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Cambridge Centre
for Housing &
Planning Research

Achieving local economic change: what works?

Executive summary



Local Trust

About this version

This is an executive summary of a longer report which is available at localtrust.org.uk/insights/research/achieving-local-economic-change.

The research was commissioned by Local Trust and carried out by Professor Pete Tyler, Dr Gemma Burgess, Kathryn Muir and Dr Katayoun Karampour of the Cambridge Centre for Housing and Planning Research and published in October 2019. The researchers were required to undertake a rapid review of evidence on the impact of British regeneration policy and to seek the views of a number of regeneration experts. Thanks to everyone who participated.

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Cover photo: Grace Mary to Lion Farm Big Local, Sandwell, West Midlands.
Photo credit: Local Trust



Foreword: Matt Leach

Local Trust

Local Trust was established in 2012 by the National Lottery Community Fund to administer the Big Local programme – one of the most radical experiments in community-led change ever launched by a major national funder. Each of 150 neighbourhoods in England were allocated £1.1m for the community itself to spend on improving their local area. The money – which can be spent over a 10 to 15 year period – goes direct to resident-led community partnerships, who make all the decisions on how it should be used, on the basis of extensive community research and engagement.

At one level, the programme is catch-up funding, helping address the long-term social and economic prospects of communities across England that were judged as having missed out on their fair share of lottery and other public funding. However, the Big Local programme has been designed to do more than this; also providing a powerful platform from which to build the confidence and capacity of those communities to benefit them in the longer term.

The activities and initiatives that Big Local areas have chosen to support reflect the diversity of the communities themselves. They include everything from building affordable homes to tackling antisocial behaviour; creating or preserving community facilities, parks and sports centres; launching new training and employment schemes; tackling local health and environmental issues; and work on community cohesion.

Prompted by conversations with residents across our areas, Local Trust wanted to investigate how place-based economic

change at the neighbourhood level can provide long-term benefits for local communities and the role that residents could play in driving these changes.

This research takes an important step in helping us to do this. It allows us to better understand the potential of place-based initiatives to deliver economic benefits at the neighbourhood level; the role that residents can and must play in creating the conditions for economic prosperity in the long-term; and the learning we can gain from previous area-based initiatives that have had a positive impact on deprived neighbourhoods, hopefully helping to influence any new programmes being developed in the future.

We welcome the report's findings that place-based funding should be invested into hyper-local neighbourhoods over a long-term period; that it should provide the flexibility to allow communities to find the bespoke solutions necessary to tackle the nuanced issues of each place; and, that the most successful initiatives, historically, have been those which offer the most opportunity for residents to influence the decision-making process.

We look forward to this report deepening the conversation about place-based funding. We hope that it will influence the development of place-based funding initiatives, including the upcoming Stronger Towns Fund. And – over the longer term – help contribute to the evidence base for ensuring that local communities are designed into any new national programmes for economic regeneration and renewal.

Matt Leach
Local Trust

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Introduction

Since the late 1980s, successive governments have sought to include local stakeholders in the delivery of regeneration funding. Communities have been invited to decide boundaries, lead local partnerships and determine the type, scale and duration of area-based initiatives. This research examines the impact of these community-led partnerships in deprived areas and explores which characteristics make them successful in achieving local economic change.

The research team reviewed evidence from forty years of English regeneration initiatives and interviewed expert practitioners about what works. Local Trust commissioned the research from the Cambridge Centre for Housing and Planning Research, to inform proposed new government initiatives such as the Stronger Towns Fund. The findings support a place-based approach at the neighbourhood level, built on a community-led partnership model.

We commissioned this research to better understand what drives economic change in deprived or left-behind areas and to explore whether the characteristics at the heart of the Big Local programme are factors for success in other initiatives.

The seven characteristics examined in this research are:

- communities of between 5 and 15,000 people
- control of decisions, design and resources by local people
- basic social infrastructure already in place (such as a meeting space or community association)
- holistic approaches which take account of broader issues, not just jobs and training
- bespoke approaches, rooted in each area's particular characteristics
- long-term, consistent commitment over 10 to 15 years
- connection with economic opportunities beyond the immediate area.

Methodology

To test these characteristics, Local Trust asked researchers from the Cambridge Centre for Housing and Planning Research to undertake a rapid review of evidence on the impact of English regeneration policy over the past 40 years.

