



The NDC Programme: Outputs and expenditure over
the period 1999–2007

Evidence from the New Deal for Communities Programme



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The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.

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Executive summary

Expenditure overview

1. During the period 1999–2000 to 2006–07 a total of £2.02bn (constant 2006–07 prices) was spent on the 39 NDC programmes. NDC funding from Communities and Local Government (CLG) accounts for £1.34bn of this total, with matched funding from other sources (public, private and voluntary) a further £0.68bn. For every £1 of NDC funding a further 51p of funding was secured from other public sector (37p), private sector (13p) and voluntary sector (1p) sources.
2. Over the period 1999–2000 to 2006–07, NDC expenditure averaged £34.3m per NDC, ranging from £17.2m to £52.9m. Matched funding, from other public, private and voluntary source, and thus total funding, varied more across the 39. The distribution of average per capita NDC spend across the 39 Partnerships is more widely distributed around the Programme average than is the case for absolute expenditure. Per capita NDC funding averaged £3,823 over the period from 1999–2000 to 2006–07, ranging from £1,289 per capita to £8,668. Total expenditure per capita ranged from £1,663 to £27,909. About 43 per cent of NDC core funding was devoted to capital expenditure.

Additionality and net outputs

3. Chapter 3 examines how NDC project based expenditure was reflected in outputs on the ground. Based on these estimates the highest levels of net additionality were found in the community development (84%), worklessness (83%), education (83%) and cross-cutting (83%) activity categories. Health and community safety activity categories have net additionality ratios of 78 per cent and 75 per cent respectively. Housing and physical environment activities have the lowest net additionality (57%).
4. In Chapter 3 these estimates of additionality were used to provide an indication of the overall level of net outputs associated with the NDC programme as a whole. Table 1 expresses these findings for a 'typical' NDC. The sort of impact a 'typical' NDC can make in terms of additional net outputs includes:
 - **Community development:** over 330 people additional people using a new/improved community each year, 26 from a black and minority ethnic group
 - **Crime and community safety:** about half an additional warden, and 1,300 additional young people benefiting from youth/diversionary projects each year, over 220 from black and minority ethnic communities

- **Education:** over 2,400 additional pupils benefiting from projects designed to improve attainment per annum (over 460 from the black and minority ethnic community); in addition over 90 adults obtaining additional qualification accreditation each year, 16 from a black and minority ethnic group
- **Worklessness:** over 90 additional local people into employment each year, 17 from a black and minority ethnic group
- **Health:** almost 750 people benefiting from a healthy lifestyle project and over 400 from a new or improved facility each year (142 and 62 for black and minority ethnic communities respectively)
- **Housing and physical environment:** providing/improving 489 net additional homes and putting in place a number of other physical and environmental improvements throughout the period 1999–2000 to 2006–07.

Table 1: Estimates of net additional outputs for an average NDC: 1999–2000 to 2006–07

Activity categories and output codes	Total outputs Per annum (except for buildings and facilities)	BME Per annum (except for buildings and facilities)
No. people employed in voluntary work	79	13
No. people using new or improved community facilities	339	26
No. community/voluntary groups supported	37	4.3
No. community chest type grants awarded	10	0.2
No. project feasibility studies funded	1.4	0.1
No. capacity building initiatives carried out	18	2.1
No. new or improved community facilities	11*	N/A
Crime and community safety outputs		
No. additional police	0.1	0
No. additional wardens	0.5	0.1
No. victims of crime supported	183	22
No. young people benefiting from youth inclusion/diversionary projects	1,306	224
No. beneficiaries of community safety initiatives	732	57
No. homes or businesses with improved security	707*	6.7
No. CCTV cameras monitored and Installed	4.3*	N/A
Education outputs		
No. pupils benefiting from projects designed to improve attainment	2,441	468
No. teachers/teaching assistants attracted or retained in schools serving NDC children	10	1.2
No. adults obtaining qualifications through NDC projects (accredited)	93	16
No. adults obtaining qualifications through NDC projects (non-accredited)	50	9.8
No. schools physically improved	3.6*	N/A

continued

Table 1: Estimates of net additional outputs for an average NDC: 1999–2000 to 2006–07		
Activity categories and output codes	Total outputs Per annum (except for buildings and facilities)	BME Per annum (except for buildings and facilities)
Worklessness outputs		
No. local people going into employment	96	17
No. people becoming self employed	1.8	0.0
No. people receiving job training	153	43
No. person weeks of job related training provided	301	5.9
No. people trained entering work	11	5.7
No. people accessing improved careers advice	748	85
No. new business start ups surviving 52 weeks	6.0	0.1
No. businesses receiving advice/support	7.1	0.2
No. jobs safeguarded	42	2.6
No. new childcare places provided	12	1.6
No. jobs created	10	1.5
No. people from disadvantaged groups getting a job	16	5.9
No. community enterprise start ups	0.3	0.0
Area of new business/commercial floorspace (sq. m)	39*	N/A
Area of improved business/commercial floorspace (sq. m)	479*	N/A
Health outputs		
No. people benefiting from new or improved health facilities	414	62
No. people benefiting from healthy lifestyle projects	748	142
No. new or improved health facilities	7.9*	N/A
Housing and physical environment outputs		
No. waste management – recycling schemes	0.3	N/A
No. homes improved or built	489*	N/A
No. traffic calming schemes	0.5*	N/A
Hectares of land improved/reclaimed for commercial/residential development	0.2*	N/A
No. buildings improved & brought back into use	2.5*	N/A
Km of roads improved	0.4*	N/A

Source: Cambridge Economic Associates analysis of validated System K data for five case studies, grossed up to expenditure for the 39 NDCs and translated to net additional outputs using ratios calculated in Figure 5.7.
*Denotes facility/building related net additional outputs that represent the whole 8 year period from 1999–2000 to 2006–07.

Next steps

5. This report has focused on the expenditure and additional outputs associated with the NDC programme over the period 1997 to 2007. The next stage of the VFM research will use this information to provide estimates of cost effectiveness and consider evidence on outcome change which ultimately describes how the quality of life in NDC areas has changed.

1. Introduction

Background and context

- 1.1. The New Deal for Communities (NDC) Programme is one of a number of initiatives being pursued by Government as part of its National Strategy for Neighbourhood Renewal (NSNR) which sets out to address problems in deprived areas where typically there are poor job prospects, high levels of crime, poor health, poor educational attainment, and a run down physical environment. The 39 Round 1 and Round 2 NDC partnerships were assigned budgets of between £35m and £55m over a 10 year period. Each NDC partnership has developed its own plan to bring together local individuals, community and voluntary sector organisations, public agencies, local authorities and business in an intensive, locally based effort to tackle these problems and make a long lasting improvement to the neighbourhood.
- 1.2. The National Evaluation of NDC provides an independent assessment of the progress being made by the Programme, and includes a number of strands of work focused on the achievements of the programme in turning neighbourhoods around. The Value for Money (VFM) strand contributes to the overall evaluation effort by examining the expenditure associated with NDC activity, the ways in which these funds are being used, and the outputs that they are generating. The VFM strand is also integrated with other strands of the National Evaluation that involve collection and analysis of primary and secondary/administrative data. Taken together these materials will be used to establish the extent to which changes in outcomes in the 39 neighbourhoods can be attributed to the implementation of the NDC programme.

The VFM approach

- 1.3. The VFM work has involved three principal components. The first has been an analysis of “macro” data concerning NDC expenditure and matched funding across the programme as a whole, and associated information on the quantifiable outputs generated by the projects. In the early years of the evaluation this required substantial fieldwork with all of the 39 NDCs. However, more recently it has proved possible to draw upon the Hanlon System K monitoring database that came on stream in 2004.
- 1.4. The second component of the work has been an analysis of more “micro” data relating to NDC projects and beneficiaries. This project based research has involved case-study projects selected from across the 39 NDCs weighted to be representative of theme. The case studies were undertaken by an NDC

evaluator using a customised workbook that sought information relating to issues around project design, delivery and value for money¹.

- 1.5. A beneficiaries survey was also targeted on selected projects from the project database described above. The survey was undertaken by MORI and encompassed some 1,008 beneficiaries in 23 NDC areas. The beneficiary survey used a questionnaire that was specifically designed to capture key evaluation evidence relating to additionality and outcome impact as described later in this chapter. The workbooks sought evidence on the resident's appreciation of the quality of life/satisfaction in the NDC area, their involvement with the project and what they felt NDC had been able to achieve. There were also questions that probed on a theme by theme basis how the project had changed the status and improved the quality of life of the resident, whether they believed this to be additional and where, if at all, they felt that they might have acquired access to similar provision either in or outside of the NDC area. The questions enabled an in-depth analysis of how the project had been able to change the status of the resident and what were the implications for key outcomes.
- 1.6. This report brings together evidence on total expenditure and matched funding associated with the NDC programme over the period 1999–2000 to 2006–07. It examines data collected from all of the 39 NDCs at the project level to establish outputs produced by this funding over the same timescale. In line with conventional evaluation practice it then moves to assess how many of these outputs can be regarded as *additional* to the NDC area in the sense that they would not otherwise have been there in the absence of the NDC programme. This has involved an assessment of 'bottom-up' project level additionality and whether activities have displaced similar regeneration schemes funded from other sources. (For a discussion of the approach adopted in the NDC evaluation see CEA (2005²).

¹ These included a description of the project; project origins, and the roles of the community, the voluntary sector, public sector and private sector; the aims and objectives of the project; the problems in NDC areas that projects seek to address; black and minority ethnic related aspects; and the extent to which the project was cross-cutting in its approach. Factors relating to sources of actual funding; level of funding (actual and intended); activities funded through projects; organisations involved in project delivery; project monitoring; sustainability and mainstreaming; employment: project delivery; employment: project job creation; employment: local labour; additionality of NDC funding; displacement of existing project/service activity. Finally, the impact on the identified problem; benefits expected for wider community; how the project targeted the main targets and wider community; success in targeting; experience of key employers; outputs achieved within each theme; black and minority ethnic outputs; evidence of change in theme outcomes; evidence of any other benefits attributable to the project

² CEA 2005 NDC Value for Money Strand
<http://extra.shu.ac.uk/ndc/downloads/reports/NDC%20value%20for%20money%20strand.pdf>

2. NDC expenditure and outputs

Introduction

- 2.1. This chapter brings together evidence on total expenditure and matched funding associated with the NDC programme over the period 1999–2000 to 2006–07. It examines data collected from all of the 39 NDCs at the project level to establish outputs produced by this funding over the same timescale.

