Review of neighbourhood regeneration

Richard Crisp, David Leather, Joe McMullan, Sarah Pearson, Ian Wilson

October 2023

60 second summary

Where people live matters to their life chances. There is extensive evidence that some neighbourhoods experience deprivation across a range of indicators including income, employment, education, health, and crime. This is more than just a function of these neighbourhoods having higher concentrations of people with lower incomes and fewer labour market opportunities living in them. The services and facilities offered in neighbourhoods also make a difference to people's lives. 'Left behind' neighbourhoods which have high levels of deprivation and are also lacking in social infrastructure are associated with significantly worse social and economic outcomes across a range of indicators.

These neighbourhoods are experiencing unprecedented stresses, including the cost-of living crises, poor environmental quality, crises in mental health and wellbeing, the ongoing impacts of the COVID-19 pandemic and the hollowing out of public services following austerity. In this context a renewed vision for neighbourhoods is needed, which can be informed by learning from past programmes.

Evaluations show that the National Strategy for Neighbourhood Renewal (NSNR) and its two flagship programmes (the New Deal for Communities and Neighbourhood Management Pathfinders) consistently generated positive outcomes for target neighbourhoods. These programmes were highly effective in achieving improvements to area satisfaction, improvements to area, and reductions in crime and anti-social behaviour. There were also improvements in indicators such as health and worklessness for those who participated in NSNR initiatives.

The most statistically significant positive impacts related to people's feelings about their neighbourhoods, and there were strong associations between these outcomes and improvements to mental health. This highlights the valuable role that neighbourhood regeneration can play in changing the way people feel about the place where they live and their sense of belonging - a key component of subjective wellbeing.

Big Local is a more recent community-led regeneration programme. Evaluation highlights the benefits of community-based funding mechanisms to support capacity building and social infrastructure and the value of building community wealth and assets.

The benefits of NSNR and Big Local programmes have economic and fiscal values which substantially exceed programme investments.

Learning from past programmes includes the importance of community-led decision making, resourcing community and service engagement, articulating the purpose of neighbourhood regeneration, laying the foundations before programme launch, aligning activities with strategies across different spatial scales, and measuring change effectively.

The evidence of the effectiveness of community-led neighbourhood regeneration in securing improved outcomes for residents living in deprived neighbourhoods supports the case for a new neighbourhood renewal strategy. Any future strategy will emerge in a new, and, potentially, more challenging political and economic context. Strengthening the social fabric and social infrastructure in neighbourhoods will be critical in supporting community resilience in hard times. A new approach to neighbourhood regeneration needs to be built on place-based factors that matter to residents and requires attentiveness to agendas around wellbeing and belonging, challenges associated with poor transport connections and new patterns of working and opportunities to provide more local services and amenities.

Introduction

There is extensive and longstanding evidence that some neighbourhoods experience persistent deprivation across a range of indicators including income, employment, education, health, and crime. In addition, people living in deprived neighbourhoods are often exposed to poor quality environments and services, lack of opportunities for social interaction and low levels of community capacity and wellbeing. These things matter for their life chances. For example, research carried out by Local Trust and Oxford Consultants for Social Inclusion (OCSI)[1] has shown that 'left behind' neighbourhoods which have high levels of deprivation and are also lacking in social infrastructure have significantly worse social outcomes across a range of indicators. Evidence also shows that people living in neighbourhoods which offer better opportunities and services, better environments, and better social infrastructure experience improved outcomes compared to those living in areas where these factors are not present.

In the UK, disadvantaged neighbourhoods are experiencing unprecedented stresses: they are disproportionately bearing the impacts of the cost-of-living crisis, climate crisis, rising levels of mental and physical ill-health, the COVID-19 pandemic and the hollowing out of public services following austerity.

