

Achieving local economic change: what works?

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About this research

This research examines the impact of community-led partnerships in deprived areas and what makes these successful in achieving local economic change. The research team reviewed evidence from forty years of English regeneration initiatives and interviewed expert practitioners on what works. Local Trust commissioned the research from the Department of Land Economy, Cambridge University, to influence the delivery of the Stronger Towns Fund and other related government initiatives.

The findings support a place-based approach at the neighbourhood level that enhances the level of economic opportunity available to residents in deprived areas. The approach should be built on a community-led partnership model.

Introduction

Local Trust wants to identify what drives and supports positive economic change in deprived or left-behind areas. Local Trust is responsible for delivering the Big Local programme, which is supporting residents in 150 communities across England over 10 to 15 years to improve their areas, drawing on £1.1m each of lottery funds. In many of those communities, Big Local residents have been seeking to influence and improve their local economies. Local Trust is also supporting the development of an alliance for a community wealth fund. This proposes a multi-billion-pound fund be created to support left-behind communities, drawing on dormant assets and private sector contributions.

In order to inform the policy and practice of government, Local Trust is seeking to test the hypothesis that successful, positive economic change can be obtained in deprived, left-behind areas, if the following characteristics are in place:

- communities of between 5,000 and 15,000 people
- local control of decisions and resources, with local people identifying their own needs and opportunities and designing their own solutions
- basic social or civic infrastructure already in place, such as a meeting space, at least one community association and a core of actively engaged local people
- holistic approaches, which take account of broader issues, such as transport and childcare, as well as jobs and training
- bespoke approaches, rooted in the particular characteristics of each area
- long-term and consistent commitment over 10 to 15 years
- connecting local interventions with economic opportunities outside the immediate area.

To test these hypotheses, Local Trust asked the Department of Land Economy in the University of Cambridge to undertake a rapid review of evidence on the impact of British English regeneration policy over the past 40 years.

The research team reviewed evaluations of regeneration programmes with characteristics matching the Local Trust hypothesis. Interviews with regeneration experts explored their views on how these characteristics contributed to projects, and on the more general lessons from community-based initiatives (see Box 1). The experts were drawn from professionals who had been responsible for developing policy initiatives or overseeing their implementation, as well as from leading academics in the field. The researchers conclude with suggestions as to how these characteristics can best be utilised within the new policy landscape.

When considering 'success', the research team used both broad and narrow definitions of economic change:

- The broad definition considered outcomes that, taken together, influence the attractiveness of the neighbourhood as a place to live and work. These might include education, health, housing and the physical environment, community and crime, as well as economic deprivation.
- The narrow definition focuses specifically on outcomes around economic deprivation, such as worklessness.

Many of the studies and initiatives also distinguish between 'place-related outcomes', such as fear of crime, housing and the physical environment, and 'people-related outcomes', such as health, education and worklessness.

A note on the interviews

Interviewees were asked what they saw as the strengths and weaknesses of government initiatives that aimed to improve local economic development. Interviewees spoke about different schemes; many only had experience of one particular project. There was consensus, but also points of disagreement. The interviews therefore represent a collection of views on different schemes rather than an overarching thematic analysis.

What do we mean by regeneration?

HM Treasury has defined regeneration as 'the holistic process of reversing economic, social and physical decay in areas where it has reached a stage when market forces alone will not suffice' (ODPM, 2004).

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 (Tyler et al, 2017).

Regeneration initiatives require a strategic approach that enables the market, government and civic society to build the asset base of a deprived area and the skills of its residents. Policy measures are needed to improve both the skills of the people living in the place and the attractiveness of the place itself.

There is no single definition of what constitutes a deprived neighbourhood. The problems faced by deprived areas are, typically, a distressed labour market, poor-quality housing and a relatively worn-out infrastructure. Residents often experience higher levels of ill-health and crime. A distinguishing feature is that the *relative* incidence of these factors is much greater than that of surrounding areas and of the nation as a whole. Different problems interact in complex ways. In the most deprived communities,

most residents are experiencing social exclusion. An adverse momentum builds up: the area has a poor image and residents become resigned to a culture of social exclusion and dependence on state income (Brennan et al, 2000). Residents have no control over the degree of exclusion they face (Burchardt, 1999).

More recently, the problem has been seen in terms of communities being 'left behind'. This discussion often focuses on areas much larger than neighbourhoods and, in some case, on regions (Hendrickson et al, 2018). In England, left-behind areas are not only characterised by a high level of deprivation, they usually lack community-based assets and anchor institutions (such as hospitals or utility companies). They are often physically and economically remote (OCSI, 2019).

