

# civic streets the big society in action

Max Wind-Cowie

Progressive Conservatism Project

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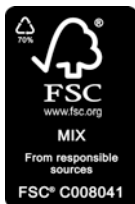
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Max Wind-Cowie

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As ever, all mistakes, errors and omissions are entirely of my own making.

Max Wind-Cowie  
May 2010



# Foreword

Just one week before the 2010 election all three party leaders appeared at the Citizens UK convention to espouse their support for citizen action, voluntary endeavour and the ‘Big Society’. Although these themes have been central to the Conservative Party, and their efforts to rejuvenate their agenda, they will also be important to the other main parties as an era of public spending restraint reduces the power of the state to provide services and investment directly. Now that we are in a position where none of the parties has enough seats to govern on their own, the ‘Big Society’ takes even more importance. You don’t need legislation to encourage voluntary action or to promote collective efficacy – these are areas where government can have an impact without the need for nail-biting parliamentary showdowns.

But what does the ‘Big Society’ mean for communities that are deprived and in need of regeneration? Is it the case, as many on the left have argued, that such communities are often simply unwilling, or unable, to contribute to the revitalisation of their communities without state direction? Indeed, is it true (as many conservatives would maintain) that they are in fact desperate to participate and better placed to achieve results than government anyway?

The estates of Balsall Heath and Castle Vale, both of which are in the City of Birmingham, have been held up as examples of community regeneration, collective efficacy and civic re-engagement. It is true that they have managed to engage their populations in long-term programmes of physical and social regeneration. But it would be disingenuous to claim that the regeneration that took place was either straightforward or a clear story of success. This report is both an effort to capture what worked in these neighbourhoods and an attempt to inject some gritty realism into the ‘Big Society’ narrative.

In the last few years, much has been written about how we might replicate the success of the Guide Neighbourhoods – a network of communities to which both Balsall Heath and Castle Vale belong. But the question remains: how can we learn from these estates and promote their experience and success elsewhere?

This report analyses the successes of the two estates, places their achievements within the context of other community regeneration projects and programmes that have been less successful or more expensive, and builds on the advice and experience of people working in these estates to outline how government might encourage similar programmes elsewhere. It is this area of the research that throws up the most important and necessary recommendation contained within this report. Our research into the tangible, practical and economic benefits of regeneration in these areas was persistently frustrated by the lack of reliable, useable base-line data and evidence. From health outcomes to employment it is far too hard to find and analyse accurate information or to see evidence of the kind of positive change that people feel but cannot prove. There has to be real, swift progress in this area – building on tools such as the live crime map that has been used in the USA – to enable communities to understand the scale of their deprivation and to measure the success in tackling it.

We also look at the conditions that are necessary, but by no means sufficient, for creating the bedrock of the ‘Big Society’ in deprived neighbourhoods.

It is worth making the point however that although government needs to ‘get out of the way’ when it comes to active regeneration it also needs to continue to operate in key areas of public policy in deprived neighbourhoods. Regeneration fails to ‘stick’ when it is imposed on areas that have extremely limited employment opportunities or poor educational standards. The ‘Big Society’ – if pursued as an approach – should have beneficial impacts in both those areas (by encouraging third and private sector involvement in the delivery of ‘back-to-work’ programmes and the running of schools) but it is essential that in these two important areas government continues to monitor the provision of services effectively.

This report is based on extensive research interviews with activists, leaders and residents of Castle Vale and Balsall Heath and interviews with representatives of local authorities and public service providers. Fundamentally it attempts to find out what explains the relative success of a ‘Big Society’ approach in Balsall Heath and Castle Vale? The significant factors, shared by both these estates despite real differences in how they progressed, have been identified as:

- long-term funding that inspires confidence and promotes engagement
- support to end ‘brand deserts’ and to bring big corporates into the regeneration mix
- genuine community involvement and democratic outreach to encourage collective efficacy
- highly skilled leadership that has real legitimacy in the eyes of the community
- a ‘broken windows’ strategy that targets ‘easy wins’ and physical decay to improve the infrastructure of the community and inspire confidence
- transition planning to enable the effective passing-on of responsibilities and leadership

Wherever possible government needs to put in place the overarching infrastructure to support the development of these factors within communities and to ensure that, where they develop, they are nurtured and encouraged.

What is more, government needs to remove some of the institutional obstacles that residents and activists in Castle Vale and Balsall Heath have identified as impediments to their own progress. These are considered in the following chapters.



## Executive summary

This report is based on extensive interviews and qualitative research within the communities of Castle Vale and Balsall Heath. It also seeks to learn lessons from previous initiatives and programmes aimed at driving regeneration in the UK.

It uses evidence from evaluations, qualitative research and polling to explain the crucial principles that need to underpin a 'Big Society' approach. The report makes a series of recommendations, based on the following principles, which emerged during the course of the research:

- *Time is money.* One of the reasons that we are able to look at Castle Vale or Balsall Heath and see success is because they have been part of a process of regeneration that spans two decades. Government needs to ensure that its investment in communities is attached to, and reflective of, the long-term nature of community regeneration.
- *Government needs to get out of the way.* Money must continue to be provided to community groups but it must not be used to co-opt civil society in areas that are already deprived. Too often the attitudes and approaches of primary care trusts, local authorities and other state actors get in the way of communities. What is more, funding that comes from government is often used to exercise unhealthy levels of control over third sector organisations – new funding and standards of cooperation are needed.
- *Democracy works.* Communities that come together, establish a plan of action and consult the wider community (as happened in Balsall Heath and Castle Vale) have already demonstrated collective efficacy and commitment to improving their neighbourhoods. This is a vital first step, and should be a prerequisite for the kind of radical devolution of funding and power that this

report promotes. A fundamental principle of any new approach to community regeneration should be the demand that community groups and activists demonstrate wider support from within their communities before gaining privileged access to assets, support or commissioning.

- *Help people to help themselves.* Community groups and charities that work hard to improve the lives of their neighbours require evidence to demonstrate their success. This evidence allows them to make the case for their work, secure funding and keep residents on side. Castle Vale and Balsall Heath have both benefitted from the Be Birmingham surveys that demonstrate soft outcomes such as resident satisfaction and engagement, but there are still problems because of the lack of base-line evidence on health, worklessness and crime.

These principles have led to the development of a series of key recommendations, the implementation of which would lead to a regeneration infrastructure that facilitated the development of community-led approaches.

Our recommendations are:

### **Introduce endowment funding**

An important problem for those community groups that possess the will and vision to take charge of their local area is that funding for their attempts to regenerate and develop their communities is often complex to secure, unreliable and unpredictable. Government should build on the success of the Adventure Capital Fund, and other sign-posting and funding services that promote endowments. By transferring existing pots of money into single endowment funds, and operating them away from the centre, government can ensure that funding has the longevity needed to make a real success of regeneration. This is an important lesson from the case studies and from wider experience of regeneration – it needs to be fully learned by government and translated into policy – the money must be secure and accessible, and must follow agency; only when a community has demonstrated its collective efficacy and



responsibility by coming together, developing a plan and consulting itself should assets begin to be transferred.

### **Establish evidence bases**

There is a significant problem with the lack of reliable, localised data made available to communities. It is always important that recipients of state money are able to demonstrate their successful application of this money to the problems for which it was intended. In our current era of immense spending constraint it is all the more vital that charities and third sector organisations (such as those involved in community regeneration) are able to show what they have achieved. What is more, the provision of detailed local data may help to inspire further involvement and engagement in communities – realising the disproportionate levels of criminality, poor health, anti-social behaviour or even littering in your area may well act as a spur to the formation of exactly the kind of local activism groups that have had such a profound impact in Castle Vale and Balsall Heath.

The provision of local information and data needs to become the reflex of local government and its agencies – the default position. Data on crime, health statistics and worklessness levels are already recorded by the state and traceable to the neighbourhood level. This data should be updated in real time and made available through the internet so that communities can understand what is happening in their area and how resources are being used.

In addition to real time, total place data for communities, available to all, local government should be given targeted resources for use in detailed polling of attitudes, resident satisfaction and perception. This polling is undertaken in Birmingham and enables charities and housing associations to identify areas of concern and demonstrate the success of particular approaches and schemes.

If we are able to improve the evidence basing for community regeneration we can better help communities to access private-sector funds. The development of innovative tools such as social investment bonds is an exciting new means of

leveraging private money into the public sector – community regeneration groups and local activists would be well placed to benefit from them if they were in a better position to demonstrate their success and establish a baseline of cost and outcome on which they could improve.

### **Introduce community cash back**

In part, the purpose of gathering and making available the information above is to enable community groups to begin to demonstrate real savings on the cost of public services in their neighbourhoods. Aside from the obvious benefit for community groups in being able to demonstrate success to potential funders there should be a tangible, economic incentive for the community itself. Take the example of Balsall Heath's activism in moving prostitutes from the estate. There was a solid benefit for the state – in the form of the savings generated by the closure of the police force's vice squad premises on the estate – as well as the benefit to the wider community of creating a safer and less threatening neighbourhood. We argue that where communities are able to demonstrate a tangible, financial saving for the state they should be able to retain a percentage of that benefit for use within the community. This 'community cash back' would incentivise activism at the neighbourhood level and help to ensure the longevity of successful activist groups – providing them with continued investment as they continue to achieve.

### **End 'brand deserts'**

Too often discussions about the 'Big Society' focus on the public sector and the third sector to the detriment of the private sphere. The Conservative Party has systematically ignored the power of businesses to effect real change in communities, and have not given enough consideration to the negative impact that the total absence of mainstream brands on deprived high streets can have. Corporations have been expected to have a social responsibility agenda for some time but, too often, that agenda has relied on the concept of corporations as 'givers' rather than 'doers'. One of

the profound changes brought about in Castle Vale – a ‘game changer’ as far as many of the residents were concerned – was the arrival of mainstream branded retailers on the estate. Many residents were dubious whether chains such as Tesco could be attracted to their estate, because of the stigma attached to the area and the perceived lack of consumers for mainstream grocery goods. Being proved wrong in these assumptions was crucial to building confidence among the residents in the area about their capacity to renew their neighbourhood. Mainstream, high-street corporations should be encouraged to pursue corporate social responsibility through ‘doing’ – by expanding their presence to deprived areas in order to deliver jobs and confidence, and reduce the stigma of ‘brand deserts’. This can be achieved by offering time-limited tax breaks to corporations, to encourage their presence, and offering specific, tailored training – delivered through employment support and the local authority – to ensure that the potential workforce in deprived areas is ready to take up employment opportunities created by inward investment.

### **Declare independence**

Communities like Castle Vale and Balsall Heath have been phenomenally successful at involving residents in their neighbourhoods. Castle Vale Community Housing Association and Balsall Heath Forum run an array of services that are vital to the social capital and overall improvement of the areas. But there are real frustrations. Although they have good relationships with local government they are not able to assume control of local services even when they are confident of their ability to do so more successfully. This sometimes means that charitable organisations run services in parallel with the state without any compensation or cost recovery.

Local groups such as those operating in Castle Vale and Balsall Heath should have a right to bid to run local services like Sure Start, employment services, preventative health services, parks and environmental services. If they are able to demonstrate a high level of local support – through referenda similar to the one that Castle Vale undertook (with 75 per cent participation) –

they should be able to assume control of particular local services in order to pursue a remit of local control. This relates directly to the ongoing struggle to make local authorities take their contacting obligations seriously. Local authorities are supposed to ensure that third and private sector suppliers are treated equally to in-house providers in supplying a range of public services, but all too frequently this fails to happen. This report recommends that where the levels of local support have been identified in the manner laid out above, and the cost can be demonstrated to be comparable to that of in-house provision, third sector providers should be able to establish themselves as the 'preferred' provider.

### Introduce 'micro mayors'

There is a real need for a more genuinely 'local' strata of local government in communities that are struggling to regenerate and renew themselves. In Birmingham (where Castle Vale and Balsall Heath are located), for instance, the Council has suggested that there ought to be annual elections for 'micro mayors' for units of 1,000–5,000 people. This would go some way to resolving the problems of political representation in the UK – we have the least elected representation of any nation in Europe and our local authorities typically represent far greater numbers of people – and a greater diversity of issues, problems and demographics – than their peer institutions in Europe and elsewhere. 'Micro mayors' should be elected to work on specific, neighbourhood-level issues (such as litter or anti-social behaviour) and be able to gather together resources available to the neighbourhood to achieve those aspirations – be it policing, NHS services, refuse collection or community support officers. Their funding could be provided through a small local levy, designed to raise funds to pay for the time of the 'micro mayor'. This simple mechanism would provide a clear avenue to political legitimacy for residents who are concerned about specific problems in their area. It would also give communities a clear sense of leadership in their community if there was someone who was visibly and tangibly working for them.

# Introduction

*There are an army of volunteers out there many of whose efforts are transforming society and many more of whom we want to enlist in changing society for the better.*

*If you have an institution like the group of people who transformed Balsall Heath in Birmingham. A group of citizen volunteers who have taken an area that was polluted by prostitution, that was scarred by drug addiction, that faced under development and deprivation, and individuals by their own efforts, working in partnership with Birmingham council, they've transformed Balsall Heath for the better.*

Michael Gove speaking about Balsall Heath, May 2010<sup>1</sup>

This report aims to explore how the 'Big Society' has worked in two areas – Castle Vale and Balsall Heath – that are often claimed to be examples of its success. It also seeks to help progressive conservatives learn positive and negative lessons from these two estates about how the community regeneration policy infrastructure should be reformed to make collective efficacy and citizen action more viable.

The stories of Balsall Heath and Castle Vale are inspiring. Although these areas came to regenerate themselves through different circumstances and with different levels of state involvement they are both areas that have managed to engage residents and neighbours in taking an active role in improving their areas. They are not wholesale tales of unbridled success, but that makes them even more helpful to policy makers – we are able to see in the experiences of dedicated, hard working people in these estates how we can shift the landscape to encourage and enable others and to remove the barriers that sometimes got in their way. Their relative success, often in the face of significant adversity, is what make these estates important to those in government, or local government, who are concerned with

regeneration. In these areas renewal has been led, developed and driven by engaged and enthused residents, providing examples of how the idealism of the ‘Big Society’ might translate into reality.

The long, hard job of revitalising these communities highlights the ways in which the state could and should support similar undertakings elsewhere. As both of these areas have been held up as examples of how the ‘Big Society’ might take shape and succeed in revitalising British public services and community life, it is important to understand how they have succeeded, and where – through no fault of their own – they have not.

