

Regenerating the English Coalfields – interim evaluation of the coalfield regeneration programmes

Evaluation purpose and method

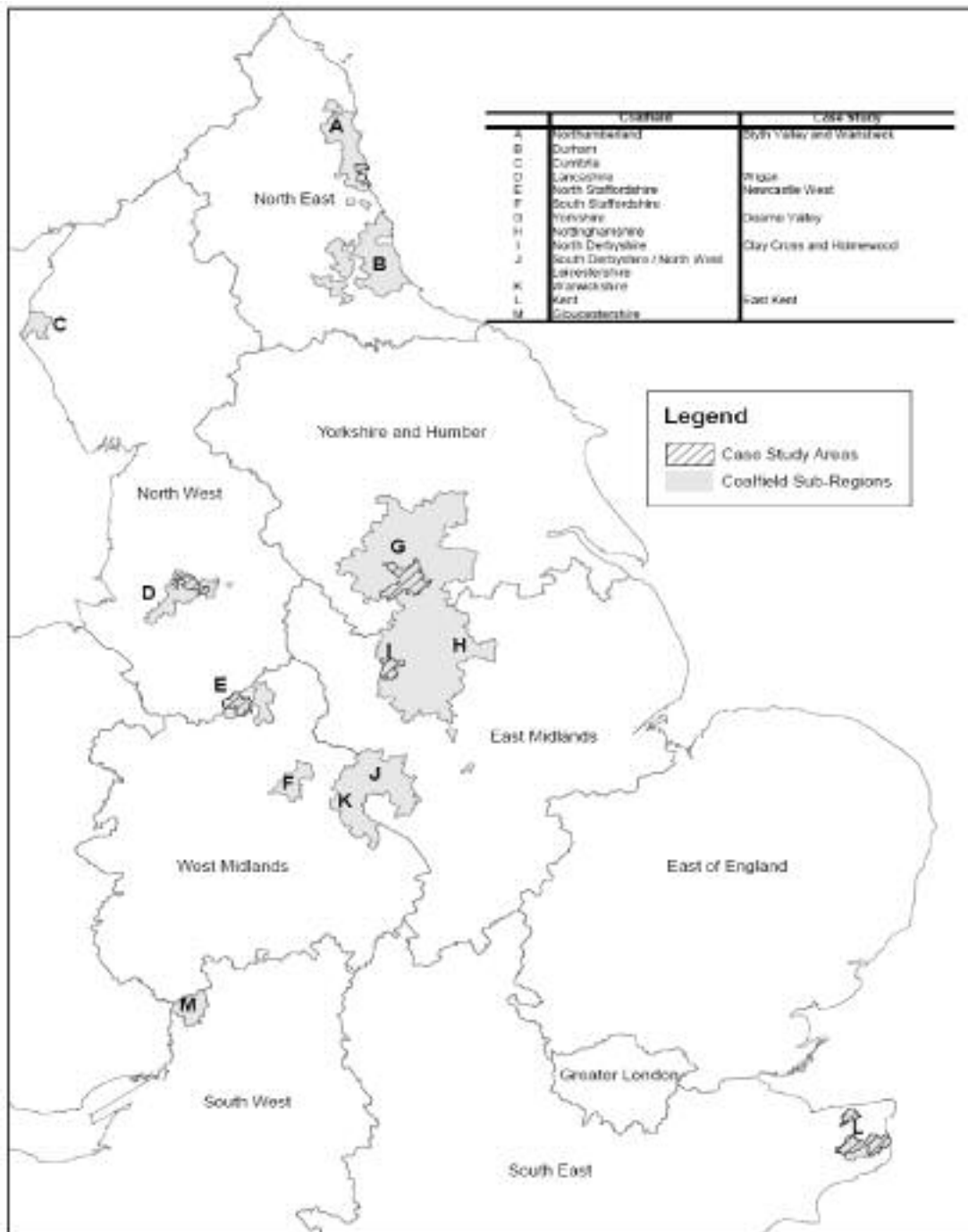
1. In late 2005 the Office of the Deputy Prime Minister¹ commissioned a consortium led by SQW² to carry out an interim evaluation of the coalfield regeneration programmes in England, namely: the National Coalfields Programme (NCP), the Coalfields Enterprise Fund (CEF) and the Coalfields Regeneration Trust (CRT).
2. The evaluation was to be carried out in the context of wider regeneration and mainstream service provider activity in the coalfields.³ The base year for the assessment of progress in coalfield regeneration was to be 1998 when the Coalfields Task Force reported. The coalfield areas were defined by the University of Durham's Zone A and B coalfield wards with additional wards being included in the case studies where local authorities considered these relevant.

¹ The responsibilities of the ODPM were taken over by the Department for Communities and Local Government on 5th May 2006.

² SQW Ltd, Colin Warnock Associates, BBP Regeneration and GfK NOP.

³ The evaluation was also to explore the effects of the DTI Coal Health Compensation Scheme even though this was not a regeneration programme.