Over the last forty years, there has been an extensive array of initiatives to address the economic needs of deprived areas (see *Box 2: The evolution of regeneration policy* and Figure 1). Historically, piecemeal attempts to address problems have brought improvements for individuals or for a period of time but have often been unable to turn things round long-term because they have been so marginal in scale. Positive impacts have been offset by adverse changes in the market or mainstream government policy. The economic dimension—in particular, jobs, housing and their interrelationship—is of central importance. Nevertheless, individual projects show promising approaches on which both future policy and neighbourhood action might build.

Findings at a glance

Community-led partnerships adopting a strategic, holistic approach to regenerating their area have achieved positive change. The New Deal for Communities offers a solid model.

To sustain impact, community-based regeneration initiatives must be delivered over a long term, with ongoing support beyond formal programme lifetimes.

The best-performing initiatives tended to have:

- the largest number of resident members and agencies on their boards
- larger, growing populations: a catchment area of around 10,000 people seems to work well.

Success factors include:

- existing community infrastructure, such as community associations
- a bespoke approach, which covers more than worklessness
- connection with economic opportunities outside the immediate neighbourhood.

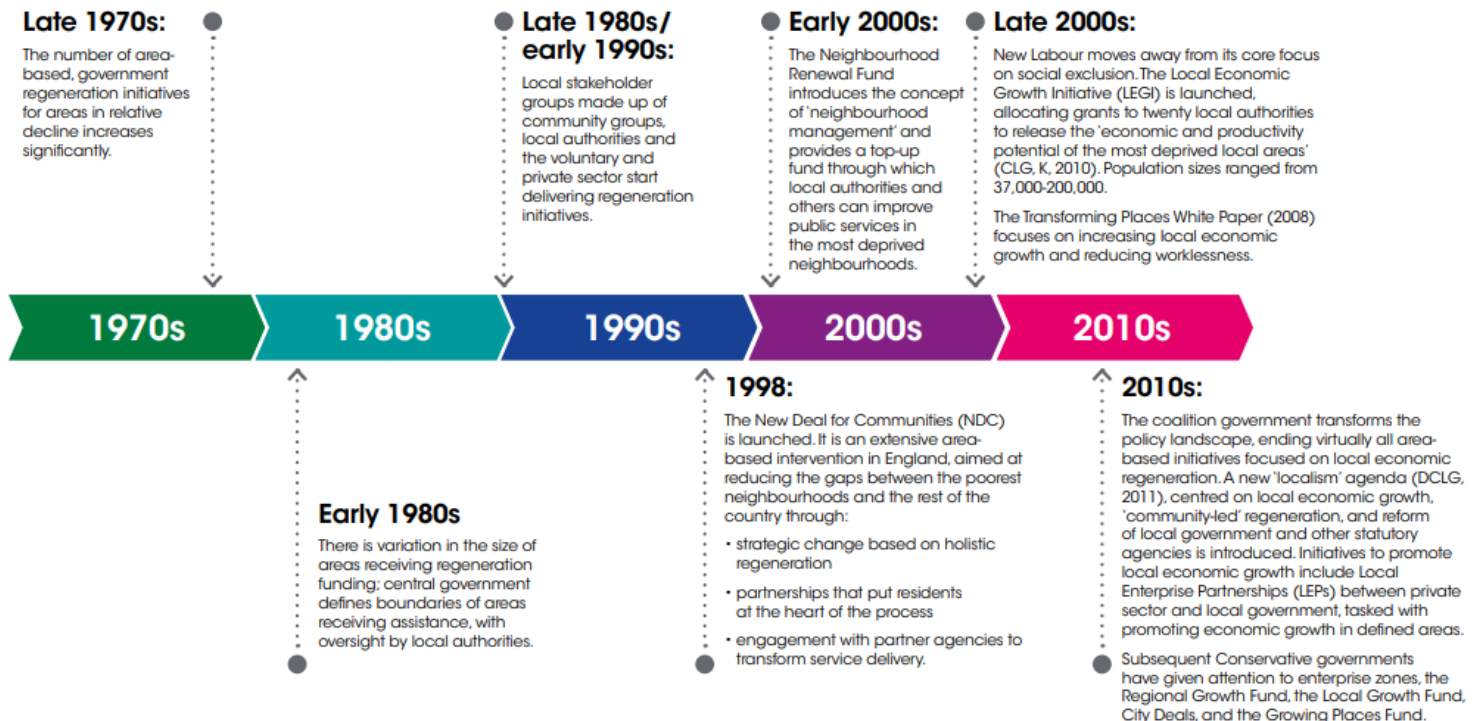
Barriers to success include:

- insufficient timescales and resources
- poorly designed engagement with residents
- weak links between local business and communities
- disconnection between neighbourhood activity and national policy
- pressures from austerity policies.

