDC found no evidence for statistically significant positive net additional change in levels of worklessness for the neighbourhood population in aggregate, although there were impacts on specific communities, individuals and groups of residents in the neighbourhoods concerned, as shown in Annex B. Infact, individual project based evidence points to significant impacts on individuals and businesses in the target areas, particularly in enhancing employability and business development but in the aggregate change statistics the numbers tend to be swamped by other changes;

- The model works less well in integrating neighbourhood with organisations responsible for local economic development in the wider local area. ***Producing enough economic integration remains a significant challenge as discussed in the next section.***

Moving policy forward

HM Government does not currently have a national spatial strategy and new initiatives like the recently announced Stronger Towns Fund and the proposed Local Prosperity Fund are being considered against a backdrop of many years of austerity and public sector cuts.

The research undertaken in this paper lends support to a neighbourhood place based approach to addressing the needs of left behind areas, building on a partnership based model where the community is involved in the way described. There is a considerable body of evidence as to how new initiatives might build on experience and overcome well-known limitations with previous models. The research has highlighted Best Practice and specific project based activities that have been successful. Place based partnerships are important in encouraging the required boundary spanning.

A clear finding is that if new community based partnership initiatives are to be deployed to help deprived left behind areas then it is important to ensure that they have more than a transitory existence. Moreover, they have to be adequately resourced if they are to deliver holistic packages of regeneration.

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

However, a further feature of any new initiatives must be that the neighbourhood has to be better integrated into the wider economic system from which they have become increasingly dislocated. They have to share more in the economic growth occurring in

their wider local economy. HM Government have made it clear that local economic policy will be delivered by LEPs working with local business and alongside local authorities and the agencies of government responsible for delivering skills, education and training. It is thus essential that where possible the relevant areas have community-facing organisations to which LEPs and other agencies of stakeholders can engage with in building the economic capabilities of the area and its residents. Local communities require support to develop their capacity and articulate local economic plans.

Moreover, England is lacking effective *local* business engagement models and lobby groups relative to the position in other countries like Germany. There is often little effective representation of business in the community. The consequence of this in many of Britain's most deprived areas is that there are often weak links between local business and the community and this inhibits the development of a combined agenda that promotes the interests of both business and the community. The evidence points firmly to a role for business mentors to represent the community and local businesses, building links and providing a connection between bodies such as LEPs and local community groups. Community based enterprises have also tended to play an important role in connecting local residents with mainstream services.

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Annex A: The evolution of regeneration policy of relevance to local economic community based development

- Some of the earliest attempts to address the problems of the United Kingdom's most deprived communities were through 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. Resources with which to overcome barriers to the reuse of land was available through Derelict Land Grant.
- Area Based Initiatives (ABIs) began to be deployed more extensively in Britain's inner cities from the early 1980s onwards. Historically, the Department of the Environment (DOE), now The Ministry of Housing, Communities and Local Government (MHCLG), was the main department involved but by the end of the decade virtually all mainstream departments had developed a policy to address some specific aspect of the problem.
- Many programmes were focused on land and property 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 respect¹⁷.

¹⁷ 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.

- In the face of evidence that the problems faced by deprived communities were intensifying, there was a step change in the policy response from Government in the early 1990s. The Department of the Environment took the lead with the launch of City Challenge. This new approach to regeneration was a departure from the rather reactive, project driven approach of the previous decade. The new focus was on securing 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. These regeneration plans thus represented the first real attempts to bring about holistic regeneration in the local areas and they contained measures to address economic, physical and social issues in such areas.

