



# Spatial Economics Research Centre

Thursday, 29 October 2009

## New Deal for Communities?

New Deal for Communities (NDC) is a 10 year Area Based Initiative (ABI) spending £400 per household per year in 39 of the most deprived areas of the country. I think that new evidence on its impact to date is disappointing.

According to the [summary](#): "NDC areas are experiencing positive change, some of which is over and above that occurring in the comparator areas." However, "once individual-level socio-demographic factors and also starting position are taken into account, those in NDC areas saw significantly greater improvement than those in comparator areas for only one indicator: thinking the area has improved in the last two years." What the summary doesn't tell you but [the full report does](#) (see p.91) is that (controlling for socio-demographic factors) individuals in NDC areas did *worse* on somewhere between 2/7 and 7/15 indicators (depending on the time period).

What I take from this is the following: Based on the best evidence that we have available a reasonably well funded ABI has not, on average, improved individual outcomes in targeted areas.

The report gives supporters of ABI wiggle room. Perhaps there are ABI's going on in the comparison areas that are just as successful (although it seems unlikely that they could be as costly as NDC so we should be doing whatever they are doing instead of NDC). Alternatively "There can be no assumption that 'success' is best measured in relation to what happens to individuals as opposed to what happens to these areas over time". I find the argument simply baffling (I thought 'no place left behind' was meant to an end - i.e. helping poor people - not an end in itself). Next, 'it's still early days' Fair enough, although the research suggests that the largest gains came first. Finally, ABI's might be good delivery vehicles. I think this last one has led but raises questions about whether the holistic nature of NDC fits with the need to target spatial concentrations of particular problems.

As the report says "assessing the success of neighbourhood level interventions is contested territory" but my feeling is that for the moment the evidence emerging from NDC is more negative than positive.

Posted by [Prof Henry G. Overman](#) on [Thursday, October 29, 2009](#)

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**Jim said...**

Does the 'decent homes' programme count as an ABI? About £3bn a year has been spent on improving housing, most of it probably in deprived areas, at the same time as the NDC has been going on. If it has any spillover impacts, e.g. on health or perceptions of the area (and you would hope it does), then it might complicate this kind of analysis further.

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