

**Ex post evaluation of Cohesion Policy Programmes 2000-2006
The URBAN II Community Initiative**

**Executive Summary
July 2010**

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1. The Evaluation

The report forms part of the ex-post evaluation of Cohesion Policy Programmes 2000-2006 and covers the URBAN II Community Initiative (2001-2006) and URBACT I Programme (2003-2006). The evaluation methodology was as follows:

- A desk review of all 70 URBAN II programmes combined with discussions with programme managers.
- A review of key statistics and trends over the programme period.
- A counterfactual analysis based on comparisons of changes in unemployment over the programme period and between the programme areas and the cities, within which the areas were situated. A lack of data meant that the counterfactual failed to produce results that met the tests of statistical validity, but the work of the evaluation demonstrated its value as a tool for measuring impact, if embedded at the start of the programme period.
- Detailed case studies on the ground for fifteen URBAN II programmes and ten 'good practice' projects. The case studies were rigorously selected to be representative of all the programmes. More than 120 stakeholders (including local and regional authorities, community organisations and businesses, and academics) were interviewed as part of the process.
- A review of URBACT I documentation and interviews with key stakeholders.
- Inputs to the evaluation team from three leading experts: Professor Michael Parkinson; Professor Jan Lambooy and Professor Alberto Martini, who provided a critical filter at the three key reporting stages of the evaluation - the inception, interim and final reports.

2. The URBAN Community Initiative

URBAN II (2001-2006) followed previous urban interventions, the Urban Pilot Projects (1989-99) and URBAN I (1994-1999) supported through the European Regional Development Fund (ERDF), one of the EU Structural Funds. Some €754 million of EU funding was committed to 70 programmes across fourteen Member States, covering a combined population of 2.2 million, which with match funding rose to €1.6 billion. 45 programmes augmented Objective 1 or 2 funding in their cities but some programmes were selected by their Member States to spread resources to urban areas not eligible, and not in receipt of support from the Structural Funds. URBACT I (2003-2006) had a separate budget under the URBAN Community Initiative (€18.03 million EU funding, €28.2 million including match funding).

The aim of URBAN II was to develop innovative and integrated approaches to regenerating neighbourhoods in crisis and promoting sustainable urban development. The relatively low levels of spend (an average of €10.7m per programme) and the fixed term period for programmes meant that in most cases URBAN II could not - and was not intended to - eradicate the deep rooted problems prevalent in parts of many European cities. However, the expectation was that URBAN II would contribute to positive improvements and would develop a legacy of longer term change, whereby public and private agencies, together with local communities would work together to create

sustainable neighbourhoods in their cities. There was a strong emphasis on fostering local ownership of the challenges and policy solutions, with encouragement for partnership working to develop and deliver effective programmes. This 'bottom up' approach resulted in a wide diversity of programmes and projects, although programmes generally fell into two broad categories, the first focused on physical regeneration (land and building, transport and the environment) with smaller economic and social measures fitting within this framework, the second more balanced across economic, social and physical themes. This distinction should not be over emphasised however, since the case studies showed that most programmes did indeed have an integrated approach to the economic, social and physical challenges facing their area – only the relative spending figures changed.

URBAN II supported some genuinely innovative and high quality projects. Not all projects worked and some were delayed, but from the case study work we conclude that the majority of projects achieved what they set out to do.

The main aim of URBACT I was to identify good practice and promote an exchange of experience derived from urban projects, including those funded under URBAN II. However, it was not approved until 2002 and did not become operational until 2003 and was therefore not embedded as part of the strategies and processes adopted by URBAN II programmes. It supported thematic networks that proved to be more popular than anticipated (20 were supported, against an anticipated 10-12) and involved 248 cities and more than 4,000 individuals. URBACT I also supported the development of information tools, studies, training, working groups and the deployment of experts to promote an exchange of experience. A second round of URBACT activities (URBACT II) is ongoing but was not part of this evaluation.

3. The Impact of the URBAN II Community Initiative

Overall, URBAN II made a positive contribution to tackling the challenges of neighbourhoods in crisis. In particular.

