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THE EVIDENCE FOR NEIGHBOURHOOD-FOCUSED REGENERATION

A report for the Independent Commission on Neighbourhoods

25 FEBRUARY 2025

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1.1 Background

The Independent Commission on Neighbourhoods (ICON) was launched in September 2024. Its aim is to rigorously examine the role of neighbourhoods in people's lives, quantifying and qualitatively exploring the case for neighbourhood focused regeneration in England as a contribution to achieving wider social and economic objectives.

As part of this, Frontier Economics was commissioned to perform three rapid evidence reviews to submit to ICON.[1] These reviews seek to support ICON in answering the following five questions, which are amended versions of the original questions from ICON's call for evidence:[2]

1. How should a neighbourhood and a neighbourhood intervention be defined?
2. Why do neighbourhoods matter?
3. How do people experience living in the most deprived neighbourhoods?
4. What are the interventions and/or delivery mechanisms that have had most social and economic impact at the neighbourhood level?
5. What does this mean for building an effective neighbourhood policy both nationally and at regional and local authority levels?

This report combines the findings from the three rapid evidence reviews. It covers four of the five ICON questions. Question 3, relating to how people experience living in the most deprived neighbourhoods, was not included in the rapid research synthesis as it is covered by separate research being carried out by ICON.

This report examines evidence and interventions from both the UK and internationally. A key question is how relevant these findings are to the English context, as that is the remit of ICON.

Overall, we consider the findings to be applicable to England. Despite differences in national and local government structures and data collection approaches, the findings and implementation of neighbourhood interventions were remarkably similar across countries. Precisely because the interventions were neighbourhood-led rather than driven by central or local government, the findings are somewhat independent of a country's mode of government. The core principle of neighbourhood-led regeneration is therefore applicable and effective across different contexts and has been successfully implemented in England before.

[1] The production of this report was made possible by funding from Local Trust. However, the analysis, conclusions, and recommendations expressed in this document are solely those of the authors and do not necessarily reflect the views of Local Trust.

[2] The original ICON questions were adjusted slightly to reflect feedback from policymakers and academic experts.

1.2 How should a neighbourhood and a neighbourhood intervention be defined?

To make the case for a neighbourhood-level intervention, the neighbourhood must be shown to be the right spatial scale to both target and deliver policy for the issue considered. Given the focus of ICON, the issue is socio-economic deprivation.

To build the case, a crucial first step is answering ICON Question 1 above: defining what is meant by a 'neighbourhood' and a 'neighbourhood intervention'. This is because the definition chosen influences how policy is targeted, implemented and evaluated; it informs which groups/areas are subject to the intervention and how data is collected and analysed.

Neighbourhood definitions

A neighbourhood is a spatially bounded, geographic area. While there is no single, universally accepted definition, three key attributes consistently shape how neighbourhoods are understood: **geographical characteristics, public service provision, and social networks**. These attributes shape where and how residents travel, who they interact with, and their sense of collective identity. Each should be considered when drawing neighbourhood boundaries.

In defining the precise geographical areas that form a neighbourhood, three broad approaches have been taken:

- **Standard administrative units**: these include the use of LSOAs in the UK or census tracts in the US. These units are readily available and standardised, are consistent over time, and often align with existing administrative structures leading to easier policy implementation.
- **Buffer zones**: these are bespoke neighbourhood boundaries created around individuals, using distance-based or population-based criteria. This approach reduces the risk of capturing overly large areas and better reflects an individual's immediate surroundings and where they regularly travel.
- **Resident-defined boundaries:** these rely on residents defining their own neighbourhood boundaries, providing valuable insight into local perceptions and needs. This approach captures subjective understandings of neighbourhoods, which can be key for policy design.

Across these three options, there are clear trade-offs with selecting one approach over another. With these in mind and taking into account the evidence reviewed, on balance we recommend the following:

- **Use granular standard administrative units as the starting point for targeting, implementing and evaluating policy.** This is because data is readily available to identify neighbourhoods potentially requiring support and to evaluate interventions taking place.

- The interventions reviewed to answer ICON Question 4 often targeted 8,000 residents in each neighbourhood on average (although this varied from as few as 800 to as many as 21,000).
- In England, Layer Super Output Area (LSOAs) administration data covers populations of 1,000 to 3,000 residents (ONS, n.d.). This appears to be an appropriate geographical scale for two reasons:
  - Firstly, LSOAs cover broadly the same number of residents in as previous neighbourhood interventions.
  - Secondly, the Index of Multiple Deprivation and Community Needs Index both use LSOA-level data and show that deprivation clusters at this spatial scale in England.
- Even if LSOA-level data did not exist in England, international examples of success would still support neighbourhood interventions at this spatial scale.

- **Consult residents on the geographical boundaries proposed using standard administrative units.** Where possible, pre-existing standard administrative units should be knitted together to match resident-defined neighbourhoods. This would bring together the benefits of both approaches. In cases where resident definition and standard administrative units do not overlap, the extent to which resident definitions are used depends on the following:
  - Resident-defined approaches are likely more appropriate for interventions that rely on significant neighbourhood engagement or delivery. Resident-defined approaches better reflect how residents perceive their neighbourhood and interact within them, but can complicate implementation and evaluation unless neighbourhood-led delivery solutions and data collection mechanisms exist or are established early.
  - Pre-existing administrative units are likely more appropriate when neighbourhood engagement and delivery are less critical, where delivery by existing institutions may be beneficial and where speed is key. Pre-existing administrative units can enable more efficient policy delivery and evaluation (as catchments are already defined and data already collected), but may lead to the targeting of policies in areas which are not considered 'true' neighbourhoods by those who live there, reducing the effectiveness of the intervention and hindering community involvement.
- **Leverage buffer zones as an additional tool for policy evaluation**, but do not use them to target and implement policy. Buffer zones do not provide a geographical unit that can be effectively used to target policy.

Neighbourhood intervention definitions

Neighbourhood interventions are any policy actions within a geographically defined area that aim to improve the social and/or economic well-being of a neighbourhood. Beyond this broad characterisation, there is no single, clear definition of a neighbourhood intervention.

Within the UK and internationally, a wide range of different neighbourhood interventions have been implemented. In England, recent examples include the New Deal for Communities and Big Local, while internationally a non-exhaustive list of 13 interventions were identified for this work. These interventions generally fall into three categories:

- **Holistic regeneration:** investing in social infrastructure and building local capacity.
- **Mixed-income development:** building new housing developments.
- **Targeted interventions:** addressing particular localised issues like child health, employment and housing mobility.

In defining a neighbourhood intervention, we recommend the following:

- Policymakers should clearly define the outcome they aim to target and determine the most appropriate geographical scale for implementation, using available evidence. Is this at the neighbourhood level or a wider spatial scale?
- Policymakers should ensure the aims of the policy, the geographical definition of the target area and the geographical area for policy delivery are aligned with this evidence.

1.3 Why do neighbourhoods matter?

Having established how neighbourhoods and neighbourhood interventions could be defined, determining whether the neighbourhood is the 'right' spatial scale to *target* policy requires two questions to be answered:

1. Does socio-economic deprivation cluster at the neighbourhood level?
2. If so, does this clustering of deprivation at the neighbourhood level have additional impacts (i.e. 'neighbourhood effects') on residents in these areas, beyond the deprivation they experience individually?

If the answer to either the first, or first and second questions are yes, then this motivates the case for using the neighbourhood rather than a larger spatial boundary (such as a labour market) to target policy.

Does socio-economic deprivation cluster at the neighbourhood level?

Yes. Using measures like the Index of Multiple Deprivation and Community Needs Index[3], it is clear that deprivation clusters at the neighbourhood level within England. Even within areas that may otherwise be deemed wealthy like London, there are pockets of poor outcomes at the neighbourhood level. This is also true internationally.

[3] The Community Needs Index captures the experiences of people in an area and its amenities and assets across three domains: the amount of social infrastructure, connectedness, and the extent to which the community is active and engaged.

It is recommended that policymakers use sufficiently detailed data (at the LSOA level as a minimum) to identify and target areas of concentrated deprivation in England. Targeting less granular scales (such as local authorities or regions) risks missing or failing to support the most deprived neighbourhoods. This is because the poor outcomes these neighbourhoods experience may otherwise be masked by the often more prosperous neighbourhoods surrounding them.

Do neighbourhood effects exist?

Yes. Neighbourhood deprivation levels appear to have a causal effect on individual outcomes, such as income, employment, education and health both in England and internationally.

Over the short-term, neighbourhoods impact the health and subjective wellbeing of adults. Over the long-term, cumulative exposure to deprivation also affects their economic outcomes like income. The levels of neighbourhood deprivation an adult experienced as a child were also found to be particularly important, affecting both their educational outcomes like higher education attendance and economic outcomes such as income as an adult.

Emerging evidence also suggests that neighbourhood deprivation is 'sticky': living in a deprived neighbourhood at one point in your lifetime increases the likelihood of living in a deprived neighbourhood later on. This also includes inter-generational effects: parental levels of neighbourhood deprivation appear to be linked to the neighbourhood deprivation levels of their children (and their children's children). This does however need to be studied further.

Taken together, the evidence suggests:

- **The neighbourhood is the right level to target interventions focused on deprivation.** Targeting less granular scales risks missing or failing to support the most deprived neighbourhoods
- **Targeting policies that support children and teenagers are likely key to overcoming neighbourhood effects.** This is because early and persistent exposure to neighbourhood deprivation significantly impacts future outcomes. The full effects of policies addressing neighbourhood effects may not however been seen until they become adults, but shorter-term effects may be seen on the adults they live with.
- **Addressing neighbourhood deprivation could yield a 'double dividend'.** Individuals may see improvements in their own outcomes as they are moved out of deprivation, and then see further benefits as the lower levels of neighbourhood deprivation remove the negative impact of neighbourhood effects.

1.4 What interventions and delivery mechanisms have had most social and economic impact at the neighbourhood level?

The evidence reviewed suggests that policy aiming to reduce socio-economic deprivation should be *targeted* at the neighbourhood level. **But should policy reducing socio-economic deprivation also be *delivered* at this spatial scale?**

Yes. A deep-dive review of six neighbourhood programmes from within the UK and abroad were found to be successful at tackling socio-economic deprivation and represent excellent value for money.[4] While neighbourhood programmes lay the foundations for economic growth and jobs, interventions aiming to boost growth and jobs should take place at a wider spatial scale than the neighbourhood.

Well-designed neighbourhood interventions were found to have significant, positive impacts across an array of outcomes: reduced crime, improved health, better educational attainment, greater pride-in-place, higher sense of community, and improved housing. Where these assessments were performed, benefit-cost ratios (BCRs) between 3 and 5 were reported, suggesting neighbourhood interventions represent excellent value for money.

While they may not be able to fully affect economic outcomes such as economic growth and jobs in their neighbourhoods on their own, neighbourhood interventions were found to provide the necessary foundations for interventions at a wider spatial scale to be effective.

How should neighbourhood interventions be delivered?

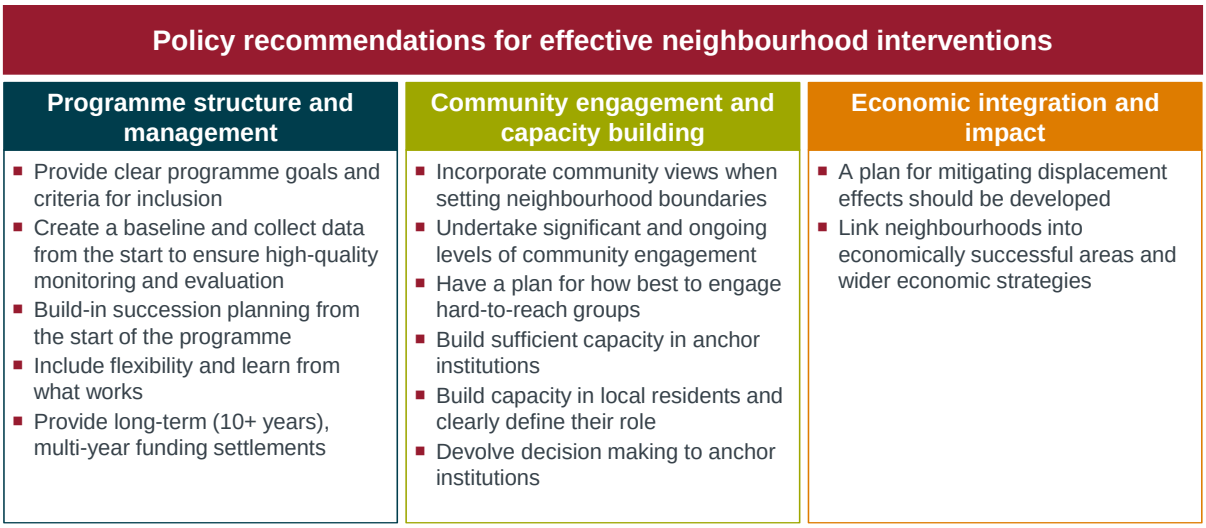
Despite their varying objectives and country-specific contexts, each programme reviewed took a broadly similar approach to delivering their interventions. This often involved:

- Establishing a decision making and delivery body (an 'anchor institution') in each of the target neighbourhoods. These bodies typically comprised local residents, local organisations, politicians, civil servants and businesses.
- The anchor institution was then tasked with putting together a plan, which they would then coordinate the delivery of.
- The involvement of local residents in deciding priorities was central to the majority of the programmes, with spending decisions often devolved to the anchor institution in the target neighbourhoods.

We would recommend replicating this approach and incorporating the thirteen lessons outlined in Figure 1 when designing future neighbourhood interventions. Further detail on these recommendations is provided below.

[4] The chosen case studies covered a mix of different interventions types across different geographies: the New Deal for Communities (England), the Neighbourhood Renewal Programme (Northern Ireland), Communities for Children (Australia), Atlanta's East Lake Initiative (USA), Neighbourhoods Alive! (Canada) and Soziale Stadt (Germany).

Figure 1 Policy recommendations for effective neighbourhood interventions



Source: Frontier Economics

Programme structure and management

Provide clear programme goals and criteria for inclusion

Programmes should be clear on the objectives and intended outcomes of neighbourhood interventions so that policy is explicitly designed with this in mind. For example:

- Is the aim to improve outcomes for individuals in a deprived area (people-based), improve the outcomes of the area itself (place-based), or a mix of the two?
- Is the aim to achieve absolute (gross) improvements in outcomes, or to narrow gaps with outcomes with other individuals or areas?

Without specifying this at the outset, designing the policy effectively as well as evaluating whether the programme has in aggregate been successful becomes challenging.

On the criteria for inclusion, all programmes selected areas on the basis of deprivation measures, rather than a competitive proposal. While this limits comparisons with competitive schemes, the success of this approach suggests it could serve as a model for future initiatives.

Create a baseline and collect data from the start to ensure high-quality monitoring and evaluation

To enable robust evaluation, neighbourhood intervention programmes should:

- Integrate evaluation from the outset and collect relevant baseline data before interventions begin (both qualitative and quantitative).

- Establish standardised indicators to capture both place-related and people-related outcomes, such as employment rates, educational attainment, housing quality, and social cohesion.
- Equip targeted neighbourhoods with the necessary tools, training, and funding to collect and interpret this data accurately.
- Collect long-term panel data to allow the outcomes of individuals currently living in the target areas before the intervention (and those who move into the target areas after) to be tracked. This would permit the use of robust evaluation techniques, alongside an assessment of whether resident displacement is occurring – a key challenge with place-based interventions.

Build-in succession planning from the start of the programme

Succession planning is a critical element for sustaining the gains of regeneration initiatives beyond the formal intervention period. From the outset, anchor institutions delivering the intervention in each neighbourhood should be required to develop strategies to transition/embed responsibilities and maintain momentum after programme funding ends. This could include:

- Training local residents to take on leadership roles;
- Creating endowment funds for ongoing initiatives;
- Forming partnerships with the private sector;
- Establishing community-driven revenue streams; and/or
- Embedding programme responsibilities within existing community organisations and local government.

Include flexibility and learn from what works

Incorporating evidence-based approaches into neighbourhood regeneration efforts is critical for ensuring that interventions are both effective and efficient. Applying the approach could involve:

- Providing a curated menu of proven, evidence-based interventions to lower-capacity neighbourhoods as a practical starting point.
- Granting flexibility to neighbourhoods with more capacity to experiment with innovative solutions.

A dual-track strategy — combining evidence-based interventions for lower capacity areas with flexibility for higher-capacity ones — may be advantageous, ensuring that all target neighbourhoods can engage in regeneration.

Provide long-term (10+ years), multi-year funding settlements

It is recommended that long-term, stable financial support is provided. This stability requires insulating funding from political fluctuations and short-term policy changes, which can undermine programme continuity and impact.

As anchor institutions may require up to three years to become fully operational and effective, committing to long-term funding timelines — spanning at least 10 to 15 years — is needed to accommodate the initial setup, capacity building, and implementation phases of neighbourhood programmes.

Future regeneration initiatives could adopt flexible funding models that enable programmes to adapt to emerging needs while maintaining a focus on long-term objectives. Phased funding strategies could allocate initial investments for capacity building and foundational activities, followed by incremental disbursements tied to achieving measurable milestones. These milestones would likely be output-based, rather than outcomes-based (given outcomes may take a significant amount of time to fully appear). This phased approach ensures that funding is aligned with programme progression and impact.

Community engagement and capacity building

Incorporate community views when setting neighbourhood boundaries

Defining neighbourhood boundaries correctly were found to be a critical success factor in regeneration efforts. Boundaries should be set in consultation with local residents. This should however be balanced against the benefits of using administrative units so as to ensure effective service delivery and data collection for monitoring and evaluation.

Maintaining a degree of flexibility in boundary definitions remains essential, so that areas can adapt based on functional geography and local needs. Similarly, a balance needs to be stuck between targeting areas with populations that are too small (which may limit effectiveness) and ones that are too large (which are no longer functional neighbourhoods). This varies between neighbourhoods, so no one-size-fits-all definition should be applied across all areas.

Undertake significant and ongoing levels of community engagement

Programmes should undertake significant community engagement at every stage of the process, as this was fundamental to the success of neighbourhood regeneration initiatives. Similarly, decision making should be devolved to anchor institutions. These anchor institutions should include residents, alongside representatives from local government departments, local charities, and the private sector. While ensuring these organisations have the support of local politicians can be beneficial, they should still be kept at arms-length from local government.

Have a plan for how best to engage hard-to-reach groups

Inclusivity is key for effective community engagement, and targeted strategies are needed to engage marginalised groups. Outreach programmes, peer mentoring, and the creation of "soft entry points" — welcoming, informal spaces where individuals can access support without fear of judgement — can help to overcome barriers to participation. Conducting a regular evaluation of which participation methods are working and which are not in reaching these groups is key, to avoid community efforts being dominated by the 'middle class'.

A particularly successful innovation from one international example was the creation of a discretionary fund in each neighbourhood. These small funds (of up to £20k a year) were designed to be accessed by residents quickly and with limited restriction to improve their area as they saw fit. Future initiatives should consider replicating this design due to its apparent success.

Build sufficient capacity in anchor institutions

Anchor institutions should be established in neighbourhoods that set priorities, coordinate, and deliver local regeneration in each area. Based on previously successful anchor institutions, these should ideally:

- Involve individuals which have prior experience collaborating with statutory agencies (or provide training if they do not);
- Ensure these anchor institutions have access to essential skills and expertise, either internally (through training) or through external partnerships. Depending on the objective of the programme, this could include for example community engagement, social service delivery and urban planning;
- Include meaningful representation and involve active support from diverse stakeholders, including residents, local businesses, and government representatives;
- Be established in locations accessible for residents; and
- Take a partnership approach, where they act as a central coordinating body, promoting inter-agency collaboration and linking up existing services.

If organisations do not have the requisite set of skills, capacity, networks and resources to deliver, then policies should incorporate an initial setting-up phase of funded capacity building to avoid delays in the ultimate delivery of the programme. Programmes that rush to implementation without addressing this foundational step risk inefficiencies, misaligned objectives, and diminished community trust.

To identify gaps, skills audits could be conducted and supplemented with external specialist support and training as needed. By proactively addressing capacity constraints and gaps in knowledge or expertise, these audits enable neighbourhoods to adapt more quickly, enhancing their resilience and effectiveness.

Evidence suggests this crucial setting-up phase can take between 1-3 years, so accounting for this in delivery timelines is recommended. Where possible, leveraging existing organisations or assets rather than building new anchor institutions from scratch can speed up the process of delivery and avoid delays associated with building new anchor institutions.

Build capacity in local residents and clearly define their role

Empowering residents to participate effectively often requires targeted capacity-building initiatives. These programmes should be designed to equip participants with the skills and confidence needed to contribute meaningfully, whether by serving on boards, leading local projects, or representing their communities in consultations. Capacity-building efforts are particularly important for individuals from marginalised or underrepresented groups, who may face significant barriers to participation.

Clearly defining the roles of community members is another essential element of successful engagement. It is vital to clearly delineate the scope of residents' influence whether they are serving in decision-making roles, advisory capacities, or as contributors to specific projects. Transparent communication about these roles can enhance collaboration, empower residents, and maximise the effectiveness of their involvement.

Devolve decision making to anchor institutions

Anchor institutions should have sufficient devolved decision-making powers to decide what initiatives to run. A key success factor in many of the interventions was the requirement for neighbourhoods, having already received funding, to put together a local plan of action detailing what the problems locally are, alongside the goals, strategies, and projects (including their costs) that will be run to solve them.

Given this flexibility, anchor institutions should establish a clear governance mechanism that promotes accountability, transparency, and inclusivity. In many cases, this involved the creation of a board made up of local residents, government departments, local charities, and the private sector. While devolved decision making is a key feature of neighbourhood interventions, sufficient guardrails should remain in place to ensure the quality and content of neighbourhood plans. A degree of programme-level oversight is therefore essential, providing support to areas where needed.

Economic integration and impact

A plan for mitigating displacement effects should be developed

Displacement remains a pressing challenge in neighbourhood regeneration, requiring careful consideration. While upgrading housing stock and local neighbourhoods are often central goals of regeneration initiatives, these efforts, when successful can then lead to rising property values. These higher living costs can unintentionally displace lower-income residents, who were typically the individuals that were the intended focus of the intervention.

To mitigate displacement, future regeneration policies should include robust mechanisms to protect and expand the affordable housing stock. One approach could be the implementation of mandatory "build-back" requirements, which ensure that affordable housing units are retained or replaced during redevelopment. Phased redevelopment is another strategy, where new affordable housing is constructed before the demolition of existing units.

Transparent communication about project goals, timelines, and anticipated outcomes builds trust and ensures that residents' needs and preferences are central to decision-making. By regularly collecting longitudinal data on housing costs, demographic data, resident satisfaction, and resident location before and after interventions, the risk of displacement can be managed on an ongoing basis.

Link neighbourhoods into economically successful areas and wider economic strategies

It is clear from the UK and international case studies that interventions at the neighbourhood level can be highly effective at reducing crime, increasing pride-in-place, improving health, raising the sense of community, enhancing educational performance, and improving housing. What they have not been seen to do though is lead to significant changes in economic outcomes in these neighbourhoods. In many of the evaluations, changing these economic indicators was considered beyond the scope of the neighbourhood, requiring initiatives at a broader spatial scale. So, while they provide the necessary foundations to start attracting private capital (e.g. by making areas more attractive places to live), neighbourhood interventions are not sufficient.

For that reason, where improved economic outcomes for areas are the ultimate goal of policy, policymakers should consider linking (e.g. through improved transport links) target neighbourhoods to the broader labour market and proximate economically successful regions (where possible). Incorporating them into wider regional and national economic strategies for renewal may also be beneficial.

1.5 What does this mean for building an effective neighbourhood policy both nationally and at regional and local authority levels in England?

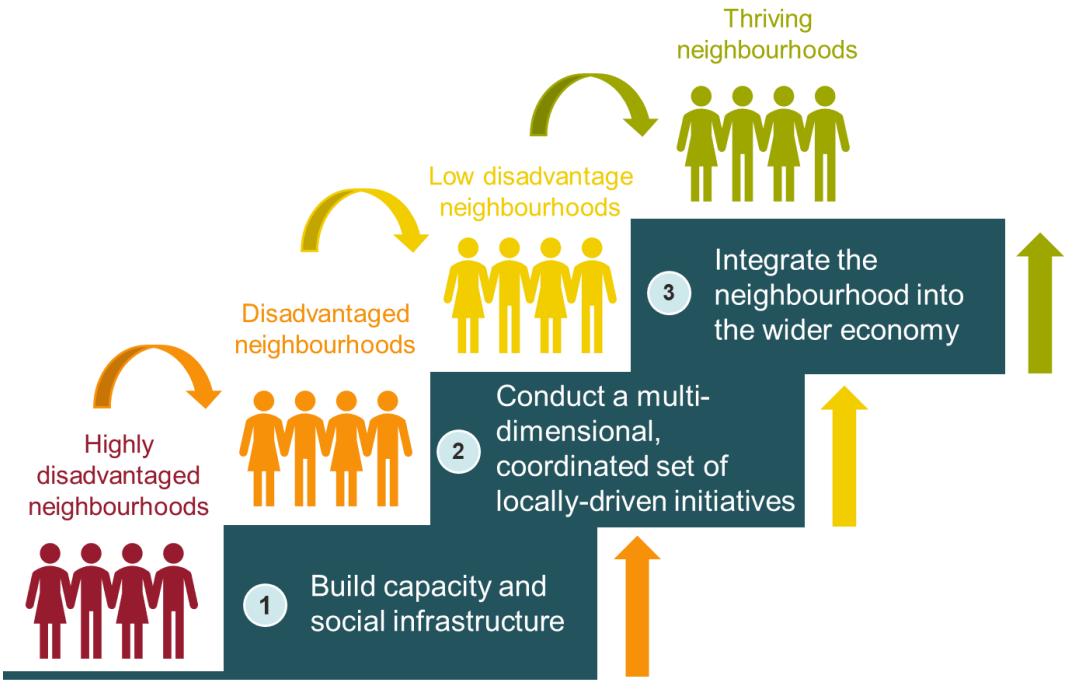
The sections above each analyse the key building blocks needed to make the case for targeting and delivering policy at the neighbourhood level in England. Taken together, it is clear that tackling socio-economic deprivation requires a neighbourhood-based component. This is for three reasons:

1. **Deprivation clusters at the neighbourhood level:** this suggests it's the right spatial scale to target policy
2. **Neighbourhood effects exist:** there are mechanisms taking place at the neighbourhood level that entrench deprivation

3. **Neighbourhood interventions are effective:** interventions delivered at the neighbourhood level successfully reduce deprivation.

The way in which deprivation in neighbourhoods is tackled however is essential, with the evidence suggesting that there are three key stages in the trajectory of neighbourhood renewal. This is outlined in Figure 2, and described in more detail below.

Figure 2 Stages of neighbourhood renewal



Source: Frontier Economics

Stage 1: Build capacity and social infrastructure

Fundamental to the success of the neighbourhood interventions studied is building capacity in these neighbourhoods. That is, setting up the anchor institutions, building networks, and upskilling local residents so that they can bring about the change needed in their local area. Without this, the models of regeneration reviewed would not function. When this step has been missed or hurried along in these interventions, delays have occurred, and the impact of the programmes reduced. It is therefore essential that this happens in the first instance, before wider interventions take place.

With local governance and community leadership strengthened through capacity-building activities and the creation of community-led anchor institutions, the ability of residents and local stakeholders to participate actively in regeneration efforts is enhanced. Establishing trust and cooperation between community members, local authorities, and other stakeholders fosters a sense of ownership and accountability within the community, which is essential for the long-term success of regeneration initiatives.

This process of building what is effectively social infrastructure therefore lays the groundwork for sustained progress in subsequent stages, but caution: patience is essential, as this process can take up to 3 years.

As shown in Figure 2 completing this process moves highly disadvantaged neighbourhoods in red up the steps to become disadvantaged neighbourhoods in orange.

Stage 2: Conduct a multi-dimensional, coordinated set of locally-driven initiatives

Having built capacity, undertaking a multi-dimensional, coordinated set of locally driven initiatives that strengthen the physical and social infrastructure at the neighbourhood level is then possible. With a focus on making changes self-sustaining and by providing long-term, stable funding a wide array of improvements across multiple dimensions of deprivation including crime, health, educational attainment, community, housing, services and environment can be attained.

This step does however take time, with initiatives run by anchor institutions often running for over 20 years. As shown in Figure 2, this allows disadvantaged neighbourhoods in orange to move up the steps once more and become a low disadvantage neighbourhood in yellow.

As areas start to improve, house prices rise and there remains a risk of displacing pre-existing residents. Strategies to mitigate these effects should be put in place.

Stage 3: Integrate the neighbourhood into the wider economy

Having reduced the level of deprivation in local areas, the final and most challenging step is improving economic prospects and job opportunities in these neighbourhoods. Doing so likely requires linking and re-integrating these areas into the wider labour market and proximate, economically successful regions (where available). This could be done in parallel with regional or national economic growth plans; strategies at the neighbourhood level alone are unlikely to be enough.

Having then linked these areas to places of economic strength, significant private capital may then return to these areas and complete the process of economic and social renewal. This final step therefore moves low disadvantage neighbourhoods in yellow into thriving neighbourhoods in green, at the top of the steps in Figure 2.

Each of these stages reflects a critical step in the regeneration process, building incrementally to address immediate needs while laying the foundation for long-term success. Most neighbourhood initiatives examined in this report have mostly focused on stages 1 and 2 and have done so successfully. However, the transition to broader economic integration has been more challenging.

Future programmes should therefore consider efforts to connect neighbourhoods to sustainable pathways for growth, building on the success of a well-designed neighbourhood intervention. This requires all three stages above to be considered early on in the policymaking

process, ensuring that interventions in wider geographic areas link in with the interventions taking place in their constituent deprived neighbourhoods.

Addressing current England-specific policy challenges

Here, we consider the implementation of the policy recommendations above in the current policy context in England across two key topics: the Prime Minister's five missions and funding cycles.

Mission-led government

The UK Prime Minister Kier Starmer has set out five missions for his government. Policy alignment with these are key. The missions are:

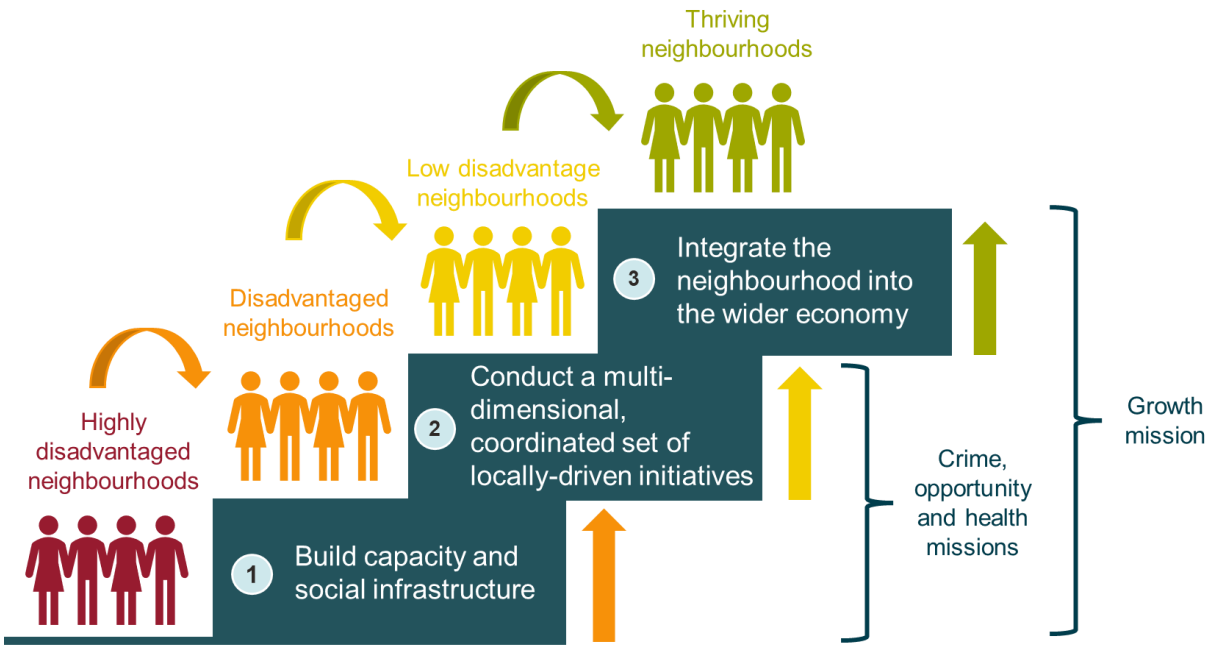
1. Kickstart economic growth
2. Make Britain a clean energy superpower
3. Take back our streets
4. Break down barriers to opportunity
5. Build an NHS fit for the future.

The outcomes arising from neighbourhoods interventions (relating to stages 1 and 2 of the above framework) directly align with three of these missions. These include reducing crime, increasing opportunity and improving health.

Neighbourhood interventions do so in a way that represent high to very high value for money, according to UK Government guidance. Based on Department for Levelling Up, Housing and Communities (2023) guidance, BCRs greater than 2 are considered high value for money, with those in excess of 4 very high value for money. Of those interventions with value for money assessments, they generally report BCRs in excess of 3, and sometimes as high as 5.

Neighbourhood interventions also support the first mission on economic growth. This is because stages 1 and 2 in the framework above lay the groundwork for stage 3 to be successful. If stages 1 and 2 are missed, then investments seeking to jump immediately to economic growth (stage 3) are less likely to be effective. Creating safer, healthier, and more cohesive neighbourhoods are essential pre-conditions for economic growth. These links are outlined in Figure 3 below.

Figure 3 Links between the stages of neighbourhood renewal and the Prime Minister's missions



Source: Frontier Economics

Funding cycles

A key aspect of delivering a neighbourhood intervention is the need to provide long-term funding (often over 10 years) to targeted areas. For England, the spending review process is the main method of allocating funding, with this taking place every 2-3 years. This can make delivering longer term commitments challenging.

While funding for deprived neighbourhoods could be integrated into local authority budgets, if this funding is not ringfenced, then there is no guarantee that it will reach these areas. This is a challenge that has been seen with previous area-based interventions in England over the past 15 years, with the most deprived neighbourhoods often missing out (Atherton and Le Chevallier, 2023) (All-Party Parliamentary Group for Left Behind Neighbourhoods, 2023 & 2024).

For this reason, to provide long-term funding through the spending review process, one of two broad approaches could be taken:

- Split the three-stage process into different funding pots, directly allocated to deprived neighbourhoods:
  - One funding pot could fund stage 1 (capacity building), with neighbourhoods that demonstrate a track record of success in this stage then transitioning to another pot that funds stage 2 (performing multiple, locally-determined interventions for areas

which have built capacity). While there will be areas that start with stage 1, there could equally be areas that can start at stage 2 which have benefitted from previous interventions.

- For stage 3 (linking neighbourhoods to the wider economy), this could form part of the integrated settlements for Metro Mayors, as per the recently announced devolution white paper (Ministry of Housing, Communities and Local Government, 2024). This is because the creation of regional growth plans and coordination of investments that link deprived neighbourhoods into the wider economy (e.g. transport and education) take place at a wider spatial scale than the neighbourhood.
- It is key that the strategy created at the Mayoral level recognises the importance of building in deprived neighbourhoods and coordinates with the neighbourhoods' anchor institution directly to understand their specific needs, opportunities and challenges.

- Establish a National Wealth Fund-type funding pot:
  - The recently established National Wealth Fund shares many of the principles of successful neighbourhood interventions. It aims to provide long-term, stable investment in infrastructure where there has previously been a lack of finance.
  - A similar, endowment-style pot that funds stages 1 and 2 could be an effective funding approach. The funding for stage 3 would still however be based around integrated settlements from Metro Mayors, for the same reasons outlined above.

While we do not consider one approach to be intrinsically better than the other, the key is that the chosen approach ensures there is a long-term, binding commitment to providing funding to target neighbourhoods if they meet certain thresholds. Without that, evidence from previous interventions suggests that funding uncertainty will hamper the ability of neighbourhoods to plan and deliver their interventions effectively.

2 Introduction

2.1 Background

The Independent Commission on Neighbourhoods (ICON) was launched in September 2024. Its aim is to rigorously examine the role of neighbourhoods in people's lives, quantifying and qualitatively exploring the case for neighbourhood focused regeneration in England as a contribution to achieving wider social and economic objectives.

As part of this, Frontier Economics was commissioned to perform three rapid evidence reviews to submit to ICON.[5] These reviews seek to support ICON in answering the following five questions, which are amended versions of the original questions from ICON's call for evidence:[6]

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This report combines the findings from the three rapid evidence reviews. It covers four of the five ICON questions. Question 3, relating to how people experience living in the most deprived neighbourhoods, was not included in the rapid research synthesis as it is covered by separate research being carried out by ICON. The research methodology and evidence assessment framework used in this report are covered in detail in Annex A .

This report examines evidence and interventions from both the UK and internationally. A key question is how relevant these findings are to the English context, as that is the remit of ICON.

Overall, we consider the findings to be applicable to England. Despite differences in national and local government structures and data collection approaches, the findings and implementation of neighbourhood interventions were remarkably similar across countries. Precisely because the interventions were neighbourhood-led rather than driven by central or local government, the findings are somewhat independent of a country's mode of government. The core principle of neighbourhood-led regeneration is therefore applicable and effective across different contexts and has been successfully implemented in England before.

[5] The production of this report was made possible by funding from Local Trust. However, the analysis, conclusions, and recommendations expressed in this document are solely those of the authors and do not necessarily reflect the views of Local Trust.

[6] The original ICON questions were adjusted slightly to reflect feedback from policymakers and academic experts.

2.2 Making the case for a neighbourhood-focused regeneration

For neighbourhoods to matter from a policy perspective – that is, to make the case for a neighbourhood-level intervention – the neighbourhood must be shown to be the right spatial scale to both **target and deliver** policy for the issue considered. Given the focus of ICON, the issue is socio-economic deprivation.

To build the case, a crucial first step is answering ICON Question 1 above: **defining what is meant by a 'neighbourhood' and a 'neighbourhood intervention'**. This is because the definition chosen influences how policy is targeted, implemented and evaluated; it informs which groups/areas are subject to the intervention and how data is collected and analysed. **Chapters 3, 4, and 5 of the report focus on ICON Question 1**, and provide a menu of options for how neighbourhoods and neighbourhood interventions could be defined.

Having established how neighbourhoods and neighbourhood interventions could be defined, determining whether the neighbourhood is the 'right' spatial scale to target policy—**that is, whether neighbourhoods matter**—requires two questions to be answered:

1. Does socio-economic deprivation cluster at the neighbourhood level?
2. If so, does this clustering of deprivation at the neighbourhood level have additional impacts (i.e. 'neighbourhood effects') on residents in these areas, beyond the deprivation they experience individually?

If the answer to either the first, or first and second questions are yes, then this motivates the case for using the neighbourhood rather than a larger spatial boundary (such as a labour market or region) to target policy. **Chapters 6, 7, and 8 answer ICON Question 2,** outlining the evidence on whether deprivation clusters at the neighbourhood level in the UK and whether neighbourhood effects exist.

If neighbourhoods are shown to matter for targeting policy, then this raises a related third question:

3. Is the neighbourhood the right spatial scale to *deliver* policy?

To answer this, the evidence on whether interventions delivered at the neighbourhood level are successful at tackling socio-economic deprivation must be assessed. Understanding what works and what doesn't in reducing deprivation in neighbourhoods is key to implementing policy that is effective and represents value for money. **Chapters 9 and 10 therefore explore ICON Question 3,** identifying the different types of neighbourhood interventions that have taken place within the UK and internationally. Through six deep-dive case studies, an analytical assessment is produced that identifies:

- The scale and types of impacts neighbourhood interventions have had;
- How they differ in approaches and mechanisms of delivery; and
- Success factors and limitations.

Taken together, the Chapters each analyse a key building block to make the case for targeting and delivering policy at the neighbourhood level. **Chapter 11 brings these together to answer ICON Question 5,** outlining what these mean for building an effective neighbourhood policy at the national, regional and local authority levels. The chapter summarises the key findings across the evidence base, provides a series of policy recommendations for future interventions and outlines a framework for transforming highly disadvantaged neighbourhoods into thriving neighbourhoods.

3 What is meant by a neighbourhood?

Establishing a clear definition of a 'neighbourhood' and 'neighbourhood intervention' is a critical starting point because the chosen definition influences how policy is targeted, implemented and evaluated. It determines which groups/areas are subject to the intervention and guides how data is collected and analysed.

While the concept of a neighbourhood feels intuitive, there are many different ways in which it can be defined. In understanding this further, it is first necessary to delineate between the terms 'neighbourhood' and 'community', as they are often used interchangeably in the literature (Jenks and Dempsey, 2007).

3.1 How do neighbourhoods and communities differ?

In general, the literature considers neighbourhoods to be spatially bounded, geographical areas (Sullivan and Taylor, 2007). This differs from communities, which are often more broadly defined by shared interests, values, beliefs, or other social connections, and therefore may not involve physical proximity (Baffoe, 2019; Jenks and Dempsey, 2007; Wellman, 2001). So whilst communities have boundaries to determine who belongs in it and who does not, these are not necessarily geographical (Sullivan and Taylor, 2007; Wellman, 2001). For example, people can form connections on hobby-based forums such as Reddit, or colleagues can commute to the workplace from different neighbourhoods or even work together remotely. So, while the two concepts can overlap — for example, where a neighbourhood develops a strong sense of local community based on engaging in shared activities and forming tight-knit social networks — the two should not be used interchangeably. This is because not all neighbourhood residents may feel part of a cohesive community.

Looking specifically at the neighbourhoods literature, which is the focus of this chapter, it becomes clear that a universal and generalisable definition of a neighbourhood does not exist. Instead, definitions depend on the research focus and disciplines the research belongs to (Galster, 2001). For example, in public health research, neighbourhoods are often defined by walkability and proximity to services, whereas in urban planning they are more commonly defined by zoning, infrastructure and housing types. Neighbourhoods are also increasingly seen as fluid entities (Lupton, 2003; Allen, 2018). That is, the attributes comprising a neighbourhood at any moment are the result of past and current flows of households and resources into and out of the space. The demographic composition, economic conditions, public services, and types of infrastructure within a neighbourhood therefore evolve in response to factors such as migration, economic investment, and policy changes. Some researchers even posit that it would be 'inappropriate to impose a single meaning of neighbourhood' (The Young Foundation, 2010) because a neighbourhood is a complex, multi-faceted concept (Kallus and Yone, 2000) that is continually changing (Lupton, 2003; Baffoe, 2019; Baffoe and Kintrea, 2022) and means different things to different people (Catney et al., 2018).

With the variety of different approaches and definitions, we focus this review on the three primary attributes that have been consistently recognised in the literature as being central to understanding how neighbourhoods are defined: geographical characteristics, public service provision, and social networks. We address each of these in turn.