The concept of ‘Big Society’ – the central plank of the Conservative Party’s 2010 election campaign but also a key tool for all the parties in dealing with limited public spending – relies on the power and will of communities to take responsibility and improve their lives, neighbourhoods and services for themselves. It has been applied in theory to schools – through the ‘free school’ plan, to ‘back-to-work’ schemes – through the further outsourcing of services to the third and private sector, and beyond. But it is in community regeneration that we can see it already in motion and can analyse the problems, barriers and issues that arise when communities try to take control. By addressing and interrogating the stories of Balsall Heath and Castle Vale (successful and commendable as they are), we can begin to understand the work that will be needed to reshape the landscape of local government, funding and public services to make the ‘Big Society’ really work for people.

Although regeneration projects have been pursued by all governments over the last 30 years, none has faced a comparable level of public debt or similar levels of spending constraint. What is more, because of the long-term nature of community regeneration, it is notoriously difficult to demonstrate success or return on investment for projects within a helpful political timeframe. Because of these factors, along with the limited political capital to be earned from regeneration in areas where political engagement is low, there is a danger that regeneration will slip down the political agenda. That is why identifying how the ‘Big Society’ can be made to work in this area is so

important and it is also why we need to ensure that we learn from previous attempts at regeneration to ensure that the state gets its money's worth.

These factors make it so important that we look again at the successes that some communities have seen, the progress that has been made, in order to understand how we can make limited resources really work for deprived communities. That is why the stories of Castle Vale and Balsall Heath need to be retold, and why their lessons must be learned. These communities have been working on themselves for 20 years – long enough to start seeing the impact of the change they have made. They have succeeded in embedding regeneration and engagement into their communities and have fashioned a holistic, resident-led approach to securing their future. Of course, they have had funding and they have had support – this report does not argue that government can stop investing in deprived communities – but they also stand out because of their success in developing the social and communitarian capital of their neighbourhoods.

By looking at these communities we have developed some principles that need to underpin the next government's approach to community regeneration.

- *Time is money.* One of the reasons that we are able to look at Castle Vale or Balsall Heath and see success is because they have been part of a process of regeneration that spans two decades. Government needs to ensure that its investment in communities is attached to, and reflective of, the long-term nature of community regeneration.
- *Government needs to get out of the way.* Money must continue to be provided to community groups but it must not be used to co-opt civil society in areas that are already deprived. Too often the attitudes and approaches of primary care trusts, local authorities and other state actors get in the way of communities. What is more, funding that comes from government is often used to exercise unhealthy levels of control over third sector organisations – new funding and standards of cooperation are needed.
- *Democracy works.* Communities that come together, establish a plan of action and consult the wider community (as happened in

Balsall Heath and Castle Vale) have already demonstrated collective efficacy and commitment to improving their neighbourhoods. This is a vital first step, and should be a prerequisite for the kind of radical devolution of funding and power that this report promotes. A key principle of any new approach to community regeneration should be the demand that community groups and activists demonstrate wider support from within their communities before gaining privileged access to assets, support or commissioning.

- *Help people to help themselves.* Community groups and charities that work hard to improve the lives of their neighbours require evidence to demonstrate their success. This evidence allows them to make the case for their work, secure funding and keep residents on side. Castle Vale and Balsall Heath have both benefitted from the Be Birmingham surveys that demonstrate soft outcomes such as resident satisfaction and engagement, but there are still problems because of the lack of base-line evidence on health, worklessness and crime.

These principles must underpin our approach to regeneration in a period of tight budgets and spending restraint. They are part of a new narrative for community regeneration – one that frees up the space for civil society to rebuild itself and its communities while providing the tools to help groups and communities demonstrate their worth and success.

It is too often a cliché that ‘government needs to get out of the way’, but in this area of policy it is at least half true. All of the recommendations in this report – built on the specific case studies and evidence from the last 30 years of community regeneration – are concerned with radically devolving power. The report calls for the redistribution of control over funding, process and services – away from central and local government. But that does not mean that this report calls for an end to the democratic control of regeneration funding, or for the extension of existing unaccountable bodies such as regional development agencies. Instead, this report calls for a redistribution of the democratic control of money and programmes so that community leaders and neighbourhood activists have more



control but are also more accountable to the communities and neighbourhoods they claim to serve.

In learning from Castle Vale and Balsall Heath, and applying these lessons to our overall approach, we can continue to support communities while ensuring that we do not overpower or co-opt civil society in disadvantaged and deprived communities. This report cannot detail precisely how government needs to legislate, fund or act, but it does describe the kind of landscape that needs to be shaped if we are really to empower communities to improve themselves. Too much regeneration has been done *to* neighbourhoods, not enough has been done *by* them – Castle Vale and Balsall Heath are examples of areas where the residents have come together to improve their lives and surroundings and it is that unity of purpose that has contributed to the long-term success and buy-in that they have enjoyed. Government will not be able to replicate that approach from above but it can, and should, seek to ensure that when communities develop the seeds of redevelopment they are able to grow in fertile and cooperative ground.

This report is divided into four main chapters. Chapter 1 explains the history and context of community regeneration policy over the last 20 years, exploring the factors and thinking that have contributed to success and failures. It also makes the case, by virtue of the sheer number and complexity of the initiatives and schemes that have been launched and scrapped in that relatively short period of time, for simplifying the regeneration framework and embedding long-term sustainability into any new programmes.

Chapter 2 focuses specifically on the ‘case histories’ of Castle Vale and Balsall Heath, exploring the factors that contributed to their success and looking at what happened in these communities over a 20-year period.

In chapter 3 we have incorporated oral evidence from people involved in redeveloping Castle Vale and Balsall Heath and residents to explain what could have been done to make success easier and quicker and what barriers they faced while regenerating their communities. We widen these findings to look at the structural barriers that can strangle community

regeneration and development projects from the outset. Finally, in chapter 4, we outline our conclusions and recommendations, which are aimed at central and local government as well as at state actors such as police forces and primary care trusts.

# 1 The history and context of community regeneration policy

For the purposes of this report community regeneration is ‘physical regeneration appropriate to specific areas, integrated into a wider social regeneration strategy [where] the objective is to maintain and enhance cohesive neighbourhood networks as an established community’.<sup>2</sup> Thus we are focusing on schemes that are related to the physical environment, have an emphasis on ‘soft outcomes’ such as wellbeing, social capital and contentment, and attempt to deal with pre-existing or definable communities and neighbourhoods.

Much has been written about communities that need help to rebuild, reform and regenerate. In understanding what developments in Castle Vale and Balsall Heath can teach us about a ‘Big Society’ approach to regeneration it is important that we also take stock of other schemes and approaches. In doing so we can hope to learn lessons about how a progressive conservative approach might be formulated and delivered, and gain a better understanding of why some regeneration efforts fail.

Community regeneration has been a priority for governments for the last 30 years, with mixed results. During the 1980s there was a prevalent narrative of decline in traditional manufacturing industries, combined with an elevated threat of social unrest in the inner cities. The freshly re-elected Thatcher government produced the first interdepartmental strategy for urban regeneration in a white paper entitled *Action for Cities* in 1988.<sup>3</sup> This approach was substantively dominated by property-led regeneration and the removal of ‘supply-side’ constraints by government, including the minimisation of local government and community involvement for planning in regeneration. Subsequently urban regeneration in the 1990s was primarily characterised by multilateral networks and partnerships of

public, private, voluntary and community sectors as the preferred organisational form.

In understanding the relevance of the successes of Castle Vale and Balsall Heath it is vital that we place them in the context of other approaches and initiatives. In this chapter we will analyse some of the larger-scale regeneration programmes initiated through government over the last two decades, with a view to understanding their individual successes and failures, learning from past policy initiatives and testing them against the principles laid out in the introduction.

In order to truly understand what has been successful about Balsall Heath and Castle Vale – and also to comprehend some of the gaps that remain there and in other areas that have pursued collective efficacy as a means to regeneration – it is important to understand the framework of legislation and initiatives that form the policy context and inform the historical paradigm. The major government interventions are discussed below, categorised by date and assessed against their own parameters and the key principles of community-led regeneration.

## Major government interventions in regeneration

### 1988: housing action trusts

The housing action trust (HAT) scheme was one of the first attempts to engage communities in their own regeneration. Six HATs were set up, under the provision of the Housing Act 1988, to regenerate some of the most deprived local authority estates in England (table 1).<sup>4</sup> Each HAT was managed by a board, which was constituted to include residents within the area and members of the overarching local authority. The HATs were mandated to: repair and improve housing, manage housing effectively, encourage diversity of tenure and – crucially – ‘improve the social, environmental and living conditions of the area’.<sup>5</sup> That final mandate was to prove crucial to the development of Castle Vale, which became a functioning HAT in 1993. Dr Angus Kennedy, who was the chief executive of Castle Vale HAT, told

Table 1 **Funding of housing action trusts, 1990-1994**

Housing Action Trust	Start	Closure date	Public funds	Private funds
North Hull <sup>7</sup>	1990	March 1999		
Waltham Forest (East London)		April 2002		
Tower Hamlets (East London) <sup>8</sup>	1993	June 2004	£123m	
Cast Vale (Birmingham)	1993	March 2005	£197m	£102m
Liverpool <sup>9</sup> Stonebridge	1992	September 2005	£260m	
(Brent, London)	1994	August 2007		

us that it was the flexibility of the social provisions that enabled him and his team to instigate resident engagement and consultation, and to pursue the easy wins of litter collection and waste disposal that helped them to win the trust of the community.<sup>6</sup>

The Castle Vale HAT succeeding in generating £102 million in additional, private-sector investment into Castle Vale and creating around 1,460 jobs. The HAT managed to provide and deliver specialist, bespoke training for 3,411 Castle Vale residents and achieved a reduction in the local unemployment rate from 26.1 per cent in Kingsbury ward in 1992 to below 5 per cent in 2005.

The HAT was also instrumental in increasing local investment for Castle Vale and in facilitating the creation of start-up enterprises and supporting local business. Castle Vale residents, over a longer timescale, have benefitted from an increased willingness among local employers to recruit Castle

Vale residents through the Managed Labour Market scheme, which provides job opportunities with local placement providers.<sup>10</sup>

These successes in Castle Vale – which are analysed in greater depth in chapter 3 – were significant, but were not delivered without difficulty or necessarily replicated across all of the HAT neighbourhoods. A major problem in delivering the HAT objectives was the fact that different HATs were launched at different times and yet they were all expected to bid for financial support from a single pot. In Castle Vale's case, because their HAT was constituted towards the end of the programme, this meant bidding for cash when most of it had already been distributed. It was only the formidable negotiations undertaken by the leadership of the HAT that guaranteed sufficient funding for Castle Vale. This situation, of uncertainty and insecure financial status, added unnecessary pressure to the HAT and threatened to undermine its credibility with residents.

The HAT in Castle Vale achieved considerable success in renewing the community. However, the lengths that its leadership had to go to - in order to secure adequate funding to fulfill their remit - placed extraordinary stress upon them and upon their relationship with the residents. In spite of the resounding public support for the HAT's regeneration plan, demonstrated through a referendum, government was reluctant to invest at the level required and this uncertainty jeopardised the entire project. Residents of deprived communities must feel confident that regeneration projects – whether delivered by community groups or by external agencies – are able to fulfill their promises.

### 1992: city challenge partnerships

There were 31 city challenge partnerships set up in areas of acute urban deprivation between 1992 and 1998. Each partnership was eligible to bid for as much as £37.5 million per annum over a period of five years.<sup>11</sup> This aggregated investment of £1.14 billion resulted in a total investment of about £7.58 billion, with every £1 of expenditure by city challenge partnerships leveraging a

further £3.78 of private sector funding and £1.45 from other public sector partners.<sup>12</sup> In each of the target areas the specified aim of the challenge was to achieve autonomous, locally decided and self-sustaining regeneration. These programmes built on the successes of the HAT programme and recognised the vital importance of engaging residents and communities in their own neighbourhood renewal. What is more, the leveraging of considerable funds from the private and alternative public sector funders delivered excellent value for money on the original investment.<sup>13</sup>

The scheme led directly to the development, or substantive improvement of, 110,000 dwellings. Nearly 170,000 new permanent jobs were assessed to have either been created or safeguarded for the long term through the city challenge partnerships and almost 4,000 hectares of land were reclaimed or improved.

The city challenge partnership scheme led to the creation or improvement of over 3.6 million square metres of business space, the entry into the area of 8,700 businesses and over 3,150 local business start-ups.<sup>14</sup>

Assessments of the scheme have demonstrated that success was achieved because the schemes followed many of the principles that this report endorses for community regeneration. In particular, the following factors were identified as being core to their ability to effect change:

- the calibre and experience of individuals in the executive team and on the board
- a clear and appropriate regeneration strategy
- a fully-fledged partnership approach to working

Partnerships estimated that working in this way doubled their impact compared with the likely achievements had organisations acted in isolation, but some areas of the scheme did fail to deliver. These areas did not experience a proportionate rate of return on investment or see comparable successes in outcomes. Evaluations found that low levels of community involvement were associated with poor partnership performance and that weak regeneration performance could be directly

correlated with those areas that experienced high levels of unemployment.<sup>15</sup>

This leads us to two important lessons from the city challenge partnerships. First, that proper, deep engagement with the community is vital not simply because it is the *right* thing to do but also because it drives better results and more effective regeneration. The second lesson is that, despite the ability of many city challenge partnerships to capitalise on investment and support, some were not doing so and the lack of employment opportunities (a factor that cannot be fully resolved by a ‘Big Society’ approach in and of itself) was a major factor in determining these outcomes. It is vital that, as we cut back state action in favour of a more fostering approach for communities, we do not cut back state action to promote employment opportunities and work take up in deprived neighbourhoods.

#### 1994: the Single Regeneration Budget

The Single Regeneration Budget (SRB) provided resources to support regeneration initiatives in England carried out by local regeneration partnerships. It also sought to achieve the following outcomes acting in concert with other agencies:<sup>16</sup>

- improve the employment prospects, education and skills of local people
- address social exclusion and improve opportunities for the disadvantaged
- promote sustainable regeneration; improve and protect the environment and infrastructure, including housing
- support and promote growth in local economies and businesses
- reduce crime and drug abuse and improve community safety

For every £1 of SRB funding a further £0.39 was leveraged from other mainstream regeneration programmes – this represents a less significant return on investment than was generated through the city challenge partnerships.<sup>17</sup> The scale and direction of the outcomes delivered (as outlined in table 2) demonstrate that SRB schemes did have an impact.<sup>18</sup>



SRB schemes did deliver good outcomes for the wellbeing of residents, however. They delivered a significant increase in households earning over £300 per week and a drop in the number of residents who were claiming Income Support (in SRB areas when compared with the national average and locality of the worst estate).

