

Chapter 8

Area-based Policy Evaluation

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The policy context

Formal urban policies in Britain date from the late 1960s and, over the last three decades, policy has placed great faith in area-based initiatives (ABIs) as a mechanism to tackle the problems associated with dereliction and deprivation in the large ex-industrial towns and cities of Britain (for example, Hall and Nevin, 1999).

Since the 1980s there has been a bewildering array of different types of policy instrument, amongst which have been (or are):

- Action for Cities (AfC) in the 1980s which focused additional resources on 57 local authority districts (LADs).
- City Challenge (CC) which operated between 1992 and 1998 and targeted resources at 31 sub-district areas.
- the Single Regeneration Budget (SRB) which rolled together the expenditures from 21 earlier programmes, went through 6 rounds of allocation during the 1990s, and was largely targeted at small geographically defined areas which received funding for periods of up to seven years.
- New Deal for Communities (NDC) which currently supports 39 sub-district areas with populations of up to 4 000 over a period of ten years.
- Urban Regeneration Companies (URC), the first of which were created in 1999, with 11 having now been established to develop master plans mainly for city centre areas, and with running costs funded through partnerships between Regional Development Agencies (RDAs), LADs and English Partnerships (EP).

Each of these programmes has been funded by the government department with principal responsibility for urban regeneration – successively named the Department of Environment (DoE), Department of Environment Transport and the Regions (DETR), Department of Transport, Local Government and the Regions (DTLR), and now the Office of the Deputy Prime Minister (ODPM).

In addition, in the last five years, there has been an increasing number of complementary area-based initiatives from other central government departments. Examples include the Crime Reduction Programme, Sure Start, Education Action Zones, Employment Zones, Sports Action Zones, and Health Action Zones – from government departments such as the Home Office, Employment, Education, Sport and Culture, and Health.

Such area-based approaches are predicated on the belief either that there are area-related processes that compound the problems that are faced by deprived individuals, or that there are efficiencies associated with the delivery of policy within defined targeted areas. While there has been much agonising in the academic literature about whether or not an “area effect” can be demonstrated (Dorling *et al.*, 2001; Atkinson and Kintrea, 2001), there seems to be general agreement that there are administrative benefits associated with spatial targeting – not least the potential synergy that can be achieved across different policy domains, and the efficiency of deploying personnel and resources within a limited number of areas. The case for area-targeting is that, given the wide disparities in deprivation, the neighbourhood is the most appropriate scale for fostering community identity and involvement and that resources concentrated at small areas over a number of years can achieve a step improvement in the circumstances of deprived areas (Lawless *et al.*, 2000).

Over time, the focus of ABIs has changed. At the outset, in the 1970s, most programmes broadly covered economic, social and environmental objectives, but the additional targeted resources were generally small. In the 1980s, the majority of funding was directed to the physical improvement of derelict areas in an attempt to revive the working of property markets. Typical interventions included programmes such as Enterprise Zones which offered financial incentives to firms to locate in decayed urban sub-areas, or the Urban Development Corporations which were run by private-sector boards with the aim of re-furbishing the infrastructure of derelict ex-industrial sites. In the 1990s, City Challenge and the SRB programmes brought local authorities back into the frame and broadened the focus to encompass social and economic issues as well as environmental and property-related aims. With this change of emphasis, two principal features have come to dominate recent approaches to urban regeneration; a stress on partnership working and, related to this, the aim of developing better co-ordination across policy domains.

The recent Urban White Paper (DETR, 2000) fundamentally changed the main thrust of policy. It moved away from the previous almost exclusive dependence on area-based initiatives and espoused the aim of “mainstreaming” as a way of better tackling urban problems. Mainstreaming can be thought of in three distinct ways:

- the attempt to bend resources from main spending programmes (such as education, social services, housing) to target areas of especial need or to improve the quality of service delivery to such areas;
- the attempt to learn lessons from what works in specific programmes and projects and apply them more generally to other areas; and
- the attempt to incorporate into mainstream services the policy lessons that arise from specific initiatives.

While mainstreaming has long been a mantra within urban policy, the new policy framework is the first to put it centre stage. Local Strategic Partnerships are now in process of being established in local authorities and they are charged with developing Community Strategies that consciously use mainstream as well as specific resources from funds such as the Neighbourhood Renewal Fund (which is targeted at 88 local authorities) to reverse the fortunes of deprived areas.

So, even though many area-based initiatives remain – not least the NDCs, URCs and some of the later rounds of SRB funding – English urban policy has now drawn a line under its almost exclusive dependence on area-based initiatives.