3.2 What are the key attributes that define a neighbourhood?

3.2.1 Geographical characteristics

Early academic research defining neighbourhoods often majored on the importance of physical and spatial features shaping the boundaries of these areas (Galster, 2001; Kearns and Parkinson, 2001). They emphasise how natural elements, such as rivers and hills, and human-created features, such as major roads, railways, and other infrastructure play a role in shaping neighbourhood boundaries by influencing residents' patterns of movement, accessibility of resources, resident interactions, and attractiveness of areas. For instance, a major road might act as a dividing line between two adjacent areas. Research by Sampson et al., (1999) found that neighbourhoods with clear geographical features experience more cohesive social ties due to the sense of enclosure and identity these boundaries provide. While these physical characteristics may form a foundational aspect of how neighbourhoods are understood and bounded, more recent academic literature has emphasised other aspects contributing towards the definition: public service provision and social networks.

3.2.2 Public service provision

The concept of a neighbourhood has since expanded to include the availability and quality of local public services such as parks, schools, transport links, and health services. Access to these shared services influence how residents interact, the appeal of a neighbourhood, and residents' quality of life (The Young Foundation, 2010). For example, shared access to a park might bring people together, forming connections and a sense of collective identity. Moreover, public services often also define their own geographic boundaries through catchment or service areas (The Young Foundation, 2010). These services and their boundaries are regularly used by residents and can influence their daily lives – for example, interacting with other parents when dropping children off at school, or available transport links determining accessible destinations. Therefore, these boundaries can influence perceptions of neighbourhood boundaries by impacting who residents interact with and where they travel.

Local service provision is also key as it can impact social outcomes, and in turn, neighbourhood characteristics. For example, neighbourhoods with access to quality schools, public transport, and green spaces tend to have higher property values and better health outcomes, whereas more deprived neighbourhoods lacking such resources may face lower economic mobility, higher crime rates, and poorer health (Galster, 2001; Kearns & Parkinson, 2001; Godhwani et al., 2019; Lund, 2019). Whilst common access to services can help foster connections within a neighbourhood, disparities across neighbourhoods can create divisions.

Public service provision can therefore influence neighbourhood boundaries through impacting the character and perception of areas over time.

3.2.3 Social networks

More recent research takes a different approach, emphasising the theory of neighbourhoods primarily as a social construct shaped through daily interactions, social connections, and shared values. This means that neighbourhoods are inherently subjective, as individuals experience and define their neighbourhoods differently (Flowerdew et al., 2008; Galster, 2001; Glennerster et al., 1999; Lupton, 2003). This points towards using a 'felt' definition of the neighbourhood based on self-identification of neighbourhoods by residents. While this definition may be influenced by public service provision and geographic features, Catney et al., (2018) argue that local lived experiences more accurately reflect a neighbourhood's true boundaries than relying on predefined administrative lines and geographical features. This perspective suggests a 'bottom-up' definition of neighbourhoods is a key feature, where residents' perceptions and social networks are essential to defining what constitutes a neighbourhood.

Individuals' definitions of their neighbourhood have been found to be related to personal characteristics such as age, gender, educational level or length of residence in the neighbourhood (Charreire et al., 2016). These inherently subjective definitions have therefore led to the idea that neighbourhoods are best understood as overlapping layers of social networks from its inhabitants, with individuals engaging with different groups or areas depending on their routines, interests, or relationships (Glennerster et al., 1999; Lupton, 2003). This approach is therefore more fluid and emphasises the subjective nature of neighbourhoods.

3.3 Are there different spatial dimensions to a neighbourhood?

While geographic, public service and social approaches can be used to define a neighbourhood, the research reviewed also highlights how within these, there are different 'levels' to a neighbourhood that depend on the social, economic, and environmental context being considered (Glennerster et al, 1999; Lupton, 2003; Massey, 1994). This theory is based on the concept that different social processes operate at different spatial scales (Galster, 2001; Knies et al., 2021). For example, within a neighbourhood there may be a management committee of a local block of flats (very localised), the neighbourhood watch spanning a number of streets (local), parents from further away within a catchment area meeting at the school gates to pick up their children (less local), and workers commuting many miles away to their offices (least local). Glennerster et al. (1999) refer to this as an 'onion approach', reflecting the fact a neighbourhood has many layers.

Whilst there is a general agreement within the literature that such layers likely exist, exactly what these layers are and what they comprise has not been concretely defined. For example, Kearns and Parkinson (2001) suggest that the neighbourhood exists at three levels. The first

is the home area, where an individual makes attachments with others and serves the purpose of connection and belonging. Second is the locality, which includes local housing markets, local shops, and the provision of local services. Lastly, is the urban district or region, which provides a wider landscape of social and economic opportunities.

This partly aligns with Webster (2003), who instead proposes four levels of neighbourhood. First, there is the micro-neighbourhood, which refers to the immediate environment around a person, comprising small numbers of adjacent properties. This focuses on direct interactions and shared spaces within a small geographical area. Second is the meso-neighbourhood, covering a greater area of social and physical attributes at the scale of the street. Third is the macro-neighbourhood, which contains access to further urban amenities in the wider neighbourhood, such as schools or health services. Lastly, there is the ubiquitous neighbourhood, which includes regional urban amenities often provided by central government (Allen, 2018).

3.4 What does this mean for how a neighbourhood should be defined?

Across the literature reviewed, geographic characteristics, public service provision, and social networks have been identified as factors that likely influence how residents travel, who they interact with, and where people choose to live. While all provide a way of geographically bounding neighbourhoods, their different perspectives will likely provide different results. In taking one or more of these approaches, the literature also emphasises that within a given geographical definition of a neighbourhood, there are likely different spatial components. These range from very local (e.g. the street where a person lives) to quite distant (e.g. individuals on the other side of a neighbourhood). Which of these are most relevant however depends on the social, economic, and environmental context considered. This indicates that a variety of factors must be considered when defining a neighbourhood, and that there should be a recognition that different neighbourhood-based activities operate across varying spatial scales. At the policy development stage, it is key to recognise that the chosen definition will influence the policy's aims, expected impacts and effectiveness.

4 How have neighbourhoods been defined empirically?

In implementing neighbourhood policy, it is essential to define a clear geographically bounded neighbourhood unit to aid effective policy design, implementation and evaluation. This is for the following reasons:

- **Policy design:** a clear understanding of what a neighbourhood is and its boundaries is key to assessing whether the neighbourhood is the right geographic unit for the problem identified. If it is, then having an agreed definition is essential to determining who the treated population should be (i.e. which neighbourhoods should be targeted?)
- **Policy implementation:** having decided whether neighbourhoods are the right geographic unit to use and who should to be targeted within them, the next step is determining the mechanism for delivery. Having a clear understanding of the current organisational capacity in the chosen neighbourhood(s) and what is needed to practically deliver the intervention is required.
- **Policy evaluation:** a clear understanding of who has been treated, what data is available and/or needs to be collected from these individuals, the expected geographic size and type of impact are all necessary to effectively assess the impact of a policy. All of these stem from the neighbourhood definition chosen.

As indicated in the previous chapter, there are different ways a neighbourhood could be defined, with the chosen method influencing how the geographical divisions are made. In this chapter, we review examples of how neighbourhoods have been defined in practice and the respective benefits and drawbacks for policy design, implementation and evaluation. We provide multiple examples as there is no clear gold standard, whereby the choice of approach must instead be made with the relevant drawbacks, benefits, and research goals in mind.

The approaches covered are those most commonly used and recognised in the literature, including the use of administrative units, creating individual bespoke boundaries via buffer zones, and letting residents define neighbourhoods using mental mapping techniques.

There are several other empirical methods for defining neighbourhoods, however these are less commonly used, so we have not explored them in detail. These methods include:

- **Road network buffers:** this approach defines neighbourhood boundaries by drawing an area around a specific location that is accessible by travelling a set distance along roads. While this method provides a realistic representation of travel constraints, it is used less frequently due to the complexity of calculating boundaries and the need for detailed road network data (Mavoa et al., 2019; Oliver et al., 2007).
- **Data-driven clusters:** this method applies clustering algorithms to group geographic units based on shared characteristics, with the aim of minimising internal and maximising intra-group diversity. However, this methodology requires a rich dataset, requires careful selection of indicators to cluster by, and is more computationally intensive (Vera et al., 2022; Gulma, 2022).

- **Mobility-based boundaries:** this method uses mobility data (such as mobile phone records or geotagged social media posts) to identify clusters of frequent movement and spatial interactions. These mobility patterns are then used to construct neighbourhood boundaries based on real-world activity. However, this approach relies on the availability and quality of mobility data – which may be biased by not including those without smartphones or access to mobile networks (Vachuska, 2024; Wei and Zhao, 2024).

4.1 Using standard administrative units as neighbourhoods

The most common approach in the literature involves using standard administrative units as neighbourhoods. In the UK, local electoral wards have typically been chosen. (OSCI and Local Trust, 2019; Flowerdew et al., 2008). Each ward contains 7,900 people on average, but this can vary substantially, ranging from 160 to 34,600 residents, and the boundaries are subject to annual changes. More recent UK literature has however tended to use the more granular measure of Lower Layer Super Output Areas (LSOAs), which comprise 400-1,200 households and 1,000-3,000 residents. (Knies et al., 2021; OSCI, 2023; Houlden et al., 2024; Woodcraft and Chan, 2024). In explaining what has driven this change, the Community Needs Index state that they switched from using electoral ward boundaries to LSOA boundaries because in their view LSOAs are a better neighbourhood research unit. This is because they are smaller, more consistently defined over time, and more homogenous in size, allowing easier longer-term evaluation of impacts (OSCI, 2023). The Ministry for Housing, Communities and Local Government (2019) for example states that LSOAs are often referred to 'neighbourhoods', with Flowerdew et al. (2008) indicating that the original impetus for creating LSOAs was to create a statistical unit akin to neighbourhoods, because census output areas were considered too small and wards too large.

This is similar to the US and Canadian literature, where Census tracts are often used (Bergman et al., 2024; Gauvin et al., 2005). Census tracts in the US are the smallest geographical areas for which population-level data is available, and are designed to be relatively homogenous with respect to population characteristics and stable over time to ensure data comparability. In the US, each tract contains 4,000 residents on average, ranging from 1,200-8,000 residents. In Canada, each tract comprises between 2,500 and 7,000 residents, with a preferred average of 5,000 residents. Outside of the UK, USA and Canada, another commonly used measure are postcode boundaries (Ross et al, 2000; Jenks and Dempsey, 2007). For example, Knies et al. (2008) study how resident's relative income position in their neighbourhood impacts life satisfaction in Germany, using a dataset at the postcode-level, which included 9,000 residents on average. Also studying how neighbourhood factors influence life satisfaction, Evans and Kelley (2002) likewise use postcode-level boundaries in Australia.

While there are a variety of different measures used across countries (and within countries), a common theme is using an administrative unit (whether that be LSOAs, census boundaries or postcode boundaries) that is granular enough to assess local deprivation. From the literature reviewed, the upper limit appears to be around 10,000 residents, with more granular

data preferred in some instances. Using pre-defined administrative boundaries fitting this criteria has several potential benefits. These include:

- Data is often readily available, with government bodies and/or research bodies publishing socio-demographic, health, economic, and other data using this standardised approach. This means policymakers can access and link a variety of secondary data easily, saving time and money on primary research relating to policy design (i.e. assessing who you target and why) and evaluation of impacts.
- Administrative units are usually relatively consistent over time. This makes evaluating longer-term impacts easier, as it allows the same geographically defined unit (which the policy targeted) to be tracked through time. Since their introduction in 2001, LSOAs have been updated every 10 years, with the aim of having less than 5% of LSOAs change to maintain data stability. In 2011, 2.5% of LSOAs were updated due to significant changes in population, to improve social homogeneity, and to align with changes in local authority boundaries (ONS, 2012).
- As many public policies and services are already structured around these administrative units, the implementation and delivery of interventions is likely easier (The Young Foundation, 2010).
- More granular units, such as Output Areas (OAs), can be aggregated to cover larger geographical areas where needed. This allows for greater flexibility in policy design, implementation, and evaluation, enabling these processes to be tailored to different scales on a needs and context basis.

However, this approach presents a number of potential drawbacks. Firstly, there is a risk that administrative areas with a large number of residents may mask local variations in needs, experiences, and outcomes. From a policy design perspective, understanding which neighbourhoods are in need and targeting them successfully is key to realising the desired impacts. This is why OSCI (2023) uses LSOAs over wards. In the US and Canada, Kruger et al., (2007) and Farrell et al., (2003) do not use census tracts for neighbourhood-level data because they consider them too large a unit of analysis, as in their view they often contain several distinct neighbourhoods.[7] Moreover, evidence from Dittmann and Goebel (2010) suggests that the larger the neighbourhood unit used (e.g. the greater the geographical area, and the more inhabitants covered in the definition), the higher the risk of underestimating 'neighbourhood effects' (i.e. the influence that the characteristics of a neighbourhood has on the individuals living within it, beyond their personal attributes). While using smaller areas can allow researchers and policymakers to highlight pockets of deprivation that would otherwise be averaged out in larger definitions, there is a trade-off in particular for policy evaluation: sufficiently large samples of data are needed in smaller geographical units to allow data to be reliably generated and analysed (Verma et al., 2024). This may require boosting survey responses in these areas to sufficient levels, which may be costly. It is therefore unclear from the literature what the 'appropriate' size to define neighbourhoods is; only that larger

[7] We note however that the authors do not explain how they determined that census tracts contained several distinct neighbourhoods.

definitions risk averaging out deprivation (affecting policy design) and smaller definitions risk using imprecise neighbourhood-level statistics (affecting policy evaluation).

Secondly, Flowerdew et al., (2008) and Kruger et al., (2007) argue that there is little reason to expect neighbourhoods to follow administrative area boundaries, as these boundaries do not take into account the 'social' component of neighbourhoods explained in Chapter 2. Because residents are unlikely to be aware of these functional boundaries, Glennerster et al., (1999) similarly argue that the resulting 'neighbourhoods' may not be grounded in lived experiences and perceptions of their residents. Guest and Lee (1984) were early observers of this dynamic, finding that when interviewed, residents defined the neighbourhood as a spatial and social unit, rather than an institutional unit. This is a potential issue for policy implementation, as organisations outside of local government in these areas may straddle and not fit within the administrative boundaries drawn, potentially adding operational complexity to policy delivery.

Thirdly, while administrative units are designed to ensure consistency and a degree of homogeneity in terms of the number of residents, Galster (2001) argues there is no reason to expect neighbourhoods to be of a similar size. Instead, they are likely to differ according to a range of geographic, social, and urban planning factors. This has been determined empirically, with Charreire et al (2016) reporting that residents in high density areas draw smaller boundaries around their neighbourhoods than those in low density areas. Therefore, administrative units of roughly similar geographic sizes are unlikely to reflect the reality of neighbourhoods. For similar reasons above, if the policy is targeted at neighbourhoods that are too small or too large vis-à-vis how residents themselves think of their area and organise themselves within it, then this may hinder policy implementation. It may also affect evaluation, as impacts could be understated. If the boundary of impact is drawn too small, not all impacts may be detected, and if it is too large, then impacts may be averaged over too many people.

Fourthly, while administrative units are designed to provide relatively stable boundaries over time, Lupton (2003), Baffoe (2019) and Baffoe and Kintrea (2022) argue that neighbourhoods are expected to be fluid, changing as their population, perceptions, and physical environments change. Therefore, the 'stability' of administrative units may not be an advantage as a proxy for neighbourhoods, as in their view it does not recognise that neighbourhood boundaries change over time. This poses a particular challenge for implementation and evaluation, as adjusting how the intervention is delivered and gathering the necessary data to assess impact on a changing unit of observation can add complexity.

4.2 Using buffer zones to create neighbourhoods

A second approach to defining neighbourhoods involves drawing unique neighbourhoods around each individual, with each individual of interest at the centre. These studies base their boundaries on 'buffer zones' determined by the distance from, or the number of people located around the resident's home (Macllister et al., 2001; Boone-Heinonen et al., 2010; Pikora et al.,

2002; Wood et al., 2008).[8] For example, Knies et al. (2021) create neighbourhoods in the UK by combining output areas around a respondent's postcode until they hit pre-defined population thresholds, ranging from 500 to 10,000 residents. Alternatively, Pikora et al. (2002) defines a neighbourhood as a 400-metre radius around a respondent's residence. They select a 400-meter radius, as the Western Australian Planning Commission defines this as the distance a person can walk in 5 minutes, representing a "walkable neighbourhood".

In contrast to administrative units, a key potential benefit of creating bespoke boundaries is that it reduces the risk of capturing areas that are too large. It is more like to reflect what an individual is surrounded by and where they regularly travel. It is also more flexible, allowing the definition to be customised depending on which 'level' of the neighbourhood is expected to be relevant to the impact measured (as described in Chapter 3.3). For example, Kruger et al. (2007) study the impact of neighbourhood deterioration on residents' mental health. They conclude that a 1-kilometre buffer zone is appropriate for assessing how the deterioration of commercial enterprise near a person impacts their mental health, while a 0.25-mile buffer zone is better suited for evaluating how perceptions of social capital and fear of crime impact mental health. The use of buffer zones can therefore be adapted to the specific context being investigated.

There is however a challenge with gathering and analysing this very granular data, which may not be readily available. Similarly, constructing buffer zones for every individual is likely to be more time consuming and costly when compared to using pre-defined units. There is also no common agreement on how large the radius of the buffer zones should be, and how to determine this. Drawing boundaries too small can fragment existing neighbourhoods, and too large can result in attempts to force disparate neighbourhoods together to create a cohesive identity where it does not exist. This lack of agreement is demonstrated by the fact many papers use different radii; Pikora et al. (2002) define a 400-metre radius to represent a 'walkable neighbourhood', whereas Wood et al. (2008) define an 800-metre radius as the 'standard walkable catchment distance', demonstrating that even the perceptions of walkable distances are not homogenous. This matters, because the analytical results of an evaluation can depend on how wide the buffer zones are drawn (Flowerdew et al., 2008; Mavoa et al., 2019; Brattbakk, 2014). For example, when studying how the built and social characteristics of a neighbourhood impact children's physical activity levels in Canada, van Loon et al (2014) find no significant relationship using 200-800 metre buffer zone radii, but do at a radius of 1600 metre. While it might be tempting to use boundaries defined by statistically significant results as the definition of a neighbourhood, this does not mean it is necessarily the appropriate 'neighbourhood' boundary to use – it could also mean the effects take place at a wider scale than the neighbourhood. Kallus and Yone (2000) go as far as to say that definitions based on population and area size are too rigid and arbitrary, and so should not be relied on.

The buffer zone approach to defining neighbourhoods is likely of most use to policy evaluation; it allows neighbourhood effects to be studied and an assessment as to how these vary across

[8] 'Buffer zones' are also called 'bespoke' or 'ego-centric' neighbourhoods in the neighbourhood effects literature

different spatial scales to be explored. It has thus most frequently been used in the estimation of neighbourhood effects, which is covered in more detail in Chapter 8. Outside of neighbourhood effects, Ipsos MORI, Barrett, Worsley (2019) plan to evaluate the impact of road enhancements on local economic performance using a buffer zone based approach to compare areas near the enhancements with those further away. However, from a policy delivery and implementation perspective, it is less beneficial as it does not provide a geographical unit that groups together people or areas into a way that they can be targeted via policy.

To apply this method for evaluation, it requires data to be available at the individual level so that it can be aggregated into a buffer zone. Buffer zones have been used in the estimation of neighbourhood effects in England and Wales previously (Knies et al., 2021).[9] These can be used to sample individuals over time, however if data is only available for standard administrative units for other variables of interest, then it may not be possible to use this or would require costly bespoke data collection. A further drawback is that using buffer zones to define neighbourhoods still treats neighbourhoods as purely geographical units—ignoring their function as social units. Whilst an individualised boundary may more closely map onto where they travel, they are still not grounded in residents' perceptions, and so these zones may not align with their own perception of neighbourhood boundaries. This is a challenge for policy evaluation, as the expected domain of impact drawn with a buffer zone may not map onto where impacts are realised in reality.

4.3 Letting residents define neighbourhoods

A third and final approach involves asking residents to define neighbourhood boundaries. Residents are required to draw their 'mental maps', and translate them onto real maps —either freehand drawing the boundaries, or tracing them onto a map. The aim of this social identification approach is to capture residents' own subjective opinions, providing qualitative data on neighbourhood dynamics, social networks, and local identities so as to identify resident needs and preferences (Catney et al., 2018). This most closely aligns with the social networks approach outlined in Chapter 3.2.3.

Several studies have performed this analysis. For example, Catney et al., (2018) interviewed Liverpool residents, asking them to define and draw the area they believed comprised their own neighbourhood, and to highlight important landmarks. While a number of participants expressed difficulty in determining where the exact boundary lay, they found that community hubs (parks, churches and schools) and people (family, friends and neighbours) that existed both in the past and the present were instrumental in creating a neighbourhood identity. The results revealed that many boundary definitions were consistent across participants (although not all). While there was a degree of consistency, Catney et al., (2018) stress that the findings

[9] This study is covered in more detail in Chapter 8.

support the view that no one strict definition of a neighbourhood exists, with the definition varying across people, time, and contexts.

Investigating how mental maps correlate with individual[10] and contextual factors[11], Charreire et al. (2016) asked over 4,000 residents in 60 administrative units across Europe to participate in a mental mapping exercise, inviting them to draw the limits of their neighbourhood. They found self-defined neighbourhoods covered 1.96 km^2 on average, with a median area size of 0.71 km^2. While both individual and contextual characteristics were found to impact the size of self-defined neighbourhoods (e.g. length of residence was positively correlated with size), contextual characteristics explained significantly more of the variation than the latter. This further evidences Catney et al., (2018) view that no one definition of a neighbourhood exists, and that this varies across personal and neighbourhood characteristics. Comparing these self-defined neighbourhoods to a 500m radius buffer zone (chosen because it represents a 6-10 minute walk, and is close to the median size of self-defined neighbourhoods in the study), Charreire et al., (2016) found that on average 30% of the area of the self-defined neighbourhood overlapped with the buffer zone. This shows how the chosen definition of a neighbourhood can lead to significantly different geographical areas being used, emphasising the drawback discussed in the previous section of relying on buffer zones alone for evaluation.

Taking a different approach, in an attempt to allow local self-identification in an aggregated manner, the New Deal for Communities programme in the UK permitted NDC Partnerships to draw their own neighbourhood boundaries based on their local knowledge and experiences. Whilst obtaining these local perspectives can mean neighbourhood boundaries are more closely based on lived experiences, it was found that a number of boundaries were 'fudged' due to political pressures and pressures from local residents. This meant some neighbourhoods were fragmented, and others contained more than one distinct neighbourhood. They also experienced difficulties gathering data as the neighbourhoods did not always reflect functional administrative areas, nor natural boundaries.

While there are benefits arising from using resident or local knowledge to define neighbourhood boundaries, there are a number of potential challenges for policy makers:

- Like buffer zones, these mental maps produce a number of individual boundaries. This can be valuable for understanding local perceptions of neighbourhoods, and understanding how residents' views compare to each other and to standardised administrative boundaries. However, unless there is a consistent degree of overlap, resident-defined boundaries may not provide the clear geographic boundaries needed to effectively target, deliver and evaluate interventions.
- With any form of subjective assessment, there is a need to ensure that all voices are heard when engaging with residents on neighbourhood boundaries. There should be robust process in place to ensure that boundaries are not adjusted to reflect the views of

10 Age, gender, educational level, employment status, length of residential neighbourhood, and BMI.

11 Neighbourhood residential density, socio-economic status and study regions.

a powerful minority or for political reasons, so as to avoid excluding certain groups. If these groups were excluded, then policy may not be targeted at the areas in most need.

- If neighbourhoods are defined by residents in a way that does not overlap with standard administrative units, then this may impede the collection of data and lead to potential challenges with delivery and evaluation. While this raises the question of whether data should be collected to reflect how residents perceive themselves, in the short term this has to potential to lead to these issues.

5 What constitutes a neighbourhood intervention?

The previous two chapters outline the different approaches to defining a neighbourhood, both conceptually and in practice. While it is clear there is no single definition that will apply in all contexts, it highlights a number of things that should be considered when choosing how to define a neighbourhood. Equally, while there is no common agreement on how many residents or the exact geographic size a neighbourhood should entail (as this depends on the subject of interest and type of area), a number of 'neighbourhood interventions' have taken place within the UK and internationally. This raises the question of how a neighbourhood intervention should be defined.

In the literature, interventions with a neighbourhood focus have many names including comprehensive community initiatives (CCI), place-based (or area-based) initiatives, community revitalization initiatives and community development approaches (Theodos, 2022). Here, the term community and neighbourhood are often used interchangeably. While there are variations in the focus of these different initiatives, they generally aim to improve the social and/or economic wellbeing of a neighbourhood in different ways. These include upgrading housing, improving social infrastructure, improving community leadership and building the capacity of residents. We discuss in detail international examples of these initiatives in Chapter 10.

In formalising a definition, Theodos (2022) defines CCIs as having the following characteristics:

1. There must be a targeted neighbourhood, or neighbourhoods;
2. There must be local involvement in planning and implementation;
3. Activities, expenditures, and services must be made available above the status quo. There can be spillover effects, but the activities must have an element of spatial concentration and targeting;
4. There must be a sustained commitment over time – typically at least 3 years, but often 10 or more;
5. They are typically multifaceted and multisectoral; and
6. Lastly, they must make claims on changing the target area in one or more ways – for example, poverty alleviation, crime reduction, beautification, business growth, and public health gains.

Katz (2004) takes a different approach, splitting neighbourhood interventions into three distinct groups:

- **Improving the neighbourhood:** a place-based strategy, taking the current mix of individuals in the neighbourhood as a given. It is community-based, putting neighbourhood institutions in a central role for planning and implementation. Change happens through improving the physical stock and commercial quality of the community.

- **Expanding opportunity:** a people-based strategy, aiming to give neighbourhood residents access to the better jobs and schools available in the wider city. This involves either moving residents or linking them to better opportunities elsewhere.
- **Transforming the neighbourhood:** a people- and place-based approach. This aims to change the socio-economic mix of neighbourhoods. This involves improving access to opportunity for existing residents while making it attractive for other individuals to move to the area.

While there are many different ways to define and categorise neighbourhood interventions, in its broadest sense, a neighbourhood intervention could be any policy measure taking place within a geographically defined area that fits with the conceptual and practical definitions outlined in Chapters 3 and 4. This could include interventions that take place within the neighbourhood context but are not necessarily branded as "neighbourhood interventions", and so do not fall neatly within this framework. An example of this in the UK is the Sure Start programme. Launched in 1998, this introduced a network of children's centres and other services, designed to provide support to families of young children with the aim of enhancing their life chances and development (Johnson, 2024). As these centres were initially targeted in the most deprived neighbourhoods (Carneiro et al., 2024), this could be considered a neighbourhood intervention, despite not being labelled as such.

When seeking to undertake a neighbourhood intervention, policymakers should clearly define the outcome they aim to target and determine the most appropriate geographical scale for implementation, using available evidence. Is this at the neighbourhood level or a wider spatial scale? Policymakers should also ensure the aims of the policy, the geographical definition of the target area and the geographical area for policy delivery are aligned with this evidence. We examine this evidence in the following chapters.

6 Does deprivation cluster at the neighbourhood level in the UK?

For neighbourhoods to be important from a policy perspective, it must be demonstrated that the neighbourhood is the appropriate spatial scale at which to target policy. To establish this, this chapter explores the evidence on whether deprivation clusters at the neighbourhood level, examining whether certain neighbourhoods experience particularly poor outcomes across a number of socio-economic measures simultaneously (e.g. relating to poor health, high crime and low earnings). If that is the case, then this provides rationale for targeting policy at the neighbourhood level, rather than at a wider spatial boundary.

The evidence reviewed typically uses standard administrative zones, such as wards or LSOAs, as their definition of a neighbourhood. Buffer zones and resident-defined boundaries were not used because of data availability. Data is collected separately and can differ between UK countries, for example Scotland's 'small areas' are 'Data Zone' areas whilst England and Wales use LSOA boundaries. Therefore, UK-based studies typically focus on deprivation in England or England and Wales, rather than considering the UK as a whole.

6.1 Inequality in the UK

It is well established that the UK has high levels of regional inequality. In a report for NIESR, Pabst and Chadha (2023) argue that England is one of the most spatially unequal countries in the OECD and a 2021 poll by the IFS identified that people consider area-based inequality as the most important driver of inequality (Benson et al., 2021). Across regions, large differences in economic, health and social outcomes are seen. For example, in 2022, disposable income per person was £32,000 in London compared to just £18,000 in the North East (ONS, 2024). Life expectancy in the North East is around three years lower than the best performing UK regions, London and the South East (Munford et al., 2023). Additionally, educational outcomes vary across regions: in 2022, 32.6% of GCSE grades were level seven or above in London (the best performing region), compared to 22.4% in both the North East and Yorkshire and the Humber (the two worst performing regions) (Winchester, 2022).

With increasing evidence suggesting that the spatial inequality identified appears to be driven both by inter and intra-regional inequality (Pabst and Chadha, 2023), the literature has moved beyond exploring inequality *between* regions towards considering inequality *within* regions. This requires analysis at a more granular spatial scale. For example, Nieuwenhuis et al. (2019) use LSOA-level data in England and Wales and find high levels of area-based inequality when compared to Estonia, the Netherlands and Sweden. Using census data and defining deprivation as the percentage of unemployed individuals, they find that people in England and Wales are less likely to move between neighbourhoods in different deciles of deprivation than in the other countries considered. Even worse, they find that this phenomenon is becoming more entrenched: those living in more deprived neighbourhoods in 2001 were less likely to move to less deprived neighbourhoods between 2001 and 2011 than those who lived in less

deprived neighbourhoods in 2001. This points to individuals within poorer neighbourhoods being less likely to be able to 'leave' their disadvantaged area.

So, while evidence suggests that overall spatial inequality is high in the UK, this raises the question of how many dimensions — beyond income or unemployment, for instance — and at what level of geographical granularity this inequality manifests. And if more detailed, neighbourhood-level data is used, does this reveal concentrations of deprivation in both notionally prosperous as well as notionally poor regions (given the regional data used may average out deprivation in more prosperous regions)?

6.2 What is deprivation and how does it cluster?

Deprivation is defined as the lack of resources to meet basic needs and achieve a minimum standard of living. It can occur across multiple dimensions and is often characterised by poor economic, health, educational and social outcomes (Wong et al., 2021). Deprivation 'clusters' therefore where lots of individuals with simultaneously poor outcomes are co-located in one geographic area.

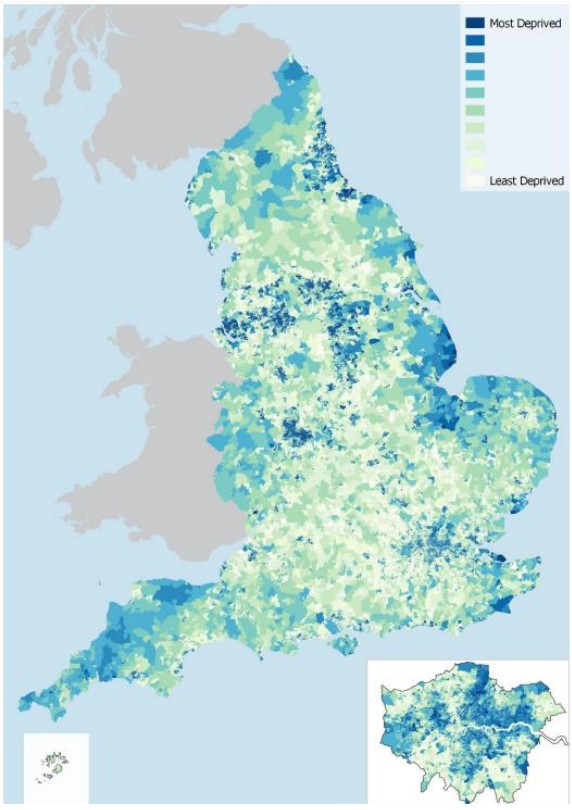
There are a number of different ways to measure the level of deprivation in neighbourhoods. The most common metric is neighbourhood income, as income data is often widely available. For example, the ONS (2021) use income deprivation — the proportion of people in an area who are out of work or on low earnings — to define neighbourhood deprivation at the LSOA level and understand how this is distributed across local authorities. Local authorities are grouped into four income profiles, where 'more income-deprived' profiles are LAs with more neighbourhoods towards the end of the deprived scale. Local authorities classed as 'more income-deprived' are typically urban including in Greater London, Birmingham and the north east, as well as coastal areas such as Great Yarmouth. Even local authorities which are typically very well off, such as Kensington and Chelsea, include LSOAs with high levels of deprivation. This highlights the importance of using data at a granular spatial scale, as these pockets of deprivation may otherwise be missed.

The same ONS analysis also finds that local authorities with the highest income deprivation typically have the greatest 'deprivation gap' between the most and least deprived LSOAs in their local authority. The 'deprivation gap' is calculated as the percentage point difference between the percentage of income deprived people in the least-deprived and most-deprived neighbourhoods. For example, Wirral had the highest deprivation gap, with a gap of 56.7 percentage points where 1.4% of people are income deprived in the least deprived neighbourhood and 58.1% are in the most deprived neighbourhood. Typically, lower-income local authorities have larger gaps: 14 of the 20 local authorities with the highest disparity were in the bottom 20% for household income in 2018. Therefore, targeting low income local authorities would help support many of the worst off neighbourhoods, but not all; those residing within higher income local authorities would be missed.

Indices which combine multiple outcomes are particularly helpful when considering the potentially overlapping degrees of deprivation. The official measure of relative deprivation in

England is the Index of Multiple Deprivation (IMD) (Ministry of Housing, Communities and Local Government, 2019). The IMD combines seven domains: income, employment, education, health, crime, barriers to housing and local services, and quality of the living environment. It is used to calculate relative deprivation for the LSOAs in England on a recurrent basis; the most recent analysis is from 2019. Figure 4 shows how LSOAs across England rank on the IMD. The 2019 report finds that deprivation occurs across all of England, with 61% of local authorities containing at least one of the most deprived 10% of neighbourhoods. The 10% most deprived neighbourhoods typically perform poorly across multiple domains: almost all are in the bottom 10% for at least two of the seven domains of deprivation, two-thirds for at least four domains and a third on 5 or 6 of the seven domains. This again demonstrates the importance of using granular spatial data, given clusters of deprivation can appear even in more prosperous regions.

Figure 4 Index of Multiple Deprivation in England, 2019

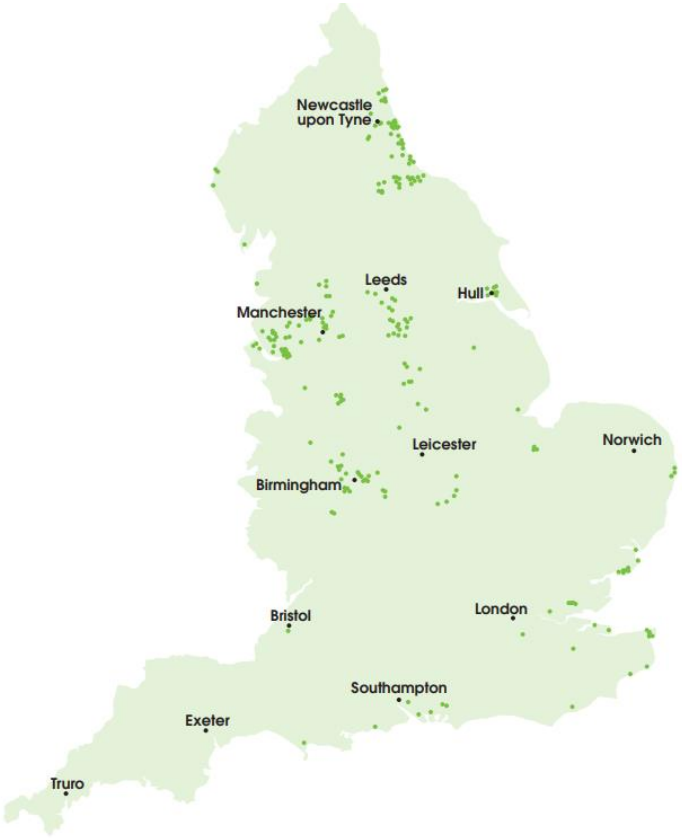


Source: Ministry of Housing, Communities and Local Government (2019)

Taking this a step further, the IMD has recently been combined with the Community Needs Index (CNI) to identify ‘doubly-disadvantaged’ neighbourhoods (DDNs) (previously known as ‘left-behind’ areas) (All-Party Parliamentary Group for 'Left Behind' Neighbourhoods, 2020). The CNI captures the experiences of people in an area and its amenities and assets across three domains: the amount of social infrastructure, connectedness, and the extent to which the community is active and engaged. The CNI and IMD have been found to be highly correlated. When these two indices are combined, neighbourhoods with a ‘double’ form of

deprivation in the form of poor socio-economic outcomes (IMD) and high levels of 'community need' (CNI) can be identified. DDNs were identified in 2023 based on LSOAs ranked among the most deprived 10% across both the CNI and the IMD (OSCI, 2023).

Figure 5 Location of doubly-disadvantaged neighbourhoods in England



Source: All-Party Parliamentary Group for 'Left Behind' Neighbourhoods (2023)

Looking at DDNs in more detail, 2.4 million people live in these neighbourhoods. As Figure 5 shows, they are predominantly located in the North East and North West, including former mining communities and outlying areas of Greater Manchester and Merseyside. As Figure 6 shows, they have been found to experience deprivation across nine dimensions: higher rates of poverty, less vibrant economies, fewer opportunities to secure skilled employment, lower educational attainment, worse population health, higher rates of disability, limited connectivity, weaker social fabric, and less funding and investment (All-Party Parliamentary Group for 'Left Behind' Neighbourhoods, 2023).

Figure 6 Characteristics of deprived areas

Source: Frontier Economics. Based on All-Party Parliamentary Group for 'Left Behind' Neighbourhoods (2023)

Analysis of DDNs identifies they perform poorly across several of these metrics and typically perform worse than other deprived areas across the majority of the outcomes (All-Party Parliamentary Group for 'Left Behind' Neighbourhoods, 2020 and 2023). These include:

- **Jobs:** There are just over 50 jobs per 100 working age adults in DDNs, compared to more than 81 per 100 in other deprived areas.
- **Health:** Life expectancy in DDNs is similar to other deprived areas. However, there is a higher proportion of people living with limiting long-term illness (24% in DDNs and 21% in other deprived areas) and cancer rates are higher.
- **Education:** People in DDNs are both more likely to have no qualifications and less likely to have degree level qualifications compared to people in other deprived areas.
- **Access to services:** DDNs have longer average travel time to key services like employment centres, hospitals and schools than other deprived areas. For example, the average travel time to an employment centre is 13 minutes for DDNs compared to 9 minutes for other deprived areas.

A different approach to measuring deprivation was taken for the 'Citizen Prosperity Index' (CPI) (London Prosperity Board, n.d.), which was created as part of a study of 15 LSOAs in East London. It is based on primary research conducted with people living in these areas, and asked residents to define what outcomes mattered to them. The CPI covers five domains of prosperity, made up of 14 sub-domains including secure livelihoods, political inclusion, sense of community and healthy, safe and secure neighbourhoods. The reports find that prosperity differs even across neighbourhoods that are geographically close to each other. Whilst some domains such as affordable housing are consistent across neighbourhoods, others vary significantly with access to services and freedom from financial stress. There is also no evidence that regeneration of one neighbourhood will 'trickle down' to nearby neighbourhoods through job opportunities, wage rises and improved public services. For example, the Olympic Park is a key area of regeneration in East London and those living within the regeneration boundaries are typically well-off whilst those living outside the boundaries experience significant livelihood insecurity and levels of financial stress. Regeneration attracts new

residents, rather than improving outcomes and opportunities for people already living in these areas. This suggests deprivation can be specific to a neighbourhood and not necessarily affect others (even if they are adjacent to one another).

While the clustering of deprivation at the neighbourhood level appears prevalent in the UK, it also appears internationally. For example, Reardon and Bischoff (2016) study the degree to which neighbourhoods are segregated by income in the USA, using the American Community Survey. They found high degrees of income-based segregation: in 2012, 34% of families lived in neighbourhoods that were either extremely poor or extremely affluent.[12] Taking this a step further, Andrews et al. (2020) construct a neighbourhood deprivation index (NDI) for counties within the USA, using 2010 Census and inputs such as the unemployment rate, percentage of high school graduates and percentage of households without a telephone. They found a large range in the NDI across the US counties and that there is a very low likelihood (less than a 1%, statistically significant) that the distribution of NDI happened by chance, indicating that deprivation in the US does cluster and is not randomly distributed. Looking at European evidence, Virtanen et al. (2022) study the clustering of socioeconomic disadvantage at the municipal level in Sweden. They use an open-access database (Kolada) and government data, and define socioeconomic disadvantage based on the long-term unemployment rate, poverty rate, income inequality and gender income inequality. The study identifies 'hot spots' of disadvantage based on each of these variables, which are concentrated in mid-southern Sweden. This again indicates that socioeconomic disadvantage is not randomly distributed across Sweden, but clusters in certain areas.

Taken together, the evidence suggests that deprivation clusters at the neighbourhood level both within the UK and internationally. Even in areas that may otherwise be deemed wealthy like London, there are pockets of poor outcomes at the neighbourhood level. This shows the importance of using sufficiently detailed data to identify and target areas of concentrated deprivation: without it, these neighbourhoods may not receive the support they need because their poor outcomes are masked by the often more prosperous neighbourhoods surrounding them.

[12] Defined as neighbourhoods with median income at least 40 percent above or 50 percent below the metropolitan area median

7 What are neighbourhood effects?

In the previous chapter, it was clear that deprivation clusters at the neighbourhood level. In understanding why, the evidence points to something potentially deeper: it suggests that there may be mechanisms at play at the neighbourhood level which contribute towards this clustering. In the literature, these mechanisms are called 'neighbourhood effects'. Understanding whether they exist is a crucial first step to developing effective policy to reduce the levels of deprivation observed. In this chapter, we define what neighbourhoods effects are and outline why they might occur.

7.1 Defining neighbourhood effects

Economic, health and social outcomes are determined by a range of factors, including individual characteristics like gender, age and education alongside family background, such as parents' educational and employment outcomes. Another factor that might influence an individual's outcomes is the level of deprivation in the neighbourhood in which they currently live or in those where they have previously lived. This concept is known as a 'neighbourhood effect' and is the focus of this and the following chapter.

A 'neighbourhood effect' occurs if the level of deprivation in the neighbourhood that someone lives in has a causal effect on their individual outcomes. Neighbourhood effects differ from the 'clustering' of deprivation discussed in Chapter 6. Clustering could simply be driven by 'sorting', with people with similar incomes typically living in the same area, particularly since house prices are a key determinant of housing location choices. This means that poor outcomes are clustered in an area simply because people living in that area already have poor outcomes. If clustering was only a result of sorting, living in a deprived area means residents do not experience worse outcomes than they otherwise would have, had they lived in a less deprived area. If neighbourhood effects are present though, then this means a deprived person is worse off than they would otherwise be if they lived in a less deprived area.

