



Transformational change? A synthesis of new
evidence 2008–09

Evidence from the New Deal for Communities Programme



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

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Executive summary

1. Introduction

The New Deal for Communities (NDC) Programme is designed to reduce gaps between some 39 deprived neighbourhoods and the rest of the country. In these areas, each on average accommodating about 9,800 people, Partnerships are implementing approved 10 year Delivery Plans, each of which has attracted approximately £50m of Government investment. The Programme is designed to improve:

- three **'place-based'** outcomes: crime, the community and housing and the physical environment
- and three **'people-based'** outcomes: education, health, and worklessness.

The national evaluation uses various sources of evidence notably household surveys conducted by Ipsos MORI in all 39 NDC neighbourhoods and in comparator areas in 2002, 2004, 2006 and 2008; comparator areas are similarly deprived neighbourhoods in the same parent local authorities as NDCs.

The aim of this report is to highlight the key messages from recently published reports (see Appendix 1). A suite of final reports is to be published in 2010.

2. Programme-wide change

The NDC evaluation uses a set of 94 indicators from the household survey to monitor change in NDC and comparator areas across the Programme's six outcome areas. The cross-sectional household survey data generally presents a positive picture of change within NDC areas. NDC areas are experiencing positive change, some of which is over and above that occurring in the comparator areas. Eight of the ten indicators where NDC areas show greatest positive change when assessed against the comparators relate to place-based issues surrounding attitudes to the area and crime.

NDCs are also closing the gap with the rest of the country. For 58 indicators it is possible to compare change in NDC areas with that for England as a whole. NDC areas saw more improvement than was the case nationally for nearly three-quarters of these (72 per cent). For 20 this difference was five percentage points or more.

Longitudinal data captures change for individuals who remained in NDC, or in comparator, areas for four years. As a group, the individuals within the NDC panel also experienced more positive change than those constituting the comparator areas panel. However, much of the differences in the amount of change experienced by NDC and comparator areas panels can be explained by individual-level socio-demographic factors such as age, gender and ethnicity. When these are taken into account (so that two similar groups of people are being compared), there are fewer significant differences between changes experienced by NDC panel members compared with those experienced by those in the comparator areas.

In addition, there is a tendency for the most deprived of individuals at the outset to have made the most progress. Models can examine outcomes for those giving identical responses at the starting position (the 2002 survey) to specific questions. Once individual-level socio-demographic factors and also starting position are taken into account, those in NDC areas saw significantly greater improvement than those in comparator areas for only one indicator: thinking the area has improved in the last two years.

This shows that once individual-level characteristics and starting position are taken into account, then area effects, or whether an individual lives in either an NDC area or a comparator area, play only a limited role in explaining change for individuals: despite the additional investment through the NDC Programme in these areas, over 96 per cent of variation can be explained by individual-level starting position and individual-level socio-demographics. This finding is not unique to the Programme. Other studies which have attempted to identify the degree to which area effects impact on deprivation almost always conclude that where someone lives is of little, if any, significance when compared with individual level socio-demographic factors. At least with this Programme it is possible to pick up some area effects: individuals are more positive about thinking the area has improved in the last two years than are residents living in the comparators.

The generally limited evidence for area effects arising from analyses of longitudinal data does not contradict more positive findings for area-based change reported above. In 2002 there was a higher concentration of deprived people in NDC areas than in the comparator areas. People who were more deprived at this baseline year were in turn likely to make more positive change than less deprived individuals wherever they lived. Because NDC areas contained more deprived people, who in turn were more likely to make progress, NDC areas saw more positive change than did comparator areas. It is therefore reasonable to argue that the Programme is doing exactly what it was designed to do: help improve outcomes for more disadvantaged individuals in especially deprived neighbourhoods, and, by so doing, close the gaps between these areas and the rest of the country.

Findings from analyses of both cross-sectional and panel data suggest that there may be diminishing rates of change: a disproportionate amount of change tended to occur in the earlier, rather than the later, years of the 2002 to 2008 period.

3. Change across the six outcomes

Housing and the physical environment

NDCs have implemented local environmental improvement schemes and some are working with partner agencies to effect major housing refurbishment or redevelopment schemes. Housing and the physical environment accounts for the largest proportion of total expenditure across the Programme as a whole.

There were substantial increases between 2002 and 2008 in the proportion of NDC residents thinking that their area has improved and expressing satisfaction with the area as a place to live. Despite residents having more positive attitudes towards their neighbourhoods, the proportion of people wanting to move has not fallen.

Crime

Across the Programme, NDC Partnerships have put in place a range of initiatives designed to reduce fear, and incidence, of crime, spending some £118m up to 2007. There have been reductions in the numbers of NDC residents experiencing burglary and feeling unsafe alone after dark, although both of these indicators remain higher than the national average. NDCs have experienced more positive change than comparator areas across a range of crime indicators, including perceptions of drug-use and dealing; perceptions of car crime; vandalism, graffiti and damage to property; abandoned and burnt out cars; and household burglary.

Expenditure specifically related to crime and community safety is a significant contributory factor in explaining change in fear of crime at the area level: on average the greater the crime-related expenditure the greater the reduction in fear of crime.

The community dimension

Household survey evidence points to substantial increases in the numbers of NDC residents being aware of their local NDC and thinking it has improved the area. However, there has been relatively little change in recent years in the numbers of those involved in NDC activities. Although there has also been a steady increase in the proportion of NDC residents feeling part of the local community, there is less evidence of change with regard to other community orientated or 'social capital' indicators. For instance, the proportion seeing their area as a place where neighbours look out for each other and the proportion who feel they can influence

decisions affecting their area remained largely unchanged between 2002 and 2008.

Worklessness

In February 2008 the worklessness rate amongst working age residents across all 39 NDC areas was 18.4 per cent compared with a national equivalent of 8.9 per cent. In line with national trends, worklessness fell in NDC areas with 6,000 fewer workless residents in NDC areas in 2008 compared with 1999. NDCs have also been narrowing the gap with their local areas: 24 areas saw more positive change than was the case for their parent local authority. However, the reduction in worklessness across all 39 NDC areas was marginally less (0.4 percentage points difference) than in the comparator areas.

Education and skills

Key challenges facing Partnerships include high pupil turnover in some areas, poorer quality of schools and the dispersal of NDC children amongst a potentially large number of local schools. Young people's attainment at Key Stage 4 in NDC areas has been improving, although there is little evidence of change at the NDC level over and above that seen in comparator areas. Adult skill levels have increased and NDCs have seen a slow but steady improvement in the proportion of adults without qualifications.

Health

There have been modest improvements in relation to self-reported indicators of health but mixed messages in relation to life-style and diet. For only a few health indicators did NDC areas see significantly greater improvement than did comparator areas. Mental health has been improving gradually in NDC areas. Improvements in mental health are associated with improvements in a wide range of other indicators including personal health and economic circumstances, trust, actual, and fear of, crime, seeing improvements to the area, its accommodation and local social relations.

4. Understanding and explaining change

Area versus individual level effects

A large proportion of variation in change experienced by individuals is explained by personal characteristics, rather than anything to do with areas per se. Area effects, such as whether an individual lives in an NDC or in a comparator area, are small compared with basic socio-demographic factors such as age, gender and ethnicity.

Assessing change: being realistic

Assessments of 'success' need to be rooted in an appreciation of what any ABI can reasonably be expected to achieve bearing in mind various factors including:

- the limited significance of area-based factors in explaining change compared to that of basic socio-demographic factors
- changes introduced by NDCs can be swamped by the effects of 'macro-processes' operating with local authorities, regions or nationally
- some outcomes, especially those for education and health, may take decades to become apparent
- and, although generous compared with previous ABIs, 'additional' spend from the Programme amounted to just £3,300 per person between 1999 and 2007.

Inter-linkages across outcome change

For individuals, positive change in relation to one outcome is associated with change in others. For instance:

- improved fear of crime rates have statistically significant associations with reduced actual rates of crime, and improved dereliction, the local environment, social relations, and SF36 mental health scores
- increases in the number of individuals who think the area has improved in the last two years are associated with improvements in environmental and crime indices, mental health, employment, trust, social relations and satisfaction with the area.

These inter-relationships are stronger for place-, rather than people,-based outcomes.

