



The New Deal for Communities Programme:  
Achieving a neighbourhood focus for regeneration

**The New Deal for Communities National Evaluation:  
Final report – Volume 1**



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Department for Communities and Local Government

The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.

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# Executive summary

## Chapter 1. Introduction

The New Deal for Communities (NDC) Programme is one of the most important, and well resourced, area-based initiatives (ABIs) ever launched in England. Announced in 1998 as part of the Government's National Strategy for Neighbourhood Renewal<sup>1</sup> (NSNR), its primary purpose was to reduce the gaps between the poorest neighbourhoods and the rest of the country. The 'NDC model' is based on some key underlying principles: 10-year strategic transformation of neighbourhoods, dedicated neighbourhood agencies, community engagement, a partnership approach, and learning and innovation. Thirty-nine partnerships were established, each receiving about £50m over 10 years.

In 2001 a consortium led by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University was commissioned to undertake a comprehensive evaluation of the Programme. This is the first of seven volumes in the final report.

## Chapter 2. Overcoming short-termism in regeneration: implementing a 10-year Programme

The Social Exclusion Unit's analysis in the NSNR of why previous programmes failed to generate lasting change identified the short-term nature of previous interventions as part of the problem. However, the NDC Programme's 10-year lifetime brought both benefits and challenges. NDC partnerships had the time to develop long-term plans; establish good relationships with other key agencies in the area; and thus build influence locally. But NDC partnerships also had to cope with a variety of changes over the 10 years in the economy, in local demography, a changing national policy framework, and changes in the institutions with which they dealt.

However, the two main conclusions from the experience of the NDC Programme is that first, different policy objectives require different time scales. Tackling local environmental problems and crime and community safety may need funding for perhaps three to four years, while the major physical redevelopment of regeneration areas may need at least 10 years. But second, the changes brought about within the 10 years are likely to be fragile, and generally require further support beyond the lifetime of the Programme.

<sup>1</sup> SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal.

## Chapter 3. The arm's length partnership

In hindsight, it is now apparent that the scale of tasks involved in establishing brand new regeneration agencies was underestimated. Each NDC partnership had to create its own set of operating procedures, governance arrangements and staffing. This included deciding on the role and composition of boards, how to appoint or elect board members, and whether to incorporate as companies. NDC partnerships also had to recruit and employ staff teams; to start most used secondees from the parent local authority, before establishing their own arrangements. Some experienced high rates of turnover among senior staff at the start, a factor the evaluation found had a negative impact on their capacity to spend in the early years of the Programme.

The new organisations also had to establish systems for financial management and monitoring, with partnerships often feeling that central reporting requirements undermined local autonomy. It would probably have been helpful had there been more detailed preparation in advance, including training and induction for board members, a more developed suite of Programme management guidance, and greater clarity about the scope (and limitations) of partnership autonomy.

## Chapter 4. A neighbourhood focus

The NDC Programme sought to identify specific disadvantaged neighbourhoods on which to focus within the government imposed criteria of a maximum of 4,000 households per area. The selection of the neighbourhood, and the definition of its boundaries, was determined locally. This did not always lead to coherent and recognisable neighbourhoods, or ones which corresponded with functional administrative units. This made it difficult for NDC partnerships to gather reliable and specific data about their areas. Although there was real value in a tight neighbourhood focus, the NDC partnerships' experience has amply confirmed that 'neighbourhoods' are not islands: services provided within NDC areas are inevitably used by residents from outside; and residents in NDC areas depend on services provided beyond their immediate area.

The evaluation suggests that not all policy objectives will be appropriate for treatment at the neighbourhood level. There have been examples where NDC partnerships have extended their boundaries for some types of intervention. Generally, the evaluation suggests that the issues most effectively tackled at the neighbourhood level are some aspects of crime, environment, housing management and public health. Other aspects of health, and secondary education in most areas, need to be addressed at larger spatial scales, while housing and worklessness strategies need to reflect wider housing and labour markets. In short, the services that are delivered best at neighbourhood level are those that interact at that level with service users.

Their tight spatial focus has enabled NDC partnerships to direct substantial investment and project activity into relatively small neighbourhoods. Moreover, analysis of the value-for-money offered by the NDC Programme suggests that there is little evidence to suggest that significant benefits from this investment have 'leaked' or spilled over into other areas, or that NDC projects have displaced other activity. The case for neighbourhood intervention is supported by the experience of the NDC Programme, provided there are also close links to the planning and delivery of services at a wider spatial scale.

## Chapter 5. Partnership working

There was an expectation that involving a wide range of partners would help lever in additional resources. It would also lead to joint working, which would in turn generate improved service design, help guarantee the sustainability of NDC partnership investment, and help secure improved outcomes. In most NDC areas representatives of the key agencies were involved at the beginning, and representation from (some) agencies on NDC boards has become firmly established. NDC partnerships' assessments of the value of particular agencies' contributions vary, although generally the police are singled out as the most helpful. However, successful relationships with service providers are often attributed to individuals, rather than institutions, and when individuals move on, relationships have to be rebuilt.

NDC partnerships' most important relationship is with their parent local authority, as the accountable body, as planning authority and as project partner and co-funder. At the start of the Programme, traditionally poor relationships between local communities and the local authority created tensions, though generally relationships have improved.

As a consequence of partnership working, NDC partnerships have levered an additional £0.73bn from other sources. About a third of additional public sector funding came from local authorities, and relatively modest sums came from the other locally-based agencies such as the police and Primary Care Trusts (PCTs). Throughout the evaluation, NDC staff and board members have suggested that it is NDC funds that attract other partners. Very senior representatives of the key public agencies have come into closer contact with disadvantaged areas than they normally would have done. There is clear evidence of a positive relationship between the extent of engagement with other partners and outcome change. For example, the number of agencies with which NDC partnerships engage significantly helps account for 25 per cent of the variation in the three place-based outcomes (crime, community, and housing and the physical environment).

## Chapter 6. A holistic approach to improving outcomes

The Social Exclusion Unit's analysis of the problems to be faced by NDC partnerships indicated that they were above all characterised by *multiple* disadvantage, which in turn would require a *multiple* response. The NDC Programme was therefore established as a holistic set of interventions, addressing a variety of policy objectives: three 'place-related' outcomes (crime, the community and housing and the physical environment); and three 'people-related' outcomes: education, health, and worklessness. It was also assumed that this approach would generate mutually reinforcing benefits: improving educational attainment may reduce crime and antisocial behaviour, or better housing could help improve health indicators, and so on.

NDC partnerships attempted to set 10-year targets (often with limited baseline information), which were frequently ambitious in both range and scale of change, set out in 10-year delivery plans describing issues, overall and thematic strategies, life-time outcome targets and spend profiles. The evaluation evidence presents a positive picture of change, and also offers endorsement for the holistic approach. For individuals, positive change in relation to one outcome is often associated with change in others. There is also evidence that levels of spend on one outcome are associated with outcome improvements in others. Taken together these associations do support the application of a holistic approach.

## Chapter 7. Sustaining change

The NDC Programme is one of the longest ever in this country. However, when launched few felt that 10 years would suffice to complete the transformation of these generally severely disadvantaged neighbourhoods. Previous short-, or fixed, -life small area programmes had recognised the need to manage their withdrawal, and Communities and Local Government (CLG) issued guidance on succession planning in 2002, recognising that the process should begin as early as possible. Not all partnerships responded: by late 2004 only 15 had a formal exit strategy, and even as late as 2008, only 21 had developed succession strategies.

These strategies often include a successor body, varying in form, but generally community-led, not-for-profit, with a capital asset base, and revenue-raising capacity. Revenue raising ideas beyond rental streams from capital assets include a variety of social enterprises including restaurants and training organisations; pursuing public sector contracts as a 'third sector organisation'; and providing consultancy services. Most NDC partnerships also see the development of sustained community capacity as important, to ensure a continuing voice for local residents in dealing with service providers, with the development of neighbourhood management as a key way of achieving this.

CLG guidance requires succession strategy outcomes to be aligned with Local Area Agreements and other local strategies, which is already happening. Given the scale of public sector resources, ensuring main service providers continue to recognise the needs of NDC areas may be the single most important element of NDC partnerships' succession strategies. But succession strategies are not without risk: interest from both communities and agencies could wane once NDC funding is complete; and, especially in the current economic climate, income streams may prove fragile.

## Chapter 8. Reflections on the NDC model

After some initial teething problems, most of the 39 partnerships operated reasonably effectively, and most expect to continue in some form after core funding has finished. As the Programme matured, most boards settled down and delivered their responsibilities effectively and amicably, with community and agency representatives collaborating. But the scale of what is required to start brand new partnership-based, community-led organisations was underestimated: with hindsight a development year 'zero' would have been helpful.

There were difficulties in identifying 'natural' boundaries for neighbourhoods which would be recognisable to the people who lived there. This affected the development of strategy. NDC partnerships developed a vision, but few attempted to define the *function* of the area. NDC areas often became deprived precisely of a change of function; yet NDC partnerships rarely tried to define alternatives. The case for a locally-designed neighbourhood focus reflected the urban policy mantra that one size does not fit all. However, in practice there were remarkable similarities amongst NDC partnerships' strategies.

There were some tensions between local autonomy and central programme management, some of which arose because of initial ambiguities about the meaning of 'community leadership'. Community representatives were told initially that NDC Programme funding was 'their' money, and it was for them to decide how it should be spent. Those familiar with the rules of public expenditure would know what this was not intended in the literal sense. However, some community representatives genuinely could not understand, if it was 'their' money, why anyone should limit their freedom by insisting on appraisals, monitoring and financial reporting.

Area-based programmes still appear to be an appropriate vehicle to deal with some issues, particularly those that are primarily 'place-related'. There are issues about being able to identify benefits arising from some 'people-related' outcomes notably with regard to worklessness and education.

The transformation of massively disadvantaged areas will not be completed with the life span of even a 10 year ABI; it is vital not to underestimate the importance of other mainstream public spending, which is far greater in size than that available through regeneration; and ABI strategies need to be firmly embedded in a wider framework of district, sub-regional and regional strategies.

# Chapter 1

## Introduction

- 1.1 This report is one of a suite of seven volumes comprising the final evaluation of the New Deal for Communities (NDC) Programme. The NDC Programme has been evaluated between 2001 and 2010 by a consortium of organisations, led by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University. The evaluation has the benefit of extensive data sources including biennial household surveys carried out between 2002 and 2008, administrative data and case studies.
- 1.2 Final reports culminating from this unique evaluation have been developed as follows:
- Volume 1, this report, ***The New Deal for Communities Programme: Achieving a neighbourhood focus for regeneration***, explores the institutional model underpinning the Programme, based on the creation of semi-autonomous partnerships, designed to achieve 10 year transformational strategies working in co-operation with existing delivery agencies such as the police and primary care trusts (PCTs).
  - Volume 2, ***Involving local people in regeneration: Evidence from the New Deal for Communities Programme***, examines the rationale, operation and consequences of the Programme's aim of placing the community 'at its heart'.
  - Volume 3, ***Making deprived areas better places to live: Evidence from the New Deal for Communities Programme***, considers the nature, operation and successes of NDC interventions designed to improve the 39 NDC areas.
  - Volume 4, ***Improving outcomes for people in deprived neighbourhoods: Evidence from the New Deal for Communities Programme***, considers the nature, operation and successes of NDC interventions designed to improve outcomes for residents living in the 39 NDC areas.
  - Volume 5, ***Exploring and explaining change in regeneration schemes: Evidence from the New Deal for Communities Programme***, identifies factors which help explain why some areas, and some individuals, have seen better outcomes than have others.
  - Volume 6, ***The New Deal for Communities Programme: Assessing impact and value for money***, uses all of the evidence available to the evaluation in order to identify the impact of, and cost and benefits arising from, the NDC Programme.

- Volume 7, ***The New Deal for Communities experience: A final assessment***, considers the degree to which the Programme has achieved its original objectives and the sets out the implications of this evidence for policy.
- 1.3 Full details of data sources and methodological protocols are contained in an accompanying Technical Report<sup>2</sup> to be published in 2010.
- 1.4 This remainder of this chapter provides a brief introduction to the NDC Programme and the problems it was designed to address. It also introduces the 39 NDC areas and sets out the contents of the remainder of the report.

## The NDC Programme

- 1.5 The New Deal for Communities (NDC) Programme is one of the most important area-based initiatives (ABIs) ever launched in England. Announced in 1998 as part of the government's National Strategy for Neighbourhood Renewal<sup>3</sup> (NSNR), the Programme's primary purpose is to 'reduce the gaps between some of the poorest neighbourhoods and the rest of the country'.<sup>4</sup> Seventeen Round 1 partnerships were announced in 1998 and a further 22 Round 2 schemes in 1999. In these 39 areas, which on average accommodate about 9,900 people, local NDC partnerships have sought to implement<sup>5</sup> approved 10-year delivery plans, each of which has attracted approximately £50m of government investment.
- 1.6 The NDC programme is a relatively well-funded ABI (although NDC resources are minor when compared to those of mainstream agencies).<sup>6</sup> Between 1999-2000 and 2007-08 some £2.29bn (current prices) was spent on the 39 schemes, £1.56bn from the Programme and the rest from other sources, especially other public funds (£522m). This compares with:
- over the six rounds of SRB, it is estimated that £5.8bn of funding supported over 1,000 schemes across England<sup>7</sup>
  - between 1992 and 1998 £1.14bn of City Challenge funding was spent by the 31 partnerships<sup>8</sup>

<sup>2</sup> CLG (forthcoming) The New Deal for Communities Evaluation: Technical Report.

<sup>3</sup> SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal.

<sup>4</sup> DETR (2001) New Deal for Communities: Financial Guidance.

<sup>5</sup> Current situation regarding spend and delivery. Some changed their initial delivery plans. Others have seen major projects put on hold as a result of the recent economic situation.

<sup>6</sup> See CLG (2010) Assessing neighbourhood level regeneration and public expenditure. [www.communities.gov.uk/publications/communities/assessingneighbourhoodlevel](http://www.communities.gov.uk/publications/communities/assessingneighbourhoodlevel)

<sup>7</sup> Impact of RDA spending – national report – volume 1 – main report, 2009 (p. 60). [www.yorkshire-forward.com/about/our-performance/impact-of-rda-spending](http://www.yorkshire-forward.com/about/our-performance/impact-of-rda-spending)

<sup>8</sup> City Challenge – Final National Evaluation. [www.communities.gov.uk/archived/general-content/citiesandregions/citychallengefinal/](http://www.communities.gov.uk/archived/general-content/citiesandregions/citychallengefinal/)

- £1.875bn of Neighbourhood Renewal Funding was spent between 2001 and 2006; the 2004 spend review committed a further £525m for each of the years 2006-07 and 2007-08; this gives a total funding figure of £2.925bn between 2001 and 2008<sup>9</sup>
- at its inception the Working Neighbourhoods Fund (WNF) was to allocate £1.5bn in funding: this is made up of more than £450m in 2008-09, and over £500m in 2009-10 and 2010-11.<sup>10</sup>

## The extent of the problem

- 1.7 In 1997 the Government established a Social Exclusion Unit (SEU) to explore the scale and nature of poverty and social exclusion. Its report the following year set out the neighbourhood renewal strategy.<sup>11</sup> The analysis by the SEU in *Bringing Britain Together* which underpinned the NSNR, chronicled the nature and scale of the problems to be tackled in the most deprived areas. Their research into the extent of poverty and deprivation described the gaps that existed between the most affluent local authority districts and the poorest. Perhaps more importantly, this work also identified the nature of the issue at the neighbourhood level:

*'But the greatest poverty and exclusion is seen by looking not at local authority areas but at smaller neighbourhoods. In many areas, particularly London, local authority-wide averages conceal the extent of the problem, as neighbourhoods with extreme deprivation sit next to pockets of prosperity.'*

- 1.8 And these problems while starting from worklessness and poverty were reflected in poor standards of housing, health, education and high levels of crime. The identification of small areas of deprivation was not new; the then Home Secretary, Roy Jenkins, launching the Urban Programme in 1968 referred to '...relatively small pockets of severe social deprivation'.<sup>12</sup> But what was different this time was the Government's recognition of the *extent* of these neighbourhoods. The SEU acknowledged that there are difficulties in estimating the number of 'deprived' neighbourhoods, but suggested it might fall between 1,300 and 4,000, depending on the criteria used.

<sup>9</sup> CLG (2008) *Impacts and Outcomes of the Neighbourhood Renewal Fund* (para 1.12). [www.communities.gov.uk/publications/communities/nrfimpactsoutcomes](http://www.communities.gov.uk/publications/communities/nrfimpactsoutcomes)

<sup>10</sup> CLG/DWP (2007) *The Working Neighbourhoods Fund* (p. 38). [www.communities.gov.uk/publications/communities/workingneighbourhoods](http://www.communities.gov.uk/publications/communities/workingneighbourhoods)

<sup>11</sup> SEU (1998) *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*.