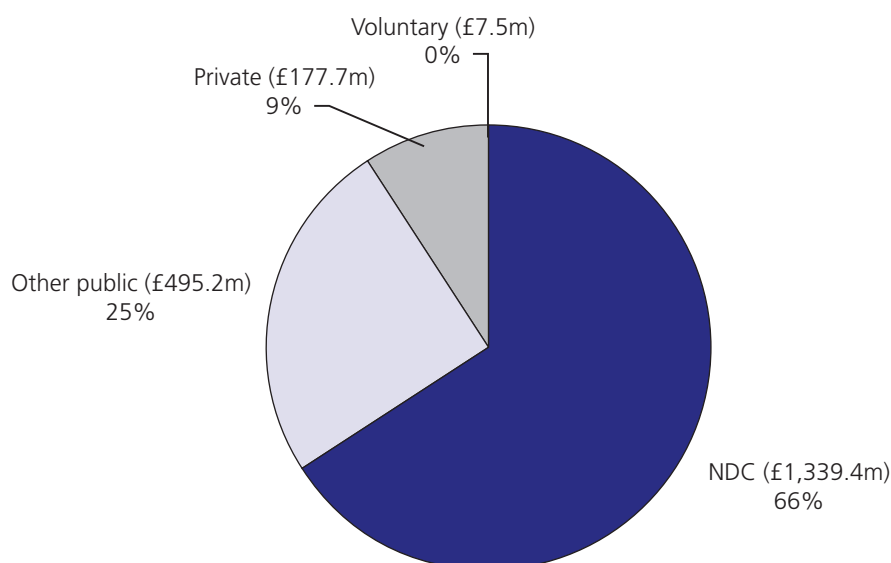
Expenditure overview

- 2.2. During the period 1999–2000 to 2006–07 a total of £2.02bn (constant 2006–07 prices) was spent on the 39 NDC programmes. NDC funding from Communities and Local Government (CLG) accounts for £1.34bn of this total, with matched funding from other sources (public, private and voluntary) a further £0.68bn.

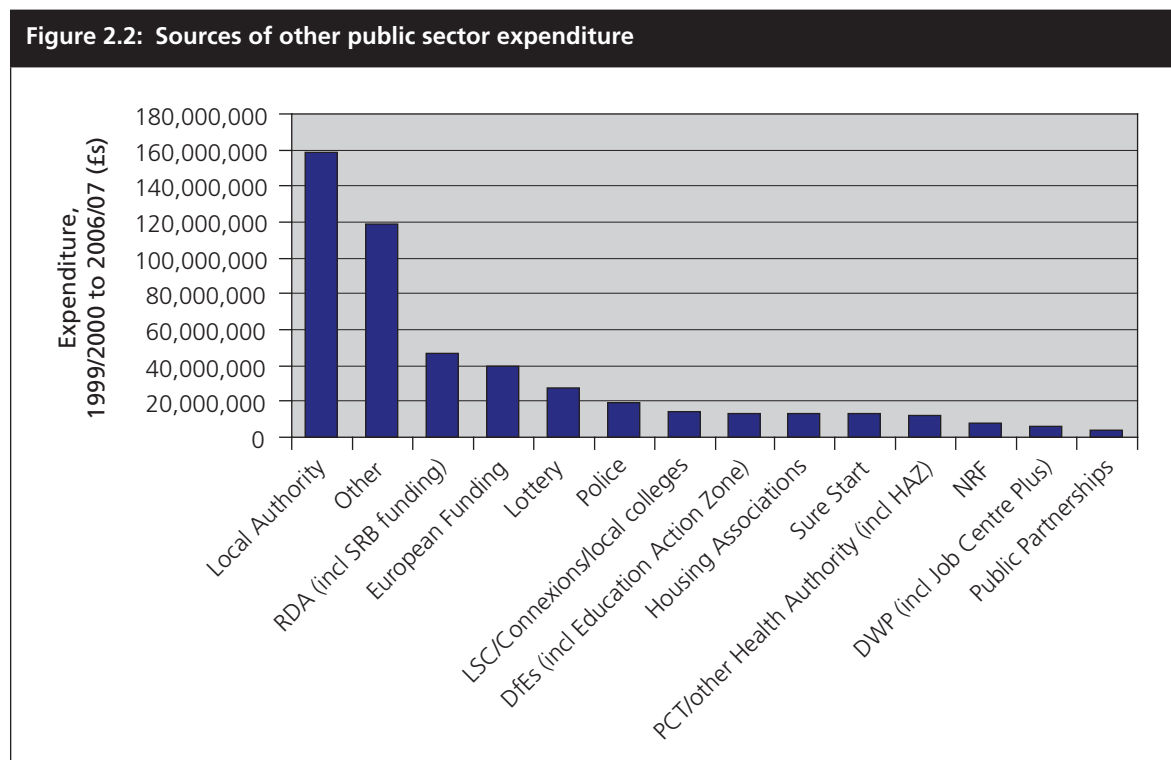
Sources of funding

- 2.3. For every £1 of NDC funding a further 51p of funding was secured from other public sector (37p), private sector (13p) and voluntary sector (1p) sources (Figure 2.1).

Figure 2.1: Total expenditure by source (1999–2000 to 2006–07)



2.4. Figure 2.2 presents a breakdown of the sources of ‘other public sector’ funding. It indicates the significant role played by local authority funding (32%), as well as a wide array of other government departments and agencies³.



Matched funding by theme

2.5. Table 2.1 presents matched funding ratios by theme, showing the amount of matched funding per £1 of NDC funding from different sources. Funding from other public sector sources was highest for the housing and physical environment and the employment and business themes (55p per £1 of NDC spend), followed by health (43p) and crime and community safety (40p), with community capacity building activities generating the lowest leverage from other public sector sources (12p).

³ A partial analysis of the sources included in the “other” category shows that this includes English Partnerships, SSCF, Environmental Agency, HMR, English Heritage, Countryside Commission, Sport England, Youth Justice Board and other government departments (including CLG and the Home Office) plus many others.

Table 2.1: Matched funding ratios by theme, 1999–2000 to 2006–07 (ratio of other sources of expenditure per £1 NDC funding)

	NDC: other public	NDC: private	NDC: voluntary	NDC: all other sources
Housing and Environment	0.55	0.26	0.00	0.81
Community Development ⁴	0.12	0.05	0.01	0.18
Education and Learning	0.37	0.03	0.01	0.41
Worklessness	0.55	0.42	0.01	0.98
Health	0.43	0.03	0.01	0.47
Crime and Community Safety	0.40	0.03	0.00	0.44
Total	0.41	0.15	0.01	0.56

Source: CEA analysis of System K data

2.6. Looking in more detail at the most significant sources of other public sector expenditure shows that for:

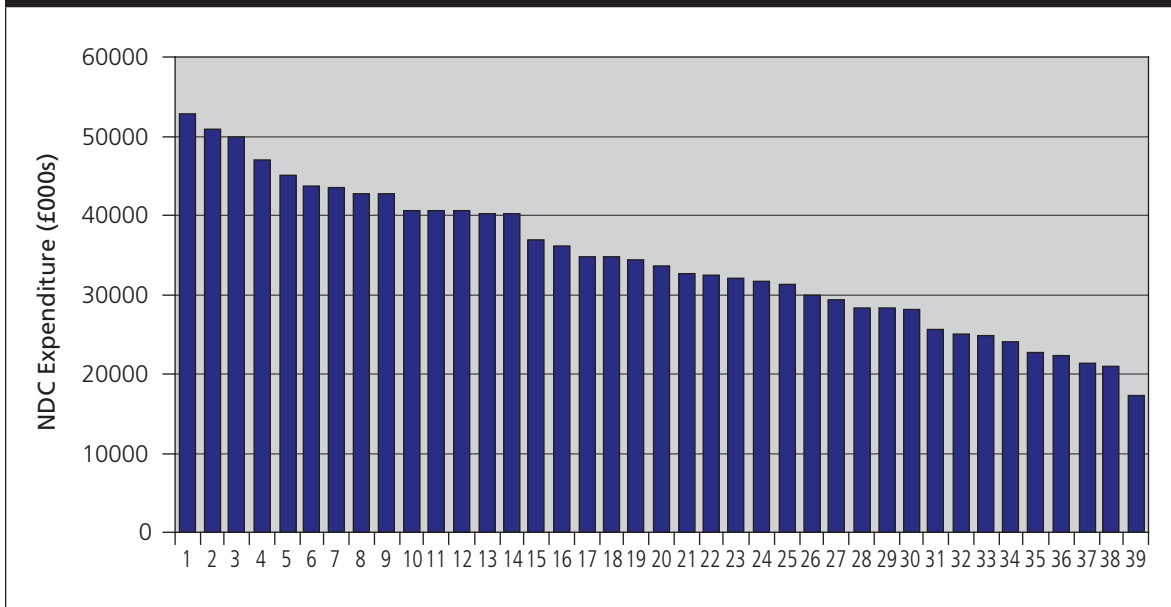
- **Housing and physical environment:** 53 per cent of other public sector funding came from local authority sources, 10 per cent from regional development agencies (RDAs) and 7 per cent from registered social landlords (RSLs). Other funders included NRF, Lottery, Sure Start and the EU.
- **Community development:** EU funding accounted for 20 per cent of other public sector expenditure, followed by RDAs (17%) and local authorities (14%).
- **Education:** approximately one third (31%) of other public sector funding came from local authorities, 11 per cent from the Learning and Skills Councils, 10 per cent from the Department for Education and Skills and successor departments and 9 per cent from Sure Start.
- **Worklessness:** European Structural Funds accounted for 26 per cent of other public sector funding, followed by RDAs (18%), local authorities (15%) and Lottery funds (11%).
- **Health:** Lottery funds accounted for 19 per cent of other public sector funding, followed by primary care trusts (17%) and local authorities (13%).
- **Crime and community safety:** the police contributed the largest share of other public sector funding at 38 per cent, followed by local authorities (17%).

2.7. **Private sector matched funding** was highest for worklessness activities (42p per £1 of NDC spend) and housing and environment (26p), but insignificant for other themes.

⁴ This is called Community and Corporate on System K.