The growth of monitoring and evaluation

From the outset of this 30-year history of urban policy, there has been a continuous development of monitoring and evaluation under the auspices of central government. The total resources channelled at monitoring and evaluation have grown considerably. On the face of it, evaluation has now become an integral part of the policy environment. As well as the evaluation projects sponsored by funding departments of central government, generic policy reviews are undertaken by bodies such as the Audit Commission (for example, Audit Commission, 1989; 2002) and the National Audit Office; and the newly-established co-ordinating units established by central government such as the Social Exclusion Unit and the Regional Co-ordination Unit also draw on research-based evidence with the aim of steering the direction of policy. A recent example is the Regional Co-ordination Unit's review of area-based initiatives (RCU, 2002) which makes recommendations about merging and mainstreaming several of the existing separately funded regeneration programmes from across a range of government departments. In addition to such government-sponsored evaluation, there have been programmes evaluating area-based policies both by research charities – especially the Area Regeneration Programme of the Joseph Rowntree Foundation (see, for example, Maclennan, 2000) – and by the Economic and Social Research Council through its Cities Programme (see, for example, Begg, 2002). In this paper, however, the focus is restricted more narrowly to government-sponsored research.

Much of the research supported by the Department of the Environment in the 1970s and 1980s was relatively haphazard. Most of the evaluations were *ex post* and researchers had some difficulty in assembling data that could identify the initial conditions when programmes started and in recreating data on outputs during the lifespan of initiatives. However, since the 1990s (and especially since City Challenge and the SRB programmes), most funding of policy interventions has usually been contingent on continuous monitoring

and evaluation by local partnerships themselves and this has been accompanied by national evaluations undertaken for ODPM. The step change in evaluation came with the advent of the new government in 1997. There is now a firmly-embedded culture of local and national evaluations in virtually every area-based initiative.

This growth in evaluation is a reflection of the government's growing emphasis on seeking "value for money" and on its mantra of "what matters is what works". The notion of evidence-based policy-making has been most clearly seen in the field of medicine (where, for example, the Cochrane Collaboration and units such as the Centre for Evidence-Based Medicine in Oxford have developed a range of reviews of evidence-based studies of health care). Translating such experience into assessing the impacts of area-based regeneration has offered some major challenges to the social sciences.

Evaluation in the 1970s to 1990s

To the cynical eye, the official urge to monitor and evaluate quickly became institutionalised and routinised and thereby lost its cutting edge. For example, Ho has suggested a three-fold categorisation over the period between the 1970s and 1990s – what she calls three ages of official evaluation research: "innocence" in the early years of the 1970s; "dissent" in the 1980s; and "acquiescence" in the 1990s (Ho, 1999). Rather than closing the loop of monitoring/evaluation/policy reformulation, she argues that, over time, evaluation was increasingly used merely to justify and applaud what had been done.

Three successive evaluation projects can be used to illustrate this shifting balance of types of approach.

Community Development Project

The first is most strikingly illustrated by the formative evaluations of the Community Development Project (CDP), a programme which saw a strong emphasis on action research whose avowed aim was to influence the formulation of policy. The twelve CDP projects established by the Home Office in the 1970s were a major experiment to improve social services for those most in need. Action teams were employed by the respective local authorities, with funding from the Home Office, along with a central Information and Intelligence Unit (Higgins *et al.* 1983). Each team produced in-depth studies of their project areas and a series of inter-project reports was published which offered diagnoses of the causes of poverty and deprivation. These were highly critical of the small scale and narrow focus of the then government policy, not least that it was based on a social pathology philosophy that assumed that problems were internal to small communities rather than being embedded in

the workings of the broader political and economic context (CDP, 1977). Given the direction taken by the research teams and the critical nature of their reports, it was perhaps no surprise that the Information and Intelligence Unit was closed prematurely in 1976 and that the CDP programme was wound up.

Action for Cities

A second example is DoE's evaluation of the collection of initiatives rolled together under the heading of Action for Cities (AfC) at the end of the 1980s (Robson *et al.*, 1994). This project attempted to develop a methodology to address some of the central conundrums of quantitative evaluation which were summarised as six Cs:

Counterfactual, or deadweight, issues. What would have happened anyway, even in the absence of government intervention.

Contiguity, or displacement, effects. The impacts of policy in targeted areas may have negative or positive effects in adjacent areas.

Confound issues. Outcomes can be the result of many different, often overlapping, initiatives so that it is difficult to attribute change to any one of a multitude of programmes.

Contextual effects. Places start from a position of very different assets and potentials and broader national changes can hence impact on localities in very different ways.

Combinatorial issues. The packages of interventions include a variety of different combinations of programmes – addressed to job creation, physical improvement, crime reduction, health improvement and the like – each of which can have spillover effects on the others. Some combinations prove more effective than others.

Choice effects. The sets of places targeted for specific programmes alter over time and across different programmes, so that it becomes difficult to assign places unambiguously to a policy-off or policy-on category.