Projects and individual level trajectories

For the 2004 household survey the national evaluation team liaised with Partnerships to draw up a shortlist of a maximum of four named local projects. Individual-level responses were obtained in relation to some 145 projects falling into eight categories. There are statistically significant differences in relation to outcomes achieved by beneficiaries when compared with those for non-beneficiaries. These almost all indicate relative improvements for beneficiaries. For instance compared with those that have not benefited, respondents benefiting from or using:

- a crime project show significantly greater improvement in their lawlessness and dereliction and fear of crime scores
- a neighbourhood wardens project show significantly greater improvement in their fear of crime and lawlessness and dereliction scores

- an employment project are statistically significantly more likely to make a transition from not being in employment in 2002 to being in employment at 2004.

There are clear and positive links between interventions introduced by NDCs and positive outcomes for 'benefiting' individuals. And in general the larger the project the larger its impact is likely to be.

The role of NDC expenditure

Evidence from across the evaluation is increasingly pointing to there being relationships between spend and change: the more individual Partnerships are spending on particular themes, the more change is occurring. It has taken several years before the cumulative effects of this modest level of additional spend have impacted on outcome change.

The role of other area based initiatives

Evidence has been emerging indicating a relationship between change for individual NDC areas and numbers of overlapping area-based initiatives (ABIs). For example, there is a relationship between the number of other ABIs in an NDC area and improvements in the working-age employment rate over time: the more ABIs in the area the greater the improvement in the employment rate from 2002–2006. Positive change is more likely to occur where resources are concentrated within certain neighbourhoods rather than spread more widely across local-authority districts.

The role of residential mobility

Differences in rates of mobility are overwhelmingly determined by differences in the characteristics of NDC populations. Eighty two per cent of the variance is explained by five key demographic differences, the most significant of which is age: nearly three quarters of the variance between different NDC areas can be attributed to the proportion of 16–34 year olds in the local population.

There are associations between levels of mobility and outcome change: higher levels of mobility are associated with lower levels of outcome change especially in relation to a range of place-based indicators and education.

1. Introduction

The New Deal for Communities Programme

- 1.1. The New Deal for Communities (NDC) Programme is an intensive Area-Based Initiative (ABI) aimed at addressing the problems associated with deprivation in 39 neighbourhoods in England. The Programme's primary purpose is to reduce gaps between some 39 deprived neighbourhoods and the rest of the country. In these 39 areas, each on average accommodating about 9,800 people, NDC Partnerships are implementing approved 10 year Delivery Plans, each of which has attracted approximately £50m of Government investment.
- 1.2. The Programme is based on a number of key principles:
- the 39 Partnerships are carrying out 10 year strategic programmes designed to transform these deprived neighbourhoods and to improve the lives of those living within them
 - decision-making falls within the remit of 39 Partnership Boards, consisting of agency and community representatives
 - the community is 'at the heart' of the Programme
 - in order to achieve their outcomes, Partnerships are working closely with other delivery agencies such as the police and Primary Care Trusts
 - the Programme is designed to achieve the holistic improvement of these 39 areas by enhancing outcomes in relation to:
 - three '**place-based**' issues: crime, the community and housing and the physical environment
 - three '**people-based**' considerations: education, health, and worklessness.
- 1.3. The 39 NDC areas are all relatively deprived. On the basis of the 2007 Index of Multiple Deprivation, 26 would fall in the most deprived decile of neighbourhoods, the remaining 13 in the second most deprived decile. However, there is considerable variation across these areas. For example, in 2008 the worklessness rate¹ varied from one in ten of the working age population in one NDC area to just under a third in another. There has also been considerable variation in the amount of change experienced, although there has been a consistent tendency for the most deprived areas at the start of the Programme to have made the most change over time². Some NDC areas also show evidence of considerable population

¹ Worklessness rate measured as the proportion of working age population in receipt of JSA or IB/SDA.

² CLG (2009) *An Overview of Cross-sectional Change Data: evidence from the New Deal for Communities Programme*; CLG (2009) *Four years of Change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*.

mobility and this has been shown to impact negatively on some outcomes³.

- 1.4. Although the NDC Programme is relatively well funded compared with other ABIs, it has always been recognised that achieving transformational change would need long-term collaboration between Partnerships and agencies. This would need to address the quantity and quality of service provision at the local level in ways which actively contributed to addressing problems of deprivation⁴.
- 1.5. Overall, the ratio between NDC Programme spend and monies 'levered in' from partner agencies as contributions to NDC activities is 1:0.56, with the housing and physical environment theme bringing in most 'non-NDC' money and health the least. The distribution of spend by themes varies across the 39 areas. Some have supported major physical infrastructure projects and have committed a large proportion of funds accordingly. Others have spent roughly similar proportions of their resources across all six outcomes. As a result of contrasting approaches adopted, there is considerable variation across the 39 in relation to overall NDC, and per capita, expenditure⁵. Per capita NDC funding averaged £3,823 over the period 1999–2000 to 2006–07, ranging from £1,289 to £8,668. Total expenditure per capita (to include non-NDC funding) ranged from £1,663 to £27,909 across the 39 NDC Partnerships.
- 1.6. Variations in the amounts spent per theme reflect not just the characteristics of individual NDC areas but are also a product of the different priorities developed within NDCs as a result of engagement with their local communities⁶, and the nature of partnerships developed with other local agencies⁷.

The National Evaluation

- 1.7. The national evaluation has been tracking the Programme since its inception, seeking to establish its strengths, weaknesses, impact and value for money as well as drawing out lessons for future policy-making. The evaluation uses three key sources of evidence⁸:
 - household surveys were conducted by Ipsos MORI in all 39 NDC neighbourhoods and in comparator areas in 2002, 2004, 2006 and 2008; comparator areas are similarly deprived neighbourhoods in the same parent local authorities as NDCs

³ CLG (2009) *Residential mobility and outcome change in deprived areas: evidence from the New Deal for Communities Programme*.

⁴ Operational issues including the experience and strength of partnerships with other agencies are discussed in CLG (2009) *The 2008 New Deal for Communities Partnership Survey*.

⁵ CLG (2009) *The NDC Programme: Outputs and Expenditure over the period 1999–2007*.

⁶ CLG (2009) *Improving outcomes? Engaging local communities in the NDC Programme*.

⁷ CLG (2009) *The 2008 New Deal for Communities Partnership Survey*.

⁸ A fuller explanation of the ways in which the Programme is being evaluated is available on the NDC national evaluation website: <https://shu.extra.ac.uk/ndc/>

- a range of administrative data has also been collated for NDC neighbourhoods and comparators, providing an evidence base through which to track changes over time in benefit claims, recorded crime, educational attainment in NDC areas, etc
- a stream of locality-based work is addressing a range of neighbourhood renewal issues including working with agencies and communities, neighbourhood elections and succession strategies, as well as reviewing NDC strategies and interventions across the six outcome areas of community engagement, crime, worklessness, health, education, and housing and the environment.

1.8. Most previous ABIs have only had access to output data and have often struggled to provide evidence in relation to the differences programmes have made to the lives of people living in regeneration areas. The NDC evaluation has been set up specifically to measure outcome change at the neighbourhood level and has access to a wide range and depth of data.

1.9. The depth of evidence arising from this evaluation means that there are now different, if complementary, ways of using data from different sources to identify and understand change. Key features to this evidence base include:

- **the ability to benchmark change** in NDC areas against that occurring in comparator areas, parent local authorities, and nationally
- **the option of drawing on two different perspectives on change:** from both cross-sectional household data and longitudinal panel data which traces what happens to individuals through time
- **the potential to model data to account for the effects** that socio-demographic variables such as age, gender and ethnicity may have on the degree of change achieved
- **the ability to measure change from baseline ‘starting positions’:** this is important to consider because the more deprived the area or the individual the more potential they have for positive change
- the potential to look at both **aggregated Programme-wide data but also at relative change across the 39 NDC areas**; the evaluation has access to change data for all 39 schemes
- **the availability of both top-down and bottom-up evidence:** the evaluation has carried out analyses based on Programme-wide data sources, as well as case study work in selected NDC areas.