City Challenge was the basis for the Single Regeneration Budget in 1994. SRB had 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 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;

- The second element of the Single Regeneration Budget was to make available funding that regeneration partnerships could apply for and which were allocated by the Government Offices in the Regions (GORs). The original SRB Challenge Fund brought together eighteen previously separated programmes that assisted local economic regeneration. (The GORs were closed in 2010 by the Coalition Government).
- The Single Regeneration Budget
- The Single Regeneration Budget (SRB) began in April 1994. It 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

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 Cambridge Economic Consultants in association with Richard Ellis and Gillespies, London: HMSO

Offices for the Regions) which were abolished by the Coalition Government in 2011. The thinking behind SRB was the recognition that regeneration problems were the result of a diverse and complex array of economic, social and physical factors and tackling them required bringing together the many different partners who had a stake in improving the general well-being of an area and its residents. As Tyler et al (2007) discuss, in the early 1990s partnership working to address regeneration was still very much in its infancy across much of England. During the first six rounds of SRB a total of 1028 schemes secured SRB funding. Most partnership schemes sought to regenerate a relatively small local area, consisting of a number of wards, and these accounted for almost half of all the schemes. A further 20% 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 but 31 partnerships were led by community groups and 93 by voluntary sector organisations.

- Although, community led partnerships represented a relatively small proportion of lead partners there were some very significant and successful schemes. Thus, a good example was that of the Hangleton and Knoll Project Partnership which was a registered charity with trustees drawn from local organisations and residents. It focused on two housing estates in Hangleton and Knoll in East Sussex and the programme lasted for six years involving £1.6 million of SRB monies backed up with local authority, private sector and other public finance providing a total of £3 million. A second, more substantial example, was that of Royds Bradford. The community led scheme ran for seven years receiving £29.5 million SRB monies supported by a further £19 million of other funding. It covered three housing estates in Buttershaw Woodsie and Delf Hill on the southern edge of Bradford in the wards of Queensbury, Wibsey and Wyke with a prime focus on improving housing conditions but of relevance to the present research it also sought to provide jobs, training opportunities, educational attainment and business development. Importantly, capacity building within the local community was seen as an integral part of the regeneration scheme from the outset (Rhodes, et al, 2007).
- As discussed in the Final Evaluation of SRB (Rhodes, et al 2007), 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 should make a real and lasting change to the areas concerned. The bids were evaluated by the Government Offices originally 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.

- A crucial point was that areas that hitherto had not been eligible for regeneration funding now qualified. Bids could tackle any aspects of local regeneration problems, 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 Regional Development Agencies were established in 1999 and HM Government devolved the administration of SRB to them;
- 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;
- 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 and 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) was 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 targeted 39 severely deprived areas across the country with neighbourhoods that usually contain up to 4,000 households. They received £40 million rolling out their local regeneration schemes over some ten years. The intention was 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;
- In 1997 HM government established the Coalfields Task Force (CTF) to help in the regeneration of the coalfields where there had been some 170,000 people lose their jobs as a result of restructuring in the industry over the period 1984-1997 (SQW,

2007). The regeneration programmes comprised the National Coalfields Programme (NCP). The Coalfields Enterprise Fund (CEF) and the Coalfields Regeneration trust (CRT). NCP concentrated on finding new land uses that would create jobs as well as attracting new private investment. The Coalfields Regeneration Trust was responsible for helping local communities and the development of 'Enterprising Communities'. The Coalfields Enterprise Fund sought to provide venture and development capital in the form of equity and related instruments to SMEs based in the coalfield areas. An Interim Evaluation report on progress was published in 2007 (SQW, 2007).

- Further change followed the response to a consultation document in April 2000¹⁸ and a Review of Government Interventions in Deprived Areas (GIDA)¹⁹. It reflected the work of the eighteen Policy Action Teams and set out a new approach to renewing poor neighbourhoods.
- The new approach sought to cover all the most severely deprived neighbourhoods in England rather than a select few. Moreover, the focus was not just on housing and physical dereliction but also problems associated with worklessness, crime and poor public services. The new strategy covers all the mainstream spending by government rather than simply regeneration funding alone and built on adopting a partnership model based on Neighbourhood Management and Local Strategic Partnerships (LSPs) that brought all relevant parties to the table, namely residents, public, private and voluntary organisations in a partnership model.
- Out of the National Strategy Action Plan the Government established the Neighbourhood Renewal Unit (NRU).
- The National Strategy Action Plan also contained details of the Neighbourhood Renewal Fund (NRF) which was designed as a top-up to local authorities in eighty-eight eligible areas and was seen as a mechanism by which local authorities and others could improve core public services in the most deprived neighbourhoods.
- The concept of Neighbourhood Management was also introduced under the National Strategy Action Plan for Neighbourhood Renewal. The Government supported the application of the concept through the introduction of 20 Pathfinders in July 2001. The Pathfinders ran for seven years. Each received 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