The need to take account of these issues was subsequently incorporated into the formal Treasury guidelines for evaluation research (HM Treasury, 1995). The Treasury Guidance has “encouraged agencies and partnerships to be more concise in terms of defining objectives and inputs, more sensitive to the importance of establishing net, rather than gross, outputs, and more equipped to assess value for money” (Lawless *et al.*, 2000). Yet, while the Guidance appears to assume that these issues can readily be tackled in evaluative research, in practice they have continued to represent real conundrums for evaluation methodologies and much of the evaluation still focuses on outputs rather than outcomes and has great difficulties in looking at the inter-relationship between different strands of policy.

Since the AfC research was probably the most ambitious overall evaluation during the 1980s and 1990s, it is worth looking at its approach in some detail. It used both quantitative and qualitative methods. Quantitatively, it looked at the relationship between financial inputs and socio-economic outcomes using regression analysis and measures of spatial concentration. Inputs comprised both the targeted funds of the urban programme and “mainstream” resources channelled to local authorities. Outcomes were measured through five high-level indicators: unemployment, job creation, small-firm creation, house price change, and net migration of the 25-34 year-old cohort. By looking at the relationship of inputs to these high-level outcome indicators, the research made two tacit assumptions: that it was impossible to take a set of “policy-off” and “policy-on” comparisons – not only because policy constantly changes, but because few deprived places had not received one or other form of policy intervention; and that in the complex policy arena of regeneration it was difficult to isolate the impacts of specific policy interventions. Hence, its approach to using a quasi-experimental design was to assume that more resources implied more policy intervention and the null hypothesis was that there would be no relationship between inputs and outcomes.

The analysis was conducted at a variety of spatial scales. At a local authority scale, it looked at outcomes for 123 LADs: the 57 Urban Priority Areas (UPAs) which were recipients of direct targeted funding; 40 “marginal” areas with conditions not dissimilar to the UPAs; and 26 “comparator” districts which did not receive any additional resources. The relationship between the input of resources and changes in socio-economic outcome indicators was used to provide a global measure of the overall impact of policy, to test whether having more resources was linked with absolute and/or relative improvements in circumstances.

At a ward scale it looked at changes in the disparity between poor and non-deprived sub-areas in three conurbations; and attempted – rather unsuccessfully – to use multi-level modelling to disentangle relationships at a variety of spatial scales.

In addition, it conducted a range of interviews and questionnaire surveys in three selected conurbations to look at the processes underlying attempts at regeneration. These entailed a large-scale questionnaire of residents, and interviews with employers and policy “experts”.

The conclusions suggested that policy had had very mixed results. On one hand, for most of the outcome indicators, there was little relative improvement in the areas targeted by policy. Conditions in the worst areas (especially the cores of conurbations) deteriorated, and the increasing spatial concentration of poverty and unemployment suggested that the level of social exclusion increased. On the other hand, the targeted districts showed relative

improvement in unemployment and in their success in attracting net immigration of young workers, residents were more optimistic about the prospects of their areas where ABI interventions operated, and there was a positive relationship between the amounts of targeted resource and the relative improvement of areas. Overall, area-based interventions appeared to be beneficial, but not to make significant improvements to the worst areas.

This evaluation falls into Ho's categorisation of "dissent". It recommended a variety of changes to government policy – better co-ordination across programmes, clearer principles behind the targeting of resources, the establishment of an urban "pot" of resources that could be used more flexibly according to local circumstances, more incentives for partnership working across agencies. Many of these were subsequently incorporated into the principles of the Single Regeneration Budget, and to this extent the evaluation can be argued to have been formative as well as summative, whatever government's initial intention had been.

City challenge

The third example is the evaluation of City Challenge which appeared as both an interim (Russell, 1996) and a final report (KPMG, 1999). Both reports focused essentially on outputs rather than outcomes and on the processes involved in the initiative. They analysed output data from the 31 City Challenge areas and conducted a wide range of interviews. As summative evaluations, their accounts were largely based on outputs and structures rather than on outcomes, and to this extent they have something of the flavour of lauding the achievements of a programme which was widely heralded as a valuable break from the narrower focus of the 1980s on physical regeneration and the marginalising of local authorities.

The interim report, for example, developed five main strands:

- compilation of baseline data;
- expenditure and outputs from all 31 of the City Challenge areas, looking at the breakdown of expenditure, sources of funding and outputs in relation to annual targets;
- more detailed case studies in 14 of the areas, drawing on interviews with officers and stakeholders from the public, private and community sectors, together with documentary data;
- a postal questionnaire of key partners in all 31 areas, which included questions on displacement as well as on the structures and processes of the programme; and
- case studies of two areas that had bid for but failed to win City Challenge status.