1.10. Methodological issues associated with these features are set out in greater detail in Annex 2 to this report.

Purpose of this report

- 1.11. A range of detailed descriptive and analytical reports have been prepared during the course of the second phase of the evaluation⁹. The aim of this report is to synthesise and highlight the key messages from the most recently published reports and present these in an accessible form. A suite of final reports that will incorporate more detailed analysis of available data, and which will have been subject to peer review, is to be published in 2010.
- 1.12. This report is structured as follows:
- section 2 reviews evidence on Programme-wide change from both cross-sectional household survey data and longitudinal panel data
 - section 3 summarises key findings on change across the Programme's six outcomes
 - section 4 draws out factors which help understand and explain change and makes links with policy issues relating to the future delivery of neighbourhood renewal.

⁹ See Annex 1 for a list of recent publications from the National Evaluation Team.

2. Programme-wide change

Introduction

- 2.1. The NDC Programme aims to bring about change across six broad outcome areas: crime, community, housing and the physical environment, education, health and worklessness. Two new reports published by the National Evaluation Team present the evidence on change from the complementary perspectives of the 2002–2008 household surveys¹⁰ and also analysis of the 2002–2006 data from the longitudinal component of the surveys¹¹. This section sets out the key findings from these two sources and explores the contribution they make to our understanding of change resulting from the Programme.

Programme-wide area-based change

- 2.2. The NDC evaluation uses a set of 94 indicators from the household survey to monitor change in NDC and comparator areas across the Programme's six outcome areas¹². New data from the 2008 survey, confirming findings from earlier surveys, indicate that NDC areas are experiencing positive change¹³, some of which is over and above that occurring in the comparator areas¹⁴. Eight of the ten indicators where NDC areas show greatest positive change when assessed against the comparators relate to place-based issues surrounding attitudes to the area and crime¹⁵.
- 2.3. There is also evidence that NDCs are closing the gap with the rest of the country across a wide range of indicators. For 58 indicators it is possible to compare change in NDC areas with that for England as a whole. NDC areas saw more improvement than was the case nationally for nearly three-quarters of these (72 per cent). For 20 this difference was five percentage points or more. Of the ten indicators where NDC areas saw greatest change compared with national benchmarks, four relate to a decline in crime, three to reductions in fear of crime, and two to improving attitudes towards the area. In contrast, for some 16 indicators, NDCs saw less improvement than the national benchmark. In two instances this difference was greater than five percentage points: having

¹⁰ CLG (2009) *An Overview of Cross-sectional Change Data: 2002–2008: evidence from the New Deal for Communities Programme*.

¹¹ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*.

¹² 'Core indicators' used in the 2006/07 Programme-wide report also include indicators drawn from administrative data.

¹³ The majority (86) of the indicators moved in a positive direction between 2002 and 2008. For most of these (80) change was statistically significant at the 0.05 level.

¹⁴ NDC areas saw more improvement than did the comparators on 60 out of 89 indicators where direct comparisons are possible. The difference was statistically significant for about a fifth (18 indicators).

¹⁵ This theme is discussed in more detail in CLG (2009) *An Overview of Cross-sectional Change Data: 2002–2008: evidence from the New Deal for Communities Programme*.

a savings account, and using the Internet at work, a place of study or elsewhere.

- 2.4. Overall, then, the cross-sectional data from the household survey presents a positive picture of change within NDC areas.

Longitudinal change: individuals' experiences of change over time

- 2.5. Longitudinal data, of which only that for 2002–2006 has been analysed to date, also captures change but in this case for residents who remained in NDC, or in comparator, areas for this four year period. This sample differs from the cross-sectional respondents in a number of ways. In particular the panel contains higher proportions of respondents who are white, female, owner-occupiers and have no qualifications. Nevertheless, this is a valuable source of information about how change is experienced by longer term-residents.
- 2.6. Residents within the NDC panel experienced more positive change than those constituting the comparator areas panel:
- the NDC panel saw significant improvement for more indicators than did those in the comparator areas panel and saw deterioration in fewer¹⁶
 - for 15 of the indicators showing significant change in either NDC or comparator areas between 2002 and 2006, more positive change was recorded amongst NDC residents than comparator areas residents; for six improvement was less than that seen in comparator areas
 - 79 per cent of NDC panel residents experienced improvement in two or more key indicators, compared with 71 per cent in the comparator areas
 - the highest number of indicators showing improvement for any one individual in the NDC panel was 15, compared with 13 in comparator areas.
- 2.7. However, we know that there are differences between the NDC and comparator area panels in some key socio-demographic characteristics¹⁷. Statistical modelling techniques can help take these differences into account. It is then possible to explore the extent to which change might be explained by individual-level characteristics or whether people with similar characteristics experience, on average, more change when living in NDC areas compared to comparator areas.

¹⁶ NDCs saw significant improvements for 17 of 26 indicators between 2002 and 2006, the comparator areas eight; the latter saw significant deterioration in four indicators between 2002 and 2006, compared with three for the NDC panel.

¹⁷ For example in 2002: 78 per cent of NDC longitudinal respondents were White compared with 82 per cent in comparators; and 58 per cent of NDC longitudinal respondents resided in social rented accommodation compared with 44 per cent of comparator longitudinal respondents.

- 2.8. Analysis shows that when individual-level socio-demographic factors¹⁸ are taken into account (so that we are effectively comparing two similar groups of people), there are fewer significant differences between changes experienced by the NDC panel members compared with those experienced by the comparator areas panel members. Only three indicators show better outcomes for the NDC panel: satisfaction with the area, lawlessness and dereliction, and thinking the area has improved in the last two years. Thus the positive change observed in NDC areas which is over and above that occurring in comparators areas can in part be explained by the differences in composition of the local populations living in NDC, or comparator, areas.
- 2.9. In addition, the evaluation has consistently pointed to the tendency for the most deprived of both areas and individuals at the outset to have made the most progress. This is to be expected given that they have greater 'headroom' for change. Models can also include starting position or how 'deprived' an individual was at the start of the evaluation, as a potential explanation of change achieved. In effect such models examine outcomes for those giving identical responses in the 2002 survey to specific questions. Once individual-level socio-demographic factors and also starting position are taken into account, those in NDC areas saw significantly greater improvement than those in comparator areas for only one indicator: thinking the area has improved in the last two years.
- 2.10. Introducing how 'deprived' an individual was at the outset (2002) into the analysis 'soaks up' some of the differences between outcomes for NDC and comparator area residents. In effect, in 2002 there was a higher concentration of deprived people in NDC areas than in the comparator areas. People who were more deprived at this baseline year were in turn likely to make more positive change than less deprived individuals wherever they lived. Because NDC areas contained more deprived people, who in turn were more likely to make progress, NDC areas saw more positive change than did comparator areas. On this basis it is reasonable to argue that the Programme is doing exactly what it was designed to do: help improve outcomes for more disadvantaged individuals in especially deprived neighbourhoods, and by so doing help close the gaps between these areas and the rest of the country.
- 2.11. What the panel data also shows is that once individual-level characteristics and starting position are included in models then area effects, or whether an individual lives in either an NDC area or a comparator area, have only a limited effect on change: over 96 per cent of variation can be explained by individual-level starting position and individual-level socio-demographics. However, even within the three to four per cent of variation which can be explained by area level factors, one indicator does reveal a positive statistically significant difference between the two panels: those in NDC areas are more likely to see an increase in how much they thought the area has improved in the previous two years. NDCs were established to improve their local neighbourhood. The panel evidence is consistent in

¹⁸ Respondents' gender, ethnicity, age and their households' composition and tenure.

finding that those who have lived in these 39 neighbourhoods for at least two years are more likely to see an increase in how much they think the area has improved than is the case for similarly deprived individuals who remained within the comparator areas.

Changes in rates of change over time

2.12. Findings from analyses of both cross-sectional and panel data suggest that there may be diminishing rates of change: a disproportionate amount of change tended to occur in the earlier, rather than the later, years of the 2002 to 2008 period¹⁹. It may be that:

- the initial positive effects arising from ‘quick wins’ implemented by NDCs in their early days have diminished through time
- as the Programme has progressed, expectations may have risen and respondents may consequentially be judging change less generously
- in relation to some attitudinal indicators such as fear of crime and perceptions of the area it is easier to make bigger, earlier shifts because there is simply more ‘headroom’ for change
- for some outcomes, such as incidence of crime, the scope for a great deal of additional positive change may be limited.