¹⁸National Strategy for Neighbourhood Renewal - a Framework for Consultation.

¹⁹Part of the 2000 Spending Review the Government published in early 2001 'A New Commitment to Neighbourhood Renewal; National Strategy Action Plan'.

two years. This funding was for projects to improve neighbourhoods relating to public services and quality of life.

- In 2001 a fund of £50million was established 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.
- 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 provided £60million over 2001-06 to set up Community Networks in the NRF areas.
- Two other programmes that were part of the Neighbourhood Renewal Unit were 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.
- Other Government Departments continued to develop their own policy initiatives to focus on specific areas and improve the services they provide to them. This included initiatives like Employment Zones, Action Teams for Jobs, Education and Health Action Zones, City Academies and Sure Start as prominent examples. In all cases the objective was 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.
- An example was the Phoenix Fund from the Department of Trade and Industry in which social and commercial enterprises in deprived areas received state funded business support.
- In 2003 the Government launched the Communities Plan – Sustainable Communities: Building for the Future. It was designed to tackle the key areas of housing shortages, low demand and abandonment of homes, focusing on the worst affected areas in the North and Midlands and provide Decent homes, seeking to ensure that social housing was brought up to a decent standard.

- A key initiative launched in 2006 by DCLG was the Local Economic Growth Initiative (LEGI). It was a joint programme between DCLG, HM Treasury and Department for Trade and Industry. As the evaluation published in 2010, stated its objective was to 'release the economic and productivity potential of the most deprived local areas across the country through enterprise and investment-thereby boosting local incomes and employment opportunities and building sustainable communities' (Amion, 2010). Some twenty local authorities benefitted from a grant under the programme which in total disbursed £418 million. The funding was targeted on a deprived areas in across types of area from very urban through to semi-rural.

Much of the funding went to areas in the North of England and the areas varied significantly in size from 37,000 population to 200,000. The deployment of LEGI funding was responsive to local needs and priorities and went to support growth amongst existing businesses (approximately 31% of expenditure), Support new business start-ups (29%), support residents to acquire skills and jobs (29%) and improve and promote specific areas to help develop and attract business activity (Amion, 2010). The programme had a number of very positive outcomes with some new networking arrangements established with local community organisations but the management of the programme was through the local authority. Additional economic impact appeared to be relatively low, particularly amongst existing businesses. There were a number of more qualitative benefits and the approach may have some future application under a LEP local business delivery model.

- In 2007 New Labour moved away from its core focus on social exclusion and began to address the core issue of how best to stimulate local economic growth. The 'Sub-National Review' (HM Treasury, BERR, DCLG, 2007) and 'Transforming Places' White Paper (DCLG, 2008a) and the Working Neighbourhoods Fund all focused on increasing local economic growth and reducing worklessness as the way in which social exclusion would be reduced. The Sub National Review introduced the ideas that a) policy is best delivered at the lowest tier of Government possible closest to the place, b) there may be limits to how local it is possible to go because of the presence of interactive (or spill over) effects, c) it is important to recognise that there may also be spatial economies of scale and scope in the delivery of policy and d) it is important, wherever possible, policy delivery is coordinated across service areas.
- The Coalition government in 2010 fundamentally transformed the policy landscape. It stopped virtually all Area Based Initiatives that were focusing on local economic regeneration and also scrapped some of the core elements of the New Labour approach such as Local Area Agreements (LAAs), Regional Development Agencies

(RDAs) and regional spatial strategies. The new agenda was one of localism (DCLG, 2011). As Crisp et al (2014) remark; this 'This has a three-pronged emphasis on local economic growth, 'community-led' regeneration and public service reform of local government and other statutory agencies (DCLG, 2011, 2012).