Policy recommendations include:

- appointing community liaison officers, to act as area ambassadors to relevant agencies
- engaging business mentors to make connections between the community and local businesses, and with bodies such as local enterprise partnerships
- support to help communities articulate local economic plans
- a national spatial strategy and policy initiatives to promote greater understanding of how deprived or left-behind neighbourhoods can be better integrated into the wider economy.

The evolution of regeneration policy



Testing the key characteristics

The research team tested Local Trust's hypothesis against evaluations of previous initiatives and the views of expert practitioners. Of all the programmes, the New Deal for Communities (NDC, see Box 3) provided both the broadest and closest fit with these characteristics. 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

Defining community boundaries is complex. Expert interviewees differed on the best size of community to work with. Some felt very local work was effective. Others thought the benefit was limited without links to the wider labour market or city and regional economy. The appropriate geography might vary depending on its relation to specific activities, such as education or employment. One interviewee was very positive about the Community Economic Development Programme. This funded quite small communities to develop economic development plans, encouraging different organisations within neighbourhood areas to apply in partnership.

However, evidence does suggest that a geographic focus of around 10,000 people is helpful (CLG, G). There is some evidence that a slightly larger catchment would be a better fit with some service providers (CLG, G). In general, smaller areas are of more relevance to a service provider like the police. Larger areas are better for much service provision relating to economic development.

Community engagement and empowering local people

Many interviewees considered local control and ownership of projects extremely important.

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

Input from local people gave them ownership of the 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 community dimension was central to the NDC programme and brought real benefits, according to the evaluation report.

“Programme teams value resident involvement because it brings insight into the concerns and needs of the community.” (CLG, 2010)

Across the NDC programmes, there were clear examples of how community engagement had made a difference. This was especially the case in education services for young people and in reshaping health interventions.

But the evidence highlighted significant issues in developing appropriate ways to involve residents (CLG, B, 2010). Several interviewees emphasised that really engaging with communities needed a lot of work. There was a risk that only the ‘usual suspects’ took part—those already involved in local decision-making who may be acting without support or consensus from the wider community. Some pointed out that NDC partnerships had faced difficulties with this, particularly in the early phases. The community could end up represented by the same set of people, whose views and circumstances may not represent the whole community:

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

“It’s been the same people for years and years. That ceases to be effective.”

Programmes had to be proactive in seeking out and encouraging more people to get involved. This requires time, resources and effort:

“It’s something you’ve got to work at, people don’t naturally just engage with the process.”

Some interviewees suggested that specific interest groups could resist change that might benefit the wider community. Community consultation across a much wider geographical area than the immediate focus of the initiative might be one way to avoid this.

Interviewees emphasised that building relationships and trust must come early in a project. It was important to overcome issues that might cause delay, cost and divisions within the local community. People in disadvantaged communities have often had negative experiences of engagement. They may have been promised economic improvements before. They may be disillusioned and sceptical of how long a programme will run and what it can achieve.

“... 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.”

One expert suggested that the design of schemes often made them difficult to engage with. Those running schemes 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.”

Projects must ensure that what is being asked of people is realistic and appropriate.

“Often [initiatives are driven] by activists who are used to sitting around in meetings and holding forums, but people don’t all interact in that way.”

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

“The community has to feel they have real influence and real power, otherwise they won’t engage.”

Some felt local people should be fully responsible for allocating resources and that this approach could attract more people.

“Local people should decide, do they use their money to set up a credit union, buy a building, start a community transport scheme, or build a youth centre?”

There was a broad consensus that building community capacity was important. Several suggested that skilling up local people to engage in programmes mattered. People were often unfamiliar with decision-making processes, lacked their own networks and had little experience of controlling resources.

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

Building capacity meant spending time and resources. People need support to realise their potential leadership skills and foster the self-belief that they can make a meaningful contribution.

“There are people who will take this forward. But sometimes they need a little bit of encouragement because they probably don’t believe in themselves.”

But capacity building can only start once people decide to get involved. Organisers need to think about how to communicate the opportunities for change. 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.”