The final strand was the most novel element of the project. By looking at what had or had not happened in areas which failed to get City Challenge resources, the evaluation was able to draw inferences about the additionality associated with the programme. For example, in one of the unsuccessful authorities, failure to win City Challenge resources meant that other commitments supporting the bid were lost, other deprived areas outside the Challenge area had to be moved further down the local authority list of priorities, and there was a fundamental gap between realising a set of projects (some of which were funded through other targeted resources) and the synergy that would have been achieved with an agreed long-term programme like City Challenge. Each of these points provides some evidence of the additionality associated with the City Challenge programme.

This, and the more direct evaluation of the funded areas, led the team to argue that City Challenge offered a variety of benefits: the incentive to develop more strategic planning; the value of developing flagship projects; the achievement of a critical mass of activity from which linked benefits flowed; and the synergy that could be created across different policy domains.

While both the interim and final reports were largely couched in terms of listing the achievements of City Challenge – the levels of financial leverage achieved, numbers of houses built or improved, jobs preserved or created, derelict land reclaimed or improved, office and industrial floor space created or improved, business start-ups promoted – they also had much to say about the processes and the structures through which the programme was delivered. It would be too harsh a judgement to argue that such evaluations have been merely “acquiescent”. As policy has tackled broader inter-connected issues, it is perhaps inevitable that a stronger emphasis has been given to qualitative evaluation. We have learned much about the role of structures, the working of partnerships and the key significance of individuals as a consequence.

There is little doubt that, from the now long history of monitoring and evaluation, successive government administrations have learned much about the challenges of regeneration and about ways in which to develop better approaches to tackle the interlocking elements of urban decay and deprivation. Successive policy changes have reflected this journey up the learning curve, not least in the incorporation of a more community-focused approach to regeneration, the increased emphasis on co-ordination across the different policy domains, and the emphasis on partnership working on the ground.

Recent and current evaluations

Since 1997 there has been a veritable explosion in evaluation. This is reflected in the scale of resources now channelled into evaluation research, with over £8 million devoted to the evaluation of regeneration programmes by

ODPM in the current financial year (Table 8.1). In no small part this can be attributed to the pragmatic non-ideological nature of the new government administration. Its “what works” approach and its increasing stress on the delivery dimension of policy have each helped to encourage a mix of formative and summative evaluations. National evaluations of overall programmes, together with the requirement that local regeneration partnerships conduct their own local monitoring and evaluation, have created a plethora of studies. This has been allied to an approach that has introduced many policy initiatives through initial pilot programmes in selected areas which might subsequently be rolled out more generally to other localities. In addition, the government has provided much wider access to data (through the advent of the National Database of Neighbourhood Statistics) and to the fruits of evaluation projects, most of which have been mounted on government websites.

Table 8.1. Expenditure by the Office of the Deputy Prime Minister on regeneration programmes and on evaluation research, 2002

	£
Substantive regeneration programmes	2 366 000 000
Regeneration research	10 000 000
[of which] evaluation research	8 700 000
[of which] evaluation of New Deal for Communities	5 550 000

Source: Private communication, ODPM.

The work that has been spawned from this embodies a wide range of types of evaluation: descriptive, analytical, theoretical, prescriptive and diagnostic. What has been especially evident is the change in the way in which the relationship between research and practice has evolved. Rather than seeing a single continuum from pure research to the development of strategy to changes in practice, there is now a greater realisation of the plurality of the relationship between evaluation and practice. Hence there is now a greater mix of evaluative and action research with teams working more closely with policy-deliverers on the ground. Some of the major evaluations currently underway include:

- The evaluation of the SRB programme (for example, Rhodes *et al.*, 2002). This is a long-term project which has developed quantitative analyses of outputs and outcomes, looked at specific projects that are part of the programmes of local partnerships, and investigated the effectiveness of the partnerships themselves.
- The co-ordination of initiatives in areas with multiple policy interventions (Stewart *et al.*, 2002). This looks at six areas which have been the recipients of almost all of the ABIs and essentially takes the form of action research,

working with the relevant authorities, as well as offering summative views of the outcomes of programmes.

- The 24-cities project (Falk, 2002). This is a qualitative study of 24 selected districts to develop critiques of the “visions” of the local partnerships and to identify examples of good practice that might be transferable elsewhere. It has used visits, workshops with citizens, young people and property groups to identify exemplary practice. It reported its initial findings to the Urban Summit which was held by government in October 2002.

New Deal for Communities

The most ambitious of the current initiatives is the national evaluation of New Deal for Communities which is being undertaken under the auspices of the Neighbourhood Renewal Unit in ODPM. Funding for this work was incorporated from the outset in the national budget of NDC and a series of research teams is being co-ordinated through Sheffield Hallam University. This major project combines elements of formative, summative and fine-tuning evaluation (using the categories suggested by Rossi and Freeman, 1999). Three types of evaluation team are involved:

- partnership teams which are looking at the work of each of the individual NDC partnerships;
- cross-cutting theme teams which are looking at substantive policy domains across all 39 NDC areas; and
- complementary teams looking at technical aspects of the programme.