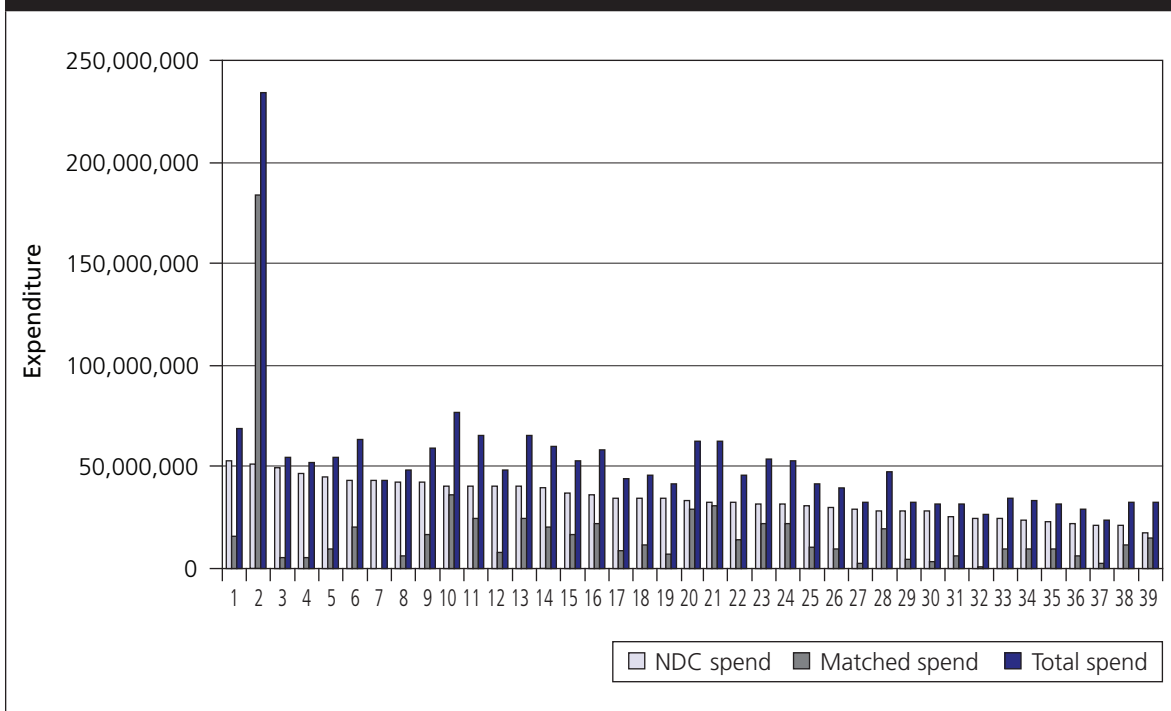
Expenditure per partnership

Figure 2.3: NDC funding by partnership: 1999–2000 to 2006–07



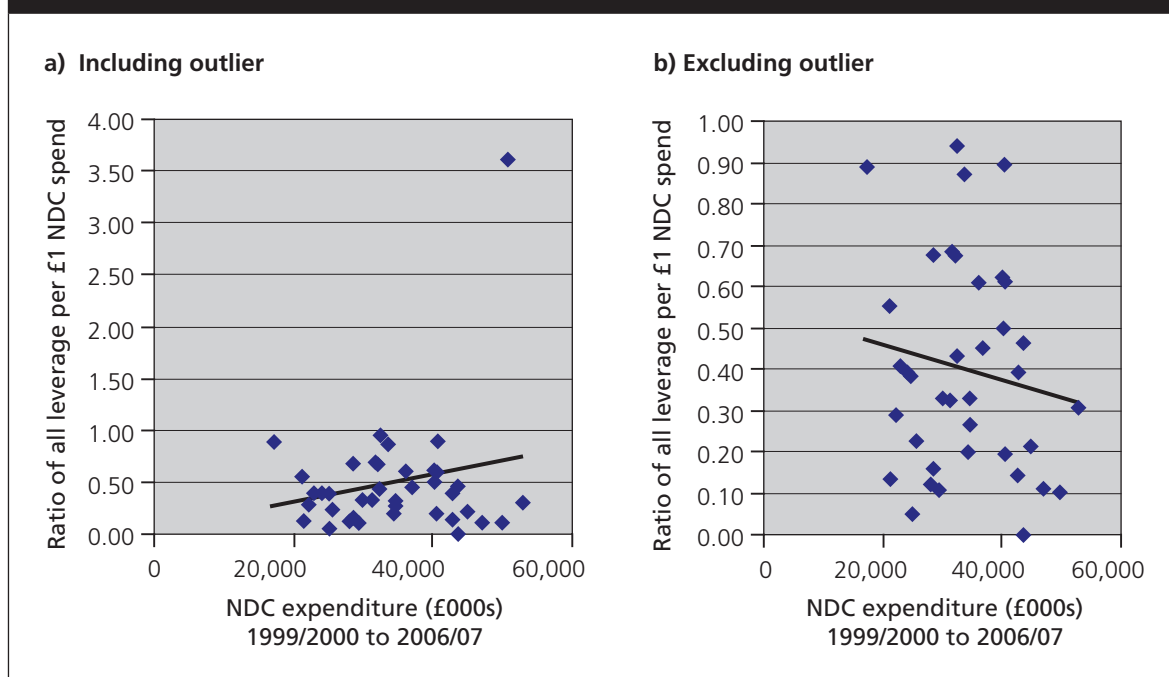
2.8. Over the period 1999–2000 to 2006–07, NDC expenditure averaged £34.3m per NDC, ranging from £17.2m to £52.9m (Figure 2.3 above). Matched funding, from other public, private and voluntary source, and thus total funding, varies more across the 39 (Figure 2.4). (NB NDCs are represented numerically to preserve their anonymity.)

Figure 2.4: NDC, matched and total expenditure, 1999–2000 to 2006–07



- 2.9. Higher levels of NDC funding have not, in general, brought in higher levels of matched funding. The exception is NDC 2, where some very high levels of matched funding have been secured from a small number of employment and housing projects. This is the cause of the “spike” in Figure 2.4.
- 2.10. Figure 2.5a, suggests a slight positive relationship between NDC funding and the amount of matched funding. However, this is severely skewed by one outlier. When this is excluded, in general the **greater the volume of NDC funding the lower the level of matched funding** (Figure 2.5b).

Figures 2.5a and 2.5b: NDC spend and matched funding



Expenditure per capita

- 2.11. **Average per capita** NDC spend across the 39 Partnerships is more widely distributed around the Programme average than is the case for absolute expenditure. Per capita NDC funding averaged £3,823 over the period from 1999–2000 to 2006–07, ranging from £1,289 per capita to £8,668 (Figure 2.6). Total expenditure per capita ranged from £1,663 to £27,909 (Figure 2.7).

Figure 2.6: NDC expenditure, and expenditure per capita by Partnership, 1999–2000 to 2006–07

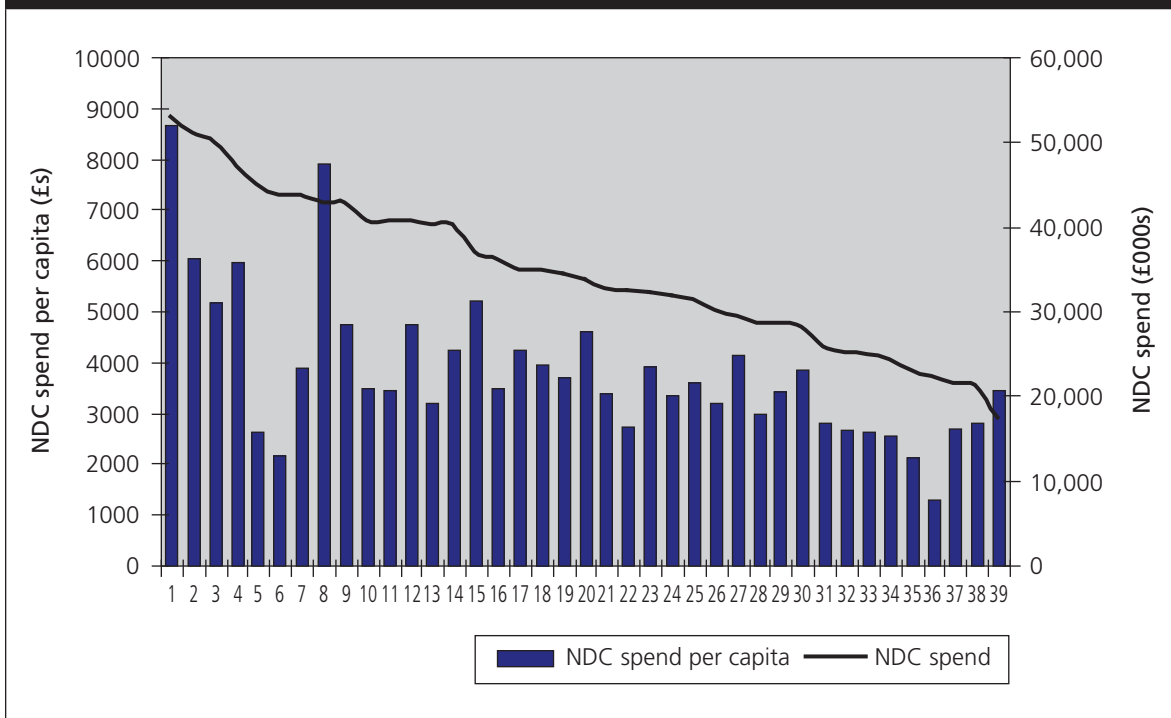
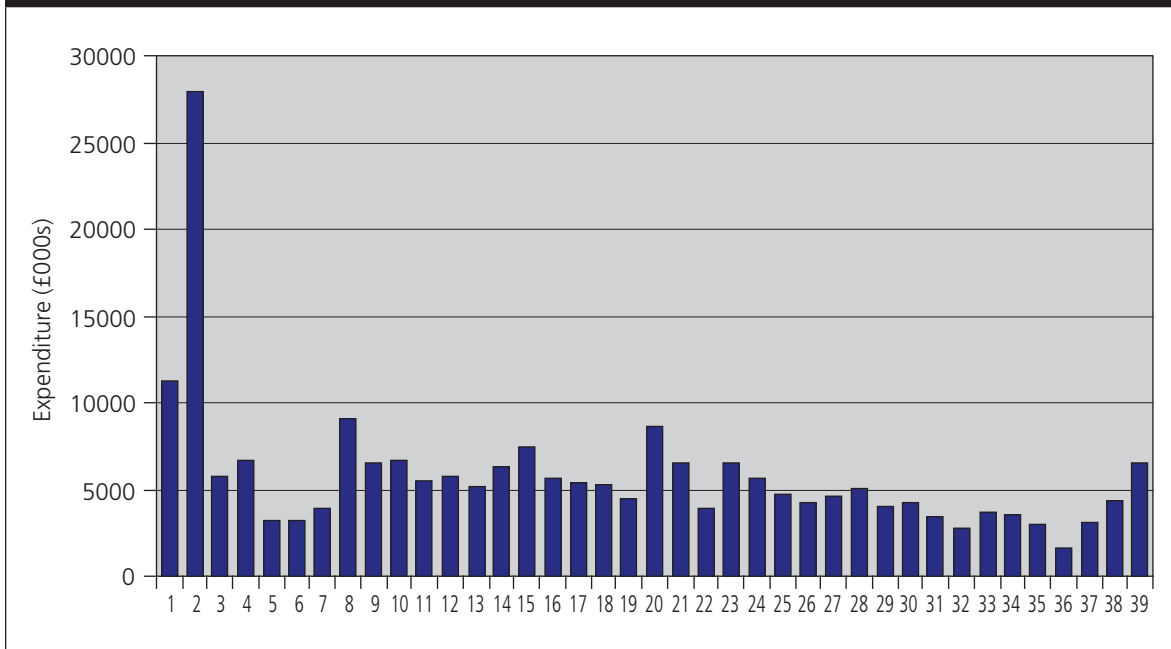


Figure 2.7: Total spend per capita by Partnership, 1999–2000 to 2006–07

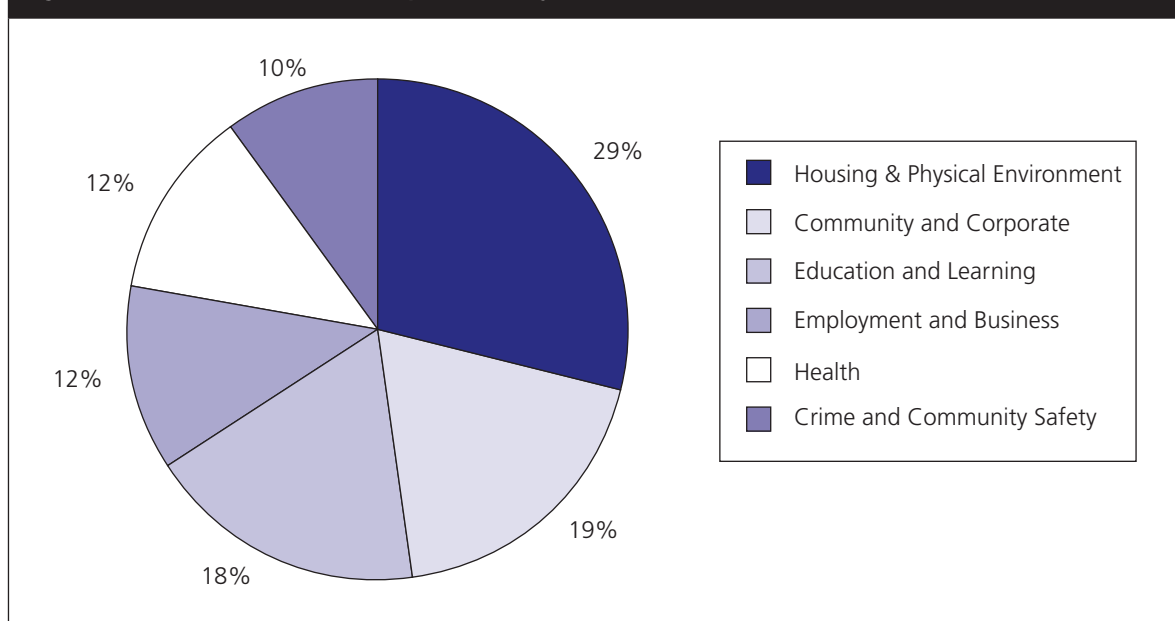


How has NDC funding been used?