In this context a new strategy for neighbourhoods is needed. Recent policies which have aimed to 'level up' disparities between areas have emphasised the need for investment and a holistic approach which cuts across policy domains. However, the focus of funding programmes leans heavily toward the economic regeneration of cities and town centres rather than the issues facing residents living in deprived neighbourhoods.

The National Strategy for Neighbourhood Renewal (NSNR) was launched by the 'new' Labour government, led by Tony Blair, with the vision that "within 10 to 20 years no-one should be seriously disadvantaged by where they live". Flagship programmes included the New Deal for Communities (NDC) and the Neighbourhood Management Pathfinder (NMP) Programme.

1 https://localtrust.org.uk/policy/left-behind-neighbourhoods/

Evaluation shows that these initiatives consistently generated positive outcomes for target neighbourhoods.[2]

The most significant neighbourhood regeneration programme post 2010 has been Big Local,[3] under which the National Lottery Community Fund provided around £1m funding to each of the 150 neighbourhoods supported over the long term by Local Trust to deliver community-led regeneration in deprived areas. Big Local is innovative in its emphasis on community-led decision making. It offers an extensive and growing evidence base on the process and impacts of community empowerment in neighbourhood-based interventions.

Learning from these programmes provides important evidence on 'what works' in neighbourhood regeneration, which can inform future programmes.

What has neighbourhood regeneration achieved?

Evaluation of these programmes has identified:

- Substantial improvements in target neighbourhoods. These include improvements to employment and education as well as wellbeing, community safety and neighbourhood environments. Between 2002 and 2008, for example, NDC areas saw an improvement in 32 of 36 core indicators spanning education, health, worklessness, crime, community and housing and the physical environment; for 26 out of the 27 indicators where significance testing was possible, this change was statistically significant.
- A general 'closing of the gaps' between neighbourhood renewal areas and the rest of the country – outcomes in target areas improved more than local authority and national comparators on the whole.

2 https://extra.shu.ac.uk/ndc/ndc_evaluation.htm
3 https://localtrust.org.uk/insights/our-bigger-story/

- Target neighbourhoods improved more on some outcomes when compared to other similarly deprived areas. For example, NDC areas experienced greater improvements to mental health and wellbeing outcomes, as well as a range of 'placed-based' indicators including area satisfaction, improvements to area, crime and anti-social behaviour.
- Significant improvements in mental health outcomes for residents in NDC neighbourhoods were strongly associated with a range of other outcomes including general health, social relations, transitions into employment, fear of crime, feeling part of the local community, satisfaction with accommodation, and perceptions about the local environment.
- Benefits to residents who participated in initiatives delivered by neighbourhood regeneration partnerships, who experienced significantly improved outcomes compared to residents who had not been supported by interventions across a range of indicators including employment and health. Programmes delivered a wide range of neighbourhood-level interventions including job brokerage and skills development, healthy lifestyle interventions, and improvements to local services which led to direct benefits to residents.
- In addition, residents who were involved in neighbourhood regeneration initiatives in any way (including programme governance, being involved in projects or attending community events) were more likely to feel satisfied with where they live, feel able to influence local decision making, and feel that their neighbourhood was improving, express trust in others and local agencies and be involved in local voluntary activities.

These benefits have economic and fiscal value. The NDC evaluation identified monetisable benefits amounting to between five times and three times programme spend. Much of this was associated with improvements to area satisfaction and mental health.

Evaluations find that neighbourhood regeneration was consistently more successful at improving 'place'- (relating to neighbourhood environment and crime) as opposed to 'people'-based outcomes (such as employment and education). This is because larger numbers of residents in neighbourhood renewal areas experience the benefits of place-based interventions, and these benefits are more readily identified in area-based assessments of change. However, there are substantial individual benefits for residents who take part in neighbourhood regeneration initiatives such as job brokerage schemes.

There is however a need for further evidence to understand the extent to which the impacts of neighbourhood renewal are sustained beyond the period of funding.

What are the key elements of successful approaches?