¹⁹ Of the 86 indicators which improved between 2002 and 2008, 46 (53 per cent) showed most improvement in the first two year period: 2002 to 2004.

3. Change across the six outcomes

Introduction

- 3.1. The NDC Programme is designed to achieve change across six outcomes. Three of these are 'place-based' and reflect concerns around the community, crime and housing and the physical environment. The other three are 'people-based' reflecting concerns around health, education and worklessness. The National Evaluation Team has embarked on a programme of in-depth reviews exploring how successfully NDCs have tackled these themes based on analyses of 'top-down' data complemented by 'bottom-up' evidence from locality-based work. Some of this work is still underway and will be drawn into final evaluation reports. Other work informs the summaries of key issues relating to each of the six outcomes and which is set out below²⁰.

Place-based outcomes

Housing and the physical environment

- 3.2. NDC areas are predominantly areas of rented housing with rates of owner-occupation much lower than the national average. Social housing is usually the predominant housing tenure and in 2001 accounted for between 86 per cent and 23 per cent of housing stock in NDC areas (51 per cent on average)²¹. Housing and environmental concerns play a big role in the lives of many people living in deprived areas. In 2002 some 39 per cent of residents expressed the desire to move from their current accommodation, some ten percentage points higher than for England as a whole. More than one in ten residents (14 per cent) also felt 'trapped' in their current accommodation: wanting to move but feeling it was unlikely they would be able to do so.
- 3.3. Many NDCs have implemented local environmental improvement schemes and some are working with partner agencies to effect major housing refurbishment or redevelopment schemes. Housing and the physical environment accounts for the largest proportion of total expenditure across the Programme as a whole.
- 3.4. Despite the scale of the challenge and the extended timescales of some programmes of work being carried out, there are clear indications of positive change occurring in NDC areas. There were substantial increases

²⁰ Detailed work on housing and the physical environment, health and education is still underway.

²¹ Source: 2001 Census.

between 2002 and 2008 in the proportion of NDC residents thinking that their area has improved and expressing satisfaction with the area as a place to live. Long-term residents in NDC areas experienced more positive change between 2002 and 2006 than their counterparts in comparator areas in relation to improvements in the area and environment.

- 3.5. However, the full benefits of some redevelopment schemes will take many years to materialise and achieving positive outcomes for the housing and physical environment outcomes is proving harder in general for NDC areas with higher levels of residential mobility. Despite residents having more positive attitudes towards their neighbourhoods, the proportion of people wanting to move has not fallen.

Crime

- 3.6. Both the incidence, and fear of, crime have been substantially higher in NDC areas than nationally. In 2002 a third of all NDC residents had been a victim of at least one crime. A third of residents also had a high level of concern about a range of indicators relating to lower-level criminality and lawlessness²². In 2002 more than half of residents (55 per cent) felt unsafe walking home after dark.
- 3.7. Across the Programme, NDC Partnerships have put in place a range of initiatives designed to reduce fear, and incidence, of crime, spending some £118m up to 2007. A detailed report on the strategies, approaches, challenges and achievements in relation to crime was published in 2008 based on work in six case study NDC areas²³. New data from the 2008 household survey and analysis of longitudinal panel data add to the picture of change over time.
- 3.8. There have been reductions in the numbers of NDC residents experiencing burglary and feeling unsafe alone after dark, although both of these indicators remain higher than the national average. NDCs have experienced more positive change than comparator areas across a range of crime indicators, including perceptions of drug-use and dealing; perceptions of car crime; vandalism, graffiti and damage to property; abandoned and burnt out cars; and household burglary.
- 3.9. Expenditure specifically related to crime and community safety is a significant contributory factor in explaining change in fear of crime at the area level: on average the greater the crime-related expenditure the greater the reduction in fear of crime. This is important because it is the first indication of any relationship between place-based change and NDC expenditure. Relationships between spend and change are discussed in greater detail in 4.10 below.

²² Such as run down or boarded up properties; abandoned or burnt out cars; vandalism, graffiti and other deliberate damage to property; people being attacked or harassed; household burglary; car crime (e.g. damage, theft and joyriding); teenagers hanging around on the streets; drug dealing and use; property being set on fire; and disturbance from crowds or hooliganism.

²³ CLG (2008) *Delivering Safer Neighbourhoods: Experiences from the New Deal for Communities Programme*. www.communities.gov.uk/publications/communities/deliveringsaferneighbourhoods

The community dimension

- 3.10. More than any previous ABI, the NDC Programme has placed a considerable emphasis on engaging with, supporting, involving, and empowering local residents. Reflecting the importance of this dimension to the Programme and in order to ensure that lessons from the NDC experience are available to inform wider policy debates on community engagement and empowerment, a detailed report into community engagement has been undertaken as part of the evaluation²⁴. New data from the household survey and analysis of longitudinal panel data now add to our ability to assess change for this outcome.
- 3.11. Household survey evidence points to substantial increases in the numbers of NDC residents being aware of their local NDC and thinking it has improved the area. However, there has been relatively little change in recent years in the numbers of those involved in NDC activities. Whilst this may reflect a maturing Programme providing fewer opportunities for people to engage with shaping strategies and interventions, it may also reflect a natural plateauing-out of people interested in, and able to get involved with, NDC activities in deprived areas.
- 3.12. Although there has also been a steady increase in the proportion of NDC residents feeling part of the local community, there is less evidence of change with regard to other community orientated or 'social capital' indicators. For instance, the proportion seeing their area as a place where neighbours look out for each other and the proportion who feel they can influence decisions affecting their area remained largely static between 2002 and 2008. The NDC Programme-wide averages for that latter date, 61 per cent for neighbours looking out for each other and 25 per cent for influencing decisions, are considerably lower than the national equivalents of 78 per cent and 31 per cent respectively.

People-based outcomes

Worklessness

- 3.13. NDC Partnerships are having to address formidable neighbourhood-level problems in relation to worklessness and finance. As of February 2008 the worklessness rate amongst working age residents across all 39 NDC areas was 18.4 per cent compared with a national equivalent of 8.9 per cent. This equates to about 45,800 workless residents in NDC areas of whom 14,100 are on Job Seekers Allowance (JSA) and 31,700 on Incapacity Benefit/Severe Disablement Allowance. In addition, a third out of work benefit Income Support (Lone Parents), supports a similar number of people as JSA.
- 3.14. The evaluation has access to a wide range of evidence on addressing worklessness and has produced two volumes exploring the nature

²⁴ CLG (2009) *Improving outcomes? Engaging local communities in the NDC Programme*.

of employment issues in NDC areas and Partnerships' experiences in addressing worklessness²⁵. Key findings from this work are that in line with national trends, worklessness fell in NDC areas with 6,000 fewer workless residents in NDC areas in 2008 compared with 1999²⁶. NDCs have also been narrowing the gap with their local areas: 24 areas saw more positive change than was the case for their parent local authority. However, the reduction in worklessness across all 39 NDC areas was marginally less (0.4 percentage points difference) than in the comparator areas.

- 3.15. In many areas NDC Partnerships have focused their efforts on reaching unemployed people who are furthest from the job market. Local evidence suggests that NDC interventions are well-respected and seen as effective. Working age respondents to the panel survey identifying themselves as beneficiaries or users of an employment project were statistically significantly more likely to make a transition from not being in employment in 2002 to being in employment at 2004 than were non-beneficiaries.

Education and skills

- 3.16. The education and skills theme is a particularly wide-ranging one for NDCs as it spans early-years development to skills training for adults. NDC areas tend to be characterised by poor educational attainment levels and disproportionately large numbers of residents with few, if any, formal qualifications. In 2002 for example, a third of residents of working age had no formal qualifications and only 26 per cent of children achieved five or more GCSE passes at grade A* to C.
- 3.17. Detailed analysis of administrative data²⁷ has established that the key challenges in NDC areas include high pupil turnover in some areas, poorer quality of schools and the dispersal of NDC children amongst a potentially large number of local schools. Young people's attainment at Key Stage 4 in NDC areas has been improving, although there is little evidence of change at the NDC level over and above that seen in comparator areas.
- 3.18. Across the Programme adult skill levels have increased and NDCs have seen a slow but steady improvement in the proportion of adults without qualifications. There is evidence from the panel survey that NDC interventions are making a difference for individuals who have accessed them²⁸. However, the lower proportion of adults without qualifications is, nevertheless, still more than twice the national benchmark of 13 per cent.