Overview

- 2.12. Figure 3.8 shows the distribution of NDC **expenditure by theme** over the period 1999–2000 to 2006–07. The housing and physical environment theme accounted for the largest share of NDC funding, 29 per cent, followed by community development with 19 per cent and education and learning at 18 per cent (Figure 2.8). Worklessness, health and crime themes received 10–12 per cent each.

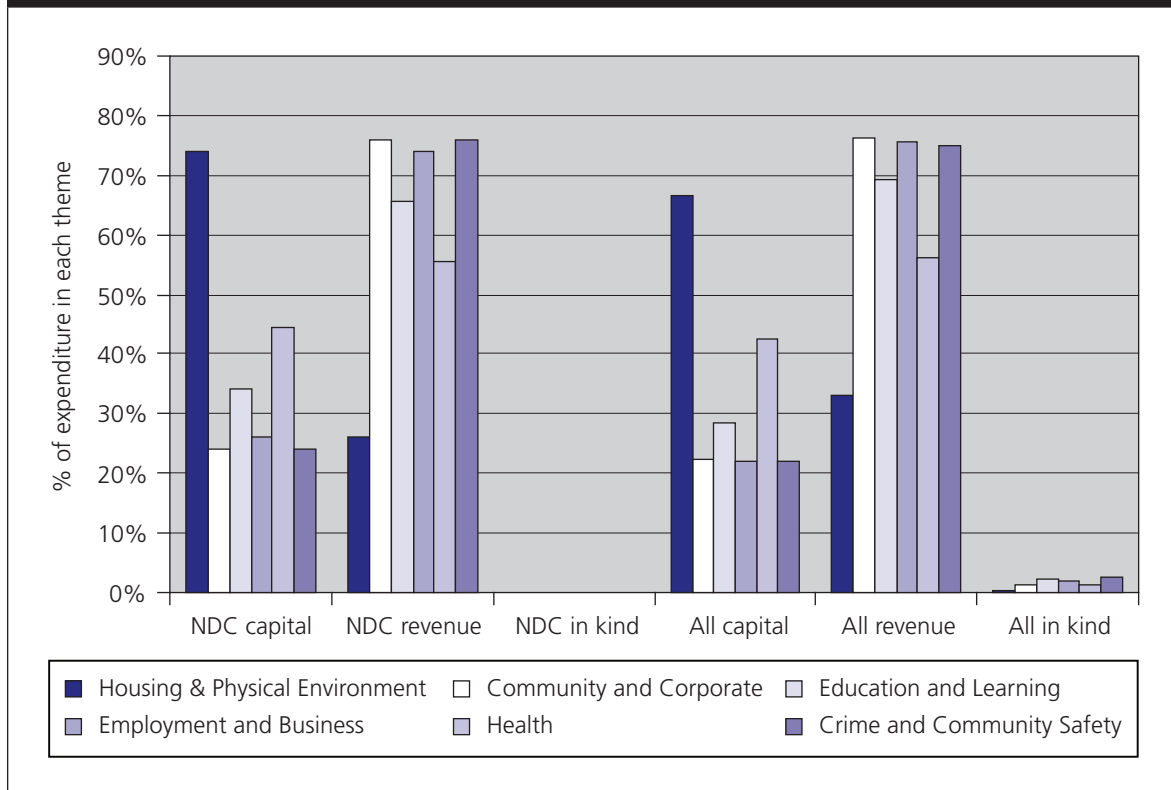
Figure 2.8: Distribution of NDC expenditure by theme*, 1999–2000 to 2006–07



*Administration costs were not on System K for all NDCs so have not been included here.

Capital, revenue and in kind expenditure by theme

- 2.13. About 43 per cent of NDC core funding was devoted to **capital expenditure**. This figure falls to 40 per cent when all funding is considered. Figure 2.9 shows the proportion of capital, revenue and in kind expenditure for each theme. Taking NDC expenditure first, not surprisingly, given the physical nature of many of the activities undertaken, housing and physical environment had the highest proportion of capital expenditure (74%), followed by health (44%), and education (34%). For worklessness, crime, and the community development themes the proportion of NDC capital funding was closer to a quarter. Given the near absence of NDC 'in kind' support, these three themes had the highest proportions of NDC revenue expenditure. The same patterns are apparent when looking at total expenditure, which considers other public, private and voluntary sector funding. A more detailed analysis of how NDC funding was used to support different **types of project activity** (rather than by broad theme) is provided in Appendix 1.

Figure 2.9: Capital, revenue and in kind expenditure by theme, 1999–2000 to 2006–07

What outputs did the NDC programme deliver?

2.14. Estimates of the outputs that NDC project funding provided are presented in table 2.2, and the methodology is explained in detail in Appendix 2. Table 2.2 presents estimates of total outputs and those assigned to the black and minority ethnic population. It should be recognised that these have been delivered over the whole period from 1999–2000 to 2006–07, hence individuals may well have received assistance several times and this will be recorded more than once. Outputs for each theme include:

- **Community development:** over 540 new or improved community facilities used by over 130,000 people, support for more than 14,000 community or voluntary groups and over 3,700 community chest awards
- **Crime and community safety:** security improvements to more than 38,000 homes or business premises, support to over 75,000 victims of crime, more than 500,000 instances of support to young people via youth diversionary activities, as well as funding for 58 police, and 218 wardens
- **Education:** 172 new or improved schools, support for the creation or retention of over 3,700 teacher or teaching assistant posts in schools serving NDC children, with these and other projects generating over 900,000 instances of support for pupil development at school; in relation to adult education, NDC support enabled over 35,000 adults to achieve accredited, and 19,000 non-accredited, qualifications

- **Worklessness:** over 36,000 people taking up employment, 57,000 people involved in job training, and 4,300 trained people going on to work; there were over 280,000 instances of careers advice and more than 4,700 childcare places created
- **Health:** over 390 new or improved health facilities used by over 164,000 people, and over two million instances of health advice or provision being taken up across the 39 NDCs
- **Housing and physical environment:** more than 30,000 new or improved homes, 30 traffic calming schemes, 126 derelict or under-used buildings brought back into use, as well as improvements to waste management and recycling.

Table 2.2: Project outputs for the NDC Programme, 1999–2000 to 2006–07

Activity categories and output codes	Total outputs		BME outputs	
	Outputs	Outputs per 1000 population	Outputs	Outputs per 1000 population
Community development outputs				
No. people employed in voluntary work	31,073	83	4,743	13
No. new or improved community facilities	547	1	N/A	N/A
No. people using new or improved community facilities	130,784	349	9,859	26
No. community/voluntary groups supported	14,565	39	1,757	5
No. community chest type grants awarded	3,768	10	58	0.2
No. project feasibility studies funded	547	1	47	0.1
No. capacity building initiatives carried out	6,736	18	780	2
Crime and community safety outputs				
No. homes or businesses with improved security	38,847	104	341	1
No. additional police	58	0.2	0	0
No. additional wardens	218	1	58	0.2
No. CCTV cameras monitored and installed	225	0.6	0	N/A
No. victims of crime supported	75,933	202	9,096	24
No. young people benefiting from youth inclusion/diversionary projects	500,394	1,334	87,890	234
No. beneficiaries of community safety initiatives	304,649	812	23,686	63
No. meeting/events held	20,539	55	25	0
Education outputs				
No. pupils benefiting from projects designed to improve attainment	922,445	2,459	179,868	479
No. teachers/teaching assistants attracted or retained in schools serving NDC children	3,773	10	451	1
No. schools physically improved	172	0.5	N/A	N/A
No. adults obtaining qualifications through NDC projects (accredited)	35,664	95	6,125	16
No. adults obtaining qualifications through NDC projects (non-accredited)	19,060	51	3,741	10
Worklessness outputs				
No. local people going into employment	36,011	96	6,457	17
No. people becoming self employed	660	1.8	0	0

continued

Table 2.2: Project outputs for the NDC Programme, 1999–2000 to 2006–07

Activity categories and output codes	Total outputs		BME outputs	
	Outputs	Outputs per 1000 population	Outputs	Outputs per 1000 population
No. people receiving job training	57,696	154	16,127	43
No. person weeks of job related training provided	116,621	311	2,216	6
No. people trained entering work	4,322	12	2,153	6
No. people accessing improved careers advice	282,466	753	32,296	86
No. new business start ups	495	1	108	0.3
No. new business start ups surviving 52 weeks	2,241	6	54	0.14
No. businesses receiving advice/support	2,656	7	77	0.2
No. jobs safeguarded	15,883	42	1,043	3
No. new childcare places provided	4,746	13	601	2
No. jobs created	4,012	11	599	2
No. people from disadvantaged groups getting a job	5,921	16	2,244	6
Area of new business/commercial floorspace (sq. m)	1,823	5	N/A	N/A
Area of improved business/commercial floorspace (sq. m)	23,550	63	N/A	N/A
No. community enterprise start ups	121	0.3	0	0
Health outputs				
No. new or improved health facilities	392	1	N/A	N/A
No. people benefiting from new or improved health facilities	164,312	438	24,422	65
No. people benefiting from healthy lifestyle projects	298,555	796	56,697	151
No. people given information/assisted	1,200,107	3,199	267,231	712
No. residents taking up provision	2,255,130	6,010	743,140	1981
Housing and physical environment outputs				
No. homes improved or built	30,743	82	N/A	N/A
No. traffic calming schemes	30	0.1	N/A	N/A
Has. land improved/reclaimed for commercial/residential development	8	0.0	N/A	N/A
No. buildings improved & brought back into use	126	0.3	N/A	N/A
Km of roads improved	25	0.1	N/A	N/A
No. waste management – recycling schemes	125	0.3	N/A	N/A
No. people consulted/involved in project	1,687,348	4,497	160,211	427

Source: Cambridge Economic Associates analysis of validated System K data for five case studies, grossed up to expenditure for the 39 NDCs

3. Additionality and net outputs

What added value did the NDC programme bring?