They also delivered a statistically significant increase in those employed full time and the proportion of those unemployed fell for all the SRB areas, at a slightly sharper rate than the rate for the nation, bringing the overall figure down to 6 per cent by 2001.

There were real improvements to the ‘soft outcomes’ of resident satisfaction and engagement. Satisfaction with accommodation in SRB areas increased significantly, bringing it very close to the national average over the observed period. There was increased satisfaction with SRB areas, which is impressive considering the context of a pattern of national decline. SRB areas overall showed an increase in the number of people feeling ‘very’ or ‘fairly’ safe walking alone at night, but slightly decreased nationally.<sup>20</sup>

The SRB scheme was impressive at delivering ‘soft outcomes’ and (in common with many regeneration schemes) achieving some improvement in numbers employed within the designated areas. However, it was dramatically less successful at leveraging outside investment than city challenge partnerships and had less explicit ambitions to ensure democratic engagement with the resident population. These factors may have contributed to the mixed successes of the programme.

### **1995: the Estates Renewal Challenge Fund**

The Estates Renewal Challenge Fund (ERCF) was created in 1995, by the Conservative government, to facilitate the transfer of run-down urban council housing to new landlords. These new landlord entities could include local housing companies. Under ERCF local authorities submitted bids for funding to underpin the ownership transfer of run-down estates to housing associations as a means of achieving neighbourhood regeneration.

Table 2 The breadth and depth of social exclusion and the changes since 1996–1999/2001<sup>19</sup>

	Base-line Results 1996		Change 1996–1999/ 2001		Relative to National Change		
	Worst estate/ locality	Average of 7 areas	National average	Worst estate/ locality	Average of 7 areas	Worst estate/ locality	Average of 7 areas
<b>Employment</b>							
Working full or part time Head of Household (HoH)	29	41	57	6	3	3.5	0.5
Unemployed (reg & not reg) (HoH)	17	10	5	-3	-4	-2.5	-3.5
Economically inactive (HoH)	38	28	10	2	-1	2	-1
Long term sick	13	9	6	-2	0	-0.75	1.25
<b>Income</b>							
% income below £100 a week (resp/spouse)	49	37	19	-18	-12	-15	-9
% on Income Support, Unemployment Benefit, Incapacity Benefit (household)	76	67	74*	-14	-9	-9.5*	-4.5*

% on Income Support (household)	42	26	19	-11	-5	-4	2
% on Housing Benefit (household)	58	34	19	-12	-2	-10	0
.....							
<b>Social Characteristics</b>							
% of lone parents	26	13	6	-5	-1	-6	-2
% of in social housing**	91	46	22	-11	4	-9.5	5.5
.....							
<b>Perceptions/Satisfaction</b>							
Very dissatisfied with area	28	13	3	-11	-3	-12	-4
Very dissatisfied with dwelling	23	9	2	-10	-4	-10	-4
Area very unsafe when walking alone after dark	27	16	11	-6	-3	-7	-4
Likely to move	46	22	17	-15	-4	-18	-7
Do not feel closely involved with the community	79	70	-	-6	-5	na	na

The programme was targeted, in particular, at those estates where projected upgrading costs and outstanding debt resulted in a notionally negative value, so the estates were worth less than their land value. Often the targets were not single estates but groupings that were not always contiguous with one another. This caused problems in the ability of local authorities administering the ERCF to engage neighbourhoods in the programme – they often grouped neighbourhoods that felt no particular association with each other at the street level artificially – these were essentially groupings of convenience.

Overall, £487 million was invested in 39 transfer programmes involving 43,000 homes. The ERCF was used to provide ‘dowry funding’ to offset the negative value of the estates’ holdings and property and make small-scale transfer possible in areas such as Birmingham and London’s Hackney and Lambeth.

The ERCF local authorities did attempt to increase resident involvement in shaping area renewal. They adopted a ‘housing-led’ neighbourhood revival package, which had a great deal of potential to deliver substantial added value by providing a catalyst for attracting funding for social and economic regeneration from the private sector. This also, theoretically, gave locally focused housing associations greater control of housing and related assets explicitly in order to benefit the community. However, it is important to note that while the approach may have been correct the grouping together of estates that did not sit easily together may have confused priorities and jeopardised attempts to engage adequately with communities themselves.

### **1998: regional development agencies**

Regional development agencies (RDAs) were created following the Regional Development Agencies Act of 1998. They have spent approximately £0.9 billion on a range of interventions linked to people and skills, including skills development, matching people to jobs and developing education infrastructure in the regions.<sup>21</sup> Evaluations have found aggregate RDA spending to be around £409 million over their lifetimes and that people and skills programmes of RDAs had achieved significant outputs:

- Just under 14,000 jobs had been created and safeguarded, of which 48 per cent were estimated to be additional at the regional level.
- Over 54,000 people were assisted into employment, of whom 51 per cent are estimated to be additional at the regional level.
- Almost 250,000 skills assists have been delivered, of which 62 per cent are estimated to be additional at the regional level.
- Over 700 businesses have been created, of which 82 per cent are estimated to be additional at the regional level.<sup>22</sup>

Between 2002/3 and 2006/7:

- for every £1 spent by the RDAs, an average of £4.50 of economic output or gross value added (GVA) was put back into regional economies
- for every £1 spent by the RDAs, they achieved current and future potential economic output of up to £11.60 (GVA)
- RDAs created or safeguarded 213,000 net additional jobs
- RDAs were directly responsible for regenerating over 570 hectares of contaminated or disused brownfield land
- RDAs generated achieved and future potential economic output (GVA) of £8 for every £1 invested in regeneration activities
- RDAs were directly responsible for assisting over 400,000 people develop their skills (for every £1 of RDA money invested in people-related projects, at least £2.50 of GVA is put back into regional economies)<sup>23</sup>

However, RDAs are incredibly controversial bodies for a number of reasons. They are unelected and relatively unaccountable to the areas that they serve, despite their significant power, influence and financial leverage. They also cover significantly large areas and populations, which makes it difficult for them to demonstrate a genuine level of engagement and involvement in specific communities. It is a Conservative Party commitment to reform the powers and responsibilities of RDAs so that they are broken up, become more localised and are more accountable to local populations and democratically elected local authorities.

### 1998: the New Deal for Communities programme

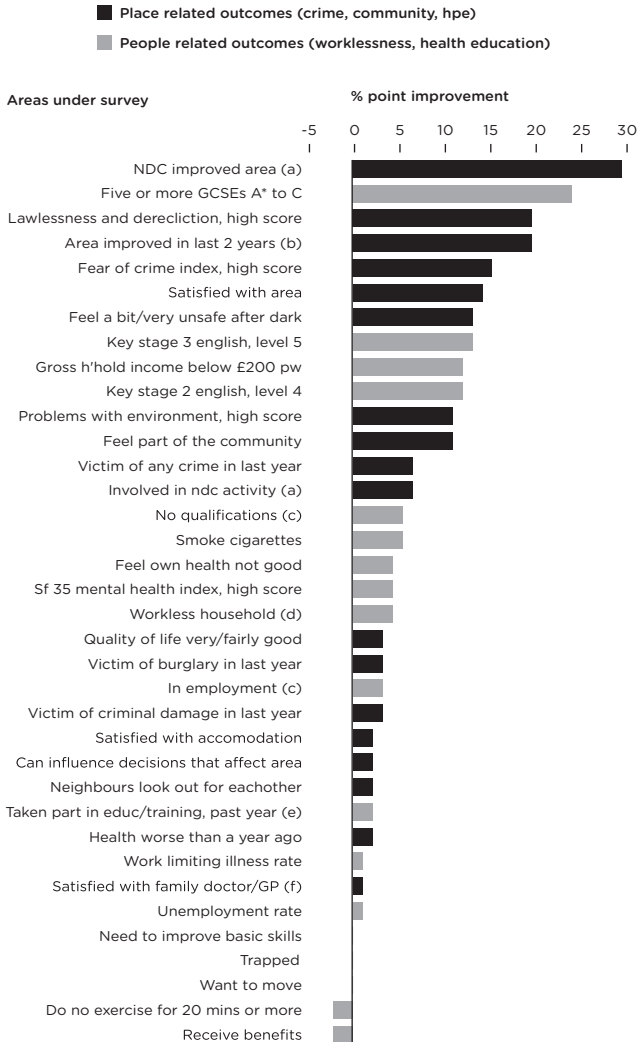
The New Deal for Communities (NDC) programme is the regeneration framework that the Labour government has sought to advance, as an area-based initiative, since it came to power in 1997.<sup>24</sup> The NDC's purpose was to 'bridge the gap between 39 of the most deprived neighbourhoods and the rest of the country so that within 10–20 years no one should be disadvantaged because of where they live'.<sup>25</sup> This was, obviously, an incredibly ambitious aim. However, the government deserves praise for the fact that the initial plan had such a long-term and realistic timescale built into it. This is a difficult area for elected politicians, who tend to operate to the political timescale of one or two parliaments, and the ambition is to be commended.

Between 1999/2000 and 2007/8, the 39 NDC partnerships spent £1.71 billion on 6,900 projects or interventions. A further £730 million was leveraged from other public, private and voluntary sector sources. With partner agencies, they have developed a range of interventions that are designed to support locally developed strategies that encompass the three place-related outcomes of crime and community safety – community, housing and the physical environment – and the three people-related outcome areas – health, education and worklessness.<sup>26</sup> These six outcome measures represent a holistic approach to regeneration that encompasses a good range of objectives. However, despite the admirable ambition (and healthy approach to timescales) NDCs have not necessarily delivered.

It is possible to compare 13 indicators on the progress made in the 39 NDC areas against change within their parent local authority districts. This tells us whether or not improvement in NDCs was disproportionate to overall improvements within the areas in which they were situated. Unfortunately there was little measurable difference between the two in relation to worklessness, so NDCs were not able to improve employment in their areas substantively more than overall improvements in employment across the board.

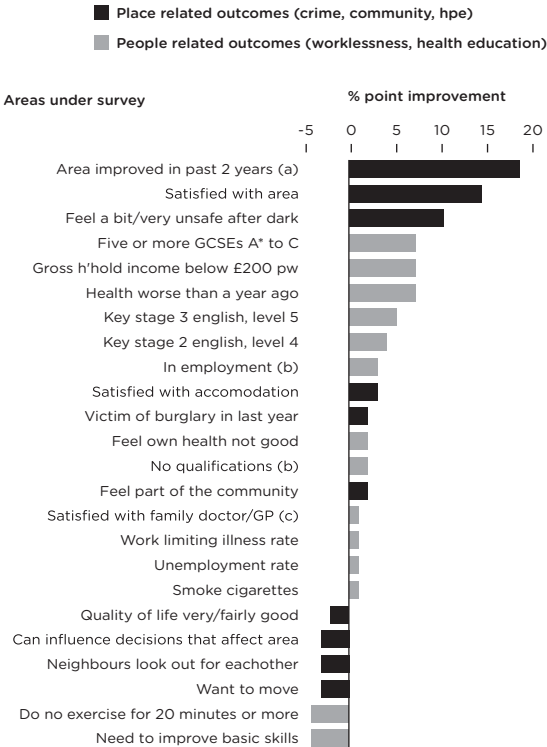
However, NDC neighbourhoods achieved change in key stage attainment rates at about two percentage points more than the local authority district change over the same time period, indicating that educational standards and attainment were driven

Figure 1 Core improvement indicators (2002–08)



Source: Ipsos Mori NDC Household Survey 2002-2008

Figure 2 **NDC improvement to place related and people related outcomes relative to national benchmarks, 2002-2008**



Source: Ipsos Mori NDC Household Survey 2002-2008

up successfully by the NDC. There were also slightly bigger increases in the proportion of the population staying on in post-16 full-time education and going on to pursue higher education in NDC areas.<sup>27</sup> Figure 1 shows the core improvement indicators between 2002 and 2008.

Figure 2 shows the improvement to place related and people related outcomes in areas benefitting from NDC investment relative to national benchmarks between 2002 and 2008.



Table 3 **Significant differences in NDC areas and comparator change, 2002-2008**

	Percentage point change 2002-2008		
	NDC areas	Comparator area	Difference
<b>People</b>			
SF36 mental health index, high score	4	-3	7
Taken part in educ/training in the past year (a)	2	-2	4
Health somewhat/much worse than one year ago	-2	1	-3
Key Stage 2 English, level 4	11	13	-2
Key State 4, five or more GCSEs at A* to C	22	24	-2
<hr/>			
<b>Place</b>			
NDC improved area a great deal/ a fair amount (b)	27	na	na
Lawlessness and dereliction index, high score	-18	-9	-9
Area got much/slightly better in past two years (c)	18	11	7
Very/fairly satisfied with area	13	8	6
Involved in NDC activity (b)	6	na	na
Been a victim of any crime in last year	-6	-3	-4
Problems with environment index, high score	-10	-7	-3
Been a victim of criminal damage in last year	-3	-1	-2

Source: Ipsos MORI NDC and Comparator Household Surveys 2002-2008; SDRC; Base: All; (a) All working age not currently in full time education; (b) All heard of local NDC; (c) All lived in area two or more years

NDC areas showed more improvement than comparator areas for 21 core indicators, and for 13 core indicators the comparator areas average improved by more than the NDC average (table 3).<sup>28</sup>

Overall it is probably fair to say that the NDC areas succeeded in reducing lawlessness and levels of environmental

degradation and dereliction compared with similar non-NDC areas. However, as only 13 of 34 indicators NDC areas were outperformed by peer, disadvantaged neighbourhoods that were not targeted, there have been significant failings in the NDC approach. Overall NDC areas have benefitted somewhat, but the lack of effective community engagement and money being assigned to areas where there was little, or no, preexisting capacity to use and invest it appropriately have undermined the programme.<sup>29</sup>

### 2001: the Neighbourhood Renewal Fund

The Neighbourhood Renewal Fund (NRF) was launched 2001 to combat ‘postcode poverty’ within 10 to 20 years. It stressed the importance of ‘mainstream’ public services and finance in reversing the declining fortunes of the most disadvantaged neighbourhoods.