<sup>12</sup> Higgins, J. (ed.) (1983) *Government and urban poverty*. Although this book was published more than a quarter of a century ago, its analysis remains depressingly relevant today.

1.9 The SEU's report described in forensic detail the nature and scale of the gap between the most and least deprived districts. The poorer neighbourhoods had:

- nearly two-thirds more unemployment
- almost one and a half times the proportion of lone parent households
- one and a half times the underage pregnancy rate
- almost a third of children growing up in families on Income Support, (against less than a quarter in the rest of England)
- 37 per cent of 16 year olds without a single GCSE at grades A-C, against 30 per cent for the rest of England
- more than twice as many nursery/primary and more than five times as many secondary schools in special measures
- mortality ratios 30 per cent higher than the national average (when adjusted for age and sex)
- two to three times the levels of poor housing, vandalism and dereliction
- more young people, with child densities a fifth higher
- nearly four times the proportion of ethnic minorities.<sup>13</sup>

1.10 Thus there remained a need to address the acute and mutually reinforcing problems of exclusion evident in the more deprived neighbourhoods through longer term ABIs. However, it was important that any new ABI should recognise and learn lessons from the weaknesses that had been apparent in earlier schemes. In 2001 the SEU produced an action plan<sup>14</sup> for the NSNR which reviewed what had caused the continued existence of widespread neighbourhood deprivation, despite the fact that most of these areas had received various targeted interventions in the past. The SEU identified '...six key barriers which have prevented past efforts achieving a step change:

- failure to address the problems of local economies
- failure to promote safe and stable communities
- poor core public services, such as health, education etc
- failure to involve communities
- lack of leadership and joint working
- insufficient information and poor use of it.

<sup>13</sup> SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal.

<sup>14</sup> SEU (2001) A New Commitment to Neighbourhood Renewal: National Strategy Action Plan.

1.11 The 'NDC model' was developed in response to this, and other, analyses that accompanied the development of the NSNR, and was based on a number of key underlying principles:

- achieving **strategic transformation**: previous small area programmes were thought to have been limited in scope and of too short a duration to achieve fundamental and lasting change; to ensure the NDC Programme did not reproduce the errors of the past, NDC partnerships were given a 10-year funding guarantee, longer than any of their predecessors,<sup>15</sup> and had the freedom to develop locally appropriate 'holistic' schemes, embracing both 'people' well as 'place' objectives<sup>16</sup>
- creating **dedicated agencies for neighbourhood renewal**: the Programme was to be run locally by largely independent agencies that would operate with the co-operation of, but at arm's length from, their parent local authorities; and would focus on clearly defined and identifiable neighbourhoods
- a commitment to **community engagement**: a central part of the explanation for the continued existence of large numbers of disadvantaged neighbourhoods was the failure of previous regeneration programmes to listen to local people: community engagement was expected to play a pivotal role in the NDC Programme; as the interim report for the national evaluation argued, '... no area-based initiative has placed such a strong emphasis on community engagement'<sup>17</sup>
- **engaging partner agencies**: a mantra of the early years of the government after 1997 stressed the need for 'joined-up thinking', and its absence was thought to characterise earlier regeneration efforts; NDC partnerships were expected therefore to engage with, and influence, the main service providers covering all six outcome areas, crime, education, health, community, worklessness and housing and the physical environment
- **learning and innovation**: finally, the NDC Programme was to be a laboratory in which lessons of wider applicability could be learnt, improving our understanding of 'what works'; in his foreword to *Bringing Britain Together* the then Prime Minister wrote that NDC partnerships '...should become showcases, models of what can be achieved.'<sup>18</sup>

<sup>15</sup> In the late 1980s, Inner City Task Forces were initially set up in the expectation that they could stimulate change and withdraw after just two years; City Challenge partnerships were given five years, and Single Regeneration Budget schemes could be approved for a maximum of seven years.

<sup>16</sup> Another of the SEU's explanations for the 'failure' of previous schemes was that '...there has consistently been more emphasis on regenerating the physical environment than on changing the prospects of people who live there'.

<sup>17</sup> ODPM/NRU (2005) *New Deal for Communities 2001-2005: An Interim Evaluation*.

<sup>18</sup> SEU (1998) *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*.

1.12 In 1998 the Department for the Environment, Transport and the Regions (DETR) invited 17 local authorities to prepare bids for NDC funding, to be followed by a further 21 in 1999. The choice of local authority districts was largely driven by deprivation indices,<sup>19</sup> but the selection of neighbourhoods within these districts was left to local discretion. Criteria varied locally. In some local authority districts, such as Norwich, choices of appropriately deprived neighbourhoods were relatively limited. In other instances, Tower Hamlets for example, almost any neighbourhood would have had a case for selection. In some areas, Newham is a case in point, area selection reflected earlier patterns of regeneration funding: the West Ham and Plaistow neighbourhood had been outside the previous regeneration funding areas, and it was therefore thought to be its 'turn'. But however neighbourhoods were chosen, the acceptance of bids depended on a demonstration that a community-based partnership was in the lead.

## The 39 NDC areas

1.13 That NDC partnerships were genuinely among the most deprived neighbourhoods is confirmed by a few selected indicators. For instance:<sup>20</sup>

- the level of deprivation in NDC areas is such that a combined rank<sup>21</sup> for all NDC areas would place them collectively in the most deprived decile on the 2004 indices of multiple deprivation
- the NDC aggregate worklessness rate at August 2002 (21 per cent) was over double that for England as a whole (10 per cent)
- the NDC employment rate in 2002 was 51 per cent, 24 percentage points lower than the figure nationally (75 per cent)
- in 2002, 26 per cent of NDC residents taking GCSEs achieved five or more at grades A\* to C; this compared with 49 per cent nationally
- 33 per cent of working age NDC residents had no formal qualification in 2002 compared with 16 per cent nationally
- 23 per cent of NDC residents in 2002 reported that their health had been not good over the previous 12 months; the equivalent national figure was 14 per cent
- in 2002, 40 per cent of NDC residents smoked compared to 26 per cent nationally.

<sup>19</sup> In order to provide a regional spread, Norwich and Southampton were invited although they were not among the 38 most deprived local authority districts.

<sup>20</sup> Further details on the 39 areas are available in CLG (forthcoming) New Deal for Communities Evaluation: Technical Report.

<sup>21</sup> Based on computing a synthetic population-weighted ranking on the basis of all NDC Lower Super Output Areas (LSOAs)

1.14 But these averages obscure significant variations (Table 1.1). In 2002:

- worklessness rates ranged from 12 per cent in Lambeth to over 30 per cent in Knowsley
- Bristol had the highest employment rate (68 per cent); this was some 36 percentage points higher than for Nottingham
- 46 per cent of pupils achieved five or more GCSEs at A\* to C in Newham, just five per cent in Coventry
- the percentage of working age residents with no qualifications ranged from 20 per cent in Fulham to 54 per cent in Hull
- 32 per cent of Knowsley residents felt that their health was not good, compared with 14 per cent in Southwark
- Plymouth had the highest proportion of residents who smoked (54 per cent), more than twice the proportion in Birmingham Aston (23 per cent).

**Table 1.1: Variation across NDC areas**

	2002 (per cent)			
	NDC min	NDC max	NDC	National
Worklessness rate	12	33	21	10
In employment (a)	32	68	51	75
Key Stage 4, five or more GCSEs at A* to C	5	46	26	49
No qualifications (a)	20	54	33	16
Feel own health not good	14	32	23	14
Smoke cigarettes	23	54	40	26

Source: Ipsos MORI NDC Household Survey 2002; SDRC  
Base: All; (a) All working age respondents

## The structure of this report

1.15 This first volume in a suite of seven final reports, focuses on the distinctive features of the NDC model, examining:

- the implications of developing and managing regeneration over a 10 year period (Chapter Two)
- issues associated with establishing and managing autonomous arm's length regeneration agencies (Chapter Three)

- how partnerships have managed a neighbourhood approach, and what this has meant for the achievement of the Programme's outcomes (Chapter Four)
- the mechanics, strengths and challenges of working in partnership, mainly with key public sector delivery agencies (Chapter Five)
- how partnerships have attempted to adopt a holistic approach, addressing both 'people' and 'place' objectives (Chapter Six)
- partnership strategies to ensure the sustainability of the regeneration process (Chapter Seven)
- the volume concludes with some reflections, in the light of these issues, on the advantages, and limitations, of the 'NDC model' (Chapter Eight).

# Chapter 2

## Overcoming short-termism in regeneration: implementing a 10-year programme

### The rationale

- 2.1 The Social Exclusion Unit (SEU) analysis of the failure of previous regeneration programmes to generate lasting change identified the short-term nature of previous interventions as part of the problem. The National Strategy for Neighbourhood Renewal (NSNR), and its associated programmes, would not make the same mistake: 'Deep-seated problems cannot be cured overnight. But over a 10 to 20 year period, it should be possible to realise the vision that most of the residents of poor neighbourhoods aspire to'.<sup>22</sup> The national strategy action plan was based on the vision that '...within 10 to 20 years, no-one should be seriously disadvantaged by where they live'.<sup>23</sup>
- 2.2 In part, this analysis was based on the perceived drawbacks of earlier area-based programmes. Admittedly some had enjoyed lifetimes of 10 years or more (the Urban Development Corporations (UDC)<sup>24</sup> and Housing Action Trusts (HAT)<sup>25</sup> had run for between seven and 19 years). But most previous area-based programmes had shorter life expectancy: the Inner City Task Forces were initially set up for two years, City Challenge Partnerships had a lifetime of five years, and the Single Regeneration Budget (SRB) offered a maximum of seven years. Programme evaluations had on occasion, suggested longer, and perhaps more flexible periods of operation. For example, the evaluation of City Challenge commented that: 'although a time limited programme was important in retaining interest and concentrating effort...the fixed, five-year period was not felt to be right for all areas, the appropriate length of time should be determined by local circumstances'.<sup>26</sup>

<sup>22</sup> SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal.

<sup>23</sup> SEU (2001) A New Commitment to Neighbourhood Renewal: National Strategy Action Plan.

<sup>24</sup> UDCs were established under the 1980 Local Government Planning and Land Act "...to secure the regeneration of its area, by bringing land and buildings into effective use, encouraging the development of existing and new industry and commerce, creating an attractive environment and ensuring that housing and social facilities are available to encourage people to live and work in the area".

<sup>25</sup> Six Housing Action Trusts (HATs) were set up under the provisions of the Housing Act 1988 to regenerate some of the most deprived local authority estates in England.

<sup>26</sup> DETR (1998) Learning the lessons: final evaluation of City Challenge.

- 2.3 In any case, given the breadth of the policy objectives they were designed to pursue, the challenge facing New Deal for Communities (NDC) partnerships was unique. No comparable area-based initiative (ABI) had been asked to devise and deliver comprehensive strategies to transform disadvantaged neighbourhoods over a 10-year period. Nevertheless, the evidence from previous programmes suggested that: 10 years may not actually suffice: the NSNR had suggested 20 years may be more accurate; and it was never assumed that short-life funding programmes, however long, would, of themselves, complete the task.
- 2.4 An early evaluation of the sustainability of short or fixed-life interventions described the policy assumptions underlying the approach, arguing that ‘...principal among them, [is] the belief that a limited and focused public investment can catalyse long-term qualitative change’.<sup>27</sup> There is limited evaluation evidence about the longer term impacts of short-life interventions, so it remains unclear whether these assumptions are justified.
- 2.5 As discussed below (2.11 to 2.12), a 10-year lifetime brought its own challenges; but the majority view among key stakeholders interviewed in the later stages of the national evaluation was that benefits outweighed disadvantages. One Chief Executive commented:

*‘I think regeneration is blighted by ...short termism and I think that’s the one thing for me that there was a recognition (in the NDC Programme) that the right thing to do was say ‘look the scale of problems we face in these and other areas isn’t going to be over... we’re not going to solve them in 10 years but we certainly won’t solve them in two or three’... We face problems that are so deep rooted, generations, it’ll take generations to get over them...’<sup>28</sup>*

- 2.6 A representative of an accountable body interviewed as part of the same study concurred:

*‘Actually knowing we’ve got 10 years and we can plan for 10 years, I think was the real difference compared to what had gone before because there was that certainty so at least there was an opportunity to learn from what hadn’t worked as well’.<sup>29</sup>*

<sup>27</sup> Fordham, G. (1995) Made to last.

<sup>28</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>29</sup> It must be stressed that these views were not unanimous: one programme manager said ‘I would do something shorter than NDC – maybe for four or five years – which also means you would not need so much core funding’.

- 2.7 The 10 year time horizon of the NDC Programme has allowed partnerships fully to develop good **relationships with other key agencies** in the area. In some cases NDC partnerships' ability to establish effective relationships with some of the main programme delivery agencies has been impeded by the relatively high rates of turnover among agency staff, particularly representatives on NDC partnership boards. However, this turnover has enabled some NDC partnership staff to assume positions of leadership locally, at least in part because they have been working in the neighbourhood longer than their counterparts in the agencies.
- 2.8 This is well-illustrated in partnerships' dealings with Local Strategic Partnerships (LSPs), where there is evidence of real influence. A study of NDC partnerships and their relationship to LSPs reported that '...the value of NDC experience of programme development and implementation is recognised by other partners, and has enabled NDCs to secure at times significant influence,' particularly after the emergence of Local Area Agreements (LAA).<sup>30</sup> This was seen as helpful to both NDC partnerships and LSPs: in the first case, by increasing partners' understanding of issues in NDC areas; and in the second, by allowing other agencies to learn from NDC experience.
- 2.9 In some respects of course, as NDC partnerships had to set up brand new organisations, not all of the 10-year funding period was available for Programme delivery. A report by the National Audit Office (NAO)<sup>31</sup> described the consequences of this 'start-up' phase.

*'The design of the NDC Programme meant that all NDC partnerships had to be created from scratch. Delivery staff were recruited by partnerships to develop and manage projects and local consultation exercises. Chief Executives have been employed to direct the delivery teams and boards of directors have been formed in the majority, from local residents and from a mixture of service providers, topic experts and the local authorities. Under guidance issued by the Department, NDC partnerships have also had to establish governance arrangements, basic financial reporting regimes and decision-making processes.'*

- 2.10 All of this took time. Concern in central government about an apparent lack of **progress** in the early days of the Programme expressed itself in increasing pressure on NDC partnerships to spend: one NDC partnership manager interviewed for the stakeholders' report complained that '*...there is no understanding of the pressures we are under [from Government Office, on behalf of central government] to spend against project profiles.'*

<sup>30</sup> CLG (2008) Working with Local Strategic Partnerships and Local Area Agreements: Some lessons from the New Deal for Communities Programme.

<sup>31</sup> NAO (2004) An early progress report on the New Deal for Communities Programme.

## The challenges

2.11 Managing a comprehensive regeneration programme and maintaining momentum over 10 years has presented a variety of challenges. This is particularly illustrated by the problems NDC partnerships encountered in devising 10-year strategies, which in most cases included setting 10-year outcome targets. Over the course of the Programme these plans have been affected by numerous external changes. Some of the more critical have included:

- changes in the **economic climate**: no-one in 1998 could anticipate the credit crunch and its consequences; at the heart of the Lambeth NDC Partnership strategy is a programme of stock transfer leading to comprehensive redevelopment of the Clapham Park estate, but there is no longer an agreed programme because of the collapse in the housing market
- **demographic change**: a study of residential mobility in NDC areas<sup>32</sup> found that while there is wide variation across NDC areas, high rates of residential mobility can contribute to demographic change; for example, across the Programme as a whole '...compared with people staying in NDC areas, people moving in are more likely to be younger, white (but not British), or from a black and minority ethnic background'
- changing **national policy framework**: in some cases these have been helpful, as they have reinforced approaches NDC partnerships were in any case pursuing, for example, the drive towards creating a neighbourhood dimension to citizen engagement and public services<sup>33</sup> and neighbourhood policing;<sup>34</sup> in other cases, such as the closure of a number of local branches of Jobcentre Plus, national policy change has presented challenges
- **institutional change**: there have been numerous changes in the institutional landscape; in some cases these have arisen through reorganisation, across a number of the agencies, but perhaps especially in health: one neighbourhood manager interviewed for the stakeholders' study<sup>35</sup> reflected on changes in the local Primary Care Trust (PCT); *'over the past few years, it has been a permanent revolution in that organisation'*; in other cases challenges have reflected the arrival of new and, in some cases, crucially important new institutions, for example, Housing Market Renewal Pathfinders, or most obviously LSPs; with reorganisations, NDC partnerships have had to adjust to regular changes in personnel and responsibilities; with new agencies, they have had to adjust their approach, for example to accommodate LAAs and their outcome definitions.

<sup>32</sup> CLG (2009) Residential mobility and outcome change in deprived areas: Evidence from the New Deal for Communities Programme.

