

Microsolutions for Megaproblems: What works in urban regeneration policy?

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1/ Introduction

This chapter sets Connected Communities in the context of current thinking on urban regeneration and local economic development, in particular the state of area-based policies in the current 'post-regeneration' era (Matthews and O'Brien, this volume). The chapter first provides a brief run-through of post-1997 state-led regeneration in the UK, tracing the shift in England from holistic neighbourhood-level social inclusion initiatives to economically-focused local growth programmes. As noted by Wilks-Heeg (this volume), the role for 'community' in all these programmes is ambiguous. Next, the chapter highlights the political, policy and structural 'shocks' that have hit these regeneration models since 2007, and discusses where this leaves neighbourhood-level activity in particular. In theory, localism should set the scene for a flowering of neighbourhood-level, community-led regeneration activity. But spending cuts, and regeneration's refocusing on economic outcomes leaves challenges for holistic neighbourhood programmes. The theories of change invoked in such interventions, Connected Communities included, suggests economic impacts will be small: but such programmes can in principle provide crucial public 'goods', so have an important non-economic rationale. Demonstrating causal impacts on wellbeing seems beyond much of the existing evidence, however. Getting a sense of 'what works' in urban regeneration is extremely challenging, given the multifaceted nature of the programmes and the complex socio-economic processes in which they intervene. The UK's emerging experimentalist paradigm could help generate a convincing evidence base for neighbourhood-level urban regeneration, but there are also real constraints to what localism and the 'what works' agenda can do, particularly under austerity. Structured forms of evidence need to be layered alongside local, contextual knowledge.

¹ Personal views, not those of the What Works Centre for Local Economic Growth.

2/ Basics

'Regeneration' is surprisingly tough to define. Conceptually, it involves seeking to improve one or more of social, economic and physical conditions in a given place or places, typically urban, and generally in the context of some economic shock or deeper trend. Real-world regeneration programmes typically try to combine these goals. Roberts and Sykes (2000) define such holistic strategies as:

'a comprehensive and integrated vision and action which leads to the resolution of urban problems and which seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of an area that has been subject to change.' (pp. 10-17)

Practitioners' ambitions can go beyond this. As Pugalís and McGuinness (2012) suggest, regeneration is also 'a symbolic process that aims to foster a geography of hope' (p342). Very large 'big push' initiatives conform to this: under the US New Deal, for example, the Tennessee Valley Authority initiative attempted to shift the economic trajectory of an entire region from the 1940s to the 1960s (Kline and Moretti 2013). More recently, the former East Germany has seen a series of programmes that aim to induce structural convergence with the West (Kluve 2010). In fact, most regeneration activities assert this transformational quality to some extent: alongside concrete improvements, policies often set out to signal change and/or enrich everyday life.

The regeneration policy toolkit is large, encompassing land remediation, remodelling physical property, investment in transport or other infrastructure, training and active labour market initiatives, business advice, tax breaks and other fiscal measures, policing, neighbourhood management and a range of community development activities – which encompass many of the engagement and social capital-building activities covered under Connected Communities.

This structural breadth explains some of the definitional difficulty. Regeneration budgets and tools tend to be distributed across government scales and functions, making it harder for policymakers and the public to 'see' it as a coherent function. In England, for instance,

'regeneration' lives simultaneously in local government, planning, business, policing, employment, transport and housing functions of central and local government, as well as in the Treasury. Regeneration was only formally defined for England in 2009 (Communities and Local Government 2009) and more narrowly than in Scotland and Wales (see McGuinness et al (2014) and Wilks-Heeg, this volume).

State-led regeneration in the UK has evolved from anti-poverty initiatives in the 1960s, to physically-orientated business-led programmes such as the Urban Development Corporations in the 1980s, towards a joined-up approach in the 1990s, beginning with City Challenge and the SRB programme before shifting into multiple area-based initiatives under New Labour (see Wilks-Heeg, this volume). The next section considers these policy evolutions in more detail.