²⁵ CLG (2009) *Understanding and Tackling Worklessness Volume 1: Worklessness, employment and enterprise: patterns and change*; CLG (2009) *Understanding and Tackling Worklessness Volume 2: Neighbourhood level; problems, interventions and outcomes: evidence from six case study NDC areas*.

²⁶ Although to put this in context it is estimated that over the course of a month some 4,500 people will flow onto JSA and some 4,200 people come off JSA across the 39 areas.

²⁷ CLG (2009) *Raising educational attainment in deprived areas: the challenges of geography and residential mobility for area-based initiatives*.

²⁸ Respondents to the panel survey identifying themselves as beneficiaries or users of an education project between 2002 and 2004 were significantly more likely to have made an improvement in their highest qualification. Their trust in local schools is also likely to have increased more than non-beneficiaries.

Health

- 3.19. Inequalities in health status between people living in poor and prosperous neighbourhoods have been well documented. Poor health manifests itself in a number of ways for people living in deprived areas. In 2002 only slightly more than three-quarters of residents felt that their health was very, or fairly, good compared to 87 per cent nationally and 40 per cent of NDC residents smoked.
- 3.20. Detailed investigations into how NDCs are addressing health issues in their areas are still to be completed. However, evidence from the household surveys shows that there have been modest improvements in relation to self-reported indicators of health but mixed messages in relation to life-style and diet. For only a few health indicators did NDC areas see significantly greater improvement than did comparator areas.
- 3.21. Mental health has been improving gradually in NDC areas and longitudinal data suggests that improvements in mental health are associated with improvements in a wide range of other indicators including personal health and economic circumstances, vertical trust²⁹, actual, and fear of, crime, and seeing improvements to the area, its accommodation and local social relations.

²⁹ Trust in other agencies such as the police, local authority etc.

4. Understanding and explaining change

Introduction

4.1. Findings uncovered by the national evaluation team during 2008–09 help in understanding and explaining change in relation to neighbourhood level regeneration schemes. This critically important issue will be developed further during 2009–10 as part of work underpinning final evaluation reports to be published in 2010. At this stage therefore many of the key conclusions developed below should be seen as indicative rather than definitive. Eight issues are explored:

- area versus individual level effects
- assessing change: being realistic
- inter-linkages across outcome change
- projects and individual level trajectories
- the role of NDC expenditure
- the role of partnership characteristics
- the role of other Area Based Initiatives
- the role of residential mobility.

Area versus individual level effects

4.2. As discussed in 2.11, evidence from this evaluation, in line with many studies exploring variations in rates of deprivation in defined 'areas', indicates that a large proportion of variation in change experienced by individuals is explained by personal characteristics, rather than anything to do with areas per se. Area effects, in this instance whether an individual lives in an NDC or in a comparator area, are small compared with basic socio-demographic factors such as age, gender and ethnicity. Because of these minimal 'area effects' it is unrealistic to imagine that in just a few years NDC Partnerships would have been able to introduce policies culminating in statistically significant improvements for individuals in the NDC panel, over and above what was happening to similar individuals in the comparator areas. The characteristics of individuals matter much more than whether they happened to live in an NDC, or in a comparator, area.

Assessing change: being realistic

- 4.3. One of the sub-themes' to emerge from this evaluation is the importance of ensuring that assessments of 'success' are rooted in an appreciation of what any ABI can reasonably be expected to achieve bearing in mind at least four factors:
- as is alluded to immediately above, area-based factors are anyway of limited significance in explaining change
 - as is apparent in the particular context of worklessness, changes introduced by NDCs can be swamped by the effects of 'macro-processes' operating with local authorities, regions or nationally³⁰
 - some outcomes, especially those for education and health, may take decades to become apparent
 - and, there is also the question of resources which merits more detailed comment.
- 4.4. It might have been assumed that NDC areas, each in receipt of £50m, would have seen more in the way of positive relative change especially against the comparator areas. However it should be appreciated that although the NDC Programme is certainly generous compared with many previous ABIs, 'additional' spend from the Programme amounted to just £3,300 per person between 1999 and 2007. This scale of expenditure is minor when compared with mainstream spend available to all neighbourhoods and also in relation to the scale of change the Programme has ostensibly been set up to achieve³¹.

Inter-linkages across outcome change

- 4.5. Longitudinal panel data is useful in helping to unravel how outcome change occurs for individuals. In particular this evidence shows how, for individuals, positive change in relation to one outcome is associated with change in others. Findings include:
- improved fear of crime rates have statistically significant associations with reduced actual rates of crime, and improved dereliction, the local environment, social relations, and SF36 mental health scores

³⁰ Administrative data shows that there were 6,000 fewer workless residents in NDC areas in 2008 compared with 1999. However, putting this in context, if national trends are applied to NDC areas there is a movement of some 60,000 people onto workless benefits and a similar number moving from benefits into employment each year. Whilst NDC interventions may be benefiting some individuals within their areas, the impact at the neighbourhood level is minor in relation to trends arising from wider dynamics.

³¹ For instance in 2003 the national evaluation team calculated that to reduce levels of worklessness in NDC areas to those of parent local authorities (a frequently stated objective) would then have required the creation of about 20,000 jobs (see NRU/ODPM (2005) *New Deal for Communities 2001–2005 An Interim Evaluation: Research Report 17*. www.neighbourhood.gov.uk/publications.asp?did=1625 par. 13.49). If this task were costed at a conservative £20,000 per job, this would require about £400m. Bearing in mind residential mobility patterns, and constant churn in the labour market over the ten years of the Programme, it would not be unreasonable to at least double that cost. Thus, perhaps half of the Programme's total budget of £2bn would be needed to achieve just one outcome. Any assessments of this Programme's achievements, or indeed those assumed by any ABI, need to take into account what might reasonably be achieved bearing in mind available resources.

- better mental health scores are associated with improved personal health and economic circumstances, vertical trust, a reduction in both actual, and fear of, crime, and improvements to the area, its accommodation and local social relations
- better satisfaction with the area scores are associated with improvements in other place-based outcomes: lower crime rates, and improvements to the environment, quality of housing, 'community' scores, and enhanced trust in other agencies
- increases in the proportion of those who feel part of the local community are associated with improvements to the area, its accommodation and trust in local service agencies
- increases in the proportion of individuals who think the NDC has improved the area are associated with improvements to the area, the local environment, incidence of crime, and trust in other service delivery agencies
- increases in the number of individuals who think the area has improved in the last two years are associated with improvements in environmental and crime indices, mental health, employment, trust, social relations and satisfaction with the area.

4.6. In general, when looking at the experiences of individuals, these inter-relationships are stronger for place-based, rather than people-based, outcomes. Evidence emerging from across the evaluation suggests that NDC Partnerships generally find it easier to intervene within the 'place' domain. In so doing there seems every possibility of reaping additional 'synergistic' rewards because of the mutually beneficial links across that nexus of outcomes surrounding crime, the environment, trust in local agencies, social relations, community cohesion, mental health and so on. These synergies in relation to changes to area satisfaction are illustrated in Figure 4.1.