Taken together, asking the question 'Do neighbourhood effects exist?' means asking 'If someone currently living in a deprived neighbourhood were moved to a less deprived neighbourhood, would this affect their outcomes?'

In assessing whether neighbourhood effects do exist, it is important to disentangle this effect from 'sorting effects'. This is because it allows us to understand the full suite of mechanisms involved and size of the gains that can be made from improving the conditions of the UK's deprived areas: if neighbourhood effects do exist, we would expect the aggregate benefits from moving neighbourhoods out of deprivation to be even larger than the individual-level benefits accruing to each person. If they do not, then we'd expect the benefits to simply be the sum of individual-level benefits. This is an important empirical issue that is tackled further in Chapter 8. Both point to the need for policy interventions; but the prescription might be different.

7.2 Why might neighbourhood effects occur?

As discussed in Chapter 6, deprived neighbourhoods are defined by key characteristics including fewer job opportunities and reduced access to services and assets including community spaces and green spaces. It is reasonable to suspect that these characteristics may mean that people living in these neighbourhoods see worse outcomes than they would otherwise.

Galster and Sharkey (2017) hypothesise two key ways that neighbourhoods may affect outcomes. First, they argue that neighbourhoods are a "mediating factor" which affects the outcomes that can be achieved, based on the attributes an individual has. For example, the neighbourhood someone lives in will affect the job opportunities that are available to them. Second, the neighbourhood an individual lives in will affect their characteristics over time, in turn affecting their future outcomes. They expect this effect to be more prominent the longer an individual lives in a neighbourhood and that it might be particularly large for children since people may be more likely to be influenced by the factors around them at a younger age.

Galster (2012) sets out four types of 'mechanisms' through which neighbourhood effects can occur:

- Socio-interactive mechanisms are likely to shape an individual's characteristics through effects such as peer effects and social norms.
- Environmental mechanisms include air and water quality, as well as exposure to violence.
- Geographic mechanisms are the larger political and economic structures that affect an individual's life, including access to job opportunities and public services.
- Institutional factors are associated with those who do not live within the neighbourhood but control important institutional resources. For example, stigmatisation of certain neighbourhoods can affect, amongst other things, job opportunities and self-esteem. Access to fresh good, as well as to charities or schools, also varies across neighbourhoods and may affect outcomes in that neighbourhood.

These mechanisms show that neighbourhoods may affect multiple outcomes. For example, incomes may be directly affected by geographic mechanisms including proximity and access to jobs but may also be indirectly affected by factors including peer effects and stigmatisation. Similarly, health may be directly affected by environmental mechanisms like pollution but also factors such as access to services and social norms. Outcomes are likely to be affected by different mechanisms to different extents and to differing degrees. Understanding which factors are most important for specific outcomes will help policymakers target policies to reduce the impact of neighbourhood effects.

7.3 At what geographic scales might neighbourhood effects appear?

Different mechanisms will likely play out at different geographic scales as individuals interact with different 'neighbourhoods'. As discussed in Chapters 3 and 4, the overlapping nature of

neighbourhoods means individuals will interact with those in the same block of flats, street or estate, but also those at school, work or leisure activities. For example, environmental mechanisms could occur at smaller scales, such as access to green space, and at larger scales, for example air pollution across London (which likely affects multiple boroughs to similar degrees).

There are two ways that neighbourhood effects have been studied in the literature: using administrative neighbourhoods, such as wards or census tracts, or using neighbourhoods defined using buffer zones.[13] 'Buffer zone' neighbourhoods (discussed in Chapter 4), are constructed around an individual person by defining neighbourhood deprivation based on the characteristics of a set number of people living closest to an individual. A benefit of this approach is that neighbourhoods reflect the closest neighbours to an individual. It allows the authors to study various neighbourhood sizes, such as the closest 100 neighbours or the closest 10,000 neighbours and allows greater insight into the size of the effect over different scales. However, this requires access to more detailed data that is often not available in all countries.

[13] 'Buffer zones' are also called 'bespoke' or 'ego-centric' neighbourhoods in the neighbourhood effects literature

8 Do neighbourhood effects exist?

Building on Chapter 7, this chapter presents the academic evidence on whether neighbourhoods effects exist. If such effects are found, this further strengthens the rationale for targeting policy at the neighbourhood level. This is because the aggregate gains from interventions aimed at reducing this deprivation may be greater than the individual-level benefits accruing to each person.

In general, there is a wide body of academic evidence studying whether neighbourhood effects exist. This evidence can be divided into two categories: those which study outcomes based on the neighbourhoods adults currently live in or have lived in over their adult life; and those which study outcomes based on the neighbourhoods adults lived in as children. Moreover, there are a number of studies on the 'stickiness' of neighbourhood deprivation experienced, both by an individual across their lifetime and across multiple family generations. A recent review published by the IFS emphasised these effects and the 'vicious circle' of neighbourhood effects (van Ham et al., 2022).

The evidence base typically comes from the UK, the US, the Netherlands and Sweden. The Netherlands and Sweden in particular have excellent data which studies individuals over time and with good locational information. In the UK, data availability is more limited but ONS survey and census data is often used. In the US, much of the recent literature comes from the 'Moving to Opportunity for Fair Housing' (MTO) experiment conducted in the 1990s. This scheme supported low-income families with children living in high-poverty public housing to move to low-poverty areas through housing vouchers and support for their move. Because the vouchers and support were randomly assigned amongst a group, the outcomes of those who received support can be compared to the 'control' group who received no support, providing a unique opportunity to study the impact of moving from a low-income to high-income area in the US.

The remainder of this section summaries the empirical literature on the existence of neighbourhood effects, the factors which influence these effects and their causes. It is worth noting that much of the evidence focuses on whether neighbourhood effects exist or not, and not estimating the size of the effect. If a study reported effect sizes, we include this in our discussion below. For a number of studies, this was not possible.

8.1 Effects of neighbourhood deprivation as an adult

There is a substantive body of evidence investigating whether adults experience neighbourhood effects based on the neighbourhood in which they currently live. The most recent academic literature is so far the most reliable and robust at estimating neighbourhood effects as it is able to control for the sorting effect and typically seeks to understand neighbourhood effects over various scales. This evidence is mixed on whether these 'contemporaneous' neighbourhood effects occur. In 2022, the IFS conducted a review of the impact of neighbourhood deprivation and found that neighbourhoods have a "meaningful

contribution" on income, although, accounting for sorting, the size of the effect is much smaller than was previously thought (van Ham et al., 2022).

As an example, van Ham et al. (2017) studied the impacts on income from work in 2013 for 24,014 'heads of households' who moved within a specific urban area of the Netherlands in 2009, using the Dutch Social Statistical Database (SSD). Controlling for sorting effects, they found that, four years after moving home, the average income of the new neighbourhood has a statistically significant impact on an individual's labour income. Similarly, Troost, van Ham and Manley (2021) study the impact of average neighbourhood income in their new neighbourhood, for those who moved neighbourhood during a five year period (and so look at the effects for individuals between one and four years after they move). They find a statistically significant positive effect from neighbourhood income on individual income, even after controlling for sorting. Controlling for sorting reduces the size of the neighbourhood effect by between 23% and 38%. The final results show that, keeping all other factors constant, moving to a neighbourhood with a 10,000 EUR a year higher average neighbourhood income leads to 1% to 2.2% rise in an individual's income. The range in results reflects differences in impacts across cities in the Netherlands (discussed further below).

Using similar analysis, Petrovic, van Ham and Manley (2021) study labour income for men, defining neighbourhood deprivation as the proportion of men and women with low income in four cities in the Netherlands. They study 101 different scales of bespoke neighbourhoods, defined using scales of $100m^2$ up to $10km^2$. They conclude that neighbourhood deprivation significantly reduce an individual's income after moving, but the size of the effect is not particularly large. For example, in Amsterdam, the largest neighbourhood effect is a 0.3% increase in an individual's income resulting from a 1% decrease in the share of low-income people in the neighbourhood.

On the other hand, some studies suggest that neighbourhoods do not affect economic outcomes contemporaneously. Defining deprivation using the Townsend Deprivation Index,[14] Knies, Melo and Zhang (2021) find that deprivation in the neighbourhood that an individual currently lives in does not affect their current life satisfaction or earnings. Their study considers 76,751 individuals in England and Wales using the Understanding Society survey, based on buffer zones of varying sizes defined as the closest n individuals to the target person (where n = 500, 1,000, and intervals of 1,000 up to 10,000). Whilst they find that neighbourhood deprivation is associated with lower life satisfaction and earnings, they do not find that the relationship is causal (regardless of buffer zone size) and so instead attribute it to sorting. In addition, numerous studies of the MTO programme have typically not found contemporaneous or short-term impacts on adult's economic outcomes as a result of moving out of high deprivation neighbourhoods (Chetty, Hendren and Katz, 2016). For example, Katz, Kling and Liebman (2001) studied 540 families two years after the programme and found no significant impact on employment, earnings or likelihood of receiving welfare for those who moved as part of the scheme. Considering four to seven years after moving, Kling, Liebman and Katz

[14] The Townsend Deprivation Index is based on four measures from the census: households without a car, overcrowded households, households not owner-occupied, number of unemployed individuals.

(2007) also did not find a statistically significant impact on economic 'self-sufficiency'. Looking over an even longer scale, Ludwig et al. (2013) find that 10 to 15 years after moving to 'better' neighbourhoods with the MTO, there was no impact on labour market outcomes such as economic self-sufficiency. The study was based on census data and the 2005-2009 American Community surveys.

While the evidence on the contemporaneous effects of living in a deprived neighbourhood is mixed, there is evidence that living in a deprived neighbourhood for a prolonged period of time has a more significant impact on outcomes. Hedman et al. (2015) find that the cumulative impact of living in a deprived area (defined as the quintile with the highest share of low-income people) is more important for determining income than whether or not an individual lives in a deprived area at a given moment in time. They study the full population of individuals in Stockholm aged 16 to 25 who moved out of their parent's home in 1990 (13,526 individuals), using a longitudinal micro database from Sweden. They consider the impact from living in a deprived area in every year up to 17 years after moving out of the family home, finding significantly negative effects from cumulative exposure to deprived neighbourhoods in these years. They conclude that ignoring longer term exposure to poverty underestimates the influence of neighbourhood effects. Hedman, Manley and van Ham (2019) use similar data and study the same outcomes. They find that cumulative exposure to poverty in the 11 years after leaving the family home has a significant negative impact on income as measured 12-14 years after leaving the family home.

Both these studies focus on a specific number of years after leaving the family home, highlighting the impact of cumulative neighbourhood effects for young adults. It is not clear whether these same impacts might apply to older adults. The evidence suggests that if neighbourhoods are 'sticky' (i.e. that living in a deprived neighbourhood at a given point in time make you more likely to live in a deprived neighbourhood in the future), studies using neighbourhood deprivation rates in an individual's current neighbourhood may underestimate the impact of neighbourhood effects. We discuss this further in Chapter 8.3.

Considering outcomes besides income, there is particularly strong evidence that neighbourhood deprivation negatively impacts health, both contemporaneously and over a longer period of time. For example, using the Townsend Deprivation Score as a measure of deprivation, Knies and Melo (2019) find that contemporaneous deprivation has a significant negative effect on self-reported physical health when a neighbourhood is defined as 3,000 people or fewer. It is however unclear what the mechanism driving this is. Similarly, Jivraj et al. (2021) find a statistically significant negative impact on health from cumulative exposure to neighbourhood deprivation, defined at the LSOA level also using the Townsend Deprivation Score. They use the National Child Development Study linked to Census data, studying neighbourhood deprivation between ages 16 and 55 and self-reported health between ages 23 and 55. Cumulative exposure to deprivation over the period studied negatively affects self-reported health. Once cumulative exposure is controlled for, there is no additional impact from the current level of neighbourhood deprivation – suggesting that cumulative exposure is a key driver of neighbourhood effects in health.

Looking to evidence in the US, Ludwig et al. (2013) also find that 10 to 15 years after moving to neighbourhoods with lower poverty rates as a result of the Moving to Opportunity Scheme (MTO, discussed above), adults had improved individual health outcomes compared to a control group who did not receive the voucher. They found that extreme obesity and diabetes rates reduced by 40-50% and rates of psychological distress also fell. They hypothesise that the improvement in mental health is a result of improvement in neighbourhood safety likelihood, with mental health improvements in turn affecting physical health. However, they do not find significant effects from moving on more general measures of health (the absence of physical and mental health problems, considered separately). Using the same data, Ludwig et al. (2013) consider the impacts on subjective wellbeing and find that moving to an area with a 13 percentage point lower rate of neighbourhood poverty has a significant impact on subjective well-being equal to an increase in annual income of $13,000.[15] Moreover, looking at other metrics of health, they find only a small impact on mental health but no effect on physical health. Overall, evidence from the MTO programme suggests that there are contemporaneous effects on wellbeing, specific health outcomes and mental health but no effect on general physical health.

Factors affecting the size of neighbourhood effects in adults

There is evidence that the size of a neighbourhood effect on adults varies depending on location. Troost, van Ham and Manley (2021, discussed above) study three different cities in the Netherlands (Amsterdam, Utrecht and Rotterdam) and find that the size of the effect differs across these cities. The neighbourhood effect in Amsterdam and Rotterdam is significantly stronger than in Utrecht. They are unable to explain the driver of these differences but suggest it could be due to factors such as the average education levels, house prices and the distribution of social housing across the city.

Going further, the size of the neighbourhood in which effects occur differs between cities. Petrovic, van Ham and Manley (2021, discussed above) find that Amsterdam and Utrecht have the strongest neighbourhood effects when the neighbourhood is defined as 200m^2, whilst Rotterdam saw the largest effect at 400m^2 and Groningen at 100m^2. Nonetheless, across all cities, defining a neighbourhood using a smaller spatial scale results in larger neighbourhood effects. The size of the neighbourhood effect declines sharply for greater neighbourhood sizes, reaching 0 between 1km^2 and 3km^2 depending on the city. Their explanation for this finding is that people are most influenced by those who live closest to them but neighbourhood structures vary across cities, meaning neighbourhood spatial sizes correspond to different numbers of people across cities. The evidence therefore shows that the strength of neighbourhood effects can vary between cities, implying that neighbourhood size is not consistent across geographies and that the spatial scale chosen matters. The strongest neighbourhood effects seen are in the immediate vicinity in which someone lives. This aligns with the evidence in Chapters 3 and 4 on how neighbourhoods should be defined, which

[15] A one standard deviation decrease in neighbourhood poverty (equal to 13 percentage points) leads to subjective well-being increases that are equal to the gap between people whose annual incomes differ by $13,000 (2012 prices). This is significant since average income of the control was $20,000.

emphasised the importance of considering place- and context-specific factors to avoid a one-size-fits-all definition.

8.2 Effects of neighbourhood deprivation as a child

So far, the evidence suggests that in the short term, neighbourhood effects appear to primarily impact the health of adults rather than their economic outcomes (such as income). Economic outcomes may be affected by cumulative exposure to deprived neighbourhoods, rather than contemporaneous exposure. As indicated earlier, we might expect that larger effects may appear for children than adults, as they are more likely to be influenced by the people and conditions around them, given they are of a formative age. This section reviews the evidence of the long-term effects arising from children growing up in deprived neighbourhoods.

8.2.1 Do neighbourhood effects exist for children?

There is a large body of evidence to suggest that exposure to neighbourhood deprivation as a child impacts outcomes as an adult. Studying the Netherlands, Janssen (2019) finds that neighbourhood deprivation at age 16 has a statistically significant negative effect on individual income at age 30. The measure of deprivation in this study includes the poverty rate, disposable household income and the proportion of individuals with an income below 60% of the median. Similarly, Galster and Santiago (2017) find statistically significant neighbourhood effects on secondary school performance and on young adult educational, employment and fertility outcomes in the USA. They use primary data collection in Denver to define outcomes for young adults aged 18 to 35 and census data to understand neighbourhood characteristics, including an 'occupational neighbourhood prestige' measure based on a pre-defined measure of prestige by occupation. The study uses a Denver Housing Association program, which allows low-income families to live in public housing units distributed across a wide range of neighbourhoods, rather than being concentrated in a deprived neighbourhood. They find that those who were of high school age in a neighbourhood where 'occupational prestige' was one point higher are 35% more likely to work and 27% less likely to have a child out of wedlock.[16]

More recent evidence from the MTO programme studies the impact on children in families who were supported by the scheme and finds sizeable statistically significant neighbourhood effects. Chetty, Hendren and Katz (2016) find that moving out of a deprived area before age 13 increases the likelihood of attending college and earnings and reduces single parenthood rates and the likelihood of living in a high poverty area. Children whose families moved as part of the experiment before age 13 saw a 31% increase in income in their mid-twenties and a 16% increase in the probability of attending college. The study defines neighbourhoods at the zip code level, with deprivation measured using the poverty rate in that zip code. Similarly, Bergman et al. (2024) estimate that children who moved from 'low-opportunity' to 'high-opportunity' areas at birth and remain in the 'high-opportunity' neighbourhood, see an 8.3%

[16] The occupational prestige score ranged from a minimum of 29.44 (when all resident employees are labourers) to a maximum of 62.24 (when all are in managerial-professional occupations). It is unclear how this score was calculated.

increase in their average undiscounted lifetime household income. Their measure of deprivation is based on levels of upward mobility in Census tracts. This aligns with Hedman et al. (2015, discussed earlier), which studies the 'childhood neighbourhood effect' in Sweden. Studying income 17 years after leaving the family home, they find a statistically significant negative effect from living in deprived neighbourhoods as a child. The impact is sizeable: the impact of living in a deprived area as a child is equivalent to spending 4.5 years living in poverty as an adult.

One important factor to consider in these analyses is 'family effects': is it the neighbourhood that has an impact on adult outcomes, or is it the family that someone grows up in? The MTO programme is able to control for family effects in the US, since the family moves neighbourhood but children do not move families (and selection into the programme is random). These studies do find significant and sizeable impacts on children from moving between neighbourhoods, suggesting that neighbourhood deprivation does have a role to play in affecting adult outcomes (Chetty, Hendren and Katz, 2016; Bergman et al., 2024). In other countries, different approaches have to be taken, as they do not have an equivalent to the MTO programme. Hedman et al. (2017) study family effects in Sweden, looking at data on siblings born no more than three years apart, who could be expected to see similar family and neighbourhood effects. They study the labour income of 49,163 sibling pairs 14 years after leaving the family home, looking at the share of low income individuals in the neighbourhood the year before they leave the family home. They find that there remains a significant neighbourhood effect on income, but that the size of the effect is smaller after controlling for family effects. However, Hedman, Manley and van Ham (2019) use a similar study design and instead find that there is no childhood neighbourhood effect, with the entire effect driven by family. While this highlights the uncertainty in the literature, it raises the following question: are the features of families that negatively affect their children's outcomes in part driven by the neighbourhood? This would make family effects a form of secondary neighbourhood effect. While this could be the case, we have not identified a study that tests this hypothesis.

As well as economic outcomes, neighbourhood effects as a child also appear to affect health outcomes, both during childhood and as adults. For example, a systematic review of 30 papers conducted by Visser et al. (2021) identified that the deprivation in a young person's neighbourhood affects their contemporaneous mental health and well-being. In addition, using the MTO and studying children who are in families that had moved 10 to 15 years prior as part of the experiment, Ludwig et al. (2013, discussed above) find statistically significant positive impacts on mental and physical health as a result of a reduction in the neighbourhood poverty rate for girls but not for boys. They provide no hypothesis for why the impact may vary across genders. Considering adult effects, Jivraj et al. (2021, discussed above) find that, in the UK, living in a deprived neighbourhood at age 16 is associated with lower self-reported health between age 33 and 50.

8.2.2 How do neighbourhood effects differ across children?

The academic literature has also considered how effects vary across groups. In particular:

- Do neighbourhood effects depend on when a child moves out of a deprived neighbourhood?
- Do neighbourhood effects depend on a child's characteristics?
- Do neighbourhood effects depend on the size of the neighbourhood?

We discuss each of these in turn below.

The impact of the age at which a child moves

As with adults, there is substantive evidence that the impact of the neighbourhood a child grows up in depends on the length of time they spend in that neighbourhood. Chetty, Hendren and Katz (2016, discussed above) find significant effects on income, college attendance and single parenthood rates for children who move before age 13 but insignificant effects for those moving after 13. They note that 13 is not necessarily a 'critical age', but instead just study above and below age 13. In addition, Chetty and Hendren (2018) find that college attendance rates and income as an adult are increased for every year a child spends in a less deprived neighbourhood. For example, a child growing up in a family at the 25th percentile of the income distribution sees a 0.5% increase in income at age 26 from each year of living in a county with one standard deviation less deprivation; this equates to an improvement of about 10% in income if we consider a 20 year childhood from birth. This finding is supported by a report by Chetty et al. (2024), who find that children in the US who move at older ages see smaller economic and educational benefits from moving out of deprived areas. They suggest that "changes in communities impact children's outcomes in proportion to the time they spend growing up in those environments."

In contrast, rather than all ages being equally important and age having a linear impact on outcomes, there is also evidence that adolescent years are particularly important for the formation of neighbourhood effects for education. For example, Galster and Santiago (2017, discussed above) find that the impact of age depends on the outcome being studied. Whilst occupational prestige does have a linear impact with age (i.e. living in an area with high occupational prestige is more beneficial the longer you live there), lower neighbourhood crime levels have larger positive impacts on educational outcomes when a young person moves as a teen as compared to a younger child. Additionally, Troost, van Ham and Manley (2023) study how the neighbourhood level of poverty a child grows up in during early childhood (age 0-12), adolescence (age 13-17) and across their whole childhood affects their level of education at age 23. They study 140,388 individuals born in 1995 using Netherlands geo-coded longitudinal data. They find a significant negative impact of neighbourhood deprivation on education, with the impact of neighbourhood deprivation being largest during adolescence. Troost, Janssen and van Ham (2022) also study the same outcome variable and measure of neighbourhood deprivation. They reach similar conclusions, but additionally find that cumulative effects of exposure are important too. That is, teenage years are particularly important, but so is the total length of time spent in a deprived neighbourhood.

Overall, it appears that the length of exposure to a deprived neighbourhood is important in determining the size of the neighbourhood effect on individual outcomes. However, the impact

is not necessarily linear and different factors of deprivation and different outcomes may be impacted more or less at specific times. In particular, educational outcomes are highly affected by exposure to deprivation as a teenager: this may be expected since the teenage years are when educational outcomes are realised and decisions about future education are made.

The impact of a child's characteristics

Some of the most recent academic literature has started to study the characteristics that make a child more or less impacted by the neighbourhood around them. Troost, van Ham and Manley (2023, discussed above) find that the poverty rate in a child's neighbourhood does not affect their education levels at age 23 if at least one parent is highly educated, whilst children without a highly educated parent are affected. Parental education therefore acts a protective 'shield' against neighbourhood effects in this case. Also studying the Netherlands, Borgen and Zachrisson (2024) look at the impact of neighbourhood disadvantage (defined using a number of variables such as the share of people on social welfare, share that are in higher education and various income measures) on national 8th grade test results in reading and mathematics. They find that academic potential is the most significant driver of the differing size of neighbourhood effects: students with the lowest and highest academic potentials are less likely to be affected by neighbourhood disadvantage, whilst those in the 20th to 50th percentile of test results see the largest impact. They also find that girls are less likely to see neighbourhood effects than boys, as are children from more educated and affluent families. However, these factors play a much smaller role than academic potential. Hedman et al. (2015, discussed above) find that non-Western immigrant children are impacted even more significantly by neighbourhood effects than Swedes or Western immigrants.

The size of the neighbourhood

As with adults, the literature has studied the impact of varying the size of the neighbourhood studied on the neighbourhood effect. Janssen (2019, discussed above) use buffer zone neighbourhoods and find that the impact of neighbourhood deprivation at age 16 on income at age 30 varies depending on the size of the neighbourhood: the impact on income is larger if a neighbourhood is defined at a smaller spatial scale. For example, at age 30 it can be expected that someone who lived in the poorest neighbourhood rather than the richest neighbourhood at age 16 would lie 22.3 percentiles lower in the income distribution, if the neighbourhood is defined as the nearest 200 neighbours. Using the broadest definition of a neighbourhood, the nearest 204,800 neighbours, the difference is 7.3 percentiles lower. Similar analysis was conducted in Sweden by Andersson, Janssen and Malmberg (2023), who found a smaller impact but a similar pattern. This indicates that different mechanisms exist at different spatial scales and that it is likely that a child is most affected by their closest neighbours.

8.2.3 The potential causes of childhood neighbourhood effects

Building on the hypothesised mechanisms for why neighbourhood effects exist presented in Chapter 7.2, some of the studies presented above have sought to test these. For example,

the evidence supports the theory that peer effects and role models surrounding children lead to these neighbourhood effects. For example, Galster and Santiago (2017) find that 'neighbourhood occupational prestige' affects income even after controlling for an individual's exposure to violent crime and secondary school outcomes (which are also affected by neighbourhood prestige), suggesting a role for local networks and role models in improving outcomes for children. Chetty et al. (2024) find that the employment rates of parents of children in their own grade are most important in influencing children's outcomes, compared to parents in grades above and below. This suggests that social interactions, rather than economic factors like school resources, are a key driver of the neighbourhood effect they identify. Additionally, interviews with caregivers identified that a key benefit from MTO was that their children could benefit from role models of good work habits and soft skill enhancement (Galster and Santiago, 2017). Further studies are needed to determine the role and importance of the other theories hypothesised to cause childhood neighbourhood effects.

8.3 The persistence of neighbourhood effects

As discussed in Chapter 7, when calculating contemporaneous neighbourhood effects, it is important to control for 'sorting': those on low incomes have fewer resources to spend on housing, so they end up in deprived areas where housing costs are lower. However, the IFS's review (van Ham et al., 2022) emphasised that 'sorting' itself is a neighbourhood effect: one effect of living in a deprived area, whether as a child or an adult, is that you are more likely to have a low income and therefore live in deprived neighbourhoods later in your life. They term this the 'vicious cycle' and we refer to it as 'persistence effects'.

In the short-term, deprivation does appear to be 'sticky' and persistent in this way. Nieuwenhuis et al. (2019) find that 60-70% of people in England and Wales lived in neighbourhoods in the same decile of deprivation in 2001 and 2011. This is higher than Estonia, Sweden and the Netherlands, where this figure is between 10% and 50%. Gustafson, Katz, and Österberg (2017) study the metropolitan Sweden area, finding a moderate relationship (correlation of 0.44) between average neighbourhood income at age 16 (when children are likely to live in the family home) and age 32 (when children are likely to have moved out). In Stockholm between 1990 and 2009, van Ham et al. (2014) find that the socioeconomic make-up of the neighbourhood an individual lived in when they left the parental home is closely related to the makeup of their neighbourhood 5, 12 and 18 years later.

Moreover, in the long-term there is some evidence of intergenerational impacts, with children living in neighbourhoods of similar deprivation as their parents. Hedman et al (2017) study three generations of Swedish women and find that neighbourhood deprivation is correlated with the deprivation of the neighbourhood that their mother and grandmother live in. The relationship is stronger between daughters and mothers than daughters and grandmothers (which is as expected since we'd expect individuals to be more similar to their closer relatives). They do not study whether this relationship is causal, but instead show that deprivation between generations is connected. They note that the fact that this relationship occurs in Sweden, a country which is relatively equal in comparison to other countries worldwide,

suggests that the pattern may be even stronger in other countries. Further studies would have to be conducted to understand if this is a wider phenomenon.

Given that the level of neighbourhood deprivation a person experiences appears to be sticky, both within their lifetime and possibly throughout generations, this suggests that neighbourhood effects are likely playing a significant role in outcomes for the most deprived in society.

9 What types of neighbourhood interventions are there?

In previous chapters, we have seen that in the UK and internationally, there are pockets of severe deprivation at the neighbourhood level, and that when this deprivation is clustered in this way, it likely makes everyone in that neighbourhood worse off. In other words, there are 'neighbourhood effects'. This points to the need for an intervention(s) which aims to reduce the level of deprivation, allowing these neighbourhoods to thrive. This chapter looks at the type of neighbourhood interventions that have taken place in the UK and internationally, to understand where they are similar and where they differ, with the aim to select the deep dive case studies explored in Chapter 10.

As explained in Chapter 3, it is clear that there is no one single definition of a neighbourhood intervention. With the term community and neighbourhood often used interchangeably, the wide range of different definitions in the literature is reflected in the variety of names these interventions are given: comprehensive community initiatives (CCI), place-based (or area-based) initiatives, community revitalisation initiatives and community development approaches.

While there are variations in the focus of these different initiatives, they all generally aim to improve the social and/or economic wellbeing of a neighbourhood in different ways. These include upgrading housing, improving social infrastructure, improving community leadership and building the capacity of residents. Informed by Theodos' (2022), neighbourhood interventions within the scope of this report must meet all the following criteria:

1. There must be a targeted neighbourhood or neighbourhoods;
2. There must be local involvement in planning and implementation;
3. Activities, expenditures, and services must be made available above the status quo;
4. There must be a sustained commitment over time (a minimum of three years);
5. The approach must be multifaceted and multi-sectoral (e.g., involves bringing together multiple organisations and / or involves multiple projects within an intervention);
6. Aims to change the target neighbourhood in one or more ways (e.g., poverty alleviation crime reduction, and public health improvements).

We do not include criteria relating to whether the intervention takes a place-based, people-based or a mix of the two approaches. This is because understanding how these different approaches affect the impacts seen and lessons learned is a key outcome of this research.

9.1 What neighbourhood interventions have been performed in England?

In England, the largest and most recent central government-led neighbourhood intervention was the New Deal for Communities (NDC). Launched in 1998, the £2bn scheme targeted 39 deprived areas with investment in neighbourhood-level initiatives (Crisp et al., 2023). The aim was "*to reduce the gaps between the poorest neighbourhoods and the rest of the country*"

(Batty et al., 2010, volume 7). After the scheme completed in 2010, the focus of interventions in England has primarily been towards area-based programmes that do not have a neighbourhood focus. Instead, the attention has generally been on regenerating 'left behind' towns and urban centres (Crisp et al., 2023). These programmes include the Towns Fund, the Levelling Up Fund, Community Ownership Fund, UK Community Renewal Fund and UK Shared Prosperity Fund.

Outside of central government-led neighbourhood interventions, The Big Local programme is the largest third-sector funded neighbourhood intervention to take place since 2010 in England (Crisp et al., 2023). Funded by The National Lottery Community Fund, the programme awarded 150 deprived neighbourhoods which lacked civic assets over £1m of patient, long-term funding over 10-15 years. The objective of the programme was to build capacity in these communities, so that they could better identify local needs, take action, build their skills and confidence, and make their area a better place to live through a variety of locally-run initiatives and projects. Resident-led delegated decision-making was central to this intervention, enabling local partnerships and providing the ability to choose how best to allocate the funds to meet the needs and challenges of their community. Extensive support was provided in the form of coaching, mentoring, networking, consultancy and advice.

These two English interventions have been extensively evaluated, and are well-known to UK policymakers. To build on this foundation, this report also explores neighbourhood interventions that have taken place outside of England, examining their approaches, impacts and lessons learned. The aim is to provide policymakers with an understanding of the interventions and delivery mechanisms that have had most social and economic impact at the neighbourhood level, to inform future policy. To put these non-English interventions into context though, this report includes the NDC as the first deep-dive case study.

9.2 What neighbourhood interventions have been performed outside of England?

As part of our rapid evidence review and in consultation with the ICON research group, we identified a list of 13 neighbourhood interventions that have taken place outside of England.[17] Given the search only included those in the English language, the interventions found were dominated by English-speaking countries (with the exception of Germany, the Netherlands and Sweden). Just under half of these interventions took place in the United States, reflecting the number of different neighbourhood interventions that have taken place there.

Performing an initial review of each intervention revealed the wide range of different approaches to improving deprived neighbourhoods. A number of initiatives took a 'holistic' approach to regeneration, investing in social infrastructure and building the capacity of local residents. These interventions were primarily focussed on improving the community and individuals already living in these areas. This contrasts with other interventions which took a

[17] The full list of interventions considered are outlined in Annex B

mixed-income focus. While these also included social infrastructure investments, the key to these initiatives is demolishing and rebuilding the existing housing stock to attract new individuals to the area. Separate to these initiatives, there were also those which focussed on particular aspects of the neighbourhood, such as child health, employment and housing mobility.

In selecting the case studies to compare to the NDC, a mix of different interventions types across different geographies were sought. In deciding which case studies to select, the following were considered:

- Employment support focussed interventions were not selected, given that an intervention inspired by the JobsPlus programme in the United States (also called JobsPlus) is currently being trialled in England.[18]
- The housing mobility scheme (Creating Moves to Opportunity) was not chosen as it did not meet our criteria, as it focuses on providing support for individuals to leave deprived neighbourhoods rather than aiming to improve those neighbourhoods.
- Where possible, the focus was on international evidence beyond the United States to avoid over-relying on the context of a single country.
- Within the remaining categories, the focus was then on choosing interventions that appeared to have the most robust evaluation evidence.

Based on this, the following five neighbourhood interventions outside of England were selected for the deep-dive case study analysis:

1. **Neighbourhood Renewal Programme (Northern Ireland):** The Neighbourhood Renewal Programme in Northern Ireland, introduced in 2003 under the "People and Place" strategy, targets the 36 most deprived areas across the country. These areas were selected based on the Noble Multiple Deprivation Measure, with the aim of enhancing quality of life for approximately 280,000 residents (about one in six people in Northern Ireland). To plan and implement long-term, locally-driven strategies, Neighbourhood Renewal Partnerships were set up in each targeted area. These were comprised of representatives from political, statutory, voluntary, community, and private sectors.
2. **Atlanta's East Lake Initiative (United States):** The East Lake Initiative in Atlanta, Georgia, is a neighbourhood revitalisation effort led by the East Lake Foundation (ELF) and funded by philanthropist Tom Cousins. It has three pillars: (1) physical development of mixed-income housing, community facilities, and retail development; (2) cradle-to-college education (through Charles R. Drew Charter School); and (3) community wellness supports. By integrating housing, education, and health services, the East Lake Initiative has become a model for neighbourhood transformation in the US, inspiring similar efforts across the country under the Purpose Built Communities network.
3. **Communities for Children (Australia):** The Communities for Children (CfC) initiative is focused on supporting the development of children in 52 disadvantaged communities

[18] https://www.communitiesthatwork.co.uk/our-work/jobs-plus

across Australia. It seeks to enhance community capacity to participate in service delivery and create a more supportive environment for children's growth and development. The CfC model is based on the idea that service effectiveness relies not only on the type and quantity of services but also on how well these services are coordinated. In this model, a lead agency—typically a non-government organization—serves as a broker, engaging the community in setting up and implementing CfC.

4. **Neighbourhoods Alive! (Canada):** The Neighbourhoods Alive! initiative, launched in 2000, is a community-driven strategy aimed at revitalising neighbourhoods in Winnipeg's Major Improvement Areas, as well as central Brandon and the City of Thompson in Manitoba, Canada. It provides targeted funding and support to help communities address challenges related to poverty, housing, employment, and health. Through a suite of funding mechanisms, Neighbourhoods Alive! backs local planning efforts, enhancement projects, economic development, and community support programmes, empowering neighbourhoods to lead their own renewal processes.
5. **Soziale Stadt Programme (Germany):** The Socially Integrative City Programme (Soziale Stadt), launched in 1999 in Germany, is a federal initiative aimed at improving the quality of life in socially and economically disadvantaged urban neighbourhoods. The programme focuses on creating inclusive communities by enhancing social ties and improving physical assets. It operates through collaboration between the federal, state, and local governments and encourages local resident involvement in planning and decision-making. Key areas of investment include upgrading public spaces, supporting local organisations, and intervention which aim to foster social cohesion.

We discuss each of these, plus the NDC, in detail in the following chapter.

10 What interventions and delivery mechanisms have had most social and economic impact at the neighbourhood level?

Understanding the different types of neighbourhood-based interventions, what works and the expected impacts is key to implementing an effective, evidence-based neighbourhood policy in the UK. To help inform this, it is necessary to assess in detail the aims of previous interventions, how and what was delivered, the type and size of impacts that were found, and any success factors and limitations.

We start our case-study deep-dive with the NDC. As the largest neighbourhood intervention to have taken place in England in the last 20 years, this serves as our reference point to compare the five non-English case studies against. With their different approaches, policy focuses, mechanisms of delivery, evaluations and geographical coverage, the remaining case studies provide an indication of the impacts that could be expected to be seen with different models. While these interventions are not based in England, all the interventions are based in OECD countries. Given the similar levels of wealth, we consider the context to be similar enough to perform this analysis.

10.1 Examples of neighbourhood interventions in the UK

10.1.1 New Deal for Communities (England)

Design features	Summary of the New Deal for Communities
Location	39 deprived neighbourhoods across England
Lead implementer	New Deal for Community Partnerships
Neighbourhood boundary/definition	Areas falling within the bottom three deciles of the Index of Multiple Deprivation (IMD), comprising up to 4,000 households. Boundaries were locally determined and did not necessarily align with administrative boundaries.
Start and end year	1998-2010
Amount of funding	£1.71 billion (from UK Government)
Emphasis of approach	Holistic approach aimed at improving the most deprived neighbourhoods, focused on reducing unemployment and crime, and improving health, education, and housing

Overview of the intervention

The New Deal for Communities (NDC) was an intervention carried out between 1998-2010 in England as part of the National Strategy for Neighbourhood Renewal (NSNR) (SEU, 1998). It aimed to transform 39 deprived neighbourhoods across six outcomes**:** three place-related outcomes (crime, community, housing and the physical environment (HPE)) and three people-related outcomes (education, health, and worklessness). With each neighbourhood accommodating 9,900 people on average (ranging from 4,800 in Plymouth to roughly 21,400 in Hackney), the NDC partnerships implemented local regeneration schemes each funded by an average of £50m. Each NDC partnership consisted primarily of agency and community representatives. The programme sought to address economic inequalities and 'close the gaps' between the most deprived neighbourhoods and the rest of the country (Fordham, 2010).

In 1998, the Department for the Environment, Transport and the Regions (DETR) invited 17 local authorities to submit bids for NDC funding, followed by an additional 21 in 1999.[19] The selection of local authority districts was primarily based on deprivation indices, while the choice of specific neighbourhoods within these districts was left to local discretion. The criteria for selecting neighbourhoods in each eligible area varied locally, but were broadly as follows (Department for Communities and Local Government, 2015):

- Each area was to select one deprived neighbourhood, with Birmingham being the exception, as it was allocated two.
- The selected neighbourhood should consist of between 1,000 and 4,000 households.
- The neighbourhood must have the backing of all segments of the local community.

In some areas, such as Norwich, options for selecting suitably deprived neighbourhoods based on these criteria were relatively limited. Conversely, in districts like Tower Hamlets, almost any neighbourhood could meet the criteria. In certain cases, prior patterns of regeneration funding influenced the selection process. For instance, in Newham, areas like West Ham and Plaistow were prioritised as they had not previously benefited from regeneration funding and were considered next in line for support (Fordham, 2010). Regardless of the method of selection, successful bids were required to demonstrate that a NDC community-based partnership was leading the initiative. The evaluation does not definitively confirm that the neighbourhoods selected for funding were always the most deprived within their respective local authority areas. Given that the selection of specific neighbourhoods was determined locally, it is likely that other factors, such as political considerations, historical funding patterns, or strategic priorities, influenced these decisions. This raises the possibility that while funding was directed to deprived local authorities, it may not have always targeted the most deprived neighbourhoods within those authorities.

[19] As Birmingham had two neighbourhoods, this brings the total to 39 neighbourhoods.

NDC supported a range of people-related and place-related interventions based on neighbourhood specific needs and challenges.

The 39 NDC partnerships spent a total of £1.71bn on some 6,900 projects or interventions (Batty et al, 2010, volume 7). These interventions varied based on the specific needs and challenges of the neighbourhoods but broadly included the following types:

- **Reducing crime and community safety:** Efforts to reduce crime included an enhanced police service and neighbourhood warden schemes, and improving physical environment and public spaces.
- **Housing and the physical environment:** The NDC improved living conditions by supporting the modernisation of social housing, accessibility and energy efficiency improvements, cleaning up public spaces, demolishing properties to release land for the creation of new housing or community services.
- **Worklessness:** The NDC programme tackled worklessness with neighbourhood-based job brokerage and Information and Guidance (IAG) for individuals seeking work, one-stop career advice centres, local training opportunities, and employment liaison officers. It provided personalised support, accessible community facilities, and holistic services to address residents' diverse needs and connect them with local job opportunities.
- **Education:** Many of the educational interventions were designed to increase attainment, including additional after-school activities, family support and events, day care facilities, and establishing relationships with local schools.
- **Health**: Key initiatives across NDC areas included exercise referral schemes, services for vulnerable populations (e.g., drug and alcohol support, winter warmth), intensive school-based family support, childhood obesity programmes, food co-ops, and mental health schemes. These efforts focused on addressing local health challenges and promoting community well-being.
- **Community engagement and cohesion:** The NDC strengthened community engagement by involving resident representations on partnership boards, hosting forums and meetings to involve the broader community. Various communication methods were used to keep residents updated on plans and activities, with teams established that were dedicated to community engagement and participation. Training was also provided to residents and agency representatives.

The delivery of the NDC Programme was implemented through locally-based partnerships.

A key aspect of the NDC Programme was its implementation through the creation of locally-based, semi-autonomous partnerships tasked with coordinating and managing delivery at the local level. These new regeneration agencies, i.e. the NDC partnerships, operated at arm's length from the parent local authority, with the intention of enabling local communities to have greater input into partnership strategies and fostering increased engagement from other public sector agencies. The NDC partnerships set ambitious 10-year targets, with these targets outlined in delivery plans that specified key issues, strategies, outcome goals, and spending

profiles. The central government and the Government Offices for the Regions established a broad framework for implementing the programme, approved annual delivery plans, and offered support and expert guidance. However, Partnerships were granted a level of autonomy to develop and execute locally tailored strategies that addressed the unique needs of their neighbourhoods. Partnerships aimed to reflect residents views through community feedback mechanisms. Examples include: Hartlepool NDC's Community Housing Plan, developed through two years of intensive resident consultation; Lambeth NDC's education programme shaped by community input; and Knowsley NDC's wide-ranging community involvement in housing, from communication and consultation to direct participation and delegation (Batty et al, 2010, volume 2).