Between 2001 and 2006/7, £2.9 billion was allocated to 91 NRF areas. The two specific goals of the project were:

- in all the poorest neighbourhoods to have common goals of lower worklessness and crime, and a better health, skills, housing and physical environment
- to narrow the gap on these measures between the most deprived neighbourhoods and the rest of the country<sup>30</sup>

It is estimated that, over the period 2001–2007, NSNR was associated with a reduction in worklessness of almost 70,000 in local authority areas in receipt of NRF – half of which was in the most deprived local super output areas (table 4). This represents a ‘permanent’, albeit relatively modest, reduction of some 3–4 per cent.<sup>31</sup> This was lower than hoped but represents a real and measurable improvement – however, as we have seen in other programmes, it is fairly common for regeneration programmes that fail on a number of measures to achieve at least a measurable outcome on employment.

The impact of the NRF on education is moderately more encouraging. Evidence shows an estimated average improvement

Table 4 **Estimated impact of National Strategy for Neighbourhood Renewal on worklessness in NRF areas and associated exchequer savings by year, 2002–2007**

Year	JSA reduction	IB reduction	Total reduction	Savings to 2007
2002	0	0	0	0
2003	2,060	5,400	7,460	£309m
2004	4,400	11,540	15,940	£528m
2005	5,100	13,360	18,460	£458m
2006	4,100	10,750	14,850	£246m
2007	3,410	8,930	12,340	£102m

per pupil in the most deprived 15 per cent local super output areas of about six points (equivalent to a GCSE grade) at Key Stage 4.<sup>32</sup> Between 2001 and 2005 there were improvements in educational performance at key stages 2–4 in NSNR districts and the gap with the national average narrowed, except at Key Stage 2 level. However, at local super output level, the most deprived 10 per cent local super output areas in NSNR areas showed greater improvement at Key Stage 2 and Key Stage 4 level than did the districts as a whole – in other words the local gap narrowed. See table 5.

There has been considerable direct investment, with an estimated 19 per cent of NRF expenditure dedicated to education projects in the years up to 2005/6.<sup>33</sup> The greatest impact on education has tended to have been in the most deprived areas. Across the poorest performing three vingtiles (the poorest performing 15 per cent in 2002/3) the ‘additional’ average improvement per pupil of NRF expenditure was about six points (equivalent to a GCSE grade). High levels of net local additionality were found in case studies (estimated at 66 per cent).

As table 6 highlights, the most significant improvements may have been the reductions witnessed in criminal behaviour and lawlessness. There was a distinct narrowing of the gap for ‘all crime’ (which includes anti-social behaviour and vandalism) and in burglary rates. However, there was a 43 per cent increase

Table 5 **NSNR local authority districts total performance: key indicator change since 2001**

Domain	Indicator	Absolute change		Narrowing the gap	
		Improved/ worsened	Change in rate since 2001 <sup>21</sup>	Narrowed/ widened	Gap Index (2001=100)
<b>Education</b>					
	GCSE (5 A*-C)	Improved	40.6%- 61.8%	Narrowed	28.7
	Key Stage 2 English	Improved	71.3%- 77.8%	Narrowed	59.5
	Key Stage 3 English	Improved	58.5%- 69.6%	Narrowed	67.7
		Improved	59.4%- 71.9%	Narrowed	62.1
<b>Health</b>					
	Standardised Illness Ratio (SIR)	Improved	1.353- 1.333	Narrowed	94.3
	Standardised Mortality Ratio (SMR) All Causes	Worsened	1.180- 1.187	Widened	103.9
	Low Birth Weight	Worsened	7.0%- 7.1	Narrowed	88.9
Housing & environment	Housing	Improved	£102,159- 199,027	Narrowed	87.5

Source: FTI; Social Disadvantage Research Centre

in absolute terms in violent crime and a widening of the gap with the national average in the period between 2001 and 2006.<sup>34</sup>

It is also worth bearing in mind that general improvements in policing and law enforcement – such as the roll-out of neighbourhood policing – were accelerated by NRF support and very high levels of additional funding (72 per cent). This may

Table 6 Summary of local super output area change 2001-2006/7

	Performance of the most deprived 10 per cent LSOAs	Nationally most deprived 10 per cent compared to national average all LSOAs	NSNR areas - locally most deprived 10 per cent compared average all LSOAs in each NSNR area	Non-NSNR areas - locally most deprived 10 per cent compared to average all LSOAs in each non-NSNR area
Worklessness	Absolute change Change in gap	Improved Narrowed	Improved Widened	Improved slightly Widened
Education (KS4)	Absolute change Change in gap	Improved Narrowed	Improved Narrowed	Widened Narrowed slightly
Health (standardised mortality - all causes)	Absolute change Change in gap	Worsened Widened	Worsened Widened	Worsened Widened
Violent Crime	Change in gap	Widened	Widened	Widened
Burglary	Change in gap	Narrowed	Narrowed	Widened

mean that the impact on crime was simply an early indicator of reductions that would have occurred anyway and, indeed, were occurring elsewhere.

Although NRF expenditure on interventions in housing and the environment was initially low, at only about 9 per cent in 2002/3, it had risen to over 14 per cent in 2005/6.<sup>35</sup> The outcomes have been mixed and there are some concerns that communities have not been sufficiently involved or engaged in decision making about the future development of housing and the built environment in their areas.

Health outcomes are incredibly complex to measure; nonetheless evaluations have been attempted on the success of the NRF in this area. Despite improvement in the standardised illness ratios there was a marginal worsening of the figures for the standardised mortality ratio (in all causes)<sup>36</sup> and the rate of increase in the incidence of low birth weight babies nationally exceeded that among NSNR authorities, leading to a relative narrowing of the gap despite worsening in absolute terms.<sup>37</sup> This means that despite individual successes in health-related interventions, NRF neighbourhoods became less healthy (relative to the rest of the UK) than they were before the BRF interventions.

These neighbourhoods have experienced a widening of the gap between themselves and other areas during the course of the NRF intervention programme in mortality and violent crime. This has worrying implications for public service providers such as employment support, policing and health as it points to an increased burden on their provision.<sup>38</sup>

### **2005: the Local Enterprise Growth Initiative**

The Local Enterprise Growth Initiative (LEGI) was announced by the chancellor in 2005, as a joint programme between the Department for Communities and Local Government (DCLG), HM Treasury and the Department for Business Innovation and Skills (BIS). The local enterprise growth initiative provides local institutions with flexible, devolved investment and the freedom and authority to best determine the needs, options and solutions for stimulating economic development in their areas.<sup>39</sup>

In 2010 the funding budget for LEGI currently runs at approximately £100 million a year and is paid through the area-based grant, a non-ring-fenced funding stream, with capital payments paid through capital grant determinations.<sup>40</sup>

The spend across the programme in year 1 was in excess of £20 million at an average of about £2.4 million in each LEGI area (figure 3). There are significant variations in LEGI budget per working age resident (from £15 to £214) and LEGI budget per business (from £1,400 to £7,400).<sup>41</sup> Therefore some areas

Figure 3 **Average LEGI outputs in year one**

Up to	R1 LEGI	Young people/ adults involved in enterprises experiences	New firms started	Firms supported	Jobs created	Year one spend
Q1 07/08	Total	4,114-10,313	1,128	3,506 -4,894	1,908	£19,500,000*
or Q4 06/07	Average	500-1,300	110	350-490	273	£2,400,000*

Source: Regeneris/Innovacion review of monitoring reports. Note. Very large outputs given as ranges in absence of audit of additionality/double counting. Totals and averages across all 10 R1 LEGI partnerships where reported. \*Year One spend total and average across 8 LEGI partnerships.

have benefitted substantially more (per capita) than others from these investment programmes.

Evaluations undertaken to assess the success of LEGI point to promising examples of achievement: the creation of over 1,900 jobs; over 10,000 people being involved in enterprise experiences; support being provided to just under 5,000 firms; and over 1,100 new firms being started. These figures are gross and unaudited and there are wide variations in performance between different LEGI areas.<sup>42</sup>

Another evaluation found positive impacts in four of the eight LEGI partnerships reviewed, including LEGI areas experiencing a reduction in household income gaps, increasing VAT registrations and improving employment rates.

This model of investment provides for the capitalisation of highly autonomous local bodies and for investment in locally devised and applied economic regeneration. This approach is appealing and fits well with the principles laid out in this report. The success that has been seen is further evidence of the importance of autonomy and local engagement in regeneration investment and application. LEGI partnerships have led to

increases of employment in evaluated areas with the creation of over 4,200 jobs and over 17,000 people being involved in enterprise experiences with support being provided to just under 5,000 firms and over 1,200 new firms being started in the evaluated areas by the end of the second evaluated year of the programme.<sup>43</sup>

## Learning from history

As we can see, there have been a significant number of different government-backed regeneration schemes over the last 20 years alone. The sheer number of programmes and initiatives has impacted on communities – it is part of a complex avalanche of initiatives that have caused confusion and disrupted engagement. Moving forward we will need to shape policy in a more long-term, stable and simplified way, so that communities can feel assured of the opportunities available to them and are reassured of the stability of initiatives.

There are, however, a number of positive stories of success – and lessons to be learned – from the history of regeneration in the UK. Not all of the potential examples are outlined above (there isn't space or scope to include every initiative or programme), but all the ones that are have elements that any new approach should build on. Vital to ensuring that community regeneration efforts work is understanding what made them work before. These are the main lessons from the examples above:

- Long-term funding that inspires confidence and promotes engagement is key to success.
- Too often the private sector has not been actively leveraged into regeneration projects and, where it has, has been used simply as a mode of investment. The most successful regeneration programmes use corporations to deliver long-lasting change by offering their services, jobs and their boost to confidence in the area.
- Genuine community involvement and democratic outreach to encourage collective efficacy helps to generate positive results (as well as being the *right* thing to do).



- Highly skilled leadership that has real legitimacy in the eyes of the community can substantially improve outcomes.
- A ‘broken windows’ strategy that targets easy wins and physical decay improves the environmental infrastructure of the community and inspires confidence.
- Transition planning should be built in early on in order to enable the effective passing-on of responsibilities and leadership.

There are also important pitfalls that must be avoided. It is essential to set a timeframe for the success of regeneration that is realistic – as the government undertook to do with NDCs – and to stick with it. The political meddling that has led to successful schemes being downsized, new interventions where none were necessary and a proliferation of interventions is understandable within the context of political accountability, but is nonetheless unhelpful and unproductive. On the other hand, where regeneration budgets have been devolved to quangoes such as RDAs there has been justifiable concern about the lack of accountability over how funds are allocated and spent. Moving forward it will be necessary to combine genuine, democratic accountability at the neighbourhood level (where individuals and community groups are accountable to their peers over how they use or plan to use resources) with adequate separation of resources themselves from high-level politics.



## 2 Case studies: Castle Vale and Balsall Heath

Castle Vale and Balsall Heath are two neighbourhoods in Birmingham with contrasting yet complementary histories. Both declined heavily in the post-war era and became bywords for inner-city dereliction, decay and crime. Castle Vale was perceived as a dumping ground for problem tenants by Birmingham City Council and Balsall Heath was infamous as Birmingham's red light district. Both neighbourhoods have since been successfully regenerated and now support thriving communities. The paths towards renewal in the two neighbourhoods were on the surface far removed, yet many of the processes have been remarkably similar.

The regeneration of Castle Vale occurred through the establishment of a housing action trust (HAT), a government-funded, non-departmental public body administered by a board appointed by the deputy prime minister. Yet the model of the HAT required that power and responsibility be developed to local people. The vision of the HAT was not to rely on the local authority to act as a landlord, but for communities to manage themselves, sustainably, long after the HAT had run its course. The regeneration of Balsall Heath on the other hand was initially instigated not through a top-down government-led programme, but by the motivations and concerns of a small number of residents who wanted to make a change to their local area. Momentum grew from a number of small initiatives and only after change had begun to occur did the transformation attract the attention of the government.

### Castle Vale

Castle Vale is a housing estate located six miles to the northeast of Birmingham city centre. It was built in the 1960s, in response

to the need for higher density living, one-third of the city's housing having been declared unfit for habitation following the Second World War. The first residents moved to the estate in 1964, into modern and well-equipped residences, which were highly sought after. The estate comprised almost 5,000 homes, 2,000 of which were contained in 34 tower blocks. Although Castle Vale greatly improved the living conditions of its residents, with the demolition of the inner city slums strong communities had been broken up,<sup>44</sup> which the estate failed to recreate.

During the 1970s crime on the estate began to grow: the door-to-door rent man was frequently mugged, drug dealing became pervasive, joy riders sped through the estate at night and policemen were often attacked.<sup>45</sup> By 1992, 41 per cent of residents were victims of crime and 55 per cent were afraid to go out at night.<sup>46</sup> The estate had severe economic, educational and physical problems and Castle Vale became a byword for crime and the breakdown of law and order, a classic example of a post-war sink estate. The layout of the estate exacerbated crime and the poor quality of the buildings, combined with the lack of money for upkeep and physical repairs, meant that the estate rapidly deteriorated. This physical deterioration was accompanied by the deterioration of residents' health. In 1992 the average life expectancy on the estate was 68.3 years. This compared with a national life expectancy of almost 76 years.

Housing action trusts were set up under the provision of the 1988 Housing Act in an attempt to regenerate some of the most deprived local authority estates in England. The management of social housing stock was transferred from local authority control to the HAT, a non-departmental body. The HATs worked with residents and partner organisations to establish democratic and accountable systems of self-sustaining governance. The HAT model required devolution of power and responsibility to local people and was one of the first central government attempts at doing this.

In 1991 Birmingham City Council's director of housing heard of the success of the Hull Housing Action Trust and Castle Vale became the next candidate. Residents of the estate were

informed about the bid and a ballot resulted in a 92 per cent majority in favour of transfer. The Castle Vale Housing Action Trust (CVHAT) was formally established on 30 June 1993, with the transfer of 3,746 homes and a 12-year objective to regenerate the estate.<sup>47</sup> The board included three local authority councillors and four elected estate residents. A democratic forum was also established to enable communication between tenants, residents and CVHAT.