<sup>33</sup> ODPM/Home Office (2005) Citizen engagement and public services: why neighbourhoods matter.

<sup>34</sup> Home Office (2005) Neighbourhood Policing, your police, your community; our commitment.

<sup>35</sup> CLG (2010) What works in neighbourhood level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

2.12 The pace of change implied in a 10-year strategy, and especially one that is slow to get off the ground, is not always consistent with the imperatives of the policy process. Many of the projects in the initial years of the Programme were driven by the understandable desire for quick wins and government encouragement to spend NDC funding. However, some NDC staff have felt that this pressure to deliver projects (which came from communities as well as the government) impeded the strategic approach.<sup>36</sup> We have already seen that partnerships were faced with formidable 'setting-up' tasks (2.9). However, there is also evidence that there may be '...diminishing rates of change: a disproportionate amount of change tended to occur in the earlier, rather than the later, years of the 2002 to 2008 period'.<sup>37</sup> This is not surprising: precisely because NDC areas were extremely deprived, there was scope for positive change to occur in the early years of the Programme.

## Conclusions

- 2.13 The 10 year horizon adopted by the NDC Programme is one of the longest in the history of regeneration in England, and probably anywhere. What does the experience of the Programme tell us about the advantages and drawbacks associated with a regeneration programme of this duration?
- 2.14 We have seen throughout this chapter that from the perspective of those most involved, a 10-year time-scale offers both benefits and challenges. It gives NDC partnerships time to develop relationships and establish credibility with key partners; but also requires them to adjust their programmes and priorities to the economic, demographic and policy changes that inevitably occur over the course of a decade.
- 2.15 The main lessons about duration and the appropriateness of the 10-year time scale arise because of the multi-faceted nature of the NDC Programme. What emerges above all else perhaps is that different policy objectives require different time scales:
- strategies to tackle local environmental problems and crime and community safety may need funding for perhaps three to four years
  - schemes based on the major physical redevelopment of regeneration areas may need at least 10 years, because of their inherent complexities, costs and consultation requirements.
- 2.16 In the next chapter we examine issues associated with establishing and managing an autonomous neighbourhood-based regeneration agency.

<sup>36</sup> These comments were first made to the national evaluation team in 2001 – see CRESR (2002) NDC Partnership Reports: A synthesis. But NDC staff were saying similar things in 2009 – CLG (2010) What works in neighbourhood level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>37</sup> CLG (2009) Transformational change? A synthesis of new evidence 2008–09: Evidence from the New Deal for Communities Programme.

# Chapter 3

## The arm's length partnership

### The rationale

- 3.1 Previous small area programmes had adopted a variety of delivery models. The Urban Programme was delivered through local authorities; the Inner Cities Task Force Programme by small teams of officials from central government; and the City Challenge Programme was managed by multi-agency partnerships, but under the effective control of the local authority.
- 3.2 However, a central component of the New Deal for Communities (NDC) Programme was that it was to be implemented by dedicated area-based agencies designed to coordinate and manage delivery at the local level, operating at arm's length from the parent local authority. This approach, it was believed, would allow local communities greater influence over partnership strategy, and would also encourage greater involvement by other public sector agencies. This emphasis was also consistent with the broader democratic renewal agenda which developed throughout the decade.<sup>38</sup>
- 3.3 This chapter describes NDC partnerships' experience of establishing, governing and managing autonomous local regeneration agencies, and explores the impact on their capacity to deliver.

### Setting up new regeneration bodies

- 3.4 With hindsight, and as is discussed in Chapter 2, it is now apparent that those responsible for establishing the NDC Programme at the outset under-estimated the nature and scale of the task of building brand new regeneration agencies, at the same time as developing and launching a programme locally. As well as the strategically critical tasks such as establishing base-lines, developing consultation mechanisms, and building relationships with local partners, NDC partnerships had to undertake important operational tasks such as recruiting staff and finding premises.

<sup>38</sup> 'Community leadership' is a central guiding principle of the Programme and is dealt with in Volume Two of these final reports: CLG (2010) The NDC Programme: Involving local people in regeneration.

3.5 An inevitable consequence of the decision to promote essentially new organisations, was that each had to create its own set of operating procedures, even though at the start in many cases these were borrowed from the host local authority. This was generally seen as useful in the early stages, but the arrangement became increasingly inappropriate as NDC partnerships evolved. Early interviews by the national evaluation team suggested that NDC partnerships themselves recognised the need to establish their own, bespoke procedures, as those inherited from their parent local authority were not always 'fit-for-purpose'.<sup>39</sup> However, the process of creating the NDC partnership's own procedures often took some years. One neighbourhood manager interviewed for the key stakeholders study described how things developed in one partnership.

*'The appraisal system, feasibility systems, evaluation, monitoring, procurement, developing performance indicators – all those systems and procedures were worked up over a series of planning events where the staff went away and then presented it back to the board for their approval. That takes time and only in about 2003/4, at that point we felt we were on much firmer ground'.<sup>40</sup>*

3.6 The 2004 NAO report was critical of the time setting-up processes took in some cases, and clear about the consequences for delivery:

*'Our examination has shown that approaches to establishing NDC partnership operating processes have varied widely. Many NDC partnerships have taken a long time to agree and implement some important, basic operating conditions such as Registers of Interest, protocols for meetings and project appraisal criteria. As a direct result of this, we found in our case study NDC partnerships that where there had been poorer operating processes, there had been:*

- *project delays caused by lengthy discussions to clarify project approval criteria*
- *cynicism within communities that fair and proper processes were not being applied*
- *the disengagement of potential delivery partners who were wary of decision-making processes*
- *The risk that monies were not being spent well'.<sup>41</sup>*

<sup>39</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

<sup>40</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>41</sup> NAO (2004) An early progress report on the New Deal for Communities Programme.

## Governance

3.7 Partnerships also had to establish governance arrangements, making sure that their structures were consistent with the underlying principles of the NDC Programme. Key issues to be sorted out were:

- the role and composition of boards
- arrangements to appoint or elect board members
- NDC partnerships' legal status.

### Boards

3.8 Although NDC partnerships were free to develop their own locally appropriate delivery arrangements, most chose to operate in the manner of independent companies (whether or not they were actually incorporated, an issue to which we return later in 3.18). Ultimate authority for the NDC partnership in most cases rested with a board composed of a combination of local residents and representatives of the main service agencies. In most partnerships there were also theme and/or working groups, responsible to the board for developing thematic strategies and commissioning projects.

3.9 The NAO report<sup>42</sup> summarised the role and responsibility of NDC boards.

#### **NDC Partnership Board**

Role:

- to co-ordinate and manage action to address deprivation in the theme areas in the partnership community.

Responsible for:

- identifying community needs
- liaising with existing service providers in key theme areas
- developing and agreeing a long term and annual development strategy with Government Office
- procure and manage the delivery of projects to meet their strategies
- and with the assistance of its accountable body, (usually the local authority), manage and account for the funds allocated to them by the Government Office

<sup>42</sup> NAO (2004) An early progress report on the New Deal for Communities Programme.

- 3.10 In the early stages, a lack of clarity about the precise powers and responsibilities of NDC boards led on occasion to tensions between representatives of local communities and other board members. Community representatives couldn't always understand why, if this was their money, there were constraints on how they spent the money and when.
- 3.11 In a few cases these tensions interfered with the development and implementation of the Programme. Although in some cases tensions persisted, for many relationships improved as a result of team-building away-days, training, and greater familiarity, leading to better understanding in relation to roles.
- 3.12 Throughout the life of the NDC Programme there have been significant variations in the size and composition of boards. In the early days, boards ranged in size from 12 (in Manchester) to 43 (in Derby), with the average hovering around 22.<sup>43</sup> There is no clear pointer to the 'ideal' size of board: large boards become too unwieldy which may hamper decision making, while conversely too narrow a constitution may reduce benefits flowing from delivery partner expertise, and also local knowledge and experience available to residents. However, there is evidence from the evaluation that the size of boards, as well as the numbers of resident members, and the spread of agencies involved are all found to be positively associated with whether residents think their local NDC partnership has improved the area.<sup>44</sup>
- 3.13 It was always intended that the NDC Programme should be resident-led, and this intention has been reflected in the composition of NDC partnership boards. The 2008 partnership survey reported that on 26 out of 37 boards residents constituted a majority, and in a further five cases residents made up 50 per cent of board membership. The survey also found that 28 boards had vacancies, a sign perhaps that: 'As the Programme comes to an end, and as board functions move towards activities such as monitoring and succession rather than delivery, it may be that interest is waning on the part of both agency representatives and indeed local residents'.<sup>45</sup>
- 3.14 For many NDC board members (and not just those from the community), the experience was novel, leading to concerns about their capacity to fulfil their function. As is discussed in greater detail in volume two of these final reports,<sup>46</sup> a survey of resident board members found that while most found the experience generally positive, 61 per cent had found it frustrating and

<sup>43</sup> CRESR (2004) The Programme Wide Annual Report 2003/04.

<sup>44</sup> This is discussed in detail in Volume 5, CLG (2010) Exploring and explaining change in regeneration schemes: The NDC Experience.

<sup>45</sup> CLG (2009) The 2008 Partnership Survey: Evidence from the New Deal for Communities Programme.

<sup>46</sup> CLG (2010) Involving local people in regeneration: Evidence from the NDC Programme (sections 4.6 and 4.7).

29 per cent felt out of their depth.<sup>47</sup> As well as training provided centrally by CLG and its predecessors, most NDC partnerships offered a variety of capacity building measures for board members, including induction sessions for new members, pre-meetings to ensure that issues arising at board meetings were understood, and visits to other NDC partnerships in order to share experiences.

- 3.15 As discussed in 3.12, the size and range of representation on partnership boards has had some clear positive impacts, a finding reinforced by comments from both community and agency representatives throughout the evaluation. Were a comparable regeneration programme to be launched in future, it is probably unthinkable that governance arrangements could be contemplated that did not involve both local residents and representatives from the agencies. But arrangements for the induction and training of board members could have been organised more systematically and at an earlier stage in the Programme.

## Elections

- 3.16 Although agency representatives were nominated by their organisations to sit on NDC boards, partnerships had to decide on a mechanism for allocating seats to community representatives. At some stage during the lifetime of the Programme almost all partnerships (37 out of the 39) have used elections as the method.<sup>48</sup> There have been variations between NDC partnerships in relation to the frequency of elections, (ranging from every year to every three years), the precise methods, and turnout. Across the Programme as a whole, turnout in elections has averaged 23 per cent, although this has ranged from 4 per cent to 54 per cent.<sup>49</sup>
- 3.17 The advantages of elections are straightforward, and include demonstrable accountability, a way of increasing board members' sense of legitimacy, and a mechanism for attracting new resident board members. However, NDC partnerships have also found elections to be both costly and time-consuming. As with any election, there can be a loss of experience which in itself can slow down delivery processes as new board members receive their induction and become used to new ways of working. A survey of NDC partnerships conducted in 2008 found that eight NDC partnerships were either using or planned to use nominations from community forum or resident associations; and another eight were using (or planning to use) 'other' methods, '...most commonly open recruitment involving selection by interview'.<sup>50</sup> The EC 1 NDC Partnership in Islington is one that moved from elections to a system of

<sup>47</sup> CLG (2010) Running a regeneration programme; the experiences of resident representatives on the boards of New Deal for Communities Partnerships. Also see discussion in CLG (2010) The NDC Programme: Involving local people in regeneration.

<sup>48</sup> CLG (2008) Neighbourhood governance: making NDC elections a significant event for partnerships and communities? Some lessons from the New Deal for Communities Programme.

<sup>49</sup> For a discussion of the explanations for this wide spread of turnout see CLG (2008) Neighbourhood governance: making NDC elections a significant event for partnerships and communities? Some lessons from the New Deal for Communities Programme.

<sup>50</sup> CLG (2009) The 2008 Partnership Survey.

appointments. The Chief Executive is convinced this was the '*...right thing to do, though it has made our Board a bit more professional-dominated, and less representative, leaseholders are now dominant*'.<sup>51</sup>

## Legal status

- 3.18 NDC partnerships have faced decisions about whether they should incorporate as companies or operate at arm's length from, and independently of, their parent local authority, but as unincorporated entities. Some NDC partnerships at the start of the Programme devoted a great deal of time, energy and financial resources to the issue. Nevertheless, by 2008 only 21 had incorporated (as companies limited by guarantee). A number of partnerships expected their legal status to change as part of their succession strategy.
- 3.19 The evaluation uncovered no clear arguments favouring either incorporated or unincorporated status, although bodies which incorporate are able to employ staff, receive income and own assets in their own right rather than through the accountable body. The arguments may change as the end of the Programme approaches. However, an early report from the national evaluation team suggested that some '*...partnerships felt that they had been poorly advised on the implications of incorporation and perhaps had been encouraged to incorporate before being ready to do so*'.<sup>52</sup>
- 3.20 Exploration of issues surrounding incorporation could be costly, and in some cases diverted NDC partnership attention away from Programme delivery. Nevertheless, for many incorporation helped cement a sense of independence, and enabled the community to feel more in control of the partnership, though there is little evidence that once established, legal status made a great deal of practical difference.

## Management and staffing

- 3.21 During the bid preparation phase and before funding had been approved, in virtually all areas small teams of staff, mostly from the local authority, were seconded to work on the initial development of the strategy. But once bids had been approved, NDC partnerships needed rapidly to get dedicated teams in place to set up the organisation and to begin the tasks of delivery. A variety of employment models were adopted, including the use of secondees, the employment of consultants or regeneration agencies, and the direct recruitment of staff to be employed within the NDC partnership.

<sup>51</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>52</sup> CRESR (2002) NDC Partnership Reports: A synthesis.

- 3.22 Staff numbers varied substantially: from fewer than 10 to more than 50 in one case, variations which reflected fundamental differences in NDC partnerships' approach to programme and project management. Partnerships' maximum expenditure on management and administration was limited, and was sufficient only to support relatively modest staff teams. The costs of staff to manage projects had to be included in project budgets, so that project staff were not on the NDC partnership payroll. But in some cases partnerships managed funding in a way that enabled project staff to be employed by the partnership directly. The Chief Executive of one NDC partnership that has operated in this fashion explained that: *'the driving force here has always been residents' desire to take control of their own destiny. That's based in long term mistrust of the council, and also explains why they always wanted to appoint and employ their own staff'*.<sup>53</sup>
- 3.23 Several NDC partnerships, (particularly those in London, which hosted 10 partnerships) found difficulties recruiting and retaining staff with appropriate levels of experience and thus had to recruit interim staff or use external agencies to develop and deliver programmes.<sup>54</sup> In the Programme's early days, some partnerships experienced difficulty not just in recruiting, but also retaining, staff. By 2002 the national evaluation team could report that one NDC partnership had had four directors since the delivery plan had been approved.<sup>55</sup> In fact around one third of partnerships changed either their Chairs and/or Chief Executives in both 2003-04 and 2004-05.<sup>56</sup> Analyses of factors influencing change outlined in Volume 5<sup>57</sup> (2.22) show that there are associations between higher levels of turnover in relation to Chief Executives and less outcome change in housing and the physical environment.
- 3.24 There is some evidence to suggest that employment became more stable as the NDC Programme matured. NDC partnerships also varied in the scale of turnover. Of the 37 NDC partnerships providing information in 2008 on changes to their Chief Executive, eight had not experienced any change and 10 only one, while one had seen six changes and another five. However, neither of these has seen any change since 2006.<sup>58</sup>

<sup>53</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>54</sup> One of the Policy Action Teams established to help develop the National Strategy for Neighbourhood Renewal had argued that a lack of relevant professional skills nationally could hamper the strategy, and NDC experience initially at least confirmed this: SEU (2000) Report of Policy Action Team 16: Learning lessons.

<sup>55</sup> CRESR (2002) NDC Partnership Reports: A synthesis.

<sup>56</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

<sup>57</sup> CLG (2010) Exploring and explaining change in regeneration schemes: Evidence from the NDC Programme.

<sup>58</sup> CLG (2009) The 2008 Partnership Survey: Evidence from the New Deal for Communities Programme.