Residents are often unfairly criticised for not engaging, according to one interviewee. They may not have been consulted until a late stage or may have decided the initiative was of no benefit to them. Those delivering programmes did not always listen to local people or respond to the needs they articulated. Working with the community at an early stage could truly shape the project to community needs.

The role of existing infrastructure

Many interviewees stressed the value of the existing strengths and knowledge of local people. In practical terms, this could take the shape of a physical presence, such as a community hub or community building. Community leaders had a role. For some interviewees, creating a local asset base specifically in the hands of community-based organisations was a priority.

One interviewee believed that local development work required full-time salaried staff rather than relying on local volunteers and cited the example of the Coalfield Regeneration Trust.

“The funding of full-time officer posts to develop and take forward programmes at the local level is crucial, since inevitably local voluntary capacity is often constrained in what it can do.”

Another highlighted the importance of encouraging communities to be strategic, noting that economic development requires both time and resources.

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

The strong asset base and substantial funding behind the NDC were seen as positive attributes. There was criticism of the NDC, however. Some felt it had awarded too much funding too quickly, before areas had sufficient capacity to make robust decisions. A couple of interviewees said that the large scale of the project—and the large amount of money awarded to each area—led to the programme’s management being too bureaucratic and top-down.

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

By contrast, the Single Regeneration Budget (SRB) was praised for being flexible and for funding different things in different areas. Although it was also well funded, this was spread over the longer term and so felt less of a pressure.

Creating dedicated community-based partnerships for neighbourhood renewal

In general, the evidence shows that community-led partnerships have achieved positive change, following the broad definition. There is convincing evidence that success is greater in aspects related to place. However, within the basic model, there is

considerable variation between partnerships. The NDC evaluation (CLG, E, 2010) showed that the top five best performing NDC areas achieved positive change across six key outcome areas. The best performing partnerships were those with:

- the greatest numbers of resident board members and agencies on boards, and those with larger boards
- engagement with larger numbers of agencies.

Interviewees differed on how future programmes should be managed. For example, one said that they should be fully managed by community groups, rather than overseen by public bodies. Another said that the institutions managing the project must be stable enough to offer investors security.

“If they’re going to invest in ten-year housing or commercial projects, they need the stability of the assurance that it’s going to be there for that period.”

One stressed the importance of clear and flexible processes. They cited the European Social Fund as an example of projects being too complex and inflexible.

“... a lot of smaller organisations just cannot take part in it, it’s just too expensive for them without having admin capacity, and it would cost too much for them to get it. So too much money [goes] on the back office, rather than the frontline.”

The Community Economic Development Programme funded smaller communities to draw up economic development plans and encouraged different organisations within neighbourhood areas to apply in partnership. Mentors gave support with this, and one interviewee thought this was crucial:

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

Funding this space to make a local plan was extremely beneficial.

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

A holistic approach

To maximise the chances of success, interviewees stressed programmes should engage with key stakeholders as well as with local people. Most listed a similar set of

organisations that programmes should work with. These included local authorities, businesses, transport providers, schools and other educational bodies, housing associations and faith organisations. This could be combined with designing joined-up approaches to early-intervention services. One interviewee pointed out that this is already happening in Greater Manchester.

“If you’ve got families that are experiencing particular difficulties, rather than talking one way to health services, one way to probation services, one way to police, one way to employment support, there’s an attempt to bring those things together.”

Some highlighted the considerable variation in the relative power of different institutions: mapping out the local dynamics of a particular place is necessary.

Most interviewees saw local authorities, with their local understanding and democratic mandate, as key partners. Others warned that the best way to involve local government requires careful thought: local politicians can be risk-averse and constrained by their own political considerations. One interviewee recommended:

“It is important to have local government as a partner, but to be independent of local government.”

Many interviewees suggested that programmes should involve businesses, especially major local employers, and locally rooted ‘anchor institutions’ (such as universities, hospitals and utility companies). Some felt more attention should be paid to small and medium enterprises (SMEs). Supporting local businesses could create more local jobs. However, there were barriers to engaging businesses. Local SMEs are, unsurprisingly, focused on keeping their own businesses running. Conversely, big businesses have priorities outside the community; even incentives might lead only to temporary engagement, not genuine commitment.

A bespoke approach

A general criticism of government initiatives is that they treat communities homogeneously. Interventions do not always get the necessary local support to reflect the needs of particular communities.