Evaluations have identified the factors which make improved outcomes more likely for neighbourhood renewal areas. Some of these, such as the characteristics of local populations and economies, are beyond the scope of influence of neighbourhood renewal partnerships but provide useful pointers to the potential impacts of investments in different contexts. Others identify features which could usefully be adopted in future neighbourhood regeneration programmes:

- Higher levels of community involvement: programmes with higher levels of community involvement have achieved better outcomes.
- Attention to the scale and nature of relationships with public sector agencies, and the importance of good relationships based on communication and trust.
- Integrating neighbourhood level interventions with wider strategies for economic regeneration and social cohesion.
- Appropriate levels of resourcing and support for community partnerships.
- Proportionate and relevant evaluation and mechanisms for accountability.

The NDC evaluation identified the factors associated with positive improvement in the 10 NDC areas that had achieved the most transformational change over the period of the programme:

- A significantly greater increase in the percentage of residents involved in NDC activities.
- Less per capita spend on education and management and administration, and more on health.
- More ethnically diverse populations and higher proportions of residents in social housing in 2002.
- Larger, growing populations.
- More employee jobs per head of population in the local authority district.

For residents in NDC areas, there were strong associations in improvements across outcomes. For example, a positive increase in thinking the area has improved in the past two years was strongly associated with improvements in other outcomes such as satisfaction with the area, improvements in social relations, trust in organisations, lawlessness and dereliction, and reductions in the experience of being a victim of crime. This strength of association is identified as a justification for holistic approaches to area-based regeneration: achieving change in place-related outcomes is associated with change across a wide range of other inter-related outcomes.

The NSNR evaluation highlighted key lessons around:

- The need for a "critical mass" of continued long-term investment in the most deprived areas without spreading resources too thinly.
- The importance of additional flexible funding to pilot innovative approaches, secure buy-in from local stakeholders and tailor interventions to local need.
- The importance of capacity in communities and public sector organisations to deliver change.
- The need for neighbourhood-level interventions to be co-ordinated with wider strategies for economic development given that some of the most significant determinants of socio-economic improvement broadly related to economic development.

Big Local evaluation provides an extensive evidence base on the 'how to' of community-led neighbourhood regeneration. It highlights:

- The importance of community-based funding mechanisms to support capacity building.
- The need for appropriate levels of support and skills development to enable communities to take part in local decision making, including paid roles.
- The importance of social infrastructure, including places and spaces in which communities can come together to address local needs.
- How to establish successful relationships between communities and public sector agencies, based on trust and ongoing communication.
- How evaluation can be used to support local partnerships.
- The value of improving digital connectivity and building community wealth and assets.

Analysis undertaken by Frontier Economics and commissioned by Local Trust identifies that in areas of high deprivation and low social infrastructure, every £1m invested in these sorts of activities generates £3.2m in economic and fiscal returns.[4]

Towards a new approach to neighbourhood regeneration

Learning from past programme design and delivery

Articulate the purpose of neighbourhood regeneration

The rationale for intervening in neighbourhoods is clear but it remains important to articulate, and potentially reconsider, the purpose and value of neighbourhood level regeneration. There is evidence from past programmes that neighbourhood regeneration is more effective at improving outcomes relating to place than people. This suggests that place-focussed interventions should feature

4 https://localtrust.org.uk/wp-content/uploads/2021/07/Frontier-Economics_the-impacts-of-social-infrastructure-investment.pdf

heavily in neighbourhood-based programmes. However, there is also evidence that investment in people remains essential, not just in the sense of maintaining or improving services and amenities (e.g., health and education) to drive up outcomes, but more fundamentally in terms of building capacity at the neighbourhood level. Evidence on the importance of the social fabric in sustaining community resilience and better outcomes (e.g., around crime) indicates the value of resourcing social assets and building social capital.