- 3.1. The previous chapter provides insights into how project activity is reflected in outputs on the ground. However, it is important to understand the extent to which the programme added value to existing activity⁵. In line with conventional practice, this is achieved through translating 'gross' outputs into 'net' outputs. This involves an assessment of 'bottom-up' project level additionality and whether activities have displaced similar regeneration schemes funded from other sources⁶. This also enables the calculation of net additionality ratios for each activity category.

Additionality of NDC support; the traditional approach

- 3.2. As described in CEA (2005)⁷, a sample of NDC project managers were asked a series of questions designed to assess project additionality. Various responses can be given to the question "what would have happened to the project without NDC funding?" (Table 3.1). Thus, the proportion of project responses suggesting that a project would not have gone ahead at all without NDC funding receives a weight of 1.00 in the calculation of additionality, whereas those which would have gone ahead unchanged without NDC funding, zero.

Table 3.1: From project evaluation workbooks to additionality of NDC support

Response	Additionality factor
<i>What do you think would have happened to the project without NDC funding?</i>	
Would not have gone ahead at all	1.0
Would have gone ahead unchanged	0.0
Would have been delayed	0.25
Would have been lower quality	0.33
Would have been lower scale	0.50

⁵ There is an important distinction to make here between the **project level additionality**, addressed in this chapter and **Programme wide 'additionality'** which is based on the relative performance of all NDC Partnerships against their comparator areas and which is addressed elsewhere in the NDC programme

⁶ For a discussion of the approach adopted in the NDC evaluation see CEA (2005)

⁷ CEA 2005 NDC Value for Money Strand

<http://extra.shu.ac.uk/ndc/downloads/reports/NDC%20value%20for%20money%20strand.pdf>

- 3.3. Table 3.2 shows the gross additionality results from the project evaluation workbooks by seven activity categories.
- 3.4. Based on the results from interviews with managers/respondents, the worklessness and cross-cutting activity categories have the highest additionality of NDC support (94%), followed by community development (89%) and community safety (87%) activities. The additionality of NDC support is markedly lower in the education (77%), housing/environment (76%) and health (74%) activity categories. The derivation of these proportions is described in appendix A.

Table 3.2: Gross additionality of NDC support by activity category: responses and derived estimates

	Community development	Crime & community safety	Education	Worklessness	Health	Housing & physical environment	Cross-cutting
Number of projects responding in category	29	52	25	31	24	13	6
a) Maximum additionality possible per cent	100	100	100	100	100	100	100
b) Minus deadweight (gone ahead anyway in some form) per cent	10.3	23.1	52.0	12.9	41.7	46.2	33.3
Equals: narrow definition of gross additionality per cent (a – b)	89.7	76.9	48.0	87.1	58.3	53.8	66.7
Plus, per cent delayed weighted by 0.25	0	1.0	3.0	0	2.1	1.9	0
Plus, per cent lower quality weighted by 0.33	0	2.5	4.0	1.1	1.4	12.7	11.0
Plus, per cent lower scale weighted by 0.50	0.1	6.7	22.0	6.5	12.5	7.7	16.7
Broad definition gross additionality per cent	89.7	87.2	77.0	94.6	74.3	76.2	94.3

Access additionality

- 3.5. The approach to assessing project additionality described immediately above is well established and has been adopted in most recent ABI evaluations⁸. It is of particular value when project based activity has a strong economic focus. It is perhaps less suited to a programme such as NDC which, at least ostensibly, is designed to influence the behaviour of mainstream service providers in the targeting of services to NDC residents. In recognition of this, during the early stages of developing the NDC VFM approach the concept of “access additionality” was developed as a complementary approach. This seeks to establish whether, in the absence of the NDC-funded project, beneficiaries could have accessed similar provision within, or outside, the NDC area, less suitable provision within the NDC area, or no other provision at all. This provides an important assessment of whether NDC funding has added to service provision already on offer in NDC areas.
- 3.6. Two sources of evidence are relevant here:
- project evaluation workbooks, drawing on views in relation to service additionality held by project managers and others associated with delivery
 - results of a survey of project beneficiaries drawn from a sub-sample of 23 projects⁹.

Access additionality: results from project evaluation workbooks

- 3.7. Evaluators asked whether, in the absence of the NDC project, beneficiaries could have accessed similar or less suitable service provision within or outside the NDC area. Certain key assumptions have been made (Table 3.3) about the access additionality weights applied to each form of response. Where beneficiaries could have accessed similar services elsewhere in the NDC area, this is treated as ‘deadweight’: there is assumed to be no access additionality at all. A deadweight ratio of 75 per cent has also been given where beneficiaries could have obtained similar support from sources outside the NDC area, and 67 per cent where other less suitable provision was available within the NDC area.

⁸ See for example Rhodes J, Tyler P and Brennan A 2007 The Single Regeneration Budget: Final Evaluation.

⁹ CEA 2005 NDC National Evaluation: Key Findings from the survey of beneficiaries.
<http://extra.shu.ac.uk/ndc/downloads/reports/NDC%20key%20findings%20for%20the%20survey%20of%20beneficiaries.pdf>

Table 3.3: Access additionality of NDC projects, views of project managers: estimates by theme

	Community development	Crime & community safety	Education	Worklessness	Health	Housing & physical environment	Cross-cutting
Projects responding	25	51	25	28	23	10	6
Proportion of beneficiaries that could have accessed (weighted)							
Maximum access additionality	100	100	100	100	100	100	100
Minus b) Other similar provision in the NDC area – 100 per cent deadweight at NDC level thus proportion responding multiplied by 1.0)	3.3	8.5	4.6	1.1	4.5	21.3	0.0
Minus c) Other similar provision outside the NDC area (75 per cent deadweight at NDC level and thus proportion responding multiplied by 0.75))	1.1	3.7	9.2	7.4	8.9	5.9	0.0
Minus d) Less suitable provision in the NDC area (67 per cent deadweight at NDC level and thus proportion responding multiplied by 0.67)	19.8	21.0	7.0	24.0	18.5	31.3	0.0
Overall access additionality (a) – (b + c + d)	75.8	66.8	79.2	67.4	68.1	41.5	100.0

Source: Cambridge Economic Associates, analysis of project evaluation workbooks

Access additionality: results from beneficiary survey

- 3.8. An alternative view of access additionality comes from beneficiaries themselves, through the sample survey of 23 projects conducted by MORI who asked beneficiaries what they would have done in the absence of the NDC project. Table 3.4 derives estimates of access additionality based on the views of the beneficiaries, which prove to be somewhat higher estimates than those provided by the project managers.

Table 3.4: Access additionality of NDC projects beneficiary survey results (2004/5): – estimates by theme

	Community development	Community safety	Education	Health	Housing & physical environment**	Worklessness
Beneficiaries responding (weighted)	175	88	264	130	N/A	219
<i>Proportion* of beneficiaries (weighted)</i>						
per cent would not have accessed any services/projects (multiplied by 1.00)	44	43	56	54	N/A	37
per cent for whom it would have taken longer to access services/projects (multiplied by 0.25)	21	19	19	18	N/A	17
per cent for whom the help would have been of a lower quality (multiplied by 0.33)	23	13	23	25	N/A	21
Overall access additionality	88	75	98	97	N/A	75

*Proportions of those who 'agree' with statement (i.e. strongly agree and agree). ** Results not available.
Source: CEA; MORI beneficiary surveys

An overall estimate of project additionality by activity category

- 3.9. Using the two sources of evidence available on access additionality (projects and beneficiaries) the average of the results presented in Table 3.3 and 3.4 above was calculated. The mid-point between the gross additionality of NDC funding support presented using the conventional additionality approach and the access additionality average was then used to arrive at an overall estimate of project additionality as shown in Table 3.5.
- 3.10. Overall, gross additionality is judged to be highest for projects in the community development (86%), cross-cutting (83%), education (83%) and worklessness (83%) activity categories. It is somewhat lower for crime and community safety (79%) and health (78%) activities, but markedly lower for housing and physical environment activities (59%).

Table 3.5: Overall additionality of NDC projects by activity category

	Community development	Crime & community safety	Education	Worklessness	Health	Housing & physical environment	Cross-cutting
Gross additionality							
a) Gross additionality of NDC support from project managers (Table 3.2)	89.7	87.2	77.0	94.6	74.3	76.2	94.3
Access additionality*							
b) Average of access additionality between beneficiary results and project manager feedback (Tables 3.3 and 3.4)	81.9	70.9	88.6	71.2	82.6	41.5	72.5
Overall additionality							
Overall additionality – mid-point between gross additionality and access additionality	85.8	79.0	82.8	82.9	78.4	58.9	83.4

Source: Cambridge Economic Associates

Note: for access additionality, the beneficiary analysis at theme level was used at activity category level; for cross-cutting activity category, the weighted average across all other categories was then used.

Displacement

3.11. It would be surprising to find publicly funded project beneficiaries being displaced¹⁰ from other existing projects of a similar quality within the NDC area, except in the unlikely event that there was duplication of activity. The project workbook asked evaluators to consider whether the project involved one or more of a range of negative effects on other similar projects within, or outside, the NDC area. Using past experience judgements have been made about the severity of various negative displacement effects which NDC funded projects might cause. Thus, a displacement factor of 100 per cent has been applied where another project is considered to have closed down or been cancelled due to the competitive effects of an NDC funded project; 50 per cent where negative impacts on viability or the scale of other projects have occurred (implying a reduction in capacity and risk of termination); and 33 per cent where there is some “poaching” of participants but without other, more serious negative consequences. The incidence of displacement activity was low, as expected (Table 3.6.).

¹⁰ Displacement is the degree to which an increase in productive capacity promoted by government policy is offset by reductions in productive capacity elsewhere. Within this additionality framework it is the proportion of the project outputs accounted for by reduced outputs elsewhere in the target area.

Table 3.6: Displacement by theme: responses to workbook and derivation of overall displacement

Has this project caused other similar projects in the NDC area to	Community development	Crime & community safety	Education	Worklessness	Health	Housing & physical environment	Cross-cutting
No. of projects responding in category	29	52	25	31	24	13	6
Be cancelled/closed down (100 per cent)	0	2	0	0	0	0	0
Reduce their scale or quality (50 per cent)	0	0	0	0	0	0	0
Lose > 50 per cent of participants to this project (40 per cent)	0	1	0	0	0	1	0
Lose < 50 per cent participants to this project (30 per cent)	2	0	0	0	0	0	0
Become less viable (50 per cent)	0	0	0	0	0	0	0
No displacement effects	23	46	21	28	19	9	5
Not known	4	3	4	3	5	3	1
Overall displacement factor	0.02	0.05	0.00	0.00	0.00	0.03	0.00

Source: Cambridge Economic Associates analysis of project evaluation workbooks

Net additionality ratio

- 3.12. Finally, overall access additionality ratio and displacement factors have been applied to derive a net additionality ratio by activity category (Table 3.7). Overall, the highest levels of net additionality are to be found in the community development (84%), worklessness (83%), education (83%) and cross-cutting (83%) activity categories. Health and community safety activity categories have net additionality ratios of 78% and 75% respectively. Housing and physical environment activities have the lowest net additionality (57%).