When it comes to economic growth, interviewees emphasised that the best strategy would be different in different areas. No one solution will work in every community. Work must be done to understand local problems and which solutions best fit.

“You need to get an understanding really forensically, 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.”

In some areas, the best strategy might be to strengthen connections to growth sectors elsewhere. Where this is not possible, some suggested that programmes could support residents to start their own businesses or focus on opportunities to engage with the public sector, perhaps taking over the running of some services.

“What opportunities are there for the development of co-ops and mutuals to run some of those services, so you’ve actually got a kind of bottom-up community economic development for things going on?”

Several experts said that projects should focus on what will genuinely improve the quality of life for local people. Sometimes, they felt, the wrong outcomes have been targeted.

“There tends to be too much of a focus on hard economic outputs: job outcomes, investments, numbers of businesses, that kind of thing ... a lot of the issues need to be focused on the people in an area and investing in people’s education.”

An interviewee who was otherwise very positive about the Community Economic Development Programme criticised it as rigidly defined. They believed the scheme would have been more successful if it had been more flexible and able to respond to the individual characteristics and circumstances of areas.

A bespoke approach could bring problems, however. According to some, the NDC did not transform the wider local economy as it focused too much on residents, and its target areas were too geographically narrow. This was a general problem with area-based initiatives, one suggested.

“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, broadly speaking.”

Outcomes from the Single Regeneration Budget were also seen as extremely patchy. Certain areas benefited a lot more than others:

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

There was some criticism of initiatives that largely looked at new housing development. This might improve local aesthetics without fundamentally changing the economic prosperity of local people. One interviewee felt New Labour’s overall focus on regeneration had had this effect:

“... they were often very focused on property developing. And so, places looked and felt better but a lot of people who actually lived there didn’t see any benefits at all.”

A long-term commitment

A general criticism was that previous initiatives were too short term and fixed on securing rapid, demonstrable results. Interviewees also saw government evaluations as overly focusing on positive outcomes, rather than being balanced assessments of what did and did not work. (The NDC evaluation was an exception and was viewed as robust and thorough.)

Constant changes of policy direction and types of intervention meant many initiatives had very short timeframes. These were often seen to do more harm than good.

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

The New Deal for Communities (NDC) adopted a ten-year timescale after the National Strategy for Neighbourhood Renewal identified short-term initiatives to be a significant problem in turning around deprived areas. Interviewees praised this long timescale, believing it brought positive outcomes in many areas:

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

One interviewee mentioned that NDC had a useful ‘year zero’: communities did not have to spend in the first year and could therefore have a proper planning phase.

The NDC evaluation (CLG, 2010) confirmed that this timeframe allowed NDC areas to develop long-term plans, establish good relationships with other key agencies and build influence locally. Within that ten-year period, however, NDCs still had to cope with changes in local demography, the national framework and the institutions they dealt with. The evaluation concluded that:

- different policy objectives require different timescales: for example, tackling local environmental problems, crime and community safety 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 further support beyond that timespan. (CLG, A, 2010).

Local economic decline is a long-term structural problem: changing underlying structures and embedding positive change require many years of engagement and investment. It may be difficult to see positive results in the short term; any assessment of benefits must also take a long-term approach. All of the expert interviewees said that the duration of initiatives was important. Almost all agree on a timescale of at least seven to ten years:

“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.”

Some believed achieving long-term, sustainable economic change in an area takes a generation. In an ideal world, support would last 20-25 years:

“... you need to create locally accountable organisations that will be sustainable and will be able to build their local asset base, to build capacity and to be able to manage whatever changes come about.”

Various reasons for long-term funding were given. Building skills, confidence and employability takes time. Foremost was the need to build trust in the community, especially where people felt let down by previous attempts at engagement and economic improvement:

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

Practical changes also take a long time, and processes can be very slow, Examples given were housing redevelopment or changing local employment contracts:

“... big employers ... are often tied into three-or five-year contracts, and then you have to wait for these to expire before they can be renegotiated.”

Programmes trying to achieve such changes within short timeframes risk failure. Short-term programmes that raise expectations but require quick results can create a rapid sense of failure among the local community.

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

One interviewee did suggest that programmes should be assessed partway, with funding stopped if necessary:

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

Conversely, another warned against assessing initiatives too soon:

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

And, while long-term initiatives are more likely to be successful, some cited the risk that communities become dependent on funding.

Interviewees stressed financial investment must be sufficient to make projects a success:

“I’ve seen lots of programmes ... where people have time to think about what they want to do and ... to develop their skills. But there’s still not really any money going into actual economic activities or new businesses.”