In most cases, authority for the NDC partnership was held by a **board** which included a mix of local residents and representatives from key service agencies such as local authorities, police and Primary Care Trusts (PCT). Additionally, most partnerships featured theme and/or working groups, accountable to the board, tasked with developing thematic strategies and commissioning projects. The NDC Programme was designed to be resident-led, a principle evident in the composition of NDC partnership boards. According to the 2008 partnership survey, residents formed the majority on 26 out of 37 boards, while in another five cases, they accounted for 50% of board membership (Foden and Pearson, 2009).

Resident representatives on NDC boards were typically among the better-educated, employed (or retired), and older members of NDC communities, often with prior experience in community roles. However, serving on an NDC board appeared to have the greatest impact on individuals outside these groups, such as improving work-related skills for non-white participants and boosting confidence among those from working-class backgrounds (Fordham, 2010). While agency representatives were appointed to NDC boards by their respective organisations, partnerships needed to establish a process for selecting community representatives. Nearly all partnerships (37 out of 39) opted to use elections to appoint residents to the board at some point during the Programme's duration. NDC partnerships differed in the frequency of elections (ranging from annual to every three years), as well as in the specific methods used and voter turnout levels.

Elections in NDC partnerships provided accountability, enhanced board members' legitimacy, and attracted new resident participants, but they were also costly and time-consuming, often leading to a loss of experience and slower delivery during transitions. By 2008, several partnerships had begun exploring alternative methods, such as nominations from community groups or open recruitment with interviews, to streamline the process. By 2008, each NDC partnership board typically included representatives from different delivery agencies, including the relevant local authority, education authority, Primary Care Trust, police force, Job Centre Plus. They had also established relationships with their parent local authority.

Engaging the community in decision making and NDC activities

In the context of the NDC, community engagement and cohesion were regarded both as outcomes in their own right and as mechanisms to drive change.

- **Community cohesion as an outcome:** Building community cohesion was a targeted outcome of the NDC Programme. Achieving greater community cohesion was seen as an essential outcome for the long-term sustainability of the neighbourhoods.
- **Community engagement as a mechanism:** The NDC Programme emphasised the importance of involving residents in the regeneration process. By fostering active participation, the programme aimed to ensure that interventions were responsive to local needs and had community support.

There were variations in the extent of resident involvement in NDC partnerships, with only a relatively small proportion of residents actively participating in **formal decision-making** and resource allocation processes. However, across all NDC partnerships, efforts to involve residents extended beyond engaging in decision-making processes. Community forums and events played a key role in connecting with the broader population, and promoting cohesion by uniting diverse groups. Some forums targeted specific groups, such as young people, the elderly, and Gypsies and Travellers, as seen in the Walsall NDC area, while others brought together various community groups across entire neighbourhoods. Therefore, a variety of approaches have been employed to actively involve residents and enhance the capacity of the local community, including:

- Informing residents via newsletters, websites, videos, and radio, often with their involvement.
- Creating forums and representation structures, including board and task group roles.
- Supporting residents to represent NDC areas in broader networks and partnerships.
- Engaging locals to showcase NDC work in workshops, visitor tours, and ministerial meetings.
- Developing strategies for themes like equalities and cohesion.
- Facilitating collaboration between residents and agency representatives in thematic or neighbourhood groups.
- Partnering with organisations to promote community engagement and coordinated efforts.
- Launching resident-managed projects like community gardens and allotments.
- Establishing new facilities for local activities and asset management.
- Involving residents in project delivery, such as peer education on health, education, and substance misuse.

These initiatives attracted broader participation than formal NDC structures. The evaluation notes that there is no indication of NDC areas having an “untapped reserve of residents” who were eager to participate but unable to do so (Batty et al, 2010, Volume 2). Household survey data indicated that over 50% of participants had attended sponsored events or festivals organised as part of NDC activities, with the actual figure likely higher since not all attendees associated the events with NDC partnerships. These events aimed to share information and update residents on partnership activities, fostering community engagement. However, there is no evidence to determine how much participation in such events influenced local programmes or led to involvement in other NDC initiatives.

Between 2002 and 2008, resident involvement increased across all NDC areas, peaking around the middle of the programme. By 2004, involvement had risen by three percentage points, with another similar increase by 2006. However, there was a slight decline between 2006 and 2008. This pattern suggests that community engagement tends to peak once participation structures are established and programme delivery is at its most active. Engagement often declines later, as resources are allocated and the focus shifts to succession and sustainability. An observer from the Manchester NDC area noted that the peak years for community engagement were 3 to 5, as residents were most engaged while addressing pressing issues, which naturally subsided as problems were resolved.

Funding

Between 1999-2000 and 2007-08, the 39 NDC partnerships spent a total of £1.71bn on 6,900 projects or interventions (Baatty et al, 2010, volume 2). Alongside the £1.71 billion in funding provided by CLG for the NDC Programme, additional matched funding totalling £0.81 billion was secured from public, private, and voluntary sources. The public sector matched funding, totalling £0.52 million, was primarily provided by local authorities (32%), followed by other sources[20] (24%), Regional Development Agencies (9%), European funds (8%), the Lottery (6%), and the police (4%). The evaluation does not explicitly state that matched funding was a specific objective of the programme.

The evaluation employed a mixed-methods approach to assess the programme's impact.

The evaluation assessed the programme's delivery, impact, and value for money by integrating analysis of administrative data and household surveys from the 39 NDC areas and bespoke comparator areas, alongside partnership-level surveys and case study analyses. The evaluation of the NDC initiative consists of seven reports, each focusing on different aspects of the programme's implementation, outcomes, and lessons learned.

Between 2002 and 2008, NDC areas saw an improvement in 32 of 36 core indicators spanning crime, education, health, worklessness, community and housing and the physical environment (Batty et al, 2010, volume 7). NDC areas were compared to changes observed in three other geographical contexts: national trends, parent local authority districts (LADs), and other similarly deprived areas.

- Compared to **national benchmarks**, NDC areas showed greater improvement in 18 out of 24 indicators. The most notable relative improvements were in residents' perceptions that the area had improved over the past two years (18% improvement relative to national) and their overall satisfaction with the neighbourhood.

[20] The "other" category encompassed contributions from organisations such as English Partnerships, the Safer and Stronger Communities Fund (SSCF), the Environment Agency, Housing Market Renewal (HMR), English Heritage, the Countryside Commission, Sport England, etc.

- Against their **parent local authorities**, NDC areas achieved greater positive change in 10 of 13 indicators, with particularly notable gains in reducing burglary rates and improving all three levels of Key Stage educational attainment. While parent LADs experienced greater absolute changes in house prices, NDC areas had a higher relative increase, with house prices rising by 69% compared to 60% in the LADs.
- When compared to similarly **deprived comparator areas**, NDC areas outperformed in 21 of 34 indicators overall, including 11 of the 13 indicators with statistically significant changes. The most significant relative improvement was seen in perceptions of lawlessness and dereliction, which reflect views on various minor crimes and environmental conditions.
    - The findings were also notably positive regarding improvements in local residents' mental wellbeing. A differences-in-differences analysis revealed that the SF36 mental health index in NDC areas rose by 7 percentage points compared to similarly deprived comparator areas between 2002 and 2008.
    - Additionally, the same analysis showed that the NDC programme increased the likelihood of individuals participating in education or training within the past year by 4 percentage points compared to the comparison group over the same timeframe.

Findings from the national evaluation indicate that place-related outcomes experienced relatively greater positive change compared to people-related outcomes. This is potentially explained by the following factors:

- **Wider reach and visibility:** Place-based interventions, such as environmental improvements or neighbourhood wardens, impacted a large proportion of residents and were more easily recognised in surveys. These projects directly improved perceptions of the local area and the role of partnerships.
- **Scale of people-based interventions:** Many people-related initiatives, like job training or healthy living programmes, do not target a large group of people (so impacts are more challenging to detect at the aggregate level). Additionally, their impacts, such as moving off benefits or improved health, often required longer timescales to materialise.
- **Mobility of outcomes:** Benefits from people-related interventions, such as skills gained through training, were more likely to be "mobile." Residents who benefitted might leave the area, taking the outcomes with them. Conversely, place-based improvements remain in the community. The evaluation states however that they cannot be definitive about whether and why residents left the area, and caution against assuming that an increase to skills and income would lead to this occurring. They point to research into local worklessness in NDC areas which indicates that much of the effort of the NDC was targeting individuals who are furthest from the labour market, who are less likely to leave.

The evaluation examines the factors that lead to varying levels of change across different NDC areas

Volume 5 of the evaluation focuses on varying levels of change in NDCs areas (Beatty et al, 2010, volume 5). In terms of **partnership characteristics**, the analysis reveals that NDC

partnerships with larger boards, a higher proportion of resident board members, and more extensive agency representation tend to achieve more positive outcomes. Specifically, these partnerships see improvements in the proportion of residents who believe their local NDC has enhanced the area. Additionally, partnerships that engage with a greater number of agencies often see broader transformations across the three key place-related outcomes: crime reduction, community cohesion, and improvements to housing and the physical environment (HPE). These findings suggest that these partnership structures are instrumental in driving change.

At the **area level**, the evaluation identifies distinct challenges faced by NDC areas classified as "stable and homogenous". These areas, typically peripheral, predominantly white housing estates located in smaller non-core cities, show less progress in people-related outcomes such as worklessness, education, and health. Peripheral housing estates, often originally designed as single-tenure public housing, are generally less equipped to drive positive changes than NDC areas in inner-city locations. Structural disadvantages, including limited local job opportunities, inadequate public services, restricted mobility, and cultural resistance to change, further hinder progress in these areas. While these areas may warrant prioritisation due to their lower rates of transformation, they are also likely to experience more modest changes over time.

The evaluation also highlights a positive relationship between **population size** and positive change. NDC areas with larger populations tend to see greater improvements particularly in people-related outcomes, including reductions in worklessness and advancements in education and health. Larger populations are likely to attract more investment and engagement from service providers, as delivering services to a greater number of residents is often more cost-effective. Additionally, larger populations may also provide greater opportunities to capture changes in outcomes. With more individuals, there is a higher likelihood of observing significant shifts compared to areas with smaller populations.

The 10 NDC areas demonstrating the most positive transformations share several notable characteristics. These include a significant increase in resident involvement in NDC activities, lower per-capita spending on education and administrative costs but higher investment in health, and more ethnically diverse populations. Additionally, these areas have higher proportions of residents in social housing (as of 2002), larger and growing populations, and greater availability of jobs per capita within the Local Authority District. These factors collectively contribute to their relative success in achieving transformative change.

In the long-term, the NDC programme led to significant reductions in the deprivation, primarily in the living environment domain. Areas with strong civic assets and engaged communities were most successful at maintaining the benefits from the NDC

Recent analysis published by UK Onward evaluates the evolving nature of deprivation in areas covered by the NDC programme between 2004 and 2019 (Tanner et al., 2021). The methodology focuses on changes across the seven domains of the Index of Multiple Deprivation (IMD), including living environment, health, employment, and housing. However,

the findings explicitly acknowledge that external influences - both measurable and unmeasurable - played a role in affecting IMD rankings, and the analysis does not establish a direct causal relationship between the NDC programme and observed changes.

Between 2004 and 2019, among the 39 local areas involved, 30 (77%) experienced a reduction in IMD levels relative to the national average, with 20 (51%) seeing deprivation decline at a faster rate than their surrounding local authority. However, the pace of improvement slowed after the programme concluded in 2011. More than half (54%) of the areas that had shown improvement relative to their local authority subsequently experienced a decline post-2010. The deceleration in progress after 2011 suggests that some benefits were not fully sustained without ongoing support.

The analysis reveals **significant variation in outcomes across neighbourhoods**, with some areas achieving better results than others in their IMD rankings. To understand the drivers of these changes, the study **highlights specific IMD domains as key areas which led to improvement or stagnation**. The most significant progress was seen in **the Living Environment domain**, which measures indoor and outdoor living conditions, including factors such as air quality, housing quality, and pedestrian road traffic accidents. NDC areas outperformed their local authorities by an average of 18% in this domain over the evaluation period.

Conversely, NDC neighbourhoods experienced worsening of the **Barriers to Housing and Services** domain over time. This domain captures challenges such as distance to essential services (e.g., primary schools, GP surgeries, post offices, supermarkets), as well as housing issues like overcrowding, homelessness, and affordability. These persistent barriers have acted as a drag on overall improvements in deprivation rankings. On average, ranks fell by 190 places and relative scores decreased by 4 percentage points between 2004 and 2019.

Improvements in the **Crime** domain were mixed. Of the 28 NDC wards that saw improvements in crime rankings between 2004 and 2010, more than half maintained progress post-2010. The **Health and Disability** domain, encompassing factors such as life expectancy, morbidity, and mental health, showed limited improvement. During the programme's lifetime, slightly more areas (16) fell further behind their local authority averages than those that improved. However, 70% of areas that achieved gains during the programme maintained those improvements post-2010. While most NDC areas improved their average rank in the **Education and Skills** domain, in nearly half of the cases, these improvements were outpaced by neighbouring areas. This highlights the uneven progress in educational outcomes.

Further analysis using Local Trust's Community Needs Index (CNI) shed light on the factors contributing to these variations. The analysis reveals key factors driving differences in changes to deprivation across NDC areas between 2004 and 2019, with a strong emphasis on the importance of community engagement and social infrastructure over physical connectivity. The main findings were as follows:

- **Civic assets correlate with rank improvements:** Strong civic assets, such as local organisations and spaces for community activities, are closely associated with reductions in deprivation.
- **Engaged communities as the strongest predictor of improvement:** The analysis demonstrates that NDC areas with higher levels of community activity, participation, and civic engagement tended to experience the greatest improvements in their IMD rankings.
- **Weak link between connectivity and deprivation changes:** There was a weak statistical relationship between an area's connectivity, whether digital or physical, and changes in IMD rankings. This finding may indicate that despite the political emphasis on enhancing connectivity, it has not been a significant driver of improvements in left-behind neighbourhoods. For example, Leicester saw negligible changes in deprivation despite ranking in the 60th percentile for connectivity.

In summary, areas with highly engaged communities and robust civic assets showed greater progress, while those lacking these elements struggled to sustain improvements. The findings align with broader analyses, such as those by Local Trust and OCSI, which identify a lack of community spaces, disengaged communities, and weak social infrastructure as critical factors in 'left-behind' neighbourhoods (Local Trust and OCSI, 2019). This highlights the need for regeneration policies to prioritise nurturing the social fabric of neighbourhoods and community networks alongside economic interventions.

Value for money

The evaluation of the New Deal for Communities (NDC) Programme employed two methods to monetise its net outcomes (Beatty et al, 2010, volume 6):

- **Shadow Pricing:** This innovative approach estimated unit values for core indicators and was the first time this was used in an area-based initiative evaluation. It aimed to value non-market benefits such as mental health improvements and satisfaction with the area.
- **Benefit Transfer:** Where appropriate, monetary values from other studies were applied to the outcomes observed in the NDC Programme.

The outcomes were assessed using two models over the period 2002-2008:

- **Option 1:** This model used all significant people-related benefits (education, worklessness, health) but only "satisfaction with the area" as a proxy for all place-related benefits. It estimated the monetised net additional outcomes at £8.69 billion, with a **Benefit-Cost Ratio (BCR) of 5.08.**
- **Option 2:** This model uses all people-related benefits as Option 1, but substituted other significant place-related indicators – such as problems with environment index or lawlessness and dereliction index – for "satisfaction with the area," yielding an estimate of £5.36 billion in net additional outcomes and a **BCR of 3.13.**

According to the Department for Transport's Transport Appraisal Guidance, Benefit-Cost Ratios (BCRs) between 1.5 and 2 are classified as providing medium value for money, with

BCRs exceeding 2 considered high value for money. Based on these criteria, the NDC Programme can be deemed to have delivered high value for money.

Lessons learnt

Key success factors:

- **Partnership model:** Following early difficulties around creating new organisational structures, high staff turnover, and difficulties in developing monitoring systems, the majority of the 39 partnerships developed into effective organisations. Over time, their boards evolved, strengthening collaboration between community members and agency representatives. Overall, NDC partnerships established strong relationships with their key "neighbourhood delivery" allies, particularly the police. Partnership working under NDC generated significant benefits, including closer engagement between senior public agency representatives and disadvantaged areas, improved inter-agency collaboration, the scaling of successful interventions beyond NDC areas.
  - The number of resident members, agencies represented on boards, and the overall size of the boards are all positively associated with whether residents think their local NDC has improved the area. The evaluation notes that this is perhaps because having more representatives on boards may enhance communication between delivery agencies and local residents, while also helping agencies allocate resources to interventions that align with community priorities.
  - The evaluation also presents clear evidence of a positive relationship between the extent of engagement with other partners and outcome change. For example, the number of agencies with which NDC partnerships engaged account for 25% of the variation in the three place-based outcomes (crime, community, and housing and the physical environment).
- **Multi-dimensional approach:** The NDC Programme was designed as a holistic set of interventions aimed at addressing multiple disadvantage. This approach was based on the assumption that these outcomes would produce mutually reinforcing benefits; for example, enhancing educational attainment could help reduce crime and anti-social behaviour, while improving housing conditions could lead to better health outcomes. Evaluation evidence supports this holistic approach, showing that improvements in one outcome often correlate with progress in others. However, as outlined in the challenges section, there is a weak negative correlation between higher levels of educational spending and changes in outcomes.
- **Community involvement:** The community aspect was a core focus of the NDC, with most stakeholders interviewed believing it had delivered genuine benefits, including identifying needs in an area and building local capacity. More community representation on boards generally led to more positive outcomes, including on positive perceptions of the area. The programme was also linked with better outcomes for individual residents who participated in NDC activities. The UK onward analysis of IMD domains implies that community engagement was also important for sustaining outcomes beyond 2010. NDC

partners that effectively engaged the local community demonstrated several common practices that contributed to their success:

- Defining community engagement: Regeneration schemes clearly established the community's role, whether through consultation, involvement, engagement, empowerment, or project delivery, ensuring clarity and alignment with programme objectives.
- Managing expectations: The importance of setting realistic expectations was widely recognised. This helped mitigate the risk of residents overestimating the speed of project implementation or the equitable distribution of benefits.
- Effective communication: Reliable and informative communication channels were developed, which proved essential in building trust, fostering understanding, and maintaining strong connections with residents.
- Engaging marginalised groups: Innovative strategies, such as peer-to-peer outreach, successfully addressed traditional challenges in involving underrepresented groups, including businesses and young people.
- Building community capacity: Recognising the need for sustainability, NDC partners provided training and development for community representatives to ensure their capacity extended beyond the funding period.
- Defining needs and validating proposals: Communities are particularly effective in identifying local needs and assessing the additional value of proposals from delivery agencies, though they may be less suited to direct project management.

Challenges

- **Neighbourhood boundaries:** Defining "natural" neighbourhood boundaries recognisable to residents proved difficult, complicating strategy development. NDC partnerships were given the flexibility to define their own boundaries to establish manageable and cohesive neighbourhoods that could foster a sense of community. However, this approach often fell short, as many NDC areas encompassed multiple distinct communities with little shared identity, requiring substantial efforts to build cohesion. For instance, in Newcastle, the fragmented NDC area spanned 13 neighbourhoods, complicating the development of a unified community. Nevertheless, initiatives such as an annual Lantern festival have helped create some connections between sub-neighbourhoods. Furthermore, misalignment between NDC boundaries and natural or administrative divisions posed challenges for data collection and service delivery, as agencies struggled to provide relevant information.
- **Absence of a development year:** A key aspect of the NDC partnerships' autonomy was their governance by boards designed to represent local communities and involve key public agencies. However, one of the most notable insights from reviewing the NDC Programme model is the underestimation of the scale of effort needed to establish a new organisation from scratch. In retrospect, a development year would have been beneficial, dedicated exclusively to foundational tasks, such as hiring the right personnel, implementing effective management systems, and establishing mechanisms for

meaningful community involvement. Additionally, it is crucial to introduce robust appraisal and evaluation systems from the outset. These systems play a key role in selecting the most effective interventions, identifying successes and failures, and contributing to the broader evidence base.

- **Challenges in community engagement:** Significant effort was invested in community capacity building and fostering engagement, but the evaluation revealed uncertainties about whether the levels of investment were proportionate or effective. This includes the challenge of ensuring that resident involvement is integrated into mainstream service delivery, rather than being confined to regeneration programmes. One critical issue was whether the levels of community engagement achieved during the programme could be sustained once funding concluded. While NDC partnerships effectively connected agencies with local communities, doubts remained about whether mainstream agencies, such as local councils and police, would continue to prioritise resident involvement without the programme's structure.
- **Unclear what engagement methods were most effective:** NDC partnerships have actively promoted resident participation. However, the evaluation lacks sufficient evidence to confirm that this level of investment is essential. Future programmes may benefit from adopting a more systematic approach to evaluating the outcomes of different engagement initiatives.
- **Lack of effective data:** The NDC partnerships set ambitious 10-year targets, although these were often based on incomplete baseline data, constrained by the lack of robust neighbourhood statistics and the unreliability of household surveys at the time. It is unclear from the evaluation whether this poor data led to unrealistic targets being set, a misalignment with the needs of the community, or an over- or under-estimation of the resources required to achieve desired outcomes.
- **Timeline limitations:** The NDC Programme's 10-year timeframe is one of the longest in England's regeneration history. Nonetheless, many partnerships felt that additional time would be necessary to fully transform the severely deprived areas. The evaluation notes that, for certain areas, it was unrealistic to expect that 'transformational' change could have been achieved within a 10-year timeframe. Therefore, some NDC partnerships began developing succession strategies. Research undertaken in 2008 as part of the evaluation study examined the motivations behind these strategies, identifying several key objectives:
  - **Sustaining programme benefits:** ensuring that the positive impacts of the NDC programme endure by embedding successful local approaches, maintaining a culture of partnership working, and continuing specific interventions or activities that have delivered positive outcomes for residents. NDC partnerships implemented succession strategies to maintain activities after Programme funding ended. These strategies involved establishing successor organisations, developing independent income streams, and working with delivery agencies to secure ongoing financial support from mainstream funding sources after the conclusion of the NDC Programme.

- **Completing unfinished business:** addressing issues where progress was insufficient during the programme or continuing initiatives that would not be completed before the programme ended, such as major housing developments. This also includes recognising the need for ongoing efforts to tackle persistent multiple deprivation and narrow the gap with other areas.
- **Sustaining community involvement:** preserving the engagement of residents and local communities, which was central to the NDC programme's success and highly valued by both communities and partners.
- **Responding to new challenges:** building capacity to address emerging challenges and opportunities in the field of regeneration.

- The evaluation notes that partnerships were generally optimistic about their ability to sustain activities after Programme funding ends. However, doubts remained about the effectiveness of succession strategies, largely due to the constraints on public expenditure across all sectors.
- **Ambiguity on the definition of a community-led model:** Ambiguities surrounding the concept of "community leadership" led to tensions within the Programme. Early messaging, such as "it's your money," was meant to emphasise the community's influence within the framework of public accountability. However, some community representatives misunderstood this as granting complete control, creating confusion about the need for appraisals, monitoring, and financial reporting.
- **Limited impact on education:** Education has been a particularly challenging area for NDC partnerships to influence, with some evidence, though limited, suggesting a weak negative correlation between higher spending levels and overall change. The evaluation notes that this may be due to the focus of interventions, as much of the effort in this area has been centred on collaboration with schools. However, evidence suggests that these efforts have not been the most effective in improving educational attainment for children in deprived areas. NDC partnerships faced challenges in establishing cooperative relationships with schools, especially at the secondary level. Future area-based initiatives (ABIs) could make a greater impact by promoting increased and enhanced parental involvement in education, particularly by encouraging support for learning at home. Allocating resources to out-of-school activities could also be a valuable strategy for effectively reaching pupils from highly deprived backgrounds. To effectively include education in similar ABIs in the future, greater focus is needed on identifying strategies that work at the neighbourhood level.
- **Spatial targeting:** Prioritising areas for regeneration investment involves balancing two potentially conflicting goals: focusing on the most deprived areas while also prioritising those with greater potential for change. Lower rates of progress across the 39 NDC areas were particularly notable in stable, homogenous, predominantly "White" peripheral estates on the edge of non-core cities. This was particularly the case for people-related outcomes. Peripheral housing estates, often initially developed as single-tenure public-sector schemes, appear less well-positioned to achieve positive change compared to NDC areas in more inner-city locations (Beatty et al, Volume 5, 2010). These estates often face challenges such as fewer local job opportunities, inadequate public services, limited

mobility, and cultural attitudes that may be less open to change. As a result, these peripheral, former public housing estates represent the kinds of areas that regeneration policies may aim to prioritise in the future. These barriers hindered the ability of regeneration initiatives to achieve transformative outcomes in these areas, compared to inner-city locations with potentially more favourable starting conditions.

Policy recommendations

Overall, **the NDC programme can be considered successful**. Partnerships oversaw significant positive changes across the 39 areas, leading to notable improvements in residents' perceptions of their neighbourhoods, local environments, and partnerships. The gaps between NDC areas and both national and comparator areas narrowed, particularly for place-based outcomes. Value-for-money assessments indicate that the monetisable **benefits attributable to the programme exceed its costs**.

Based on this intervention and the evidence reviewed, we have outlined the following policy recommendations which are informed by both the findings of the evaluation and our own interpretation of the evidence.

The role of the community:

- **Invest in community capacity and civic assets:** Building the capacity of community participants and fostering robust civic assets is essential for achieving sustainable, long-term impacts in neighbourhood initiatives. NDC areas with higher levels of an "Active and Engaged Community"21 showed a strong correlation with improvements in overall Indices of Multiple Deprivation (IMD) scores within NDC areas (Tanner et al., 2021).22 This highlights the critical role of relationships and social norms in shaping and strengthening the local social fabric, suggesting that future policy should prioritise investments in community engagement and civic infrastructure alongside economic development initiatives to enhance their effect.
- **Clarify community leadership roles:** Clearly define the scope of community leadership and decision-making authority within programme frameworks. Future initiatives should establish transparent guidelines that explicitly outline the extent to which communities can influence funding allocation and decision-making processes, ensuring alignment with public accountability requirements. This includes clear communication about the roles of appraisals, monitoring, and financial reporting to prevent misunderstandings and foster productive collaboration between community representatives and programme administrators. While it appears that communities are effective at identifying local needs, they may be less suited to project delivery.

[21] The indicator is derived from data from Local Trust and OCSI's 'Community Needs Index'

[22] It is important to note that the IMD was employed in this analysis due to its availability as a consistent metric over time. This does not indicate that IMD should serve as the primary metric to target neighbourhood policy.

- **Adopt systematic evaluation of participation initiatives:** Develop and implement a structured framework to assess the outcomes of different resident engagement efforts to understand which strategies work best.

Approach to defining neighbourhoods:

- **Consult on neighbourhood boundaries:** Ensure that neighbourhood selection for regeneration programmes involves thorough consultation with local residents and stakeholders before committing to an intervention. Local authorities should cross-check proposed impact areas with the lived experiences of residents to confirm that boundaries align with natural or socially cohesive neighbourhoods. This would help avoid the pitfalls experienced in some NDC areas, where boundaries were determined without sufficient input, resulting in fragmented communities and challenges in building cohesion.
- **Balance resident-led and practical boundaries:** Recognise the trade-off between resident-defined boundaries and the practical considerations necessary for effective service delivery and data collection. While it is important to respect community perspectives to foster a sense of ownership and identity, boundaries must also ideally align with administrative divisions and service delivery frameworks to ensure that agencies can efficiently support the area and provide relevant information. Establishing clear criteria that consider both community identity and practical functionality can mitigate these challenges.
- **Strategic community engagement:** Effective engagement is essential for successful regeneration programmes, but requires clarity on roles and expectations, robust communication channels, inclusion of marginalised groups, and a focus on capacity building to sustain long-term impact.

Types of interventions to perform:

- **Adopt a multi-dimensional approach:** Addressing overlapping areas of deprivations (e.g., education, housing, health, and crime) requires simultaneous interventions across each of the areas of impact. Progress in one can drive improvements in others, achieving greater impact. However, the evaluation highlights certain limitations to this approach, particularly in areas like education. Despite significant investments in improving educational outcomes under the New Deal for Communities programme, progress was mixed. This suggests that multi-dimensional interventions must be carefully designed to address the specific challenges with improving educational attainment in this way.
- **Integrate neighbourhoods into the broader economy:** The most effectively addressed issues at the neighbourhood level appear to be crime, the environment, community development, housing management, and public health, as these services interact directly with users at the local level. However, initiatives such as business development and employment programmes require integration with broader spatial scales. Therefore, neighbourhood policies appear instrumental in addressing localised issues and strengthening community cohesion, but their ability to influence broader economic indicators is limited. Additionally, the NDC evaluation showed that regeneration initiatives

had less impact on peripheral housing estates compared to inner-city areas. These estates often faced entrenched challenges, including fewer local job opportunities, inadequate public services, limited mobility, and cultural attitudes less open to change. To address these challenges and ensure more equitable outcomes, it is essential to:

- Connect peripheral neighbourhoods to the broader labour market and wider economy by improving transport links, enhancing accessibility, and fostering local job opportunities.
- Strengthen public services in these areas to create a supportive foundation for sustainable development.
- Demonstrate the tangible benefits of regeneration initiatives to shift cultural attitudes and encourage greater community engagement and openness to change.

Programme design features:

- **Provide funding over the long-term:** Ensuring that funding is provided over the long-term (10+years) is essential to maintaining existing benefits and continuing the work to tackle long-term deprivation.
- **Plan for long-term sustainability:** Incorporate succession strategies from the outset of programmes to ensure the sustainability of long-term benefits. Embedding succession planning early on can help maintain progress, build capacity within communities, and secure lasting impacts beyond the programme's lifespan.
- **Adopt partnership models:** There is evidence that partnership approaches effectively coordinate resources, strengthen inter-agency collaboration, and improve outcomes. For instance, the number of agencies with which NDC partnerships engaged with accounted for 25% of observed variation in place-based outcomes, showing their significant impact.
- **Allow time to build foundations:** Future programmes should dedicate an initial year to building organisational foundations, including hiring staff, establishing management systems, engaging the community, developing appraisal processes, and collecting baseline data for evaluation. This ensures readiness and long-term success.
- **Evaluating people-vs place related outcomes:** To accurately assess the long-term impacts of neighbourhood regeneration programmes, evaluations must incorporate both individual and area-based measures. The mobility of outcomes—where benefits from people-related interventions, such as skills gained through training, may leave the area along with residents—presents unique challenges in measuring programme success. While place-based improvements, such as enhanced infrastructure, remain in the community, the evaluation highlights the difficulty in definitively determining whether and why residents leave regenerated neighbourhoods. Moreover, it cautions against assuming that increases in skills and income necessarily result in out-migration. Future evaluations should adopt frameworks that track both types of outcomes comprehensively. For individual-based measures, longitudinal tracking of programme participants can provide insights into how interventions influence personal trajectories, such as employment, education, and health. For area-based measures, capturing changes in the

broader community, such as economic activity, housing quality, and social cohesion, ensures that the collective impact is documented.

- Additionally, evaluations should explore the interplay between these two types of outcomes, assessing how individual benefits contribute to or are influenced by wider community changes. By integrating these approaches, policymakers can better understand the full spectrum of regeneration impacts and design interventions that balance individual mobility with community sustainability.

10.1.2 Neighbourhood Renewal Programme (Northern Ireland)

Design features	Summary of the Neighbourhood Renewal Programme
Location	Northern Ireland
Lead implementer	Department for Social Development (DSD) Neighbourhood Renewal, through establishing Neighbourhood Renewal Partnerships. DSD is now part of the Department for Communities (DfC).
Neighbourhood boundary/definition	Most deprived 10% of wards in NI (36 areas) as measured by Noble Deprivation Measures. Average number of residents per neighbourhood: 8,000.
Start and end year	2003-2013
Amount of funding	£195m (funding from the Department for Social Development Neighbourhood Renewal Investment Fund)
Emphasis of approach	Tackling deprivation holistically by improving economic, social, and physical conditions in disadvantaged communities.

Overview of the intervention

Launched in June 2003, *"People and Place – A Strategy for Neighbourhood Renewal"* was a 10-year initiative designed to address the most deprived communities across Northern Ireland by coordinating efforts across Government Departments in collaboration with local residents. Each NRA established a Neighbourhood Renewal Partnership (NRP) to lead local planning and implementation, comprising representatives from the community, Government Departments, public sector agencies, private sector groups, and political bodies to ensure balanced and diverse representation. The initiative outlined four interconnected Strategic Objectives to address the multifaceted challenges of deprivation through an integrated approach (Department for Social Development, 2010):

- **Community renewal:** To foster confident communities that are capable of and dedicated to enhancing the quality of life in deprived areas;

- **Economic renewal:** To stimulate economic activity in the most deprived neighbourhoods and integrate them into the broader urban economy;
- **Social renewal:** To enhance social conditions for residents in the most disadvantaged neighbourhoods by improving the coordination of public services and fostering safer environments; and
- **Physical renewal:** to support the creation of appealing, safe, and sustainable environments in the most disadvantaged neighbourhoods.

Using the Noble Multiple Deprivation Measure[23], the most disadvantaged 10% of urban areas in Northern Ireland were identified. After extensive consultation, this process led to the selection of 36 neighbourhoods, targeting around 280,000 people for intervention. This represented one in every six residents, or 16% of Northern Ireland's total population. The evaluation notes that criteria used to select specific NRAs and establish Neighbourhood Partnership boards were as follows (Department for Social Development, 2010):

- The areas selected needed to be a "workable" size, large enough for effective regeneration without spreading resources too thin or losing relevance to residents.
- They had to "make sense" to residents i.e. boundaries were informed by local consultation to reflect community perceptions, as administrative divisions often did not align with neighbourhood identities.
- They needed to enhance and build upon existing initiatives already taking place in the area (e.g. North Belfast Community Action Unit, and the West Belfast and Shankill Taskforces).

Based on these criteria, the areas chosen included 15 neighbourhoods in Belfast, 6 in the Northwest, and 15 in towns and cities across the rest of Northern Ireland. The selected neighbourhoods had an average population of 8,000, though this varied widely, ranging from 800 in the smallest NRA to 21,000 in the largest.

Key components of the intervention

The programme's four strategic objectives formed the basis for its interventions.

- **Community Renewal:** Examples of interventions included establishing Neighbourhood Partnerships in targeted areas to facilitate local planning and implementation, creating volunteering opportunities for residents to participate in, improving existing or establishing new community facilities, and providing training in community development skills/capacity building.

[23] The Noble Deprivation Measure, officially known as the Northern Ireland Multiple Deprivation Measure (NIMDM) 2017, provides an assessment of relative deprivation across Northern Ireland. It incorporates seven domains of deprivation, including income, employment, health, education, access to services, living environment, and crime.

- **Economic Renewal:** This included interventions such as implementing job training and employment support programmes to enhance skills and employability, reducing unemployment rates and supporting new businesses.
- **Social Renewal:** This included initiatives such as coordinating health and education services to address social inequalities, such as improving access to healthcare and educational opportunities for residents.
- **Physical Renewal:** This involved improvements and enhancements to public spaces and the physical environment to create safer, cleaner, and more attractive neighbourhoods.

The goal of the programme is to improve outcomes in NRA areas, and to reduce the gaps between NRAs and non-NRAs.

Delivery of the programme was implemented through establishing Neighbourhood Renewal Partnerships with the support of various organisations.

A **Neighbourhood Renewal Partnership (NRP)** was formed for each Neighbourhood Renewal Area, bringing together representatives from local communities, relevant Government Departments, public sector agencies, private sector groups, and local political leaders. The NR code of practice and guiding principles notes that "Members should be appointed by open, transparent and inclusive means" (Department for Social Development, 2012). The mid-term evaluation highlighted that although many Partnership Boards include councillors, the representation is skewed towards community representatives who are often unelected. These partnerships aimed to ensure balanced representation in respect of age, marital status, disability, political opinion, race, religious belief, sex, sexual orientation and family status. Each NRP was responsible for the following tasks:

- Identifying and prioritising the needs within their NRAs.
- Consulting and engaging with local communities to support and implement the Neighbourhood Renewal Strategy.
- Leading the development of **Vision Statements** and three-year Neighbourhood **Renewal Action Plans**.
- Managing the implementation of these Action Plans.
- Raising awareness of the Neighbourhood Renewal Strategy and updating local communities on progress.
- Participating in the monitoring and evaluation of Vision Statements and Action Plans

The Vision Statement and Action Plans served as the foundation for guiding the regeneration efforts. The Vision Statements identified and analysed the key challenges and priorities within each area, while the Action Plans detailed and prioritised specific activities, outlining how local needs would be addressed and determining the most effective delivery mechanisms, whether through statutory bodies, community and voluntary organisations, or private sector partners.

Although led by DSD, NR emphasised collaboration between statutory agencies and voluntary and community organisations. The governance structure included a Cross-Departmental

Group to secure departmental buy-in, the Neighbourhood Renewal Advisory Group to support it, the Neighbourhood Renewal Unit (NRU) to provide strategic direction, and Development Offices to implement Neighbourhood Renewal Partnerships (NRPs), which delivered the initiative locally. Further details about each organisation are outlined below:

- **Cross-Departmental Group** was established by DSD to provide strategic oversight and secure buy-in from multiple government departments, including Employment, Education, Health, Finance, etc. Led by the Minister for Social Development, members were tasked with ensuring Neighbourhood Renewal priorities were integrated into departmental agendas and driving inter-agency collaboration.
- **Neighbourhood Renewal Advisory Group** was established to provide guidance to the Ministerial group. This group was intended to include representatives from some of the most disadvantaged neighbourhoods, alongside other experts and stakeholders. However, instead of forming a single advisory group as initially planned, individual Development Offices created their own local advisory groups (it is however unclear from the evaluation why this was changed).
- **Neighbourhood Renewal Unit**: This unit within the Department for Social Development set policy parameters, provided strategic direction, and oversaw the implementation of the Strategy. It developed planning frameworks, monitored progress against baseline statistics, and shared best practice in regeneration.
- **DSD's Development Offices** (Belfast Regeneration Office [BRO], North West Development Office [NWDO], and Regional Development Office [RDO]) played a key role in establishing Neighbourhood Renewal Partnerships. These offices provided support and guidance to the partnerships, including assistance with developing Vision Statements, Action Plans, and implementing local initiatives. Working alongside the Neighbourhood Renewal Unit, the Development Offices encouraged active involvement from key statutory organisations in the partnerships. They also evaluated whether partnerships were prepared to initiate activities, and managed funding through the Neighbourhood Renewal Investment Fund. Working in collaboration with the Neighbourhood Renewal Unit, the Development Offices promoted active involvement of key statutory organisations in the NRPs.

The NR programme aimed to engage the community, particularly through consultation.

The NR programme promoted extensive community consultation and engagement, particularly during the development of Vision Statements and Action Plans. The establishment of Partnerships contributed to building capacity within local areas, as voluntary and community (V&C) sector representatives received training and guidance from DSD to support their roles. These representatives also developed networks with other V&C and statutory sector members, fostering collaboration. Additionally, evidence from the evaluation indicated that NR activities helped stimulate volunteering within local communities, and residents receiving training in community development skills/capacity building.

Funding

This initiative was funded by the DSD Neighbourhood Renewal Investment Fund. Partnerships were required to apply for funding on an annual or bi-annual basis to carry out the activities in their Action Plan. It is however unclear what this funding application process involved and why this was required on such a frequent basis. The Strategy's total expenditure from 2003/04 to 2012/13 amounted to £194 million, averaging slightly over £19 million per year (Department for Social Development, 2015).

Allocation of funds were as follows:

- **Revenue vs capital:** 61% was allocated to revenue funding, while more than one-third was invested as capital, supporting the Physical Renewal objective.
- **Regional distribution:** The BRO region received the largest share of programme funding, making up 50% of total expenditure. Notably, the BRO and NWDO areas allocated more funding to revenue than capital projects, whereas the RDO area prioritised capital spending. The evaluation notes that this distribution suggests that regional NRAs faced greater gaps in social infrastructure compared to city areas, where such deficiencies were less pronounced.
- **Profile of spend:** Spending was more intensive in the post mid-term evaluation period (2011-2013), while lower levels of expenditure in the earlier stages likely reflected the time needed for processes and partnerships to become established, with initial efforts focused on identifying investment priorities rather than delivering projects.
- **Expenditure by strategic objective:** The largest proportion was spent on Community Renewal (33%) and Physical Renewal (31%), highlighting the Strategy's focus on improving community engagement and infrastructure in disadvantaged areas**.** The evaluation does not explicitly mention the reason for the focus on these two objectives, but feedback from partnership members suggest creating physical improvements in neighbourhoods was important to get people engaged. According to the evaluation, community representatives observed that these physical enhancements encouraged residents to take greater ownership and responsibility for their surroundings, reflecting the positive impact of the Neighbourhood Renewal Strategy.
- **Levering additional funds:** Around 25 percent of Partnerships reported that the NR funds allowed them to lever additional non NR-funds to spend in their areas. These were primarily directed to large capital projects, and were typically provided by public and charitable organisations.

The evaluation also examined nine specific case studies to provide a more detailed understanding of how NR operated. In areas with a well-established voluntary and community (V&C) sector, NR funding predominantly focused on supporting community-based roles. Conversely, in areas with less developed community infrastructure, funding was directed toward a broader range of projects, which were more varied and changed more frequently. It is unclear from the evaluation why this was the case.

Recently, the DFC allocated additional funding to support ongoing programmes.

In addition to the funding previously provided, in the 2021/2022 financial year, the Communities Minister allocated £18.06 million to the programme (DFC Press Office, 2021). The funded projects aim to enhance key outcomes in areas like health and wellbeing, community development, education, skill-building, and employability. The funding focused on staff salaries, operational expenses, and programme activities for over 300 projects implemented by community and statutory organisations. Examples of interventions supported through this funding include:

- The Koram Centre in Strabane NRA, which has been receiving funding since 2013 to deliver counselling services to vulnerable individuals. The current funding covers salaries for a manager and a part-time administrator with counselling responsibilities, as well as overheads and programme expenses.
- The Good Morning North Belfast Service, which offers daily telephone support to vulnerable individuals, assists with essential deliveries such as groceries and prescriptions, conducts emergency visits, and works with local organisations to distribute food parcels. The DFC remains committed to supporting this essential service, providing £64,271.37 in grant funding for 2021/22 to sustain the employment of service managers.

However, information is not available regarding why these specific projects were selected many years later for additional funding.

The programme underwent mid-term and final evaluations, but the absence of baseline data made it challenging to assess its success

The programme was assessed through a mid-term evaluation in 2010/11 and a final evaluation in 2015. Both evaluations note that at the start of the programme, **no specific baselines** were established to evaluate the strategy's impact. The only available quantitative data were socio-economic indicators, such as economic activity and health statistics. While these provided insights into area progress, they were influenced by external factors beyond NR investment, limiting their use as definitive measures of success. To address the lack of baseline data, the mid-term evaluation constructed a retrospective baseline using data closest to the programme's implementation date in 2003, primarily relying on Census data.