Figure 1: The English Coalfield Areas (Sheffield Hallam University, 2004)⁴



3. There were four broad strands to the evaluation:

- a review of the literature;
- an analysis of secondary data sources since 1998;
- an assessment of regeneration programme documentation and monitoring data; and

4 The coalfield definitions used in the evaluation and map are category A and B coalfield wards as defined by Sheffield Hallam in 2004 based on 2003 ward boundaries. This classification updates and is based on an earlier definition of the coalfields by the University of Durham in 1998. It is important to note that whereas figures based on the 1998 ward boundaries use the University of Durham coalfields ward list, all figures based on 2003 ward boundaries use the updated Sheffield Hallam University list of category A and B coalfield wards. These approximate to the University of Durham zone A wards – the University of Durham zone B wards are a subset within the University of Durham zone A wards.

- six case studies⁵ reviewing the changing conditions and the influence of the programmes in the local areas.
4. The following structure is used to summarise the results of the evaluation:
- regeneration policy in the coalfield areas since the late 1990s;
 - effectiveness and cost-effectiveness of the regeneration programmes;
 - regeneration progress achieved in the coalfield areas since the 1990s;
 - contribution of the programmes to the regeneration achieved; and
 - policy review.

Regeneration policy in the coalfield areas since the late 1990s

5. The English coalfields presented one of the most significant regeneration challenges facing the country over the last two decades. 170,000 people lost their jobs in coal mining between 1984 and 1997 – representing one quarter of total male employment in the English coalfield areas as a whole. The extent and, in many cases, the speed of the job losses resulted in severe social, community and environmental as well as economic consequences.
6. Whilst there was growth in replacement jobs, the distribution was not even across the coalfields and, by the late 1990s, the coalfields as a whole still had a substantial “job deficit” plus a legacy of physical dereliction, relatively high levels of poor health, low educational endowments and a weak enterprise culture.
7. The special nature of the regeneration challenge in the coalfields led to the establishment by the Government of the Coalfields Task Force (CTF) in 1997 which concluded that: “*The coalfields have a unique combination of concentrated joblessness, physical isolation, poor infrastructure, and severe health problems*”.⁶
8. The CTF recognised that the multi-faceted nature of the problems in the coalfields called for a joined-up and integrated regeneration response. It required specific coalfield initiatives and an increased focus of attention from the more generic regeneration programmes and mainstream service providers on problems in the coalfield areas.

⁵ The six case study areas were defined using ward-level geographies agreed with local partners and labelled as follows (note that the labels do not denote the local authority districts): Dearne Valley (Y&H), Wigan (NW) Newcastle West (WM), Blyth Valley and Wansbeck (NE), East Kent (SE) and Clay Cross and Holmewood (EM).

⁶ CTF, *Making the Difference: A new start for England's coalfield communities*; June 1998.

Table 1: Summary of coalfield-specific programme spend and outputs

	Objectives	Spend	Outputs
NCP	<p>The objectives for the NCP are to create:</p> <ul style="list-style-type: none"> • New uses for around 4,000 ha of former coalfield land • 42,000 new jobs • 2 million sq m of commercial floorspace • 8,000 new homes • Over £1 billion of private-sector investment (PSI) and • Far-reaching benefits for local communities. 	<ul style="list-style-type: none"> • Over half (£333m) of the currently anticipated lifetime spend figure (£647m) has been spent • The Programme currently anticipates receipts of up to £401m⁷ • There remains a potential surplus in the Programme with EP investigating the best way to utilise such for the benefit of the coalfields. 	<ul style="list-style-type: none"> • To date, 1,826ha of land brought back into use, 709,000m² of commercial floor-space developed, 15,750 jobs delivered, 1,430 homes built, and £439m of PSI levered. • Progress is being made in delivery of outputs although this must, necessarily lag behind land remediation.
CRT	<p>The CRT's objectives are to:</p> <ul style="list-style-type: none"> • Resource and empower communities (financially excluded and healthy communities) • Support the development of: Enterprising communities; Lifelong learning communities; Attractive communities; and Working communities. • Promote best practice. 	<ul style="list-style-type: none"> • Grants totalling £78.7m were given to 1,960 projects in England • Round 3 grant allocations are expected to reach £36.6m, supporting 700 projects. 	<ul style="list-style-type: none"> • The Trust has exceeded forecast outputs for almost all Round 1 and 2 output categories • It has delivered a significant amount of outputs that support community capacity building • The key area where projects in Round 2 have under-performed relative to targets is in supporting people into jobs.
CEF	<p>The main objective of the CEF is to operate on a commercial basis, in order to deliver a satisfactory financial return to Partners by providing venture and development capital in the form of equity and equity related instruments to small and medium enterprises (SMEs) based in the traditional coalfield areas of England.</p>	<ul style="list-style-type: none"> • To date, nine investments with a total value of £1.76m have been made from the £10m fund. 	<p>Of the nine businesses invested in by the CEF, one has failed. In accordance with valuation policies, the Fund has also made a full provision against two other investments, although these businesses continue to trade</p> <p>No regeneration outputs are recorded.</p>

Source: Coalfield-specific programme monitoring data

⁷ The receipts from the NCP are generated through the disposal/sale of the sites within the Programme.