Table 3.7: Derivation of the net additionality ratio

	Community development	Crime & community safety	Education	Worklessness	Health	Housing & physical environment	Cross-cutting
a) Overall additionality (Table 3.5)	0.86	0.79	0.83	0.83	0.78	0.59	0.83
b) Displacement factor (Table 3.6)	0.02	0.05	0.00	0.00	0.00	0.03	0.00
c) Net additionality ratio (a) × (1 – b)	0.84	0.75	0.83	0.83	0.78	0.57	0.83

Net outputs

3.13. The net additionality ratios in Table 3.7 have been applied to gross outputs in order to generate an overall estimate of net outputs for the Programme (Table 3.8). The Programme generated a substantial array of **net additional outputs** between 1999–2000 and 2006–07 including by theme:

- **Community development:** over 400 new or improved community facilities (1 per 1,000 NDC population) used by over 105,000 people (282 per 1,000 population), over 11,000 community or voluntary groups supported (31 per 1,000 population), and over 24,000 people employed in voluntary work (65 per 1,000 population)
- **Crime and community safety:** security improvements to more than 27,000 homes or business premises (73 per 1,000 NDC population), support to over 57,000 victims of crime (152 per 1,000 population), more than 400,000 instances of support to young people via youth diversionary activities (1,086 per 1,000 population) as well as funding for 44 net additional police (0.1 per 1,000 population), and 164 wardens (0.4 per 1,000 population)
- **Education:** 141 new or improved schools (0.4 per 1,000 population), support for the creation or retention of over 3,100 teacher or teaching assistant posts in schools serving NDC children (8 per 1,000 population), with these and other projects generating over 760,000 instances of support for pupil development at school (2,030 per 1,000 population); in relation to adult education, NDC support enabled over 28,000 adults to achieve accredited qualifications in net additional terms (77 per 1,000 population) and 15,000 achieved non-accredited qualifications (42 per 1,000 population)
- **Worklessness:** over 29,000 people taking up employment (80 per 1,000 NDC population), 47,000 people involved in job training (127 per 1,000 population) and 3,500 people trained going on to work (9 per 1,000

population); in addition there were more than 233,000 instances of people taking up careers advice (622 per 1,000 population), more than 3,800 net additional childcare places created (10 per 1,000 population), and over 3,200 net additional jobs directly created as part of NDC (9 per 1,000 population)

- **Health:** 307 new or improved health facilities (1 per 1,000 NDC population) used by over 129,000 people (344 per 1,000 population), and over 233,000 people benefiting from healthy lifestyle projects (622 per 1,000 population)
- **Housing and physical environment:** over 19,000 new or improved homes (51 per 1,000 NDC population), 19 traffic calming schemes, 96 derelict or under-used buildings brought back into use, as well as improvements to waste management and recycling.

Table 3.8: Estimates of net additional outputs for the NDC Programme: 1999–2000 to 2006–07

Activity categories and output codes	Total outputs		BME outputs	
	Net additional outputs	Net additional outputs per 1000 population	Net additional outputs	Net additional outputs per 1000 population
Community development outputs				
No. people employed in voluntary work	24,502	65	3,931	10
No. people using new or improved community facilities	105,765	282	8,115	22
No. community/voluntary groups supported	11,592	31	1,337	4
No. community chest type grants awarded	3,165	8	49	0.1
No. project feasibility studies funded	443	1	39	0.1
No. capacity building initiatives carried out	5,569	15	650	2
No. new or improved community facilities	439	1	N/A	N/A
Crime and community safety outputs				
No. additional police	44	0.1	0	0
No. additional wardens	164	0.4	44	0.1
No. victims of crime supported	57,197	152	6,805	18
No. young people benefiting from youth inclusion/diversionary projects	407,408	1,086	70,004	187
No. beneficiaries of community safety initiatives	228,371	609	17,877	48
No. homes or businesses with improved security	27,557	73	260	1
No. CCTV cameras monitored and Installed	169	0.5	N/A	N/A
Education outputs				
No. pupils benefiting from projects designed to improve attainment	761,491	2,030	146,147	390
No. teachers/teaching assistants attracted or retained in schools serving NDC children	3,132	8	374	1

continued

Table 3.8: Estimates of net additional outputs for the NDC Programme: 1999–2000 to 2006–07				
Activity categories and output codes	Total outputs		BME outputs	
	Net additional outputs	Net additional outputs per 1000 population	Net additional outputs	Net additional outputs per 1000 population
No. adults obtaining qualifications through NDC projects (accredited)	28,908	77	5,026	13
No. adults obtaining qualifications through NDC projects (non-accredited)	15,668	42	3,045	8
No. schools physically improved	141	0.4	N/A	N/A
Worklessness outputs				
No. local people going into employment	29,852	80	5,358	14
No. people becoming self employed	548	1.5	0	0
No. people receiving job training	47,648	127	13,334	36
No. person weeks of job related training provided	93,771	250	1,830	5
No. people trained entering work	3,539	9	1,788	5
No. people accessing improved careers advice	233,303	622	26,627	71
No. new business start ups surviving 52 weeks	1,860	5	45	0.12
No. businesses receiving advice/support	2,204	6	64	0.2
No. jobs safeguarded	12,970	35	799	2
No. new childcare places provided	3,894	10	500	1.3
No. jobs created	3,231	9	480	1
No. people from disadvantaged groups getting a job	4,899	13	1,854	5
No. community enterprise start ups	95	0.3	0	0
Area of new business/commercial floorspace (sq. m)	1,524	4	N/A	N/A
Area of improved business/commercial floorspace (sqm)	18,662	50	N/A	N/A
Health outputs				
No. people benefiting from new or improved health facilities	129,226	344	19,344	52
No. people benefiting from healthy lifestyle projects	233,408	622	44,388	118
No. new or improved health facilities	307	1	N/A	N/A
Housing and physical environment outputs				
No. waste management – recycling schemes	104	0.3	N/A	N/A
No. homes improved or built	19,060	51	N/A	N/A
No. traffic calming schemes	19	0.1	N/A	N/A
Hectares of land improved/reclaimed for commercial/residential development	7	0.0	N/A	N/A
No. buildings improved & brought back into use	96	0.3	N/A	N/A
Km of roads improved	16	0.04	N/A	N/A

Source: Cambridge Economic Associates analysis of validated System K data for five case studies, grossed up to expenditure for the 39 NDCs and translated to net additional outputs using ratios calculated in Figure 5.7

Appendix A: Expenditure on different project types

- A1. One feature of the Value For Money strand of the national evaluation in 2006–07 has been to look further into the data on expenditure and outputs available from System K. In the past, VFM work has been constrained by the broad range of project activities funded within a given theme. This has made it more difficult to align expenditure with the outputs generated solely by that expenditure. In an attempt to overcome this problem, CEA, in association with the evaluation team, has developed a list of 70 “project type codes” which group similar types of regeneration activity under seven broader “activity categories”.
- A2. The seven activity categories are: community development; crime and community safety; education; worklessness; health; housing and environment; and a cross-cutting category. These activity categories, though similar to the overall project themes, are distinct from them in the sense that a project which had an overall crime dimension may have been delivered through community development activities. The intention has been to group like activities together, irrespective of overall theme, in order to shed more light on how NDC funding has been used on the ground.

Relationship between themes and activity categories

- A3. Table A1 takes each project theme in turn, and shows the percentage of projects (not expenditure) falling into the seven activity categories. Thus, of projects within the community and corporate primary theme, 69 per cent were involved in delivering a range of community development activities, while 8 per cent were focused on specific educational activities, 4 per cent on employment and business activities and 13 per cent on cross-cutting activities (mostly research and studies).
- A4. In the crime and community safety theme, 82 per cent of projects were clearly crime and safety focused, but 8 per cent of projects were delivering community development activities. This pattern tended to hold for the education and learning theme, where 73 per cent were engaged in those types of activity. However, in this theme there was more community development activity (12% of projects) and 6 per cent of projects were also delivering employment and business activities, which is not surprising given the links between training and employment. Projects with an explicit health objective tended to be very much focused on delivering health activities (75%). Projects in the housing and environment theme tended to be more diverse, with only 53 per cent delivering housing and physical environment activities, and almost a fifth (17%) involving community development activity of various kinds.

Table A1: Distribution of project activities, by category, within each theme

Primary theme	Activity category							Total
	Community development	Crime and community safety	Education	Worklessness	Health	Housing & Physical Environment	Cross-cutting	
Community and corporate	69%	3%	8%	4%	1%	3%	13%	100%
Crime and community safety	8%	82%	1%	1%	1%	2%	6%	100%
Education and learning	12%	2%	73%	6%	2%	0%	5%	100%
Worklessness	7%	1%	7%	71%	0%	4%	10%	100%
Health	7%	0%	2%	2%	75%	2%	11%	100%
Housing and environment	17%	4%	2%	1%	1%	53%	20%	100%

Activity categories and project types

- A5. The seven activity categories are examined in turn to explore:
- the per cent of NDC and total project expenditure on each project type
 - NDC and total spend per capita on each project type
 - average project size within each type, in terms of both NDC and total funding
 - matched funding ratios (other public, private/voluntary and all other funding) for each project type.

Community development

- A6. Community development activities accounted for 22 per cent of NDC project funding and 20 per cent of total project funding in the period 1999–2000 to 2006–07. Table A2 on the following page provides a detailed analysis of 14 different types of community development project, in descending order of NDC funding.
- A7. The most significant project type in terms of the absolute level of funding were activities concerned with the provision of community facilities, whether they were new facilities, improved or with better access. This project type accounted for 10 per cent of all NDC funding in the period, and 11 per cent of total funding, and represented a total spend per capita across all 39 NDCs of £535. Perhaps not surprisingly, these projects were also the most expensive in terms of average project size, accounting for almost £330,000 of NDC funding, and £537,000 of total funding per project. This project type was also most likely to attract the highest matched funding ratio for other public sector funding.

Table A2: Community development activities in the NDC programme

Community development project types	% of project funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios		
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other
New/improved use/access to community facility	10%	11%	329.58	535.35	330,635	537,064	0.57	0.05	0.62
Capacity building general	3%	2%	93.97	104.77	230,431	256,929	0.10	0.01	0.11
Community Development Workers/Officers	2%	2%	72.16	78.63	216,609	236,006	0.07	0.02	0.09
Promotion/communications/raising public awareness	2%	1%	52.29	55.47	215,591	228,696	0.03	0.03	0.06
Community Chest – general/youth	1%	1%	43.90	47.06	179,053	191,908	0.07	0.00	0.07
Youth support/services provision	1%	1%	31.84	38.19	84,127	100,908	0.15	0.05	0.20
Capacity building youth	1%	1%	25.86	28.62	190,231	210,550	0.08	0.03	0.11
Capacity building NDC governance	1%	0.5%	22.17	23.32	237,660	249,996	0.02	0.03	0.05
Improved community services/equipment	1%	1%	21.38	38.11	114,614	204,249	0.44	0.34	0.78
Community events/activities	0.3%	0.4%	8.82	17.76	34,462	69,403	0.15	0.86	1.01
Community radio	0.2%	0.1%	5.91	6.30	130,439	138,941	0.02	0.05	0.07
Capacity building BME	0.2%	0.1%	5.01	6.00	93,983	112,489	0.17	0.03	0.20
Capacity building elderly	0.1%	0.1%	2.41	2.88	100,534	120,039	0.08	0.12	0.19
Capacity building women	0.05%	0.03%	1.52	1.67	56,872	62,729	0.00	0.10	0.10
All community development activities	22%	20%	716.81	984.10	209,299	287,343	0.32	0.06	0.37

Source: CEA analysis of System K data

- A8. Other notable project types in the community development activity category were general capacity building (3% of NDC funding, 2% of all funding) and community development worker posts (2% of NDC funding, 2% of all funding). Promotion, communication and awareness raising also attracted 2 per cent of NDC funding (1% of all funding).
- A9. The smallest projects within the community development category, in NDC funding terms, were community events/activities with an average project size of £34,000. However, these projects were the most successful in terms of private/voluntary sector matched funding, bringing an average of 86p per £1 of NDC funding.