- Details of the 'Local Growth' agenda under the Coalition were set out in 'Regeneration to Enable Growth' (DCLG, 2011a, b). Initiatives to promote local economic growth included the launch of Local Enterprise Partnerships (LEPs) that are partnerships of private sector representatives and local government tasked with promoting economic growth in the functional economic areas they cover. Under the Coalition Government and then the subsequent Conservative Government attention has been given to:
 - Enterprise Zones;
 - The Regional Growth Fund;
 - The Local growth Fund (the 'Single Pot') providing resources for investment in local projects relating to transport, housing and skills available through the LEPS;
 - City Deals (bespoke funding agreements between central and local government to facilitate local economic development);
 - The Growing Places Fund-providing funds to LEPs to help unlock bottlenecks on encouraging local economic growth;
 - Encouragement of Tax Incremental Financing based on local business rate retention, the New Homes Bonus and the Community Infrastructure Levy.
- The Government estimated that LEPs and City Deals would be given around £20bn of resources over the period 2012/13-2020/21 through a range of funding streams including the Regional Growth Fund, Local Growth Fund, Growing Places Fund, City Deals and European Union Structural and Investment Funds (HM Treasury, 2013).

Annex B. Project based interventions

Supply side interventions to influence local enterprise and the labour market

In this Annex we outline what the evidence suggests was the impact of regeneration schemes where the community had a high degree of control focusing particularly on examples from NDC and where applicable the community led SRB partnerships.

Many of the policies sought to reduce worklessness in the deprived community by enhancing the employability of residents and increasing their ability to access jobs. A wide range of initiatives were tried, themselves building on the extensive experience of regeneration partnerships. Beatty et al (CLG, 2009) examined the experience of six NDC case studies and found a number of relevant projects that included job brokerage projects designed to help those without work to gain access to employment and training opportunities, support for recruitment and job-matching services for local businesses, often facilitated through dedicated employment liaison officers, skills development projects offering training, often through dedicated facilities, or funding for participation in approved courses, sometimes with a sector-specific focus (CLG, 2009).

Job Brokerage

Job Brokerage projects were used in a number of NDC areas to help to reduce relatively high levels of worklessness. The aim was to reduce the barriers to employment with an emphasis on connecting those out of work to possible job opportunities by providing information on available jobs and improving their skills base. In some cases, the focus was on addressing the recruitment practices of employers to make them more accessible to residents in NDC areas (Walton, et al, 2003).

The research found that job brokerage projects worked best when they were embedded in to the local community with a good understanding of local community networks (Walton, et al 2003). An approach that offered a package of support tailored to individual need worked best. It was essential to develop good links and relations with the relevant key agencies working closely with the Job Centre, avoiding duplication and ensuring an employer focus that emphasised the building of strong relationships with local employers. An important element was to ensure appropriate 'aftercare' for clients and employers and thus promote the sustainability of a placement and subsequent job progression (Walton et al, 2003).

Key areas for consideration in developing such projects were to consider whether the project was delivered in house or contracted to an external supplier. Addressing the needs of those hardest to assist required appropriate resources to be committed and this had to be recognised in target setting. It was important to ensure that the needs of both clients and businesses were addressed and a close relationship with the Job Centre Plus was essential. (Walton, et al, 2003).

Hanson (2004) undertook a survey of those who participated on NDC Job Brokerage schemes in Aylesbury, Bradford, Hartlepool, Middlesbrough, Newcastle and Shoreditch. She found that those participating in the schemes had benefitted from a range of soft and hard outcomes. Over 300 respondents found a job, mainly full time. The job brokerage schemes also helped some to obtain gain job, personal and social skills, as well as increased levels of confidence and better career prospects. The scheme had succeeded in reaching some of the most hard to reach groups (Hanson, 2004).