3/ Policy typologies, shifts and shocks

We can group state-led urban regeneration activities in the UK into three broad types. 'Type 1' is estate renewal, largely carried out by local authorities, with social landlords and private developers taking an increasingly large role. Labour's Decent Homes programme is the most obvious example of this approach. 'Type 2' programmes involve joined-up activity at the large estate or neighbourhood level, co-ordinated by local partnerships (often led by councils or social landlords). The aims of such programmes are holistic, combining economic, social and physical/environmental goals. The New Deal for Communities (NDC), Neighbourhood Renewal Fund (NRF) and some smaller Single Regeneration Budget (SRB) programmes fall into this category. 'Type 3' programmes are larger area-based initiatives (ABIs) with economic objectives, operating on large urban sites or city-wide. City Challenge, larger SRB programmes, the Local Enterprise Growth Initiative (LEGI) and Housing Market Renewal (HMR) are all examples of this type, as are Enterprise Zones (EZs) and the Regional Growth Fund (RGF).

Connected Communities research can be placed – loosely – within this typology.² The agenda sits most closely with Type 2 activity, both in terms of scale and in terms of social welfare focus. However, there are also important differences. Type 2 programmes have clear geographical boundaries, often administrative, while Connected Communities initiatives are more likely to work through social networks and structures, which are not always spatially bounded. Equally, neighbourhood regeneration under Labour was ‘concrete’, and concerned with mainstream public services and specialised local initiatives; Connected Communities activity has been largely outside the scope of State activity and is more exploratory / participatory in methods adopted. Notably, the focus on emancipatory processes of co-production is very different in ethos from the state-led emphasis on service delivery and outcomes.

Arguably, 'community' is only present in the background of such initiatives if at all. One logic model in Type 3 initiatives is that fiscal incentives induce firms into a deprived area, thus creating job opportunities for local residents. Alternatively, physical improvements operate as a signal of confidence in a locale, attracting (net) inward investment that feeds through to greater local employment (Tyler 2011). This rationale was predominantly used with office/commercial property, although a variant was used in Housing Market Renewal: a more middle-class residential 'offer' was intended to improve neighbourhood fabric, change the resident mix, and attract local shops and services (Leather and Nevin 2013).

Under Labour, Type 1 and 2 programmes were broadly linked to the social inclusion and neighbourhood renewal agendas (Social Exclusion Unit 1998); Type 3 programmes linked to ‘urban renaissance’ (Urban Task Force 1999) and the regional growth agenda (HM Treasury 2007). Under the Coalition, remaining Type 3 programmes are linked to the ‘rebalancing’ agenda and to city-regional initiatives. Type 2 programmes technically continue as part of the Big Society, but as we shall see, barely exist in practice.

² www.ahrc.ac.uk/Funding-Opportunities/Research-funding/Connected-Communities/Pages/Connected-Communities.aspx, accessed 30 October 2014.

3.1 / Shifts and shocks

From 1997 to 2001, a 'holistic' phase of urban regeneration policy (Lupton 2013) combined Type 1 and Type 2 initiatives. Programmes aimed to address severe inequalities of outcome and opportunity by 'bending' mainstream services towards the poorest, and in trying to ensure that 'no-one should be seriously disadvantaged by where they live' (Social Exclusion Unit 1998) (p3). Neighbourhood-level programmes were seen as central to tackling spatially concentrated disadvantage. Importantly, programme *targets* were also spatial, so that success was defined as narrowing area-level differences. 'Communities' were typically defined in terms of administrative boundaries or physical grain (such as a single estate), but on-the-ground action was necessarily more involved.

The 2007 sub-national review of regeneration (HM Treasury 2007) marked a change in direction, proposing a shift of resources into more narrowly-focused economic regeneration (Communities and Local Government 2009). As Lupton (2013) points out, this policy 'shock' highlighted *political* differences between Blair and Brown, but also involved a *spatial* upscaling of activity towards the regional level. In practice, much of the spend was at city-regional level, reflecting cities' role as economic cores (Centre for Cities 2009).

The financial crisis of 2007, and subsequent recession led to further shocks. The initial credit crunch collapsed the forward-funding mechanisms that had sustained property-led Type 3 programmes (Parkinson 2009). The 2010 Coalition government then took a series of policy decisions that radically restructured the institutional architecture, and reducing remaining programme spend. At the time of writing, none of the major policy streams since 2000 are still operating, and overall funding has reduced by about two-thirds (McGuinness, Greenhalgh et al. 2014).