One stressed the scale of investment must be large to make a real difference. Lasting economic change may require very substantial investment from national government:

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

The place-based approach operated by the European Union, whereby funds are provided through a managing authority for at least seven years, was cited as one positive model. The SRB was praised for being flexible and for funding different things in different areas. The Community Economic Development Programme funded the planning stage and did not provide ongoing funding. But, said one interviewee, this was actually what the local areas preferred:

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

Connecting beyond the programme area

Interviewees recognised the need for neighbourhoods to connect with external economic opportunities. But a number of factors have made this difficult—in recent years, in particular. Lack of commitment from central government and the lack of a national strategy for regeneration were highlighted as major barriers. Several considered centralised political decision-making a disadvantage. Some said that centralised governance restricts the ability of local authorities to set their own policies in areas such as welfare, labour market or skills:

“It’s an absurd situation that you find in barely any other country in the world, where something as distinct as local labour-market welfare and skills policies are determined centrally.”

In addition, centralised finance gave local government little incentive to think of ways to generate growth. The concentration of economic growth in cities, particularly in south-east England, reflects deep-seated regional imbalances and inequality that were seen as difficult to change.

The wider, contemporary backdrop of austerity and public-sector cuts was cited as another major barrier. Austerity has dramatically reduced the ability of local authorities to fund anything other than core services. In turn, this has diminished joined-up working for positive change. Public services tend to be stretched in deprived areas, as more skilled people tend to move away. Austerity has exacerbated this problem.

“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.”

Expert interviewees also felt there was a lack of understanding of community-led neighbourhood activity at both local authority and central government level. The introduction of local enterprise partnerships (LEPs) was seen as contributing to this problem: LEPs are too far removed from communities or neighbourhoods.

“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 different geographies and parties together.”

One interviewee suggested that LEPs are locked into maintaining a centralised approach to economic development:

“They tend to look at how to replicate the centralised economic theories within a place, rather than the place driving the economic theory.”

Connecting with business and employment

Reducing worklessness is often central to initiatives in deprived communities, with moves to enhance residents' employability, their access to jobs and the availability of work through businesses, social enterprises or self-employment. These approaches have often built on the extensive experience of regeneration partnerships. The research team assessed the impact of projects with a high degree of community control.

Job brokerage

A number of NDC areas used job brokerage to help reduce relatively high levels of worklessness. The aim was to connect those out of work to possible job opportunities. In some cases, the focus was on making employers' recruitment practices more accessible to residents (Walton et al, 2003).

Cases studies of six NDC job-brokerage projects showed they were designed to: help those without work gain access to employment and training; support recruitment and job-matching services for local businesses, often through dedicated employment liaison officers; and provide skills development by offering dedicated training or funding for approved courses, sometimes with a sector-specific focus (CLG,A, 2009). A separate survey of those participating in six NDC job-brokerage schemes (Hanson, 2004) found that over 300 respondents had found a job, most full-time. The schemes had also helped some to improve personal and social skills as well as work-related skills, increasing both their confidence and career prospects. Job brokerage had connected with some of the most hard-to-reach groups.

Some NDCs brought advice on careers, training and job search together in a one-stop-shop approach, delivered by a combination of public, private and third-sector organisations. In Walsall, for example, Work on The Horizons offered not only job brokerage, but also training, childcare assistance, retention bonuses and advice on CVs. A shop-front presence opened up access to residents (CLG, A, 2009).

A similar scheme ran successfully under the SRB. The Opportunities Centre in Hangleton and Knoll provided advice, training and job search for unemployed people on relatively isolated estates. The facility was a great success, significantly exceeding its targets. It illustrates clearly the benefits of being located in the heart of a community with easily approachable staff. The Department for Trade and Industry selected this project as a pilot scheme. The facility continued beyond the life of the original SRB under other mainstream funding (Rhodes, Tyler and Brennan, 2007).

The NDC experience indicates that these schemes can have significant impacts helping people find employment, access career advice and gain adult qualifications. Job brokerage was most effective when projects were embedded in the local community, with a good understanding of local networks. A package of support tailored to individual

need worked best. Close working between the relevant agencies and the local JobCentre Plus was crucial to avoid duplication. Building strong relationships with local employers ensured a focus on employers' needs. Aftercare for clients and employers was an important element in promoting the sustainability of a placement and subsequent job progression. Addressing the needs of both clients *and* businesses was essential (Walton et al, 2003).