Some NDCs adopted neighbourhood based job brokerage to address limitations in mainstream service provision. In general the emphasis was to ensure that the project had the maximum flexibility built in to 'plug gaps (Beatty et al, 2009). To enhance employability schemes were wrapped together under a one stop shop approach. Residents could get access to careers, training and job search advice. NDC Examples included Bradford (the Opportunity Centre), Lambeth (shop for Jobs) and Walsall (Work on the Horizons). Access to residents was enhanced through a shop front presence. A combination of public, private and third sector organisations delivered the services. Job Centre Plus services were available in some cases on an outreach basis (Beatty et al, 2009).

Research by Beatty et al (CLG, 2009) focused on Walsall NDC. In this NDC a number of services were offered to help the workless into employment. This included training, job brokerage, childcare assistance, retention bonuses and CV advice and guidance. A number of different partners came together. The NDC experience indicates that it is possible using these schemes to obtain significant impacts getting people into employment, accessing career advice and adults accessing qualifications through the NDC projects.

Another SRB scheme was the Opportunities Centre in Hangleton and Knoll. This facility provided advice, training and job search for unemployed people on the relatively isolated housing estates of Hangleton and Knoll. It was located in an easily accessible shop fronted facility. Staff from the local Job centre were there during part of the week. The facility was a great success, significantly exceeding its targets and illustrated clearly the benefits of being located in the heart of community with easily approachable staff. The model was replicated elsewhere and was selected by the DTI at the time as their new pilot IT employment scheme.

The facility continued beyond the life of the original SRB scheme with support from other mainstream funding (Rhodes, Tyler and Brennan, 2007).

Employment Liaison Offices/ Mentors

A second type of intervention highlighted by Beatty et al (2009) in the NDC National Evaluation was employment liaison officers. These officers sought to identify vacancies with local employers, assess the requirements of employers and to make them aware of those less-work ready residents looking for work. In the case of Walsall NDC the Coordinator liaised with 250 local firms. A Construction Labour Initiatives Officer was employed in Newham to match jobs with local residents looking for such work. The Business Broker model developed by Business in the Community followed this approach. Business Brokers/ Mentors have been shown to be a very effective way of linking the needs and resources of local businesses and communities.

The provision of training opportunities

A third supply side intervention adopted by NDC partnerships was to provide training opportunities to workless residents. Knowsley NDC funded the Churches Training Centre (Beatty et al, 2009). In other cases, the NDC scheme provided training as part of a project. Examples included the Construction in Training Scheme in Walsall which provided an NVQ level 2 qualification, the Shops for Jobs project in Newcastle providing training for those seeking work in retail and the Volunteer Scheme in Lambeth which provided volunteering opportunities to give individuals the skills necessary to seek and secure opportunities in the formal labour market (Beatty et al, 2009).

Credit union and time credits

Credit unions have sought to meet the needs of certain groups of residents in deprived communities and have frequently attracted the attention of government (Alexander, et al, (2015), Roy et al (2015)). However, as Crisp et al (2016) comment, whilst they have been shown to help individuals out of a cycle of poverty there is little evidence to suggest that they have made any more far reaching contribution to the economic development of communities (Crisp, et al 2016). Other innovative forms of intervention like Local Exchange Trading Systems and Time Banks have also been of help in meeting the needs of individuals and encourage social participation. The idea being to allow community members to exchange goods and services without the direct use of cash. Seyfang and Longhurst (2013) identified some 350 LETS. As Crisp et al (2016) state, there is 'strong evidence to suggest that LETS can make a qualitative difference to the employability and material well-being of low income households, whilst laying the foundations for developing self-employment. In otherworld's, it

can make a real and immediate difference to pockets whilst also increasing the prospects of households in poverty; (Crisp et al 2016). However, a strong evidence base remains elusive (Slay, 2011).