- 3.25 As the Programme approaches completion, staff numbers are reducing, because particular work streams have come to an end, or because staff are being transferred to successor bodies (as is happening in Newham, for instance). By 2008, average staffing was down to nine with the numbers ranging from four to 19.
- 3.26 Managing a complex regeneration programme requires a wide mix of skills. To begin with most NDC partnerships operated through thematic structures, with a theme manager leading on programme and project development in a particular policy area, supported by specialist skills. But in some cases that led to the re-creation of the very silos that a joined-up Programme was designed to overcome. The stakeholder survey revealed the importance of generic regeneration skills, covering for example financial appraisal and project management. However, some of those interviewed thought that the really critical skills are the softer ones that enable staff to handle the challenges of community engagement and partnership working.<sup>59</sup>

## Systems

- 3.27 The decision to base the NDC Programme on newly established agencies, with a substantial degree of flexibility and autonomy, had implications for the systems and procedures employed by NDC partnerships. For most NDC partnerships the local authority has been the accountable body. It was the responsibility of the accountable body to ensure that the NDC partnerships established and maintained robust operating procedures, including the use of competitive tendering for contracts, procedures for managing conflicts of interest, and appropriate systems for monitoring, project appraisal, and financial management.
- 3.28 In practice effective and comprehensive systems were not operating smoothly in all partnerships for some years. In some instances positive developments required the intervention of the Neighbourhood Renewal Unit (NRU) within the then DETR (CLG predecessor department).
- 3.29 The absence in the early days of consistent local programme and project management arrangements created difficulties for the management of the Programme nationally. Among other things, as NAO pointed out, '*...it has been very difficult, even two to three years into the programme, for the Department and the national evaluation team (commissioned by the Department) to establish basic spend and performance data.*' And more seriously: '*If NDC partnerships do not establish strong operating procedures there is a risk that*

<sup>59</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

*monies will not be spent for the purposes intended or that value for money will not be secured in the process’.*<sup>60</sup>

3.30 The interim evaluation<sup>61</sup> was able to report that by 2005 most interviewees felt that systems had now settled down, and were generally working well. But the initial difficulties, and the need eventually for central intervention, provided a striking example of the tensions between locally flexible, community-led partnerships and the requirements of a large, government-funded and centrally managed Programme.

## Conclusions

3.31 The creation of locally-based, semi-autonomous partnerships to deliver the Programme was a central and defining characteristic of this intervention. The scale and nature of the task of establishing 39 new delivery bodies was underestimated by central government, and complicated the launch of what was already a complex and challenging Programme. However, once these teething problems were overcome, NDC partnerships have operated reasonably effectively in most areas.

3.32 Between 1999-00 and 2007-08 the 39 partnerships were able to spend a total of £1.56bn (current prices) on some 6,900 projects or interventions, leveraging in a further £730m from other public, private and voluntary sector sources. In the process of doing so, the model also:

- allowed local communities a significant degree of influence over the design and delivery of neighbourhood services
- exposed (senior) representatives of most service delivery agencies to conditions in and the needs of disadvantaged neighbourhoods
- created (in most cases) a locally-based community-led organisation that should be able to continue to influence services in the neighbourhood, in the longer term, after NDC funding has come to an end (though of course time will tell how sustainable NDC partnerships’ successor bodies really are).

3.33 Given the innovative nature of the Programme it may have been inevitable that those responsible at the centre were feeling their way as much as those in the partnerships. With hindsight it is now clear that the Programme’s launch would have been smoother had there been more focused support in the early years. This could have included training and induction for board members, and a more developed suite of Programme management guidance. In practice,

<sup>60</sup> NAO (2004) An early progress report on the New Deal for Communities Programme.

<sup>61</sup> See footnote 56.

there was a steady stream of guidance from the centre, which respondents for the stakeholders research<sup>62</sup> felt meant that the rules under which they were operating were constantly changing.

- 3.34 These respondents felt in particular, that as the Programme developed guidance that emerged from the centre was increasingly eroding local flexibility and autonomy. Given the over-riding requirement for probity and accountability in the disbursement of public funds, (not to mention the need to draw lessons from an innovative Programme), it was inevitable, and appropriate, that there should be consistent requirements for allocating and accounting for expenditure, and for monitoring and evaluating the outputs and impacts. However, it would have been helpful had there been greater clarity at the outset about the scope (and limitations) of partnership autonomy.
- 3.35 In the next chapter we consider how these semi-autonomous agencies developed and implemented a neighbourhood focus.

<sup>62</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

# Chapter 4

## A neighbourhood focus

### The rationale

- 4.1 The Social Exclusion Unit's (SEU's) analysis of disadvantage in Britain identified more deprived local authority districts, but stressed that the real problems lay in the concentrations of poverty and disadvantage ('the worst estates').<sup>63</sup> Moreover, the scale and the extent of disadvantage were seen as evidence of the failure of mainstream agencies to provide services that are adequate to meet the needs of deprived neighbourhoods. The New Deal for Communities (NDC) Programme was just one element in a strategy that, above all, sought to focus attention on the disadvantaged neighbourhood.
- 4.2 For at least 30 years regeneration programmes had focused on small areas,<sup>64</sup> in pursuit of a variety of policy goals, and addressing 'neighbourhoods' of varying sizes. For at least the same period there had been an (ultimately unresolved) debate about whether a small area approach was the best way to tackle neighbourhood disadvantage, or whether these were symptoms of wider structural decline ('...most of the people in deprived areas are not deprived, and most deprived people do not live in deprived areas').<sup>65</sup> However, along with all the other policy innovations associated with the National Strategy for Neighbourhood Renewal (NSNR), the NDC Programme was conceived as another small area initiative, designed both to focus on some of the more disadvantaged neighbourhoods, at the same time generating lessons that could be of wider applicability. What does NDC experience tell us about designing and delivering programmes at the neighbourhood level?

### Selecting the neighbourhood

- 4.3 The debate about a national strategy for neighbourhood renewal generated various attempts to define what is meant by the 'neighbourhood', some which were based on population, some on area, some on a notion of community. The SEU suggested:

<sup>63</sup> SEU (1998) *Bringing Britain Together: A National Strategy for neighbourhood renewal*.

<sup>64</sup> The Urban Programme was launched in 1968, and the following year the Community Development Projects.

<sup>65</sup> Donnison, D. (1973) *Character and causes of privation and their implications for policy*. In: J. Higgins, ed. (1983). *Government and urban poverty*.

*'There is no exact definition of what makes a neighbourhood. Local perceptions of neighbourhoods may be defined by natural dividing lines such as roads and rivers, changes in housing design or tenure, or the sense of community generated around centres such as schools, shops or transport links. Neighbourhoods vary in size, but tend to be made up of several thousand people.'*<sup>66</sup>

- 4.4 As suggested earlier (1.12), the nature of the challenge in defining areas varied between local authorities. But in many cases, once the broad neighbourhood had been identified, the process of drawing a specific boundary often involved local horse trading, to include, or exclude, particular streets or estates. An early report from the national evaluation team commented that *'in a small number of NDC areas, boundaries had been 'fudged' due to political pressures, pressure from local residents and the need to align boundaries with existing local authority strategies'*.<sup>67</sup> One NDC staff member interviewed for the 2010 stakeholder study said that his partnership was just *'one, oddly-shaped bit'* of the district, a description that could be applied to many other NDC areas.<sup>68</sup>
- 4.5 Over the two years during which the Programme was launched, local authorities, working with representatives of local communities and service providers, identified 39 'neighbourhoods', on which the NDC Programme would focus for the next decade. The average population is about 9,900, but NDC areas range in size from around 4,800 in Plymouth to around 21,400 in Hackney. What were the challenges that this focus would pose for partnerships?

## The challenges

- 4.6 The decision to allow local NDC partnerships to define their own boundaries in this way was designed to create manageable and identifiable neighbourhoods that were also, or could become, communities. Results did not always live up to the expectation.

<sup>66</sup> SEU (2001) A New Commitment to Neighbourhood Renewal: National Strategy Action Plan.

<sup>67</sup> CRESR (2002) NDC Partnership Reports: A synthesis.

<sup>68</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

- 4.7 First, it became clear that few NDC areas embraced genuinely coherent and recognisable neighbourhoods. The first report from the national evaluation team said that: ‘the majority of NDC partnerships felt their NDC areas consisted of more than one distinct community both in terms of physical neighbourhood and identity.’ Much of the work performed by partnerships since then has been designed to create a sense of community within previously disparate, even incoherent neighbourhoods, and with some success. One instance is Newcastle where the NDC area is highly fragmented, and community capacity building initiatives are being delivered to 13 distinct neighbourhoods. While this has impeded attempts to develop a single, cohesive community, the NDC partnership has been able to organise some events that do bring together the various separate sub-neighbourhoods, such as an annual Lantern festival.<sup>69</sup>
- 4.8 Second, because their areas did not always reflect natural boundaries, and rarely corresponded with functional administrative units, partnerships faced problems of data-gathering. This also made it difficult for agencies to provide data relevant to areas which did not correspond to their service boundaries.
- 4.9 Third, although NDC partnerships had the autonomy to determine their specific priorities, they did so within a national Programme framework. However, despite their similarities, in practice NDC areas were above all characterised by their diversity, as is reflected in pen portraits of these areas.<sup>70</sup> Respondents to the stakeholders’ survey doubted whether all the policy objectives NDC partnerships were expected to address are equally appropriate for all neighbourhoods. One Chief Executive said that while ‘...it’s nice to have holistic programmes...it was frustrating that we had to embrace all the outcomes’.<sup>71</sup>
- 4.10 The interim evaluation report stressed differences between NDC areas and the specific challenges faced by partnerships:

*‘Partnerships have had to tackle different sets of problems. An inner London NDC with ethnically mixed populations will be facing particular difficulties in relation say to housing, environmental perceptions and fear of crime, but relatively less acute problems with regard to health and education. Alternatively, an NDC located in a predominantly white, social housing project, on the outskirts of a northern town or city is likely to have different priorities arising from large numbers of people with long term illness or disability, poor educational attainment figures and poor health’.*<sup>72</sup>

<sup>69</sup> CLG (2009) Improving outcomes? Engaging local communities in the NDC programme: Some lessons from the New Deal for Communities Programme.

<sup>70</sup> CLG (forthcoming) New Deal for Communities Evaluation: Technical Report.

<sup>71</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>72</sup> ODP (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

- 4.11 But despite this diversity, these differences were not always reflected in NDC partnerships' delivery plans, at least in part because of the expectations of the national Programme framework that all six outcomes would be addressed in each area. The interim evaluation concluded that '...across the Programme it would be hard to argue that delivery plans always reflect local needs and priorities'.
- 4.12 Finally, NDC partnerships' experience has amply confirmed that 'neighbourhoods' are not islands: services provided within NDC areas are inevitably used by residents from outside; and NDC residents depend on services provided beyond their immediate area. Perhaps NDC partnerships' experience of tackling educational underachievement provides the most graphic illustration of this. One of the thematic studies for the national evaluation<sup>73</sup> concluded that NDC partnerships on average have to deal with 10 secondary and 10 primary schools to '*...achieve coverage of approximately 80 per cent of their pupil populations of both primary and secondary school age*'. Thus it was always difficult for NDC partnerships to be sure that their school-based interventions were improving the competitive position of their residents (an inevitable pre-requisite for 'closing the gap'), or that they were reaching a significant proportion of children from the neighbourhood. And this inevitably leads onto a crucial question for the design of small area programmes: which policy objectives are best tackled within neighbourhoods?

## Which issues are best addressed at which spatial scale?

- 4.13 NDC partnerships were established in the expectation that significant improvements could be achieved across a wide range of policy objectives within self-contained neighbourhoods with average populations of about 9,900. Although (as discussed in detail in the next section), partnerships were expected to work with service providers whose operational focus extended beyond the boundaries of their neighbourhoods, it was not clear how far they would be able to influence services delivered in wider areas. However, partnerships were never going to be able to deal with all the issues presented in their areas. Research for ODPM on core cities' links to disadvantaged neighbourhoods concluded that '*...the most important lesson to emerge from this study is that there are intrinsic limits to what can be achieved within relatively small, tightly defined geographical areas: neighbourhood transformation requires interventions at a variety of spatial scales.*'<sup>74</sup>

<sup>73</sup> CLG (2009) Raising educational attainment in deprived areas: the challenges of geography and residential mobility for area-based initiatives.

<sup>74</sup> ODPM (2005) Linking neighbourhood transformation to wider strategies: The experience of the core cities.

4.14 Of course in part the opportunities for influencing service providers at neighbourhood level depends on the size of the neighbourhood: earlier small area initiatives were based on very different sizes of 'neighbourhood' – for example the Handsworth Task Force (part of the Inner Cities Initiative launched in 1986) covered a population of some 90,000.<sup>75</sup> Respondents in the stakeholders' study were asked whether the NDC area size – of around 10,000 – made any sense, and there were doubts expressed, for example in both Sheffield and Newcastle. For the Sheffield local authority contact, the area was *'...a bit too small actually...some of the expectations about what you could do in a small area I think are a bit bizarre.'* The Neighbourhood Partnership Manager at Newcastle concurred, arguing that it would have been preferable to have had an area:

*'...maybe three times bigger than the NDC area. It would have made more sense to the accountable body. It would have made more sense to local people, who define themselves as 'Westenders'. If they had given more discretion to local authorities, but also to the voluntary sector to discuss the area with communities I think that would have saved an awful lot of angst and made a lot more sense'.<sup>76</sup>*

4.15 Of course the advantages of a compact neighbourhood are readily acknowledged, it certainly makes involving communities easier.<sup>77</sup> However, there have been a number of examples where NDC partnerships have felt it necessary to extend their sphere of operations beyond their original boundary, in order to be able to tackle issues arising in their core area. Newcastle NDC Partnership has established a 'commission' area, wider than the NDC area itself, and which provides the spatial focus for much research instigated by the partnership, including spatial plans, a skills audit, and a small business audit. A study by the national evaluation team of partnership interventions to reduce crime and improve community safety also found that the neighbourhood focus could be a constraint to tackling some criminal activities, since criminals tend not to observe neighbourhood boundaries<sup>78</sup>.

<sup>75</sup> DTI (1988) The Government's Handsworth Task Force: an evaluation report.

<sup>76</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>77</sup> For more detailed discussion of this, CLG (2010) The NDC Programme: Involving local people in regeneration.

<sup>78</sup> This is based on research conducted for the study, CLG (2008) Delivering Safer Neighbourhoods: Experiences from the New Deal for Communities Programme.

### A wider focus for crime and community safety operations

Most NDC partnerships, in the early years at least, were introspective and therefore did not generally try to focus on issues beyond their boundaries. Interventions often focused on highly visible crime prevention initiatives locally, with some diversionary activities for local residents of the neighbourhood. But experience over time, and the adoption of increasingly strategic approaches, has led to a recognition of the limits of localised actions, and in some cases at least, involvement in wider partnership activity. For example, staff from Newham NDC have been working closely with the housing market renewal demonstration project in neighbouring Canning Town, helping to establish a crime and community safety partnership over a wider area. While some interventions are appropriately addressed at neighbourhood level, target hardening for example, or public reassurance campaigns, there are also limitations to localised interventions:

- offenders may come from a wider area: in North Huyton, it was discovered that young people from outside the area were causing trouble, so the partnership funded youth activities in a community centre beyond its boundaries
- some issues appear beyond the scope of NDC partnerships and their resources and spatial scale. These include probation issues (e.g. resettlement of offenders into the area), or issues which cut across a number of disadvantaged inner city areas (e.g. drugs crime and use).

4.16 So can we say which objectives can be addressed at neighbourhood level, and which require a wider spatial focus? One Chief Executive expressed a view.

*'The issues most effectively tackled at neighbourhood level are crime, environment, primary education, community development, housing management and public health. In fact, the services that are delivered best at neighbourhood level are those that interact at that level with service users.'*

4.17 This view is shared by a senior council officer from the same partnership area.

*'It's hard to see how things like developing community leadership and building community cohesion can be done other than at the neighbourhood level. But in terms of other things, business and enterprise, employment programmes, all our experience suggests that these things won't work unless they are well linked to higher spatial scales. That's not how labour markets work'.<sup>79</sup>*

4.18 Drawing on these comments and other evidence from the evaluation, Table 4.1 summarises what the NDC Programme suggests to be the appropriate spatial scale for which policy objective.

<sup>79</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<b>Table 4.1: Spatial scales and policy objectives</b>		
<b>Objective</b>	<b>Spatial scale</b>	<b>comments</b>
Community	Neighbourhood, in some cases	Initiatives designed to foster resident involvement may benefit from a very local focus. However, 'community' has many meanings, and in some cases, minority ethnic community for example, a wider spatial scale may be needed.
Crime and community safety	Neighbourhood with wider links	Neighbourhood policing has proved popular with residents but many issues cut across neighbourhood boundaries.
Education	Apart from early years, requires interventions beyond the neighbourhood	Recent research <sup>78</sup> has shown that for primary as well as secondary schools, travel-to-school patterns extend beyond NDC areas in most cases.
Health	Mainly wider scale with some neighbourhood interventions	Public health, preventative measures at neighbourhood level; primary and other types of care generally at wider level.
Housing and physical environment	'Housing market', with some neighbourhood issues	Housing market likely to extend beyond neighbourhood therefore strategy needs wider focus; housing and neighbourhood management, and small scale environmental improvements appropriate at neighbourhood level.
Worklessness	Labour market but with neighbourhood support focus	Strategies and employer links need to focus on wider labour market; support for workless people and jobseekers appropriate at neighbourhood level.