Public consultation helped to establish the issues of most concern to residents and a master plan was drawn up with the aim of creating ‘a self-sustaining community living in high quality homes in a pleasant and safe environment. [At the end of the process] residents would enjoy an improved quality of life and economic opportunity.’<sup>48</sup> The physical regeneration of the estate involved the demolition and rebuilding of 2,275 homes (including 32 of the 34 tower blocks). Over its 12-year lifespan, CVHAT successfully regenerated the estate, but its focus was not solely on physical regeneration. By 2004, 39 per cent of the households in Castle Vale were either leasehold or freehold, a 10 per cent rise over ten years.<sup>49</sup> CVHAT approached the regeneration holistically, attempting to empower local people, address health and social needs and stimulate employment. The self-reported health of Castle Vale residents improved greatly: the proportion rating their own health as ‘good’ rose from 43 per cent in 2000 to 51 per cent in 2004.<sup>50</sup> Although crime did not start falling until a number of years after the establishment of the HAT, total crime fell by 38 per cent between 2000 and 2004 and has remained low since.<sup>51</sup>

### Economic regeneration

A key goal of the regeneration of Castle Vale was the improved employment prospects for residents. High levels of unemployment and extensive barriers to employment were huge challenges to overcome. Furthermore, the ‘B35 stigma’ – where applications marked with the B35 postcode were put straight in the bin – was a serious problem to resolve. The regeneration comprised a number of retail schemes, the flagship of which was

the main shopping centre on the estate, for which Sainsbury's won the bid. The tangible results in delivering employment are laid out in detail below, but the presence of big, mainstream brands in Castle Vale also had a profound and important effect on morale and confidence: it brought access to high-quality, affordable produce and reduced the stigma that came from Castle Vale being, effectively, a 'brand desert' without the presence of retail outlets considered normal in most areas. Finally, it improved external confidence in the area and gave people from outside the estate a real incentive to visit as consumers.

This scheme was managed by the Shopping Centre Working Party, which provided community representation via the local councillors who sat on the committee. Representatives from the Estate Forum were also involved in interviewing potential developers. This was crucial in ensuring employment for local residents in the shopping centre. When completed, 121 out of 310 positions on offer went to Castle Vale residents, exceeding the target of 25 per cent that was agreed between Sainsbury's and the Shopping Centre Working Party. The new shopping centre created 600 jobs, and within five years, 95 per cent of these jobs were filled by estate residents.<sup>52</sup>

### **Economic benefit**

It has been estimated that the value of the shopping centre before the regeneration was less than £0.5 million, and given that a Dilapidations Notice had been served, this figure may have even been a negative value.<sup>53</sup> Sainsbury's eventually paid CVHAT £19 million for the site, more than doubling CVHAT's target of £8 million required to cover its costs. This was a major achievement in creating economic value where none existed before. (Other significant developments included the improvement of the Reed Square shopping area and the building of Enterprise Park, where 44 business units created 200 jobs.)

What effect did these developments have on the levels of unemployment on the estate? In 1993, 26 per cent of working age adults were unemployed, compared with a regional average of

around 14 per cent. By 2004 this figure had dropped to 5.5 percent, far lower than the regional average.<sup>54</sup> The jobs taken by residents in the shopping centre contributed to this decline, but the work of the Economic and Community Development programme, which involved a wide variety of initiatives focused on adult education and training programmes to build confidence, numeracy and literacy and the improvement of information about and access to employment, has also had an enormous effect. The Castle Vale Learning Centre, for example, was set up to provide guidance to those seeking training and employment and has been hugely successful in combating worklessness and building social capital on the estate.

One of the greatest successes of the regeneration has been the breaking down of barriers to employment and the removal of the 'B35 stigma'. In 2001, 49 per cent of residents reported that their postcode counted against them when looking for work. By 2004, this figure had dropped to 30 per cent.<sup>55</sup> Furthermore, 30 per cent of working-age residents reported that CVHAT has made it easier for them personally to look for work.<sup>56</sup> Other figures are encouraging: the proportion of residents on housing benefit decreased between 2001 and 2004 from 29 per cent to 22 per cent. The proportion receiving Working Families Credit has nearly doubled over the same period, from 9 per cent to 17 per cent, likely reflecting an increased awareness of the allowance, testament to the work of the CVHAT.<sup>57</sup> Also testament to this work is the reduction from 27 per cent to 9 per cent between 2001 and 2004 in the number of people who think that being on benefits creates a very big problem in returning to work.<sup>58</sup> Educational attainment has improved year on year: the proportion of residents earning 5 or more A\*-C grade GCSEs has risen from 13 per cent in 1995 to 32 per cent in 2003. The proportion gaining further qualifications after leaving school rose from 27 per cent to 45 per cent between 2001 and 2004.<sup>59</sup>

Furthermore, CVHAT's approach to tackling unemployment shows how this can be done without spending vast sums of money. The Merlin Venture, for example, is a social enterprise set up by CVHAT to support local businesses from the Enterprise Park.

To what extent did the economic and community development represent value for money? Evaluation of the schemes concludes that the gross unit costs to CVHAT per job placement compares favourably with equivalent schemes delivered under the Single Regeneration Budget. The average unit cost to CVHAT of delivering job placements is £7,403. This figure compares very well with a unit cost to the Single Regeneration Budget of £15,153 per individual trained obtaining employment.<sup>60</sup> The Castle Vale Learning Centre also proved much more cost efficient than similar government initiatives, delivering training opportunities to Castle Vale residents at less than half the unit cost per beneficiary compared with the Greets Green New Deal for Communities 'Passport to Learning' scheme: £1,018 compared with £2,517.

Although these statistics are encouraging, the area is still very deprived. What is more, none of the positive changes occurred quickly, and many took over seven years – a typical lifespan of many regeneration projects. What this shows then is that the impact of holistic regeneration programmes takes time. The impacts on life expectancy – for example – can be expected to mature over a period of around 20 years, or a generation. In this way we can still not be certain of the true impact of the regeneration, as this will only begin to show up beyond 2020.

## Balsall Heath

The regeneration of Balsall Heath provides a contrasting case study to Castle Vale. Although local residents were heavily involved in Castle Vale's regeneration, the impetus and, importantly, the money came from central government. The impetus behind the transformation of Balsall Heath was quite different and provides a fascinating example of how the local community 'helped itself' by building social capital in order to alleviate social poverty, rather than using monetary capital to attempt to relieve material poverty. Although it is true to say, and important to remember, that the estate received substantial funding – in the form of a £6 million grant from the European Union – that fact should not prevent Balsall Heath being an



example of the ‘Big Society’ in action. After all, that money – while useful – was awarded only once members of the community had demonstrated their remarkable will to bring about renewal and regeneration and had begun to tackle their numerous social problems on their own.

The area was inhabited by a strong white working-class community, but this was split apart in the post-war rebuilding of the area, and people were rehoused in different areas across the city. The neighbourhood became fractured. The once minor levels of prostitution grew and by 1980 Balsall Heath had become Birmingham’s red light district, with up to 450 prostitutes working the streets. The police and authorities turned a blind eye to the public manifestation of sex workers in the area<sup>61</sup> as there was little local opposition to the prostitution, because of the community’s transient population, low levels of home ownership and minimal political involvement.

The problem became worse when sex workers sought more secure environments, renting houses to work from. Cheddar Road became the main focus of this activity, with 24 of its 50 terraced properties used for ‘window working’ by the late 1980s. The area became notorious as an Amsterdam-style ‘brothel row’ and attracted not only customers but also voyeuristic drivers: it was officially Britain’s busiest cul-de-sac.<sup>62</sup> Those who could afford to left, with houses in the area often selling for under £5,000. Just as Castle Vale became a byword for a sink-estate, Balsall Heath became associated with blight, decay, sleaze and depression.

Although local community groups had attempted to apply pressure on local councillors and the police in an attempt to curb the problem, they had little success. It was action taken by the Balsall Heath Neighbourhood Forum, which comprised engaged residents of the estate, in 1994 that laid the ground for the rejuvenation of the area. The forum was formed in the 1980s by representatives from local religious establishments and other concerned residents. Seeking a more direct approach to eradicating the sex work that was blighting the area, a protest was organised: the streets were picketed and regular patrols organised. Placards with messages such as ‘Kerb-

crawlers: we have your number' were displayed and licence plate numbers of kerb-crawlers were given to the police. The first picket resulted in an 80 per cent reduction in traffic and the picket was expanded to 19 other streets. According to figures from SAFE, the street outreach project, based on nightly contact sessions with prostitutes, there was an immediate two-thirds reduction in street and window sex work. The police, initially against the perceived vigilantism of the protests, enabled the protestors to enrol in an official Home Office-backed programme called Streetwatch. The police announced that in the six months between May and November 2005, prostitution was almost eradicated but also serious crime fell by 20 per cent.<sup>63</sup>

Following the eradication of the prostitutes, the Balsall Heath Forum set about to improve the physical environment of the area. Volunteers and handymen were identified to fix broken windows, clear rubbish from alleyways, clear dumped rubbish, trim hedges, remove graffiti and organise regular rubbish pick-ups. Eventually two people became employed: Two Men and a Van. From this humble beginning, Balsall Heath went on to enter and win the Britain in Bloom competition. These two men also showed residents that changes could be made, that it was worth caring and investing in a neighbourhood.

These seeds of community regeneration were about personal growth: 'In a world that is driven by outputs, bricks and mortar, pounds and pence, everything becomes technical. What inspires and moves these projects is a real and fundamental belief in people.'<sup>64</sup>

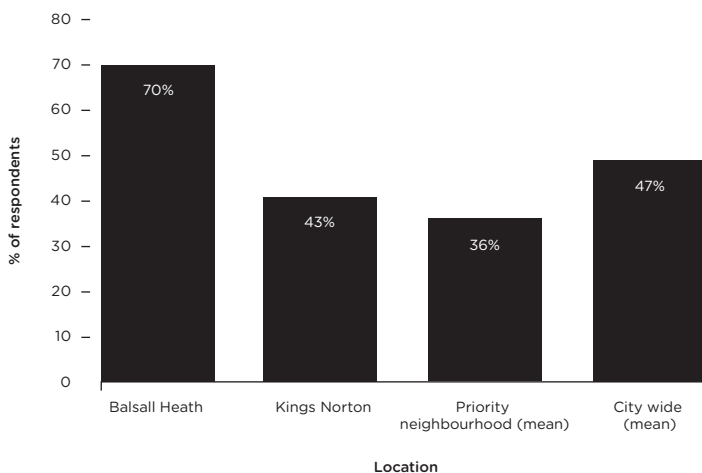
In 1996 the Balsall Heath Forum launched a four-year development plan for Balsall Heath. The plan was based around seven collective projects, each with its own 'champion', encompassing family life, the environment, safety, business, education, participation and sustainability. The aim of the plan was to involve all the local community, and to raise money from business to match a £6 million grant from the European Union. The bottom up approach thus enabled money to come in at a later stage: social capital was developed first, and money then came later.

The array of community events organised by the forum is astounding. Balsall Heath boasts an annual carnival, a community newspaper, a book of local history and a secondary school for disengaged young people – whose examination results rival those of most Birmingham schools. The Forum's staff have also supported the efforts of housing associations to rebuild and renovate the area. These initiatives have helped the people of Balsall Heath to regain a sense of local pride and identity. The Forum has organised, encouraged, equipped and sustained community engagement. It has developed a network of good neighbours, helped set up other voluntary organisations and watched them thrive and grow. The transformation of the area has been brought about by changed, inspired people, residents who have developed the common sense of social responsibility and mutual support.

An indicator of the sustained success of Balsall Heath's regeneration is the annual opinion survey run by Be Birmingham, the local strategic partnership. The survey tracks the opinions of residents about their local area across 25 priority neighbourhoods, the most deprived according to Index of Multiple Deprivation (IMD) scores. A city-wide sample of all neighbourhoods is also surveyed. The following data comes from the 2008 opinion survey, in which Kings Norton Three Estates was also a priority neighbourhood, an area that was awarded a regeneration grant of £50 million over ten years as part of the New Deal for Communities (NDC) programme.

The proportion of residents in Balsall Heath who feel that they can influence decisions in their local area is almost twice as high as for the average of the priority neighbourhoods, but also much higher than the city average, which includes neighbourhoods far richer when measured in monetary and material value (figure 4). This feeling of local influence indicates that community disengagement, believed to have been a cause of the lack of police action against the sex trade in Balsall Heath, has been totally overhauled, to the extent where the levels of community empowerment are much higher than the city-average. This also shows that the regeneration of Balsall Heath has encouraged political engagement of its residents, where there once was little.

Figure 4 **Proportion of residents in Balsall Heath who feel that they can influence decisions in their local area**

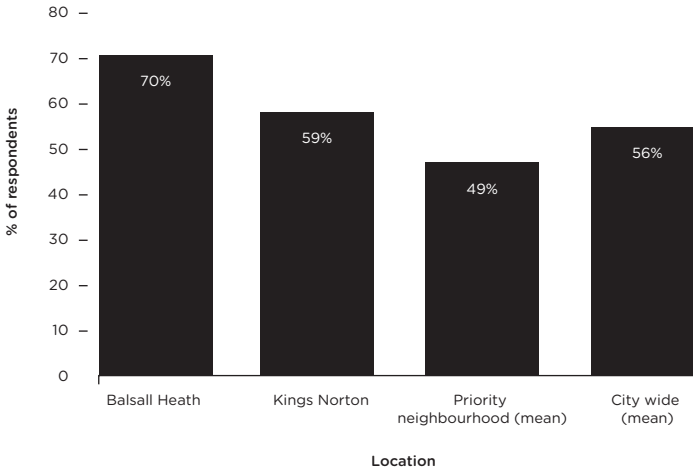


Residents in Balsall Heath have much greater feelings of trust in their local area than all three other locations. Interestingly, the Kings Norton Three Estates NDC has a higher proportion of residents who feel that most people can be trusted than the city-wide average, indicating that the NDC programme has had some success in developing community trust, but not nearly on the scale seen in Balsall Heath.

The proportion of residents who feel safe after dark (figure 5) and are overall satisfied with their home as a place to live (figure 6) are also higher in Balsall Heath than in Kings Norton and priority neighbourhoods; and the proportion of residents who are very or fairly satisfied with their home as a place to live is the same in Balsall Heath as city-wide – 91 per cent.