As Matthews and O'Brien note (this volume), in important senses this is a 'post-regeneration' era - although programmes like EZs and the RGF do survive, and have some continuities with previous waves of policy. As Lupton puts it, in some ways *'the Coalition has ... picked up the baton laid down by Gordon Brown, not the one carried by Tony Blair'* (2013, p66). In structural

terms there has been a major break, with the Coalition pushing for localism at urban and city-regional scales, devolving limited powers and mainstream budgets from the centre to the urban level through City Deals (Cheshire, Nathan et al. 2014).

The neighbourhood-level landscape is dramatically different. Holistic neighbourhood-level regeneration has essentially ceased as a state-led activity. Localism was also intended to involve devolution from the city to the community, through various community 'rights' to own and run local assets enacted in the 2011 Localism Act (DCLG 2011) and through the 'Big Society' agenda. In practice, this community layer to localism has been under-developed and under-funded (Pugalis and McGuinness 2012). Monitoring regimes are also minimal, making it hard to assess what activity, if any, is currently taking place.

4/ 'What happened?'

Making sense of these shocks and shifts is important, as it moves us towards an understanding of the underlying effectiveness of urban regeneration policies.

Superficial reasons for change are easy to identify. First, many Type 3 programmes – particularly property development – became literally unviable after 2007 (Parkinson 2009). Second, the change in Government in 2010 led to changes in priorities and policy choices, towards deficit reduction and away from public spending. Regeneration programmes are non-statutory and largely targeted at poorer communities, so were always at risk from cutbacks.

We can also highlight some deeper issues. As we have seen, the direction of regeneration thinking was already shifting before any macro-structural shocks occurred. The 2007 Sub-National Review highlighted that a decade of regeneration spending had resulted in very little change to regional economic disparities. As such, it put one of Labour's – and Gordon Brown's – principal goals at risk of failure. Further, despite narrowing gaps between conditions in the most deprived neighbourhoods and the rest, *local* spatial inequalities also remained (see below).

Existing regeneration initiatives policies also came under increasing attack from outside government. In part this was political: notoriously, Leunig and Swaffield (2009) argued that urban regeneration as whole had ‘failed’. Spatial economists also began to question the premises of area-based interventions, especially economic initiatives (see in particular Glaeser and Gottlieb (2008)). Critics also noted the potential of neighbourhood renewal goals to be undermined by urban renaissance activities, particularly through mixed communities programmes and associated gentrification (Cheshire, Gibbons et al. 2008, Pugalís and McGuinness 2012, Slater 2013).

One reaction to these ‘shocks’ is to argue that effective urban regeneration programmes have been unfairly attacked. Pugalís and McGuinness, for example, describe a gradual ‘*ostracism and emasculation of regionalised policy frameworks and area-based regeneration initiatives*’ (2012, p1). They suggest that the shift in English regeneration is a part of a larger neoliberal moment. Localism is simply a wrapper for ‘*market-based reforms in the pursuit of economic growth*’; policymakers aim for city-regional gains and hope these trickle down to poorer communities. More broadly, Hildreth and Bailey (2013) highlight that the city-regional focus prioritises some locations over others, and suggest that it little to offer isolated and/or ‘struggling’ locations.

Certainly the *explicit* aim of narrowing area-level economic disparities has gone: but at the time of writing it arguably remains *implicit* in the policy rhetoric. For instance, Coalition Ministers have explained their desire to:

‘create a fairer and more balanced economy ... [with] new business opportunities across the country ... the Government is ... determined that all parts of the country benefit from sustainable economic growth.’

(Department for Business Innovation and Skills 2010) (p. 6)

Whether this is *achievable* is highly debateable, however, especially given reduced resources and the current policy mix.