The research team reviewed evaluations of programmes with characteristics matching those listed above. Interviews with regeneration experts explored their views on these characteristics and on the main lessons from community-based initiatives. (Interviewees had experience of different initiatives, so the interviews represent a collection of views, not a thematic analysis. The experts were professionals who had been responsible for developing policy initiatives or overseeing their implementation, as well as leading academics in the field).

The research uses two definitions of economic change:

- broad definition: outcomes that, together, influence the neighbourhood's attractiveness as a place to live and work
- narrow definition: outcomes around economic deprivation, such as worklessness.

There is no single definition of a 'deprived neighbourhood'. Problems typically include a distressed labour market, poor housing and worn-out infrastructure. Residents often experience higher levels of ill-health and crime. The relative incidence of these factors is much greater than that in surrounding areas and nationally. Different problems interact in complex ways over which residents have no control. More recently, there has been a tendency to define such communities as being 'left behind'.

The rationale for policy intervention is that action by market and mainstream service-providers cannot, on its own, change things significantly within an acceptable timeframe. Over the last forty years, an array of initiatives has addressed the needs of deprived areas. Piecemeal approaches have often brought improvements for individuals or for a time without turning things round long-term. Positive impacts have been offset by adverse market or policy changes. Nevertheless, programmes demonstrate promising approaches on which both future policy and neighbourhood action might build.

Summary of findings

- community-led partnerships adopting a strategic, holistic approach to area regeneration have achieved positive change. The New Deal for Communities offers a solid model
- these partnerships are particularly important in overcoming boundaries between sectors
- community-based regeneration initiatives must be delivered over a long time for impacts to be sustainable.

The best-performing partnerships tend to have:

- the largest percentage of resident members and agencies on their boards
- larger, growing populations: a catchment area of around 10,000 people seems to be a good size.

Success factors include:

- existing social infrastructure, such as community associations
- a bespoke, holistic approach, that looks beyond worklessness
- connection with economic opportunities outside the immediate neighbourhood.

Barriers to success:

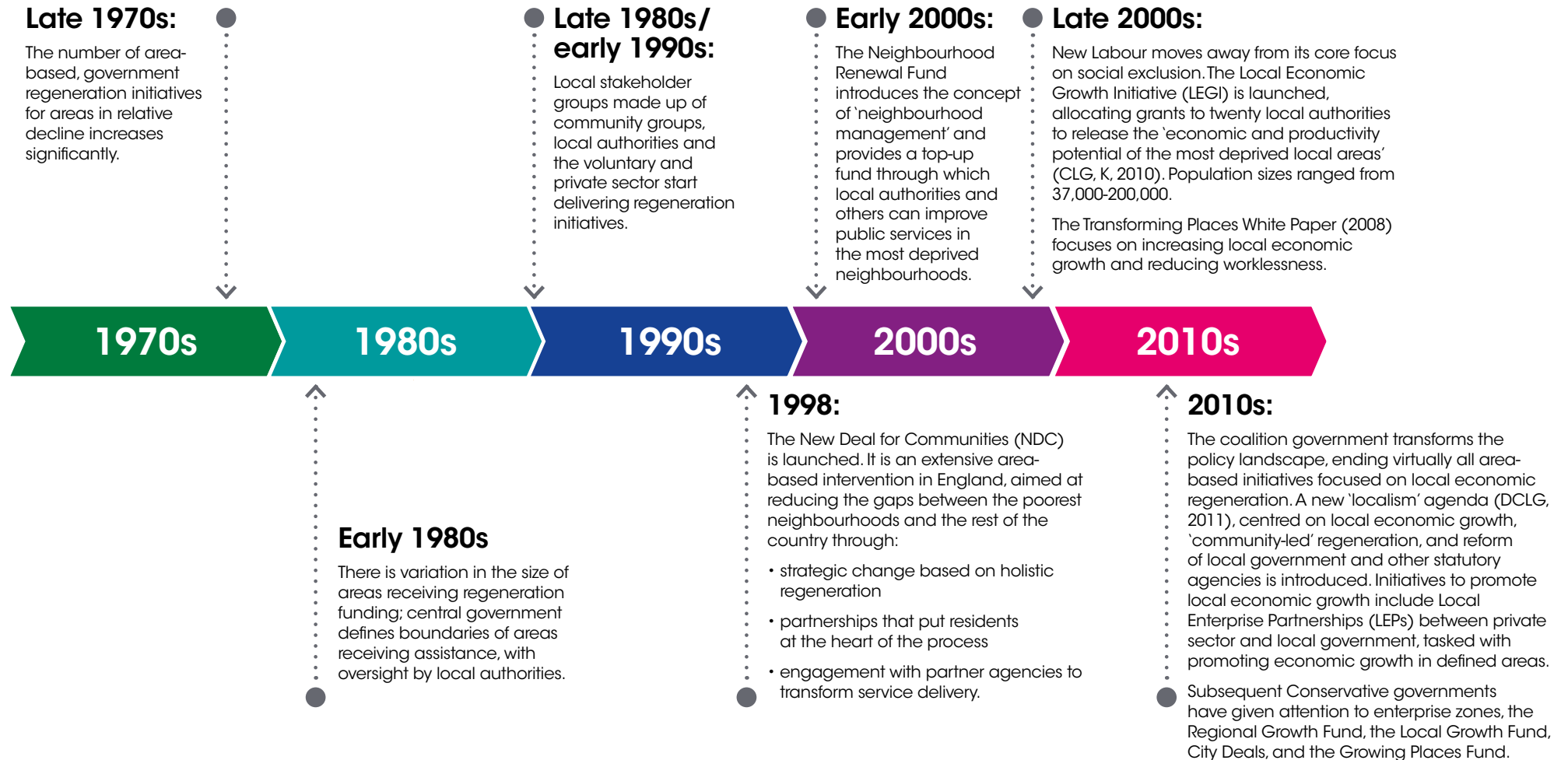
- insufficient timescales and resources
- poorly designed engagement with residents
- weak links between business and communities