The partnership teams are each conducting an analysis of the objectives and achievements of the NDC partnerships. This entails a critique of delivery plans, of selected projects, of the structures established in each area, of the degree to which mainstreaming is taking place, and of community involvement in the process of regeneration. Since one of the features of NDC is its attempt to bring communities more firmly on board in determining priorities and in the delivery of regeneration, the success in encouraging resident group participation and in listening to the voices of communities are central features of the evaluations. Hence, the teams have used a variety of interviews with policy makers and policy deliverers and with relevant stakeholders, together with focus groups drawn from resident and community groups. Each of the teams produces evaluations to a common format with templates determined from the centre, as well as more individual interpretations of progress on the ground in the individual NDC areas. The style of work is partly summative and partly formative; the latter taking the form of offering advice and feedback to the partnerships and to ODPM as the sponsoring government department.

The theme teams cover substantive cross-cutting topics such as worklessness, health, crime, and education. They are developing evaluations

through the analysis of primary data from across the 39 NDC areas and of secondary data on outcomes, as well as selecting specific projects from samples of NDCs to identify examples of good practice that might be transferable elsewhere.

The complementary teams comprise three groups: one developing a “traditional” assessment of value for money in terms of expenditure and outcomes; a second team drawing together secondary data (especially on welfare benefit payments) for residents within each of the NDCs; and a third team which will use the forthcoming results of the 2001 census to develop formal baselines of indicators at the start of the NDC programme, with a view to the eventual comparisons that might be made at the end of the NDC programme. In addition, a commercial survey organisation has conducted a major household questionnaire survey within each of the 39 areas to produce data on the attitudes and circumstances of residents. One or more follow-up surveys will be undertaken at later stages in the life-span of the overall programme.

At this stage, the national evaluation is scheduled to continue through to 2005 and there is an expectation that it may cover the entire 10-year life of the NDC programme as a whole.

This national evaluation is being conducted alongside local evaluations which each of the NDC partnerships is obliged to carry out as part of their work. These local evaluations are not being done to a common format, but they entail a mix of household surveys and analysis of outputs and outcomes. In comparison to the national evaluation, they place a greater emphasis on the evaluation of individual projects and less of a focus on outcomes.

Over time, there has clearly been a dramatic growth in evaluation activity in Britain and the nature of the evaluations has changed. While much has been learned about the relevant methodologies, there has been a move away from the more formal quantitative top-down assessments and towards more qualitative bottom-up approaches that have relied on interviews with the deliverers and the recipients of policy, on focus groups and panels, and on social surveys.

Geographical data and targeting

It is clear that one of the major practical challenges faced by all these evaluations has been the need to access appropriate data at relevant spatial scales. Since many policy interventions are targeted at relatively small areas, effective evaluation of outcomes needs small-area data that can be compared over time. Yet, until recently (and with the exception of the decennial census), there has been an absence of such data on which research could draw. Most administrative data held by central government departments have applied to

local authorities – too coarse a scale at which to interpret the impacts of most area-based initiatives. Many of the relevant types of information (for example on housing, aspects of the labour force, or perceived crime) can only be drawn from national surveys whose sample size has been too small to produce robust data even at a district let alone a sub-district scale. Much of the output information has come from local administrative data collected by regeneration agencies themselves and this has the disadvantage that there is no necessary correspondence between the categories used by those who assemble data or across the data-collection methods used by different agencies.

This situation is now changing. Government has established a National Neighbourhood Statistics Database (*neighbourhood.statistics.gov.uk*) which uses local authority wards as its basic framework for reporting data, and is beginning to assemble publicly-available information across a range of relevant data sets. An increasing array of administrative data is now also being assembled on the basis of postcodes which provide a relatively flexible geometry through which to aggregate information to a variety of small-area frameworks. For example, for data on pupils' educational performance, prior to the development of postcode data the results of school examinations had previously been available only on a school-by-school basis. This covered the sequence of "Key Stage" tests taken at primary and secondary school levels as well as formal examinations taken at age 16 (GCSE exams) and at 18 (A-level exams). To look at the performance of pupils in specific areas, researchers were therefore faced with two alternatives. They could either assume that pupils attended the school nearest to them and hence could use school-based data to attribute area-based achievement on a nearest-neighbour principle: a somewhat heroic assumption, even though it is truer for primary than for secondary pupils. Alternatively, researchers could model school-based data by drawing on actual pupil catchment information for samples of schools in order to estimate area-based pupil performance. An example of the latter is the Index of Multiple Deprivation (Noble, 2000). Now, however, the Department for Education and Skills is beginning to assemble data on a pupil-address basis and, once a sequence of data exists, this will enable a far more realistic basis on which to evaluate changes in the educational achievements of pupils.