## The relationship between NDC partnerships and wider spatial scales

4.19 Although in the early days the partnerships tended to be introspective, by the time of the 2003-4 annual report, the national evaluation team was able to report that '...there is strong linkage with Local Strategic Partnerships (LSPs), with 35 NDCs represented in LSP structures'.<sup>81</sup> A guide produced by ODPM stressed the *mutual* benefits that could be gained through collaboration,

<sup>80</sup> CLG (2010) Improving attainment? Interventions in education by the New Deal for Communities Programme.

<sup>81</sup> ODPM (2004) The Programme Wide Annual Report 2003/04.

but also emphasised the assistance NDC partnerships can provide to LSPs.<sup>82</sup> However, a report<sup>83</sup> in 2008 found that it was the introduction of **LAAs** that provided fresh opportunities for NDC partnerships to influence LSPs agendas.

## Lewisham

### *Influencing the LSP*

In Lewisham the main vehicle for NDC partnership influence has been the LAA rather than the LSP. In particular, the participation of the NDC partnership Chief Executive on the LAA Steering Group has given the NDC partnership a strategic role in defining priority outcomes and the allocation of resources. Having NDC Officers represented within the LAA Block meeting structures has also given the NDC partnership a role in shaping programme and project development. Finally, by contributing funds to the LAA, the NDC partnership has also, by its own admission, 'bought itself a place at the table', where it is now regarded as a fully-fledged partner.

Particular contributions made by the NDC partnership to the LAA process, as perceived by other partners, include passing on its experience and expertise in:

- project appraisal
- monitoring and evaluation
- budget setting
- data collection, particularly around health and education.

## Conclusions

4.20 NDC partnerships have been able to direct substantial **investment and project activity** into relatively small neighbourhoods. In so doing they have secured **collaboration** from all the key service delivery agencies, leveraging in additional resources which represent about a third of all Programme expenditure.<sup>84</sup> There is also evidence from a number of thematic reports that the involvement of other public agencies with NDC partnerships has helped influence the design and delivery of services within the neighbourhoods without necessarily requiring direct financial investment from partnerships. Across the Programme therefore, NDC partnerships have successfully generated significant activity in pursuit of a wide range of policy objectives.

<sup>82</sup> ODPM (2005) Strengthening links between Local Strategic Partnerships, New Deal for Communities and Neighbourhood Management Initiatives.

<sup>83</sup> CLG (2008) Working with Local Strategic Partnerships and Local Area Agreements: Some lessons from the New Deal for Communities Programme.

<sup>84</sup> Volume 6 of this final report discusses the nature of 'additionality' in relation to this expenditure and concludes that perhaps a third of the total matched funds secured by Partnerships are likely to have been levered in from outside the NDC neighbourhood – most is subject to 'short distance' bending. See CLG (2010) The NDC Programme: Assessing Impact and VFM.

- 4.21 Another of the benefits claimed for the neighbourhood-based approach is the ability it provides to **direct benefits specifically towards the target populations**. Against that, it can be argued that there are dangers of benefit leakage or spillover: residents of the target area may leave, taking the benefits to the area with them, or residents of adjacent neighbourhoods may benefit inadvertently from interventions aimed at the target population.
- 4.22 NDC neighbourhoods are not hermetically sealed and of course there are instances when people from outside the area will benefit from NDC funded interventions: we discussed earlier (4.12) how the distribution of young people from NDC areas across a range of schools complicated the process of targeting interventions designed to improve educational attainment. However, analysis of the value-for-money offered by the NDC Programme and which is discussed in Volume 6 of these final reports suggests that there is **little evidence that either leakage or spillover effects have a significant impact** on overall cost-benefit equations and that NDC projects have only **limited displacement** effects.
- 4.23 Since the NDC Programme covers a wide range of policy objectives, it is difficult to point to a **single optimal size** of population for which neighbourhood-based interventions are appropriate. For most objectives, there are some aspects of service delivery best handled at neighbourhood level, with others that require a wider spatial scale. For example, many 'brokerage' programmes supported by partnerships' worklessness strategies provide highly localised support for job-seekers, at the same time building links with employers in the wider labour market. And as Volume 5<sup>85</sup> of these reports points out (2.34), there is some statistical evidence to suggest that NDC areas with larger populations achieve more change in relation to people-related outcomes than the smaller ones. Other objectives appear better suited to smaller populations: an evaluation of the neighbourhood management pathfinders concluded that it becomes more difficult to engage local communities effectively when neighbourhood populations exceed 10,000.<sup>86</sup>
- 4.24 This all leads to the conclusion that it is not possible to define a single boundary for neighbourhood-based interventions that is equally applicable to all the policy objectives addressed by the NDC Programme. We report above (4.15) that some partnerships have created boundaries beyond their original area, precisely in recognition of this reality. Perhaps this suggests that any future small area programme needs to offer the flexibility to operate within a series of interlinked boundaries, in order to pursue different policy goals within different areas.

<sup>85</sup> CLG (2010) Exploring and explaining change in regeneration schemes: Evidence from the NDC Programme.

<sup>86</sup> CLG (2008) Neighbourhood Management Pathfinders: Final Evaluation Report People, Places, Public Services: Making the Connections.

# Chapter 5

## Partnership working

### The rationale

- 5.1 An early mantra of the Labour Government in 1997 stressed the need for joined up solutions, a message emphasised by the Prime Minister in the foreword to *Bringing Britain Together*.<sup>87</sup>

*'Getting government to act more coherently is the key. Everyone knows that the problems of social exclusion – of failure at school, joblessness, crime – are woven together when you get down to the level of the individual's daily life, or the life of a housing estate. Yet all too often governments in the past have tried to slice problems up into separate packages – as if you could fix an estate by just painting the houses rather than tackling the lack of jobs or the level of crime. And in many areas dozens of agencies and professions are working in parallel, often doing good things, but sometimes working at cross purposes with far too little coordination and cooperation. Joined up problems demand joined up solutions.'*

- 5.2 The Social Exclusion Unit's (SEU's) criticism of previous area-based initiatives (ABIs) was only partly justified: they may not have entirely succeeded but most of the main predecessors to the New Deal for Communities (NDC) Programme had been expected to involve and influence the main service providers (the Inner City Task Forces were expected to 'sensitise' both central and local government to the needs of the inner cities.) And like their predecessors, NDC partnerships were expected to work closely with other agencies: as the National Audit Office (NAO) pointed out: *'...the mandate given to NDC partnerships means that they will have to have a close relationship with bodies that are legally responsible for delivering social and other services'*.<sup>88</sup>
- 5.3 In practical terms, there was an expectation that involving a wide range of partners would help lever in additional resources; lead to joint working, which would generate improved service design, help guarantee the sustainability of partnership investment, and of course in combination, help secure improved outcomes.

<sup>87</sup> SEU (1998) *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*.

<sup>88</sup> NAO (2004) *An early progress report on the New Deal for Communities Programme*.

## Building partnership: which agencies, how were they engaged and how did it work?

5.4 In most NDC areas, representatives of key agencies have been involved since the beginning, many having taken part in the development of the original bids. The first report from the national evaluation team in 2001<sup>89</sup> recorded that almost all partnerships had representatives from at least the local authority, police and Primary Care Trust (PCT) involved as signatories to the bid, though by then there were lower levels of representation on boards. As the Programme has evolved, agency representation on boards has become firmly established, and the 2008 partnership survey reported that, of the 37 partnerships providing information on agency representation:

- on average NDC boards have representatives from seven agencies; three NDC partnerships have 11, while one has two
- agencies most frequently represented on NDC partnership boards are: local councillors (33 out of 37 NDC partnerships), PCTs (29 NDC partnerships), and the police (26 NDC partnerships)
- no or low levels of membership are evident in relation to transport authorities Connexions and Sure Start schemes
- agency representation appears to be consistent over time, with the three most and three least represented agencies being the same in both 2006 and 2008.<sup>90</sup>

5.5 The key agencies are also normally represented, indeed frequently taking the lead, in NDC partnerships' theme groups.<sup>91</sup>

5.6 The 'three least represented' agencies have consistently been Regional Development Agencies, transport authorities, and Business Link/Small Business Service, though Connexions and Learning and Skills Councils are also rare participants. This is not altogether surprising, and relates to arguments explored in the previous chapter about which policy objectives are most appropriately pursued at the neighbourhood level. Agencies with regional sub-regional remits are unlikely to either find or offer great value in working closely with organisations such as NDC partnerships with their more limited spatial focus. A Chief Executive interviewed for the stakeholder study summed it up succinctly: *'I think the further they are away from delivering in the neighbourhood, the less interested agencies are likely to be'*.<sup>92</sup>

<sup>89</sup> ODPM (2002) NDC Partnership Reports: A synthesis.

<sup>90</sup> CLG (2009) The 2008 Partnership Survey: Evidence from the New Deal for Communities Programme.

<sup>91</sup> CLG (2010) Improving attainment? Interventions in education by the New Deal for Communities Programme for examples of the role of head teachers in NDC education activity; or CLG (2008) Delivering Safer Neighbourhoods: Experiences from the New Deal for Communities Programme, for examples of the involvement of police officers in NDC community safety work.

<sup>92</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

- 5.7 Inevitably NDC partnerships' assessments of the value of particular agencies' contributions vary, although often the police are singled out as the most helpful. But even here, the problems NDC partnerships have faced in managing police involvement on boards highlight the challenges of securing real and lasting influence over institutions' behaviour. While the police are seen by most NDC partnerships as the most co-operative of the mainstream agencies, a number of NDC partnerships reviewed for the crime and community safety study,<sup>93</sup> commented on the rate of turnover of police representatives on the board: Knowlsey has had six to date and by 2005 Haringey had had four different police representatives on the community safety theme group.
- 5.8 Frequently NDC partnerships have attributed successful relationships with service providers to the qualities and commitment of the individuals involved. Whenever there is a change in agency representative, relationships have to be re-established, and unsurprisingly, not all representatives (of any agency) show the same level of interest or commitment. In the short term, these discontinuities can have consequences for Programme development and delivery. In the longer term, they raise questions about the extent to which effective partnership working, in any of the service providers, has been institutionalised, and therefore likely to be sustainable over time, rather than dependent on the goodwill of a single individual.
- 5.9 If the mainstream agencies are more likely to get involved where their services have a neighbourhood focus, it also helps where the priorities of other government departments are consistent with the ethos underpinning the NDC Programme. For example, the Home Office guidelines on neighbourhood policing meant that mainstream police services were heading in the same direction as most NDC partnerships, which provided an unambiguous incentive for collaboration locally. But on other occasions partnerships' attempts to build relationships and develop joint working with mainstream agencies has been hampered by what are perceived to be conflicting priorities between government departments. One example often cited by partnership staff has been that of Jobcentre Plus. While partnerships were trying to establish neighbourhood-based employment agencies, in order to get closer to and provide support for those clients who are furthest from the labour market, Jobcentre Plus was moving away from the very local level, as a result of a programme of office closures. A study of strategies to tackle worklessness for the national evaluation reported that:

'Many local respondents consider that Jobcentre Plus has only a limited ability to tackle worklessness in these six areas because it:

<sup>93</sup> CLG (2008) Delivering Safer Neighbourhoods: Experiences from the New Deal for Communities Programme.

- lacks flexibility due to its output-driven culture
- may have no office or outreach centre in the heart of these communities
- spends insufficient time with each client because of the limits imposed on the length of client meetings
- does not provide comprehensive support through the job search and application process
- has reduced contact time between clients and advisers through the introduction of new technologies such as computer terminals, Job Points, which are designed to encourage self-directed job search among clients'.<sup>94</sup>

5.10 This study reports examples of collaboration between NDC partnerships and Jobcentre Plus. However, there are examples where collaboration is limited by the framework within which the organisation operates which can be quite different from that adopted by NDC partnerships. As one Jobcentre Plus employee interviewed for the worklessness study conceded: *'Jobcentre Plus is a central, national agency with a one size fits all approach.'*

5.11 But there are also aspects of NDC partnerships' organisation and operating methods that have impeded partnership working. Because of the need to encourage resident involvement, NDC board and other meetings are often held in the evening; since agency representative involvement with NDC partnerships is additional to the day job, meeting at anti-social hours can be a disincentive. Although this has not been true of most partnerships, there were also examples in the early days where disruptive community representatives caused difficulties on NDC partnership boards, making attendance at evening meeting even less attractive.

## Local authorities

5.12 For a number of reasons the most important relationship NDC partnerships have had to build is with their parent local authority:

- the local authority is generally the accountable body for the NDC partnership, and is therefore involved in a variety of financial, legal, administrative and HR issues
- there is a local authority interest of some kind in all six major outcome areas, whether as provider of advice and specialist skills, as planning authority or as project partner and co-funder

<sup>94</sup> CLG (2009) Understanding and Tackling Worklessness Volume 2: Neighbourhood Level Problems, Interventions, and Outcomes: Evidence from the New Deal for Communities Programme.

- the local authority leads on the development of the LAA and the management of the LSP, and as such is critical to the sustainability of NDC partnerships' interventions.

5.13 However, at the start of the Programme, in a significant number of cases, traditionally poor relationships between local communities and the local authority created tensions: an early report from the national evaluation team suggested this was the case in nearly a third of all NDC areas.<sup>95</sup> One Chief Executive interviewed for the stakeholders study attributed much of the hostility from communities to local authorities' traditional role as a landlord for social rented housing. In some cases partnerships felt that they had to help improve councils' status locally in order to make progress with their Programmes, and indeed their presence has helped achieve that. As this Chief Executive said: *'residents see us as a mini town hall, so some of the positivity that's aimed at the NDC rubs off on the other agencies, NDC makes the council more popular, and this is borne out by Ipsos MORI (the household survey).'*<sup>96</sup>

5.14 And indeed, across the Programme as a whole, trust in local authorities amongst NDC residents has developed steadily. In 2002, 41 per cent of those interviewed said they trusted the local authority either 'a great deal' or 'a fair amount'. By 2008, that had risen by eight percentage points to 49 per cent. In the comparator areas the figure had increased by six percentage points from 46 to 52 per cent.

5.15 As the Programme has developed, NDC partnerships' relationships with their parent local authority have also improved. To some degree this is an inevitable consequence of the experience of working together and becoming accustomed to what initially may have been new ways of working. But over the life of the Programme two distinctive policy developments have accelerated this process of accommodation:

- in 2001 the NSNR action plan introduced the idea that LSPs should have responsibility for developing local neighbourhood renewal strategies; over the next few years, the increasing emphasis on neighbourhoods has helped stimulate the decentralisation of service planning and delivery in a number of localities, including Birmingham, Coventry, Nottingham and Sheffield, as well as a number of London boroughs; this has also been accompanied by the widespread introduction of some form of neighbourhood management perhaps in 250 local authority areas according to one estimate<sup>97</sup>

<sup>95</sup> ODPM (2002) NDC Partnership Reports: A synthesis.

<sup>96</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>97</sup> Neighbourhood Management National Network, Action Team: More than influencing Should neighbourhood management take on roles that go beyond influencing? [www.neighbourhoodmanagement.net/downloads/publications/More%20Than%20Influencing%20Action%20Team%20guide.pdf](http://www.neighbourhoodmanagement.net/downloads/publications/More%20Than%20Influencing%20Action%20Team%20guide.pdf)

- from 2005 local authorities and their partners on LSPs were required to develop LAAs, designed to help improve performance across a range of key indicators.

5.16 Although arrangements for service decentralisation have typically been at a wider spatial scale than the neighbourhoods on which NDC partnerships focus, and LAAs generally focus on improvements across the whole local authority district, the new focus on delivery planning and service decentralisation have helped raise NDC partnerships' status. LSPs have been increasingly willing to draw on NDC partnerships' experience, and as partnerships have become more involved in LSP structures, this has helped build mutual respect, as is shown by the example of the Hackney NDC Partnership.

## Hackney

### *NDC partnerships' contribution to the LAA*

The Hackney NDC Partnership has been involved in the development of the LAA from the start and has contributed to the process in several ways:

- helping to define priorities: key decisions relating to the LAA's priorities were taken at board level and the Partnership's Chief Executive played a strategic role in contributing to these discussions; for example, he was able to highlight the problem of infant mortality in both Shoreditch and the rest of the borough
- providing resources and expertise: the NDC partnership seconded a member of its staff, part-time, to the LAA Team; other members of Partnership staff were represented at sub-partnership meetings to share their expertise and explore common targets and strategies for meeting them, particularly around projects developed within the Children and Young People Block
- aligning NDC priorities and budgets to the LAA: aligning its priorities and budgets to the LAA has been integral to the NDC partnership's strategy and its delivery plans are structured around the LAA.

5.17 Whatever the difficulties NDC partnerships have experienced, evidence from the evaluation shows that they have established long-standing working relationships with those agencies whose responsibilities have a neighbourhood focus. These relationships have included extensive agency representation in partnership structures (and *vice versa*), and agency involvement in many partnership projects. But what difference has all this agency involvement meant in practice? How far have the original expectations about what agency engagement might mean for disadvantaged neighbourhoods been met?