Crime and community safety

- A10. Crime and community safety activities accounted for 11 per cent of NDC project funding and 10 per cent of all project funding over the period 1999–2000 to 2006–07 (see Table A3 on the following page).
- A11. The most significant types of project activity in absolute funding terms were physical crime prevention activities or “target hardening”, which accounted for 3 per cent of all NDC project funding and 2 per cent of total project funding over the period. Expenditure on all projects in this type equated to £84 of NDC funding per capita and £109 of total across the 39 NDCs.
- A12. Other notable project types in expenditure terms were neighbourhood wardens (2% of NDC project funding, 1% of total funding) and other neighbourhood policing activities (2% NDC, 2% total). Youth diversionary activities, crime and other safety posts and CCTV accounted for 1 per cent of NDC project expenditure each.
- A13. Neighbourhood wardens had the largest average project size (£525,000 NDC, £589,000 total funding) compared with crime and community safety events that had an average size of £32,000 NDC expenditure (£38,000 total funding).
- A14. In terms of the ratio of NDC funding to other public sector funding, crime and safety community chests (1:1.05), CCTV (1:0.85) and neighbourhood policing (1:0.55) attracted most other public sector funding per £1 of NDC funding. Neighbourhood wardens, by contrast, attracted just 11p per £1 of NDC funding. As might be expected, private and voluntary sector matched funding across the whole activity category was very modest, at 4p per £1 of NDC funding with the only exception being levered support for community chest activities.

Table A3: Crime and community safety activities in the NDC programme

Crime and community safety project types	% of funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios		
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other
Crime prevention/safety – physical	3%	2%	84.01	108.68	206,022	266,523	0.26	0.04	0.29
Neighbourhood Wardens	2%	1%	58.78	66.04	525,128	589,963	0.11	0.01	0.12
Other neighbourhood policing	2%	2%	51.20	79.55	291,060	452,249	0.55	0.01	0.55
Youth diversionary projects	1%	1%	45.81	60.71	119,357	158,191	0.30	0.03	0.33
Other crime and safety posts	1%	1%	31.51	43.44	181,868	250,725	0.37	0.01	0.38
CCTV	1%	1%	30.74	57.67	202,374	379,588	0.85	0.03	0.88
Victim Support – other	0.5%	0.4%	14.44	19.08	115,302	152,278	0.28	0.04	0.32
Other crime prevention – non physical	0.4%	0.3%	11.31	15.86	84,871	119,016	0.38	0.02	0.40
Community Chest – crime and safety	0.2%	0.4%	6.17	18.37	115,719	344,606	1.05	0.93	1.98
Targeted policing	0.2%	0.2%	5.99	8.36	118,301	165,061	0.39	0.00	0.40
Drugs/alcohol related	0.2%	0.2%	5.11	8.95	106,505	186,555	0.75	0.01	0.75
Victim Support Officers	0.1%	0.1%	3.86	4.11	111,536	118,581	0.04	0.02	0.06
Crime and safety events	0.02%	0.01%	0.61	0.72	32,753	38,461	0.17	0.00	0.17
All crime and community safety activities	11%	10%	349.55	491.53	187,093	263,086	0.37	0.04	0.41

Source: CEA analysis of System K data

Education

- A15. Education activities accounted for 15 per cent of NDC project funding and 15 per cent of all project funding over the period 1999–2000 to 2006–07 (see Table A4 on the following page).
- A16. The most significant types of project activity in absolute funding terms extra curricular activities, or support for pupil development or transition between primary and secondary school (3% of NDC project funding and 3% of total project funding) and new or improved school facilities (2% of NDC funding, 3% of total funding). Educational or educational support posts and pre-vocational adult learning activities accounted for 2 per cent of NDC project expenditure and 2 per cent of total project funding each.
- A17. Not surprisingly, given the capital nature of such projects, new or improved school facilities had the largest average project size (£342,000 NDC, £700,000 total funding), closely followed by new or improved pre-school facilities (£348,000 NDC, £471,000 total) and new or improved adult learning facilities (£323,000 NDC, £442,000 total). At the other end of the scale, projects aimed at providing educational trips, activities and other events had an average size of £42,000 NDC expenditure (£47,000 total funding).
- A18. Although extra curricular activities and pupil development and transition support attracted £111 per capita of NDC and £156 per capita from all sources, it is also worth noting that the provision of new or improved educational facilities (adult learning, school and pre-school) totalled £131 per capita in relation to NDC funding and £229 per capita from all funding sources.
- A19. Across all education activities, the ratio of NDC funding to other public sector funding was 1:0.48, i.e. 48p of other public funding was secured per £1 of NDC spend. The other public matched funding ratio was highest for new and improved school facilities (1:1.04), projects in the arts/dance/creative/music project type (1:1.00) and other childcare support (1:0.84). By contrast, education community chest activities attracted very little other public sector matched funding (1:0.06). Across all education activities private sector matched funding was also limited (1:0.05).

Table A4: Education activities in the NDC programme

Education project types	% of funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios			
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other	NDC: other
Extra curricular activities/pupil development/transition	3%	3%	111.64	156.38	166,878	233,760	0.34	0.06	0.40	0.40
New/improved access/use educational facilities – schools	2%	3%	77.55	159.49	342,316	703,998	1.04	0.02	1.06	1.06
Educational/support posts	2%	2%	64.97	82.14	156,270	197,564	0.22	0.05	0.26	0.26
Self improvement/learning activities (pre-voc)	2%	2%	59.33	80.79	140,883	191,857	0.32	0.04	0.36	0.36
Access to internet/ICT training/www networks	2%	1%	50.40	67.31	189,097	252,539	0.28	0.05	0.34	0.34
Other childcare support	1%	1%	30.82	61.03	160,601	318,010	0.84	0.14	0.98	0.98
New/improved access/use educational facilities – pre-school	1%	1%	27.89	37.72	348,850	471,692	0.31	0.04	0.35	0.35
New/improved access/use educational facilities – adult learning	1%	1%	25.87	35.36	323,492	442,283	0.34	0.02	0.37	0.37
Arts/dance/creative/music	1%	1%	2.69	46.54	107,752	221,050	1.00	0.05	1.05	1.05
Community Chest – Education	0.2%	0.2%	7.13	7.68	111,488	120,002	0.06	0.01	0.08	0.08
Educational enhancement – equipment	0.1%	0.1%	4.16	5.64	42,218	57,185	0.35	0.01	0.35	0.35
Educational trips/activities/events	0.1%	0.1%	2.82	3.13	42,288	47,042	0.10	0.02	0.11	0.11
All education activities	15%	15%	485.26	743.21	173,898	266,334	0.48	0.05	0.53	0.53

Source: CEA analysis of System K data

Worklessness

- A20. Worklessness activities accounted for 11 per cent of NDC project funding and 12 per cent of all project funding over the period 1999–2000 to 2006–07 (see Table A5 on the following page).
- A21. The most significant type of project activity in absolute funding terms was training, job apprenticeships, and accredited qualifications, which accounted for 4 per cent of all NDC project funding and 4 per cent of total project funding over the period. Expenditure on all projects in this type equated to £124 of NDC funding per capita and £193 of total funding per capita across the 39 NDCs.
- A22. Other notable project types in expenditure terms were projects that provided job search, careers guidance and job skills activity (3% of NDC project funding and 3% of total project funding). Workspace/incubator provision accounted for 1 per cent of NDC project expenditure and 2 per cent of total project funding, while community chests, business advice and support, credit union/financial counselling activities and support for social enterprise new start-ups accounted for 1 per cent of NDC project expenditure and 1 per cent of total project funding each.
- A23. Not surprisingly, given the capital nature of such projects, workspace/incubator provision had the largest average project size (£521,000 NDC, £1,178,000 total funding). The next largest project activities were job search/careers guidance/job skills (£221,000 NDC, £329,000 total). At the other end of the scale, projects involved in delivering business and employment events had an average size of £29,000 NDC expenditure (£35,000 total funding).
- A24. Overall, worklessness activities involved NDC funding of £354 per capita, and £576 of total funding per capita across the 39 NDCs.
- A25. Across all worklessness activities, the ratio of NDC funding to other public sector funding was 1:0.46, i.e. 46p of other public funding was secured per £1 of NDC spend. The other public matched funding ratio was highest for workspace/incubator provision (1:0.87), credit union/financial counselling (1:0.60) and training, apprenticeships and accredited qualifications (1:0.50). Worklessness event activities attracted the least other public sector matched funding per £1 of NDC (1:0.10). Across all worklessness activities private and voluntary sector matched funding was also limited (1:0.17).

Table A5: Worklessness activities in the NDC programme

Worklessness project types	% of funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios			
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other	
Training/apprenticeships/accredited qualifications	4%	4%	124.40	193.39	162,070	251,951	0.50	0.05	0.55	
Job search/careers guidance/jobs skills	3%	3%	84.58	125.51	221,911	329,308	0.41	0.08	0.48	
Workspace/incubator provision	1%	2%	33.33	75.41	521,017	1,178,895	0.87	0.40	1.26	
Community Chest – training/employment/business	1%	1%	27.15	49.83	188,624	346,204	0.21	0.62	0.84	
Business advice/support	1%	1%	20.50	34.42	142,425	239,131	0.25	0.43	0.68	
Credit union/financial counseling/benefit advice	1%	1%	17.76	32.00	114,889	206,981	0.60	0.20	0.80	
Business starts/self-employment – social enterprise	1%	1%	17.52	27.17	160,368	248,648	0.46	0.10	0.55	
Worklessness posts	0.5%	0.4%	15.39	20.19	120,324	157,845	0.20	0.11	0.31	
Business starts/self-employment – private enterprise	0.4%	0.4%	12.72	17.84	207,537	291,048	0.31	0.09	0.40	
Employment/business events	0.02%	0.02%	0.71	0.84	29,568	35,177	0.10	0.08	0.19	
All worklessness activities	11%	12%	354.06	576.60	179,035	291,565	0.46	0.17	0.63	

Source: CEA analysis of System K data

Health

- A26. Health activities accounted for 8 per cent of NDC project funding and 7 per cent of all project funding over the period 1999–2000 to 2006–07 (see Table A6 on the following page).
- A27. The most significant type of project activity in absolute funding terms was new or improved health facilities that accounted for 3 per cent of all NDC project funding and 2 per cent of total project funding over the period. Expenditure on all projects in this type equated to £84 of NDC funding per capita and £99 of total funding per capita across the 39 NDCs. These projects also had the largest average size (£517,000 NDC, £613,000 total).
- A28. Other notable project types in expenditure terms were health posts, healthy living initiatives, family support projects, new or improved health services, family support and certain targeted health projects. Each of these project types accounted for 1 per cent of NDC project expenditure and 1 per cent of total project funding each.
- A29. Overall, health activities involved NDC funding of £268 per capita, and £366 of total funding per capita across the 39 NDCs.
- A30. Across all health activities, the ratio of NDC funding to other public sector funding was 1:0.31, i.e. 31p of other public funding was secured per £1 of NDC spend. The other public matched funding ratio was highest for the “other” targeted health activities (i.e. not targeted on elderly, young people, or drug/alcohol) (1:0.82) and family support (1:0.70) project types. Health event activities attracted hardly any other public sector matched funding at all. Across all health activities private sector matched funding was very limited at 1:0.05.