There are a set of measurable outputs that can be aggregated across the 70 programmes

Despite the diversity of programmes and programme outputs it was possible to aggregate the frequently mentioned output categories from the monitoring reports submitted by the programmes. The headlines are set out in Figure 1 and show the volume of outputs in respect of the re-use of spaces and buildings, transport infrastructure, training projects and community facilities, green space and environmental projects, business support projects, health and care interventions. There is less programme data on results, and even less on impacts. For example, there were relatively few surveys to measure increased usage or appreciation of facilities supported by the programmes, although where surveys were undertaken positive changes were normally observed.

There is qualitative evidence of impacts within the programme areas

The case studies highlighted impacts that are not readily measurable (or in some cases not measured) resulting from URBAN II. There was evidence of:

- Perceptions of an improved local image in some programme areas, normally via visible physical regeneration projects. This has been a key to attracting new residents and businesses, and new investment.
- More activity in commercial quarters of programmes areas with more visitors, more cafés and other facilities creating a more vibrant environment, which could lead to increased trade and business confidence, and the sustainability of these areas.
- Improvements to the social cohesiveness of some neighbourhoods with projects targeted to support migrants and minority groups. Often these projects have strengthened local representative organisations.
- An improved quality of life in urban areas including reduced pollution and congestion, as well as perceptions of safer neighbourhoods.

Figure 1 - Key URBAN II Outputs

Under the **physical** theme the key outputs were:

372 restoration projects

2.3 Million m2 of converted public space plus a further 557,115 m2 of space developed for social, sports, education and health uses

3.2 Million m2 of new green space

80 Kilometres of cycle and footpaths plus 11,614 m2 of renovated surfaces for cyclists and pedestrians

10,712 m2 of new water collectors designed to reduce energy consumption

194 environmental equipment projects to recover liquid and toxic waste

Under the **social** theme the key outputs were:

982 training projects with 64,801 training places for individuals

246 security projects tackling crime and fear of crime

593 community capacity building initiatives

16 employment centres and 22 health and community centres

162 drug advice interventions

949 cultural events projects

443 childcare places

Under the **economic** theme the key outputs were:

5,984 business support and advisory interventions

43,004 training places for businesses

23 commercial centres and stores renewed
7 innovation projects and 20 business incubator units
43,942 m2 of new commercial floorspace
7 ICT projects and services

Source: ECOTEC Analysis of URBAN II programme data

The socio-economic conditions in most programme areas have stabilised or improved

The socio-economic conditions of most URBAN II programme areas stabilised and in some cases improved during the programme period. There is evidence of positive change or stable conditions in 13 of the 15 case programme areas. In terms of quantification, unemployment is the key measure as other statistical evidence is patchy. For those areas where data were available and unemployment rates were more than 2% higher than the city average (20 programmes), there was a reduction in this gap in 10 cases (with a high of a 7.6% decrease – a narrowing of the gap between the city and programme area unemployment rates), an increase in 9 cases (with a high of a 4.7% increase – a widening of the gap) and no change in one case. Overall, the evidence showed that unemployment rates in the programme areas had stabilised between 2000 and 2006 in common with the EU average for that period, but arguably a greater achievement in the neighbourhoods that constituted the URBAN II programme areas where unemployment was often high and jobs (or access to nearby employment) difficult to secure. In addition most stakeholders perceived the areas as being in a stable or improved condition, whilst visual evidence of change (e.g. the re-use of redundant land and buildings) was evident from the case study visits.

URBAN II contributed to positive change within programme areas

URBAN II contributed to change but was one of a number of policy 'drivers' and often not the most important driver. Regional and national economic factors shaped the labour market and the health of the business community whilst the plans and programmes, including mainstream programmes, delivered at the city and regional level, were key to bringing about more fundamental change in respect of health, educational and skills attainment, crime levels and environmental conditions. This can in part be attributed to the small scale of URBAN II programmes. In addition, some issues are most appropriately tackled at the neighbourhood level, but others are more effectively delivered at a larger spatial area such as the city or the region. This is particularly true for economic policies (changing the business base) or the provision of major infrastructure that impact significantly on economic performance. The dovetailing of local actions in the programme areas with wider city and regional plans, resulting in an integrated approach to urban development was realised in some cases, enhancing the effectiveness and impact of URBAN II resources.

There is evidence of sustainability of many elements of the URBAN II programmes

URBAN II was deliberately time limited and many of the formal structures that were set up to manage programmes have now gone. Several projects have finished, having achieved their goals, but others (about 60%) have continued in some form, where they needed to, under new funding and delivery regimes. In some cases local communities have successfully taken on projects that originated out of URBAN II, reflecting a commitment by local organisations to the ongoing regeneration of their areas.