## The consequences: leverage, mainstreaming and influencing design, improving outcomes

5.18 NDC partnerships were always expected to build relationships and work with mainstream service providers. The precise expectations of what this might achieve in practice were not formally spelled out, but perhaps can be broken into five sets of aspirations:

- **leverage:** the £50m core grant awarded to NDC partnerships may have been larger than previous regeneration programme allocations, but it is still dwarfed by the overall amounts of public expenditure that go into NDC areas annually; calculating public expenditure at the neighbourhood level is notoriously difficult, but a recent estimate of overall expenditure in a single NDC area suggested that in 2005-06 it equated to around £4,700 *per capita*, more than nine times the value of NDC Programme expenditure;<sup>98</sup> it was expected therefore that NDC partnerships would be in a position to attract additional funding from other public sector sources
- **joint working** and a neighbourhood presence: NDC partnerships were expected to help other agencies develop a better understanding of the issues affecting the most disadvantaged neighbourhoods, and by providing 'someone in charge' at neighbourhood level (as it was expressed in *Bringing Britain Together*) could promote better inter-agency co-operation
- **changed service design** through roll-out of NDC innovations; it was understood that the 'one-size-fits-all' approach to service design was not appropriate for the circumstances of deprived neighbourhoods there was therefore a clear understanding that NDC partnerships would be a kind of laboratory, whose innovations could be rolled-out more widely, once their effectiveness had been demonstrated
- **sustainability** through support for NDC partnership interventions in the longer term: it was hoped that by engaging those agencies who would have a long-term presence in NDC areas there would be a greater chance of the survival of NDC supported interventions in the longer term
- **improved outcomes:** finally, it was assumed that joint working would help achieve Programme-wide outcome change.

<sup>98</sup> CLG (2010) Assessing neighbourhood level regeneration and public expenditure: Findings from the Bradford NDC area.

5.19 Many of these expectations were often wrapped up under the general term ‘mainstreaming’: what NDC partnerships instigated with special funding would find its way into mainstream service provision. But as the national evaluation team reported in 2004, the term gave rise to misunderstandings.<sup>99</sup> Each of the sets of expectations identified above may be thought of as components of mainstreaming, and we examine partnerships’ achievements under each of them separately.

## Leverage

5.20 Issues of leverage (at 2008-09 prices) are discussed in detail in Volume 6<sup>100</sup> of these final reports (3.4). Key findings (at current prices) include:

- from 1999-2000 to 2007-08 a total of £2.29bn (current prices) was spent on the 39 NDC programmes
- NDC Programme funding accounts for £1.56bn of this total
- matched funding from other sources (public, private and voluntary) accounts for a further £0.73bn
- in summary, for every £1 of NDC funding a further 47p of funding was secured from other sources, of which 33p was other public, 13p private, and 1p from voluntary sector sources<sup>101</sup>
- from 1999-2008, £1559m NDC funds (68 per cent of total expenditure) generated £522m of other public (23 per cent), £199m private (9 per cent), and voluntary £9m (less than 1 per cent)
- there are significant variations across the 39 partnerships: from 1999-2000 to 2007-08, NDC expenditure averaged about £39m per NDC, ranging from £25.2m to £52.9m; variations in levels of matched funding are even greater
- the policy themes attracting the highest levels of matched funding from other public sources are employment and business (50p per £1 of NDC), housing and environment (44p) and health (44p).

5.21 The main providers of public sector matched funding (£522m in total) were local authorities (32 per cent), ‘other’<sup>102</sup> (24 per cent), RDAs (including Single Regeneration Budget funds, 9 per cent), European funds (8 per cent), Lottery (6 per cent) and police (4 per cent). While other sources of special funds like European money and the Lottery can be useful in developing projects, the key

<sup>99</sup> ODPM (2004) The Programme Wide Annual Report 2003/04.

<sup>100</sup> CLG (2010) The New Deal for Communities Programme: Assessing impact and value for money.

<sup>101</sup> This is considerably lower than some previous programmes. For example, the SRB secured an additional £4 for every £1 of programme funds: see CLG (2007) The Single Regeneration Budget: final evaluation research summary, while the City Challenge programme secured £5.40. [www.communities.gov.uk/archived/general-content/citiesandregions/citychallengefinal/](http://www.communities.gov.uk/archived/general-content/citiesandregions/citychallengefinal/)

<sup>102</sup> A partial analysis of the sources included in the ‘other’ category shows that this includes English Partnerships, SSCF, Environmental Agency, HMR, English Heritage, Countryside Commission, Sport England, Youth Justice Board and other government departments (including CLG and the Home Office) plus many others.

agencies so far as long-term sustainability is concerned are the locally-based agencies, whose financial contributions are modest. Given pressures on public expenditure this is likely to remain the case for the foreseeable future.

- 5.22 As is often the case with area-based regeneration schemes, concerns have been expressed that mainstream funding is actually diverted away from NDC areas, precisely because of the scale of the special funding. One early report from the national evaluation team reported that *'a decision has been made in the Council that no Neighbourhood Renewal Fund money will be spent in the NDC area, but rather in other priority neighbourhoods'*.<sup>103</sup> Throughout the evaluation, NDC staff and board members have often suggested that it is NDC funds that attract other partners summarised succinctly by one Chief Executive interviewed for the stakeholders study who said: *'The professionals were all ... very helpful in advising NDC how to spend its money – it was just very hard to find ways to get them to change the way they spend their own.'*<sup>104</sup> This raises important points about the architecture of area-based regeneration programmes: are the funds critical to the creation of partnership working, or are they a distraction from the arguably more important task of influencing the design of main programmes? We return to this issue in the conclusions to this chapter.

### Joint working – a neighbourhood presence

- 5.23 There is no doubt that the experience of working with NDC partnerships has brought often very senior representatives of the key public agencies into closer contact with the most disadvantaged areas than their work normally would have done. This was reflected in a comment from the NAO *'one of the benefits of the progress that NDC partnerships have made in their area is that stakeholders are able to better focus their efforts at a local level'*.<sup>105</sup>
- 5.24 There are also examples where partnerships' central role in neighbourhoods helped to broker relationships between public sector agencies who found themselves working together at local level for the first time. The latest report on NDC partnerships' contribution to raising education attainment describes how in a number of areas NDC partnerships were instrumental in brokering meetings between head teachers from local schools.<sup>106</sup> The crime and community safety theme study reported that *'...neighbourhood-based multi-agency partnerships that reach beyond the main criminal justice agencies (to include for example, social landlords, neighbourhood managers, and those responsible for housing maintenance) can provide valuable intelligence as well*

<sup>103</sup> ODPM (2002) NDC Partnership Reports: A synthesis.

<sup>104</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>105</sup> NAO (2004) An early progress report on the New Deal for Communities Programme.

<sup>106</sup> CLG (2010) Improving attainment? Interventions in education by the New Deal for Communities Programme.

*as mechanisms for crime prevention and project implementation and in the case study NDC areas these partnerships have been central to the co-ordinated approach to local issues'.<sup>107</sup>*

## Haringey

### ***The Bridge NDC Abandoned Vehicles Project<sup>103</sup>***

A baseline study at the start of the Programme identified 'crime and grime' as one of local residents' main priorities. Of particular concern were the large number of abandoned cars which created an eyesore in the area, particularly around the many garage workshops. An Abandoned Vehicles Officer employed by the NDC partnership organised a multi-agency blitz in some of the neighbourhood's worst affected areas, bring together representatives of a variety of council departments, the police, the DVLA, Environment Agency and the Health and Safety Executive. In the light of this experience the same approach was replicated elsewhere in the borough.

## Changed service design – roll-out of NDC innovations

- 5.25 A variety of evidence suggests that NDC partnerships became increasingly influential with key agencies as the Programme developed. Reporting in 2004, the NAO had already recorded that: *'our survey of 117 local service providers in NDC neighbourhoods showed that close to one half (41 per cent) considered NDC partnerships to have been very or extremely influential with regard to their own policies, plans and services. Conversely, only 16 per cent of local service providers had not been materially influenced by their NDC partnerships.'*
- 5.26 There are various examples where interventions developed within NDC areas have subsequently been rolled out to other parts of the local authority area:
- Sheffield NDC led on the city-wide implementation of a LEGL initiative – Generation Enterprise – which was built on the model and experience of the NDC partnership's Supporting Business project<sup>109</sup>
  - neighbourhood management arrangements developed by the Brighton NDC Partnership formed the basis for the approach which was subsequently rolled out across the city<sup>110</sup>
  - in Knowsley, the NDC Partnership's Neighbourhood Network has helped inform the council's community engagement structures which are operating borough-wide.<sup>111</sup>

<sup>107</sup> CLG (2008) Delivering Safer Neighbourhoods: Experiences from the New Deal for Communities Programme.

<sup>108</sup> Based on research carried out in preparing a case study for [www.renewal.net](http://www.renewal.net), the former CLG good practice website.

<sup>109</sup> Sheffield NDC Board Minutes, June 2007.

<sup>110</sup> CLG (2008) Delivering Succession Strategies: Some lessons from the New Deal for Communities Programme.

<sup>111</sup> CLG (2009) Improving outcomes? Engaging local communities in the NDC programme: Some lessons from the New Deal for Communities Programme.

## Sustainability

5.27 It was also hoped that involvement by key agencies in NDC interventions would help ensure their survivability by taking ownership and providing future sources of funding. We deal with this issue in Chapter 7.

## Improved outcomes

5.28 There is clear evidence from the evaluation of a positive relationship between the extent of engagement with other partners and outcome change. First, as is explained in more detail in Volume 5 of the final evaluation report<sup>112</sup> (2.43) the number of agencies with which NDC partnerships engaged significantly in 2008 helps account for 25 per cent of the variation in the three place-based outcomes (crime, community, and housing and the physical environment). In addition, the numbers of agencies represented on partnership boards is positively associated with whether residents think their local NDC has improved the area (Volume 5, 2.19).

## Engaging other ABIs

5.29 Since NDC areas are disadvantaged by definition, and almost all small area programmes are targeted on disadvantaged areas, it was inevitable that partnerships would encounter other area-based initiatives (ABIs). Nevertheless in practice there are variations in the extent of ABI presence in NDC areas. The interim evaluation report<sup>113</sup> recorded 18 other ABIs that were to be found in one or more NDC areas, while the 2008 partnership survey found that:

- all NDC areas contain at least one other overlapping ABI
- in three cases only one other ABI is identified, whereas in 2006 all 39 NDCs reported at least two
- the average number of ABIs in NDC areas is six, consistent with 2004 and 2006
- one NDC partnership has as many as 16 other ABIs operating within its boundaries
- 12 NDC areas saw an increase in the number of ABIs between 2006 and 2008, whereas 21 saw a decrease
- as in 2006, the five ABIs most frequently located in NDC areas are Drug Action Teams (DAT), European Structural Fund Programmes, Sure Start, Neighbourhood Wardens, and Youth Inclusion Programmes (YIPs).

<sup>112</sup> CLG (2010) Exploring and explaining change in regeneration schemes: Evidence from the NDC Programme.

<sup>113</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

- 5.30 There are variations in the extent to which NDC partnerships have engaged with other ABIs. Those with which partnerships report considerable joint working include Drug Action Teams (DATs), neighbourhood management/wardens schemes, Sure Start and Youth Inclusion Programmes. Those NDC partnerships with Sport Action Zones, and 11 of the 12 NDC areas within Housing Market Renewal Pathfinders engage with them 'a great deal' or 'a fair amount'. However, partnerships do not automatically work with other ABIs in their area: 31 reported that they work with over half, and only 12 said they work with all, while one said it works with none.
- 5.31 There is some interesting evidence of a relationship between the scale of change in individual NDC areas, and the number of overlapping ABIs, though the nature of that relationship has changed over time. By 2006 a relationship had emerged between the number of other ABIs in an NDC area and improvements in the working-age employment rate over time: the more ABIs in the area the greater the improvement in the employment rate from 2002-06.<sup>114</sup> However, by 2008 the only relationship to emerge is that numbers of ABIs with which partnerships engage is associated with a lower increase over time in the number of residents thinking the NDC partnership has improved the area<sup>115</sup>.

## Conclusions

- 5.32 Working in partnership with a wide range of agencies has without doubt brought significant benefits to the NDC Programme:
- it has brought senior representatives from key public agencies into closer contact with disadvantaged areas than their work would normally have done
  - NDC partnerships have been able to broker improved relationships across other public sector agencies working at the local level
  - some interventions developed within NDC areas have subsequently been rolled out to other parts of the local authority area
  - there are positive associations between having more agency representatives on partnership boards and more residents thinking their NDC partnership has improved the local area.
- 5.33 Not all agencies have featured to the same degree in NDC partnerships' activities. Generally, those most involved have been those whose own responsibilities focus on (or include) the neighbourhood. Those with wider spatial responsibilities, the Regional Development Agencies for example, have been less involved. But more importantly, even with those most closely involved

<sup>114</sup> CLG (2009) Transformational change? A synthesis of new evidence 2008-09: Evidence from the New Deal for Communities Programme.

<sup>115</sup> CLG (2010) Exploring and explaining change in regeneration schemes: Evidence from the NDC Programme.

(such as the police service), engagement has often appeared to be individual rather than institutional: as one representative moves on, relationships have to be established afresh with successors.

- 5.34 The scale of leverage from other sources has been lower than in some previous area-based regeneration programmes, including City Challenge and the SRB. Financial leverage was not an explicit objective of the NDC Programme as it was with the SRB for example. Nevertheless, greater financial commitment by other partners may have increased a sense of shared ownership which *may* have led to improved chances of NDC partnership investments surviving.
- 5.35 An important question for the design of future comparable programmes is whether the availability of dedicated funds is either a necessary or sufficient condition to secure the commitment of other agencies. Certainly those working in NDC partnerships have thought their financial resources to have been decisive; however, the experience of the neighbourhood management Pathfinders (which functioned with lifetime budgets of between £2.45m and £3m over seven years) perhaps suggests large budgets are not always necessary. The final evaluation of the Pathfinders concluded that ‘Pathfinders have secured consistent engagement with a wide range of service providers over a number of years’.
- 5.36 Commenting on the relatively small programme budgets available to the Pathfinders, the evaluation report concludes:

*‘...the evidence suggests that project funding is a double-edged sword in that, whilst it can enable more activities, it can also be a serious distraction in the time required to manage its delivery (time taken away from influencing mainstream services). Project funding is most useful in the early years of a neighbourhood management partnership, to help it ‘make a splash’ and build awareness and confidence in the partnership, although even then care needs to be taken not to distract attention away from partnership building and a clear focus on influencing mainstream services.’<sup>116</sup>*

- 5.37 The thinking behind the NDC Programme suggested that the development of holistic strategies were more likely to lead to positive change than programmes addressing more limited policy objectives. In the next chapter we examine how NDC partnerships have developed their holistic approaches, and the challenges this has entailed.

<sup>116</sup> CLG (2008) Neighbourhood Management Pathfinders: Final Evaluation Report People, Places, Public Services: Making the Connections.

# Chapter 6

## A holistic approach to improving outcomes

### The rationale

- 6.1 The Social Exclusion Unit (SEU) analysis<sup>117</sup> of problems faced in the kinds of neighbourhoods where New Deal for Communities (NDC) partnerships operated, indicated that they were above all characterised by multiple disadvantage, which in turn would require a multiple response. The NDC Programme was therefore established as a holistic set of interventions, addressing a variety of policy objectives. That had not always been true of small area programmes. The Urban Development Corporations had focused mainly on physical redevelopment, the Inner City Task Forces had focused largely on economic, employment, and educational objectives, while the limited aims of Education Action Zones and Sport Action Zones are self-evident. But the experience of some of the early programmes made it clear that both ‘people-’ and ‘place-’ related objectives had to be tackled at the same time.
- 6.2 The NDC Programme was therefore set up to improve:
- three ‘place-related’ outcomes: crime, the community and housing and the physical environment
  - three ‘people-related’ outcomes: education, health, and worklessness.
- 6.3 It was also assumed that this holistic approach would generate mutually reinforcing benefits: for example, improving educational attainment may reduce crime and antisocial behaviour, or better housing could help improve health indicators. The holistic basis of the Programme was another manifestation of the desire to promote joined-up policy, given the difficulties in harnessing ‘...a government machine divided by function to resolving a problem cutting across different programme areas’.<sup>118</sup>

<sup>117</sup> SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal.

<sup>118</sup> Higgins, J., (ed.) (1983) Government and urban poverty.

6.4 As we have already discussed, newly-formed NDC partnerships, led by boards many of whose members had little or no experience of the complexities of area regeneration, were required to develop a comprehensive 10-year strategy that simultaneously addressed the six outcomes identified above. This chapter examines how NDC partnerships have coped with the task. We summarise the evidence on the extent to which the holistic approach has contributed to Programme outcomes, concluding with some reflections on the challenges this holistic approach presented.