Rather clearer is the fate of community-focused state regeneration activity. It has essentially disappeared as a state-led activity, in part because of austerity-driven constraints and, just as important, a shift in priorities from holistic towards economic interventions. Lupton (2013) argues that governments have – consciously or not – overlooked the achievements of recent neighbourhood renewal programmes, by retrospectively judging holistic initiatives on the basis of economic performance measures. As she puts it, after 2007 *‘Labour changed its mind over the purpose of neighbourhood renewal - such that, seen through a new policy lens, its successes could be seen as failures’* (ibid, p67). At minimum, the Brown administration shifted its priorities: even if neighbourhood renewal was not seen as a failure, neighbourhood improvements were simply seen as less relevant compared to urban and regional economic growth. And since 2010 the Coalition has preferred to rely on ‘Big Society’ voluntarism to improve community-level outcomes, rather than put resources on the ground. And as Matthews and O’Brien (this volume) emphasise, while the notion of ‘Connected Communities’ is strongly linked to Big Society rhetoric, the research programme is not a substitute for actual policy.

5 / So what ‘works’ in urban regeneration?

Urban regeneration programmes aim to improve economic, social or physical conditions on the ground. To get a sense of their potential impact, we need to set these programmes in the context of the urban system as a whole. There is a growing body of evidence – from spatial economics and new economic geography in particular – that casts doubt on the extent of economic impacts that regeneration initiatives can hope to achieve. This still leaves some space for action, however, particularly at neighbourhood level.

5.1 / A framework

As in most countries, economic activity in the UK is unevenly distributed across space. Moreover, large economic and social disparities exist within the urban system. As Cheshire et al (2014) put it, recent decades have seen ‘resurgence, divergence and persistence’ in population, wages and employment rates across and within British cities. These reflect some of the deeper

macrostructural shifts that urban regeneration programmes hope to tackle. But they also are also produced and reproduced by the urban system itself (Storper 2013).

For instance, the UK's global comparative advantage has gradually shifted towards higher-value manufacturing and services. These changes have important distributional consequences. The UK has developed an edge in activities that disproportionately benefit skilled workers; returns to skill have been growing substantially, in the form of higher wages for the best qualified. Entry-level employment opportunities have also expanded, but real wages are often low and competition for these jobs is high (Goos and Manning 2007): labour market institutions have changed, with (*inter alia*) progressively weaker unions and deregulation of entry-level occupations.

Cities are where many of these shifts play out on the ground. A post-industrial economy largely favours urban locations. Urban agglomeration economies around 'matching', 'sharing' and 'learning' help workers and firms become more productive (Duranton and Puga 2004). Similarly, agglomeration of culture, retail and leisure provide 'economies of consumption' (Glaeser 2011). Set against this are costs of urban location, such as congestion, pollution and living costs, which rise as urban population rise.

These factors help explain urban success on the average. But they also suggest why locations diverge. Agglomeration economies are be self-reinforcing, so that cities with an advantage in certain industries or amenities tend to attract more of the same over time (Overman and Rice 2008). Historic events and policy choices can lead to path-dependence, helping 'lock' neighbourhoods and cities into specific trajectories (Martin and Sunley 2006). But at the same time, technological change and sectoral differences also tend to produce 'production jumps' from higher to lower cost locations (Venables 2006). As a whole, migration between and within cities is substantial, both in terms of daily commuting and moves over the lifecycle (Champion and Fisher 2004). In practice, of course, ability and resources to move vary over households, with financial and family factors, among other, constraining mobility and helping cement disparities.

This means that processes of urban *resurgence*, as well as divergence, have helped generate new disparities. To put it very crudely, UK cities with an existing service base have tended to expand,

while largely industrial cities have – until recently – declined. Resurgent post-industrial cities have seen growing populations, growing nominal wages and employment figures, alongside a rising cost of living. Global cities like London and New York are extreme cases characterised by substantial labour market polarisation (Sassen 2001, Buck, Gordon et al. 2002, Massey 2007). In ‘declining’ cities these processes are reversed: living costs are lower but so are economic opportunities.

If area disparities between and within cities are largely the result of spatial factors, this might suggest that conventional urban regeneration policies could help close them through area-based initiatives. The interaction of individual, institutional and area factors is clearly important in generating spatial difference – not least through agglomeration processes (Storper 2013). However, the empirical evidence for the UK and other countries suggests that disparities are *primarily* down to ‘sorting’ (or not) of individuals between locations (Moretti 2012, Cheshire, Nathan et al. 2014). Specifically, once area conditions are taken into account, individual characteristics, particularly human capital, directly explain a substantial part of area-level disparities.