Residents of Balsall Heath also show a high level of satisfaction with their local area, on a par with the city-wide satisfaction rate. These statistics truly are astonishing. Balsall Heath comfortably exceeds the other priority neighbourhoods

Figure 5 **Proportion of residents in Balsall Heath who feel safe in their local area after dark**

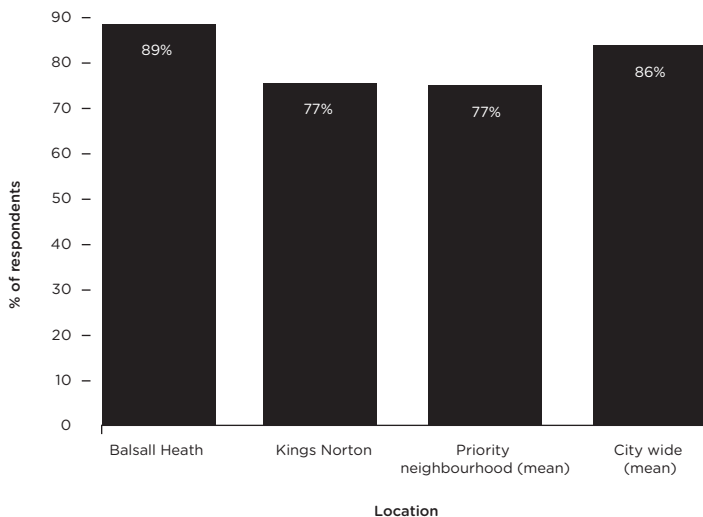


across these indicators. Residents of Balsall Heath are more confident in influencing decisions and more satisfied with their neighbourhood than residents anywhere else in Birmingham, including in the neighbourhoods that have a higher socio-economic categorisation.

The sums saved in Balsall Heath are substantial. Before residents took action on the vice problems, the police operated with a vice squad which cost £350,000 a year. The real problem to be overcome is not material but social poverty. The solution to this problem lies not in extra money but in extra concern, a changed culture which motivates residents to live more caring lives. This prevents the need for some expensive services and requires a new relationship to develop between a self-reliant third sector and a changed, enabling public sector.

The last chief constable of Birmingham, Sir Paul Scott Lee was a young officer in Balsall Heath 20 years before returning to the city to take up the chief constable position. He described the

Figure 6 **Proportion of residents in Balsall Heath who very or fairly satisfied with their home as a place to live**



transformation of the area as ‘Remarkable ... If you’d asked me 20 years ago I’d have said it was impossible: an inner city area, with material deprivation, but it looks and feels like a leafy suburb.’

We need to encourage the formation of groups like the Balsall Heath Forum. What Balsall Heath shows is that once they have been established and people have started to do things for themselves, building social capital, then the money comes later and can be targeted effectively, as the European Grant and the fundraising for the physical regeneration of much of the area have demonstrated.

### 3 Oral evidence from residents and people involved in redeveloping Castle Vale and Balsall Heath

Castle Vale and Balsall Heath have experienced significant success in regenerating the physical and social fabric of their communities. These successes are not total – there remain problems of worklessness, aspiration and other ‘wicked’ issues in both estates – but they are nonetheless significant and distinct.

This chapter focuses on some of the barriers that these groups and others have come up against in attempting to promote resident-led community regeneration. It asks what could have been done in order to make success occur more smoothly, more quickly and more demonstrably. These are important issues if we are going to apply the lessons learned in these estates and ensure that central and local government are able to cultivate the kind of community spirit that has delivered real change in these case study areas. There are several important lessons from the experiences of people in these communities – they need to be learned and applied.

The regeneration of Castle Vale and Balsall Heath did not happen overnight. It didn’t even happen in seven years (which is the average time frame for regeneration funding and implementation) and it would be foolish to assume that the development of these areas is complete even now. They have, however, experienced real success and the key to those positive impacts has been in the long-term nature of their projects and the time that has been given to them for development and improvement.

Castle Vale, unlike the majority of top-down regeneration schemes, which typically have a seven-year lifespan (eg Single Regeneration Budget programmes), was initially a 12-year programme. This factor is politically unhelpful – long-term

planning on a scale of decades or more does not marry easily to political timeframes of around five years (or a parliamentary term). It is very difficult for politicians to invest money and expend political capital on projects that are unlikely to demonstrate their success until long after they may have left (or lost) office. The truth is that even the 12-year timescale that Castle Vale enjoyed is not enough to appreciate fully the holistic benefits of the initiative. The impact on life expectancy, for example, will not be fully understood for at least a generation (or between 20 and 30 years).

This is a common problem across long-term policy areas. In education, for example, interventions have proven difficult to base on evidence over a prolonged period of time. The work of Steve Aos in the field of early intervention with children – and in scoping and understanding the cost-benefit of such interventions – points to the possibilities of analysing long-term policy issues in a thorough and evidential way.<sup>65</sup> Much more work needs to be done to help measure the benefits of regeneration programmes over the long term – in health savings, worklessness savings, education, crime and many more potential areas of public saving. Developing a really vigorous evidence base would enable active communities to use tools like social investment bonds to leverage private money into their regeneration projects.

In order to counter these problems, government must step back and allow developments to happen – it must refrain from the impulse to cancel or reduce funding when results are not obvious within a political rather than a regeneration time frame. Thus funding must be secured and long term, and national politicians need to be publicly separated from the success and failure of regeneration schemes. Ministers should neither benefit from individual successful regenerations nor be punished for failures – instead they need to remain focused on the framework within which regeneration occurs.

It is important to remember factors that differentiate these case studies from many other, deprived areas. Although there are lessons that can be learned and tips for future efforts at regeneration, it would be wrong to ignore an important contributory factor, which has helped Castle Vale and Balsall



Heath and is not shared by many other ostensibly similar areas. This is that both of these estates are relatively self-contained geographical entities with clear borders that make them discernible neighbourhoods and may have helped to foster the strong community ethos that has eased the redevelopment of these areas. This is not the case for all estates or deprived communities and it is worth bearing in mind that it may be useful to encourage clarity about scope and geographical remit among groups hoping to emulate the success of Castle Vale and Balsall Heath.

### Funding needs to be long-term and secure

*What we did was to go to them [the government] and say... this is what you want us to do, this is how much it will cost, this is how much you're offering us and ... there's just too big a disconnect<sup>66</sup>*

When the Castle Vale Housing Action Trust was set up there was a severe level of uncertainty about the level and duration of the funding arrangements. This led to a heightened level of insecurity within the Trust itself and negatively impacted on the board's ability to reassure residents of the long-term viability of their work and of their ability to fulfill promises on delivery. In the end it was the tough negotiation and collective holding of nerve on the part of the Trust board that secured the promise on the investment, over a realistic time frame, that they needed.

Of course, in Castle Vale, the formation of a HAT meant that the community benefitted from the advocacy and hard work of a full-time and experienced professional (in the form of Dr Angus Kennedy). Similarly, in Balsall Heath, the leadership of Dick Atkinson was pivotal to the ability of the members of the Balsall Heath Forum to engage in high-level, difficult and complex negotiations. Not all communities will have that ready resource, and by continuing with a highly complicated and insecure funding apparatus we are in danger of putting off and excluding passionate local activists who are unable to navigate

the system. The specific question of leadership will be addressed later in this chapter but it is closely interrelated with access to funding.

Although the multiple avenues for funding are to be welcomed, the lack of a single point of application and entry is not. For individuals seeking to access funding it can be offputting. There are third sector organisations that provide ‘one-stop shop’ services but neither DirectGov nor DCLG websites provide this service or aggregate funding opportunities and support communities through their application process. Although this report argues that government needs to step back from directly operating funding in community regeneration – instead supplying funding through third parties – they should provide a comprehensive signposting service, which also actively nurtures groups through the application process.

### **Communities benefit from brands**

Attracting mainstream, everyday brands succeeds in helping to boost resident confidence, increasing employment opportunities and combating the stigma of living in a ‘brand desert’. Castle Vale’s success in regenerating the shopping centre on the estate – which was spearheaded by Sainsbury’s – was key to their success in renewing their neighbourhood.

The Shopping Centre Working Party managed the negotiations and helped to secure real advantage (beyond the regular benefits of having new shopping opportunities and access to cheap, quality produce) for the community. With the Estate Forum, members of the working party interviewed all the potential developers and there was also strong involvement from local councillors. Between them they managed to extract a guarantee that at least 25 per cent of vacancies created by the presence of Sainsbury’s on the estate would be filled by residents *from* the estate. In fact the final tally, once the redevelopment was completed, actually exceeded that target, with 121 out of 310 positions going to Castle Vale residents. Within five years, 95 per cent of these jobs were filled by estate residents.<sup>67</sup>

But we should not simply see the importance of the

corporate presence through the (albeit very successful) prism of employment. Many residents were sceptical that any major, high-street brands would be attracted to Castle Vale, some even opposed it on the grounds that it was a ‘waste of time’.<sup>68</sup> The lack of mainstream corporations on Castle Vale had undermined the morale of the community and led to reduced expectations – the feeling that the kind of high-street chains and brands which other people take for granted were not suitable for residents of the estate. This served to reinforce and exacerbate the internalised stigma felt by many of the residents. Attracting Sainsbury’s and other chain stores to Castle Vale meant boosting job opportunities and expanding access to cheap, high-quality produce but it also meant boosting confidence in the community.

### **Baseline evidence needs to be provided**

Castle Vale and Balsall Heath are able to demonstrate much of their success by comparing their polling results from the Be Birmingham survey with comparable areas and neighbourhoods. This provides them with a very effective and independent source of evidence that they can use to facilitate further funding and/or support from grant makers, government and business. But these surveys are not conducted nationwide and many other communities struggle to demonstrate success even on the ‘soft’ measurement of resident satisfaction and engagement. Although many community groups and tenant-led housing associations conduct attitude and opinion polling this succeeds only in demonstrating change within the area – they need data that demonstrates their work has had an impact beyond what could normally be expected; therefore they need to be able to compare with other peer neighbourhoods. Government should provide funding to local authorities which is ring-fenced for attitudinal polling that can be used to analyse the differences between areas and enable community groups to make a real case for their success.

Attitudinal data is a good start but it is not enough. In a massively restricted funding environment community regeneration projects will need more than ever to be able to

demonstrate their success in producing hard outcomes and real savings. This project originally aimed to analyse the savings generated by the redevelopment work operating in Castle Vale and Balsall Heath – the frustrating reality was that this was nearly impossible to do. Aside from obvious, one-off costs that have been eliminated (for example the vice squad policing of Balsall Heath), there is an unacceptable lack of real data in these areas. This continues to cause problems for the community leaders on our case study estates – Castle Vale Community Housing Association has been forced to designate a member of staff to go through decades of crime data in order to attempt to establish the reduction in criminality which the community feels has occurred but cannot prove.

Total Place, a scheme which aims to aggregate data at a local level, may go some way to solving some of these issues but it does not go far enough by any measure. Base-line information and evidence needs to be made more available in as close to real time as possible so that communities like Castle Vale and Balsall Heath are able to fully understand the scale of problems and to see and prove their impact in solving them.

## Leadership is key

*I'm able to have a good relationship with other agencies, with the local police and the health trust and so on and they know that we want to work with them, that we're after the same thing and that I can help.<sup>69</sup>*

Communities that come together to solve their problems are often defined, at first, by the emergence of dynamic leadership. In Castle Vale this has come in two stages – through the original HAT management team under the leadership of Angus Kennedy, and then through the leaders of the Community Housing Association, such as Steve Clayton. Balsall Heath has benefitted from the expertise and leadership of Dick Atkinson and their residents' committee. David Cameron's plan to train up 5,000 community activists, and to give them the skills to lead in their communities, are a good start to ensuring that this vital

component of community regeneration is nurtured and developed. But, in designing the training that is made available, it is important that figures with real experience – such as the leaders of the estates featured in this report – are able to help shape and deliver a curriculum that focuses on the practical application of engagement and the democratisation of regeneration.

## Broken windows

*We started with the smaller things, everyday things that people could see, so as we could show them that we meant what we said and would follow through on our promises<sup>70</sup>*

The physical environment of a disadvantaged area is essential to kick-starting regeneration for two reasons. First it has been demonstrated to have a real impact on the social capital and wellbeing of a community – as demonstrated by George L Kelling and others. Second, it is a tangible ‘easy win’ if groups can demonstrate their ability to impact on long-standing but relatively simple problems – by bringing residents on board they can prove their capacity for success.

Social psychologists use the term broken windows to explain the ‘spiral’ characteristics of neighbourhood deterioration. They argue that if a broken window in a building or car is left untended, other signs of disorder will increase. Kelling argued that a broken window, left unrepaired, is a signal that the neighbourhood is uncared for. This can lead to more serious crime problems that are spurred by the general feeling that the neighbourhood is uncared for and that there will be limited repercussions for destructive activity.

Philip Zimbardo, a psychologist, tested the broken window theory through a practical experiment. He arranged that two cars be abandoned – one in a deprived and run-down Bronx neighbourhood and one in Palo Alto, California. The car in the Bronx was destroyed within ten minutes, while the car in Palo Alto was left untouched for more than a week. After Zimbardo

deliberately damaged and vandalised the car in Palo Alto, passers-by began to add to the damage and vandalise the car further. In both cases, once the car was damaged, destruction, vandalism and theft followed.

Signs of neighbourhood deterioration or disorder, such as broken windows, can lead to the breakdown of social controls. In stable neighbourhoods, residents tend to watch out and care more for their property, children and public safety. Residents in these neighbourhoods are more attached to their neighbourhood and more likely to consider it as their home. By attacking the visibly degraded infrastructure, and aiming to demonstrate obvious positive change, regeneration programmes can boost public morale.

## Conclusion

The regeneration of Castle Vale and Balsall Heath was not an overnight phenomenon – in fact it is far from fully complete and the enormous successes that have taken place took longer than the seven-year framework normally allowed for regeneration projects. But those successes – in reduction of crime, and improved housing, community engagement and satisfaction – have occurred faster and to a greater extent than in peer neighbourhoods. There are lessons here for community activists, and local and central government policy makers.

The regeneration of Castle Vale was initially a 12-year programme, and the efforts there have been continuous since the mid-1990s. This timescale is politically unhelpful – long-term planning on a scale of decades or more does not fit easily with the more short-term political timescales that often govern funding and investment. But, nonetheless, the impacts are great, the potential savings valuable and the achievements profound. The same is true of Balsall Heath.