The URBAN II 'method' has provided an important legacy for tackling the challenges of neighbourhoods in crisis

A significant impact of URBAN II has been the stimulation of new partnerships and ways of working within the programme areas. There is evidence from the case studies of new integrated, multi-agency approaches, with a strong level of involvement from community organisations and the private sector. In the best examples URBAN II has embedded new approaches that have a lasting legacy after the EU funding ceased, giving neighbourhoods in crisis the tools – and the confidence – to tackle and reverse urban decline in the longer term. URBAN II has also had a legacy in respect of individual and institutional knowledge, some of which has been put to effect in other neighbourhoods or in mainstream programmes.

4. Critical Success Factors

Whilst the challenges experienced in the programmes areas, and the strategies and projects that were employed, varied between the programmes, there were some common critical success factors that have helped to enhance the impact of URBAN II, and which provide generic lessons for future urban policies. Some of the lessons pose particular challenges for policy development in the new Member States, where programme integration, local 'bottom up approaches' and inclusive partnership working are generally not common place.

The importance of local ownership and inclusive partnerships

The key success factor in URBAN II projects was local involvement and ownership. This applied whatever the nature of the project and whether it was drawn from the field of physical, social or economic regeneration. Projects were most successful when they responded to local perceptions of need and had the active support of a broad range of local partners, not just the local authority, but also the private and voluntary sector, and local residents.

The partnership approach to the delivery of programmes was one of the defining characteristics of URBAN II. Some partnerships existed before 2001, some were a direct response to the availability of EU funding and some have continued - in some form - carrying on the work of the programmes after URBAN II.

Local authorities were usually the 'glue' holding these partnerships together. They took the lead in 80% of URBAN II programmes, providing staffing, processes, information and intelligence and project ideas. Successful programmes also relied on broadly based local partnerships with representatives from the public, private and voluntary sectors, often informal as the formal representation of the private and voluntary sectors in partnership working was not strong in many programmes.

In particular partnerships worked best when:

- All partners were in a position to play an effective role in decision making. Capacity building, especially for the voluntary sector and community organisations is important, but also for other organisations. This often included the need for specific training and experience in aspects of programme management (e.g. knowledge of legal and financial structures).
- Focused on local issues that partners felt they could influence, through collective working. Often these issues provided a common platform that would bring together interests from all sectors (e.g. in one example, the problems created by traffic congestion in an historic city centre, mobilised partners from the public, private and voluntary sectors).
- The management and delivery of projects was spread across a range of partners, providing experience and direct involvement in the delivery programme as an effective way of engaging local partners. This was often a good way of involving community organisations, although some required support from the public agencies. It also helped to boost the programme management and delivery capacity, which was often weak at the start of the programme period.
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Supporting partnerships

URBAN II partnerships sometimes struggled to gain support from their cities and regions, and to engage key stakeholders and decision makers at that level. This was largely because of the small scale and local focus of the programmes, and as such they were 'off the radar' of city and regional policy makers. However, many local partnerships could have gained from more active support from their cities and regional agencies in respect of:

- Helping to embed the programmes into a wider spatial policy framework, generally necessary for effecting change in respect of key economic and social indicators (such as reducing unemployment or changing the business base).
- Providing skills and learning experiences for programme managers and their teams, many of whom had limited experience of managing urban programmes.
- Providing support in the development and delivery of effective monitoring and evaluation systems which track progress against key indicators – a key management and accountability requirement. This was lacking in many programme areas but experience varied significantly.
- Providing support on strategy development and longer term planning. Most programmes were poor in respect of developing exit strategies, although regeneration has continued in most programme areas.

Integration and synergies

In many cases the impact of URBAN II resources has been increased, within the programme areas, through the integration of the strategies and resources with other urban development programmes.