Demand side interventions

Local business support

A number of regeneration programmes have assisted with business support in local communities. Examples include the provision of loans, grants and advice to local businesses, provision of new and improved premises (i.e. managed workspace and security grants etc.), encouraging self-employment and new business start-up, social enterprises to raise and activities to retain and maintain local services, the attraction of inward investment and working with employers to build community capacity and recruit local people. Financial and other support for local businesses and particularly social enterprise has been available from a number of HM Government programmes and Charitable Trusts.

There has also been an extensive amount of funding available from the European Structural and Investment Funds²⁰, some of it committed to Community Economic Development (CED). There has been much interest in understanding the contribution that Community Economic Development can make (See Lawless, 2001). More recently CED has been supported by MHCLG and delivered by a partnership of Co-operatives UK, Locality, Responsible Finance, New Economics Foundation and Centre for Local Economic Strategies. In its first year it is estimated that some 49 local community groups and organisations were assisted to develop economic plans to 'improve the economic health of their area'²¹.

Evidence on the impact of local business support

North et al (2003) reviewed the evidence base on the impact of business support for the Neighbourhood Renewal Unit. They found limited evidence on the impact in deprived areas of mainstream programmes like Business Link. The general body of evidence from SRB supported the view that assistance to facilitate start-ups and micro businesses in these areas required targeted and selective support. It was necessary to minimise displacement and in some cases survival rates can be low and job creation modest (Syrett and North (2006). Evidence from the National Evaluation of NDC supported these findings, adding that business support projects were generally inappropriate where the business base was small and as such

²⁰ <https://www.gov.uk/government/publications/draft-european-regional-development-fund-operational-programme-2014-to-2020>

²¹ https://cles.org.uk/wp-content/uploads/2017/10/ced_report_2017.pdf

NDC partnerships tended to focus more on getting their residents job-ready. Demand side interventions tended to be relatively expensive and a proportion of jobs leaked out to residents in other areas. The example of the Bradford Trident NDC experience was quoted where it was estimated that only about half of the 50 jobs provided by a supermarket chain went to local residents (Beatty, et al (2009). Displacement and leakage effects were also examined by (Campbell (2001) and (Ritchie et al (2005).

There has been much interest in the use of Business Mentors and indeed this has become a focus of a number of recent funding initiatives. Thus Business in The Community is currently providing a programme of business mentoring to social business and enterprises in deprived areas of London²².

Community based enterprise

There is a body of evidence that indicates that actions to stimulate enterprise at the neighbourhood level can provide jobs accessible to disadvantaged groups. These enterprises can also help residents to become more work ready, particularly where volunteering is involved, and may even be able to provide specific services that are not available from other services (Crisp, et al 2016).

There is also much active support from organisations like the Business in the Community²³, Social Enterprise²⁴ and Power to Change²⁵. Thus, recently Social Enterprise UK and Business in the Community have created ARC's to help social enterprises in 15 London boroughs to expand and create jobs. The programme has now been extended to the Yorkshire region with support from BP and ASDA. It is estimated that Arc has supported over 150 social enterprises associated with some 5000 to grow and create over 5,000 jobs as at 2016.

Bailey, (2012) defined community enterprises as 'organisations working for sustainable regeneration in their community through a mix of economy, environmental, cultural and social activities (Bailey, 2012). The advantages of community orientated enterprises is they seek to retain income within the local community and can target the needs of specific groups and individuals, although it has been argued that the jobs created do not tend to go to those most in need (Blackburn and Ram (2006)), although the evidence base would not seem to be extensive.

²² <http://www.mentorsme.co.uk/organisations/business-in-the-community>

²³ <https://www.bitc.org.uk/>

²⁴ <https://www.socialenterprise.org.uk/>

²⁵ <https://www.powertochange.org.uk/>

Their role in addressing deficiencies in public service delivery in an age of austerity has been highlighted by Varady et al (2015). Crisp et al (2016) identifies a variety of different forms of community and social enterprises that encompass housing, co-operative, credit union, development finance, energy, and local exchange trading schemes, time banks and land trusts.