Prior to the mid-term evaluation, the three DSD area offices operated separate monitoring systems, resulting in inconsistent data quality. This lack of uniformity meant that no significant output data were compiled at a Strategy level between 2004 and 2012. Following the mid-term evaluation, DSD introduced a unified set of indicators, aligning them with existing data where possible. The interim evaluation notes that whilst there has been some narrowing of the gap between the Neighbourhood Renewal Areas and the rest of Northern Ireland on a range outcome indicators the areas remain some way behind in both relative and absolute terms.

Key findings from the mid-term evaluation

The **interim evaluation** was conducted 7 years after the launch of NR to assess progress since its inception in 2003, focusing on the effectiveness of its implementation and the extent to which it was meeting its strategic objectives (Department for Social Development, 2010).

The mid-term evaluation established a range of output indicators which were then used in the final evaluation. In terms of outcomes, some baseline indicators, such as economic activity and unemployment, relied on Census 2001 data. However, updated Census data was unavailable until 2011, limiting updates for some indicators. Of the outcomes available, the following was found:

- **Employee Jobs:** Between 2001 and 2007, the number of employee jobs in Neighbourhood Renewal Areas (NRAs) increased significantly by 25,553, representing a 14% rise compared to an 8% increase in the rest of the country.
- **Education:** Notable improvements were observed across various educational outcomes. The percentage of school leavers without GCSE qualifications dropped from 13.1% to 6.7%, reducing the gap between NRAs and the rest of Northern Ireland from 9.1 percentage points to 3.6. For Maths, the proportion of students achieving proficiency increased from 67.7% in 2004/05 to 71.4% in 2007/08, narrowing the gap from 14.1 to 11.5 percentage points. Additionally, the percentage of pupils attaining 5+ GCSEs (grades A*-C) rose from 39.8% in 2003/04 to 48.3% in 2007/08, reducing the gap from 25.5 to 22.1 percentage points.
- **Crime:** Between 2003/04 and 2007/08, overall crime fell from in NRAs.

On physical renewal, while no baseline data is available for direct comparison, evidence from case studies and stakeholder engagement highlights a broad range of tangible physical improvements in NRAs as a result of renewal investments. These include enhanced sports facilities, childcare centres, street lighting, community hubs, business units, tree planting initiatives, and play parks. For community renewal, the evaluation noted that beyond quantifying inputs and listing activities related to building community capacity, capital and cohesion, there is no widely accepted quantitative indicator to measure these outcomes or baseline data for comparison.

Following the evaluation, DSD established a set of baseline outcome indicators across the NRAs (though similar to outputs, these were not collected from the outset).

Key findings from the final evaluation

The **final impact evaluation**, conducted in late 2014, focused on assessing output indicators introduced after 2012, which were derived from monitoring data, as well as evaluating programme outcomes (Department for Social Development, 2015). The outputs show that in 2012/13, a large number of residents had participated in various activities, such as job-related training, health education programmes, and environmental improvement projects.

- **Community Renewal: 271,463 people** participated in community relations projects, **6,905 people** volunteered for community development activities, **3,478 people** received

training in community development skills and capacity building, and **34,447 people** benefited from new or improved community facilities. Overall, a total of **316,293 instances of participation** were recorded across these activities.

- **Economic Renewal:** 214 full-time equivalent (FTE) jobs were created, while 58 new businesses were established. A total of 3,382 businesses received advice or support, and 486 FTE permanent jobs were safeguarded. Additionally, 429 residents moved into employment, and 2,832 people received job-specific training.
- **Social Renewal:** 11,135 pupils measurably improved their attainment (pre- and post-2012/13)[24], and 9,552 people accessed intervention or treatment services. A total of 107,835 people attended health education or awareness initiatives, and 1,297 community safety initiatives were implemented.
- **Physical Renewal:** A total of 76 hectares of land were improved for open space, while 7 hectares were reclaimed for open space. Additionally, 92 buildings were improved both before and after 2012/13. Over 4,400 people or volunteers participated in physical development and environmental improvement projects during the same period.

Outcomes generally show improvements, though gaps between NRA and non-NRA have not always reduced

The final evaluation notes that a key aim of the intervention is to reduce the gap between NRAs and non-NRAs. As noted in both evaluations, establishing a connection between the **outputs** of funded activities and their **outcomes** is often challenging. The final evaluation utilised the set of outcomes that were established in the mid-term evaluation. A Gap Analysis, developed by DSD, utilised data from Northern Ireland Neighbourhood Information Service (NINIS) and Census records from 2001 and 2011. Baseline figures were calculated to represent the percentage of individuals in NRAs falling into each specific category during the 2001–2004 period. The most recent data, covering 2011–2012, was then used to identify changes in these percentages since the baseline. Finally, percentage changes were calculated to determine whether each category saw an increase or decrease over time.

Outcomes for NRAs were generally positive, with improvements seen across many statistical measures. However, the gap in outcomes between NRAs and non-NRAs has not narrowed for most indicators. Overall, NR has performed well in narrowing the gap on key educational indicators. However, progress has been mixed for economic and crime indicators, while health outcomes have shown limited improvement, apart from a reduction in teenage births. It is important to note that some widening gaps were largely due to substantial progress made in the same indicators in non-NRAs. Further details on some of the outcomes are highlighted below:

- **Education:** From 2004 to 2011, education saw the most significant progress within NRAs, with Level 4 English improving by 9.1 percentage points, Level 4 Maths by 7.4 percentage points, and the proportion of school leavers achieving 5 or more GCSEs at A* to C rising

[24] The evaluation does not quantify by how much attainment improved.

by 13.3 percentage points. These advancements reduced the education outcome gap between NRAs and non-NRAs by approximately 4%.

- **Unemployment:** From 2001 to 2011, unemployment among the working-age resident population increased by 0.2% for NRAs, which is lower than the observed 0.9% increase in non-NRAs. While overall unemployment increased, the unemployment rate gap between NRAs and non-NRAs narrowed by 0.7 percentage points over the period.
- **Crime:** The total number of offences in NRAs decreased by 15.0 percentage points, compared to a 17.7 percentage point decrease in non-NRAs. While NRAs made progress, the gap between NRAs and non-NRAs did not reduce.

Regarding physical improvements, the evaluation notes that the strategy has played a significant role in enhancing the physical infrastructure of NRAs, making them more desirable places to live. Feedback from Northern Ireland Housing Executive (NIHE) staff highlighted a shift from previously vacant houses to waiting lists for housing in NRAs. NIHE surveys also reported relatively **high levels of local pride**, with an average of 64% of respondents expressing pride in their area. Additionally, around a quarter of partnerships reported that NR funding enabled them to secure additional resources for large-scale capital projects.

In summary, the evaluation notes that the strategy has contributed significantly to improving the physical infrastructure of NRAs, making them more attractive places to live. An analysis of socio-economic and deprivation data indicates progress in areas of community and social renewal, particularly with improved educational outcomes, but shows limited advancement in economic renewal.

Lessons learnt

Key success factors:

- **Politically-neutral funding:** Partnership members noted that a key strength of the NR structure was its independence from political influence in funding decisions.
- **Skillset of partnerships:** There was a heavy reliance on experience, skill-sets and expertise of the Partnership members. Evidence, too, shows that a successful Partnership was more likely to have access to necessary skills and experience. This could be facilitated by regular review of skills gaps, inclusion of individuals with diverse skill sets in planning bodies, plus access to external sources.
- **Partnerships:** The Partnership model served as an effective framework for addressing social and economic challenges in disadvantaged communities, establishing a structured platform for collaboration and mutual learning between community groups and public sector organisations. Due to the lack of impact data, it is not possible to directly compare the effectiveness of individual Partnerships. However, feedback from key stakeholders suggests that the most effective NR Partnerships typically shared one or more of the following traits:
  - Established community capacity and prior experience of collaborating with statutory agencies;

- The ability to quickly establish collaborative working relationships;
- Access to essential skills and expertise, either within the Partnership or through external support;
- Strong and effective leadership within the NR Partnership; and
- Meaningful representation and active support from relevant statutory bodies.

Challenges

- **Neighbourhood boundaries:** While the establishment of NRA boundaries was based on clear statistical criteria, the evaluation revealed that these boundaries often proved impractical during implementation. Some areas were too small to support meaningful interventions and were subsequently merged with neighbouring regions, while others failed to align with natural neighbourhoods or community identities. Consultation with key stakeholders suggested that this limited the Partnerships' ability to fully leverage the allocated resources, such as by restricting access for individuals in need who were outside the designated NRAs.
- **Short-term funding cycles**: Feedback indicates that while NR was designed to be strategic, short-term funding cycles and the requirement to bid annually or bi-annually created uncertainty, hindering the ability to take a long-term, strategic approach to addressing deprivation.
- **Long lead times in establishing partnerships:** The partnerships, once established, had long lead times before functioning as a unit. Spending increased during the post mid-term period (2011-2013), while earlier lower expenditure reflected the time needed to establish processes, partnerships, and investment priorities. Based on DSD's experience, it can take **up to three years** to successfully establish a new programme that requires the creation of new structures or partnerships. Local Governments could engage at an early stage with these to expedite integration and account for time needed for such structures to bed-in.
- **Lack of baseline data:** The evaluation highlighted a significant **lack of baseline data** as a key limitation for evaluating the Neighbourhood Renewal Programme. At the outset of the strategy, there was no comprehensive baseline established to measure progress against key objectives. This created several challenges related to measuring impacts and inconsistent monitoring across NRAs. Following the mid-term review, more standardised indicators were introduced, but the lack of initial baseline data undermined the ability to fully evaluate the programme’s long-term impact.

Policy recommendations

Overall, the NR programme can be considered successful in the domains of education, pride in place and the physical environment. This was reflected in the targeted areas becoming more attractive places to live. The results were however more mixed for economic and crime indicators, with very little improvements in health seen (bar teenage pregnancy). While the programme did not substantially close the gap between NRA and non-NRA areas, relative and absolute improvements were still found. No value-for-money assessment was conducted.

Based on this intervention and the evidence reviewed, we have outlined the following policy recommendations which are informed by both the findings of the evaluation and our own interpretation of the evidence.

- **Building capacity and enhancing skills for effective regeneration partnerships**: To ensure the success of regeneration initiatives, a strong focus on developing capacity and skills is essential. Evidence shows that partnerships with access to diverse expertise, experience, and skill sets were more effective in achieving their goals. Policymakers could conduct regular skills audits to identify and address gaps, ensuring they have the expertise needed to achieve their objectives. Efforts should be made to diversify partnership membership by including individuals with varied skill-sets, such as community representatives, technical specialists, and strategic planners, to strengthen decision-making and delivery. Additionally, partnerships should have access to external expertise when internal skills are insufficient, ensuring high-quality support for planning and implementation. Finally, investing in ongoing capacity-building programmes, such as training and professional development, will equip members with the knowledge and skills required to deliver sustainable and successful neighbourhood renewal outcomes.
- **Ensuring effective boundaries and flexible targeting:** Policymakers planning area-based interventions should ensure that boundaries reflect local communities, target areas that are large enough for meaningful impact (ideally serving populations of at least 10,000 residents), and are flexible enough to include adjacent areas or specific groups where initial boundaries inadvertently excluded relevant areas.
- **Ensuring politically independent and evidence-based decision-making**: Establish an independent, politically neutral oversight function to ensure that programmes and projects are selected based solely on evidence-based need and their potential to deliver maximum impact.
- **Account for lead times**: To minimise delays and ensure timely programme delivery, it is essential to account for the long lead times required – up to three years in the case of NRC – to establish partnerships and new structures. Evidence shows that early stages often involve significant time spent on identifying priorities rather than delivering projects, with partnerships only functioning effectively after a few years.
- **Integrated data monitoring from the outset:** Establish a robust baseline at the outset of any future programme to ensure progress can be effectively measured. This should include comprehensive quantitative and qualitative data to capture initial conditions and provide a clear point of comparison for evaluating impacts. Standardised indicators should be agreed upon from the beginning to ensure consistent monitoring and reporting across all targeted areas.
- **Longer term funding:** Ensuring that there are longer term funding cycles to tackle deprivation over the medium and long term.
- **Promote self-sustaining projects:** Increase the focus on self-sustaining projects by ensuring future funding allocations are based on robust evidence of a project's capacity for long-term sustainability. Ongoing monitoring should assess progress towards self-

sustainability and identify corrective actions where needed. Additionally, support should be provided to help community groups develop effective sustainability strategies.

10.2 International examples of neighbourhood interventions

10.2.1 Communities for Children (Australia)

Design features	Summary of Communities for Children
Location	52 communities across Australia
Lead implementer	A local CfC committee, chaired by the Facilitating Partner, guides the initiative's direction within the site and serves as the primary decision-making body.
Neighbourhood boundary/definition	Disadvantaged areas, where disadvantage was defined by the government through analysing Australian Bureau of Statistics data, particularly the Socio-Economic Indexes for Areas (SEIFA). SEIFA is a set of indexes derived from census data to measure the relative socio-economic conditions of geographic areas across Australia.
Start and end year	2004–ongoing
Amount of funding	AUD $100m funding from the Australian Government (DSS) for the four financial years from 2004–05 to 2007–08. It is unclear what the funding amount after these dates has been.
Emphasis of approach	Delivers family-oriented and child-focused services, prioritising prevention and early intervention strategies to enhance family wellbeing, safety, and children's developmental outcomes.

Overview of the intervention

Communities for Children (CfC)[25] was launched by Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in 2004 as part of the Stronger Families and Communities Strategy in Australia. The initiative is Australia's longest-running nationally funded place-based programme and was inspired by the UK's Sure Start programme (Brotherhood of St Laurence, 2015). The CfC initiative aimed to improve outcomes for children by implementing an innovative approach to community service delivery in disadvantaged areas. Key objectives included:

[25] This is a separate programme to the Stronger Communities for Children (scfc) in Australia, which is aimed at improving the safety, wellbeing, and development of children and families in Aboriginal communities.

- Increasing the number of services tailored to community-specific needs.
- Improving the integration and collaboration among various service providers.
- Fostering environments that support children's development and well-being, thereby strengthening community social capital (Muir et al., 2009).

In this model, a Facilitating Partner - typically a non-government organisation - serves as a broker, engaging the community in setting up and implementing the programme.

The CfC programme was initially implemented in 45 communities across Australia, focusing on children aged 0-5 years old. In 2009, the scope was expanded to target children aged 0-12 years and their families, to address the broader developmental needs of children during their critical early and middle childhood years. In the same year, four new CfC sites were established with an emphasis on collaboration between Commonwealth, state/territory, and local governments, as well as the non-government sector, to address issues such as family violence and mental health. In 2010, an additional four existing CfC sites received extra funding to enhance their collaboration with state/territory child protection services.

Key components of the intervention

The CFC programme implemented a wide variety of interventions focused on building child-friendly communities and supporting families

The CFC programme implemented a wide range of interventions across its priority areas, significantly increasing the number, types, and capacity of services available in participating communities. Within three years, the initiative had delivered 641 funded activities nationwide. This rapid scale-up highlights the programme's early impact, particularly noteworthy given that it is still ongoing (Muir et al, 2010).

The interventions focus on four key domains: **Healthy Young Families; Early Learning and Care; Supporting Families and Parents; and Creating Child-Friendly Communities.** Although many projects could be classified under multiple domains, reports from Facilitating Partners indicate that the majority primarily emphasise fostering child-friendly communities.

Examples of interventions include:

- **FamilyZone Ingle Farm Hub (South Australia):** A child and parenting centre located at Ingle Farm Primary School which provides a wide range of family support programmes. These include playgroups, parenting courses, and culturally-specific initiatives such as multicultural women's groups and activities tailored to neurodiverse families. The programmes are tailored to support the physical, emotional, social, and cognitive development of children aged 0 to 12 within a comfortable and familiar setting. They also provide a welcoming space for parents, allowing them to connect with others who share similar experiences (Lutheran Care, 2024).
- **Our Family is Starting School (New South Wales):** The programme collaborates with children, their families, preschools, playgroups, and local schools before they start

kindergarten. An Assistant Principal was specifically appointed to connect with families in the Fairfield LGA, a diverse multicultural community, with the aim of engaging parents who had not previously accessed school services due to cultural, economic, or other barriers (Muir et al., 2009).

- **Engaging Fathers Project (New South Wales):** This project adopts a holistic team approach to service delivery, enhancing the ability of staff and key stakeholders to involve fathers (including grandfathers and male carers) in children's services while raising awareness of diverse parenting and fatherhood practices. Acting as an "expert" consultant, the project collaborates with other CfC partners, providing guidance and support to effectively engage fathers and optimise outcomes for them across the entire CfC initiative (Muir et al., 2009).
- **PEARLS (Queensland):** Offered parent education and relationship support to families in fast-growing, isolated areas, improving parent-child relationship skills (Muir et al., 2009).

The delivery mechanism involves a facilitating partner which implements and coordinates service delivery

The Australian government funds and appoints pre-existing NGOs in each of the 52 sites as Facilitating Partners (FPs) to design and implement the initiative in collaboration with local stakeholders. Facilitating Partners establish a **local CfC committee in each area** with broad representation from the community, including parents and caregivers, businesses and service providers. The services provided are determined by local committees based on the needs of the community, with facilitating partners responsible for implementing the initiatives and managing the funding. Through this approach, the CfC programme aims to empower communities to take the lead in shaping the changes they want to achieve. The expansion of services and capacity has been accompanied by enhanced efforts in recruiting and engaging families who were previously disconnected from early childhood services. Engagement has also grown among families from traditionally hard-to-reach groups, including socio-economically disadvantaged families, children, those from culturally and linguistically diverse backgrounds, and Indigenous Australians.

Facilitating Partners are responsible for coordinating the development of community strategic plans, typically spanning four years (The Smith Family, 2021).

Government operating guidelines (Department of Social Services, 2021) require FPs to:

- Foster strong connections and establish working relationships with state and territory government-funded services, including schools, preschools, child protection services, maternal and child health services.
- Subcontract service delivery to local providers, ensuring alignment with identified priorities and evidence-based practices.
- Build partnerships with adult-focused services, including mental health, family violence, housing, and alcohol and drug programmes, to help these services support adult clients in addressing their children's needs.

- As FPs were well-established non-government organisations with significant expertise, they were considered to be well-positioned to enhance the capabilities of local organisations. Their capacity-building efforts were to be focussed on areas such as improving governance practices, fostering stakeholder engagement, building partnerships with businesses, providing staff training and development, measuring outcomes, conducting evaluations, and implementing evidence-based practices and programs.

The specific services provided in each area were determined by the local CfC committee based on identified community needs. In each site, a "needs analysis" was conducted to determine the services required for the community. Community consultations have been instrumental in identifying the needs and aspirations of community members. These consultations have informed the funding and design of programmes and services to address these needs, raised awareness of available initiatives, and supported family engagement. This approach has been particularly important in communities with a significant Indigenous Australian population. Additionally, involving other local agencies in the CfC initiative has allowed established community organisations to provide services aligned with their expertise and skills while fostering capacity-building within the community.

Facilitating Partners typically did not directly provide the services required, instead subcontracting out to other agencies to deliver initiatives such as parenting programmes, peer support groups, case management, home visits, and additional services aimed at supporting child well-being. In the context of the CFC programme, **Community Partners (CPs)** are organisations or service providers funded by FPs to deliver programmes and services directly to children and families within a community. To assist with programme delivery, The Families and Children Expert Panel (established by the Australian Government Department of Social Services) also offered guidance, mentoring, and training on developing, delivering, and evaluating high-quality programmes and practices. Facilitating Partners were also provided with guidance on which programmes the Government recognised as being evidence-based and of high quality. They could either select a programme from a predefined list of evidence-based options, or consult CFCA Information Exchange researchers for programmes outside of this list (Robinson et al., 2016).

Funding

The initial funding for the CfC initiative exceeded AUS $100 million, allocated across 45 sites over four financial years (2004–05 to 2007–08) (Muir et al, 2010). Most of this funding was directed toward service delivery, with 60% allocated to Community Partners (i.e. local service providers), 7% to Facilitating Partners, and 3% to local evaluations. The remaining 30% was used for community resource funding, covering development, implementation, project management, and community development. On average, AUS $840 was invested per child aged 0–5 living in CfC communities during this period (based on 2006 population data), equating to $210 per child annually. After this initial period, it is unclear what the funding amount provided was, although the initiative is currently ongoing.

The evaluation shows positive impacts on younger children, but comparator sites catch-up as children get older

The initiative underwent two key evaluations to assess its effectiveness:

- The Stronger Families in Australia (SFIA) evaluation Phase 1 ran from 2006 to 2008 (three waves of face to-face interviews). This initial evaluation focused on the short-term impacts of the CfC initiative on child, family, and community outcomes. It aimed to determine whether the programme improved service coordination, addressed unmet needs, and build community capacity to engage in service delivery (Muir et al, 2009).
- SFIA Phase 2 ran from 2011–12 (two waves - Waves 4 and 5 - of telephone interviews). By using data from both phases of the SFIA study (Waves 1 to 5)[26], the medium to longer term effects of the programme were assessed (Edwards et al, 2014).

The evaluation used a difference-in-differences and OLS regressions to estimate the programme's impact. The SFIA evaluation study gathered data from young children and their families across 10 CfC sites and 5 comparison sites. The method compared changes over time between CfC and contrast sites in key outcomes, such as child well-being, family dynamics, and community cohesion to assess the impact of the programme.

Outcomes from phase 1, which focuses on children aged 5 years or under, indicated that the CfC intervention had modest but broadly positive impacts. While quantified figures were not reported by the evaluation for several metrics, the key findings were:

- Statistically significant reduction in hostile parenting practices in CfC sites compared to contrast sites.
- CfC parents reported higher self-confidence in parenting by Wave 3 compared to contrast sites.
- Children in CfC sites were 66% less likely to live in a jobless household by Wave 3.
- CfC sites reported a higher level of parental involvement in community activities, with a statistically significant improvement compared to contrast sites.
- Social cohesion and perception of community facilities improved marginally but were not statistically significant.

In addition, the SFIA evaluation assessed whether the CfC intervention had varying impacts on three groups at higher risk for poor child outcomes: hard to reach households, low income households, and households with mothers having low education levels. The evaluation found that the CfC intervention positively affected some outcomes within these groups, with statistically significant improvements including:

- Reduced hostile or harsh parenting in hard-to-reach households.

[26] Wave 2 coincides to children of 2–3 years of age, and wave 5 is when children were 9–10 years of age.

- Increased parental participation in community service activities in lower-income households.
- Greater involvement in community service activities among households where mothers had Year 10 education (equivalent to GSCE level in the UK) or less.
- A decrease in the number of children living in jobless households across all three subgroups.

In addition to impacts on families and children, the evaluation considered the impact of the intervention on service delivery in these areas:

- **Greater inter-agency collaboration:** 89% of CfC-funded activities involved partnerships between two or more organisations. Various organisations collaborated through client referrals, information sharing, and interagency meetings. Between 2006 and 2008, there was a notable rise in the percentage of agencies involved in referring clients (from 86% to 92%) and participating in interagency staff training (from 57% to 73%).
- **Reduced service gaps:** Addressed service gaps, such as providing access developmental, support and adult mental health services, by establishing preventative services and trialling innovative programmes. Improvements in these service capacities were accompanied by better recruitment and engagement of families who were previously disengaged from early childhood services.
- **Enhanced engagement with hard-to-reach groups:** Increased engagement among socioeconomically disadvantaged families, culturally and linguistically diverse (CALD) families, and Indigenous Australians. Successful approaches included creating "soft entry" points, i.e. locations or settings where families could access services in a supportive non-inclusive, and non-intimidating non-stigmatised atmosphere. For instance, supported playgroups serve as a soft entry point for families to connect with the support services they may require. Employing staff and outreach workers with local connections, including those sharing the target group's background, proved effective in engaging families.

In Phase 2, however, the statistically significant findings detected in Phase 1 were no longer present, with the children and families in the contrast sites appearing to “catch up” to those in the CfC sites after the study children started school. For instance a key finding from Phase 1 of the evaluation was a reduction in jobless families. However, Phase 2 results indicate that by the **time children were older and reached 8–10 years of age**, comparison sites had caught up in terms of the percentage of jobless families. Two factors may explain this pattern in CfC sites:

- When children start school, primary carers have more time to work and face significantly lower child-care costs.
- Between 2006 and 2008, welfare-to-work reforms required parents on income support, whether single or partnered, to actively seek part-time employment. These reforms were implemented after Wave 3 but before Wave 4 of the SFIA survey.

For hostile parenting and parenting self-efficacy, several factors may explain why comparison sites matched the progress of CfC sites over time:

- Comparison sites may have improved their services, enabling them to reach the levels achieved by CfC sites.
- Australia's universal primary schooling system provides support to children in need and offers parents opportunities to work or volunteer, which can help balance disparities between different communities.

Overall, the evaluation notes that the SFIA study did not identify statistically significant positive outcomes for children aged 7 and 8. However, several considerations are important in interpreting these findings. Firstly, across the five waves of SFIA, results consistently indicated better well-being outcomes for children and primary carers in CfC sites compared to comparison sites. While these improvements were no longer statistically significant as children grew older, this likely reflects the "catch-up" effect in comparison sites rather than a failure of the programme. The findings **suggest that CfC achieved its intended effects during the critical early years, providing a strong foundation for children and families.**

Secondly, the evaluation notes that similar outcomes were reported in the UK's National Evaluation of Sure Start (NESS), where positive effects on children's outcomes observed at age 5 were no longer apparent by age 7 when the children had entered primary school. However a more recent evaluation of NESS provides strong evidence that Sure Start significantly improved academic performance in later life, with effects increasing as children grow older (Carneiro et al, 2024). **These findings suggest that programmes like CfC may have longer-term impacts that are not immediately apparent at the ages studied in Phase 2, and therefore not captured in the evaluation.**

Thirdly, in 2017 (after the evaluations took place), DSS implemented a requirement for Facilitating Partners to allocate at least 50% of their funding to high-quality, evidence-based programmes. One way for CfC Facilitating Partners to meet this requirement was to select from a list of pre-approved evidence-based programmes on the government's website.[27] Most of these programmes (now implemented in Australia) have been tested in other countries and show positive long-term impacts. **This evidence highlights how early interventions can deliver significant benefits.** For instance:

- The Abecedarian Approach Australia (3a) is an early childhood programme focused on enhancing cognitive, language, and social development in children aged 0–5, especially those at risk. It uses four key strategies: Learning Games, Conversational Reading, Language Priority, and Enriched Caregiving. Originally trialled in the US and tested through RCTs, the programme showed significant long-term benefits, including improved cognitive skills, academic achievement, and health outcomes. Ongoing research in Australia continues to assess its effectiveness across diverse settings.

27 Communities for Children Facilitating Partners evidence-based program profiles | Australian Institute of Family Studies (aifs.gov.au)

- The Circle of Security (CoS) programme supports parents in fostering secure attachments, resilience, and emotional development in their children. Delivered over eight sessions in community settings or homes, it focuses on understanding and responding to children's emotional needs. A quasi-experimental study with 75 high-risk mother–child pairs showed significant improvements in attachment and caregiving patterns. A separate RCT demonstrated reduced risk of insecure attachment among economically stressed mothers and irritable newborns. CoS effectively enhances parent-child relationships and developmental outcomes.
- Parent-Child Interaction Therapy (PCIT) is a cognitive-behavioural intervention designed to reduce children's behavioural problems, enhance positive parenting practices, and strengthen parent-child relationships. Typically, it involves weekly one-hour sessions over approximately 14 weeks. Evaluations, including three randomized controlled trials in the United States, have demonstrated that PCIT leads to significant improvements in child behaviour, parenting practices, and reductions in parental stress. Notably, participants who completed the programme were less likely to be reported to child protection services compared to control groups.

Overall, the findings from CfC Phase 2 and wider evidence suggest that some programme impacts may take longer to manifest and may only become evident as children progress into adolescence or adulthood. It is therefore crucial to invest in longitudinal evaluations to fully capture the long-term impacts of early childhood interventions like CfC.

Additionally, a recent paper evaluated the depth and success of **the role of facilitating partners** and **Community Partners** (i.e. local service delivery providers) in the CFC initiative through questionnaires, focus groups and interviews (Parry et al, 2020). Key findings were as follows:

- Facilitating Partners have demonstrated significant success in enhancing the capacity of Community Partners (CPs) to deliver evidence-based programmes. By providing strategic guidance, allocating resources, and supporting CPs in navigating compliance and reporting requirements, FPs have helped improve the quality and accessibility of services for disadvantaged children and families. These efforts have ensured that programmes are better tailored to meet local needs, resulting in increased community engagement, more effective interventions, and alignment with the broader objectives of the Communities for Children (CfC) initiative.
- The FP-CP relationship has been a cornerstone of the programme's success, fostering a culture of collaboration that reduces competition ("turfism") among service providers and encourages the pursuit of shared goals. By strengthening inter-agency partnerships and facilitating collective impact, FPs have created a cohesive network of service delivery that addresses complex challenges faced by marginalised and disadvantaged populations. This collaborative approach has not only improved the efficiency of service delivery but also enhanced the reach and effectiveness of programmes in communities most in need.
- The strategic role of FPs as intermediaries between government policy and on-ground service delivery has been critical to the success of the CfC programme. By coordinating

diverse stakeholders, translating policy into actionable strategies, and providing capacity-building opportunities for CPs, FPs have ensured that services are culturally appropriate, community-driven, and responsive to local needs. This strategic facilitation has significantly improved the ability of the programme to address the social determinants of health, resulting in better long-term outcomes for children and families in disadvantaged areas.

Value for money

As of 2010, the total financial benefits resulting from outcome improvements linked to the CfC initiative were 4.77 times the program's funding costs. This reflects a benefit-cost ratio of 4.77, equating to a 377% return on investment for the CfC programme (Wilks et al., 2015). This BCR highlights that even improvements in outcomes during just the first few years of a child's life can have a significant impact.

Lessons learnt

Key Success Factors:

- **Focus on service coordination and community development:** Investment in service coordination and community development led to significant benefits. They found the effect sizes in CfC were comparable to, or even exceeded, those of many programs offering direct services. Moreover, these positive outcomes were evident among children in CfC communities, regardless of their direct engagement with the services. Improvements in parental participation in community activities, reductions in joblessness, and enhanced social cohesion suggest that fostering community embeddedness had a beneficial impact on children and families—an outcome that may not have materialised if just an increase in service provision had taken place. Taken together, this implies that the actions of CfC FPs, including fostering connections among services and integrating the community, had a beneficial influence not just on the services directly funded by CfC but also on the broader ecosystem of services within the community. The model's focus on a "whole-of-community" approach generated spillover effects that benefited children and families in CfC communities, even those who did not directly receive CfC services.
- **Collaborative funding model:** Unlike traditional government funding, where service providers are directly contracted, CfC employs a lead agency approach where an NGO organisation acts as a community broker. This model fostered engagement in the design and implementation of services, enhancing coordination and cooperation among local providers. Service providers expressed a preference for this community-based, flexible model that leverages local connections. The emphasis on funded coordination and cooperation among services is a distinctive feature of the programme. This is preferred as service providers can adapt programmes to local priorities and emerging issues, fostering a more responsive and tailored approach that better serves families and children.

- **Community development approach:** CfC initiative was most effective when employing a community development approach, particularly through outreach programmes and the creation of "soft entry points." These are accessible, non-stigmatizing environments where families feel comfortable engaging with services. Such settings encourage participation from families who might otherwise avoid formal services like parenting classes or counselling. By offering services in familiar and welcoming locations, CfC successfully reached and supported a broader range of families.
- **Facilitating partner model:** FP organisations that are well-known and deeply embedded within the community tend to be more effective. Their existing relationships and understanding of local dynamics (i.e. their pre-existing capacity) facilitate better coordination and trust-building among service providers and residents. Key factors contributing to effective operation include transparent and equitable decision-making processes, regular communication with stakeholders, and the establishment of structures beyond the CfC committee. The effectiveness of the CfC model is also significantly influenced by the qualifications, skills, experience, and personalities of project managers, staff, and volunteers. For instance, project managers benefit from strong communication, organisational, facilitation, contract management, and conflict resolution skills.
- **Assisting smaller organisations:** FP's presence enabled some smaller organisations to access funding, build capacity, and deliver programs they might otherwise have been excluded from. This highlights the importance of leveraging large, trusted organisations to act as facilitators or "anchors" in community interventions, particularly where smaller organisations lack the resources or administrative skills to navigate funding processes independently. This empowerment of small local organisations has been facilitated through training in areas such as funding applications, programme implementation, and reporting.

Challenges:

- **Geographical boundaries:** Targeted areas were largely selected using **SEIFA** (Socio-Economic Indexes for Areas) produced by the Australian Bureau of Statistics which includes a range of geographic areas for analysis. Arbitrary boundaries sometimes hindered service delivery and coordination, particularly in sites encompassing multiple suburbs or regions.
- **Timelines:** The first evaluation notes that the CfC programme faced challenges due to its (initial) three- to four-year duration, which was considered insufficient for highly disadvantaged communities or those lacking established infrastructure and networks. In areas lacking infrastructure and local service delivery networks, additional time was necessary to develop organisational capacity, train staff, and establish effective service coordination. Introducing an innovative model like CfC without a longer-term commitment risks creating unrealistic expectations and undermining community trust, particularly in the most disadvantaged areas.
- **Remote areas:** Implementing CfC in remote areas has been challenging due to limited infrastructure, high costs, staffing difficulties, and extreme weather conditions.

Policy recommendations

Overall, the programme can be considered successful. The CfC achieved its intended effects during the critical early years, achieving a cost-benefit ratio that indicated significant value-for-money. Although families and children in non-treated areas eventually caught up on several indicators, the evaluation was not able to capture the potential long-term impacts of having those improved additional years at a young age. Evidence from Sure Start in the UK and similar interventions suggest such impacts could be substantial.

Based on this intervention and the evidence reviewed, we have outlined the following policy recommendations which are informed by both the findings of the evaluation and our own interpretation of the evidence.

- **Leverage existing local organisations:** Initiatives should prioritise the use of pre-existing facilitating organisations (where available) to establish and lead community-based interventions. This is because these organisations may already have strong roots and established connections within the community, increasing their effectiveness. Their familiarity with local dynamics and existing relationships helps foster trust and improve coordination between service providers and community members. It may also allow interventions to get started more quickly, avoiding the need for a lengthy 'setting-up' period.
- **Focus on coordinating existing services:** Coordination of existing services can achieve significant, and sometimes comparable, impacts to simply increasing service provision. While direct funding for new services remains essential in some contexts, investing in service coordination through FPs can be a cost-effective and impactful approach to achieving programme goals, particularly in areas where services already exist but are fragmented or underutilised. Policy makers should consider: (i) prioritising service coordination mechanisms (e.g., centralised case management, inter-agency collaborations, shared data systems) alongside investments in new services. (ii) evaluating where existing services can be better aligned to reduce duplication and maximise reach. (iii) service coordination investments should not be seen as a secondary option but as a strategic policy tool that can deliver measurable benefits comparable to direct services.
- **Embed services in the community:** Community embeddedness can significantly improve outcomes even without increasing service provision. Social cohesion and community participation play a critical role in achieving positive outcomes for children and families. Investing in community development activities (e.g., events, peer networks) can drive outcomes that direct services alone cannot achieve.
- **Engage hard-to-reach communities through a sensitive community approach:** To effectively engage 'hard-to-reach' communities, service delivery should adopt a sensitive, community-based approach that prioritises accessibility and inclusivity. This can be achieved through outreach programmes and the establishment of "soft entry points" – welcoming, non-stigmatising environments where families feel comfortable accessing support. Formal or traditional service delivery methods may deter participation. By

situating services in familiar, informal settings and fostering trust within the community, participation can be encouraged, ensuring broader and more equitable access to support.

- **Flexibility in boundary definitions**: Programmes should have the ability to adapt their service areas based on **community needs and functional geography** rather than rigid administrative boundaries.
- **Evidence-based programme requirement:** To maximise benefits, the policy-makers could identify programmes that have proven successful in similar contexts / countries and provide areas with a 'menu' of evidence-based options to choose from. While international evidence is valuable, programmes should still be rigorously evaluated within the country they are implemented to confirm their effectiveness in local settings and addressing context-specific challenges.
- **Longitudinal evaluations:** To fully understand the long-term impacts of early childhood interventions such CfC, it is essential to perform longitudinal evaluations that track progress into adulthood. Otherwise, potential impacts may be missed.

10.2.2 Atlanta's East Lake Initiative (USA)

Design features	Summary of the East Lake Initiative
Location	Atlanta, GA
Lead implementer	East Lake Foundation
Neighbourhood boundary/definition	East Lake neighbourhood, Atlanta (4,250 residents in 1990). East Lake is a defined neighbourhood within the city of Atlanta, with boundaries recognised by city planning departments.
Start and end year	1995-ongoing
Amount of funding	$600m since 1995 from philanthropic donors, government funding, and private market debt and equity financing
Emphasis of approach	Building residential, commercial and community facilities, public housing, public schools, and conducting community wellness programmes

Overview of the intervention

The East Lake Initiative (ELF), launched in the mid-1990s, represents a comprehensive programme to revitalise the East Lake neighbourhood in Atlanta, Georgia. Driven by philanthropist Tom Cousins in collaboration with various stakeholders, the initiative aimed to address key challenges within the neighbourhood, including poverty, education, crime, and poor housing conditions.

The East Lake neighbourhood in Atlanta was selected due to its significant socioeconomic challenges, including high poverty rates, the city's highest crime rates, and deteriorated

housing conditions. In 1990, the neighbourhood had a modest population of approximately 4,250 residents. The initiative has three pillars:

1. Physical development of mixed-income housing, community facilities, and retail development;
2. Cradle-to-college education; and
3. Community wellness supports, aiming for a holistic approach to neighbourhood regeneration.

The intervention began by relocating residents and demolishing the East Lake Meadows public housing complex to construct new mixed-income housing units. Education was a key element of the initiative, described as "school-centred community revitalisation," while community wellness efforts included career training, recreational spaces like the East Lake Golf Club, and community gardens (Theodos, 2022). Since 1995, the initiative has mobilised over $600 million in funding through public, private, and philanthropic sources.

Key components of the intervention

Interventions included housing, education, and wellness programmes

The initiative performed a number of interventions to revitalise the East Lake community. These included:

- **Acquisition and Renovation of East Lake Golf Club (1995):** Cousins purchased the historic East Lake Golf Club with the intent to restore it and use its profits to fund community redevelopment efforts.
- **Demolition of East Lake Meadows Public Housing (1995–1996):** The deteriorated East Lake Meadows public housing complex was demolished to make way for new development.
- **Construction of The Villages of East Lake (1998–2001):** A mixed-income housing community named The Villages of East Lake was developed, comprising 542 units with a mix of public housing and market-rate apartments. The estimated cost was $52 million, funded by a HUD grant and $20 million raised by Cousins (Van Slyke and Newman, 2006).
- **Establishment of Charles R. Drew Charter School (2000):** The school provided cradle-to-college education, with the aim of improving local educational outcomes.
- **Development of Community Wellness Programs (2000s):** Initiatives included health services, recreational facilities, community learning gardens, and after-school programmes with the aim of improving residents' overall well-being.

The delivery mechanism revolves around a "community quarterback" organisation

The delivery mechanism revolves around a central governing body, the East Lake Foundation (ELF), serving as a "community quarterback" to coordinate efforts, manage resources, and align stakeholders. Its main responsibilities include:

- **Strategic vision:** Set overarching goals for housing, education, and wellness.
- **Coordinating stakeholders:** Bringing together a wide range of partners, to align their efforts with the initiative's objectives. Stakeholders included:
  - **Public Sector Partners:** Includes entities like the Atlanta Housing Authority, which worked on mixed-income housing, and Atlanta Public Schools, which supported the Drew Charter School.
  - **Private Sector Involvement:** Corporate partners, such as Coca-Cola and Publix (East Lake's first grocery store in 40 years) contributed financially and operationally.
  - **Non-profit organisations:** YMCA connected to the school to provide recreational, community and health wellness programmes, including a swimming pool. East Lake Farmers market aimed to provide healthy produce to residents while fostering community relationships and supporting the local economy, while Southeastern Horticultural Society manages a community learning garden.
  - **Residents and Community Groups:** The Resident Planning Committee, a formal body representing local residents, ensured that the community's voice shaped the initiative.
- **Funding oversight:** Securing and managing funding from diverse sources, including revenue from the East Lake Golf Club, philanthropic organisations, companies like Coca-Cola, and Government grants, such as HUD contributions, which supported the redevelopment of East Lake Meadows.
- **Accountability and monitoring:** Ensuring that each partner remains accountable to the shared goals, and measuring progress through data and evaluation.

By serving as the coordinating hub, the ELF ensured that efforts targeting housing, education, and wellness were integrated and mutually reinforcing. This approach aimed to address the multiple dimensions of community development in an integrated manner.

The Centre for Promise notes that the ELF is also implementing an integrated system capable of linking data across agencies (Centre for Promise, 2014). This system allows 75 partners to access shared data across participating organisations, enabling a more efficient allocation of resources. For instance, if two schools demonstrate varying levels of academic performance, partners can access information on which school a child attends, whether they are involved in extra-curricular programmes, and whether they reside in The Villages, so that they can grant them access to community wellness resources. The system also benefits adults. If a resident of The Villages loses their job, relevant organisations can check whether they are already enrolled in the Resident and Community Support Programme and, if not, assist in connecting them to necessary support. By leveraging data in this way, partners can develop and implement strategies that more precisely address the unique needs of individuals.

Funding

The East Lake Initiative in Atlanta has attracted over $600 million in investments since 1995, sourced from philanthropic contributions, government funding, revenue generated by the East

Lake Golf Club, and private market financing. Cousins leveraged his connections to secure significant contributions from private donors, foundations, and corporate sponsors. Philanthropic investment was crucial in the early stages to demonstrate feasibility and attract further funding. Government support also played a critical role, with funding allocated through federal and state grants, including contributions from programs such as the federal HOPE VI initiative, which provided resources for the redevelopment of public housing into mixed-income communities. Public funds were also used to support the development of infrastructure and educational initiatives within the community. Additionally, private market financing contributed to the overall budget, particularly for the construction of mixed-income housing, commercial spaces, and community amenities. This approach to funding demonstrates the effective combination of public-private partnerships to drive large-scale urban regeneration projects. The partnership model reduced risks for private entities by sharing responsibility and costs with public agencies and philanthropic foundations. The structured approach ensured that private contributions complemented public funding, arguably creating a more efficient use of resources.

The initiative engaged the community and enhanced their networks, but did not directly instil leadership skills to champion community efforts

The ELF actively engaged the community to foster collaboration and build trust. The Resident Planning Committee was a formal group established in 1994 to represent the residents of East Lake. From 1994 to 1998, the committee regularly met with ELF and the Atlanta Housing Authority, to collect input on housing plans and relocation logistics. Additionally, during the charter school application process, the foundation consulted with residents to gauge their support for the new school, which played a key role in its eventual opening.