4.7. On the other hand the two outcomes which appear as outliers to this general sense of inter-connectedness are worklessness and education which have fewer relationships with other outcome areas. This finding needs to be seen in the context of the evolving debate surrounding the role which tackling worklessness is likely to play in future regeneration policy. This theme was first flagged up in the 2007 *Sub-national review*³², and in turn developed within both CLG's *Transforming places; changing lives*³³, and in the Houghton Committee's *Tackling Worklessness Review*³⁴. In particular 'Transforming places ...' prioritises the role which economic development and employment should play in regeneration policy. In that context it is interesting therefore to note that evidence from this Programme suggests that 'place-based' outcomes appear easier for NDCs

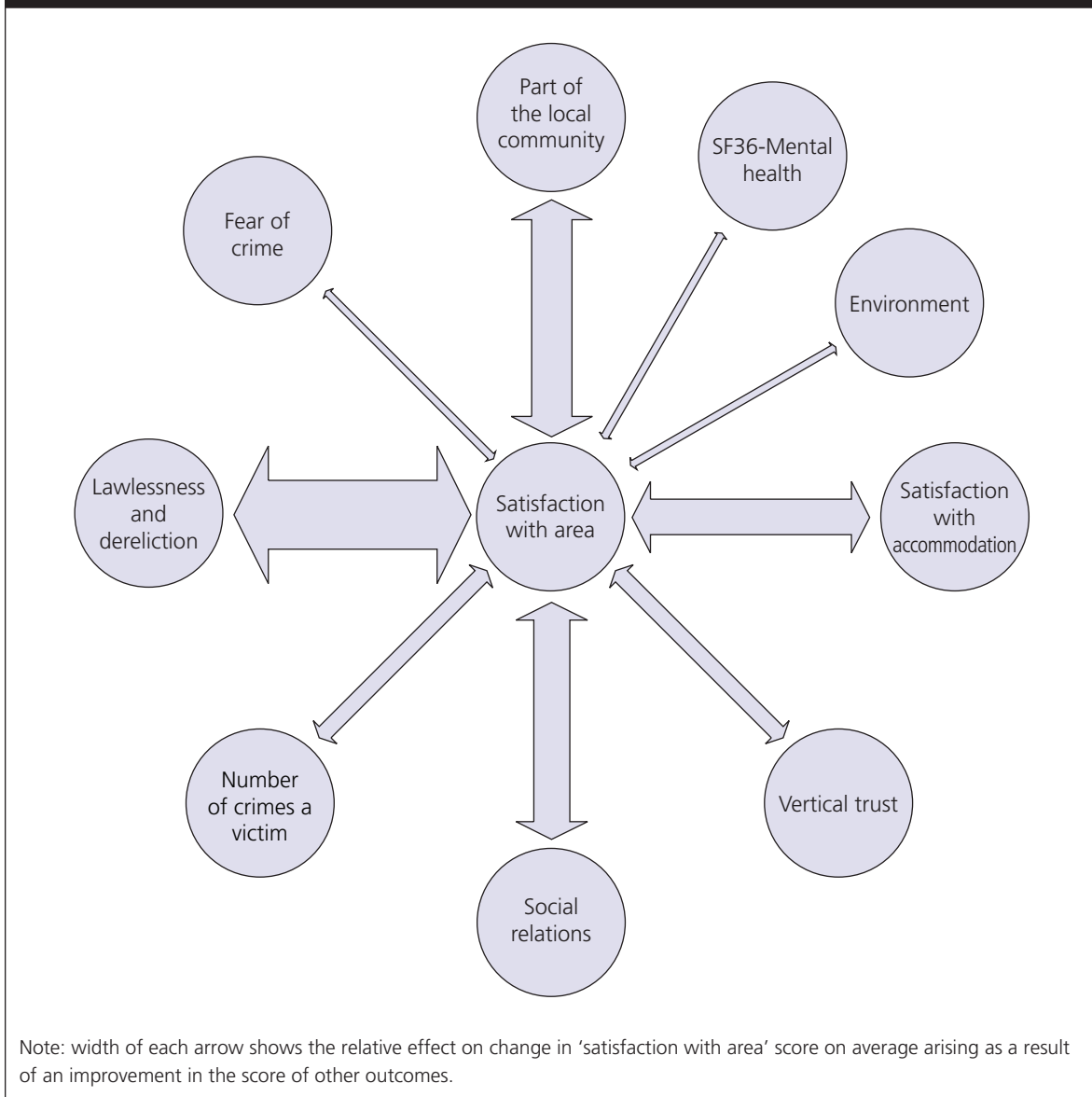
³² HM Treasury, BERR, CLG (2007) *Review of sub-national economic development and regeneration*. www.berr.gov.uk/files/file45468.pdf

³³ CLG (2008) *Transforming places; changing lives; a framework for regeneration*. www.communities.gov.uk/publications/citiesandregions/transformingplaces

³⁴ CLG (2009) *Tackling Worklessness: a Review of the contribution and role of English local authorities and partnerships*. www.communities.gov.uk/documents/communities/pdf/1078229.pdf

to achieve and appear to generate more in the way of cross-outcome synergies than is the case for worklessness.

Figure 4.1: Satisfaction with area: significant interactions with other outcomes



Projects and individual level trajectories

- 4.8. Despite the fact that area effects are small, evidence from the evaluation nevertheless suggests that NDC funded projects are associated with individual level change in relation to specific outcomes. It is useful to pull together, and develop, this evidence because it is not clear that any previous ABI evaluation has had access to this kind of data. For the 2004 household survey the national evaluation team liaised with all 39 Partnerships to draw up a shortlist of a maximum of four named local projects. Individual-level responses were obtained in relation to some 145 projects falling into eight categories of project. This has allowed for an

analysis of the degree to which those who said they benefited from, used, or attended one or more of these types of projects saw greater positive outcomes between 2002 and 2004 than did those who had not benefited. Change data has been modelled to take into account individual-level socio-demographics. The results in many ways are very positive³⁵. There are statistically significant differences in relation to outcomes achieved by beneficiaries when compared with those for non-beneficiaries. These almost all indicate relative improvements for beneficiaries. For instance compared with those that have not benefited, respondents benefiting from or using:

- a crime project show significantly greater improvement in their lawlessness and dereliction and fear of crime scores
- an environment project show significantly greater improvement in their problems with the environment and satisfaction with area scores
- a neighbourhood wardens project show significantly greater improvement in their fear of crime and lawlessness and dereliction scores
- an employment project are statistically significantly more likely to make a transition from not being in employment in 2002 to being in employment at 2004
- a community project are statistically significantly more likely to begin to feel they can influence decisions that affect their local area and to become involved in a local organisation.

4.9. There are clear and positive links between interventions introduced by NDCs and positive outcomes for 'benefiting' individuals. And in general the larger the project the larger its impact is likely to be.

The role of NDC expenditure

4.10. Evidence from across the evaluation is increasingly pointing to there being relationships between spend and change: the more individual Partnerships are spending on particular themes, the more change is occurring:

- the panel report suggests that expenditure specifically related to crime and community safety is a significant contributory factor in explaining different rates of change in relation to fear of crime: in NDC areas where the Partnership has spent more on crime and community safety a greater proportion of residents experience improvements in their fear of crime than in NDCs which have spent less³⁶
- previous work has identified an association between NDC spend on all people- based interventions, on the one hand, and change to people-

³⁵ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*. Ch 8.

³⁶ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*. par 4.7.

based outcomes, on the other³⁷: the more an NDC spent on projects designed to impact on people-based outcomes, the greater the change in such outcomes in that area

- analysis has identified a positive association between NDC expenditure on worklessness and change in an NDC's employment rate between 2002 and 2006: greater spend on worklessness projects or initiatives was associated with more improvement in employment rates over that time frame³⁸.

4.11. This relationship between spend and outcomes might seem obvious and entirely to be expected. In fact it has taken several years for it to emerge. A moment's reflection will explain why. This is a well funded ABI but as is alluded to in 4.4, even in this relatively privileged state, per capita spend is small. It has taken several years before the cumulative effects of this modest level of spending has impacted on outcome change.

The role of partnership characteristics

4.12. One of the themes which the evaluation team has explored through time is the degree to which change is related to a range of Partnership-level characteristics such as stability with regard to key staff and the size and nature of Partnership boards. It might be anticipated that through time these factors would become relatively less important in explaining change compared with other possible variables such as spend. But at the margins Partnership-level characteristics continue to play a role. For example analysis of the NDC panel data indicates that an increase in the proportion of residents who think the local NDC has improved the area is positively related to total number of board members³⁹. Perhaps having a larger membership generates more channels for disseminating good news back to a wider range of residents and for ensuring that in turn 'local voices' are heard at board meetings. Institutional arrangements can affect change at the local level.

The role of other area based initiatives

4.13. In similar vein the evaluation team has also continued to examine relationships between change for individual NDC areas and wider contextual issues. For a while evidence has been emerging of a relationship between change for individual NDC areas and numbers of overlapping ABIs. For example, there is a relationship between the number of other ABIs in an NDC area and improvements in the working age employment rate over time: the more ABIs in the area the greater the

³⁷ CLG (2008) *New Deal for Communities: a synthesis of new Programme-wide evidence: 2006–07, Research Report 39*. www.neighbourhood.gov.uk/publications.asp?did=1930 par 4.6.