## Establishing a baseline

6.5 Before NDC partnerships could develop detailed plans and strategic priorities, they had to be sure they fully understood what was going on in their neighbourhoods. Given the state of neighbourhood statistics a decade ago, setting reliable baselines was not an easy task. NDC partnerships drew on census information, and most carried out household surveys, but the national evaluation still concluded that ‘...Partnership level strategic planning was rarely informed by accurate baselines’,<sup>119</sup> which is unsurprising given some of the problems they faced, including limited neighbourhood data and unreliable household surveys. NDC partnerships tried to compensate for these gaps by constructing proxy measures, based on the closest fit ward, or comparing the population of the NDC area with city wide figures on a pro-rata basis. But perhaps most important of all, whatever the deficiencies of partnership baselines, few had the opportunity to consider what they meant, as they were expected to move rapidly to the development of their delivery plans. One senior NDC staff member remembered that

*‘...it was a very time intensive process about developing, going through consultation, identifying the problems and the issues, identifying priorities, starting to determine what the solutions might be and putting a delivery plan together so that took us 12 months from the launch of NDC to submission of the delivery plan’.*<sup>120</sup>

## Selecting outcome targets

6.6 The 10-year delivery plans partnerships were required to produce were expected to set out lifetime outcome targets across the whole range of policy themes on which the Programme focused. In many cases these early attempts to define outcomes reflected the lack of experience of those involved, and

<sup>119</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

<sup>120</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

were often extremely ambitious both in the range of outcome targets, and the extent of change they envisaged. These outcome targets in a number of cases were the work of staff temporarily seconded to 'Interim Partnerships' or, of consultants. Once staff teams and boards were operating, many questioned how appropriate or plausible these outcomes were. According to the interim evaluation, '...outcomes were ill defined, vague and incapable of monitoring'.<sup>121</sup> The Neighbourhood Renewal Unit (NRU) recognised the problem, and in 2004 issued guidance on 'Transformation and Sustainability' which argued that '*...many partnerships have been overambitious in the number of outcomes that they are trying to achieve...resources are spread too thinly to achieve transformational change*'.<sup>122</sup> Although NDC partnerships were being urged to take a more realistic view about what they could achieve, the interim evaluation showed on average each NDC partnership was still pursuing 25 separate outcomes.<sup>123</sup>

## Developing delivery plans

- 6.7 After NDC partnerships were established they were expected to produce a comprehensive 10-year delivery plan setting out issues, overall and thematic strategies, life-time outcome targets and spend profiles.
- 6.8 Subsequently, NDC partnerships have been required to prepare annual delivery plans, to be endorsed by their parent local authority, and approved by central government through the Government Office, as the basis for annual funding agreements. These plans identify budgets and proposed initiatives, indicating key events and milestones by which progress will be judged. NDC partnerships often produce, in addition to the mandatory annual plan, three-yearly plans which take a more strategic view. Islington NDC for example, produced:
- a three year plan in 2008 that establishes strategic priorities for the remainder of the Programme, for example, setting up succession arrangements, completing capital spend, restructuring the delivery team<sup>124</sup>
  - a one year 'up-date' in 2009 that identifies the specific elements in the three year plan that the partnership plans to tackle in the coming year.<sup>125</sup>

<sup>121</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

<sup>122</sup> NRU/ODPM (2004) Transformation and Sustainability, Programme Note 25.

<sup>123</sup> CRESR (2005) Analysis of Delivery Plans 2004: Outcomes, Floor Targets and Projects.

<sup>124</sup> EC 1 New Deal for Communities: Delivery Plan 2008-2011.

<sup>125</sup> EC 1 New Deal for Communities: Delivery Plan update: 2009-2010.

6.9 There had been an expectation that embedded in NDC partnerships' delivery plans would be a theory of change showing how strategy and associated interventions were expected to generate the improvements envisaged. However, the evaluation team rarely found explicit ideas or views about what would enable change to be brought about in New Deal for Communities areas. Theories of change were often implicit rather than explicit, and tended not to be particularly well developed.

6.10 Within the limits of the national Programme framework, NDC partnerships were expected to develop strategies in their delivery plans that genuinely reflected local conditions. However, this local flavour was not always apparent. Despite the fact that NDC areas vary widely in terms of population, geography, communities, local politics and regional context, the interim evaluation found little variation in delivery plans that clearly related to any distinctive local need. The report suggested that a variety of factors might help account for this:

- *'resident board members tend consistently to express more interest in some outcome areas than in others: crime, anti-social behaviour, environmental improvements and housing rather than education and, especially health; whereas this is understandable, it is not always based on a careful review of baseline conditions and the identification of plausible 10 year outcomes across the range of problems impacting on NDC areas*
- *expenditure and interventions can be driven by the preferences and activities of individuals working within both NDC partnerships and partner agencies*
- *there can be a strong temptation to support 'on the drawing board' projects which can deliver local initiatives and meet expenditure targets, even if there is little in the evidence base to suggest that such interventions meet local needs'.<sup>126</sup>*

6.11 As we discussed earlier (6.3) part of the rationale for the holistic approach embedded in the NDC Programme was the expectation that outcomes in a particular policy area would be assisted by interventions in other policy areas. Relatively early on in the Programme, some partnerships developed cross-cutting themes such as liveability and heritage, young people, local services, neighbourhood services, planning and transport, physical activity and quality of life. As the Programme has developed, some increasingly streamlined their outcome areas, in part reflecting reductions in remaining funding, but also as a way of promoting cross-theme working. For example:

<sup>126</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

- Sheffield NDC came to concentrate on three priority areas:
  - Community Strength and Wellbeing
  - Children and Young People
  - Employment and Skills
- Haringey concentrated on three themes:
  - Education, Employment and Enterprise Health,
  - Social Care, Sport and Leisure
  - Neighbourhood Services
- whilst Brent's three themes are:
  - Income and Employment
  - Education and Young People
  - Health

6.12 A number of factors have tended to inhibit cross theme working. NDC partnerships work with agencies whose remit is theme specific. In almost every case NDC partnerships have tended to employ theme specialists driving change through outcome specific 'sub-committees'.<sup>127</sup> At least some NDC partnerships are aware that they have reproduced the problem their joined-up approach was supposed to solve. One Chief Executive interviewed for the stakeholders' report said:

*'We bought in highly skilled and well paid professionals and put them in charge of themes, and this militated against the development of a team approach... we moaned about the council and silos but, boy did we create our own pretty quickly'.<sup>128</sup>*

## Conclusions

6.13 This chapter is not the place to discuss in detail the outcomes and impacts of the NDC Programme which are dealt with thematically in Volume 6.<sup>129</sup> Nevertheless it is perhaps worth commenting briefly on how NDC partnerships have fared in delivering what they promised nearly 10 years ago, and on the extent to which benefits have arisen from the holistic principle underpinning the NDC Programme. Despite problems in developing outcome targets, and in

<sup>127</sup> CLG (2008) Challenges, Interventions and Change: An overview of Neighbourhood Renewal in Six New Deal for Communities areas.

<sup>128</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>129</sup> CLG (2010) The New Deal for Communities Programme: Assessing impact and value for money.

the face of all the political, institutional and economic changes over the period, most NDC partnerships have either delivered or are on track to deliver a great deal of what was promised.

- 6.14 Household survey data generally presents a positive picture of change within NDC areas, some of which is over and above that occurring in the comparator areas.<sup>130</sup> This is particularly true of place-related indicators. Eight of the 10 indicators where NDC areas show greatest positive change when assessed against the comparators relate to place-related issues surrounding attitudes to the area and crime.
- 6.15 But evidence also offers endorsement for the Programme's holistic approach. As Volume 5<sup>131</sup> establishes positive change for individuals in relation to one outcome is often associated with change in others (2.57). And at the area level:
- NDC areas seeing greater change in housing and the physical environment are also more likely to see greater improvements in crime and the community indicators
  - greater improvements in worklessness outcomes are more likely to occur in areas with improved education outcomes
  - there is a weaker, but still significant, relationship between worklessness and health outcomes
  - intriguingly, there is a strong association between improvements in mental health and in perceptions of the area.
- 6.16 There is also some evidence that levels of spending on one theme appear to contribute to outcome improvements in others. For example, greater expenditure on housing and the physical environment is associated with more positive outcome change on crime and worklessness indicators. Taken together these associations do support the application of a holistic approach. In the next chapter we consider what NDC partnerships are doing to preserve their legacies and maintain the regeneration momentum.

<sup>130</sup> The NDC evaluation uses a methodology which compares change in NDC areas with that occurring nationally, in parent local authorities and in similarly deprived comparator areas. Full explanation of the comparator approach is at CLG (forthcoming) *The New Deal for Communities Evaluation: Technical Report*.

<sup>131</sup> CLG (2010) *Exploring and explaining change in regeneration schemes: Evidence from the NDC Programme*.

# Chapter 7

## Sustaining change

### The rationale

- 7.1 The New Deal for Communities (NDC) Programme may have been one of the longest in the history of regeneration in this country, but there were few illusions that 10 years would suffice to complete the transformation of severely disadvantaged neighbourhoods. The National Strategy for Neighbourhood Renewal (NSNR) had warned that it could take 10-20 years to transform the most disadvantaged neighbourhoods.<sup>132</sup> This was soon recognised by at least some NDC partnerships. For example, the Hartlepool NDC delivery plan, written in March 2001, described how: *'we look upon the NDC Programme as an exceptional opportunity to begin a process of community led regeneration which will endure beyond the 10 years of this delivery plan'*<sup>133</sup>.
- 7.2 Previous short or fixed-life small area programmes had recognised the need to manage their withdrawal. The Inner City Task Forces had developed 'exit strategies', (though later programmes found the word 'exit' brutal and inappropriate.) Communities and Local Government (CLG) issued its first guidance on succession planning in 2002, a recognition that, as a study of Task Force and City Challenge succession planning had argued, the process should begin as early in the life of programmes as possible.<sup>134</sup>
- 7.3 In this chapter we:
- describe how NDC partnerships have approached succession planning
  - outline the main ingredients of partnerships' succession strategies
  - assess the prospects for the sustainability of partnerships' interventions and achievements.

<sup>132</sup> SEU (1998) Bringing Britain Together: A National Strategy for Neighbourhood Renewal.

<sup>133</sup> Quoted in Hartlepool NDC Draft Succession Strategy.

<sup>134</sup> Fordham, G. (1995) Made to last: Creating sustainable neighbourhood and estate regeneration, Joseph Rowntree Foundation.

## The processes of succession planning

- 7.4 CLG may have issued guidance early in the NDC Programme's life, but not all NDC partnerships responded. The interim evaluation reported that '*...only 15 had a formal exit strategy in place by late 2004*',<sup>135</sup> and by 2006 that appears to have dropped to 10. Even as late as 2008, the NDC partnership survey found that only 21 partnerships had developed succession strategies. '*The remaining 18 are in the process of developing their strategy; of these, 12 think it will be in place in the next six months and four between six months and a year; two did not specify*'.<sup>136</sup>
- 7.5 Research for the national evaluation on succession strategies in 2008 asked NDC partnerships about their motives for developing succession plans. Although reasons varied between NDC partnerships, those studied were planning succession in order to do one or more of the following:<sup>137</sup>
- to **sustain the benefits** of the NDC Programme, for example embedding approaches that have worked locally, maintaining a culture of partnership working, keeping specific interventions or activities going where they have provided positive outcomes for local people
  - to **complete unfinished business**, either by continuing to work on particular issues where the NDC partnership feels that not enough progress has been made to date, or on initiatives that will not be finalised by the end of the NDC Programme, such as major housing developments; or more generally, recognising that most NDC areas continue to suffer from multiple deprivation, so that on-going work is needed to 'narrow the gap'
  - to **sustain resident and community involvement**, given that engaging local people has been at the core of the NDC Programme and is regarded by communities and partners to have contributed to its successes
  - to be able to respond to **new challenges and opportunities** in regeneration.
- 7.6 The study reported that NDC partnerships were focusing on sustaining key processes: relationships, infrastructure and new ways of working. In particular, sustaining the relationship between community members and service providers was seen as important, and thus succession plans were identifying how to put in place the resources, communications, infrastructure, and support to achieve this. The partnership survey in 2008 confirmed this: It reported that

<sup>135</sup> ODPM (2005) NRU Research Report 17, New Deal for Communities 2001-2005: An Interim Evaluation.

<sup>136</sup> CLG (2009) The 2008 Partnership Survey: Evidence from the New Deal for Communities Programme.

<sup>137</sup> CLG (2008) Delivering Succession Strategies: Some lessons from the New Deal for Communities Programme.

*'All 39 are committed to continued community engagement, while partnership working with the voluntary and community sector (38) and with mainstream agencies (37), mainstreaming of current projects (36) and the management of assets (35) are also mentioned by most as key elements in succession arrangements. Twenty-six NDCs currently own or manage assets on behalf of the local community. These range in value from £480,000 to £14m'.<sup>138</sup>*

7.7 Since that survey, CLG has introduced guidance which requires partnerships to secure central government approval for their succession strategies. The guidance says that partnerships must:

- demonstrate clearly how the improvements made within the NDC area will be sustained beyond government funding and into the long term (at least 5-10 years). Particular requirements are that:
  - outcomes to be delivered are aligned with Local Area Agreements (LAA) outcomes and other local priorities
  - the community continues to be empowered and the community leadership established is continued
- ensure assets generated by the NDC grant are safeguarded to continue to benefit the NDC area residents into the long term
- demonstrate that proposals are financially viable, including the financial viability of any successor body.<sup>139</sup>

7.8 Drawing on the guidance, the NDC evaluation findings as well as the earlier research, it is possible to analyse succession strategies under four key headings:

- establishing successor bodies, typically community-led
- capital legacies
- community empowerment and capacity building
- handing over the torch: influencing the main programme service providers, and developing links to LSPs/LAAs.

7.9 In the next section we analyse what NDC partnerships are doing or plan to do under these four headings.

<sup>138</sup> CLG (2009) The 2008 Partnership Survey: Evidence from the New Deal for Communities Programme.

<sup>139</sup> CLG (2008) Programme note 44: Sustaining the benefits and improvements in NDC areas: Guidance on requirements for succession strategies and the approval process.

## The ingredients of succession strategies

### Successor bodies

7.10 A number of NDC partnerships have already changed their status and indeed transferred the management of the rest of the Programme to a successor body. Hackney NDC partnership was one of the first, establishing the Shoreditch Trust in 2006. The 2008 survey showed that most NDC partnerships either have or plan to follow suit in some fashion by the time their funding comes to an end. The survey showed that 31 NDC partnerships expected their legal status would have changed by the end of the Programme.

- 17 expected to be charities, six more than the actual number of charities in 2008; nine planned to become charities, while three would cease to have charitable status
- only two NDC partnerships expected to have no legal status after the Programme finishes, compared with 19 having no legal status in 2008
- six partnerships said they would cease to exist
- eight NDC partnerships stated they would have some 'other' status'.<sup>140</sup>

7.11 There are wide variations in detail in the structures, functions and legal status of the emerging successor bodies, but most are characterised by:

- some form of not-for-profit status
- community leadership
- an asset base supporting long-term sustainability
- the development of revenue raising functions.

### Capital legacies and other income streams

7.12 Most NDC partnerships accept that their successor bodies will not enjoy funding on the scale to which they have become accustomed. The Hartlepool delivery plan proposes the establishment of a Trust as successor body but recognises its limitations, at least initially.

*'Whilst the Trust is modest in scale compared to the original £53.7m NDC Programme, and with only a relatively small asset base at the outset, it will work to complement the neighbourhood management process by continuing to contribute to the original objectives of the NDC Programme'.<sup>141</sup>*

<sup>140</sup> CLG (2009) The 2008 Partnership Survey: Evidence from the New Deal for Communities Programme.

<sup>141</sup> Hartlepool NDC 2009 Draft Succession Strategy.

- 7.13 The development of an asset base is at the heart of many succession strategies, with a view to providing an ongoing regeneration benefit to NDC residents and potentially also generating an income to fund future regeneration activities. Hackney's Shoreditch Trust is an example, with assets currently valued at £9m, although most NDC partnerships have established asset portfolios with lower values than this.
- 7.14 Some partnerships are also developing (or contemplating providing) services that will generate revenues beyond rental streams from capital assets. A few examples include:
- social enterprise: under the aegis of the Shoreditch Trust, the Hackney NDC Partnership has supported the development of two restaurants which run as social enterprises
  - as Walsall NDC is planning to do, pursuing public sector contracts as a 'third sector organisation'
  - providing consultancy services: Lambeth NDC is expecting to sell consultancy services, initially to small organisations within the borough.