A second difficulty has been that some government departments use different administrative geographies through which to report data. Health statistics, for example, generally refer to health areas which do not map onto local authority districts. Similarly, reported crime data are generally only available for police beats and police districts which again match only imperfectly onto local authority wards and districts. Widespread use of GIS has been made to resolve such conflicting geographies, but the estimates inevitably lack the robustness of data collected specifically for common spatial areas.

The move to improve the availability of small-area data has come in part from the government's emphasis on a neighbourhood scale in many of its policy initiatives. The National Strategy for Neighbourhood Renewal (Social Exclusion Unit, 2001) has set in train a range of neighbourhood-based interventions to improve the prospects and the management of neighbourhoods. This has helped to focus minds on the need for data at a sub-district scale. It has also been stimulated by the emphasis on the spatial targeting of regeneration resources, where the government has made use of a sequence of indices of deprivation. The first two deprivation indices (Robson, 1995; 1998) were essentially developed at a district scale, but incorporated data for wards (with populations generally less than 10 000) and enumeration districts (with populations generally in the hundreds) from the 1991 census. They introduced a number of innovations: the definition of multiple deprivation as a compound of a small number of "domains", each of which was measured by a range of indicators; the use of chi-square values as a means of standardising scores across different indicators; the production of deprivation scores for nested spatial scales (from ED to ward to district); and a range of measures based on the degree (the summation of values) the extent (the proportion of an area with scores above a cut-off point) and the intensity (the average value of the worst three wards in a district).

The Index of Multiple Deprivation 2000 – the current government index – was developed by a team at Oxford. It built on these innovations, but, importantly, was able to incorporate up-to-date values at a ward scale, not least because of the availability of ward-level data on welfare benefits (Noble, 2000). It uses six "domains" of deprivation – income, employment, health, education, housing and access to services. The methodology used to calculate deprivation scores for wards provides a reflection of data availability at the scale of wards:

The **income** and **employment** measures could be calculated by the Oxford team using direct data on the number of claimants across the range of welfare benefits so as to produce the proportion of the total population who qualified for one or other benefit by virtue of need.

Health includes ward-based data on the recipients of disability benefits and a district-level measure of standardised mortality rates.

Education included a complex modelling procedure to estimate pupil performance on the basis of school-based data.

Housing could only be measured at a ward level by an estimate of unfit houses based on the relatively small national sample of the English House Condition Survey, together with data from the 1991 census.

Access to services (a domain whose values proved negatively related to all other domains) used straight-line distance to a range of services (primary

schools, doctors, post offices and food shops) calculated for recipients of welfare benefits.

The sets of indicators for each of the latter four domains were combined on the basis of weights derived from factor analyses; the domain measures were standardised by ranking the values and using an exponential transformation; and the overall measure was calculated by adding the values of the six domains using predetermined weightings of 25, 25, 15, 15, 10 and 10.

While the Index is the most detailed yet produced, it is clear that, with the exception of benefits data, limitations of data (as well as the methodological difficulties associated with producing composite scores) still make all of such indices problematic. For example, the lack of crime data and of measures of physical dereliction are gaps that are acknowledged by ODPM.

These indices have been extensively used by government to help in targeting resources to areas deemed to be in need. For example, the earlier indices helped in the selection of SRB projects and the IMD guided the allocation of Neighbourhood Renewal Funds.

The indices have also been used to evaluate the effectiveness of spatial targeting (although since they have been one of the determinants of targeting there is a degree of circularity involved). The evidence from the expenditure patterns of the first three rounds of the Single Regeneration Budget suggested that there is a strong positive relationship between expenditure and socio-economic deprivation (Tyler *et al.*, 1998). Of the then 366 local authorities, 30% of funding went to the 20 most deprived, 63% to the 56 most deprived and 81% to the most 99 deprived. The remaining 267 authorities received only 19% of the total funding – normally for small pockets of deprivation within otherwise relatively affluent districts.

A further example of the attempt to develop better small-area information is the work on compiling data on the spatial incidence of expenditure within local authorities (Bramley *et al.*, 1998). This study used three case studies areas – Brent, Liverpool and Nottingham – to analyse locally-relevant public expenditure (social security, health, education, housing, transport, public protection and other local government services) at a ward scale, thereby covering some 70% of total public expenditure. It drew on postcode data from administrative records, survey information on travel to facilities, household surveys to estimate usage rates, GIS apportionment of expenditure, and individual geographical locations for some big capital schemes. They were able to show that there is a wide variation in spending between individual wards, that spending in the most deprived wards is some 45% above that in the least deprived, but that there are significant differences between government departments in their pattern of spending in relation to deprivation. The ability to assemble such expenditure data is clearly critical to

many evaluations of area-based initiatives. The fact that it is possible – although enormously time-consuming and expensive – is at least reassuring for the future evaluation of the impact of area-based regeneration policies and for the assessment of the success of “mainstreaming”.