All this has important consequences for urban regeneration programmes. First, urban systems are characterised by powerful market forces that generate spatial inequality, operate over the long term and are hard to halt or reverse. Area-level conditions matter in explaining outcomes, but individual characteristics, resources and opportunities appear much more salient. On the face of it, this implies that ‘people-based’ programmes often stand a greater chance of success than area-level initiatives (Glaeser and Gottlieb 2008). Second, cities and urban systems are complex socio-economic systems, where effective policy is in any case hard to design, and where effectiveness may be limited. Third, for the same reasons, assessing the effects of urban initiatives is challenging, and in many instances there are likely to be winners *and* losers. Fourth, the adjustment of urban systems is messy and uneven, and is characterised by multiple market and co-ordination failures.

Note that this leaves the *equity* rationale for regeneration intact, but casts doubt on the optimal means for achieving it. An *efficiency* rationale for regeneration interventions remains, but the

analysis suggests that aggregate impacts will tend to be small and incremental. Put simply, most urban regeneration programmes are ‘microsolutions for megaproblems’: mitigating larger forces without rolling them back.

5.2 / Economic regeneration initiatives

These structural constraints to urban regeneration are particularly evident for Type 3 growth initiatives in which a policy generally ‘treats’ one location and not another. Type 3 programmes can deliver valuable public goods. However, if economic disparities are largely driven by individual or firm-level differences, it follows that such area-based responses are likely to have a limited aggregate effect (Storper 2011). Local gains from an ABI may also be offset by losses elsewhere: through firms moving into the ‘treated’ area from a non-treated location, through workers commuting in to take new jobs rather than residents winning work, or via gentrification-related impacts in the local housing market (Glaeser and Gottlieb 2008, Moretti 2010).

The limited evaluation evidence on Type 3 programmes tends to bear this out. For example, 1980s Enterprise Zones in the UK largely shifted employment around rather than creating net new jobs (Office of the Deputy Prime Minister 1995). The structurally similar LEGI programme appears to have done the same (Einio and Overman 2013), and evaluations from similar initiatives in America and France also show little or no net employment effects (Neumark and Kolko 2010, Mayer, Mayneris et al. 2012). This also implies that the current crop of English Enterprise Zones is unlikely to have much net employment impact. By contrast, the Regional Selective Assistance programme, which targeted firms, had some positive employment effects (Criscuolo, Martin et al. 2012). That suggests the similarly-designed Regional Growth Fund should also have some net positive impact.

This still leaves space for programmes to tackle some of the within-city frictions outlined above. As Kline and Moretti (2013) point out, for instance, even in high-productivity resurgent cities labour market dysfunction is common, and active labour market programmes (or hiring subsidies) can help matching. Similarly, area-based *delivery* may also be an effective way to target resources on key groups and individuals (Tunstall and Lupton 2003). The US

Empowerment Zone programme, which combined physical area improvements with firm-level job subsidies restricted to local workers, appears to have put this successfully into practice, improving local environments and raising the wages and employment of local people (Busso, Gregory et al. 2013). Apart from the policy design, the programme also benefited from the lack of in-commuting to the target areas, which were seen as ‘too dangerous’ by many of those living outside.

Even urban-level ABIs which succeed on their own terms have not been able to do much to roll back wider patterns of spatial disparities. In theory, ‘big push’ programmes such as the Thames Gateway could achieve national rebalancing. Kline and Moretti (2013) provide one of the only evaluations of such an initiative, the New Deal-era Tennessee Valley Authority programme, which aimed to shift the region’s economy from agricultural to manufacturing. The programme succeeded in structurally raising local incomes over a period of decades; but at national level, gains to the TVA region were offset by losses in neighbouring areas.

5.3 / Neighbourhood renewal

How do these regeneration constraints shape outcomes for Type 1 and 2 programmes? Within cities, sorting arguably plays an even more important role than it does between cities (Cheshire, Nathan et al. 2014). Where people live within cities partly reflects policy choices, for instance through the planning system and through social housing allocation mechanisms. It also reflects individual and household preferences, for those with the resources to choose. Crucially, though, neighbourhood composition and conditions also reflect the larger structural factors that shape the spatial economy in the first place. As Lupton (2013) puts it, *‘some places will always be poorer than others’* (p3) . But these spatial disparities are largely the area-level manifestations of *non-spatial* forces, in particular, those producing poverty and inequality at the macro level (Slater 2013).