An example of a neighbourhood based approach to enterprise creation was Reviving the Heat of West End Newcastle which was originally a part of a SRB partnership scheme. Other examples, identified by Crisp et al (2015) are the St Andrew's Community Network, Liverpool, and Meadow Well Connected North Tyneside.

Building a community based enterprise around a core strategic asset or income source has been a common theme in both urban and rural areas. In some cases income from a renewable energy source and other activities associated with land that the community enterprise may hold can provide valuable badly needed community based facilities. A key theme has been to enable sustainable growth in local areas by developing a community based enterprise that manages community assets for community benefit. One way forward is to build on the capitals approach developed by Harper and Price (2011) for DEFRA as part of the work of the GES/GSR Social Impacts Taskforce. This recognises that investments in rural communities change the *stock* of productive, human, social and natural *capital* that is available in an area and to its respective community²⁶. There has been an extensive evaluation of the basic approach (See CEA, 2016). In relation to the drivers of success it is important that the communities and their respective community bodies, undertake a thorough and far ranging investigation of the potential assets that might be developed in an area and the factors to be considered in realising this potential. Communities realise their ambitions by a relatively small number of people coming together who have the skills and ability to make things happen. It is important for those involved to have a realistic appreciation of what can be achieved, over what period of time and how best to divide labour and expertise.

Community and neighbourhood based enterprises can provide a small, but often strategically important, source of income and employment that can be of significant value in assisting specific individuals or groups of individuals and sometimes enabling the provision of a core service or facility that would otherwise be denied to the community. In some cases, the provision of a community meeting space is a valued outcome. The contribution that support

²⁶ This thinking is grounded in the 'capitals approach' Harper and Price (2011). A Framework for Understanding the Social Impacts of Policy and their Wellbeing. A Paper for the Social Impacts Taskforce. DEFRA.

for community enterprise can make to stimulating income growth has been shown recently in the evaluation of the Community Business Fund (Thornton, et al (2019)).

The Community Business Fund is a grant funding programme provided by Power to Change Trust that began in 2016. The evaluation shows that the supported enterprises typically operate over a relatively small area and provide more part time than full time employment, with a tendency to come from the local community. Many of the areas in which the supported enterprises exist have higher than average levels of deprivation, migration and unemployment which the authors of the evaluation suggest is fairly typical of community businesses. Some of the community enterprises act as a community hub. This enable people to come together. The evaluation evidence highlights the role of community businesses in encouraging a sense of ownership, pride and empowerment to those involved with them (Thornton, et al (2019)).

Crisp et al (2016) highlight the role of community-based enterprises in being involved in helping with the operation and management of their communities referring to the work of (Arradon and Wyler, 2008 and Bailey, 2012) in this respect. Crisp et al (2016) identify them as a response to the lack of physical assets and appropriate enterprise support and the role of networking in facilitating specialist support. Community based enterprise often need to seek grant funding to enable them to provide services like child care to residents in their community as discussed by Wallace (2005).

Whilst neighbourhood based enterprises are considered to have a valuable role a core message is that the scale of their contribution in creating jobs tends to be relatively limited. Amin (2002, 125) emphasises that they should not be seen on their own as a 'growth machine' or an engine of job generation.

New business start-ups and self-employment are seen as highly desirable ways of providing new jobs, improved access to services and improved environmental benefits. Research focused on the two NDCs of Bradford Trident and North Earlham, Larkman and Malpit (NELM) in Norwich. NELM represented three social housing estates outside of the city centre (population 8000). There were few major employers in the NDC area and they were mainly small. Bradford was different with a predominantly BME population (11200) extending from the City centre and bisected by a major road. There were few businesses in the NDC area itself but access was good to a large number of businesses in the City as a whole. Research by Devins et al, (2005) sought to understand the motivations that influenced start-ups and self-employment in NDC areas, the role of new businesses in delivering local services and jobs and to identify what worked well (Devins et al, 2005).