³⁸ CLG (2009) *Understanding and Tackling Worklessness Volume 1: Worklessness, employment and enterprise: patterns and change*. par 8.15.

³⁹ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*. par 4.24

improvement in the employment rate from 2002–2006⁴⁰. It is not possible definitively to explain why this positive relationship between change and having more overlapping ABIs has emerged. But it seems likely that a number of factors are at work here: additional, although often limited, resources going into NDC areas; opportunities for the joint funding of projects between NDCs and other ABIs; and possibly a kind of ‘added-effect’ arising from the operation of several ABIs within one locality. Evidence from this evaluation continues to suggest that positive change is more likely to occur where resources are concentrated within certain neighbourhoods rather than spread more widely across local-authority districts, an important finding for the roll-out of the initiatives such as Working Neighbourhoods Fund.

The role of residential mobility

- 4.14. Residential mobility impacts on neighbourhood renewal in complex ways. On the one hand, enhanced mobility may be positive, in that it could reflect improving access to better housing or employment circumstances for individuals benefiting from NDC, and other, interventions. On the other hand, high levels of mobility in deprived areas can be problematic, being associated with decreasing social capital, increasing problems of social cohesion, and greater demands on local services.
- 4.15. Differences in rates of mobility are overwhelmingly determined by differences in the characteristics of NDC populations. Eighty-two per cent of the variance is explained by five key demographic differences, the most significant of which is age: nearly three quarters of the variance between different NDC areas can be attributed to the proportion of 16–34 year olds in the local population.
- 4.16. It is possible to explore relationships between mobility and outcome change at three scales⁴¹. First, categorising the 39 areas into NDC groupings of ‘high’, ‘medium’ and ‘low’ residential mobility reveals only a few consistent relationships in relation to outcome change:
- in areas of high mobility there has been more positive change than the NDC average in relation to worklessness and income indicators
 - NDC areas with higher levels of mobility have experienced less positive change than the NDC average in relation to housing and physical environment indicators.

⁴⁰ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*. par 4.18

⁴¹ CLG (2009) *Residential mobility and outcome change in deprived areas: evidence from the New Deal for Communities Programme*.

- 4.17. Second, analysis at the level of individual NDC areas, reveals significant relationships between mobility and outcome change:
- change for the education theme is significantly negatively correlated with levels of residential mobility in both 2002 and 2006: as rates of residential mobility increase, children’s performance at KS4 decreases
 - in both 2002 and 2006, higher levels of mobility are associated with achieving less change across the housing theme; this holds for two-thirds of the indicators for this theme including want to move, ‘trapped’ in current accommodation, satisfaction with accommodation, and problems with the local environment
 - a combined ‘place’-based outcomes score (crime, community, and housing and the physical environment) is negatively correlated with levels of residential mobility in both 2002 and 2006.
- 4.18. Third, when analysing outcome change for individuals remaining in NDC areas between 2002 and 2006 it is apparent that those who stayed in areas of low residential mobility were significantly more likely to see improvements in many place-based outcomes. Those who remained in areas of higher mobility perceived fewer improvements in problems associated with the area, crime and environmental degradation. In general areas with higher levels of mobility are seeing less in the way of positive change in relation to place based indicators.
- 4.19. Clearly there are associations between levels of mobility and outcome change: for both areas and individuals higher levels of mobility are associated with lower levels of outcome change especially in relation to a range of place-based indicators, and also interestingly too, with regard to education.

A concluding comment

- 4.20. This section has identified some key findings arising from new evidence which helps explain why change occurs at the neighbourhood level. As the Programme has unfolded, and new change data become available for all 39 areas, it is intriguing that associations have emerged between the scale and direction of change and variables such as:
- Partnership level activities notably levels of spend
 - wider contextual issues including the scale of overlapping ABIs
 - the scale and nature of residential mobility.

4.21. In turn these trends point to the continuing applicability of a number of policy themes:

- the need to be realistic in assessing what ABIs can reasonably achieve
- the relative ease with which this ABI has secured outcome change in relation to place-based, rather than people-based, outcomes
- interconnectedness across place-based outcomes
- strengthening relationships between spend and change: it takes time for the cumulative effects arising from the relatively limited additional resources available to NDC Partnerships to impact on outcomes
- deprived areas will often (but not always) be characterised by strong patterns of population mobility, a trend which seems to be impacting on outcome change in complex and evolving ways.

Annex 1: Recent publications from the National Evaluation Team

CLG (2008) *New Deal for Communities: a synthesis of new Programme-wide evidence: 2006–07, Research Report 39.*

www.neighbourhood.gov.uk/publications.asp?did=1930

CLG (2008) *Delivering Safer Neighbourhoods: Experiences from the New Deal for Communities Programme.*

www.communities.gov.uk/publications/communities/deliveringsaferneighbourhoods

CLG (2008) *Displacement of Crime or Diffusion of Benefit: Evidence from the New Deal for Communities Programme.*

www.communities.gov.uk/publications/communities/displacementofcrime

CLG (2009) *Residential mobility and outcome change in deprived areas: evidence from the New Deal for Communities Programme.*

CLG (2009) *An Overview of Cross-sectional Change Data: 2002–2008: evidence from the New Deal for Communities Programme.*

CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel.*

CLG (2009) *Understanding and Tackling Worklessness Volume 1: Worklessness, employment and enterprise: patterns and change.*

CLG (2009) *Understanding and Tackling Worklessness Volume 2: Neighbourhood level; problems, interventions and outcomes: evidence from six case study NDC areas.*

CLG (2009) *The 2008 New Deal for Communities Partnership Survey.*

CLG (2009) *The NDC Programme: Outputs and Expenditure over the period 1999–2007.*

CLG (2009) *Improving outcomes? Engaging local communities in the NDC Programme.*

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

Annex 2: Measuring change

Benchmarking change

It is essential that change in NDC areas is compared with what is happening elsewhere. It is not sufficient to identify change within the 39 areas alone and assume that this reflects the impact of the Programme. Inevitably over such a long time period these 39 areas would anyway have changed, even had the Programme not occurred. Where data allows, change in NDC areas is therefore benchmarked against that occurring nationally, regionally, within parent local authorities, and against comparator areas. The last of these benchmarks merits specific comment.

The comparator areas were chosen on the basis of being similarly deprived neighbourhoods within the same local authority. They represent the degree of change which might anyway have been expected in NDC areas as a consequence of national policy initiatives or because of particular issues within the local authority context. The comparators do not share boundaries with NDC areas to avoid the issue of potential 'contamination' from NDC investment. It should be appreciated that:

- these are not 'regeneration free controls': many will have received some regeneration investment, but few will have obtained resources on the scale of NDC areas
- in general NDC areas are more deprived than comparator areas; the contrasting characteristics of these two sets of populations can help contribute to an understanding of why change is experienced differentially⁴².

Despite these caveats, the comparator areas are the best benchmark available to the evaluation because they are more similar to NDC areas than are other possibilities. In addition, because the household survey was also carried out in these areas, they provide the greatest range of comparable data. However, it is generally harder for NDC areas to improve against the comparators than against other national or regional benchmarks. As a result, where differences in outcomes between NDCs and comparator areas are identified, this is strong evidence that NDC Partnerships have made a positive 'net' impact on their areas.

Cross-sectional, and longitudinal panel, data

The NDC household surveys undertaken in 2002, 2004, 2006 and 2008 allow change to be considered in two ways. First, the sample as a whole provides an insight into cross-sectional area-based change. In the main this is the type of data which has been available to most previous ABI evaluations. It provides a snapshot of the

⁴² For example, comparator areas tend to contain higher proportions of owner-occupiers than NDC areas. Analysis of change data has shown that owner-occupiers consistently see greater change over time than those in other tenures. Modelling techniques can take account of differences in the characteristics and degree of deprivation of residents in NDC and comparator areas hence producing analyses that compares like with like (see 2.5–2.11).

circumstances and opinions of respondents making up a representative sample of people living in each NDC area at a particular point in time. An analysis of the 2008 household survey has been completed, key findings from which are incorporated into this report⁴³.