Business brokers and mentors

Evidence from the NDC evaluation shows this has been very effective in linking the needs and resources of local businesses and communities (CLG, A, 2009). Employment liaison officers sought to identify vacancies with local employers, to assess their requirements and to make them aware of residents who were looking for work but might be less work-ready. In Walsall, the NDC co-ordinator liaised with 250 local firms. In Newham, a construction labour- initiatives officer was employed to match local residents looking for such work.

The use of business mentors has become the focus of a number of recent funding initiatives. Business in the Community is currently providing a programme of business mentoring to social businesses and enterprises in deprived areas of London that is based on this approach.

The intermediate labour market

In essence, the intermediate labour market offers a bridge back into work, with a paid placement combined with training, personal support and job search. A number of NDCs used this model. In Hull, twelve-month placements were offered with the private sector. In Rochdale, placements of up to fifty weeks were offered with a mix of private, voluntary and community-sector employers. In Sunderland, the Community and Cultural Services Department offered placements of up to 21 months (Bickerstaffe and Devins, 2004).

Such projects had to be sufficiently flexible to meet the needs of clients. It was important not to underestimate these and to overcome social welfare barriers. Employers needed sufficient support to ensure sound retention rates. Effective partnership working with JobCentre Plus was essential, highlighting the importance of integrating projects with wider employment strategies (Green and Sanderson, 2004).

Supporting local businesses

A number of regeneration programmes have assisted with business support, through, for example: loans, grants, advice services and improved premises, encouraging self-employment and new businesses; social enterprises to raise and activities to retain and

maintain local services; inward investment; and working with employers to build community capacity and recruit local people.

Evidence from the SRB supported the view that facilitating start-ups and micro-businesses requires targeted and selective support. The risk is that success may be short-term, with only a modest number of jobs created and those who find work moving out of the neighbourhood (Syrett and North, 2006). The NDC evaluation backs this up, adding that business support projects were generally inappropriate where the business base was small. NDC partnerships focused more on getting residents job-ready. Business support tended to be relatively expensive, with a proportion of jobs leaking out to residents in other areas. In Bradford, only about half of the jobs provided by a supermarket chain went to local residents (CLG, A, 2009).

New business start-ups and self-employment are seen as highly desirable ways of providing new jobs and services. However, the motivations driving business start-ups and the needs of potential entrepreneurs vary considerably. There can be no 'one strategy fits all' approach to support (Devins et al, 2005).

Community-based enterprises

A body of evidence indicates that stimulating enterprise at the neighbourhood level can provide jobs for disadvantaged groups. Such enterprises can help residents become more work-ready, particularly where volunteering is an element, and can provide specific services that would not otherwise be available (Crisp et al, 2016). These enterprises take many forms, encompassing housing, cooperatives, credit unions, development finance, energy, local exchange trading schemes, time banks and land trusts. They play a role in addressing deficiencies in public-service delivery in an age of austerity (Varady et al, 2015).

The advantages of community-orientated enterprises are that they seek to retain income within the locality and can target specific needs. Community and neighbourhood-based enterprises provide a small, but often strategically important, source of income and employment that can be of significant value in assisting specific individuals or groups.

Some community enterprises act as a community hub. Evaluation evidence highlights the role of community businesses in encouraging a sense of ownership, pride and empowerment in those involved (Thornton et al, 2019). However, while they have a valuable role, the scale of their contribution in creating jobs tends to be limited (Amin, 2002).

Conclusion

This research suggests that a neighbourhood-level, place-based approach could help to address the needs of left-behind areas, building on a community-led partnership model.

The case for sustained government commitment to invest in left-behind areas is clear. The burden of the past weighs heavily. These areas need to transform land use, overcome dereliction, secure new infrastructure, and retrain and reskill their residents. Crucially, the economic opportunity in these areas must be increased. The Brexit debate shows that deeply embedded economic imbalances are provoking division in British society. Ways must be found to enhance opportunities for residents of these areas and to integrate them more adequately into the mainstream of British society.

We must be realistic about what such interventions can achieve. They operate at the margin to alter key outcomes. The big levers of change are other factors, especially the level of mainstream public- and private-sector expenditure in the area. Benefits may also accrue to people who live outside the neighbourhood and economic activity can be displaced between neighbourhoods. People who benefit from the policy may move into, or out of, the area throughout the time of the initiative.