Conceptual problems

A number of problems have continued to pose especial difficulties in this elaborate array of evaluations. One is the difficulty in developing genuinely longitudinal analyses. Almost all of the area-based evaluations are essentially cross-sectional comparisons of areas at two or more points in time. This, of course, ignores the fact that part of any socio-economic change in areas is often the result of household mobility between the two dates, rather than changes in the circumstances of the initial residents. This is a particular problem since regeneration frequently encourages, or indeed is aimed at, attracting new residents. There are innumerable instances where the creation of new jobs taken by local residents prompts those residents to move elsewhere so that, for example, levels of unemployment in the area may stay the same even though some of the previously unemployed residents are now in employment. Equally, physical improvements to an area (not least the building of new houses) often attract new residents who are frequently more affluent, better educated and more likely to be employed than are indigenous households; thereby raising the level of area-based socio-economic indicators even though this may not reflect any improvement in the circumstances of the original residents. Ideally, if the focus of interest is on residents rather than areas *per se*, evaluations should track the changes to initial residents through some form of longitudinal surveys of individuals. For example, the continuing evaluation of the Single Regeneration Budget programme has used repeat social surveys as a valuable approach to measuring change (Rhodes, *et al.*, 2002). This clearly presents considerable logistical problems, especially the challenge of tracking those who have moved out of targeted areas. Attempts have been made to tackle this by using friends and neighbours as sources of information on the whereabouts of those who have moved and through the use of continuous panels of residents (for example in the SRB evaluations of Rhodes *et al.* 2002), but the success rates in tracking out-movers have understandably proved limited. The same difficulties have been experienced with successive panel groups which have attempted to keep the same people involved over successive rounds.

Ironically, Britain is quite rich in longitudinal surveys – examples include the National Child Development Study and the Longitudinal Data which have been collected for samples of identical individuals in successive population censuses since 1981. McCulloch (2001), for example, has used the British Household Panel Study to explore the role of individual *versus* area-based

characteristics in the approach to tackling deprivation. However, for area-based evaluations such national samples are too small to be used to analyse changes at the scale of the specific wards or neighbourhoods to which regeneration programmes apply.

A second difficulty is the accurate estimation of deadweight and displacement. Most studies of deadweight have used self-assessed estimates as a measure by asking businesses or other agencies how far outputs would have happened in the absence of policy intervention (for example, Lenihan, 2001). There are clearly issues of self-interest involved in responses to such questions and the interpretation of the results is therefore problematic. Displacement has generally been assessed through comparisons of control and experimental areas (most notably in terms of the incidence of crime). One innovative approach comes from the evaluation of Urban Development Companies where, using the parallel of housing chains, the broader impacts of new business formation was tracked through identifying what happened to the sites and premises of businesses moving into UDC areas and classifying these as “deaths” or “births” of new firms outside the area of the policy initiative (Robson *et al.*, 1999). Perhaps the classic example of the analysis of displacement is the work done on Enterprise Zones (for example, Tym, 1984) – areas in which fiscal incentives were offered to companies to locate. This suggested that a significant number of inward investments resulted from short-distance moves across boundaries, thereby representing no net gain to the wider city economy.

A third problem is the need to assess outcomes rather than outputs. The difficulty with measuring outcomes is in part a result of the absence of small-area data that can be tracked over time. Ideally, a study of outcomes would need to be able to look at high-level indicators (of measures such as unemployment, poverty, net migration or house prices) at a range of scales from neighbourhoods to city regions and to make comparisons of identical indicators over relatively long periods of time. This would provide the basis for looking not only at substantive outcome changes but also at issues of displacement. As noted above, the absence of such data has until recently made such evaluation extremely difficult. There is also, however, a second difficulty; that the impacts of policy interventions are spread over long periods, often well after the formal conclusion of a specific programme. This is perhaps most true of the health dimension, where significant change might only be expected in subsequent generations (Curtis *et al.*, 2002).

The fourth problem is that of disentangling causality, not least where a variety of policy interventions take place in a limited area. This is clearly a vital component of the question of what works and of assessing value for money. It is probably fair to say that this remains the key conundrum in evaluation. In part it is an operational difficulty; of unpacking the effects of

expenditures from multiple programmes. In part, it is a conceptual problem; of disentangling the lines of causality. Programmes directed at one policy domain may have unexpected consequences in other domains: employment generation may help to reduce crime rates; house improvements may also improve physical and mental health. As regeneration initiatives have become more all-purpose and have simultaneously addressed a whole range of socio-economic problems, so these evaluation conundrums have become greater. However, if the aim of policy is increasingly – and rightly – that of tackling interconnected problems, this strengthens the argument for using high-level outcome indicators to assess broad changes in outcomes and to complement such “black box” assessments with softer evaluations of specific projects to trace the relationships between activities on the ground and effects on social and economic circumstances.