- disconnection between neighbourhood activity and national policy
- pressures from austerity policies.

Recommendations:

- appointing community liaison officers to act as 'area ambassadors' to relevant agencies
- engaging business mentors to connect the community with local businesses and bodies such as local enterprise partnerships (LEPs)
- resources to help communities articulate local economic plans, with funding drawn from the Stronger Towns Fund
- development of a national spatial strategy to promote greater understanding of neighbourhood work at the national policy level and reinforce local action to integrate left-behind areas into the wider economy.

The evolution of regeneration policy



Testing the characteristics

The research team tested Local Trust's hypotheses against evaluations of previous initiatives and the views of expert practitioners. Of all the programmes, the New Deal for Communities provided the nearest fit overall. It was also clearly a benchmark for the interviewees.

Quotes in this section are from interviews conducted as part of this research.


Size of catchment areas

Interviewees differed on the best size of community to work with. Some thought very local work was effective; others felt the benefit was limited without links to the wider economy. The appropriate geography might vary depending on specific activities, such as education or employment.


However, some evidence does suggest that a geographic focus of around 10,000 people is helpful, although a slightly larger catchment would be a better fit with some service providers (CLG, G, 2009). In general, smaller areas are more relevant to a community service provider such as the police; larger areas work better for service provision relating to economic development.

Community engagement and empowering local people

Many interviewees considered local control of projects extremely important. Input gave local people ownership of initiatives, making a deeper impact more likely:

 **It's got to be owned within that place for it to have a lasting impact and potential.'**

The NDC evaluation provided clear examples of community engagement making a difference. But developing resident involvement presented significant issues (CLG, G, 2010). Engaging with communities needs a lot of work. There is a risk that only the 'usual suspects' take part; they may not represent the whole community.

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

Seeking out people requires time, resources and effort. Those running schemes may need training in how best to foster interest.

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

Building trust must come early. People in disadvantaged communities often had negative experiences of engagement. What projects ask must be realistic.

“ ... they will have seen waves of public initiatives and broken promises. You need to convince people that you’re in it for the longer term and it’s not another time-consuming exercise that’s going to get put on a shelf.”

Devolution of power must be genuine. Several interviewees criticised consultations that gave communities fixed options rather than enabling them to set the agenda.

There was a broad consensus that time and resources needed to go into building community capacity. People were often unfamiliar with decision-making processes, lacked their own networks and had little experience of controlling resources. But building capacity can only start once people decide to get involved and making schemes exciting and engaging is key.

“ The ability to sell the idea, and to engage, energise, just get people really excited and motivated around the possibility, is probably the most important starting point.”

The role of existing infrastructure

Many interviewees stressed the value of existing strengths and knowledge in the area. This could be physical, such as a community building, or social, such as community leaders. For some, creating a local asset base specifically in the hands of community-based organisations was a priority.