We found high levels of programme integration in the great majority of programmes. Integration improved the impact of URBAN II in different ways and worked at different levels, namely:

- The integration of the strategy and programmes (such as the joint development of URBAN II and mainstream Structural Funds programmes in some cities, the flexibility of URBAN complementing and adding value to main programmes). The integration of programmes can help to lever in additional funding, including mainstream programmes, but also has the potential to link local neighbourhood specific actions with city and regional policies. This can improve the overall impact (e.g. in URBAN II there were examples of local employment initiatives targeting hard to reach and disadvantaged groups such as migrant workers, linked into policies that were more effective at a larger spatial level to increase the number of employment opportunities).
- Synergies between URBAN II funded projects (for example, the reuse of buildings to serve community needs which were then physically linked to those communities through improved transport infrastructure). This works best when the links are intentional - rather than accidental - and built into the design of the programme and specific projects.
- The integration of delivery teams (management teams drawn from different local authority departments and local organisations). There are potential benefits in terms of efficiency savings and also the opportunity to raise the profile of the programmes with a wider group of stakeholders. However, integrating delivery teams is also likely to bring together a wider range of participants and interests that stretch beyond the programme area and it is important though to ensure that the local ownership - that was a significant contributor to the success of URBAN II - is not lost or diminished within a management structure that is not just focused on the programme area, and has additional priorities.

Sharing experience

The timing of URBACT I meant that it was less supportive of URBAN II programmes than originally envisaged. The experiences of URBACT I though illustrate the value of sharing ideas and approaches between cities, ideally also between Member States (some URBAN II programmes participate in alternative national networks, missing the benefits of international networks). Effective networking requires a significant time and resources commitment from partners and the main lessons for the future are:

- As much as possible of the sharing of experience should be done through active participation in networks, ideally face-to-face, working with colleagues from other cities, but experiencing similar challenges. The exchange of experiences through written materials and the internet was less effective in URBACT I. This assumes that networking events have clear objectives and are managed effectively, which was not always the experience in URBACT I.
- Ensuring that those participating in networking activity can do so effectively by having the necessary language and technical skills (including a practical knowledge of urban regeneration and development) and that processes are in place to ensure that benefits received by the

participants are effectively disseminated to colleagues and partner organisations. Again, this was not always the case in URBACT I.

5. Overall conclusions and recommendations

The URBAN II initiative has finished but its legacy continues and can be found in the 70 programme areas where there is evidence of change seen through the projects funded by URBAN II, with results and impacts, some captured in the monitoring and evaluation data, some not easily measured and some just not measured. The legacy has left a visual impact (e.g. buildings restored and vacant spaces converted into new community or economic uses), but is also manifest in the ongoing regeneration that continues in many of the programme areas. Here URBAN II stimulated processes of urban regeneration, often community led, that picked up and continued the work of URBAN II once EU funding had ceased.

URBACT I has also ceased but has been continued through URBACT II working in the absence of URBAN, but addressing a demand for an international mechanism, whereby experiences can be shared and lessons learnt in the field of urban development and regeneration can be transferred.

The experiences of URBAN II provide valuable lessons for future urban programmes. Most importantly any new programmes should:

- Be ambitious but also realistic in respect of what can be achieved with set budgets and time periods. URBAN II showed that programmes focused on neighbourhoods can make an impact through interventions tailored to address specific local challenges, especially those that are most suited to policies that impact directly on local communities (e.g. improving educational attainment and reducing crime). URBAN II also showed that physical transformation could be achieved with new and improved buildings and spaces that have contributed to a more positive image for the area and an increase in confidence, often a trigger for private investment.
- Build strong local partnerships involving a range of partners, all able to contribute and bring value to the collective development and management of programmes. URBAN II showed that this is central to the success of regeneration at a city level. Local 'bottom up' partnerships have a legitimacy and a strong local knowledge base that can help lead to locally owned and effective solutions to urban challenges. At a European level this approach has often been missing in urban development since the closing of URBAN II.
- Utilise the active support of city and regional partners, which has helped programme managers to define what is realistic in terms of generating impacts and how local interventions can dovetail with city and regional policies for greater effect. Cities and regions can also lend their experience in strategy development and effective monitoring and evaluation systems, areas where some URBAN II programmes were weak, making sure that programmes are aware of their limitations (resources, time, spatial coverage), plan accordingly and realistically, and have the means to know what they trying to achieve and how they will measure progress and success.
- Integrate programme specific resources with the resources, plans and programmes of city and regional authorities, as well as mainstream providers of key services (including the police,

education and health) to increase impact. This form of integration can flow from the support provided by city and regional partners and can be used to create strong working relationships with those partners.