In addition to the factors for success outlined above there are other common themes that must be translated into regeneration policy if we are to capitalise on the success of these estates. It is very difficult for politicians to invest money and expend political capital on projects that are unlikely to

demonstrate their success until long after they may have left (or lost) office. The truth is that even the 12-year timescale that Castle Vale enjoyed is not enough to appreciate fully the holistic benefits of the initiative. The impact on life expectancy, for example, will not be fully understood for at least a generation (or between 20 and 30 years).

In order to negate these difficult issues, government must step away from the day-to-day funding decisions that provide a lifeline for community regeneration. It must refrain from the impulse to cancel or reduce funding when results are not obvious within a political rather than a regeneration time frame. This means that funding must be secured, long term and at arm's length from central government and political actors.

One final factor that is shared by Castle Vale and Balsall Heath, and is vital to the long-term success of community-led regeneration projects, is the development of robust transition plans. Community leaders in both estates have emphasised the importance of clear succession plans, backed up by engagement and talent spotting to ensure that residents are able to become engaged and work towards taking over the implementation and running of services.

By learning all of the above lessons – and translating them into the framework of funding for regeneration – government can ensure that community regeneration is free to succeed, funded to achieve and not shaken by a political context that undermines long-termism and future-orientated investment.





## 4 Conclusions and recommendations

Castle Vale and Balsall Heath have stories of success to tell about their communities. Both have gone from stigmatisation, criminality and impoverished housing stock to having some of the highest levels of resident satisfaction, resident engagement and quality of life. It's not over – these estates must continue to develop and regenerate – but in these areas a positive and active start has been made. Best of all it has been accomplished with the involvement and active participation of the residents themselves. Balsall Heath and Castle Vale are not examples of regeneration being done *to* a community but of regeneration being done *by* a community. In an age of austerity and with a paucity of funds the real progress in community regeneration will be in emulating these successes – in helping communities to empower themselves, in funding groups that already have the drive and the vision to succeed, and in providing the fertile ground from which new ideas can spring.

But the stories of Castle Vale and Balsall Heath must be told properly if we are to really learn from them – we must recognise the negative as well as the positive. The 'Big Society' concept of citizen action to drive up standards and offer public services is based on the idea that there will be willing participants and that they will be enabled to take power – often Castle Vale and Balsall Heath are used as examples of this happening organically. But there are gaps in this agenda that need to be thoroughly understood if it is to be applied successfully. In understanding the reality of the struggles to regenerate Castle Vale and Balsall Heath we can understand where those gaps are, what barriers to collective efficacy exist and how best to develop a framework in which the 'Big Society' can become a reality.

These communities were faced by barriers, experienced resistance and fought hard for the funding and the freedom to

succeed. It is one thing, in our current financial state, to recognise reluctantly that there is little new resource available for community regeneration – but it is quite another to continue to allow government and its agencies to get in the way of communities who want to make their neighbourhoods safer, better and more happy places.

The real lessons from these two Birmingham estates concern what we can do to get government off the backs of communities where there is will and vision. That is why this report makes recommendations – to all levels of government and the state – that would result in creating the space for communities to fill. This approach is cheaper than attempting artificially to create social and neighbourhood capital because it does not throw money at areas even when that money fails to stick. It is also more likely to prove successful as the communities who benefit from redistributing the existing neighbourhood renewal funding will have already demonstrated their willingness and ability to fight for their areas. Finally, this approach is both progressive and conservative. It accepts the essential rightness of using the resources of the state to help communities to build their way to a more successful future. But this is not an acceptance that the state is the best actor in communities that need to be regenerated – 20 years of mixed successes and partial failure have shown how complicated and unrewarding it can be to attempt to parachute resources and expertise into disadvantaged communities. Instead we can and should learn from Castle Vale and Balsall Heath where space was allowed for communities to begin to stand up for themselves, to come together and deliver real change for their areas.

### Recommendations

Government will not succeed in imposing regeneration on communities. The next phase of central involvement in neighbourhood and community renewal will involve efforts to encourage and enable activism and regeneration rather than to create them artificially. This raises two questions for policy makers: how can we ensure that community groups that want

to become active are able to do so, and how can we learn from previous successes and remove barriers to participation and longevity?

It is too often a cliché that ‘government needs to get out of the way’, but in this area of policy it is at least half true. All of these recommendations are concerned with radically devolving power – over funding, process and services – away from central and local government. But this doesn’t mean that this report calls for an end to the democratic control of regeneration funding, or for the extension of existing unaccountable bodies such as regional development agencies. Instead, this report calls for a redistribution of the democratic control of money and programmes so that community leaders and neighbourhood activists have more control but are also more accountable to the communities and neighbourhoods they claim to serve. By implementing these recommendations government can depoliticise the funding of regeneration without delegitimising it.

### Introduce endowment funding

A key problem for those community groups which have will and vision is that funding for their attempts to regenerate and develop their communities is often complex to secure and unreliable and unpredictable:

*It takes a lot of our time securing funding ... and we have the experience; it would be very difficult for someone new to this to get to grips with it quickly.<sup>71</sup>*

Endowments are a means of ensuring that these communities are able to set about regenerating their neighbourhoods safe in the knowledge that their funding is secure and long term. Endowments function like a collective savings account where the community decides how to distribute earned interest. They provide a long-term future funding stream. A well-managed endowment can also create donor confidence and attract resources from other grant makers and the business community making communities less reliant on state funds.

There are some excellent examples of how endowment schemes can run successfully. The Adventure Capital Fund (ACF) aims to help ambitious community enterprises become financially sustainable. Financial support is provided in a mixture of loans and grants; ACF also provides mentoring and support services thereby helping to build skills and generate successful leadership in deprived communities.

ACF demands social and financial returns on its investments. Sustainable organisations continue to deliver self-funded activities and funded projects and the income they generate from social enterprise initiatives is sufficient to repay loans and establish an endowment fund to distribute to smaller community groups as well as working capital and financial reserves to meet long-term commitments. ACF has received a boost from government in the form of the DCLG's funding of their community builders' programme (which has been funded with around £70 million in direct investment). These schemes are worthy of praise and should form the basis of future government investment in regeneration as well as in the reallocation of existing pots of money.

The ACF is important for two reasons:

- It is secure endowment-based funding, so community groups are able to operate in the long-term manner that is absolutely necessary for community regeneration to succeed.
- It is operated outside the state. This means that it should not be victim to the political timescales which too often place unrealistically short-term expectations on regeneration projects.

By placing the investment in an endowment, and operating it at arm's length from government, we can limit the extent to which politicians are expected to assume responsibility for the short-term success or failure of regeneration.

Government should build on the success of this fund. By transferring existing pots of money into endowment funds, and operating them away from the centre, government can ensure that funding has the longevity needed to make a real success of regeneration. This is a key lesson from the case studies and wider

experience of regeneration – it needs to be fully learned by government policy makers and translated into policy.

It may well, of course, prove marginally more expensive (in the short term) to ensure that communities have access to endowments that are substantial enough to provide meaningful income through interest. But that short-term expense will be heavily compensated for by streamlining the funding offers available to communities and through amalgamating the resources themselves. It is also vitally important that we remember that the provision of funding by individual case and application can lead to profound waste. Although cost recovery is not built in to many of the grants and funding streams available it is a reality of charitable work that this *has* to occur in order for the third sector to survive and continue to operate. An endowment system would cut back the need for lengthy, complex and renewed application processes and would save the third sector – and the state – wasted resource.

Deprived neighbourhoods should have their funding – that is currently potentially available to them from the state – aggregated into a single endowment pot. As occurred in Castle Vale, this pot should also (wherever possible) include the assets the neighbourhood sits on – their land and property. Once agency and collective efficacy can be demonstrated by community groups, and popular support demonstrated through genuine local democracy, they should be able to make use of these neutrally held funds to deliver projects and programmes that they wish to roll out for the improvement of their communities.

### **Establish evidence bases**

There is a significant problem with the lack of reliable, localised data made available to communities. It is always important that recipients of state money are able to demonstrate their successful application of this money to the problems for which it was intended. In our current era of immense spending constraint it is all the more vital that charities and third sector organisations (such as those involved in community regeneration) are able to

show what they have achieved. What is more, the provision of detailed local data may help to inspire further involvement and engagement in communities – realising the disproportionate levels of criminality, poor health, anti-social behaviour or even littering in your area may well act as a spur to the formation of exactly the kind of local activist groups that have had such a profound impact in Castle Vale and Balsall Heath.

The provision of local information and data needs to become the reflex of local government and their agencies – the default position. Data on crime, health statistics and worklessness levels are already recorded by the state and traceable to the neighbourhood level. This data should be updated in real time and made available through the internet so that communities can understand what is happening in their area and how resources are being used.

In addition to real time, total place data for communities, available to all, local government should be given targeted resources for use in detailed polling of attitudes, resident satisfaction and perception. This polling is undertaken in Birmingham and enables charities and housing associations to identify areas of concern and demonstrate the success of particular approaches and schemes.

### Introduce community cash back

In part, the purpose of gathering and making available the information above is to enable community groups to begin to demonstrate real savings on the cost of public services in their neighbourhoods. Aside from the obvious benefit for community groups in being able to demonstrate success to potential funders there should be a tangible, economic incentive for the community itself:

*There's still work to do here ... For every £20 the state puts into [this estate] probably only around £10 is being generated. That's something we want to work on, to get that ratio down because it's unsustainable, but it's also considerably better than it was.<sup>72</sup>*

Take the example of Balsall Heath's activism in moving prostitutes from the estate. There was a solid benefit for the state – in the form of the savings generated by the closure of the police force's vice squad premises on the estate – as well as the benefit to the wider community of creating a safer and less threatening neighbourhood. We argue that where communities are able to demonstrate a tangible, financial saving for the state they should be able to retain a percentage of that benefit for use within the community. This 'community cash back' would incentivise activism at the neighbourhood level and help to ensure the longevity of successful activist groups – providing them with continued investment as they continue to achieve.

Of course this leads to the question of who would hold the purse strings. The reality, as with our proposals for endowment funding and for 'micro mayors' and service provision, is that the organisation that holds the money will be different in different places and will be different at different times. This report makes a pragmatic case for communities being asked to demonstrate agency and popular support for their efforts before accessing funding generally – the same would be true of any resources generated through 'cash back'. Groups that could raise a popular mandate from their community – and demonstrate what they intend to use resource for – would be entitled to access it. Our experience, from Castle Vale and Balsall Heath is that often it is those groups that generated the saving in the first place that are best placed to earn popular support and credibility in their communities to benefit from the cash back resource. Therefore, as in our recommendation for 'micro mayors' and 'micro executives', the community cash back resource ought to be delivered only to organisations that can generate referenda support above a particular level in their community.

### End 'brand deserts'

Much has been written about the negative effects that brands can have on deprived people and communities. The sense of dissatisfaction that can spring from being presented with strong, aspirational brands to which one does not have any hope of

access is very real and can be incredibly damaging to individuals' wellbeing. However, there is a real danger in much of the policy analysis of these trends of throwing the baby out with the bath-water. Not all brands are exclusive; not all corporations are evil.

In Castle Vale the success of attracting Sainsbury's and other mainstream brands had an impact on multiple levels. Most practically it brought jobs to the area and substantial inward investment. But it also had positive outcomes on the morale and wellbeing of the area, reducing inward stigmatisation and bringing new people to the area as shoppers and consumers, driving up positive perceptions of the estate. In short, it made Castle Vale feel more like a 'normal' area to residents and to visitors:

*It had a real impact on how the residents felt about the Vale ... Lots of people didn't think we'd be able to attract the likes of Sainsbury's in the first place.<sup>73</sup>*

Thinkers in all three main parties have attacked big supermarkets. Phillip Blond, director of the think tank ResPublica, has called on the Conservative Party to 'break up' supermarket chains.<sup>74</sup> Labour politicians, along with spokespersons from the Conservatives and the Liberal Democrats, have flirted with means of preventing supermarket expansion in the interest of protecting local businesses. Of course, it is important to strive to ensure balance, but we should not actively prevent large, mainstream corporations from extending the benefits that they provide to poorer communities – we should embrace their potential to deliver economic and social change and to bring high-quality, affordable produce into the hearts of deprived areas. That is why we are calling on government to embrace real corporate social responsibility. Too often community regeneration schemes have not emphasised the benefits of partnership with corporations, instead viewing the private sector as simply an investor in regeneration rather than an active participant. We can learn from Castle Vale's approach and seek to bring corporations into communities as active drivers of renewal by offering incentives and removing obstacles.



Chains that seek to operate in target communities, and have the support of that community (as Sainsbury's did in Castle Vale), should be able to exempt themselves from a proportion of their business rate for a period of time in order to encourage their presence. They should also be able to take advantage of the local potential workforce by commissioning specific training from the local authority and employment support services. We should recognise that the best corporate social responsibility strategies are long term, active and localised – having a continuous presence in a community and providing jobs, goods and morale.

### Declare independence

Communities like Castle Vale and Balsall Heath have been phenomenally successful at involving residents in their neighbourhoods. Castle Vale Community Housing Association and Balsall Heath Forum run an array of services that are vital to the social capital and overall improvement of the areas. But there are real frustrations. Although they have good relationships with local government they are not able to assume control of local services even when they are confident of their ability to do so more successfully. This sometimes means that charitable organisations run services in parallel with the state without any compensation or cost-recovery.