This becomes clearer when we look at the empirical literature on neighbourhood effects (see Cheshire et al (2008) and Tunstall and Lupton (2010)). Broadly speaking, most high quality studies find some evidence for area-level effects on social outcomes, notably physical health and

happiness. However, the bulk of the evidence finds little or no impact of neighbourhood effects on economic or educational outcomes (see Tunstall et al (2014) for one recent experimental evaluation). (In the case of educational outcomes, peer effects within schools appear more important than interactions at local area level (Gibbons and Telhaj 2008)).

State-led neighbourhood renewal programmes in the UK have had an *individual* equity rationale, but have sought to raise outcomes through targeting *spatial* equity. The neighbourhood effects evidence suggests this will be pretty difficult to achieve. By contrast, Connected Communities activities, by being less bounded to administrative or physical geographies, might stand a greater chance of improving social outcomes for those taking part. In both cases, holistic neighbourhood renewal / community development programmes can deliver valuable public goods: improved environmental conditions, reduced crime and better public safety, more effective public services, or higher social capital. In the case of Connected Communities, the logic chains involved are diverse, distinct and complex: searching and retrieving community-relevant information and memory; co-produced activities that generate empathy and dissolve barriers between participants.

Unfortunately, the existing evidence at the time of writing is not readily able to convincingly demonstrate the *outcomes* of such programmes, state-led or otherwise. Lupton et al (2013) review the data for England. Official evaluations of the Decent Homes, NRF and NDC programmes show that between 1997 and 2010, 90% of social housing was brought up to a decent standard; there was a fall in vacant housing rates in unpopular estates; domestic burglary rates and worklessness fell in the ‘worst’ neighbourhoods; and user survey data suggested clear jumps in resident satisfaction (about cleaner streets and parks; lower crime; better schools, creche and daycare provision in ‘worst’ areas). However, while gaps between the worst areas and the rest fell, they did not close. By 2007, there was still a 15 percentage point gap between the ‘worst’ 10% of areas and the national average on outcomes such as burglary, vandalism, litter and resident satisfaction. And depressingly, there was no statistically significant closing of the gaps in life expectancy, overall crime rates or worklessness.

The preceding discussion suggests some reasons for these weak policy-outcome links. First, mainstream budgets in fields such as health and education dwarf even the largest neighbourhood renewal programmes: Lupton and colleagues show that the Neighbourhood Renewal Fund was worth less than 1% of local authorities' total central budgets in 2007/8, and at most was worth between 1% and 2% of urban authorities' spend. Second, national macroeconomic conditions – notably, the long growth period from 1993 to 2007 – have had a major impact on neighbourhood-level outcomes such as crime and worklessness, and one which could have been bigger than any regeneration efforts. Third, sorting influences area-level outcomes: effective neighbourhood renewal programmes may lead to their beneficiaries leaving the area, with 'harder to help' groups moving in over time. As Cheshire et al (2008) find, this may lead to perverse results where the programme in question appears to become progressively less effective. Alarmingly, Lupton et al report that the national evaluation of the New Deal for Communities finds an overall *negative* link between NDC participation and local education outcomes. It is implausible that the policy made things worse, so either the problems are bigger than the policy can deal with or other channels explain the result. To be clear, such stylised facts and descriptive analysis are essential to help set the scene. But as this discussion reveals, there are limits to this kind of evidence if we want to understand the effects of policy on outcomes we care about.

In turn, this highlights the need for better evaluation of urban regeneration activity, state-led or otherwise, and the need to introduce new methods and bodies of evidence into regeneration debates. Lupton et al conclude that Labour's policies reversed the trend of increasing disparities in poor neighbourhoods but did not close them. In fact, it is not clear we can even go this far. Social and economic lifechances improved in 'poor neighbourhoods' under Labour, but we actually have very little idea how far Type 1 and 2 programmes contributed to these changes. For interventions which are process-orientated (rather than based on public service delivery) uncovering impacts is even harder to do. User surveys and natural feedback are valuable but on their own, tell us little concrete about the *causal* effects of the programmes involved. Time series analysis is similarly limited without proper control groups and strategies to account for omitted variables (such as the national economic and policy regimes discussed in the previous

paragraph). Most critically, we need to understand *how* areas were selected for ‘treatment’ in the first place, and what this implies for how they would have done without the policy.