Nevertheless, the evidence shows:

- Community-powered partnerships adopting a strategic holistic approach to regenerating their area have, in general, achieved positive change. The New Deal for Communities offers a solid model for this approach.
- There is a strong consensus that local residents in relatively deprived or left-behind areas should be enabled to make an effective contribution to the provision of local services that impact residents' quality of life. This includes economic development.

The best performing areas tended to have:

- the largest number of resident members and agencies on their boards
- more ethnically diverse populations and higher proportions of residents in social housing at the beginning of the intervention
- larger, growing populations
- a local authority district with a higher density of jobs.

Overall, there was more positive change within local authority districts with a decline in social housing. Less change was seen in people-related outcomes of 'largely white, peripheral estates in smaller non-core cities' (NDC, 2010).

Success is greater in relation to place-based outcomes than people-based outcomes across economic, physical and social indicators.

There is strong evidence that community-based regeneration initiatives must be delivered over a long period of time if they are to stand any chance of having sustainable impacts.

The evidence suggests that a geographic focus of around 10,000 is helpful, although a slightly larger catchment would better fit some service providers.

These findings back up Local Trust's hypothesis. Community-based interventions can bring about positive change when it is *broadly* defined. Evidence from both the extensive evaluation of the NDC and from other initiatives like the SRB supports this. Partnerships where the community has had a formative role have helped span boundaries and focus mainstream providers on the relative needs of residents. Programme-wide evaluations and project-specific evidence shows that—across the key outcome domains of health, education, and crime— partnerships have been able to assist in customising mainstream delivery of services to meet the needs of specific groups and individuals in the neighbourhood.

However, the evidence for the *narrow* definition of economic change is more limited. Evidence from individual projects points to significant impacts on individuals and businesses in the target areas, particularly in enhancing employability and business development. But these numbers tend to be swamped in the aggregate statistics by other changes. The NDC evaluation found no evidence for statistically significant, positive, net change in levels of worklessness for the neighbourhood population in aggregate, although specific communities, individuals and groups of residents in the neighbourhoods benefited.

In many of the most deprived areas links between business and community are often weak. There is often little effective representation of business in the community. England lacks effective local business engagement models and lobby groups compared with countries like Germany. This inhibits the development of a combined agenda that promotes the interests of both business and the community.

Expert interviewees also highlighted the following barriers to success:

- The pressures of austerity
- The disconnect between neighbourhood activity and national policy. This is compounded by the lack of a national strategy and a perceived lack of understanding of neighbourhood work at the national policy level. The community-based model also works less well in integrating neighbourhoods with organisations responsible for local economic development in the wider local area.

LEPs in particular were seen as problematic. Producing enough economic integration remains a significant challenge.

- Unintended consequences: schemes that focus on building people's skills and employability often result in the beneficiaries moving out of the area. Alternatively, when an area's economy improves, it can become 'gentrified', pricing out longstanding local residents.

"It doesn't last in the long term, because either the money washes away again, or the people wash away as they improve their circumstances and leave that place behind. So things can improve, but the fundamental, spatial geography doesn't necessarily change."

Recommendations from the Cambridge Centre for Housing and Planning Research:

There is a considerable body of evidence for new initiatives to build on and overcome well-known limitations with previous models. Place-based partnerships are particularly important in spanning boundaries between sectors. This research has highlighted best practice and successful project models.

Recently announced initiatives, such as the Stronger Towns Fund, are being considered against a backdrop of many years of austerity and public sector cuts. Further policy support is essential if these new initiatives are to have an impact. It is recommended that:

- New policy initiatives supporting community-based partnerships must be more than transitory and must be adequately resourced if they are to deliver holistic packages of regeneration
- Funds from the proposed Stronger Towns Fund could be made available to help community-based partnerships develop an enterprising place agenda for left-behind areas.
- Relevant areas must have community-facing organisations with which LEPs and other agencies can engage in building the economic capabilities of the area and its residents. Local communities require support to develop their capacity and articulate local economic plans. This could be achieved with local economic policy delivered by LEPs working with local business and alongside local authorities and government agencies responsible for skills, education and training.

- Each left-behind area needs an ambassador or community economic development officer who could work closely with local councillors to advance its interests with the LEP and other relevant agencies.
- The evidence points firmly to a role for business mentors to represent the community and local businesses, building links and providing a connection between bodies such as LEPs and local community groups.
- Neighbourhoods must share more in the growth occurring in their wider local economy. A national spatial strategy would help left-behind areas better integrate into the wider economic system from which they have become increasingly dislocated.

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