Local groups such as those operating in Castle Vale and Balsall Heath should have a right to bid to run local services like Sure Start, employment services, preventative health services, parks and environmental services. If they are able to demonstrate a high level of local support – through referenda similar to the one that Castle Vale undertook (with 75 per cent participation) – they should be able to assume control of particular local services in order to pursue a remit of local control. These democratic processes, if conducted well, also have a positive impact on resident expectations and their willingness and ability to hold those in authority to account. The referendum in Castle Vale had a significant impact on attitudes:

*People felt like they had had a say in it and they also had the plan, which they'd voted for, so they could see whether we were doing what we'd promised or not.<sup>75</sup>*

This relates directly to the ongoing struggle to make local authorities take their contracting obligations seriously. Local authorities are supposed to ensure that third and private sector suppliers are treated equally to in-house providers in supplying a range of public services, but this all too frequently fails to happen. This report recommends that where the levels of local support have been identified in the manner laid out above and the cost can be demonstrated to be comparable to that of in-house provision, third sector providers should be able to establish themselves as the 'preferred' provider. As one leader of a community organisation told us during our research, echoing the sentiments of many charitable organisations that attempt to engage in public service delivery:

*I don't know if it's possible to do but some sort of 'preferred bidder' status would help us a lot, even if it just meant we didn't have to fill out the same paper work every time ... The thing is that we're not currently able to secure full cost recovery when we bid for some contracts.<sup>76</sup>*

### **Introduce 'micro mayors'**

There is a real need for a more genuinely 'local' strata of local government in communities that are struggling to regenerate and renew themselves. In Birmingham (where Castle Vale and Balsall Heath are located), for instance, the Council has suggested that there ought to be annual elections for 'micro mayors' for units of 1,000–5,000 people. This would go some way to resolving the problems of political representation in the UK – we have the least elected representation of any nation in Europe and our local authorities typically represent far greater numbers of people – and a greater diversity of issues, problems and demographics – than their peer institutions in Europe and elsewhere. 'Micro mayors' should be elected to work on specific, neighbourhood-level issues (such as litter or anti-social

behaviour) and be able to gather together resources available to the neighbourhood to achieve those aspirations – be it policing, NHS services, refuse collection or community support officers. Their funding could be provided through a small local levy, designed to raise funds to pay for the time of the ‘micro mayor’. This simple mechanism would provide a clear avenue to political legitimacy for residents who are concerned about specific problems in their area. It would also give communities a clear sense of leadership in their community – someone who was visibly and tangibly working for them.

But ‘micro mayors’ should not be a permanent fixture, another layer of bureaucracy which residents are stuck with forever. They should only exist where, and when, they are needed. So, in line with our proposals on declarations of independence, we propose that ‘micro mayor’ elections should only occur when a number of residents (above a certain threshold) sign a petition calling for the post to be created. It would then lead to an electoral process, with opportunities for other candidates to stand if they wish to, that could deliver a ‘micro mayor’ to resolve the specific issues identified. What is more, the constitution of the ‘micro mayor’ role should be flexible, in the same way that the specific issues they will be dealing with should be. Sometimes there would be a collection of residents forming a ‘micro cabinet’ and sharing the executive power between them. These localised positions would allow communities to fight back when they feel that they are not being served adequately by their public services or being represented properly by their councillors.

## Conclusion

These examples of Castle Vale and Balsall Heath are important to those concerned with regeneration because they are stories of success that have been led by residents. Obviously, neither area is without its problems and more work is needed in both neighbourhoods, but it is vital that we learn the lessons they can teach us and that we help them (and other areas like them) to push on with their efforts to improve their areas.

In a period of unprecedented spending restraint and fiscal austerity there is a real danger of regeneration slipping down the political agenda. But, because of the everyday impact that living in a disadvantaged neighbourhood has – on people's life chances, health, safety and wellbeing – it is vital that regeneration continues to be a priority in Britain. In the long term, investment in regeneration (if done well) accompanied by political reform to get government out of the way of community groups will save money by reducing need and pre-empting problems. That is why the stories of Castle Vale and Balsall Heath need to be retold, and why their lessons must be learned. These communities have been working on themselves for 20 years – long enough to start seeing the significant impact of the change they have made. They have succeeded in embedding regeneration and engagement into their communities and have fashioned a holistic, resident-led approach to securing their future. They also stand out because of their success in developing the social capital of their neighbourhoods.

By looking at these communities we have developed some principles that need to underpin the next government's approach to community regeneration.

- *Time is money.* One of the reasons that we are able to look at Castle Vale or Balsall Heath and see success is because they have been part of a process of regeneration that spans two decades. Government needs to ensure that its investment in communities is attached to, and reflective of, the long-term nature of community regeneration.
- *Government needs to get out of the way.* Money must continue to be provided to community groups but it must not be used to co-opt civil society in areas that are already deprived. Too often the attitudes and approaches of primary care trusts, local authorities and other state actors get in the way of communities. What is more, funding that comes from government is often used to exercise unhealthy levels of control over third sector organisations – new funding and standards of cooperation are needed.
- *Democracy works.* Communities that come together, establish a plan of action and consult the wider community (as happened in

Balsall Heath and Castle Vale) have already demonstrated collective efficacy and commitment to improving their neighbourhoods. This is a vital first step, and should be a prerequisite for the kind of radical devolution of funding and power that this report promotes. A fundamental principle of any new approach to community regeneration should be the demand that community groups and activists demonstrate wider support from within their communities before gaining privileged access to assets, support or commissioning.

- *Help people to help themselves.* Community groups and charities that work hard to improve the lives of their neighbours require evidence to demonstrate their success. This evidence allows them to make the case for their work, secure funding and keep residents on side. Castle Vale and Balsall Heath have both benefitted from the Be Birmingham surveys that demonstrate soft outcomes such as resident satisfaction and engagement, but there are still problems because of the lack of base-line evidence on health, worklessness and crime.

These principles should underpin our approach to regeneration in a period of tight budgets and spending restraint and are the foundation of the recommendations laid out above. They are part of a new narrative for community regeneration – one that frees up the space for civil society to rebuild itself and its communities, although providing the tools to help groups and communities to demonstrate their worth and success.

We can help to open up the political and social space for community regeneration if we begin to roll the state back in those areas where it is possible, and desirable, for others to act. We must step back and enable civil society to build neighbourhoods that function well. Just because the state pays for regeneration it does not mean that the state must do regeneration.

Community regeneration needs to occur within a framework that is supportive, enabling and engaged with communities themselves. By following the principles, ideas and policies laid out in this report government can ensure that regeneration and renewal are free to succeed, funded to achieve and liberated from

## Conclusions and recommendations

the barriers imposed by government and the state. It can be done, but it requires the political will to step back from everyday concerns, foster and encourage activism and invest in the long-term future of our most disadvantaged neighbourhoods.

# Notes

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- 4 See Community Regeneration Partnership website, [www.crp-ltd.co.uk/index.php/castle-vale-hat](http://www.crp-ltd.co.uk/index.php/castle-vale-hat) (accessed 18 May 2010).
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- 7 See Housing Action Trust – North Hull website, [www.archive.official-documents.co.uk/document/cm41/4157/detr10.htm](http://www.archive.official-documents.co.uk/document/cm41/4157/detr10.htm) (accessed 18 May 2010).
- 8 See Bow HAT website, [www.restate.geog.uu.nl/studies/estate\\_london\\_tower.html](http://www.restate.geog.uu.nl/studies/estate_london_tower.html) (accessed 18 May 2010).

- 9 See Liverpool Housing Action Trust website, [www.liverpoolmuseums.org.uk/mol/exhibitions/livingitup/section3.asp](http://www.liverpoolmuseums.org.uk/mol/exhibitions/livingitup/section3.asp) (accessed 18 May 2010).
- 10 Enhanced health and community care provision on the estate increased take-up of this provision among residents and improved health levels. Enhanced education provision and significant improvement of facilities at Castle Vale secondary school, combined with enhanced public transport links to the school, led to increased demand for school places, higher post-16 staying-on rates, and an eightfold increase in educational attainment at GCSE level. There were enhanced leisure opportunities for local residents. There was also a reduction in crime on the estate and perceived improvements in community safety. From 1993 to 2003 Castle Vale unemployment fell from 26 per cent to 5 per cent and GCSE results increased from a quarter to half the national pass rate. Numbers of residents reporting to be 'in good health' also increased from an estimated 45 per cent to 75 per cent.
- 11 Final evaluation of City Challenge, Department of the Environment, Transport and the Regions, 2000.
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- 13 Ibid.
- 14 'City Challenge: interim national evaluation?', [www.jmu.ac.uk/EIUA/EIUA\\_Docs/City\\_Challenge\\_Interim\\_National\\_Evaluation.pdf](http://www.jmu.ac.uk/EIUA/EIUA_Docs/City_Challenge_Interim_National_Evaluation.pdf) (accessed 18 May 2010).
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- 18 Ibid.
- 19 Ibid.
- 20 Most area-based problems considered 'serious' had gone down in severity and compared favourably with national change. There was a statistically significant increase in the number of parents who believed the local area was a good place to bring up children, and this increase was in excess of the national trend. Perceptions of the area as a bad place for bringing up children were also reduced by a statistically significant 6 per cent compared with a 2 per cent reduction for England. Across SRB areas there was a significant increase in the proportion of those feeling closely involved with the community. Finally, there was a significant rise in those agreeing they could rely on friends or relatives locally for advice or support.
- 21 'The Single Regeneration Budget'.
- 22 Ibid.
- 23 Ibid.
- 24 DCLG, The New Deal for Communities Programme: Achieving a neighbourhood focus for regeneration, The New Deal for Communities Evaluation 1 (London: Dept for Communities and Local Government, 2010), [www.communities.gov.uk/documents/communities/pdf/1487031.pdf](http://www.communities.gov.uk/documents/communities/pdf/1487031.pdf) (accessed 18 May 2010).
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- 27 In NDC areas there was a greater reduction in burglary and total crimes rates than in their parent local authorities; there was a rise in criminal damage in NDC areas and local authority districts, but this was less marked in NDC areas. There was more absolute change in house prices in local authority districts, but an increase of 69 per cent relative change in house prices in NDC areas, compared with a 60 per cent increase in parent local authority districts.
- 28 DCLG, The New Deal for Communities Experience.
- 29 Ibid. As the National Strategy for Neighbourhood Renewal (NSNR) of which the New Deal for Communities was the centrepiece focused on the regeneration of deprived areas within the contexts of worklessness, crime, health, education and housing (Office of the Deputy Prime Minister, 2004), particularly on education outcomes, NDCs are statistically worse than comparator areas and have only achieved evidently favourable outcomes on crime and worklessness.
- 30 Social Exclusion Unit, A New Commitment to Neighbourhood Renewal: National Strategy Action Plan (London: Social Exclusion Unit, Cabinet Office, 2001), [neighborhood.statistics.gov.uk/HTMLDocs/images/NationalStrategyReport\\_tcm97-51090.pdf](http://neighborhood.statistics.gov.uk/HTMLDocs/images/NationalStrategyReport_tcm97-51090.pdf) (accessed 10 May 2010).
- 31 The results of a comparison with non-NSNR areas suggest that in 2007 there were over 69,000 fewer workless people in NSNR districts than there would have been in the absence of the policy (equivalent to some 750 persons per district). Furthermore, within the most deprived 20 per cent of NSNR local super

output areas in 2007 the calculation suggests that there were just over 34,200 fewer workless people than would have been the case without NSNR. Employment rates improved and the gap with the national average narrowed to 75 per cent of the 2001 figure. However, between 2006 and 2007 the difference between NSNR districts and the national average began to widen again.

- 32 These findings may be understated because of the loss of some benefits as a result of population churn. They also do not capture the full range of other and consequential benefits (eg health).
- 33 Importantly, at key stages 3 and 4 there is evidence that the positive impacts increase in size over time; there are several instances where positive impacts are apparent in the later years studied but not in the earlier years.
- 34 A similar picture applies at the local super output area level. There have been substantial direct interventions as a result of NSNR, reflecting the priority given by local communities to addressing high levels of crime and fear of crime. Almost 20 per cent of the total NRF budget between 2002 and 2006 was estimated to have been spent on interventions in crime.
- 35 Evidence from the LRP suggests relatively positive progress has been made in narrowing the 'liveability' gap between the LRP case study areas and the national average; there have been improvements in local environment conditions (levels of litter, etc) but a weaker link with housing improvement.
- 36 Standardised mortality ratio is a measure of the number of deaths compared with the expected level, taking into account the age and gender structure of an area. It is a relative measure with the standardised ratio for England taken as 1. The standardised mortality ratio data used here is based on a four-year moving average for the period 1998/2001–2002/5. This is the period for which local super output area-level data has been provided by the Social Disadvantage Research Centre. A four-year average is used in order to render the data more robust at a small area level.

- 37 It should be noted, however, that these indicators only cover the period up to 2005. An alternative measure of mortality from all causes (directly age-standardised rates) shows an improvement in NRF districts for the period 2001–2007.
- 38 As judged by Amion Consulting's 'Evaluation of the National Strategy for Neighbourhood Renewal Final Report', 2010, for DCLG.
- 39 Ibid.
- 40 All local authorities eligible for Neighbourhood Renewal Fund were also eligible to apply for LEGI funding and were encouraged to work in partnership with their regional government offices, regional development agencies and other key local stakeholders to develop studied proposals focusing on sustainable projects that would bring lasting change to their areas.
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- 42 Ibid.
- 43 Ibid; DCLG, Evaluation of the National Strategy for Neighbourhood Renewal: Final report (London: Dept for Communities and Local Government, 2010), [www.communities.gov.uk/publications/communities/evaluationnationalstrategy](http://www.communities.gov.uk/publications/communities/evaluationnationalstrategy) (accessed 18 May 2010).
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- 52 Ibid.
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- 55 Ibid.
- 56 Carley, *Redevelopment of Castle Vale Shopping Centre*.
- 57 MEL Research, *Castle Value Final Health, Economic and Social Baseline*.
- 58 Ibid.
- 59 Mornement, No Longer Notorious.

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- 63 M Lean, 'The red lights go green in Birmingham', *For a Change*, 1 Jun 1996, [www.forachange.co.uk/browse/1504.html](http://www.forachange.co.uk/browse/1504.html) (accessed 18 May 2010).
- 64 'Can eleventh hour prevention stitch be in time?', *Prevention Action*, 21 Sep 2009, <http://preventionaction.org/prevention-news/can-prevention-stitch-be-time/5098> (accessed 18 May 2010).
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- 70 Ibid.
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Just one week prior to the 2010 election, all three party leaders appeared at the Citizens UK convention to espouse their support for citizen action. The parties have all, rhetorically at least, endorsed the need for greater voluntarism and collective endeavour – the Conservative Party went further by making their conception of the ‘Big Society’ central to their campaign.

But what does the ‘Big Society’ mean for struggling communities in need of regeneration? Can we learn lessons from places and communities that have come together and have trailblazed this approach?

This report attempts to answer those questions by looking at two estates, Balsall Heath and Castle Vale, which have engaged in an extraordinary renewal that has involved residents, the third sector and business. The stories of these estates are not without disappointments but they are crucial to understand what success communities can achieve on their own, what help may be needed and where there are barriers to real empowerment and change. In learning from the achievements of these estates government can develop the policy tools to make the ‘Big Society’ a reality for deprived areas across the UK.

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