Its strong asset base and substantial funding were seen as positive attributes of the NDC, although its management could be bureaucratic and top-down. By contrast, the Single Regeneration Budget was praised for being flexible, funding different things in different areas.

Creating dedicated, community-based partnerships for neighbourhood renewal

In general, community-led partnerships have achieved positive change following the broad definition, with greater success in aspects related to place. However, there is considerable variation between partnerships. The best-performing partnerships were those with:

- the greatest numbers of residents and agencies on boards, and those with larger boards
- engagement with larger numbers of agencies (CLG, E, 2010).

Interviewees differed as to how programmes should be managed. One said that they should be fully managed by community groups. Another said that the institutions managing the project must be stable enough to offer investors security. One stressed the importance of clear and flexible processes.

A holistic approach

Interviewees stressed that programmes should engage with key stakeholders as well as with local people. Most listed a similar set of partner organisations, including local authorities, businesses, transport providers, schools and other educational bodies, housing associations and faith organisations.

A bespoke approach

Interviewees emphasised that no one solution will work in every community. Work must be done to understand local problems and find best solutions.

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

Several said that projects should prioritise improving quality of life.

W There tends to be too much focus on hard economic outputs: job outcomes, investments, numbers of businesses, that kind of thing ... a lot of the issues are focused on the people in an area.'

A bespoke approach could, however, bring problems. Some felt that the NDC zoned in too much on residents in narrow geographical areas.

W The problem with those area-based initiatives has always been that they are disconnected from wider strategies ... they don't overall transform the economies of those neighbourhoods ... They're about helping individuals to better compete in labour markets...'

A long-term commitment

A general criticism was that initiatives were too short and, with constant changes of policy direction and types of intervention, fixed on rapid, demonstrable results.

W It takes decades to build the institutions of civic society and this had not been recognised enough in the delivery of local development policy.'

Almost all interviewees agreed on a timescale of at least seven to ten years.

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

The New Deal for Communities (NDC) purposely adopted a ten-year timescale. Interviewees believed this brought positive outcomes.

W **The projects ... made visible changes to places: if you go and visit them the memories and facilities are still there, groups ... are still going, and the benefits cross a wide range of different activities from jobs to education to health.**

The NDC evaluation (CLG, G, 2010) confirmed that this timeframe allowed areas to develop long-term plans, establish good relationships with agencies and build influence locally. It concluded that:

- different policy objectives require different timescales: for example, tackling local environmental problems may need funding for three to four years, while major physical development may need at least ten years
- change over ten years will still be fragile and will require support beyond that lifetime (CLG, G, 2010).

Connecting beyond the programme area

Interviewees recognised the need for neighbourhoods to connect with external economic opportunities. Lack of commitment from central government—and the lack of a national regeneration strategy—could make this difficult. Several considered centralised decision-making and finance a disadvantage, restricting local authorities' ability to set their own policies.

W **It's an absurd situation that you find in barely any other country ... where something as distinct as local labour market, welfare and skills policies are determined centrally.'**

Austerity has dramatically reduced local authorities' ability to fund any services beyond core ones. This was cited as a major barrier.

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

Interviewees felt that both local authorities and central government lacked understanding of community-led neighbourhood activity. The introduction of Local Enterprise Partnerships (LEPs) had contributed to this problem.

W **The localism agenda from 2010 onwards seems to have not really considered how the very local level relates to the geography of local authorities and LEPs ... We need to see LEPs doing more to bring the different geographies and parties together.'**

The research team also assessed efforts to reduce worklessness, which are often central to initiatives in deprived communities.

Job brokerage

This is a programme that helped those out of work to access employment and training and supported recruitment services for local businesses, often through dedicated employment liaison officers (CLG, B, 2009). A survey of six such NDC schemes (Hanson, 2004) found over 300 respondents gaining (mostly full-time) jobs.

Job brokerage connected with hard-to-reach groups and helped improve personal as well as work skills. It was most effective when projects were embedded in the local community, with a good understanding of local networks and employers, and support packages tailored to individual need. (Walton et al, 2003).

Business brokers and mentors

This was a very effective way of linking local businesses with communities (CLG, B, 2009). Employment liaison officers sought to identify vacancies with local employers, assess their requirements and make them aware of residents looking for work. Business mentors have become central to recent funding initiatives. Business in the Community is currently providing business mentoring to social enterprises in deprived areas of London.