The foundation also partnered with the Southeastern Horticulture Society to design the East Lake Community Learning Garden, involving residents in creative, hands-on solutions, such as planting. Another example of engagement came from a resident, Doug Williams, which collaborated with the foundation to address neighbourhood issues, including revitalising a park previously known for drug activity. By reaching out to both long-term and newer residents, he led a collective visioning process to reimagine the park, resulting in a successful grant application and the park's transformation into a space for families. These efforts encouraged community engagement and ownership.

Additionally, the Resident and Community Support Programme (RCSP) provides resources and assistance to residents of The Villages of East Lake, a mixed-income housing community, focusing on economic stability, career advancement, and fostering community connections. Through partnerships with various community organisations, RCSP aimed to enhance employment readiness by offering educational workshops on financial literacy, entrepreneurship, homeownership, and career development. Residents also benefit from access to job opportunities, financial resources, and support for starting small businesses. In 2023, 1326 residents participated in the programme, 76% of whom identify as low-to moderate income. 93% of individuals who attended financial classes opened and maintained a saving account (East Lake Foundation, 2023).

In summary, in terms of capacity building, these activities were successful in engaging local residents in local decision-making and enhancing their networks but did not necessary instil leadership skills to champion community efforts. This is because the ELF led the coordinating efforts, rather than a resident-based group.

The evaluation uses a synthetic control method and finds significant impacts on house values, income and education

The initiative was evaluated using synthetic control methods and comparative analysis of socioeconomic and demographic data (Theodos, 2022). This approach involves comparing the area in which the intervention has taken place to a weighted composite of similar comparison communities. This method ensures the control closely resembles the target area before the intervention. By analysing differences in outcomes between the treated area and the synthetic control before and after the intervention, the method isolates the impact of the initiative. This analysis utilises data from the 1970, 1980, 1990, and 2000 decennial censuses, as well as American Community Survey data from 2006 to 2019. Multiple pre-intervention census data points provide insights into both the baseline levels and trends in the target and comparison areas prior to the initiative. Additionally, extending the observation period to 2019 allows sufficient time for the intervention's impacts to materialise.

The impacts from the evaluation are summarised below:

- **Demographic changes:** The Black population in the area decreased from 96% in 1990 to 66% in 2015–2019. The white population share increased from 3% to 25% in the same period.
- **Education:** The proportion of residents with a bachelor's degree rose from 6% in 1990 to 41% by 2015–2019. In addition, the 2023 annual report[28] shows a 98.4% graduation rate for the school, $15m in scholarships earned, and 98% of applicates accepted into universities. The initiative has gained significant success in education outcomes, in contrast to some evidence suggesting that neighbourhood interventions are more successful in achieving place-based outcomes relative to people-based outcomes.
- **Income and poverty:** Inflation-adjusted average household incomes increased by $35,000, from $42,000 in 1990 to $77,000 by 2015–2019. Poverty rates dropped from 36% to 21%.
- **Housing Market Changes:** Average home values rose dramatically from $85,000 in 1990 (in 1990 in constant dollars) to $312,000 by 2015–2019, an increase of $175,000 relative to a synthetic control area.

While the initiative has had significant positive community revitalisation outcomes, it faced some challenges related to displacement. The redevelopment led to a substantial reduction in public housing, with only 40% of the original East Lake Meadows units replaced on-site. The remainder were addressed through housing vouchers or off-site construction, causing many

[28] https://www.eastlakefoundation.org/annual-reports/2023/

original residents to relocate. An estimated 25% of the former East Lake Meadows residents returned to the Villages of East Lake, while the majority moved to other public housing developments or utilised vouchers. At the outset, residents of East Lake Meadows were uncertain and sceptical of the effort's reduction in the number of public housing units, its physical design, and lack of clarity around relocation, and they sought the council of public housing advocacy lawyers. Delays in constructing off-site housing further compounded uncertainty and stress for displaced households.

The evaluation of the East Lake Initiative primarily focused on the **area itself** rather than tracking the outcomes of individuals originally residing in East Lake Meadows over time. This approach, while common in place-based interventions, raises an important consideration: much of the observed improvement in neighbourhood outcomes reflects changes in the population composition rather than direct improvements in the lives of the original residents. So while the initiative had positive impacts on poverty, education, and income in the deprived *area*, it faced challenges related to the displacement of *people*. The fact only a quarter of original residents returned meant that many did not directly benefit from the new housing, services, and educational facilities. The area itself did however improve.

Value for money

While value for money analyses were not conducted in the most recent evaluation, a separate study by the University of Georgia in 2008 found that East Lake's revitalisation demonstrated significant economic benefits relative to its costs (Selig Center for Economic Growth, 2008). Between 1995 and 2007, total capital expenditures amounted to approximately $159 million in nominal dollars (equivalent to $188 million in 2007 dollars). Gross estimates for the benefits in a single year, 2007, were as follows:

- Capital projects generated significant economic output and supported 1,827 jobs.
- Improved household incomes, with a net gain of $12.1 million for residents of The Villages of East Lake (2007 dollars).
- Residential property values increasing by 334% between 1995 and 2007.
- Improved educational outcomes from Drew Charter School, projected to yield lifetime earnings benefits of $14 million per graduating class.
- A dramatic reduction in crime rates, with avoided costs of nearly $6 million in 2007 due to decreased violent and property crimes.
- East Lake Campus institutions, the PGA Tour, and new commercial developments generated an output impact of $81 million.

The initial capital investments alone generated over $226 million in economic activity, primarily in the construction and real estate industries. This suggests the intervention represented value for money, with benefits exceeding costs. It is important to note though that this analysis does not consider the significant displacement of residents discussed above, and therefore raises questions as to the distribution of the benefits seen. However, it is important to note that a

recent evaluation which assesses the replication of the Purpose Built Communities model in other areas does not find evidence of displacement being exclusionary (i.e. forced).

The East Lake initiative has been replicated across other states in the US

The East Lake Initiative inspired similar programmes across the United States. Cousins, together with Warren Buffett and Julian Robertson, established 'Purpose Built Communities' to replicate the East Lake model of community revitalisation in other areas of concentrated poverty across the United States. Today, Purpose Built Communities operates in 28 locations across the US. A recent evaluation assessed the implementation of the PBC model in five communities that were among the first to adopt it (Verma et al., 2024). Overall, the evaluation indicates that the PBC model can be effectively implemented in diverse communities, leading to positive changes in income diversity and community wellness. The key findings of this cross-intervention evaluation include:

- The Community Quarterbacks (CQBs) became lasting institutions within their communities by fostering strategic partnerships, obtaining funding, and prioritising residents in their initiatives.
- In all five neighbourhoods, estimates indicate that around half of the original residents had relocated by approximately the fifth year of implementing the model. By the tenth year, only about a quarter of the initial residents remained in these neighbourhoods. While the exact reasons for this outward migration are unclear, there is minimal evidence to suggest widespread forced or exclusionary displacement. By the conclusion of the analysis period, most Purpose Built Neighbourhoods continued to have a significant proportion of residents with low or poverty-level incomes.
- The shifts in quantitative indicators observed in the study neighbourhoods reflected similar trends occurring citywide and in other areas with persistent high poverty, emphasising the impact of broader external factors.

Lessons learnt

Key success factors:

- **Dedicated local community organisation:** Some of the literature suggests that one of the key reasons for the success of the initiative is due to the "community quarterback organisation" model. This structure allows for less-complex governance and centralised resources. The ELF provided a vision for the neighbourhood and determined how to mobilise the necessary public-private partnerships to realise that vision. Additionally, having a local anchor institution that is tied to the area and unlikely to disengage from revitalisation efforts can provide crucial stability and sustained interest. However, the centralised governance model meant that the initiative had less of a focus on building capacity in local residents.
- **Long-term funding:** The East Lake Initiative is distinctive due to its long-term commitment to pursuing consistent neighbourhood outcomes. The evaluation notes that future efforts should acknowledge that transforming a community requires substantial

time, with 10-years likely insufficient. A more realistic approach would involve planning over a 20- to 30-year timeframe.

- **Diversified income model:** The foundation cultivated strategic partnerships with private and philanthropic funders, ensuring financial flexibility and sustainability. With support from organisations like Coca-Cola and revenue from the East Lake Golf Club, the initiative raised significant funds, diversifying its financial streams and reducing dependency on a single source. A long-term sustainable investment strategy and a focus on monitoring and sharing progress through neighbourhood metrics helped attract additional funding from local public and private sources. This approach played a key role in ensuring the long-term sustainability of the collaborative's initiatives.
- **Proximity to market strength:** It is important to note that the proximity to economically strong areas played a key role in attracting additional market investment. East Lake Golf Club, a prestigious and historic course, is **directly adjacent** to the East Lake neighbourhood. Decatur, a vibrant and economically strong town, is located approximately **2 to 3 miles** (3 to 5 kilometres) west of the East Lake neighbourhood. Revitalising a community often requires funding beyond what public and philanthropic sources can provide, necessitating the involvement of market capital. In neighbourhoods experiencing economic decline or stagnation, linking them into these stronger economic regions can aid their improvement. Where this isn't possible, initiatives may face greater challenges in achieving their goals, possibly requiring more substantial public and philanthropic investment to compensate for limited market capital.
- **Adaptability:** The East Lake Initiative acknowledged the importance of adapting to emerging needs. A risk of successful revitalisation is that market forces may exacerbate inequality, particularly through rising housing costs that displace low-income residents. The East Lake Foundation (ELF) recognised this challenge, and responded by initiating projects to expand affordable housing options (e.g. such as a new 108-unit apartment building with affordable units and additional mixed-income developments). Originally planned for retail, foundation-owned land is also being used for housing to ensure access to schools and amenities for low-income families.
- **Leveraging existing community infrastructure:** The East Lake Initiative redevelopment model centred on leveraging existing community assets (e.g. the Golf course) as the foundation for revitalisation, using the profits from this to fund community revitalisation. By improving the neighbourhood's physical landscape by also constructing or facilitating the development of schools, housing, recreational facilities, and retail spaces, it changed perceptions around the area's previous history of disinvestment.

Challenges:

- **Capacity building:** While the initiative actively engaged the community, these efforts were more aligned with fostering collaboration and trust rather than systematically building long-term capacity among residents. Capacity building elements therefore likely emerged more as a byproduct of the intervention rather than a deliberate and centralised strategy. Given the significant displacement of residents that took place, it is not clear the extent to

which residents living in the areas before the intervention were now experiencing better outcomes.

- **Resident decision-making:** Community engagement was a central focus of the East Lake Initiative and was achieved through various means. However, full community buy-in was not evident from the start. While the initiative did not encounter persistent resistance from residents, some did feel they lacked adequate input. Certain voices, particularly those of original East Lake Meadows residents who faced displacement, may have been underrepresented. One challenge in such efforts is the diversity of opinions within neighbourhoods, making a unified perspective unlikely. While the East Lake Initiative engaged residents, it did not prioritise building leadership skills among them, because the ELF was already the primary leader and driving force behind the redevelopment efforts. Future initiatives could enhance their impact by incorporating deeper engagement during the early design stages and throughout the intervention, offering residents meaningful opportunities for shaping initiatives, identifying needs, and gaining valuable skills through participatory platforms.

Policy recommendations

The Atlanta East lake initiative has achieved significant positive outcomes in relation to education, income, poverty and house prices in the East Lake neighbourhood of Atlanta. While a formal value for money analysis was not performed, the evidence suggests it represented good value for money. Although the evidence suggests the East Lake Initiative significantly improved the area, it did however lead to significant displacement of residents. It is unclear the extent to which these residents benefited from the redevelopment.

Based on this intervention and the evidence reviewed, policymakers should consider the following for future neighbourhood interventions, which are based on the evidence reviewed and our interpretation:

- **Addressing displacement:** To avoid displacement issues in neighbourhood revitalisation projects like Atlanta's East Lake Initiative, several key strategies could be implemented. These include implementing **mandatory build-back requirements** for public housing revitalisation projects to ensure a minimum number of public housing units are rebuilt, proactively engaging residents in the planning process, maintaining transparency about project goals and timelines, and collaborating with advocacy groups. This builds trust, and ensures residents' needs are prioritised.
- **Creating a "community quarterback" to coordinate interventions:** To ensure the success of neighbourhood revitalisation initiatives, policies should prioritise the establishment of a dedicated local organisation to coordinate efforts, connect stakeholders, and drive implementation. This organisation must possess the necessary capacity—including leadership expertise, stakeholder relationships, and fundraising capabilities—to effectively guide interventions and secure resources. Where such capacity does not already exist, policies should incorporate an initial phase of capacity

building to develop the necessary leadership skills, networks, and organisational infrastructure within the community.

- **Engaging effectively with the community:** Redevelopment efforts should engage with the community effectively, ensuring there is sufficient buy-in and that concerns are addressed. This should be combined with approaches that develop resident leadership, so that community members themselves can engage with stakeholders, champion local efforts, and sustain long-term outcomes. This would aim to minimise any displacement effects arising from the success of the programme.
- **Building on pre-existing community assets:** The East Lake Initiative demonstrates that while redevelopment efforts introduced significant new infrastructure—such as housing, schools, and recreational facilities—success was **anchored by pre-existing assets** such as the golf course. This provided a starting point for market capital and philanthropic interest. If such infrastructure is absent, initiatives may require a **preparatory phase** to build or strengthen these foundational assets before broader revitalisation efforts can be successful.
- **Link to economically successful areas:** Given the levels of funding required to revitalise a community, linking neighbourhoods experiencing economic decline or stagnation to stronger economic regions can aid their improvement and mobilise private-sector investment.

10.2.3 Neighbourhoods Alive! (Canada)

Design features	Summary of Neighbourhoods Alive!
Location	10 neighbourhoods in Canada
Lead implementer	Neighbourhood Renewal Corporations
Neighbourhood boundary/definition	Determined by the government, focusing on areas exhibiting significant signs of decline. These boundaries were not administrative in nature but rather defined based on socio-economic and physical criteria, prioritising high-needs communities.
Start and end year	2000-2019
Amount of funding	As of March 31, 2015, NA! had committed an estimated CAD $72 Million
Emphasis of approach	Housing, improved social conditions, community leadership

Overview of the intervention

Neighbourhoods Alive! (NA!) is a provincial initiative managed by the Department of Intergovernmental Affairs and Trade and launched by the Manitoba government in June 2000. Following a community-led model, it empowers community-based Neighbourhood Renewal

Corporations (NRCs) to determine their own priorities in deprived neighbourhoods. The core aim of the NA! initiative was to achieve three long-term outcomes:

- Communities have leadership and capacity to sustain neighbourhoods
- Communities have improved social, economic, physical, cultural and environmental conditions
- Communities have quality housing that is adequate, affordable, and safe

The selection of Neighbourhoods Alive! (NA!) communities was primarily determined by the Manitoba provincial government, focusing on areas exhibiting significant signs of decline. In Winnipeg, this included Major Improvement Areas (MIAs) characterised by declining populations, aging housing stock, and lower family incomes. Similarly, communities outside Winnipeg with comparable challenges were selected. NA! initially targeted five communities for support. In 2005, the provincial government broadened the initiative to include seven more inner-city neighbourhoods in Winnipeg, with this expanded to a further five urban communities outside Winnipeg in 2007.

Key components of the intervention

The delivery of NA! revolved around providing support to communities through three programmes, which implemented a variety of interventions

Neighbourhood Development Assistance (NDA) supports and funds community development in designated neighbourhoods by enabling the establishment and operation of democratic **Neighbourhood Renewal Corporations (NRCs),** which are locally-managed organisations. NDA provides core funding to the 12 NRCs to facilitate their coordination of revitalisation efforts within these areas. Newly established NRCs can receive up to $25,000 in start-up funding and were allocated $75,000 annually during the first phase of NA!.

While NRCs had the flexibility to establish their organisational structure in ways that best suited their local context, they share several common characteristics. They are governed by a board of directors that includes local neighbourhood residents, community organisations, businesses. Committees then address specific issues such as housing, homelessness, or safety specific priorities, involving both board members and representatives from local organisations or the community. NRCs often had dedicated staff members such as executive directors, administrative assistants, and community development specialists, to support and drive their initiatives. NDA funding required NRCs to create a five-year community renewal plan. These plans were typically developed using a combination of internal research and input from NRC staff, board, and committee members; consultations with neighbourhood residents and stakeholders; and validation of the proposed plans and priorities with key community organisations and residents.

The Neighbourhood Renewal Fund (NRF) serves as a central funding source, providing funding for NRC initiatives aimed at building capacity, enhancing stability, fostering economic development, and promoting well-being within designated NA! neighbourhoods. The NRF has

provided significant funding for revitalisation efforts within NA! communities. According to the 2010 evaluation, the NRF has funded 630 activities, with a total investment of $20,023,133 since 2000 (EKOS Research Associates, 2010) . The types of initiatives funded include:

- **Capacity building:** Supports projects that facilitate neighbourhood awareness and collaboration; enhance knowledge, skills, and leadership; foster individual and community pride; and ensure the sustainability of programmes. Many of these initiatives focus on connecting residents to skill-building opportunities and empowerment. For instance, the West End Cultural Centre partnered with the House of Opportunities to provide work exposure for un- and under-employed individuals with no prior construction experience. Additionally, community gardens and greening projects were frequently mentioned as significant capacity-building efforts, fostering collaboration and practical skill development. Community consultations and annual general meetings were also highlighted as key examples of capacity-building activities.
- **Stability:** To complement NA!'s housing improvement project (see NHA below), the NRF funds 'stability' projects aimed at creating a more stable and secure living environment for residents. This includes efforts to renovate neighbourhood facilities, create or revitalise parks and open spaces for community use, develop community gardens, upgrade local amenities, and enhance neighbourhood aesthetics. Enhanced amenities and visual appeal make neighbourhoods more attractive for families, leading to a less transient population. As one interviewee noted, these efforts "lead to stability because people have a place that they want to be in".
- **Economic development:** Aids neighbourhood organisations in crafting community economic development strategies focused on balanced, equitable, and sustainable growth. It funds initiatives that generate local business opportunities, boost employment and training prospects for residents, and promote local purchasing. Efforts to hire locally are demonstrated through initiatives such as engaging a local artist to collaborate with children on painting recycling bins and hiring parents for after-school programmes. Additional economic development activities include providing local resource support like CV writing assistance and financial literacy education.
- **Well-being:** Provides funding for activities that enhance neighbourhood cohesion and well-being, including improving safety and crime prevention, reducing at-risk behaviours, encouraging healthier lifestyles, strengthening tenant-landlord relationships, and fostering neighbourhood collaboration. Examples include: the upgrading of local parks to encourage more walking and outdoor activities; a neighbourhood watch programme to improve perceptions of safety; and the organisation of block parties to reduce loneliness and build community connections.

The Neighbourhood Housing Assistance (NHA) is another central funding source which offers financial assistance to promote homeownership and renovation projects in designated neighbourhoods. It supports local housing improvement initiatives by providing funding to NRCs, non-profit community housing organisations, and private landlords or developers to renovate, rehabilitate, or construct new housing units. Since 2000, more than $9 million in NHA funding has been allocated to the rehabilitation, renovation, or construction of

approximately 2,770 housing units in Winnipeg. Outside Winnipeg, nearly $3.7 million has been dedicated to 389 units.

To further the goals of the NA! initiative, NRCs administer several locally-managed grant programmes, including:

- **Small Grants:** These grants provide up to $5,000 for local community groups and organisations to fund small-scale projects aligned with the priorities outlined in the NRC's five-year neighbourhood plan.
- **Residential Exterior Fix-ups:** This programme offers grant assistance to homeowners and landlords for exterior property renovations. Recipients are required to match these funds.
- **Storefront Improvements:** Businesses, co-operatives, and non-profits can access grants to enhance the exterior of their buildings. Applicants are also expected to match these funds.

NA! takes a community-led approach, actively engaging residents through a wide range of initiatives

NA! operates a community-led model through the establishment of local NRCs. These organisations develop community plans, coordinate and initiate projects that align with the neighbourhood's priorities, and engage with residents to encourage involvement in revitalisation activities. The type of resident involvement includes:

- **Governance and operations:** Involvement in the NRC’s governance, such as serving on the board or committees comprising representatives from businesses, residents, and NGOs. NRCs prioritise hiring local residents.
- **Consultations and meetings:** Participation in consultations related to renewal planning (e.g., focus groups, surveys, town hall meetings), annual general meetings, and project-specific consultations.
- **Membership in networks:** Joining groups or networks facilitated by the NRC, such as business associations or youth services networks.
- **Community events:** Engagement in local activities, including spring clean-ups, community gardens, youth programs, and events like Picnic in the Park, haunted houses, winter carnivals, and tree banding.
- **Programme participation:** Accessing initiatives such as Small Grants, Residential Exterior Fix-up programs, and Storefront Improvement programs.

Evaluation

The NA! programme was assessed through two theory-based evaluations in 2005 (Distasio, 2005) and 2010 (EKOS, 2010). This involved reviewing administrative data, NA! documentation, and performance data. Interviews with key stakeholders, including NA! staff and NRCs, also took place alongside surveys and focus groups with community residents.

Detailed case studies of three NA! areas were also conducted. The evaluation notes that there is a limited amount of baseline data, and the survey samples were drawn from individuals who attended forums, rather than from the broader neighbourhood population. As a result, the sample is neither random nor large enough to make definitive conclusions. No value for money assessment was included in the evaluation.

The first evaluation, conducted in 2005, focused on the first four years of the initiative. Five NRCs were evaluated using data collected from the 2001 Census, NA! programme records, community forum discussions, surveys, and interviews with key informants. The evaluation aimed to assess whether "*the community-led model has enabled NA!, NRCs, and the communities with which they work, to contribute to positive neighbourhood change*". The key reported outcomes were:

- **Improved housing:** Short-term improvements were most noticeable in the physical environment, with housing and building construction, repairs, and neighbourhood cleaning and greening frequently highlighted in resident surveys and interviews as tangible evidence of progress. Approximately 900 units of housing were renovated or built. Based on a detailed analysis of the Multiple Listing Service housing resale and Census data, the numbers of homes selling in higher ranges was found to have increased (an average increase of $33,000 over five years) and were taking less time to sell. There was however an increase in the percentage of housing units that were owner-occupied. This indicates renters were potentially displaced.
- **Increased perceptions of safety:** Analysis of data relating to Safety and Wellness provided evidence of a marked improvement, especially with respect to the reduction in arsons. For instance, 83% and 81% of survey respondents in Spence and West Broadway neighbourhoods respectively indicated that their neighbourhood had become safer over the past few years.
- **Improved public realm:** Residents frequently remarked on the overall improvement in the quality of their neighbourhoods, noting the efforts of local residents. Many highlighted enhancements such as murals, clean-up initiatives, and community gardens that increased the neighbourhood's aesthetic.
- **Increased local capacity and empowerment**: Qualitative indicators suggested that residents were actively participating in events such as Annual General Meetings (AGMs), clean-ups, and community meetings and had an increased sense of ownership. Residents felt that their voices mattered, and were being heard within the neighbourhood.

The 2010 evaluation focuses on the years 2000 to 2010 and continued to see similar impacts. For example, of the 357 individuals surveyed, 51% were found to be familiar with NRCs. Among community residents surveyed who were familiar with their NRC, over three-quarters (78%) felt that having NRCs were helpful for their neighbourhood. Almost all respondents who were aware of revitalisation efforts (91 per cent) felt that the NA! projects were beneficial for the neighbourhood.

Survey respondents were also asked to evaluate changes in various aspects of their neighbourhood since moving to the area or over the past 10 years. The findings included:

- Among the factors assessed, the level of renovations or improvements to housing within their communities stood out as the most improved. A total of 64% of respondents indicated that this aspect was "better now."
- Respondents also noted positive changes in residents taking the initiative to improve their neighbourhoods and in access to public facilities, with 50% highlighting improvements in both aspects.
- Most other aspects measured, such as opportunities for sport or cultural activities were typically rated as showing "no change".
- However, the affordability of housing stood out as the only factor that the majority rated as "worse now".
- Overall, nearly half (49%) of community residents felt that their neighbourhood's condition had improved since they moved to the area or over the past 10 years.

Lessons learnt

Key success factors

- **Community-led model:** The evaluations found that the establishment of NRCs within the NA! programme significantly increased community leadership, capacity, and engagement, serving as a cornerstone of the initiative's success. Core funding for NRCs empowered them to provide leadership, coordinate activities, and support long-term community planning. NRCs acted as central hubs, fostering resident participation through leadership roles on boards and committees and enabling effective information sharing within communities.
- **Longevity of NRCs:** The longevity of NRCs has been crucial, with the early years focused on building credibility and visibility among residents and stakeholders, enabling them to establish trust and connections within the community.
- **Administrative capacity and capacity-building support:** Over time, NRCs have significantly strengthened their administrative capacity, supported by NA!'s capacity-building initiatives. These efforts included training, resource allocation, and skill development programmes, enabling NRCs to better manage operations and implement revitalisation projects effectively.
- **Comprehensive planning:** The introduction of five-year community renewal plans has been a critical element in ensuring that revitalisation efforts remain focused and effective. The evaluation highlights that these plans not only provided a structured framework for identifying and prioritising community needs but also helped keep areas on track by ensuring accountability and guiding concrete actions. This approach enabled neighbourhoods to adapt to evolving challenges while maintaining cohesion in their long-term development goals.

- **Flexibility in funding:** The flexibility of the Neighbourhood Renewal Fund (NRF) has been a significant success factor, allowing NRCs to address a diverse range of local priorities. This includes initiatives focused on housing improvements, community beautification, safety, and capacity building, tailored to the unique needs and contexts of each community.

Challenges

Suggestions for improving the programme most often focused on funding for NRCs and achieving stability in the funding of the NRF projects.

- **Insufficient funding:** The core funding provided to NRCs was considered inadequate to cover the full range of revitalisation activities. Key informants highlighted that, despite the growth and development of NRCs, their resources did not expand proportionally to meet increasing demands, limiting their ability to address all community needs effectively.
- **Short-term project funding:** Many initiatives were restricted to short-term funding cycles, with limited options for repeat or capital funding. This lack of long-term support made it difficult to sustain successful projects, as securing additional resources to continue or expand these efforts was often challenging.
- **Community capacity limitations:** Within the community, there were constraints on residents' ability to engage in revitalisation efforts. These included volunteer fatigue, a lack of skills or time among residents, and difficulties in engaging specific groups such as Indigenous people and new immigrants. These barriers made it challenging to mobilise sufficient community involvement to drive change effectively.
- **Policy vulnerability:** The programme lacked a legislative mandate, making it susceptible to changes in government priorities or departmental shifts. This instability posed a risk to the long-term sustainability of the initiative.
- **Leadership and organisational challenges:** Heavy reliance on the strength of Executive Directors in NRCs, combined with turnover in this key role, highlighted the need for ongoing capacity building for NRC staff and boards to stabilise organisational operations and ensure continuity.
- **Economic development difficulties:** Addressing complex and costly economic development issues, such as enhancing employment and opportunities for local businesses to grow, proved challenging due to limited expertise, resources, and capacity among NRCs to tackle deep-rooted economic disparities effectively.
- **Decline in affordable housing:** While improvements in housing quality were observed, the shortage of affordable housing persisted. This meant there was limited access to safe, adequate, and quality housing for residents in high-need neighbourhoods.

Policy recommendations

The NA! initiative has delivered several positive outcomes, including improved housing through renovations and new construction, increased perceptions of safety, enhanced public spaces with initiatives like murals and community gardens, and greater community capacity

and empowerment. Residents reported a stronger sense of ownership and involvement in their neighbourhoods, with many recognising tangible progress in housing and safety. However, challenges remain, such as concerns about housing affordability and potential displacement of renters. No value for money assessment was however performed.

Based on this intervention and the evidence reviewed, we have outlined the following policy recommendations which are informed by both the findings of the evaluation and our own interpretation of the evidence.

- **Developing comprehensive data collection and tracking processes**: Future programmes should implement systematic baseline data collection before implementation, ensuring coverage of key indicators such as economic, social, and physical conditions at the neighbourhood level. Surveys should adopt random sampling methods to capture broader neighbourhood representation, improving the reliability and generalisability of evaluation findings. Additionally, mechanisms for longitudinal data tracking should be established to monitor changes over time in key outcomes, enabling more definitive assessments of programme impacts.
- **Balancing housing quality improvements with affordability:** The evaluation findings highlight a mixed outcome in housing quality and affordability. While the quality of housing in NA! communities improved since the programme's inception, the reported decline in the availability of affordable properties raises concerns about unintended consequences. This suggests that while revitalisation efforts have enhanced the housing stock and surrounding areas, rising property values may have reduced affordability, potentially displacing lower-income residents or limiting their housing options. This underscores the need for balancing quality improvements with strategies to preserve or increase affordable housing availability in future initiatives.
- **Strengthening leadership:** Ensure leadership roles, such as Executive Directors, are supported to prevent high turnover by distributing responsibilities more evenly across the organisation. Future initiatives should prioritise capacity-building programmes for staff and board members, creating a pipeline of trained individuals ready to step into leadership positions when needed. This is to promote organisational stability, continuity, and resilience.
- **Integrating neighbourhood-level efforts with broader economic strategies:** NRC's capacity to tackle broader economic challenges like employment and business growth were limited. This suggests that in order to achieve sustainable change, future initiatives should be integrated with initiatives at broader spatial scales (e.g. regional and national economic strategies), linking neighbourhoods to wider labour markets and economic opportunities.
- **Providing greater, long-term funding with a legislative mandate:** Providing significant funding over the long-term that is protected from political changes provides certainty, increasing the likelihood that successful projects are sustained.

10.2.4 Soziale Stadt Programme (Germany)

Design features	Summary of the Soziale Stadt programme
Location	Germany
Lead implementer	Federal Ministry for Housing, Urban Development and Building (BWSB)
Neighbourhood boundary/definition	965 neighbourhoods in 544 municipalities, covering all Federal states. Municipality defined boundaries, with an average of 8,000 residents.
Start and end year	1999-ongoing
Amount of funding	€6.3bn up until 2019 (BWSB, 2024)
Emphasis of approach	Flexible, neighbourhood-led approach to improving local deprivation and social cohesion through improvements to housing, public realm, and social infrastructure.

Overview of the intervention

Soziale Stadt (also known as 'Social City') was launched in Germany in 1999 in response to increased social segregation and visible pockets of poverty, unemployment and insecurity in certain neighbourhoods. The overarching objective of the programme was to "*improve the living situation in disadvantaged residential areas with an integrated approach and to break the 'downward spiral' of negative social, economic, urban, infrastructural and environmental development observed in many places*" (BBSR & BMUB, 2017). It combines investments in urban planning (such as the construction and maintenance of social housing and public realm improvements) with non-investment measures in social infrastructure that promote integration (such as hosting cultural events).

A key principle under Soziale Stadt was that target neighbourhoods had to be shown to no longer be capable of turning themselves around based on their efforts alone (Bielka et al., 2016). The number of neighbourhoods seemingly meeting this threshold grew significantly over the programme from 164 neighbourhoods in 125 municipalities, to 965 neighbourhoods in 544 municipalities by 2019. The location of funded areas varied, with 37 percent located in large cities, 38 percent in medium-sized cities, 21 percent in small towns and 5 percent in rural municipalities (BWSB, 2024). These neighbourhoods also varied significantly in both their size and population and had on average 8,000 residents. They were typically of lower income, experienced higher levels of unemployment and had lower levels of education. The neighbourhoods were mostly located in inner-city neighbourhoods in disadvantaged regions with poor quality housing stock and environmental conditions, or large post-war housing estates with little mixed-use development and a lack of social infrastructure.

Key components of the intervention

Soziale Stadt was designed to be a highly flexible programme that promoted innovative, locally-led solutions to neighbourhood deprivation. It intended to create new forms of governance, moving away from top-down administration and towards bottom-up control. For that reason, it has evolved quite significantly since its inception. As of 2018, over 659 interventions were funded. While little top-down guidance was provided on what to spend the funding on, interventions were grouped into the following themes:

- **Housing:** modernising and renovating dilapidated buildings, improving energy efficiency as well as implementing initiatives to reduce rental costs.
- **Public realm and pride-in-place:** green and open spaces were redesigned, cycle and foot paths were expanded, and initiatives aiming to reduce environmental pollution were organised.
- **Promotion of social integration:** infrastructure was built to host cultural events, language courses were held for migrants, networks were established to improve integration and migrants were involved in programme planning.
- **Educational, cultural, sports and health initiatives**: schools were renovated, improved play and learning environments were funded and cultural centres were established.
- **Local economy:** training courses were set up, mentors were deployed, and support was provided to reduce young people dropping out of education.

Interventions were delivered by municipalities and neighbourhood management teams

The design of Soziale Stadt required resources to be pooled from all levels of government: federal, state and local (i.e. municipalities, the lowest level of government in Germany). The initiative aimed to act as a central “lead programme” in each neighbourhood from which other non-government funding could be attached. As 33% of funding had to come from central government, with the remaining from federal states (generally 33%) and municipalities (generally 33%), it also aimed to provide a framework for inter-departmental cooperation and community engagement, generating synergies from combining financial resources in this way.

To receive funding, municipalities had to submit applications to their federal state for approval, which have their own funding guidelines. States ultimately decided which and how many neighbourhoods to support in their locality. Because funding had to be bid for each year, the amount of funding provided across the targeted neighbourhoods in the programme differed. While the coordination and management of the funded initiatives were generally undertaken by local authorities, as the programme progressed many areas established neighbourhood management teams (NMTs) to do this instead. While these were not mandatory, 85% of assisted neighbourhoods in 2015 had such a team, as it was found to be a successful model. These comprised primarily of members from third-sector organisations and the municipality and were financed (80%) by Soziale Stadt and the local municipality. While NMT responsibilities varied by neighbourhood, almost all were involved in engaging local

communities and stakeholders. The majority were involved in reporting and project development, with just over half (55%) in control of the programme implementation. They were typically located in community or family centres.

Outside of the bidding process, each neighbourhood also had a discretionary fund (Verfügungsfond). These funds were an innovation from the first phase of the programme and were rolled out to all areas given their early success. These funds (between €5,000 and €20,000 euros per year) were designed to be accessed by residents and institutions quickly and with limited restriction, to improve their area as they saw fit. The aim was to strengthen participation, build networks, and increase the levels of responsibility residents and local groups felt. The financed projects were generally grants for equipment in schools and neighbourhood buildings alongside community events (such as festivals).

To receive Soziale Stadt funding, municipalities were required to do three things:

- **Define the neighbourhood boundaries:** While municipalities were permitted to draw these boundaries themselves, they had to demonstrate that the chosen area deviated significantly from the average values of deprivation in the city as a whole. In practice, neighbourhood selection was performed based on the local experience of the municipality with this then supplemented by data-based analysis.
- **Create an 'integrated development concept' (IEK):** Each supported neighbourhood had to create an IEK. This set the specific goals of the programme in that neighbourhood and the projects it sought to undertake. IEKs were encouraged to focus on long-term, effective and locally-coordinated solutions, and take into account regional and city-wide strategies. Local residents and groups (such as local clubs, schools and religious institutions) had to be involved in developing these plans, and public service providers were encouraged to invest in complementary projects. It also had to consider the long-term sustainability of the projects undertaken beyond the funded period. Beyond this, municipalities had a significant degree of autonomy to set their own objectives. By 2015, 89% of areas had an IEK, with the remainder relying on city-wide plans instead. IEKs were not originally mandated but represent another example of an early innovation that was then rolled out to the wider programme.
- **Resident participation and neighbourhood management:** it was a requirement that local residents be intensively involved in developing, implementing and updating the IEK. This was to give socially disadvantaged individuals a voice in the development of their neighbourhood. The long-term goal of doing this was to establish self-sustaining resident organisations which would take the lead in resolving issues in their area and continue its development once funding expires. Given the flexibility in the programme however, some municipalities simply provided information to residents (as their form of engagement) whereas others were more proactive and formed Citizen Forums and conducted regular surveys. Many areas also set up residents' councils, which again ranged in their approaches: some had quarterly discussion platforms, whereas others actively decided what to use the funding on.

Two interim evaluations have been performed on the programme: one in 2004 and another in 2017

Evaluation was a key part of the programme, with this taking place at all levels: federal government, state level and in municipalities. The first interim evaluation, published in 2004, was primarily a process evaluation (BVBW, 2004). This was for two reasons: firstly, it considered five years to be too short a timeframe to reliably measure impacts given the desired changes take a long time to appear; and secondly, the uniform set of indicators and data needed in both target and non-target areas to causally attribute changes were not available. Taking a mixed-methods approach, analysing secondary data, programme statistics, surveys, monitoring and evaluation data, expert interviews, and 13 deep-dive case studies, it qualitatively assessed the first five years of the programme. It found Soziale Stadt led to the following:

- **Cooperation increased:** NMTs were considered to have played a key role in facilitating inter-governmental cooperation and engaging local residents. They were less successful in engaging businesses, charities and faith groups. The reasons for this were unclear.
- **Resident engagement improved:** The discretionary fund was found to be an effective tool for encouraging resident participation and involvement. Even though participation was often dominated by selected groups of residents (the 'middle-class'), the fund was still considered beneficial as a way of creating lasting civic engagement. Those administering the fund were found to be very economical and meticulous in how they spent the money.
- **Political involvement was key:** Investments made were particularly successful when a Mayor made it their priority. This made facilitating cooperation between government departments easier. However, the evaluation cautions that this Mayoral-driven model works best in small to medium-sized cities, given the lower levels of bureaucracy (Bielka et al., 2016).
- **Positive impacts were reported in some, but not all domains:** The evaluation conceded that quantifying impacts was challenging because the available data was poor. Nevertheless, positive trends were reported in the quality of the neighbourhood environment (such as the condition and cleanliness of public spaces), social infrastructure (such as social facilities and services for children), and in how residents perceived their neighbourhood (reducing the feeling of social marginalisation) (Bielka et al., 2016). Interventions related to school and education, integrating migrants and local economy and employment were however found to be a challenge. In the case of the local economy, it was considered a factor the programme could not influence, as it takes place at a wider spatial scale than the neighbourhood.

With the poor data available, the evaluation recommended that monitoring systems be properly established and improved. This included district monitoring (collecting socio-economic data in both the wider city and target neighbourhood) and funding monitoring (to record the activities and results of the projects funded). While it acknowledged that socio-economic data had a role to play, this needed to be supplemented with standardised surveys

that incorporate the perceptions of residents (as this is not ordinarily collected in Germany). Establishing a common set of indicators across target areas with this updated on a regular basis was considered something that could be highly beneficial.

With the first interim evaluation concluding that Soziale Stadt was an effective intervention and should continue, the programme remained and continued to evolve. A second interim evaluation was then performed. This also took a theory-based approach, using similar types of data to the first (BBSR & BMUB, 2017). It aimed to assess whether the primary programme goal of stabilising disadvantaged neighbourhoods has been achieved. Notably, many of the recommendations and innovations that took place in the first phase of the programme had since been implemented: the use of IEKs, NTMs and discretionary funds. The programme was also expanded, with a large increase in annual budget for the first time from €40m in 2012 and 2013 to €150m since 2014.

Given Soziale Stadt did not provide restrictions on what funding could be spent on, the evaluation sought to detect impacts across a wide range of possible domains. The findings for each were as follows:

- **Housing, living environment and public spaces:** This was an area of focus for most neighbourhoods. Soziale Stadt funding was found to have led to significant improvements in these areas, with many neighbourhoods considering that urban development had largely been 'completed'.
  - The main challenge in this domain were the unwillingness of private owners (rather than housing companies, who were often involved in the development of the IEK) to cooperate, although it is unclear why this was the case. In terms of pride-in-place, little information was collected, but when it was, it was often reported that things did improve.
  - The evaluation cautions that while urban renewal through capital investment in public spaces and housing can be considered complete in many areas, non-investment (revenue) measures were still needed to tackle the social challenges in these neighbourhoods. In neighbourhoods in less economically successful cities in particular, the evaluation notes that while a further deterioration has likely been avoided by the programme, the situation hasn't necessarily improved.
- **Environment and transport:** this played a comparatively small role in the programme. Positive results were found in relation to the construction of parks, improved transport infrastructure and energy efficiency retrofits, although no quantification of the effects of these were presented. The involvement of local residents in the planning and implementation of these initiatives were seen as a key success factor. Challenges arose though owing to different views in the users of e.g. parks, and again sometimes the lack of private owners willing to cooperate with the programme.
- **Social integration:** while this was considered an important part of the programme, little evaluation evidence is presented for this domain. While there are many examples of interventions that have taken place, the evaluation notes that there was no output data available covering social integration, making the assessment challenging.

- Of the information available, survey data suggests that in 84% of targeted areas, previously disengaged resident groups had become involved. Further, 89% of areas stated that migrants had benefited from support in particular, with 68% naming the unemployed and those on unemployment benefit being the primary group benefitting.
- While a cross-cutting evaluation across all interventions performed isn't possible, the evaluation does point to specific case studies of successful social interventions. This includes the 'district mothers' programme, which provided migrant mothers with employment qualifications.
- Particular success factors in this domain included having culturally sensitive, open organisations and networks, committed and competent volunteers and professionals, and the use of the discretionary fund to encourage mixing of individuals and cultural exchanges.
- Challenges include the wider economic situation and housing policy, given their direct impact on the local population, which is beyond the scope of the programme. The fact that non-capital measures often received funding for short periods of time and were challenging to get funded was also a challenge in this domain. It is unclear why it was challenging to get these measures funded.
- Nevertheless, the evaluation notes that the programme was still beneficial through its role in initiating these types of interventions, though it cautions that such a programme can only be the starting point for building social cohesion. To be sustained, other providers and institutions (such as local schools and nurseries) need to be involved.

- **School and education:** In target areas, educational facilities were often overburdened, lacked funds for maintenance, and were vandalised or neglected. With the investments performed, the programme was considered to be a significant success in this area.
  - While it was not possible to ascertain the effects the funded projects had on the educational success of children and young people, the measures undertaken were considered in surveys to be positive and helped improve the reputation of the schools. From the case studies, communication between different schools in local areas was found to have improved, the creation of educational networks and innovative projects took place, and social infrastructure and activities for young people were created.
  - The evaluation considers the upgrading of schools and educational institutions to be an essential prerequisite to improving neighbourhoods, in particular given they can act as a central point of integration and a location for events and activities. It recommends that schools and/or community facilities should be provided with a long-term minimum level of funding that provides them with the capacity to then lever in additional funds.
- **Culture and sports:** Despite not being mentioned as a distinct area of focus for the programme, cultural projects were found to be of particular importance and were often funded by the discretionary fund (given they were often events rather than capital projects). In contrast, sports were not a key domain in the programme. In assessing the impact of cultural projects, only outputs rather than impacts were reported. It describes

the festivals and art events held as having provided visible and tangible results of efforts in this domain. In creating successful cultural interventions, the evaluation states the importance of involving local residents and organisations in the design of these events and developing structures to maintain them over the longer-term. A key challenge for cultural projects was financial uncertainty, with neighbourhoods often unable to run these events in the long-term.