Housing and physical environment

- A31. Housing and physical environment activities accounted for exactly a quarter of all NDC project funding (25%) and 30 per cent of all project funding over the period 1999–2000 to 2006–07 (see Table A7).
- A32. The three most significant types of project activity in absolute funding terms were (figures in brackets are per cent of NDC project funding and per cent of total funding):
- land/asset acquisition, demolitions and stock transfer activity (8% of NDC, 10% of total funding)
 - new house building, refurbishment/improvements and maintenance (7% of NDC, 7% of total funding)
 - environmental improvements, infrastructure, building facelifts and landscaping (6% of NDC, 7% of total funding).

Table A6: Health activities in the NDC programme

Health project types	% of funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios			
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other	NDC: other
New/improved use/access to health facilities	3%	2%	84.14	99.72	517,512	613,383	0.18	0.01	0.19	0.01
Health posts	1%	1%	41.50	54.87	131,943	174,462	0.27	0.06	0.32	0.06
Healthy living initiatives	1%	1%	30.56	42.13	111,312	153,452	0.23	0.15	0.38	0.15
New/improved health services	1%	1%	26.15	34.54	118,203	156,150	0.28	0.04	0.32	0.04
Family support	1%	1%	24.89	43.74	161,016	282,967	0.70	0.06	0.76	0.06
Targeted health – other	1%	1%	21.50	41.11	113,641	217,227	0.82	0.10	0.91	0.10
Targeted health – drugs/alcohol-related	0.5%	0.4%	15.99	20.17	214,255	270,299	0.26	0.01	0.26	0.01
Targeted health – teenage/young people	0.4%	0.3%	13.40	16.77	77,339	96,825	0.19	0.06	0.25	0.06
Targeted health – elderly	0.2%	0.2%	6.33	8.53	91,361	123,060	0.24	0.11	0.35	0.11
Community Chest – health	0.1%	0.1%	3.77	4.47	202,314	239,485	0.18	0.00	0.18	0.00
Health events	0.004%	0.003%	0.14	0.15	7,631	7,841	0.00	0.03	0.03	0.03
All health activities	8%	7%	268.37	366.20	160,593	219,134	0.31	0.05	0.36	0.05

Source: CEA analysis of System K data

Table A7: Housing and physical environment activities in the NDC programme

Housing and physical environment project types	% of funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios		
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other
Land/asset acquisition/demolitions/stock transfer	8%	10%	270.00	495.51	1,125,614	2,065,735	0.26	0.57	0.84
Homes built/improved/maintenance	7%	7%	211.42	356.71	862,212	1,454,744	0.60	0.09	0.69
Environmental improvements/infrastructure/buildings/landscaping	6%	7%	201.10	340.44	322,455	545,872	0.40	0.29	0.69
Housing/Environmental posts	1%	1%	34.25	51.69	210,673	317,963	0.50	0.01	0.51
Housing advice Tenant/RSLs supp/management	1%	3%	33.74	159.54	361,651	1,710,250	3.50	0.23	3.73
Environmental enhancement e.g. litter etc	1%	1%	21.45	29.21	125,740	171,218	0.33	0.03	0.36
Community Chest – housing/environment	0.3%	0.2%	8.40	11.22	143,213	191,296	0.23	0.10	0.34
Recycling/waste collection/management	0.1%	0.2%	4.80	11.52	112,512	270,218	1.39	0.02	1.40
Energy efficiency/envtl advice	0.1%	0.1%	3.62	6.02	113,199	188,334	0.59	0.07	0.66
Housing/Environmental events	0.02%	0.03%	0.78	1.25	32,356	52,284	0.52	0.10	0.62
All housing & environment activities	25%	30%	789.55	1463.12	466,520	864,507	0.55	0.31	0.85

Source: CEA analysis of System K data

- A33. Total expenditure per capita on these activities was £495, £356 and £340 respectively, or almost £1,200 combined. Across the housing and physical environment activity category as a whole, NDC spend per capita amounted to £789 over the period 1999–2000 and total spend per capita from all sources on these activities was £1,463.
- A34. Other notable project activity types were housing advice, tenant/RSL support and management (1% NDC, 3% total funding) and housing/environmental posts and environmental enhancements (e.g. litter collection) that accounted for 1 per cent of all NDC funding each.
- A35. Table A7 also shows the average project size, and highlights the particularly large average size of land/asset acquisition, demolition and stock transfer projects (£1.1m NDC, £2.1m total funding), followed by new house building, refurbishment/improvements and maintenance activities (£862,000 NDC, £1.5m total). As with other activity categories, events projects tended to have the smallest average project size, in the region of £32,000 of NDC funding (£52,000 of total funding).
- A36. Overall, 85p of funding was secured from other sources of funding per £1 of NDC spend (a matched funding ratio of 1:0.85). Across the activity category as a whole, the ratio of NDC to other public sector matched funding was 1:0.55. Other public sector matched funding was highest for housing advice, tenant/RSL support and management activities (an impressive 1:3.50), and also exceeded 1:1.39 for recycling, waste collection and waste management activities and for housing and environmental events.
- A37. This activity category also attracted the highest ratio of private/voluntary sector matched funding, at 1:0.31. Perhaps not surprisingly this was highest for the activity type that included, amongst other things, stock transfer activity (1:0.57).

Cross-cutting activities

- A38. A final activity category was included to cover cross-cutting project activities. This category covers four project activity types, mostly funded by NDC spend only:
- reports, research, studies and professional fees
 - other community chest activities not already covered in other activity categories
 - other NDC posts, not already covered in other activity categories
 - miscellaneous project management and theme development activity.
- A39. Overall this category accounted for 8 per cent of all NDC project expenditure, and 6 per cent of total project expenditure. A more detailed analysis for this is provided in Table A8.

Table A8: Cross-cutting activities in the NDC programme

Cross-cutting project types	% of funding on each activity		Spend per capita (all NDCs)		Average project size		Matched funding ratios			
	NDC funding	Total funding (all sources)	NDC funding (£s)	Total funding (all sources) (£s)	NDC funding (£s)	Total funding (all sources) (£s)	NDC: other public	NDC: private/voluntary	NDC: all other	
Reports/research/studies/professional fees	6%	4%	179.60	219.40	124,559	152,159	0.20	0.02	0.22	
Misc project management/theme development	1%	1%	31.56	33.01	207,745	217,255	0.04	0.00	0.05	
Other NDC posts	1%	0.4%	21.04	21.07	563,875	564,768	0.00	0.00	0.00	
Community Chest – other	0.3%	0.2%	8.68	9.24	250,621	266,718	0.06	0.00	0.06	
All cross-cutting activities	8%	6%	240.89	282.72	144,609	169,721	0.16	0.02	0.17	

Source: CEA analysis of System K data

Summary of expenditure by activity category

A40. Finally, Table A9 provides a summary at the activity category level, using selected indicators from Tables A2 to A8 above. The categories are in descending order, revealing that housing and physical environment and community development activities both accounted for almost a quarter of all NDC project funding. Education accounted for 16 per cent, while crime/community safety and worklessness categories involved 11 per cent of NDC expenditure in each case. Health activities, in all their forms, attracted the lowest proportion of NDC expenditure, at 8 per cent of the total. Cross cutting activities, mainly in the form of research and studies across all regeneration themes, accounted for almost as much expenditure at 7 per cent of the total.

Table A9: Summary analysis of expenditure by activity category

Activity category	% of funding in each category		Average project size (£s)		Matched d funding ratio – NDC: all other
	NDC funding	Total funding (all sources)	NDC funding	Total funding (all sources)	
Housing & physical environment	25%	30%	466,000	864,000	1:0.85
Community development	22%	20%	209,000	287,000	1:0.37
Education	15%	15%	173,000	266,000	1:0.53
Worklessness	11%	12%	179,000	291,000	1:0.63
Crime and community safety	11%	10%	187,000	263,000	1:0.41
Health	8%	7%	160,000	219,000	1:0.36
Cross-cutting activities	8%	6%	144,000	169,000	1:0.17
All projects	100%	100%	212,000	325,000	1:0.56

Appendix B: Quality control issues

- B1. This Appendix describes the approach adopted during 2006–07 to improve the quality of the information held on the System K database.
- B2. First, projects were re-coded so that it was possible to understand more about what NDCs had done. Hitherto the only disaggregation possible was by theme. CEA adopted a coding system producing 70 categories of activity.
- B3. Second, efforts were made to validate output and expenditure data. Previous analysis of the output data had revealed that when some output fields were summarised for the Programme they produced implausible results. A validation and correction exercise was undertaken which involved drawing down data, identifying key problems and consulting with individual Partnerships to remedy these.
- B4. Initial validation work was based in five case study NDCs (Clapham, Knowsley, Newcastle, Walsall and West Ham). This involved a detailed examination of project level data held on System K in parallel with Partnership level discussions. These tasks revealed a number of measurement problems including:
- some projects had not recorded NDC core outputs
 - new projects had not produced any outputs
 - projects had been incurring spend over a number of years but no outputs
 - in a number of cases NDCs had relied on their own non core outputs to record progress; but in others no outputs of any kind had been recorded.
- B5. In addition there were some 700 non-core outputs across the five case study Partnerships. To capture some of this additional information, where possible CEA matched non-core outputs to:
- the NDC 34 core outputs
 - four general CEA additional outputs
 - 12 SRB outputs where these have been used by NDCs.
- B6. Extensive work was then undertaken to examine aggregate spend and output data at the project level for all five case studies (around 900 projects in total) and a series of project related queries were explored with the individual NDCs. In order to keep queries to a minimum CEA only sought information on 'actual' spend and outputs (no forecasts). Where possible details were also sought in relation to both 'Total' and 'Ethnic' actuals. CEA verified the 'to date' spend and output figures rather than 'Year on Year' figures. The 'to date' period validated for each project was from the start date to the end of March 2006.

- B7. Third, CEA has examined the extent to which expenditure data recorded on System K for all 39 NDCs can be considered robust. This involved checking NDC expenditure information available from System K with that provided through the standard quarterly monitoring returns held by CLG and sorting out problems as they arose. When this work had been completed detailed information from the five NDCs was used to produce an estimate of output contribution for the whole Programme. This was done by grossing-up on the basis of expenditure output ratios derived from the case studies at the project “activity category” level of analysis. Seven different grossing-up methods were tried in order to assess sensitivity. The approach finally adopted produced results in the middle of the range.

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