The intermediate labour market

This offers a bridge back into work, with a paid placement combined with training, personal support and job search. A number of NDCs successfully offered placements of a year or more using this model. Such projects had to be sufficiently flexible to meet the needs of clients and overcome welfare barriers. Employers

needed support to ensure retention rates. An effective partnership with JobCentre Plus was essential, highlighting the importance of integrating projects with wider employment strategies (Green and Sanderson, 2004).

Supporting local businesses

New business start-ups and self-employment are often seen as ways of providing new jobs and services. A number of programmes offered business support, for example, loans, advice services or improved premises. However, evidence from the SRB showed that facilitating start-ups and micro-businesses requires targeted and selective support. Success may be short-term, with only a modest number of jobs created and those finding work moving away (Syrett and North, 2006). Business support tended to be relatively expensive, with a proportion of jobs leaking out to residents in other areas (CLG, B, 2009).

Community-based enterprises

Stimulating enterprise at the neighbourhood level can provide jobs for disadvantaged groups, help residents get work-ready and fill gaps in services (Crisp et al, 2016). These enterprises take many forms, encompassing housing, co-operatives, credit unions, development finance, energy, local exchange trading schemes, time banks and land trusts. Community-based enterprises provide a small, but important, source of income and employment that stays in the area and can be of significant value for specific individuals or groups.

Conclusion

Community-led partnerships operate at the margin: the economic prospects of communities tend to be largely shaped by larger trends and currents such as levels of spending on mainstream public services. Nevertheless, the evidence shows:

- community-led partnerships adopting a strategic holistic approach to regeneration have, in general, achieved positive change. The New Deal for Communities offers a solid model for this approach
 - community-based regeneration initiatives must be long-term if they are to have sustainable impacts
 - community-based interventions can bring about positive change when it is broadly defined. The evidence for the narrow definition of economic change is more limited. The best performing areas tended to have the largest number of resident members and agencies on their boards. A catchment of or around 10,000 is helpful
 - in many deprived areas links between business and community are weak. This inhibits the development of a combined agenda.
- The case for a sustained government commitment to invest in left-behind areas is clear. Crucially, economic opportunity in these areas must be increased. This research lends support to a neighbourhood-level, place-based approach to addressing the needs of left-behind areas, building on a community-led, partnership-based model.

Recommendations from the Cambridge Centre for Housing and Planning Research:

Recently announced initiatives, such as the Stronger Towns Fund, are being developed against a debilitating backdrop of years of austerity and public sector cuts. If these new initiatives are to have an impact at the neighbourhood level, they should incorporate the following features:

- support for communities to develop their capacity and articulate local economic plans, LEPs working with a local business, local authorities and relevant government agencies. The Stronger Towns Fund could help community-based partnerships develop enterprising place agendas
- an ambassador or community economic-development officer for each left-behind area, to advance its interests with the LEP and other relevant agencies
- business mentors to represent the community and local businesses and connect with bodies such as LEPs
- a national spatial strategy, to help left-behind areas better integrate into the wider economic system from which they have become increasingly dislocated.

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What can be learnt from 40 years of local economic regeneration policy?

Since the late 1980s, successive governments have sought to include local stakeholders in the delivery of regeneration funding. Communities have been invited to decide boundaries, lead local partnerships and determine the type, scale and duration of area-based initiatives. The research team reviewed evidence from forty years of English regeneration initiatives and interviewed expert practitioners to examine the impact of these community-led partnerships in deprived areas and explore which characteristics make them successful in achieving local economic change.

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About Cambridge Centre for Housing and Planning Research

Led by Dr Gemma Burgess, the Cambridge Centre for Housing and Planning Research (CCHPR) is a University of Cambridge Research Centre with an international reputation as a leading academic research institution in the fields of housing and planning. Our team of researchers undertake policy-oriented research on all issues affecting housing and land use, and the Centre has a proven track record of providing the evidence and analysis to influence and support better policy and practice.

About Local Trust

Local Trust was established in 2012 to deliver Big Local, a unique programme that puts residents across the country in control of decisions about their own lives and neighbourhoods. Funded by a £200m endowment from the Big Lottery Fund - the largest ever single commitment of lottery funds - Big Local provides in excess of £1m of long-term funding over 10-15 years to each of 150 local communities, many of which face major social and economic challenges but have missed out on statutory and lottery funding in the past.

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