Lay the foundations before launch

The experience of the NSNR, NDC and Big Local shows the value of having time: to lay the foundations on which to build the evidence base for interventions and to develop both the national and local infrastructure and the capacity of institutions and communities to deliver effective programmes. The importance of the work undertaken by the Social Exclusion Unit and Policy Action Teams for the NSNR highlights the value of developing similar mechanisms and processes to improve the development and implementation of any future neighbourhood regeneration programmes, and build the capacity of agencies and communities as part of a 'year zero' approach.

Work across spatial scales and tiers of governance

Evidence gathered for this review consistently highlighted the importance of recognising the position of neighbourhoods as nested within wider spatial scales and impacted by policies at different levels of governance. While the case for neighbourhood-level intervention to inform place-based outcomes in particular remains strong, it is important to consider the limits of this scale of working, and how influence on, and alignment with, wider policies and strategies might be achieved and better secure benefits for residents.

Measuring what matters

Past forms of monitoring and evaluation have tended to measure pre-defined outcomes against a narrow set of thematic criteria, such as changes in worklessness, educational attainment and population level health outcomes. This arguably missed some of the

wider 'unintended' outcomes of neighbourhood regeneration and did not always, for example, capture wider benefits in terms of building the capacity and resilience of communities. While evaluations often measure area-wide outcomes that can be generated through a number of different interventions, evaluations of single programmes often fail to reflect the totality of programmes, services and activities operating within neighbourhoods.

This highlights the need for future evaluations to focus more on what 'success' might look like in terms which are meaningful to residents and explore outcomes and impact beyond a set of pre-defined thematic indicators. There is also potential to design research and evaluation as long-term evidence gathering exercises of change within neighbourhoods rather than just discrete studies of specific programmes.

Placing communities in the lead

Evaluations have demonstrated the benefits from programmes which enable local residents to lead strategies to improve neighbourhoods. This includes enhanced levels of collective wellbeing, improved trust in others and in agencies and increased capacity to respond to crises and external shocks. They have also highlighted the importance of effective learning and support frameworks, for capacity and skills building in communities and in local agencies which enables positive relationships to drive local change, and for investment in community leadership.

The economic and political context has changed significantly since the last major neighbourhood regeneration policies and strategies came to an end around 2010. Key developments include the implementation of 'austerity' in the wake of the financial crisis, Brexit, the COVID-19 pandemic and cost of living crisis linked to rising inflation exacerbated by the conflict in Ukraine.

Any future round of neighbourhood regeneration policy needs to adapt and evolve to a changing context as well as wider changes in policy and understandings of

how best to tackle social and spatial inequalities. Roundtable discussion with key stakeholders and wider evidence on past regeneration programmes as well as more recent policy literature was drawn on to identify what a new round of neighbourhood renewal might look like in a very different content to the more benign and stable economic and political context in which the NSNR was launched.

Five key principles were identified to inform future neighbourhood renewal strategies and programmes:

- Invest in strengthening social infrastructure to make neighbourhoods more resilient to the economic, environmental and public health-led 'polycrisis' that has weakened the fabric of communities against a backdrop of shrinking public resources.
- Leverage new forms of governance to position neighbourhoods in wider spatial strategies and frameworks for addressing economic and social disadvantage. This includes forms of neighbourhood governance which devolve power to local communities.
- Embed new understandings of collective wellbeing into regeneration programmes and evaluation frameworks. These should be shaped by the needs of residents and go beyond economic goals to also respond to the challenge of climate change and environmental inequalities.
- Seek to enhance connectivity by addressing the challenges of geographic isolation driven by poor public transport and new spatial patterns of work while increasing the local accessibility of employment opportunities, services and amenities.
- Focus on understanding and restoring residents' sense of belonging and attachment in the context of politically fractured communities.

Contact details

CRESR - www.shu.ac.uk/cresr / @CRESR_SHU

Local Trust - https://localtrust.org.uk/ / @LocalTrust

DOI: 10.7190/cresr.2023.6940123501

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