### Community empowerment and capacity building

- 7.15 The whole issue of NDC partnerships' engagement with, and initiatives to support, local communities is discussed in Volume 2<sup>142</sup> of these final reports and will only be touched on here.
- 7.16 As mentioned above (7.7), before approving NDC partnerships' succession strategies, CLG needs to be sure that '...the community continues to be empowered and the community leadership established is continued.'<sup>143</sup> Generally the way NDC partnerships are structuring their successor bodies is designed to achieve that aim.
- 7.17 In a number of cases partnerships see the development of neighbourhood management as a key component in their succession strategies, '*...to enable local communities to work with and influence service providers*'. As an example, the Hartlepool delivery plan envisages that: '*neighbourhood management is the key vehicle for ensuring residents are effectively engaged in prioritising local issues and that services are delivered in a co-ordinated way that is responsive to local needs. This includes the provision of ongoing support to local community groups and leaders*'.<sup>144</sup>

<sup>142</sup> CLG (2010) Involving local people in regeneration: Evidence from the NDC Programme.

<sup>143</sup> CLG (2008) Programme note 44: Sustaining the benefits and improvements in NDC areas: Guidance on requirements for succession strategies and the approval process.

<sup>144</sup> Hartlepool NDC 2009 Draft Succession Strategy.

## Handing over the torch – influencing service providers

7.18 CLG guidance<sup>145</sup> requires succession strategies outcomes to be aligned with LAA and other local strategies; building on the fact that many NDC partnerships were doing this.<sup>146</sup> The 2008 partnership survey found that ‘...33 NDC partnerships consider they are involved with their Local Strategic Partnership, one less than in 2006. NDC partnerships are involved most frequently through chairs and/or Chief Executives sitting on LSP Boards, sub-committees or groups. Thirty-five are involved with the LAA covering their area, three more than in 2006. Again, involvement is typically in the form of representation on working groups’. One senior NDC staff member said in an interview for the stakeholders study:

*‘We seem to have come up with a set of outcomes that structured our various thematic areas very much akin to where the LAA is certainly heading ... I can actually attribute every single intervention we’ve ever done against an LAA outcome ...it all fits in very nicely which does lead to me to believe that there is an ongoing relationship between what we’ve done and where the local authority has got to go’.*<sup>147</sup>

7.19 Given the scale of public sector resources going into NDC areas, in many ways ensuring main service providers continue to recognise the needs of their areas may be the single most important element of NDC partnerships’ succession strategies. There are at least three distinct elements to this.

7.20 First, NDC partnerships are exploring ways to ensure the maintenance of the levels of public expenditure in their areas. For example, Fulham NDC has signed a detailed service level agreement with the PCT to ensure the continued delivery of NDC outcomes. The NDC partnerships health coordinator is now based within the PCT, one element in a partnership-based succession strategy.<sup>148</sup>

7.21 Second, as described earlier (5.26), NDC partnerships have been taking steps to embed their often innovative approaches across wider areas, but in ways which will continue to benefit NDC areas.

<sup>145</sup> CLG (2008) Programme note 44: Sustaining the benefits and improvements in NDC areas: Guidance on requirements for succession strategies and the approval process.

<sup>146</sup> CLG (2008) Working with Local Strategic Partnerships and Local Area Agreements: Some lessons from the New Deal for Communities Programme.

<sup>147</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>148</sup> CLG (2010) Improving health outcomes in deprived communities: evidence from the NDC Programme.

- 7.22 Third, NDC partnerships have been seeking financial support from mainstream agencies to ensure that the interventions they have funded survive once their own funding has come to an end. In Plymouth, the NDC partnership funded eight police officers plus a sergeant locally, and the effectiveness of the investment was recognised by the police, who brought in officers to replace them once NDC partnership funding ended.<sup>149</sup>
- 7.23 Of course some projects are intrinsically short lived, and require no further support. As part of its succession planning Liverpool NDC has reviewed all its projects in order to distinguish:
- projects whose future funding is already in place
  - projects that require assistance for the development of a business plan
  - projects that will come to an end.<sup>150</sup>

## Conclusions: The prospects for sustainability

- 7.24 NDC partnership staff interviewed about the sustainability of interventions are generally (and unsurprisingly) optimistic about the prospects. But short-life area programmes' succession strategies always have to cope (by definition) with unknown and uncertain futures, for example about the policy framework and political priorities, or the state of the economy. In the current climate, plainly, that is a major concern, recognised in CLG's 2008 guidance: *'it must be recognised that the context for planning succession strategies has changed since the preparation of earlier guidance. The current pressures on government finances are likely to have an impact on any possibility of the availability of additional financial support'*.<sup>151</sup>
- 7.25 Beyond that, evidence from this evaluation and the experience of previous programmes suggest there may be three additional sets of **risk factors**:
- **maintaining community engagement:** although the CLG criteria require NDC partnerships to indicate how community engagement and empowerment will continue, this is not just a question of how institutions operate or how agencies behave; this will require the continued commitment of the communities themselves; even during the Programme, some NDC partnerships have reported interest amongst resident board members has been 'tailing off' as boards have fewer decisions to take and less money to spend; it may prove difficult to sustain widespread community interest when there are fewer resources available for them to influence

<sup>149</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme.

<sup>150</sup> CLG (2010) Improving attainment? Interventions in education by the New Deal for Communities Programme.

<sup>151</sup> CLG (2008) Programme note 44: Sustaining the benefits and improvements in NDC areas: Guidance on requirements for succession strategies and the approval process .

- **maintaining partners' interest:** although NDC partnerships are working to create structures that will maintain partners' focus on their areas, there is a concern that once less funding is available, NDC areas will prove less attractive to partners whose own financial resources are likely to be stretched as public expenditure is reduced; at the very least, it is likely that successor bodies will have less senior partner representation than has been the case with NDC partnerships
- **the fragility of revenue streams:** the ability of NDC partnerships' capital investments to generate the kinds of revenue streams needed to sustain significant local activity depends, among many other things, on what happens in an increasingly unpredictable property market.

# Chapter 8

## Reflections on the NDC model

### Introduction

- 8.1 *In Bringing Britain Together*<sup>152</sup> the Social Exclusion Unit (SEU) had estimated that there may have been as many as 4,000 deprived neighbourhoods, yet the New Deal for Communities (NDC) Programme focused on only 39. A report from the Prime Minister's Policy Unit in 2005<sup>153</sup> estimated that eight million people were living in deprived areas, but as the interim evaluation report pointed out, 'The total population of those living in NDC areas amounts to one-twentieth of that figure.'<sup>154</sup> The Prime Minister had suggested in the foreword to *Bringing Britain Together* that NDC partnerships could become '*...showcases, models of what can be achieved*'. As with earlier small-area initiatives, the justification for a Programme which focused on a handful of all the deprived neighbourhoods lay in its status as a demonstration project.
- 8.2 There are numerous examples, some chronicled in this report, where NDC partnership innovations have been rolled-out to other areas in the same local authority district. However, there were inevitable constraints on the replicability of NDC interventions: it is not clear how neighbourhoods *not* enjoying a core grant of around £50m over 10 years could reproduce what NDC partnerships had done.
- 8.3 This final chapter offers some reflections on what a decade of the NDC model has told us, reviewing:
- the operation of 'autonomous' partnerships
  - how partnerships have pursued a neighbourhood focus
  - developing and sustaining a 10-year transformational strategy
  - the policy implications: the role of central government
  - the future for area-based initiatives (ABIs).

<sup>152</sup> SEU (1998) *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*.

<sup>153</sup> Prime Minister's Strategy Unit/ODPM (2005) *Improving the prospects of people living in areas of multiple deprivation in England*.

<sup>154</sup> ODPM (2005) *New Deal for Communities 2001–2005: An interim evaluation*.

## The autonomous partnership

- 8.4 After initial teething problems in some cases, all 39 NDC partnerships settled down, with almost all expecting to continue in some form after the core funding period has finished. As we discuss in more detail in Volume 3,<sup>155</sup> the intense focus that a locally-based partnership can bring to a neighbourhood unquestionably affects how residents view it. In 2008 60 per cent of those who had heard of the NDC partnership thought it had improved the area although, 22 per cent had still not heard of it.<sup>156</sup>
- 8.5 Central to the autonomy of the NDC partnerships was the principle of governance by boards that were designed to be representative of local communities, and to involve key public agencies. For almost all those on partnership boards, the duties and responsibilities that came with membership were quite new. Inevitably it took time for board members to come to terms with their responsibilities, and in some cases, even after some years of operating it was still difficult to get boards to concentrate on strategic issues rather than detail.
- 8.6 These problems affected not just community representatives. As one local authority representative said:
- 'Partners often arrive with a defensive attitude, they bring their day job role with them, rather than that of NDC board member, perhaps there should have been some training to help them adjust to their role. Partners thinking there was a pot of money in which they could get their snout wasn't the most helpful of attitudes'.<sup>157</sup>*
- 8.7 Generally as the NDC Programme matured, boards settled down and were able to deliver their responsibilities effectively and amicably. However, the novelty of the Programme, and particularly its 10-year timescale, continued to present challenges. What was not clear at the start was the extent to which the role of boards would change over time. At the beginning, their focus was on strategy development and approving expenditure. For many NDC partnerships, by year six or seven, major spending decisions had been made, and the board's role shifted to the arguably less exciting task of Programme monitoring and evaluation. Not all board members coped with the transition successfully, perhaps because monitoring and evaluation offer less exciting challenges than devising visions and authorising expenditure.

<sup>155</sup> CLG (2010) Making deprived areas better places to live: Evidence from the NDC Programme.

<sup>156</sup> CLG (2009) An Overview of Cross-sectional Change Data 2002–2008: Evidence from the New Deal for Communities Programme.

<sup>157</sup> CLG (2010) What works in neighbourhood-level regeneration? The views of key stakeholders in the New Deal for Communities Programme

- 8.8 One of the most striking features of this review of the NDC Programme model is the extent to which the scale of what is required to start a brand new organisation was underestimated. With hindsight a development year would have been helpful.

## A neighbourhood focus

- 8.9 The NDC experience suggests that adopting a focus on a 'neighbourhood' is far from straightforward. We have discussed the data problems partnerships faced (4.8). Beyond that there were also real issues in identifying 'natural' boundaries of neighbourhoods, and in establishing neighbourhoods that were recognisable to the people who lived there. And these difficulties fed through to the development of strategy. All NDC partnerships developed a vision, but few attempted to define the function of the area. In a number of cases, NDC areas had become deprived precisely because the neighbourhood's function had changed: for example, areas that had been dormitories for nearby industry lost their industrial 'raison d'être'. Yet NDC partnerships rarely tried to define an alternative function, towards which they could shape their interventions.
- 8.10 The logic behind stimulating a locally-designed neighbourhood focus reflected the urban policy mantra that one size does not fit all: local design was expected to produce locally appropriate solutions. Yet in practice there were similarities between NDC partnership strategies, despite the substantial differences between NDC areas. Partly this reflects the fact that all were expected to address the same three people, and same three place, outcomes. Nevertheless, one might have expected to see greater variation in strategic priorities, given the extent of the local discretion left to NDC partnerships.
- 8.11 Not all NDC partnership representatives welcomed either the size of neighbourhood they were asked to work with, or the range of outcomes they were expected to address. And the two issues are related: some of these outcomes are more appropriate to neighbourhoods with about 10,000 inhabitants than others. With community safety and the environment, the case for intervening in small neighbourhoods, like NDC areas is strong; with other NDC outcomes, like worklessness and the economy or secondary education, the case is less clear cut. Perhaps future area-based programmes might offer partnerships the opportunity to function within different boundaries for different policy objectives, an approach adopted in practice by some NDC partnerships.

## The holistic 10-year strategy

- 8.12 The National Strategy for Neighbourhood Renewal (NSNR) was explicit about the inadequacy of the shorter-life programmes against the scale of problems faced, endorsing another of the mantras of urban policy, that there are no quick fixes. Certainly earlier programmes that had had five year timescales (City Challenge) or a maximum of seven years (the SRB) had not succeeded in transforming their neighbourhoods in their allotted span. But the experience of the NDC Programme reveals that there may be difficulties in managing comprehensive regeneration programmes over a 10-year period.
- 8.13 There is some evidence that much of the change NDC partnerships have stimulated occurred in the first five years of their lives, raising questions about the value of the whole period. Given that the role of the short or fixed-life area programme is to catalyse processes of change rather than manage it all, perhaps these processes can be stimulated in less than 10 years, at least in some neighbourhoods.
- 8.14 But there are also doubts about whether it is possible to establish a realistic plan for a 10-year period. NDC partnerships were required at the start of the Programme to set targets across the whole range of outputs, and even though these have been refined, they are still expected to meet targets set 10 years ago, irrespective of the demographic, economic or policy changes there have been in the meantime.
- 8.15 That said, there have been distinct advantages in the length of the NDC Programme, which has allowed the development of close relations with a number of key agencies, and allowed NDC partnerships to build up awareness and trust in local populations. Given that NDC partnership objectives include physical transformation, and in some cases involve large-scale redevelopment, lengthy timescales are required to deal with consultation, planning, financing as well as construction. However, what is not clear is that 10 years is equally appropriate for each quite different NDC partnership area. If further ABIs should ever be contemplated, there is a case for allowing some flexibility and variations between areas in the period of operation.
- 8.16 The evaluation has also confirmed the value of a holistic approach: there are examples where improved outcomes or the scale of spend in one outcome area is positively associated with improvements in another.

## The role of central government

- 8.17 Since the start, NDC partnerships have been highlighting what is seen as a contradiction between a community-led, locally governed Programme and the requirements of central management and monitoring. NDC partnerships have not always felt that they have the freedom to determine their own priorities.
- 8.18 Whatever impressions may have been given in the early days about local autonomy, there were always going to be mechanisms to account for the expenditure of public money, over its lifetime the Programme involved almost £2bn in NDC grant. Moreover, since the NDC model was thought to be innovative, it was therefore important to establish not just what was spent, but also what had been achieved, in order to help identify whether or not the model had 'worked'.
- 8.19 But perhaps with hindsight, these tensions arose because of ambiguities about what 'community leadership' actually means. A phrase used in meetings with community representatives at the start of the NDC Programme was 'it's your money.' Of course for those with any knowledge of public policy and the rules of public expenditure, it is quite clear that the phrase was not meant to be taken literally: it meant that this was money over which communities would have substantial influence before it was spent following the conventions of public accountability. But there were community representatives who genuinely could not understand, if it was their money, why anyone should limit their freedom by insisting on appraisals, monitoring and financial reporting?

## What future for ABIs?

- 8.20 The evidence of outcome change presented in Volume 6<sup>158</sup> suggests that across at least some key indicators, and especially those to do with place, NDC areas have seen a closing of the gaps with both national, local authority and comparator-area, equivalents. But this is not the case for all indicators by any means. Evidence from the evaluation thus suggests that area-based interventions to tackle concentrations of deprivation are no substitute for properly-funded mainstream programmes, sensitively delivered. Nevertheless, they do still appear to be an appropriate vehicle through which to attack some of the problems faced by deprived individuals in disadvantaged areas, particularly those that are primarily 'place-related' such as housing and the physical environment, and crime.

<sup>158</sup> CLG (2010) The NDC Programme: Assessing impact and value for money.

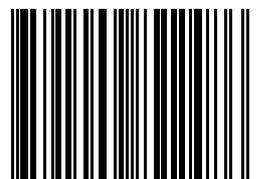
- 8.21 Furthermore, where ABIs are structured like NDC partnerships, with (relatively) autonomous boards assuming overall responsibility for strategic direction, they offer a mechanism to build up a reservoir of professional and practical expertise in the neighbourhoods concerned within the organisations of partner agencies. They can also help develop capacity within local communities to articulate local needs to the managers of public services. This perhaps suggests a role for the ABI as a way of establishing some form of neighbourhood management that has a permanent role, after the ABI funding is complete. We still know too little about what survives after ABI funding ceases (and why), but the succession strategies of a number of NDC partnerships suggest that they see neighbourhood management as a possible route to sustainability.
- 8.22 While there is a continued role for ABIs, this evaluation has also revealed (or more accurately confirmed) the limitations of the time-limited ABI:
- the transformation of massively disadvantaged areas will not be completed with the life span of a short-life ABI, even one of 10 years; as one resident board member described it to the National Audit Office (NAO), the NDC process is about going *'beyond the 10 years, 20 years or 30 years and ensuring that after funding has come to an end that momentum is maintained and moves to a different plateau'*<sup>159</sup>
  - special regeneration funding through ABIs is not sufficient to transform neighbourhoods; it is vital not to underestimate the importance of recognising that spending through the NDC programme is trivial in comparison with overall public expenditure
  - it is not possible to regenerate disadvantage neighbourhoods simply from within those neighbourhoods: ABI strategies need to be firmly embedded in a wider framework of district, sub-regional and regional strategies.

<sup>159</sup> NAO (2004) An early progress report on the New Deal for Communities Programme.

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