- **Health:** Only a few interventions took place in this domain, despite poor health being a concern in the targeted areas. While it is generally unclear why this was the case, the evaluation indicates that aligning the interests of health departments with a spatial strategy is key, as traditionally such departments focus on specific groups or illnesses rather than a spatially defined area.
- **Local economy:** While there was positive evidence of the programme providing unemployed residents and young adults transitioning from school to work with work-related training, the evaluation noted that on an aggregate level, the programme did not have a substantive effect on the local economy. Areas noted this was because the local economy is heavily dependent on factors taking place at a wider spatial scale than the neighbourhood, and so cannot be influenced by a programme like Soziale Stadt.
- **Crime:** this field of action linked to other fields, such as public spaces, social infrastructure and play areas. For that reason, there were fewer projects explicitly targeting crime in the programme. Nevertheless, the evaluation finds that in 66% of targeted areas, feelings of security improved since the programme began, with 90% of areas finding that their image had improved. Beyond the aesthetic improvements made through investments in these neighbourhoods and the events run, the role of the neighbourhood management team was found to be key to bringing issues to the attention of local politicians and generating a positive image of the area. Positive views of the local area were however found to be susceptible to outside events (such as poor media coverage and crime).

Quantifying the impacts of Soziale Stadt investments was a challenge. Nevertheless, the evaluation considers that it made a positive impact on the quality of public spaces, housing, educational infrastructure, social infrastructure, local governance and the levels of resident engagement. The evaluation concludes that Soziale Stadt acted as catalyst for change and through the IEKs, increased action towards improving disadvantaged neighbourhoods across the different fields of action outlined above. It cautions though that if a critical mass of social infrastructure and connections are not achieved during the funding period, the effects of many interventions (relating to education, social cohesion and the local economy in particular) are limited and likely to be easily lost. It is therefore crucial that interventions are scaled up and form part of a larger combined package to ensure they make a difference and remain anchored in the areas over the long-term. It also highlights the importance of combining capital investments with non-capital measures (such as the provision of activities), as the former cannot make social change on its own. On the whole, the evaluation concludes that while the programme continues to make a vital contribution to creating the structural conditions for improvements in the deprived neighbourhoods targeted, further funding at a significantly higher scale is needed to fully achieve the objectives of the programme.

Lessons learnt

Key success factors

- **Creation of NMTs:** These organisations were found to enhance networking and cooperation, improving the flow and dissemination of information and involving residents. Having a coordinating body, with devolved decision-making powers and support from local political leaders in each area made it easier to integrate various programmes together. Locating NMTs in a central, easily accessible location was considered essential, as was hiring personnel with the right skills and qualifications for the role assigned to them by the local municipality. Anchoring these in or taking over existing, proven structure/organisations was found to be a success factor, as was ensuring the continuity of employees over time, maintaining a positive cooperative relationship with the municipality, and ensuring they were properly funded and had the right personnel to deliver their tasks.
- **Devolving decision-making powers:** The bundling of financial resources, cross-departmental steering groups and cooperation of ministries was found to be most effective at the municipality level. This is because state and federal level cooperation often did not have a specific political mandate. This contrasts to the municipal level, where the involvement of mayors, local politicians and local management supported the process.
- **Pooling funds:** Almost 80% of funded areas pooled funds, with the majority coming from private funds (52%), additional municipal funds (44%) and EU programs (37%). While no figures exist for their amount, the importance of pooling funds was considered high or very high by almost half of areas. For social infrastructure in particular this was considered essential, so that sufficient scale could be reached.
- **Providing room for innovation:** The flexible, dynamic nature of the programme provided a test bed for many interventions and the wider development of the programme. While this innovation naturally led to some unsuccessful outcomes and necessitated a period of learning what works, it ultimately led to the creation and evolution of IEKs, discretionary funds, and NTMs, which were all considered highly successful parts and now cornerstones of the wider programme.
- **Clearly defining the area of impact:** the focus and concentration of public investments created the necessary trust and security to leverage private investments in targeted neighbourhoods. The area-based nature of the intervention creates a visible stimulus effect and focused efforts.
- **Use of IEKs:** IEKs were a pre-requisite for the programme and a key instrument for delivery. Over 90% of survey respondents agreed with the statement that they were helpful in setting goals and prioritising measures, and that they formed the basis for implementing the programme in their area. The quality of the IEKs was found to increase over time, following criticism in the first evaluation. While they varied, most contained a problem analysis, development goals, strategies and set specific projects to resolve them. Cost and financial overviews were included, as was a justification for the neighbourhood

boundary selected. More focus should however be provided on strategic prioritisation, and the provision of detailed time, process and implementation plans.

- **Engaging the local community:** this was most effective when politicians and civil servants were willing to learn from local experiences and incorporate this engagement as part of their business-as-usual work, rather than just through the Soziale Stadt programme. High levels of engagement in developing IEKs was also considered beneficial.

Challenges

- Significant flexibility led to high variations in quality:
  - The evaluation recommended that transparent decision criteria should be used at the state level to decide how many and which neighbourhoods to fund, and similarly at the municipal level. The lack of clear articulation of what areas were subject to the programme was missing. This was hindered by a lack of data at the appropriate granularity.
  - Area boundary selection was based on local knowledge and views rather than empirical data, which was considered unsatisfactory.
  - The large degree of flexibility with IEKs meant they differed significantly between areas and in their quality. Minimum content requirements for IEKs should be implemented (e.g. outlining the plan for their area, the issues to solve, and the likely trajectory of the area without the programme), with guidance and support provided by federal and state government.
- **Some targeted areas were too large:** NMTs were considered less successful if their target area was too large. In these cases, resources were stretched more thinly. This was particularly an issue if funding had to be approved every year.
- **Lack of support developing IEKs:** Many municipalities indicated that they would have liked further support from their state in the creation of their IEKs. This was reflected by the fact 75% of funded areas commissioned an external consultant to develop their IEK.
- **Consider the neighbourhood boundaries used:** While defining neighbourhoods using urban planning boundaries was deemed beneficial for construction and leveraging private sector investments, this made community initiatives harder to implement. Only a few municipalities adopted a social definition. Of these, they ran into challenges given different departments had different social definitions (e.g. of school catchment areas). This highlights the trade-offs between choosing administrative and social definitions of neighbourhoods, and indicates that the appropriate boundary to use often depends on the outcome seeking to be achieved.
- **Engaging East German housing estates was a challenge:** engaging local communities in these regions was a challenge, with low levels of interest, fewer committed residents and low response rates. The evaluation considers that the approaches to engaging these populations, who were some of the most deprived, need to be reviewed and become more relevant to their everyday lives to be effective.

- **Engaging communities had a socially selective effect:** It is clear that the existing tools used to engage communities leads to a socially selective effect (i.e. targeting the middle class), missing hard-to-read groups. The evaluation notes that it is unclear whether it is possible to really change this or not.
- **Poor monitoring and evaluation data:** conducting robust evaluation was difficult, given the difficulty accessing data and overall programme complexity. The evaluation considered that the design of the programme set a limit on how much monitoring and evaluation could realistically be completed. The introduction of routine electronic data monitoring in 2014 should improve the efficiency of this process, but this came too late to be included in the evaluation.
- **Strict pooling requirements:** Requiring an equal share of funding from local authorities and states, which themselves may have budget crises and/or constrained resources, was considered a challenge. This meant areas which had pre-existing challenges found it harder to put together the funds to match the federal grants (Bielka et al., 2016), while also imposing a large bureaucratic burden.
- **Coordinating funds was time consuming:** Coordinating bids for funds across multiple areas was challenging and took considerable amounts of time. This required knowledge of many funding sources and rules, which was lacking in some neighbourhoods. To counter this, the evaluation recommended that there be one designated person at the state level who knows all of the funds available, and who is responsible for pooling resources. It also recommends that the task of finding funding, submitting applications and processing funding should be outsourced to external providers.
- **Time limits on funding were counter-productive:** significant amounts of time were spent on frequently renewing funding by local programme managers. This was considered unproductive, and in the case of social investments, limited their ability to make the measures implemented permanent.

Policy recommendations

Overall, the Soziale Stadt programme was considered by both evaluations to have made positive contributions towards the goals it set. With its innovative and flexible approach, it has also changed significantly over time. Public spaces, housing and educational infrastructure were improved, social infrastructure expanded, local governance enhanced and levels of resident engagement increased. Given the design of the programme and the lack of consistent monitoring however, quantifying the impacts has been challenging, and is a major drawback of the programme. While no value-for-money assessment was conducted, both evaluations recommended that the programme should be continued.

Based on this intervention and the evidence reviewed, we have outlined the following policy recommendations which are informed by both the findings of the evaluation and our own interpretation of the evidence.

- **Provide guardrails around flexibility:** while flexibility is a core part of the success of Soziale Stadt and should be maintained, sufficient guardrails should be established in

how areas are selected to participate in the programme, how neighbourhood boundaries are drawn, and the quality and content of IEKs.

- **Use NMTs to coordinate projects:** NMTs comprised of members from third-sector organisations and the municipality that actively engage the local community and have support from local political leaders should be established in central, easily accessible locations in neighbourhoods and drive forward local initiatives. They should have sufficiently devolved decision-making powers, with particular attention paid to the quality of staff hired. Sufficient support and oversight should be provided in the creation of IEKs.
- **Establishing discretionary funds:** these were a highly successful part of the programme and should be continued. They led to increased resident commitment to their area, repeat projects being funded, and helped integrate hard to reach groups. A particular success factor was involving residents in the award decision and having a well-managed NMT (as this made joining the NMT more appealing). The evaluation considered that the small-scale and quickly visible improvement measures would not have been possible within the context of a larger urban development programme (given their lack of flexibility and increased bureaucracy), and facilitated engagement.
- **Link NMTs to local government:** NMTs should include representatives from local government who are charge of urban planning, construction and social development. This is to ensure knowledge and resources are pooled effectively to foster cross-departmental cooperation. NMTs should however remain at arms-length from government, as they were found to be more effective at delivering projects and engaging local residents than local government.
- **Providing long-term, multi-year funding**: Funding should be guaranteed over several years to ensure financial continuity and provide certainty for project planning purposes. The evaluations recommend a 5 to 10 year duration of funding, however if extensive changes are required, then an even longer timeframe might be necessary. What is clear is that problems cannot be tackled within a short funding period (<5 years).
- **Consider continuity from the start:** In order to ensure the sustainability of investments made, a phase-out and 'aftercare' period should be included for when funding ends, with planning for this considered at the start in each neighbourhood. This is to ensure the impacts of the programme are sustained in the long-term, avoiding a cliff-edge once funding stops. Examples include folding the interventions and structures created in the programme into the business-as-usual activities of the municipality. This does however require political backing and flexibility in local municipal budgets.
- **Consider evaluation and monitoring from the start:** Develop a standardised set of suitable indicators across neighbourhoods and provide them with the tools, training and funding to collect and interpret this information.

11 What does the evidence suggest is needed to build effective neighbourhood policy in England?

In this report, we performed a rapid evidence review covering each of the key building blocks necessary to make the case for targeting and delivering policy at the neighbourhood level. This started with reviewing the evidence for ICON Question 1, where we outlined the different approaches to defining neighbourhoods and neighbourhood interventions both conceptually and in practice. Having established what these were, we moved onto ICON Question 2, assessing the evidence as to whether the neighbourhood is the 'right' spatial scale to *target* policy. The next piece of the jigsaw then related to ICON Question 4, which at its core asked: is the neighbourhood the right spatial scale to *deliver* policy? The final step is therefore answering ICON Question 5: what does this mean for building an effective neighbourhood policy both nationally and at regional and local authority levels? In this final chapter, we summarise the findings in relation to each ICON question, and outline through a series of policy recommendations what this means for building effective neighbourhood policy in England.

11.1 How should a 'neighbourhood' and a 'neighbourhood intervention' be defined?

To make the case for neighbourhood-level interventions targeting socio-economic deprivation, it is key to first define what is meant by a 'neighbourhood' and in turn, a 'neighbourhood intervention'. This is because the definition chosen has implications for how policy is targeted, implemented, and evaluated, as it informs which groups or areas are subject to the intervention and how data is collected and analysed.

11.1.1 Summary of findings

Neighbourhood definitions

The concept of a neighbourhood is multifaceted and varies significantly depending on the research focus and discipline. Often used interchangeably with 'community', a neighbourhood is fundamentally a spatially bounded, geographical area. However, there is no universally accepted definition of a neighbourhood. With a variety of different approaches and definitions, three primary attributes have consistently been recognised in the literature as central to understanding how neighbourhoods are defined:

- **Geographical characteristics:** natural elements, such as rivers and hills, and human-created features, such as major roads, railways, and other infrastructure play a role in shaping neighbourhood boundaries by influencing residents' patterns of movement, accessibility of resources, resident interactions, and attractiveness of the area.

- **Public service provision:** Access to parks, schools and other public services like transport and health influence how residents interact, the appeal of a neighbourhood, and residents' quality of life. For example, who children and their parents interact with is likely affected by school catchments.
- **Social networks:** This is a 'felt' definition of the neighbourhood based on self-identification of neighbourhoods by residents, shaped through daily interactions, social connections, and shared values.

Each of these attributes impact how individuals travel, who they interact with, and their sense of collective identity, making them critical considerations when drawing neighbourhood boundaries. Even within these definitions, there are different spatial components to the neighbourhood – ranging from the ultra-local, such as the street an individual lives on, to further distances, such as where an individual commutes for work. As such, defining a neighbourhood requires acknowledging that neighbourhood-based activities occur across varying spatial scales, and choosing a scale which is most relevant to the policy focus.

Translating the different perspectives in the literature into a clear, geographic unit of observation is necessary for effectively targeting, implementing and evaluating policy. While no single approach is universally accepted, three commonly used approaches emerge from the literature:

- **Administrative units:** standard administrative units, such as LSOAs in the UK, can provide pre-defined geographical boundaries to represent the neighbourhood. These units offer several benefits, including ready access to data, consistency over time for long-term evaluations, easier policy implementation due to alignment with public service structures, and flexibility in aggregating data for larger analysis. However, if defined too broadly, these units can risk masking local variations in need, and in particular, pockets of deprivation. In addition, there is little reason to expect residents' lived experiences of neighbourhoods to follow such boundaries, meaning policies may be poorly targeted.
- **Buffer zones:** these provide a method for defining neighbourhoods by drawing unique boundaries around individuals based on a specified distance or population threshold surrounding their homes. This approach offers flexibility and customisation, allowing thresholds to be adjusted to align with the spatial scale most relevant to the policy context. In addition, buffer zones tend to more accurately reflect the immediate environment around an individual, and where they are likely to travel. However, challenges arise regarding data availability and selecting the appropriate threshold as there is no consensus on the optimal size for buffer zones. Finally, buffer zones do not create cohesive geographic units for targeting interventions, and overlook the social dynamics of neighbourhoods, which may result in misalignment with residents' social perceptions and lived experiences. This approach has primarily been used for policy evaluation, rather than policy design and implementation.
- **Resident-defined boundaries:** this approach allows residents to define their own neighbourhood boundaries by translating their 'mental maps' onto real maps. Using this approach enables boundaries to best reflect residents' perceptions and experiences of

their neighbourhoods. In addition, it can be used to capture valuable qualitative insights into neighbourhood dynamics, social networks, and local identities, providing policymakers with a clear picture of local needs and preferences. However, the main challenge is that this method produces subjective individual boundaries – if there is not consistent overlap, it may not provide the clear geographic boundaries needed for targeting policy.

Neighbourhood intervention definitions

The lack of consensus in defining a neighbourhood raises the question of how to define a 'neighbourhood intervention'. In the literature, these interventions are referred to with various names, including comprehensive community initiatives (CCI), place-based initiatives, community revitalization initiatives, and community development approaches (Theodos, 2022). Although the definitions and approaches taken differ, neighbourhood interventions in their broadest sense are any policy actions within a geographically defined area (that fits with the definitions of neighbourhoods outlined above) that aim to improve the social and/or economic well-being of a neighbourhood.

Within the UK and internationally, a wide range of different neighbourhood interventions have been implemented. In England, recent examples include the New Deal for Communities and Big Local, while internationally a non-exhaustive list of 13 interventions were identified. These interventions generally fall into three categories:

- **Holistic regeneration:** investing in social infrastructure and building local capacity.
- **Mixed-income development:** building new housing developments.
- **Targeted interventions:** addressing particular issues like child health, employment and housing mobility.

11.1.2 What does this mean for building effective neighbourhood policy in England?

To inform the choice of which neighbourhood definition to use, policymakers may wish to consider the following factors at each stage of the policymaking process to mitigate these trade-offs:

Policy design

- **Determine whether there is geographic clustering of the outcomes of interest at the neighbourhood level:** To do this, granular enough data should be used so that differences within geographic areas (if they exist) can be detected and targeted. Using definitions that cover too large an area risk masking local variations in needs and experiences. If geographical clustering of the outcomes of interest do exist, then the neighbourhood is likely the right geographic level at which to target policy.

- **Assess what objectives can be achieved at the neighbourhood level to support overall policy aims:** Policymakers must recognise that neighbourhoods are complex, multifaceted, and context-dependent. Different scales (from micro to macro levels) might be relevant depending on the policy's focus (e.g., local community programs versus regional urban planning). Policy should be designed and targeted at the correct spatial scale suited to the impact it intends to have and what previous evidence suggests has been successful.
- **Ensure specific neighbourhood definitions used to target policy account for local factors:** Geographical characteristics (e.g., natural or human-created boundaries such as roads or rivers), public service provision (e.g., school catchment areas), and social networks (e.g., based on residents' interactions and shared values) can all impact what is considered a neighbourhood. Not all neighbourhoods are uniform in size or population. Ensuring that relevant local factors are taken into account is key to targeting policies at 'true' neighbourhoods that reflect local realities. Interventions should be tailored and data collected where needed to understand and address local characteristics and disparities.
- **Engage residents:** A key part of taking into account local factors is incorporating residents' perspectives through participatory methods (e.g., mental mapping exercises) to improve boundary definitions. This can help ensure policy is grounded in lived experiences, fostering greater relevance and legitimacy. There is however a risk that it leads to inconsistent boundaries, with data collection an additional challenge. Policymakers need to be clear from the outset about the role of residents, given it affects the policy design, implementation and evaluation stages. This process should also be managed carefully to avoid political biases and fragmentation of areas. A representative sample of resident views should be heard.

Policy implementation

- **Track the changing neighbourhood dynamic:** Neighbourhoods can be dynamic and evolve over time. Policies that fail to recognise or account for this risk becoming misaligned with residents' evolving needs. Definitions should therefore have a degree of adaptability to ensure that if things change or an initial definition is not reflective of local perspectives, it is possible to respond to this.
- **Balance standardisation and flexibility:** While recognising their limitations, using standard administrative units like LSOAs as a starting point can simplify data access and align with existing public service delivery, easing implementation. At the same time, standard units may not reflect residents' lived realities. Having flexibility to adjust boundaries based on community input or evolving conditions can be beneficial. This links back to the importance of clearly defining the role of residents from the outset.

Policy evaluation

- **Match evaluation metrics to definitions:** Where possible, use the same neighbourhood definitions for evaluation as were used in policy design and implementation to ensure consistency in measuring outcomes.

- **Leverage existing data:** Standard administrative units like LSOAs are often readily available, consistent and comparable over time. This can make the evaluation of long-term impacts easier and more cost-effective versus commissioning bespoke data collection. It may also be possible to link together existing data held by central government (e.g. on education, employment and social security usage). This should not rule out collecting new data though, as innovative data collection approaches such as webscraping can capture factors (such as local sentiment) that are not currently captured in existing government datasets.
- **Select the right level of geographic granularity**: More granular geographic measures may better capture localised deprivation compared to larger measures which might average them out. However, more granular definitions may require extensive data collection efforts. A balance must be struck to ensure the data requirement is not disproportionately large, while at the same time being granular enough to detect differences.
- **Incorporate longitudinal analysis:** Neighbourhoods can change over time. Where proportionate, evaluation should be adaptable to these changes to accurately assess long-term impacts in the right geographic areas.
- **Consider the use of buffer zones:** Having engaged with local residents to inform what the correct boundaries to use are, buffer zones may be a useful tool to assess the impact of policies. While this method can more accurately reflect an individual's immediate environment, it should be weighed against the fact it can be resource-intensive and lacks standardisation, making it more challenging to gather data.

Recommendations

Across the three broad options for defining neighbourhoods (administrative units, resident-led definitions and buffer zones), there are clear trade-offs with selecting one approach over another. With these in mind and taking into account the evidence reviewed, on balance we recommend the following for defining the relevant neighbourhood definition:

- **Using granular standard administrative units as the starting point for targeting, implementing and evaluating policy.** This is because data is readily available to identify neighbourhoods potentially requiring support and evaluate interventions taking place.
  - The interventions reviewed to answer ICON Question 4 often targeted 8,000 residents in each neighbourhood on average (although this varied from as few as 800 to as many as 21,000).
  - In England, Layer Super Output Area (LSOAs) administration data covers populations of 1,000 to 3,000 residents (ONS, n.d.). This appears to be an appropriate geographical scale for two reasons:
    - Firstly, LSOAs cover broadly the same number of residents in as previous neighbourhood interventions.

  - Secondly, the Index of Multiple Deprivation and Community Needs Index both use LSOA-level data and show that deprivation clusters at this spatial scale in England.
- Even if LSOA-level data did not exist in England, international examples of success would still support neighbourhood interventions at this spatial scale.

- **Consult residents on the geographical boundaries proposed using standard administrative units.** Where possible, pre-existing standard administrative units should be knitted together to match resident-defined neighbourhoods. This would bring together the benefits of both approaches. In cases where resident definition and standard administrative units do not overlap, the extent to which resident definitions are used depends on the following:
  - Resident-defined approaches are likely more appropriate for interventions that rely on significant neighbourhood engagement or delivery. Resident-defined approaches better reflect how residents perceive their neighbourhood and interact within them, but can complicate implementation and evaluation unless neighbourhood-led delivery solutions and data collection mechanisms exist or are established early.
  - Pre-existing administrative units are likely more appropriate when neighbourhood engagement and delivery are less critical, where delivery by existing institutions may be beneficial and where speed is key. Pre-existing administrative units can enable more efficient policy delivery and evaluation (as catchments are already defined and data already collected), but may lead to the targeting of policies in areas which are not considered 'true' neighbourhoods by those who live there, reducing the effectiveness of the intervention and hindering community involvement.
- **Using buffer zones as an additional tool for policy evaluation.** Subject to the necessary data being available, this method can be used in conjunction with the other two definitions outlined above to conduct evaluation. Buffer zones should not be used to target and implement neighbourhood policy. This is because it does not provide a geographical unit that groups together people or areas into a way that they can be targeted via policy.

In defining a neighbourhood intervention, we recommend the following:

- Policymakers should clearly define the outcome they aim to target and determine the most appropriate geographical scale for implementation, using available evidence. Is this at the neighbourhood level or a wider spatial scale?
- Policymakers should ensure the aims of the policy, the geographical definition of the target area and the geographical area for policy delivery are aligned with this evidence.

11.2 Why do neighbourhoods matter?

Having established how neighbourhoods and neighbourhood interventions could be defined, determining whether the neighbourhood is the 'right' spatial scale to target policy — that is, whether neighbourhoods matter — requires two questions to be answered:

1. Does socio-economic deprivation cluster at the neighbourhood level?
2. If so, does this clustering of deprivation at the neighbourhood level have additional impacts (i.e. 'neighbourhood effects') on residents in these areas, beyond the deprivation they experience individually?

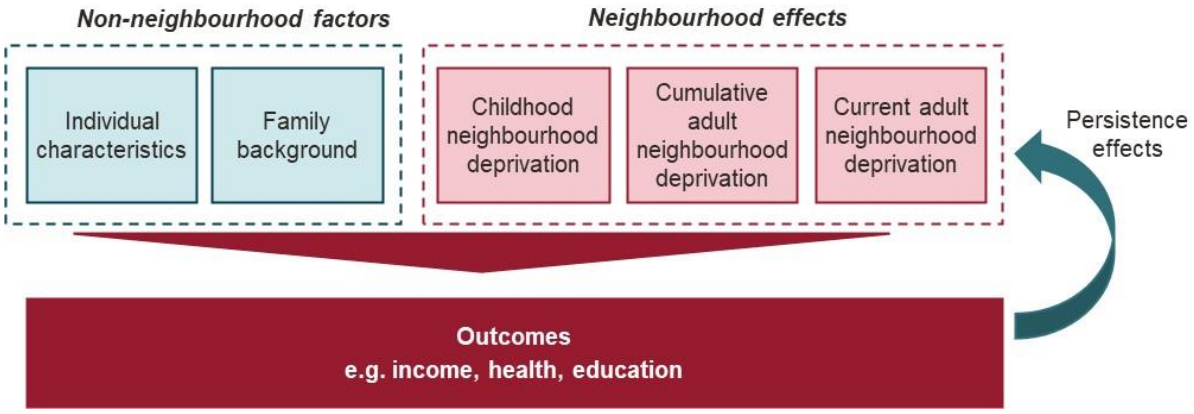
If the answer to either the first, or first and second questions are yes, then this motivates the case for using the neighbourhood rather than a larger spatial boundary (such as a labour market or region) to target policy.

11.2.1 Summary of findings

There is substantial evidence that deprivation clusters in the UK: there are granular spatial areas, spread throughout the country, that see a multitude of poor outcomes across economic, health and social measures. This clustering occurs at scales more granular than regions or local authorities, with strong evidence of deprived areas hidden within otherwise high-income areas like Kensington and Chelsea. 'Doubly disadvantaged neighbourhoods' are neighbourhoods ranking poorly both when it comes to deprivation (defined by the Index of Multiple Deprivation) and community need (defined by the Community Need Index). Across most metrics, these areas see even worse outcomes than neighbourhoods identified using the IMD alone.

Neighbourhood effects would be said to occur if there is evidence that living in one of these deprived areas leads to even worse outcomes for an individual than they would experience had they lived in a less deprived neighbourhood. Based on the academic evidence reviewed, Figure 7 summarises how neighbourhood effects operate. Alongside individual characteristics and family background, the level of deprivation in the neighbourhood an individual currently lives or has previously lived in (either as an adult or child) affects their economic and social outcomes. In addition, the evidence suggests that the neighbourhood deprivation experienced at one point in an individual's life affects the neighbourhood deprivation they (and possibly their children) experience in future; that is, neighbourhood deprivation is persistent or 'sticky'.

Figure 7 A summary of neighbourhood effects



Source: Frontier Economics

In summarising the academic evidence on whether or not such effects exist, we conclude that:

- The level of neighbourhood deprivation that an adult experiences at a given point in time or over a few years appears to impact their health and subjective wellbeing but may or may not impact economic outcomes. To the extent that economic outcomes are affected, the magnitude of these effects are likely small. Larger effects play out when neighbourhoods are defined at smaller scales.
- Cumulative exposure to neighbourhood deprivation affects an adult's economic outcomes. The longer an individual lives in a deprived neighbourhood, the more likely it is that this will impact their outcomes. This is particularly true for economic outcomes, but also health.
- Exposure to neighbourhood deprivation as a child is a key factor in affecting educational outcomes like progression to higher education and economic outcomes like income as an adult. Evidence suggests that the impact is sizeable, although it depends on a number of factors such as the length of time a child spends living in a deprived neighbourhood and at what age they experience the deprivation. For example, neighbourhood deprivation during teenage years appears to be particularly important for education outcomes.
- Neighbourhoods are sticky. That is, living in a deprived neighbourhood at one point in your lifetime increases the likelihood of living in a deprived neighbourhood later in your lifetime. There are also early indications that it is 'sticky' throughout generations, with parental levels of neighbourhood deprivation being linked to neighbourhood deprivation in their children (and their children's children). This effect needs to be studied further.

A key area for future research is furthering the currently limited understanding of the mechanisms which are driving these neighbourhood effects. There are several theories as to which factors *could* result in neighbourhood effects – social, environmental, geographic and institutional mechanisms. Of the limited studies which have investigated this, the role of social influence and role models in neighbourhoods have been identified as important for children.

However, further work is needed to understand which mechanisms are driving neighbourhood effects, and how they can be overcome.

11.2.2 What does this mean for building effective neighbourhood policy in England?

Recommendations

The neighbourhood is the right level to target interventions focused on deprivation

There is reasonable evidence to suggest that neighbourhoods are the right level at which to target interventions focused on deprivation since deprivation clusters at levels more granular than regionally or at the local authority level. Targeting less granular scales risks missing or failing to support the most deprived neighbourhoods. The most striking examples might come from local authorities often seen as 'well-off', such as Kensington and Chelsea, but even targeting low income local authorities specifically fails to capture the often vast disparity within these regions. The concept of 'doubly-disadvantaged areas' can be particularly useful to identify the neighbourhoods most in need since these areas see even worse outcomes than neighbourhoods identified using standard definitions of deprivation like the IMD.

Targeting policy at children and teenagers is likely key to overcoming neighbourhood effects

There is strong evidence that neighbourhood deprivation as a child impacts outcomes in later life. Children moving from high to low deprivation areas at birth could see an 8.3% increase in the income over their lifetime. Amongst other potential benefits, they are more likely to enter higher education and perform well in school, less likely to be a young single parent and less likely to live in a high poverty area. Therefore, ensuring children do not live in deprived areas will likely benefit them greatly over their lifetime. The full effects of policies addressing neighbourhood effects may not however been seen until they become adults, but shorter-term effects may be seen on the adults they live with.

Whilst further work is needed to fully evidence the conditions which drive the size of the neighbourhood effects for children, policymakers should consider the available evidence on whom might be most affected by neighbourhood effects. First, age appears to be a key factor in driving the size of the neighbourhood effect. Targeting younger children may have the largest impact since there is evidence that the number of years an individual is exposed to neighbourhood deprivation is particularly important. On the other hand, effects for teenagers may be particularly large, particularly for education. In addition, the type of children who are targeted appear to be important. For example, parental education appears to act as a protective 'shield' against neighbourhood effects, so it may be more effective to target children whose parents did not experience higher education. Similarly, academic potential is a mediating factor, where students with the lowest and highest academic potential are less affected by neighbourhood deprivation. Benefits may therefore be highest if policy concentrates resources on those students who lie in the middle of the academic performance

spectrum. Another mediating factor is immigrant status: the evidence suggests that non-Western immigrant children are impacted more significantly by neighbourhood effects than non-immigrant or Western immigrant children. This is another factor that could be considered when targeting policy.

Addressing neighbourhood deprivation could yield a 'double dividend'

As evidence suggests neighbourhood effects do exist, reducing neighbourhood deprivation may lead to a ‘double dividend’. That is, individuals may see improvements in their own outcomes as they are moved out of deprivation, and then see further benefits as the lower levels of neighbourhood deprivation remove the negative impact of neighbourhood effects. The type and size of neighbourhood effects do vary depending on the size of the neighbourhood, with the evidence indicating that the ‘double dividend’ may be particularly large if small localised areas are targeted, where neighbourhood effects are largest.

In the short-term, the ‘double dividend’ may be concentrated in improved health, given the evidence is less strong that economic outcomes would be affected immediately too. Instead, the economic benefits from targeting neighbourhoods are likely to occur over the longer-term because such outcomes are affected by exposure to neighbourhood deprivation as a child and cumulatively as an adult. Given also the evidence on the ‘stickiness’ of neighbourhood effects, both within an individual’s lifetime and possibly across generations, these longer-term neighbourhood effects are likely a significant contributor to social mobility challenges. Those who live in deprived areas are likely to continue to do so over time, as are their children and potentially even their children’s children, and so they will experience the cumulative exposure to neighbourhood deprivation which is linked to poorer outcomes. Supporting deprived neighbourhoods to break this cycle could have significant impacts on income, health and education.

The flip-side to the potential ‘double dividend’ is that improving outcomes for people living in deprived neighbourhoods is likely to be particularly difficult. It may be the case that there is an ‘inflection’ point in deprivation. It may be particularly challenging to raise people living in deprived areas out of poverty precisely because the neighbourhood effects are an additional factor pulling them back into poverty. Nonetheless, the significant inequalities faced by deprived neighbourhoods and the large benefits which could be achieved by supporting them, arguably make this difficult goal worthwhile undertaking. Doing this in an effective way that represents values for money is therefore a key question and is the subject of the next section.

11.3 What are the interventions and/or delivery mechanisms that have had most social and economic impact at the neighbourhood level?

As outlined above, there are pockets of severe deprivation at the neighbourhood level in the UK. When this deprivation is clustered in this way, it makes everyone in that neighbourhood worse off. In other words, there are ‘neighbourhood effects’. This points to the need for an

intervention(s) which aims to reduce the level of deprivation, allowing these neighbourhoods to thrive.

There are many different types of neighbourhood intervention. There are comprehensive community initiatives (CCI), community revitalisation initiatives and community development approaches. Some take a place-based approach, others a people-based approach and some a mix of the two. What is common though is that they all aim to improve the social and/or economic wellbeing of a neighbourhood. Understanding what works and what doesn't in reducing deprivation in neighbourhoods is key to implementing policy that is effective and represents value for money.

We explored the different types of neighbourhood interventions that have taken place within the UK and internationally. Through six deep-dive case studies, each with different policy focuses, mechanisms of delivery, approaches to evaluation and geography, we produced an analytical assessment that identified:

- The scale and types of impacts neighbourhood interventions have had;
- How they differ in approaches and mechanisms of delivery; and
- Success factors and limitations.

By analysing the evidence from various interventions, we identified what has and has not worked, providing lessons for the design and implementation of future policies.

11.3.1 Summary of findings

Design, delivery mechanism and governance

The approach each programme took to tackling deprivation in neighbourhoods differed, with some adopting a holistic strategy targeting multiple aspects, while others focused on a narrower approach aimed at specific outcomes. For example, the NDC, Neighbourhoods Alive!, the Neighbourhood Renewal Programme and Soziale Stadt took more holistic approaches, aiming to transform neighbourhoods by targeting multiple outcomes such as crime, housing, education, health, and worklessness simultaneously. The Atlanta's East Lake Initiative instead took a slightly narrower approach centred on three pillars: mixed-income housing, cradle-to-college education, and community wellness. The most targeted was Communities for Children (CfC) in Australia, which focused exclusively on early intervention and prevention strategies to support child and family wellbeing. Many of the programmes reviewed have been running continuously over a long period of time (20+ years), with the NDC being the notable exception having run for roughly 10 years.

To implement each programme, all of the six case studies established a decision making and delivery body (an 'anchor institution') in each of the target neighbourhoods. This anchor institution formed a critical component across all the initiatives reviewed, though the structure and function of these varied. In all but one intervention, a new anchor institution was established as part of the programme, rather than relying on pre-existing ones (as per CfC in

Australia). Establishing new institutions required substantial time and resources to develop their capacity. Once established, these anchor institutions typically comprised of a wide range of individuals, including local residents, local organisations, politicians, civil servants and businesses. They were then tasked with putting together a plan, which the institution would then coordinate the delivery of. In some cases, the institution would deliver the planned projects themselves, whereas in others the project delivery would be subcontracted out to other organisations. The involvement of local residents in deciding priorities was central to the majority of the programmes (apart from the East Lake Initiative), with spending decisions often devolved to the anchor institution in the target neighbourhoods.

Neighbourhoods subject to the intervention were often chosen because of existing levels of deprivation; none of the case studies used a competitive bidding process to determine who was eligible to receive funding. The programmes also varied in the way they defined neighbourhoods. Most began with standard administrative units as a starting point, but some additionally consulted with local residents to refine the exact boundaries.

Impacts and value for money

The neighbourhood interventions reviewed have demonstrated a range of impacts. As outlined in Figure 8, these include people-based outcomes such as health and education; and place-based outcomes covering the community, levels of crime, pride-in-place, and quality of housing. While strong evidence appears for neighbourhood interventions affecting both people and place-based outcomes, on balance the evidence is stronger for place-based outcomes than people-based outcomes. This however is possibly a result of people-based outcomes being harder to detect and track (rather than them not being present), given people move between areas and outcomes may appear many years later.

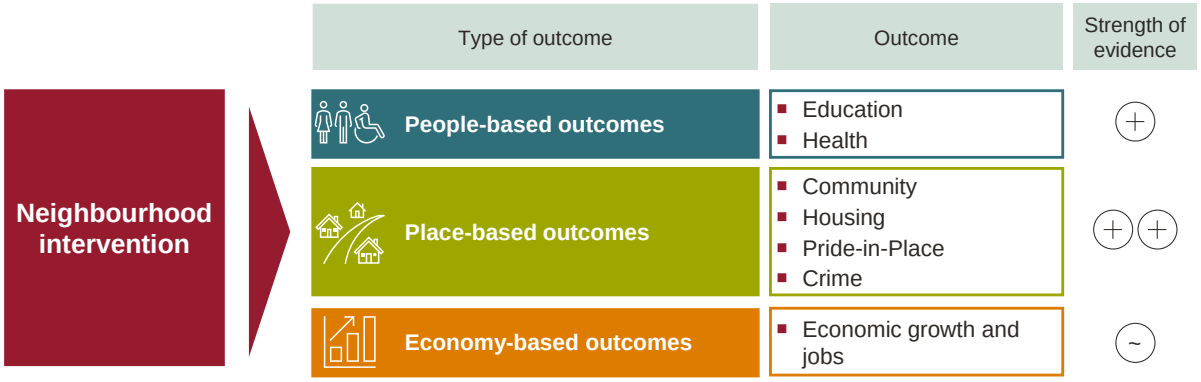
What is clear though is that it is challenging for neighbourhood-level policies to directly lead to improved economic growth and jobs. While neighbourhood interventions can improve job prospects and provide training, wider economic improvements likely require the alignment of local regeneration efforts with broader economic policies and frameworks at a higher spatial scale.

In assessing the impacts discussed above, a high degree of variation in the type and quality of evaluation was found. For example, the Atlanta East Lake Initiative used a synthetic control method to quantitatively assess impacts, whereas the Communities for Children programme used a difference-in-differences framework. These are both highly robust evaluation methods. In others such as Soziale Stadt and Neighbourhoods Alive!, the design of the programme and a lack of baseline data meant theory-based evaluation was conducted. Combining findings from both types of evaluation is essential to determine if the neighbourhood interventions had the desired impact, as it offers a more complete assessment. This is because all forms of evaluation, including difference-in-differences and synthetic controls, have their advantages and limitations, so what we draw from them should take this into account.

It is worth noting that many of these interventions are still running. What this means is it is difficult at this stage to draw conclusions about long-term sustainability of the impacts seen. However, available evidence suggests that community engagement plays a crucial role in ensuring longevity. For instance, follow-up evaluations of NDC carried out by UK onward found that neighbourhoods with higher levels of community activity, participation, and civic engagement exhibited more sustained positive outcomes after the programme ended. Tracking these outcomes through a follow-up evaluation after the intervention period is therefore key to understand what works when it comes to ensuring longevity of impacts.

We now consider each of the domains of impact covered in Figure 8 in turn.

Figure 8 Neighbourhood intervention outcomes



Source: *Frontier Economics*

Key: *(++): Strong evidence, (+) Moderate evidence, (~) Inconclusive evidence, (-) No evidence*

People-based outcomes

Education

Several of the neighbourhood interventions reviewed explicitly aimed to improve educational attainment, with the majority seeing positive impacts. In the case of the Atlanta East Lake Initiative, the Charles R. Drew Charter School saw significant improvements in student performance and graduation rates, consistently outperforming district averages. By 2023, the school reported a 98.4% graduation rate, with 98% of students accepted into university and $15 million in scholarships earned. The proportion of local residents with a bachelor's degree increased from 6% in 1990 to 41% by 2015–2019. Similarly, the Communities for Children programme in Australia yielded measurable improvements in early childhood development and school readiness, as did the Neighbourhood Renewal Programme in Northern Ireland which reported a 13.3 percentage point increase in the proportion of school leavers achieving *five or more GCSEs (grades A–C)** from 2004 to 2011, reducing the education outcome gap between target and non-target areas by approximately 4%. A key exception to this was the NDC, which found that while Key Stage attainment levels improved in some areas, there were

challenges in secondary education where partnerships struggled to build effective relationships with schools. Nevertheless, the likelihood of individuals participating in education or training did increase relative to comparison groups.

Health

Only a subset of interventions aimed to improve resident health. Of those, the major one was Communities for Children where health improvements were its main aim. Here, statistically significant improvements in mental health of both children and primary care givers were reported, although these were only seen in the first phase of the programme (owing to a variety of possible external factors such as wider policy changes and improvements in comparator areas). Many of the interventions of this programme were found to strengthen parent-child relationships, improve child behaviour, and reduce parental stress. The NDC programme also saw improvements in local resident mental wellbeing, with this rising 7% relative to similarly deprived comparator areas. For Soziale Stadt, only a few areas chose to perform health-related interventions, so conclusions on their efficacy cannot be drawn.

Place-based outcomes

Community

A focus on building local capacity and fostering a sense of community was central to many of the neighbourhood interventions studied. This was often done through a mix of training local individuals in community leadership, involving them in decision making processes, organising community development activities and improving community facilities.

In the case of the NDC, resident involvement increased over the programme, although this tailed off towards the end. Survey data showed that over 50% of participants had attended sponsored events or festivals organised as part of NDC activities. 49% of community residents felt that their neighbourhood's condition had improved since they moved there or over the past 10 years. For the Neighbourhood Renewal Programme, over a quarter of a million people participated in community relations projects, with significant numbers of volunteers involved and residents trained in community development skills and capacity building. For CfC, parental involvement in community activities increased, as did engagement with typically hard-to-reach groups such as culturally and linguistically diverse families. In Neighbourhoods Alive!, residents were seen to be actively involved in community meetings, clean-ups and were reported to feel their voice mattered within the neighbourhood. Among those aware of Neighbourhoods Alive! (NA!), 78% felt NRCs were helpful for their neighbourhood, and 91% believed the projects were beneficial. This was replicated in Soziale Stadt, which reported that in 84% of targeted areas, previously disengaged resident groups had become involved. The notable exception to this was Atlanta’s East Lake Initiative. While social infrastructure was built, this initiative focussed less on capacity building and fostering the community, and so no effects were reported in this domain.

Housing

Many of the interventions improved local housing quality, which in turn led to rising property values. While this can be seen as a sign of success, it also reduces affordability for existing low-income residents. For example, Neighbourhoods Alive! in Canada reported significant upgrades to housing stock but faced affordability challenges as property values increased, limiting access for lower-income populations. This was also reflected in targeted neighbourhoods in Northern Ireland, which moved having many houses vacant to waiting lists. Similarly, the Atlanta East Lake Initiative saw house prices increases of 334%, with the initiative replacing public housing with mixed-income developments. While this improved living conditions, less than 25% of original residents returned, indicating significant displacement.