Second, the panel element of the household survey captures change occurring to individuals who remained living in one of the 39 NDC areas, or in a comparator area, over time. Full details of analyses carried out on the 2002–2006 panel is available elsewhere⁴⁴. There are differences between the characteristics and experiences of panel members and those in the whole (cross-sectional) sample. For example members of the panel are more likely to be older, female and live in owner-occupied accommodation. But their experiences of longer term change provide unique insights into how interventions contribute to change for individuals who remain in regeneration areas.

Panel data: descriptive and modelled evidence

The panel data provides evidence in relation to individuals who remain in NDC areas for at least two years⁴⁵. In analyses undertaken to date this data has been explored in two main ways using descriptive techniques to understand area level change and also more sophisticated modelling techniques which consider the trajectories of individuals over time.

Descriptive analysis uses the panel data in a straightforward way. Residents staying in NDC areas over time are considered as a whole or by relevant sub-groups defined by age, gender, ethnicity, and so on. Differences between outcomes for these longer term NDC residents can be assessed against those who have stayed in comparator areas over the same periods of time.

Statistical modelling techniques have also been used to analyse individual-level panel data. For each individual it is possible to trace the degree to which responses to particular questions change over time. The power of the panel data means that it is possible then to identify the degree to which any such change is associated with individual characteristics. For example, data on whether an individual has changed their perception of their area over time can be assessed in the light of whether the respondent is male or female, young or old, black or white. Statistical techniques identify the effect which socio-demographic variables can have on change.

The composition or socio-demographic characteristics of local populations may contribute to the amount of change observed at an area level. For example, residents in one area may report higher fear of crime rates than those living in another. But it is also known that women tend to be more fearful of crime than are men. So areas with more women may have higher recorded fear of crime rates which in part reflect demographic profiles, rather than, say, actual levels of crime.

⁴³ CLG (2009) *An Overview of Cross-sectional Change Data: 2002–2008: evidence from the New Deal for Communities Programme*.

⁴⁴ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*.

⁴⁵ For the most part analysis is based on the 2002–2006 panel.

Being able to control for inherent socio-demographic differences is useful as it helps identify area level differences over and above those that might be expected due to the profile of the local population. This is especially useful in identifying and understanding change achieved in NDC, as opposed to comparator, areas. The models allow for differences noted earlier: residents in comparator areas tend to be not quite as deprived as those in NDC areas. Once models take these differences into account it therefore becomes possible to identify that change which can plausibly be attributed to NDC interventions and which is not due to the nature of populations living within NDC, and comparator, areas.

Starting position or not?

‘Starting position’ broadly refers to how ‘deprived’ an individual was at the start of the evaluation, effectively the 2002 household survey. Deprivation in this context includes both respondents’ initial status in relation to, for example, health, employment or education and also their attitudes towards their neighbourhood, local environment and community at the start of the evaluation. This is the baseline from which change is measured.

The most straightforward way to measure change is to adopt the 2002 household survey as the Programme-wide baseline. Area-level and individual-level change is then assessed from that date. In this view how disadvantaged an individual or an area was in relation to any indicator in 2002 is irrelevant. What matters is quite simply how much change occurred from that baseline date.

However, evaluation evidence points to a tendency for more deprived areas and individuals at the starting point (the 2002 survey) to make more change. This is not entirely surprising: the more deprived an area or an individual the more scope they have for positive change. Take for example a five point measurement scale for satisfaction with an area where a score of one represents being ‘very dissatisfied’ and five ‘very satisfied’ in 2002. A ‘very dissatisfied’ resident has the potential to move up the scale by four points, a ‘satisfied’ resident by just one.

If starting position is not included in analyses there will, therefore, inevitably be a tendency for the most deprived in 2002 to have the potential to make most progress. It is known that NDC areas are more deprived than comparator areas. Analyses which do not take into account starting position may therefore measure greater positive movement in NDC areas because they have greater room for change.

The alternative position is based on the view that where an area or an individual ‘started off’ from in 2002 is important in understanding change. If this approach is adopted change is calculated by assessing what happened to those who were similarly disadvantaged in 2002: in effect comparing like with like. Potentially this may understate the apparent NDC effect because some of any improvement relative to the comparator areas may be due to the sheer scale of problems, and therefore room for improvement, amongst the 39 NDC areas in 2002.

There is no definitive answer as to whether starting position should or should not be used. In practice the national evaluation has used both, reporting significant changes

where these occur. It is clear that adopting more sophisticated modelling approaches reduces the likelihood of finding statistically significant outcome changes between what happens to those living in NDC as against those in comparator areas. In many ways this is to be expected given that individual level characteristics, rather than area effects, account for the vast proportion of differences in outcomes. For example, with respect to change from 2002 to 2006 in the degree to which the area improved over the last two years, only 3.5 per cent of the effect can be attributed to area level differences, or whether a respondent lives in an NDC, or in a comparator, area. On the other hand, fully 96.5 per cent of variation is accounted for by individual-level factors such as age, gender and ethnicity⁴⁶. In general where an individual lives is of minor significance in explaining change compared with who they are.

Programme-wide versus NDC-level change data

Programme-wide indicators are aggregate figures drawn from varying rates of change across the 39 separate NDC areas. This is a Programme-wide evaluation, so there will be circumstances where this aggregate figure is entirely appropriate. But the evaluation is in a unique position of having change data, from a common base-line, for all 39 schemes. This depth of evidence across the 39 has allowed the evaluation team to create a Composite Index of Relative Change (CIRC). This analytical tool is based on 36 indicators, six for each of the Programme's six outcome areas. By looking at change in relation to these 36, across all 39 areas, it is possible to build up an Index which identifies relative change across the 39 areas. Relative change in this context is defined in two ways: how the 39 areas have changed relative to each other; and how they have changed against their benchmark comparator areas. The CIRC therefore becomes an extremely useful tool because it can be used to explore:

- relative change for all outcomes, for all 39 areas
- associations between change and a range of potential explanatory factors such as patterns of spend and contextual considerations including the nature of the local economy, the scale of overlapping ABIs, etc.

The results of CIRC analyses using all of the data ultimately available to the evaluation will be developed in final evaluation reports published in 2010.

Top-down versus bottom-up evidence

The evaluation has carried out analyses based on Programme-wide data sources, as well as case study work in six or seven NDC areas. There is often a complementarity between this top-down and bottom-up evidence. But this is not always entirely the case. Recent work undertaken on worklessness highlights the complexities which can occur⁴⁷. In broad terms evidence from the case study work points to a wealth of

⁴⁶ CLG (2009) *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities Panel*. par 7.15

⁴⁷ CLG (2009) *Understanding and Tackling Worklessness Volume 1: Worklessness, employment and enterprise: patterns and change*; CLG (2009) *Understanding and Tackling Worklessness Volume 2: Neighbourhood level; problems, interventions and outcomes: evidence from six case study NDC areas*.

activity at the local level which is well regarded locally by both key stakeholders and also by project beneficiaries. But top-down change data points to NDC areas seeing relatively little in the way of change against the comparator areas. At first sight this may seem odd. But two reasons help explain this apparent anomaly.

First, although compared with previous initiatives this is a well funded ABI, total spend on employment and business as a whole amounts to about £380 per workless individual per year. It is not plausible to imagine that this resource will, of itself, generate large scale changes in relation to aggregate worklessness figures in NDC areas when compared with similarly deprived neighbourhoods in the same parent local authority district.

Second, specific local interventions may well help achieve individual-level success by moving people closer to employment. However, aggregate Programme-wide change data reflect a large number of these individual-level changes as people move into, and out of, employment, change jobs, leave, or move into, NDC areas and so on. To give a sense of this churn, if national trends are applied to the 39 NDC areas, about 60,000 people each year make a fresh claim, and a similar number go off, JSA and IB/SDA. 'Top-down' Programme-wide figures provide a 'gross' overview of that myriad of individual-level changes and choices.

There is a wider lesson here about measuring success in relation to ABI policy as a whole. With this scale of churn across the Programme it is unrealistic to imagine that neighbourhood based interventions designed to move individuals closer to the labour market can ever result in measurable changes which top-down data collection exercises are able to identify. Small scale projects may well lead to real gains for individual beneficiaries: they are unlikely ever to culminate in discernable Programme-wide outcome change.

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