Future directions

Indeed, this blend of process-related evaluations with harder quantitative outcome evaluation seems to be the goal to which the evaluation of ABIs ought now to be aspiring. At present, the more formal “traditional” quantitative approaches to the assessment of outcomes based on quasi-experimental methodologies tend to be in short supply, in comparison to the more qualitative evaluations of processes and structures. In part, this is an inevitable consequence of the emphasis on partnerships as a means of delivering more co-ordinated and sustainable regeneration. This has increasingly prompted evaluations to look at processes – and therefore to use bottom-up qualitative methods – rather than at measurable outcomes. Hence, for example, the approach to looking at the Single Regeneration Budget (Rhodes, 2002) and at Urban Regeneration Companies (Parkinson and Robson, 2000; AMION, 2001) both focused largely on the strength of partnerships. In part, the stress on qualitative evaluation has also been associated with the increasing emphasis on the social dimension of regeneration. Yet, as Armstrong *et al.* (2002) argue, there are still compelling arguments for applying “traditional” quantitative approaches to formal outcome evaluation. Such evaluations have been developed more convincingly in looking at narrowly economic impacts at a regional scale (for example, Moore and Rhodes, 1973) than in evaluating more broadly-based neighbourhood-based initiatives. Armstrong *et al.* argue that such approaches are as relevant to initiatives that have social objectives as to those with purely economic aims. They illustrate this with examples of community economic development (CED) initiatives which have wider social aims in addition to their economic objectives. They show that CED schemes present exactly the same range of conundrums for traditional evaluation methods: multiple objectives; multiple beneficiary groups; the measurement of community capacity building; and effects that

derive from overlapping initiatives. Traditional quantitative approaches still have merits in providing a quantitative top-down view of the effects of programmes with a broader social emphasis.

That said, one of the strongest messages to emerge from the evaluation of regeneration is that it is the less tangible elements that are often key to the achievement of successful sustainable regeneration. Leadership, the quality of key individuals in relevant agencies, sensitivity in handling community-based issues, the learning process in the development of cross-agency partnerships; all of these are vital ingredients to the achievement of long-term sustainable regeneration. And they can best be assessed through sensitive use of interviews, discussions, focus groups, panels and the like. If these are important inputs to the process, it is equally true that a vital element of outcomes is the “feel good” factor, the degree to which local people feel safer, more confident of the prospects of their area, more committed to its future and to the success of regeneration programmes, less cynical. Too much can be made of the hard measurable outputs and outcomes of regeneration: new jobs that may only marginally benefit local people, new buildings and facilities that may not readily be accessible because of entry costs or social frictions, new environments that may rapidly deteriorate if there is insufficient maintenance either by public authorities or private care.

Indeed, two of the probable directions that future evaluation in Britain might take are precisely to address more centrally some of these softer questions. This is evident both in the reappearance of projects which are based on action research, and in the greater attention now being paid to perceptual indicators. A prime example of action research is the two-year project looking at the co-ordination of different initiatives in the six localities of East London, Plymouth, Newcastle, South Yorkshire, Sandwell and West Cumbria (Stewart *et al.*, 2002). It is aimed at supporting the various partnerships responsible for nine different initiatives, many of which focus on overlapping areas. Much of its concern is with encouraging joint working to develop clearer strategies, to encourage the sharing of ideas and information and to re-align service provision in the respective areas. The major evaluation of New Deal for Communities equally incorporates a strong element of action research.

The second thrust is exemplified by the use of large-scale questionnaire surveys in the current NDC evaluation (despite the expense entailed in such work) and in the increasing use of a range of Best Value Performance indicators which government is now assembling as part of its Best Value programme. The latter ask questions of residents about their use of services and about their satisfaction with the quality of services, as well as about the nature of service delivery – for example, the opening hours of libraries, or the accessibility of buildings to the disabled. But, with the growing interest in the

role played by local “social capital”, one of the additional challenges that evaluators will need to address is how best to measure this concept. The Home Office, for example, is currently developing measures of participation in voluntary and community-based activity.

If, at the end of the day, regeneration and local development are concerned with making areas more attractive to residents and to investors, it is these softer aspects that are at the heart of the long-term sustainable achievement of such change. As Solesbury (2002) suggests, the question has now changed from “what works” to “what works for whom, under what circumstances, and through which agencies”. In tackling this, a blend of top-down quantitative and bottom-up qualitative evaluation methodologies is likely to prove appropriate.

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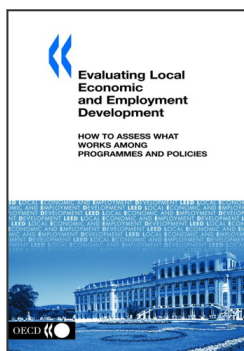
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