Bradford Trident NDC commissioned Business Link Bradford to provide business support services which included skill development advice and guidance, financial support and networking. There was a dedicated business advisor in the NDC community.

In the NELM NDC, interventions encouraged self-employment, sought to improve the quality of job opportunities for local residents and provide more formal work opportunities from the informal sector. The Women's Employment, Enterprise and Training Unit provided support through a 'Full Circle model' that brought together practical information, advice, guidance and financial support. A second part of the strategy involved establishing an Enterprise Zone that established 25 units for light industry, hoping that local people would start up in these units.

The study argued there was no 'one strategy fits all' approach to business start-up intervention largely because of the diversity of the potential entrepreneurs, their range of needs and the varying local socio-economic, environmental and cultural contexts in different areas' (Devins, et al, 2005).

The motivations driving business start-up appeared to be vary considerably. Some liked the greater flexibility provided and the opportunity to earn more compared to acquiring a job in an established business. Some saw the opportunity to care for others whilst providing a stream of income. The start-ups were not associated with a large number of employment opportunities and those created were often taken by family or non-residents. The physical appearance of an area could act as both a deterrence but also present an opportunity for businesses seeking to improve things by providing relevant services (Devins, et al, 2005).

Some NDCs sought to provide support to existing businesses in their area. Thus, one favoured area of intervention was to help local businesses improve the security of their premises with the 'Trade Safe' scheme in Newcastle providing discretionary grants to local businesses to improve security. In some cases, the encouragement was through a Business Forum as in the case of Bradford NDC where the emphasis was on encouraging local business networking. It has been rare for community based enterprises to seek to attract inward investment but one example was provided by the Bradford NDC partnership that teamed up with the local authority to build a new Lidl supermarket in the area.

Intermediate Labour Markets schemes

The Intermediate Labour Market approach was used by a number of NDCs to address the relatively high levels of worklessness that affected their residents. The basic model is to offer 'a bridge back to work for those who are a long way from the labour market by offering a

wage placement together with training, personal support and job search activities' (Darlow, 2004). Four NDC examples where Preston Road Works (Hull) offering 12 month placements in NDC funded projects and the private sector. The Heywood ILM Project (Rochdale) offered placements of up to 50 weeks with a mixture of private sector and voluntary and community sector employers. Achieving Diversity in the Workplace (Sunderland) was delivered by Sunderland City Council with placements of up to 21 months within the Community and Cultural Services Department of Sunderland Council (Bickerstaffe and Devins, 2004).

Other examples included the Green Team in Bradford NDC. This employed local people to help in an environmental clean-up programme. Some of the jobs were mainstreamed into local authority provision. In Walsall NDC work experience was provided through a local construction company and this helped to increase general levels of employability of residents, remove barriers to labour market entry, and promote skills development and to reduce levels of unemployment and get residents into work. It was discovered that the projects supported had to be sufficiently flexible to meet the needs of clients and not 'funding led'. It was important not to underestimate relative need and recognise the importance of overcoming social welfare barriers, Employers had to be given sufficient support to ensure sound retention rates. Effective partnership working with the Job Centre Plus was essential highlighting the importance of effective management and integrating endeavour with wider employment strategies. Green and Sanderson (2004)).

A further interesting intervention of note adopted in the Knowsley NDC was to ring-fence jobs for local residents through a 106 Agreement. (CLG, 2009). In this case staff experienced in the construction industry liaised with contractors to source vacancies and align them with local people with the appropriate capabilities. The key partners in the project were the JCP, Huyton Churches Training Centre and the North Huyton Partnership. The scheme managed to get around 65 local residents into secure jobs in the construction sector which was a significant achievement as well as providing training for a significant number of local residents.