The NDC also contributed to housing improvements through modernisation projects, energy efficiency upgrades, and the creation of new community spaces. NDC areas saw house prices rise by 69%, higher than the 60% increase in their parent Local Authority Districts (LADs). The Living Environment domain (which includes housing quality) improved by 18% more than local authorities on average. However, the evaluation notes that regeneration efforts, particularly those involving new or refurbished housing, often led to shifts in tenure patterns, with a notable increase in owner-occupied properties. While this can attract new investment and residents to an area, it may also result in the displacement of existing residents. NDC areas worsened in the Barriers to Housing and Services domain, reflecting increased housing affordability challenges. The average ranking in this domain fell by 190 places, and relative scores dropped by 4 percentage points. The evaluation highlights the inherent challenge in improving neighbourhoods while ensuring that all existing residents benefit equally, acknowledging that regeneration may inadvertently exclude some of the original population.

Pride-in-place

All the initiatives were successful in delivering place-based improvements (except Communities for Children, where this was not a goal). For example, in Northern Ireland higher level of local pride were reported, with the improvements to the physical infrastructure from the Neighbourhood Renewal Programme making the neighbourhoods better places to live. 64% of residents expressed pride in their neighbourhood, following improvements in housing conditions. Similarly, in Soziale Stadt, 90% of targeted areas felt that the image of their local neighbourhood had improved. In Neighbourhoods Alive!, residents frequently highlighted the improvements the programme brought to the quality and aesthetics of their neighbourhoods, including the creation of murals, clean-up initiatives, and community gardens. In the NDC programme, one of the most notable improvements was in residents' perceptions and satisfaction with the neighbourhood. The analysis of NDC areas showed a positive relationship between community engagement levels and improvements in pride and satisfaction with the area.

Crime

Several of the programmes saw a significant reduction in crime. For example, The Atlanta East Lake Initiative recorded a 90% reduction in crime rates, transforming East Lake into one of the safest areas in Atlanta. Avoided costs from reduced violent and property crimes were estimated at nearly $6 million in 2007. The NDC also achieved significant successes in reducing crime, including reductions in burglary rates and enhancements in residents' perceptions of neighbourhood safety. Among the 28 NDC wards that saw crime ranking improvements between 2004 and 2010, more than half maintained progress post-2010. This was also found in Northern Ireland's Neighbourhood Renewal Programme, where the total number of offences decreased by 15.0 percentage points, compared to a 17.7 percentage point decrease in non-NRAs (indicating progress but not closing the gap with other areas). With regards to the Neighbourhoods Alive! intervention, over 80% of residents indicated that their neighbourhood has become safer over the past few years. A comparatively less strong effect on crime was seen in Soziale Stadt, with 66% of targeted areas finding that security had improved since the programme began.

Economy-based outcomes

Economic and employment outcomes proved more difficult to achieve across most neighbourhood interventions. For example, the NDC saw only marginal improvements in employment rates. This pattern was echoed in Northern Ireland's Neighbourhood Renewal Programme, which recorded limited progress in reducing unemployment and increasing workforce participation. Germany's Soziale Stadt programme also struggled to deliver gains in employment or local economic development. While Communities for Children did see a reduction in worklessness (children in CfC sites were 66% less likely to live in a jobless household), the benefits of this were temporary. A common theme emerged across these programmes: while they recognised that economic gains could be achieved through training, addressing the broader economic challenges of their areas was beyond the scope of neighbourhood-level interventions. It was the view that achieving wider economic improvement requires the alignment of local regeneration efforts with broader economic policies and frameworks at a higher spatial scale. The Atlanta East Lake Initiative acknowledged this, crediting its proximity to an area of economic strength (in a nearby town) which aided the mobilisation of market capital into the area once the programme had laid the necessary foundations for success. For the East Lake initiative, inflation-adjusted average household income increased by $35,000, from $42,000 in 1990 to $77,000 in 2015–2019.

Value for money

Only a subset of interventions conducted formal Value for Money (VFM) assessments. However, for those that did, the results are promising:

- **New Deal for Communities (NDC):** The initiative achieved a Benefit-Cost Ratio (BCR) of 3.13 to 5.08, demonstrating high value for money. This indicates that the programme's benefits significantly outweighed its costs.

- **Communities for Children (CfC):** As of 2010, the CfC initiative achieved a BCR of 4.77, reflecting a 377% return on investment. This underscores the significant value generated by early improvements in outcomes for children and families.
- **Atlanta East Lake Initiative:** Between 1995 and 2007, total capital expenditures of approximately $159 million (adjusted to $188 million in 2007 dollars) generated over $226 million in economic activity, particularly in the construction and real estate sectors. These economic benefits exceeded costs, suggesting that the intervention delivered value for money.

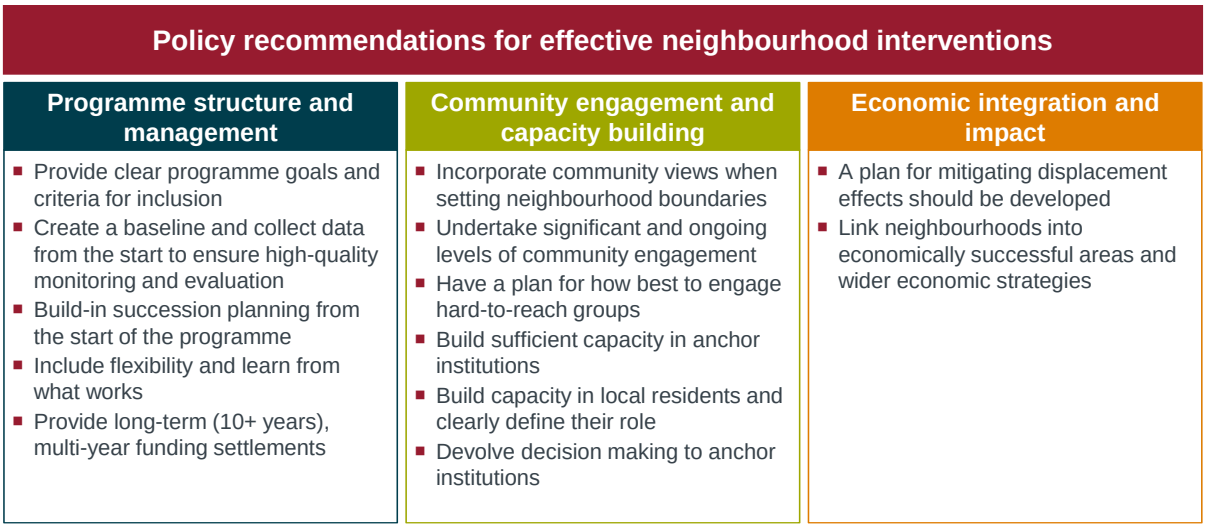
While these examples highlight the potential for high returns from neighbourhood interventions, differences in evaluation methods and the scope of reported outcomes make comparisons difficult. Nonetheless, they demonstrate the potential for such programmes to generate substantial economic and social benefits when appropriately designed and implemented. For the programmes which did not have VfM assessments, the vast majority have continued to have their funding extended and are currently ongoing, indicating that governments still see value in their outcomes.

11.3.2 What does this mean for building effective neighbourhood policy in England?

As outlined above, the neighbourhood interventions reviewed generally share a series of common characteristics and broad design principles. At a high level, it is clear that neighbourhood interventions designed in this way can lead to a series of benefits in the form of reduced crime, higher pride-in-place, better health, increased sense of community, enhanced educational performance, and improved housing. However, these interventions have not been shown to produce significant changes in economic growth or joblessness. Nevertheless, the available evidence indicates that they offer excellent value for money, often achieving benefit-cost ratios (BCRs) greater than 3. When viewed collectively, this evidence demonstrates that, across various countries, contexts, goals, and neighbourhood types, such interventions successfully improve a wide range of outcomes.

Although these programmes share common characteristics, they also face numerous success factors and challenges that stem from differences in their design and delivery approaches. Drawing on the lessons learned from these interventions, we outline a series of policy recommendations for future neighbourhood interventions below. These recommendations are summarised in Figure 9 and grouped into three categories: programme structure and management; community engagement and capacity building; and economic integration and impacts.

Figure 9 Policy recommendations for effective neighbourhood interventions



Source: Frontier Economics

Recommendations: Programme structure and management

Provide clear programme goals and criteria for inclusion

Programmes should be clear on the objectives and intended outcomes of neighbourhood interventions so that policy is explicitly designed with this in mind. For example:

- Is the aim to improve the chosen outcomes of individuals currently resident in a deprived area (people-based), or is it to improve the outcomes of the area (place-based, regardless of whether the population changes over time)?
- Is the aim to bring about absolute (gross) change in outcomes for individuals and/or areas, or is it to narrow gaps with outcomes with other individuals or areas?

Including a clear theory of change, which encompasses potential unintended consequences, can help aid this process of setting objectives and intended outcomes. Without specifying the goals and intended outcomes at the outset, designing the policy effectively and evaluating whether the programme has in aggregate been successful becomes challenging.

Equally as important is how areas are chosen to participate in the programme. In all of the programmes, areas were chosen on the basis of deprivation measures, rather than a competitive proposal. While this means that it is not possible to compare the impacts with neighbourhood schemes that require competitive tendering, the success of allocating funding and designing programmes without this requirement suggests that this approach could serve as a model for future initiatives.

Create a baseline and collect data from the start to ensure high-quality monitoring and evaluation

In several of the case studies, the evaluation of impacts was hindered by a lack of, or poor quality, baseline data. Reliable baseline data is a critical starting point, as capturing both quantitative and qualitative measures of initial neighbourhood conditions (e.g. economic and social) before interventions begin is crucial to accurately assess impacts. Building in evaluation from the outset of the programme and collecting this data before interventions take place is strongly recommended.

Issues with baseline data were then exacerbated by either a lack of, or the collection of poor quality and inconsistent data across the targeted neighbourhoods. In some cases, this meant quantitative impacts could not be assessed, and meant formal value for money assessments could not be conducted.

To address these challenges**,** future programmes should establish standardised indicators tailored to capture both place-related and people-related outcomes, such as changes in employment rates, educational attainment, housing quality, and social cohesion. Targeted neighbourhoods should be provided with the tools, training and funding to collect and interpret this information correctly. Of particular value would be the collection of panel data over a long period of time, as this would allow outcomes of individuals currently living in the target areas before the intervention (and those who move into the target areas after) to be tracked. This would permit the use of robust evaluation techniques, alongside an assessment of whether resident displacement is occurring – a key challenge with place-based interventions.

Build-in succession planning from the start of the programme

Succession planning is a critical element for sustaining the gains of regeneration initiatives beyond the formal intervention period, and should form part of the objective setting and theory of change development stage. From the outset, anchor institutions delivering the intervention in each neighbourhood must be required to develop strategies to transition/embed responsibilities and maintain momentum after programme funding ends. Otherwise, communities risk losing progress and reverting to pre-intervention conditions as resources and leadership are withdrawn. Developing succession strategies — such as training local residents to take on leadership roles, creating endowment funds for ongoing initiatives, forming partnerships with the private sector, establishing community-driven revenue streams (e.g. from community assets) or embedding programme responsibilities within existing community organisations and local government — can help ensure that the benefits of regeneration are not only achieved but also maintained over the long term.

Include flexibility and learn from what works

Incorporating evidence-based approaches into neighbourhood regeneration efforts is critical for ensuring that interventions are both effective and efficient. For areas with limited capacity, one option could be providing a curated menu of proven, evidence-based interventions as a

practical starting point. This approach minimises the risk of failure and ensures that limited resources are allocated to strategies with a demonstrated track record of success. By offering such options, areas that lack the resources or expertise to design tailored interventions can benefit from approaches that have been rigorously evaluated and shown to work in similar contexts.

In areas with more capacity, granting flexibility to experiment with innovative solutions can foster creativity and lead to the development of more impactful and locally relevant strategies. Empowering communities to adapt interventions to their unique needs and contexts encourages ownership and ensures that solutions are locally appropriate. For example, Germany's Soziale Stadt programme granted significant flexibility to neighbourhoods. This then generated innovations that were rolled out to the wider programme. This demonstrates the importance of three things: (1) conducting regular, robust evaluation so that successful innovations can be identified and rolled out more widely, (2) providing sufficient flexibility in neighbourhoods so that new approaches can be trialled, and (3) accepting that some of these approaches may fail, but that the broader benefits of innovation are likely to outweigh the costs if they are properly evaluated and learnt from.

A dual-track strategy — offering evidence-based interventions for areas with lower capacity while granting flexibility for those with more — could ensure that all neighbourhoods, regardless of their starting point, engage in meaningful regeneration.

Provide long-term (10+ years), multi-year funding settlements

It is recommended that long-term, stable financial support is provided as this was found to be fundamental to achieving meaningful and sustainable regeneration outcomes. Evidence from various regeneration efforts, such as the NDC, Atlanta East Lake and Germany's Soziale Stadt initiative, underscores the need for financial stability over extended periods to ensure consistent progress and meaningful transformation. Achieving this stability requires insulating funding from political fluctuations and short-term policy changes, which can undermine programme continuity and impact.

The evaluation of the Neighbourhood Renewal Programme highlights that partnerships often require up to three years to become fully operational and effective. This demonstrates the importance of committing to long-term funding timelines — spanning at least 10 to 15 years — to accommodate the time needed for initial setup, capacity building, and gradual implementation of strategies. In contrast, short-term funding cycles (e.g. requiring funds to be bid for every year) creates uncertainty regarding long-term planning, reducing momentum and what could be achieved. Providing settlements over longer periods of time is therefore advantageous.

Future regeneration initiatives could adopt flexible funding models that enable programmes to adapt to emerging needs while maintaining a focus on long-term objectives. For example, phased funding strategies could allocate initial investments for capacity building and foundational activities, followed by incremental disbursements tied to achieving measurable

milestones. These milestones would likely be output-based, rather than outcomes-based (given outcomes may take a significant amount of time to fully appear). This phased approach ensures that funding is aligned with programme progression and impact.

Recommendations: Community engagement and capacity building

Incorporate community views when setting neighbourhood boundaries

Defining neighbourhood boundaries correctly were found to be a critical success factor in regeneration efforts. Boundaries should be set in consultation with local residents. This should however be balanced against the benefits of using administrative units so as to ensure effective service delivery and data collection for monitoring and evaluation. This could involve combining pre-existing administrative units together so that they most closely resemble socially determined neighbourhoods. A consideration should also be made in how neighbourhood boundaries link together as part of a wider economic unit (given improving economic outcomes likely requires interventions to take place at a wider spatial scale).

Maintaining a degree of flexibility in boundary definitions remains essential, so that areas can adapt based on functional geography and local needs. Similarly, a balance needs to be stuck between targeting areas with populations that are too small (which may limit effectiveness) and ones that are too large (which are no longer functional neighbourhoods). This varies between neighbourhoods, so no one-size-fits-all definition should be applied across all areas.

Undertake significant and ongoing levels of community engagement

Programmes should undertake significant community engagement at every stage of the process, as this was fundamental to the success of neighbourhood regeneration initiatives.. Effective engagement begins with including residents in the earliest stages of planning. When community members are well-informed and included from the outset, they are more likely to contribute meaningfully, fostering a sense of ownership and trust in the programme.

Similarly, decision making should be devolved to anchor institutions. These anchor institutions should include residents, alongside representatives from local government departments (e.g. planning, health and social development), local charities, and the private sector as this leads to better outcomes. While ensuring these organisations have the support of local politicians can be beneficial, they should still be kept at arms-length from local government.

Have a plan for how best to engage hard-to-reach groups

Inclusivity is key for effective community engagement, and targeted strategies are needed to engage marginalised groups. Outreach programmes, peer mentoring, and the creation of "soft entry points" — welcoming, informal spaces where individuals can access support without fear of judgement — can help to overcome barriers to participation. Embedding these practices into regeneration efforts not only ensures that diverse perspectives are represented but also strengthens the programme’s relevance and impact. When all voices are included, particularly those of the most vulnerable this aids building trust in the community and encourages

participation. Conducting a regular evaluation of which participation methods are working and which are not in reaching these groups is key, to avoid a situation where community efforts are dominated by the 'middle class'.

A particularly successful innovation from Soziale Stadt that helped build community capacity, ownership, and target hard-to-reach groups was the creation of a discretionary fund in each neighbourhood. These small funds (of up to £20k a year) were designed to be accessed by residents quickly and with limited restriction to improve their area as they saw fit (over and above the main funding provided by the programme). Future initiatives should consider replicating this design due to its apparent success.

Build sufficient capacity in anchor institutions

Anchor institutions should be established in neighbourhoods that set priorities, coordinate, and deliver local regeneration in each area.. Based on previously successful anchor institutions, these should ideally:

- Involve individuals who have prior experience collaborating with statutory agencies (or provide training if they do not)., These skills are key for navigating bureaucratic processes and accessing critical funding streams.
- Ensure these anchor institutions have access to essential skills and expertise, either internally (through training) or through external partnerships. Depending on the objectives of the programme, this could include technical knowledge in areas such as urban planning, housing development, and social service delivery, as well as softer skills in community engagement and conflict resolution.
- Include meaningful representation and active support from diverse stakeholders — including residents, local businesses, and government representatives. This is vital for ensuring that interventions reflect the priorities of the entire community and foster community buy-in.
- Be established in locations accessible for residents.
- Take a partnership approach, whereby the anchor institution acts as a central coordinating body, promoting inter-agency collaboration and linking up existing services can lead to significant benefits. This can reduce duplication, maximise reach, and reduce costs. In the case of CfC in Australia, the coordinating role had an equivalent productivity impact to an increase in local service provision.

If organisations do not have the requisite set of skills, capacity, networks and resources to deliver, then policies should incorporate an initial setting-up phase of funded capacity building to avoid delays in the ultimate delivery of the programme. This phase is critical for recruiting skilled staff, providing training, engaging the community, collecting data and creating governance structures that promote accountability, transparency, and inclusivity whilst enabling evaluation of impacts. Programmes that rush to implementation without addressing this foundational step risk inefficiencies, misaligned objectives, and diminished community trust. To identify gaps, skills audits could be conducted and supplemented with external

specialist support and training as needed. By proactively addressing capacity constraints and gaps in knowledge or expertise, these audits enable neighbourhoods to adapt more quickly, enhancing their resilience and effectiveness.

Evidence suggests this crucial setting-up phase can take between 1-3 years, so accounting for this in delivery timelines is recommended. Where possible, leveraging existing organisations or assets rather than building new anchor institutions from scratch can speed up the process of delivery (as was the case in CfC in Australia) and avoid delays associated with building new anchor institutions. This is because they may already have strong roots, established connections, and a familiarity with local dynamics within the community, increasing their effectiveness. Consideration must be given though to potentially vested interests, and ensuring that such organisations are aligned with the objectives of the programme.

Build capacity in local residents and clearly define their role

Empowering residents to participate effectively often requires targeted capacity-building initiatives. These programmes should be designed to equip participants with the skills and confidence needed to contribute meaningfully, whether by serving on boards, leading local projects, or representing their communities in consultations. Capacity-building efforts are particularly important for individuals from marginalised or underrepresented groups, who may face significant barriers to participation. Training in areas such as leadership, public speaking, and project management can enable these groups to engage more fully and ensure their voices are heard. By training community members to engage with stakeholders themselves and champion local efforts, this increases the likelihood that longer-term outcomes are sustained.

Clearly defining the roles of community members is another essential element of successful engagement. The New Deal for Communities programme in England faced challenges when roles were unclear, which led to misunderstandings and inefficiencies. To avoid this, it is vital to clearly delineate the scope of residents' influence whether they are serving in decision-making roles, advisory capacities, or as contributors to specific projects. Transparent communication about these roles can enhance collaboration, empower residents, and maximise the effectiveness of their involvement.

Building the capacity of local residents and investing in civic assets is essential for achieving sustainable, long-term impacts in neighbourhood initiatives. Having stronger communities was found to be a key success factor in establishing sustainable long-term impacts (as shown by the recent follow-up analysis of NDC areas) and highlights the critical role of relationships and social norms in shaping and strengthening the local social fabric.

Devolve decision making to anchor institutions

Anchor institutions should have sufficient devolved decision-making powers to decide what initiatives to run, as this was found to be essential to the success of the programmes. Areas

had the flexibility to decide what domains in their local areas to focus on across multiple dimensions. A key success factor in many of the interventions was the requirement for neighbourhoods, having already received funding, to put together a local plan of action detailing what the problems locally are, alongside the goals, strategies, and projects (including their costs) that will be run to solve them.

Given this flexibility, anchor institutions should establish a clear governance mechanism that promotes accountability, transparency, and inclusivity. In many cases, this involved the creation of a board made up of local residents, government departments, local charities, and the private sector. While devolved decision making is a key feature of neighbourhood interventions, sufficient guardrails should remain in place to ensure the quality and content of neighbourhood plans. A degree of programme-level oversight is therefore essential, providing support to areas where needed.

Recommendations: Economic integration and impact

A plan for mitigating displacement effects should be developed

Displacement remains a pressing challenge in neighbourhood regeneration, requiring careful consideration. While upgrading housing stock and local neighbourhoods are often central goals of regeneration initiatives, these efforts, when successful can then lead to rising property values. These higher living costs can unintentionally displace lower-income residents, who were typically the individuals that were the intended focus of the intervention. Evidence from Neighbourhoods Alive! in Canada highlights this tension: significant improvements in housing quality were accompanied by rising property values, which reduced affordability and limited access for low-income populations. The experience of the East Lake Initiative also serves as an example: while the project achieved extensive improvements in key indicators, such as safety and educational attainment, only 25% of the original residents returned after redevelopment.

To mitigate displacement, future regeneration policies should include robust mechanisms to protect and expand the affordable housing stock. One approach could be the implementation of mandatory "build-back" requirements, which ensure that affordable housing units are retained or replaced during redevelopment. Phased redevelopment is another strategy, where new affordable housing is constructed before the demolition of existing units, allowing displaced residents to transition into improved housing without enduring prolonged periods of uncertainty or relocation. Engaging residents early and consistently in the planning process is also vital for addressing displacement.

Transparent communication about project goals, timelines, and anticipated outcomes builds trust and ensures that residents' needs and preferences are central to decision-making. By regularly collecting longitudinal data on housing costs, demographic data, resident satisfaction, and resident location before and after interventions, the risk of displacement can be managed on an ongoing basis. For example, tracking the number of original residents who return post-redevelopment offers a key indicator of whether displacement is taking place.

Link neighbourhoods into economically successful areas and wider economic strategies

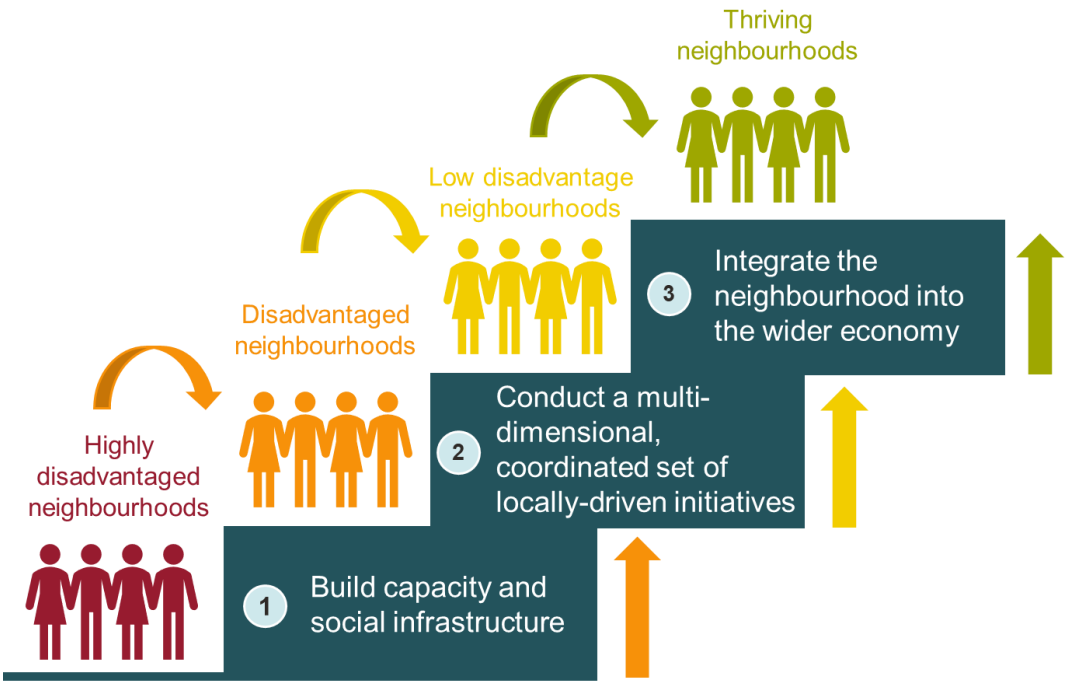
It is clear from the case studies that interventions at the neighbourhood level can be highly effective at reducing crime, increasing pride-in-place, improving health, raising the sense of community, enhancing educational performance, and improving housing. What they have not been seen to do though is lead to significant changes in economic outcomes in these neighbourhoods. In many of the evaluations, changing these economic indicators was considered beyond the scope of the neighbourhood, requiring initiatives at a broader spatial scale. So, while they provide the necessary foundations to start attracting private capital (e.g. by making areas more attractive places to live), neighbourhood interventions are not sufficient.

For that reason, where improved economic outcomes for areas are the ultimately goal of policy, policymakers should also consider linking (e.g. through improved transport links) target neighbourhoods to the broader labour market and proximate economically successful regions (where possible). Incorporating them into wider regional and national economic strategies for renewal may also be beneficial. This is reflected in the success of the East Lake Initiative, which partly credited its proximity to an economically successful region for the crowding-in of private investment it saw. This theory would however need to be tested further in other initiatives.

11.4 Framework of neighbourhood development

It is clear from the evidence in this report that tackling socio-economic deprivation requires a neighbourhood-based component. This is because deprivation both clusters at the neighbourhood level, suggesting it's the right spatial scale at which to target policy, and because interventions aiming to reduce this deprivation have been shown to be successful when delivered at the neighbourhood level. The way in which deprivation in neighbourhoods is tackled however is essential, with the evidence suggests that there are three key stages in the trajectory of neighbourhood renewal. All three of these are necessary to move from highly disadvantaged neighbourhoods to thriving neighbourhoods. This is outlined in Figure 10, and described in detail below.

Figure 10 Stages of neighbourhood renewal



Source: Frontier Economics

Stage 1: Build capacity and social infrastructure

Fundamental to the success of the neighbourhood interventions studied is building capacity in these neighbourhoods. That is, setting up the anchor institutions, building networks, and upskilling local residents so that they can bring about the change needed in their local area. Without this, the models of regeneration reviewed would not function. When this step has been missed or hurried along in these interventions, delays have occurred, and the impact of the programmes reduced. It is therefore essential that this happens in the first instance, before wider interventions take place.

With local governance and community leadership strengthened through capacity-building activities and the creation of community-led anchor institutions, the ability of residents and local stakeholders to participate actively in regeneration efforts is enhanced. By establishing trust and cooperation between community members, local authorities, and other stakeholders this fosters a sense of ownership and accountability within the community, which is essential for the long-term success of regeneration initiatives.

This process of building what is effectively social infrastructure therefore lays the groundwork for sustained progress in subsequent stages, but caution: patience is essential, as this process can take up to 3 years.

As shown in Figure 10, completing this process moves highly disadvantaged neighbourhoods in red up the steps to become disadvantaged neighbourhoods in orange.

Stage 2: Conduct a multi-dimensional, coordinated set of locally-driven initiatives

Having built capacity, undertaking a multi-dimensional, coordinated set of locally driven initiatives that strengthen the physical and social infrastructure at the neighbourhood level is then possible. With a focus on making changes self-sustaining and by providing long-term, stable funding a wide array of improvements across multiple dimensions of deprivation including crime, health, educational attainment, community, housing, services and environment can be attained.

This step does however take time, with initiatives run by anchor institutions often running for over 20 years. As shown in Figure 10, this allows disadvantaged neighbourhoods in orange to move up the steps once more and become a low disadvantage neighbourhood in yellow.

As areas start to improve, house prices rise and there remains a risk of displacing pre-existing residents. Strategies to mitigate these effects should be put in place.

Stage 3: Integrate the neighbourhood into the wider economy

Having reduced the level of deprivation in local areas, the final and most challenging step is improving economic prospects and job opportunities in these neighbourhoods. Doing so likely requires linking and re-integrating these areas into the wider labour market and proximate, economically successful regions (where available). This could be done in parallel with regional or national economic growth plans; strategies at the neighbourhood level alone are unlikely to be enough.

Having then linked these areas to places of economic strength, significant private capital may then return to these areas and complete the process of economic and social renewal. This final step therefore moves low disadvantage neighbourhoods in yellow into thriving neighbourhoods in green, at the top of the steps in Figure 10.

Each of the stages outlined above reflects a critical step in the regeneration process, building incrementally to address immediate needs while laying the foundation for long-term success. Most neighbourhood initiatives examined in this report have mostly focused on stages 1 and 2 and have done so successfully. However, the transition to broader economic integration has often been more challenging.

Future programmes should therefore consider efforts to connect neighbourhoods to sustainable pathways for growth, building on the success of a well-designed neighbourhood intervention. This requires all three stages above to be considered early on in the policymaking process, ensuring that interventions in wider geographic areas link in with the interventions taking place in their constituent deprived neighbourhoods.

Addressing current England-specific policy challenges

Here, we consider the implementation of the policy recommendations above in the current policy context in England across two key topics: the Prime Minister's five missions and funding cycles.

Mission-led government

The UK Prime Minister Kier Starmer has set out five missions for his government. These are:

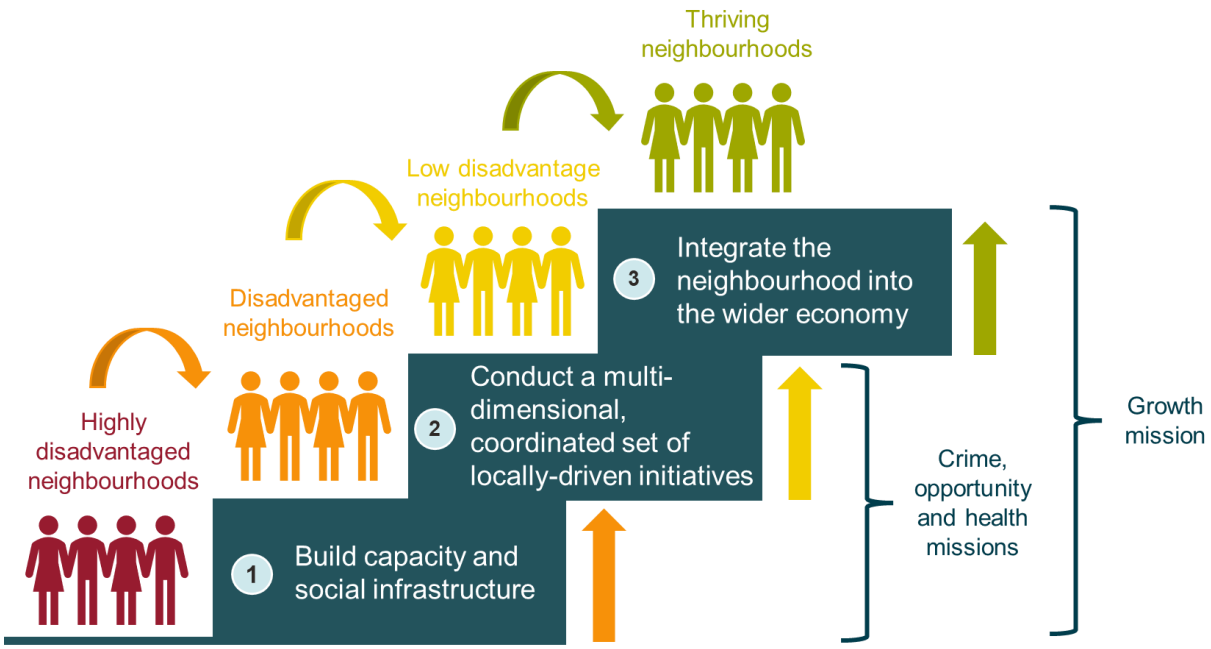
1. Kickstart economic growth
2. Make Britain a clean energy superpower
3. Take back our streets
4. Break down barriers to opportunity
5. Build an NHS fit for the future.

The outcomes arising from neighbourhoods interventions (relating to stages 1 and 2 of the above framework) directly align with three of these missions. These include reducing crime, increasing opportunity and improving health.

Neighbourhood interventions do so in a way that represent high to very high value for money, according to UK Government guidance. Based on Department for Levelling Up, Housing and Communities (2023) guidance, BCRs greater than 2 are considered high value for money, with those in excess of 4 very high value for money. Of those interventions with value for money assessments, they generally report BCRs in excess of 3, and sometimes as high as 5.

Neighbourhood interventions also support the first mission on economic growth. This is because stages 1 and 2 in the framework above lay the groundwork for stage 3 to be successful. If stages 1 and 2 are missed, then investments seeking to jump immediately to economic growth (stage 3) are less likely to be effective. Creating safer, healthier, and more cohesive neighbourhoods are essential pre-conditions for economic growth. These links are outlined in Figure 11 below.

Figure 11 Links between the stages of neighbourhood renewal and the Prime Minister's missions



Source: Frontier Economics

Funding cycles

A key aspect of delivering a neighbourhood intervention is the need to provide long-term funding (often over 10 years) to targeted areas. For England, the spending review process is the main method of allocating funding, with this taking place every 2-3 years. This can make delivering longer term commitments challenging.

While funding for deprived neighbourhoods could be integrated into local authority budgets, if this funding is not ringfenced, then there is no guarantee that it will reach these areas. This is a challenge that has been seen with previous area-based interventions in England over the past 15 years, with the most deprived neighbourhoods often missing out (Atherton and Le Chevallier, 2023) (All-Party Parliamentary Group for Left Behind Neighbourhoods, 2023 & 2024).

For this reason, to provide long-term funding through the spending review process, one of two broad approaches could be taken:

- Split the three-stage process into different funding pots, directly allocated to deprived neighbourhoods:
  - One funding pot could fund stage 1 (capacity building), with neighbourhoods that demonstrate a track record of success in this stage then transitioning to another pot that funds stage 2 (performing multiple, locally-determined interventions for areas

which have built capacity). While there will be areas that start with stage 1, there could equally be areas that can start at stage 2 which have benefitted from previous interventions.

- For stage 3 (linking neighbourhoods to the wider economy), this could form part of the integrated settlements for Metro Mayors, as per the recently announced devolution white paper (Ministry of Housing, Communities and Local Government, 2024). This is because the creation of regional growth plans and coordination of investments that link deprived neighbourhoods into the wider economy (e.g. transport and education) take place at a wider spatial scale than the neighbourhood.
- It is key that the strategy created at the Mayoral level recognises the importance of building in deprived neighbourhoods and coordinates with the neighbourhoods' anchor institution directly to understand their specific needs, opportunities and challenges.

- Establish a National Wealth Fund-type funding pot:
  - The recently established National Wealth Fund shares many of the principles of successful neighbourhood interventions. It aims to provide long-term, stable investment in infrastructure where there has previously been a lack of finance.
  - A similar, endowment-style pot that funds stages 1 and 2 could be an effective funding approach. The funding for stage 3 would still however be based around integrated settlements from Metro Mayors, for the same reasons outlined above.

While we do not consider one approach to be intrinsically better than the other, the key is that the chosen approach ensures there is a long-term, binding commitment to providing funding to target neighbourhoods if they meet certain thresholds. Without that, evidence from previous interventions suggests that funding uncertainty will hamper the ability of neighbourhoods to plan and deliver their interventions effectively.

Annex A – Rapid evidence review methodology

To conduct the rapid evidence review, we followed a four-step research protocol to evaluate and select relevant studies in a consistent and transparent manner:

1. We developed a list of key search terms relevant to each of the ICON research questions.
2. We applied these search terms across three key databases: Google Scholar, Consensus, and Elicit. This was supplemented by targeted Google searches and searches on websites of relevant bodies (such as What Works Centres and MHCLG) to identify suitable grey literature (e.g. Local and National Government publications; evaluations and studies undertaken by NGOs or research institutes).
3. We then shortlisted papers that met our research inclusion criteria:
    a. **Age of evidence:** While more recent evidence was preferred and was given greater weight, a hard cut-off year for inclusion was not included. This is because a substantive amount of literature was developed in the late 1990s and 2000s that may be relevant.
    b. **Geographic scope:** The focus was on literature related to OECD countries only. This is because countries outside of the OECD are less likely to be comparable to the UK. English and German language literature was reviewed.
    c. **Evidence types:** the study must either be published academic literature or grey literature (such as Government-commissioned evaluations).
    d. **Research methods:** theoretical papers (where relevant) and empirical research of sufficient quality were included. We assessed the quality of selected studies using the Adapted SIEVE framework outlined below, discarding those which fall below our quality threshold.
4. All shortlisted papers were then reviewed for inclusion. The top 5-10 references from within these papers which met the research inclusion criteria were also reviewed as well.
5. For the neighbourhood interventions reviewed in Chapter 10, see Chapter 9 for more detail on how these were shortlisted from the longlist of interventions outlined in Annex B .

Finally, to evaluate the strength of the evidence gathered across all papers, we employed the Department for International Development's (DFiD, 2014) "Assessing the Strength of Evidence" framework. This holistic approach considers not only the quantity and quality of studies but also their size, consistency, and contextual relevance. This is explained in further detail below.

The research protocol, adapted SIEVE framework and evaluating the strength of the evidence framework below were agreed with Local Trust, and tested in two workshops with academic experts and policymakers. The constituent parts of this report were also reviewed by Local

Trust and members of ICON. Summaries of findings were presented to the ICON Research Group and wider conferences. Feedback and suggestions for further research from these were then incorporated into this report.

A.1 Adapted SIEVE framework

Gorard (2024) developed the 'SIEVE' framework to evaluate the quality of academic studies (see Table 1). This involves rating studies on a 5-point scale across four components: the appropriateness of the research design, the scale, the extent of missing data and measurement quality. The five-point scale ranges from 4 (the strongest) to 0 (the weakest). The basic premise of the SIEVE framework is that a study will sink to its lowest rating across the four components. So, if a study is level 4 on all aspects except measurement quality, then the study will be classified as level 3 overall. By using the same conceptual framework for both quantitative and qualitative studies, this framework recognises that both types of papers can be of equally 'high quality' (i.e. comparable) while still emphasising their respective roles in answering different kinds of questions e.g. the former 'how much?' and the latter 'why?'.

We have adapted and streamlined this framework for the purposes of this research, using it to ensure that only those studies meeting our minimum quality standards were included. For assessing the appropriateness of the research design (the first criteria in Table 1), this involved treating quantitative and qualitative studies differently, reflecting the different methods used:

- **Quantitative studies:** these were assessed using the Maryland Scientific Methods Scale (SMS). The Maryland SMS rates studies on a scale from 1 to 5, where 1 indicates less robust methods were used (e.g. before and after comparisons) and 5 the most robust (e.g. the use of randomised controlled trials). Levels 4 and 5 on the Maryland SMS were considered Level 4 in the Adapted SIEVE framework (the highest). Level 1 on the Maryland Scale was considered Level 1 on the framework, with the rest of the Levels matching in between.

- **Qualitative studies:** these were assessed using a streamlined form of the Department for International Development's (2014) principles of research quality framework. Studies were assessed against three criteria. As guiding principles, a 'strong' design (level 4 SIEVE) would generally need to be classified as 'strong' across all three. An 'adequate' design would generally require 2 of the 3 marked as 'strong' with a 'weak' paper only marked as 'strong' in 1 of the three:

    - **Conceptual framing:** Does the study acknowledge existing research? Does the study construct a conceptual framework? Does the study pose a research question or outline a hypothesis?
    - **Appropriateness:** Does the study identify a research design? Does the study identify a research method? Does the study demonstrate why the chosen design and method are well suited to the research question?

- **Acknowledges limitations**[29]**:** Does the study explicitly consider any context-specific cultural factors that may bias the analysis/findings?

For the remaining criteria in Table 1, these were applied in the same way across both qualitative and quantitative research. Only studies with a minimum level of 2 or more across all criteria were included in our review.

Table 1 Adapted SIEVE scoring for quantitative literature

Criteria	Level 0	Level 1	Level 2	Level 3	Level 4
Appropriateness of design for research question	No consideration	Very weak design	Weak design	Adequate design	Strong design
Scale (per comparison group)	A trivial scale	Very small number of cases	Small number of cases	Adequate number of cases	Large number of cases
Extent of missing data	Huge amount, or not reported	High level of missing data, clear impact on findings	Moderate missing data, likely impact on findings	Some missing data, possible impact on findings	Minimal missing data, no impact on findings
Measurement quality	Very weak measures	Weak measures, high level of error, or many outcomes	Not standardised not independent, with errors	Standardised, independent, some errors	Standardised, independent, accurate

Note: Adapted from Gorard (2024)

A.2 Framework to evaluate the strength of evidence

Across all of the papers that met the minimum quality threshold in the Adapted SIEVE framework, the Department for International Development's (2014) assessing the strength of the evidence framework was then used to draw conclusions on the overall strength of the evidence. This is outlined in Table 2 below. This framework is holistic in that 'quality' is only one aspect of the assessment. This means while there may be many lower quality studies, if they are all consistently presenting evidence in one direction, this may still be considered a relatively strong evidence base.

[29] This criteria was originally labelled 'Cultural sensitivity' (derived from the Development Economics literature), which we have renamed to 'Acknowledges limitations'. In practice, this means the paper is transparent about potential limitations and biases.

Table 2 DFiD's Assessing the Strength of Evidence framework

Categories of evidence	Assessment of quality, size, consistency, context
Very strong	High quality body of evidence, large in size, consistent, and contextually relevant.
Strong	High quality body of evidence, large or medium in size, highly or moderately consistent, and contextually relevant.
Medium	Moderate quality studies, medium-size evidence body, moderate level of consistency. Studies may or may not be contextually relevant.
Limited	Moderate-to-low quality studies, medium-size evidence body, low levels of consistency. Studies may or may not be contextually relevant.
No evidence	No/few studies exist.

Note: Adapted from Department for International Development (2014)

Annex B - List of neighbourhood interventions considered

Table 3 Neighbourhood interventions outside of England

Intervention name	Country	Focus of intervention
Chicago's New Communities Programme	United States	Holistic regeneration
Victoria's Neighbourhood Renewal Initiative	Australia	Holistic regeneration
Neighbourhood Renewal Programme	Northern Ireland	Holistic regeneration
Metropolitan Development Initiative	Sweden	Holistic regeneration
Neighbourhoods Alive!	Canada	Holistic regeneration
Soziale Stadt	Germany	Holistic regeneration (larger urban area)
Dutch District Approach	Netherlands	Holistic regeneration (larger urban area)
Atlanta's East Lake Initiative	United States	Mixed-income focussed regeneration
Choice Neighbourhoods Initiative	United States	Mixed-income focussed regeneration
Communities for Children	Australia	Improving outcomes for children and families
Creating Moves to Opportunity	United States	Housing mobility scheme
Empowerment Zones	United States	Employment support focus
JobsPlus	United States	Employment support focus

Source: Frontier Economics

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