This presents a challenge and an opportunity for the Connected Communities approach. The focus on process and co-production creates difficulties in demonstrating impacts. Conversely, researchers can usefully deploy the qualitative evidence generated alongside more structured material, to generate a rich, layered picture. The final section gives some pointers on how this layering approach might take place.

6/ Evidence-making, experimentalism and 'What Works'

Urban regeneration policy has gone through substantial shifts and shocks in recent years, reflecting both changing political moods, and inherent constraints to what such initiatives can achieve given the real-world complexity of urban systems. Fundamentally, urban regeneration policies in isolation are likely to have incremental impacts, rather than the transformational effects sometimes claimed. The limited available evidence suggests this is particularly true of city-level economic renewal programmes. *Neighbourhood* renewal programmes often have more holistic objectives and – crucially – provide public goods that are harder to ‘capture’. However, it is very hard to assess the achievements of such programmes on the basis of existing stylised facts and evaluations.

The emerging experimentalist paradigm in British public policy, as encapsulated in the network of ‘What Works Centres’ (Haynes, Service et al. 2013, Puttick and Mulgan 2013), shows how structured techniques can start to get at the causal effects of urban regeneration initiatives. Existing systematic reviews of impact evaluations conducted by the What Works Centre for Local Economic Growth³ typically shortlist less than 10% of the existing literature, and find that less than half the policies evaluated have positive effects against their stated objectives. These evaluations typically deploy experimental or quasi-experimental techniques – tracking ‘treatment’ and ‘control’ groups over time – that could be used more widely in urban

³ See the body of reviews at whatworksgrowth.org, accessed 30 October 2014.

regeneration (Gibbons, Nathan et al. 2014). Regeneration programmes often operate over long time scales, can involve substantial capital spend and typically involve interventions where impacts are hard to reverse. For all these reasons, opportunities for randomisation are limited. However, randomised control trials could feasibly be used to test variations or ‘arms’ of a given policy, for instance, to test alternative versions of neighbourhood management or in-work training initiatives. Similarly, many programmes feature competitive bidding, which creates natural treatment and control groups from the successful and unsuccessful bidders. Such design elements also allow evaluation based on comparing people / places around an eligibility threshold (so-called ‘discontinuity’ designs).

On the other hand, there are limitations to the structured, experimentalist approach. Systematic reviews working across diverse bodies of evidence can be constrained in their ability to deliver clear 'lessons' to practitioners, even if they adopt rich ‘realist synthesis’ approaches (Pawson 2006). Quantitative impact evaluation is only part of the evaluation toolkit, especially for community development activities where outcome metrics are proxies. As noted above, opportunities for sensible randomisation are limited; valuations also typically provide estimates of 'average treatment effects': techniques for breaking out the 'local' effect for a given milieu exist but are more challenging to implement. For any given community, then, these structured techniques are an input into policy-making, rather than providing precise answers. The rich qualitative material generated by initiatives such as Connected Communities acts as another input. Local policymakers need to layer these bodies of evidence as they develop strategy.

As McGuinness et al (2014) point out, the current ‘creative chaos’ in English regeneration policy forces local policymakers to innovate, for better or worse. Certainly, the City Deals and Local Growth Deals processes is starting to shift (limited) powers and resources towards local government and LEAs. There is increasing political consensus on the need for further devolution to urban areas. The Scottish referendum result has further galvanised the urban devolution agenda. On the other hand, local government and its partners in England will be operating under severe financial constraints for years to come. This creates a strong incentive to do ‘what works’, but also places obstacles in the way of finding out. Localism also highlights the very variable capacity across the country to design and evaluate urban policy. The experience of other

countries is that such capacity gaps can help widen future disparities rather than close them (Rodríguez-Pose and Ezcurra 2011). A crucial task for future governments, then, is to help provide the conditions and resources to better understand what works in urban regeneration policy, as well as to help implement it.

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