9. The first was to be provided by the reinforcement of the National Coalfields Programme (NCP) – delivered through English Partnerships and the Regional Development Agencies, the establishment of the Coalfields Regeneration Trust (CRT) and the launch of the Coalfields Enterprise Fund (CEF). These three regeneration programmes were to lay the foundations for sustainable regeneration of the former coalfield areas through physical reclamation and renewal, community capacity rebuilding and human capital development, and the promotion of enterprise and business growth.
10. The engagement of mainstream service providers and more general regeneration programmes (such as the Single Regeneration Budget and European Union Structural Funds) was also to be encouraged. This was to be achieved by, for example, closer integration of the coalfield programmes with other coalfield regeneration efforts⁸ and non-coalfield regeneration programmes and the ‘mainstreaming’ of initiatives tested by the coalfield programmes.⁹

The effectiveness of the coalfield programmes

The work of the programmes

11. The coalfield programmes operated to very different objectives and delivered a wide range of different outputs. Table 1 summarises the expenditure and outputs of the programmes.

The distribution of programme spend

12. The evaluators found that NCP and CRT funding and outputs were distributed across the coalfields according to need where the latter is defined for the NCP as hectares of derelict land and for the CRT as the number of key benefit claimants.
13. From the case study evidence, the scale of the NCP and CRT spend was significantly exceeded by that of non-coalfield specific regeneration programmes. Even so, the volume of key outputs from the coalfield programmes (such as hectares of brownfield land reclaimed and community facilities developed and community groups supported) was much higher than achieved by the other programmes.
14. This suggests that the coalfield programmes made a specific contribution to addressing regeneration need but one that had to be complemented by the outputs from other programmes. The inference can be drawn that the coalfield and non-coalfield programmes needed to work together in complementary ways if they were to bring about sustained regeneration in the coalfields.

⁸ There are a number of important regeneration initiatives active in the English coalfields. A good example of this is CISWO, which is a National Charity that focuses on delivering community and personal welfare services within mining and former mining communities.

⁹ It should be noted that the Coal Health Compensation Scheme is not a regeneration programme but in total represented a significant flow of funds to ex-miners and their families (£2.3 billion to date in England). It was introduced following a legal decision with regard to the adequacy of the protection provided by British Coal to its employees for vibration white finger and respiratory diseases. The average award was worth less than £7,000, which represents about one quarter of annual household income in the coalfields.

15. There was, indeed, evidence of increased joint working between the NCP, the CRT, other regeneration programmes and certain mainstream service providers. However, this appears to be happening on a project-by-project basis rather than strategically. Moreover, the regeneration and economic development funding landscape remains populated by a wide diversity of agencies and initiatives with different policy agendas, strategic commitments and target frameworks. This has made integrated working in the coalfield areas more challenging, especially as currently less emphasis is being given to coalfield focused priorities and targets by the non-coalfield specific regeneration programmes and service providers.

The effectiveness of the programmes against targets

16. The NCP expects to exceed all its targets set by central government. To date it has made considerable progress against these targets and has been effective in developing sites in ways that maximise the potential for achieving its volume and mix of target outputs. It has also used the 'flexibility powers' it was granted in 2002 to broaden its approach beyond site boundaries and to engage with partners and wider regeneration initiatives to complement and reinforce its own interventions. This has not been easy to achieve because it required resource skills and an inclusive approach to regeneration which are not needed for interventions focused on land and property development.
17. The CRT has performed well in terms of delivery against its output targets. This is particularly the case for its community-based projects with 'softer' outputs such as the support of community groups, community engagement and the provision of advice to beneficiaries. It was achieved mainly because of its determination in its early stages to work bottom-up through community involvement and largely in responsive mode. Like the NCP, the CRT has shifted more recently to a more strategic approach that seeks to engage with other regeneration programmes and mainstream service providers. This has been limited by resource constraints, the different skill sets required and the difficulties of engaging with providers that have other priorities and targets.
18. The CEF has not been operating long enough to provide evidence on its regeneration effectiveness. This is likely to be difficult to do in any case because the Fund is not required to report any regeneration outputs and its required links with designated coalfield areas are not as tightly defined as for the NCP or CRT.¹⁰ It is essentially a commercial operation rather than a developmental one. As such, and still being in its infancy, the CEF's primary concern is with achieving operational effectiveness. Integration with other regeneration initiatives, even in the related business development area, is likely to be at a later stage in the evolution of the Fund.

¹⁰ The CEF eligibility criteria enables the fund to invest in companies located in non-coalfield wards, provided there is clear employment of other benefit to the coalfield wards.

19. Coalfield programmes have had to achieve their specific objectives at the same time as engaging with partner agencies (with different objectives) in order to ensure regeneration efforts become embedded in the local landscape, institutional infrastructures and communities. This required an inclusive and integrated approach to regeneration with strong leadership and project management exercised by an acknowledged champion to bring local partners and communities together. These may be familiar factors in regeneration success but they have been achieved by the coalfield programmes only to a limited and sporadic degree partly because of the severity and multi-faceted nature of the task.

The cost-effectiveness of the coalfield programmes

20. The cost-effectiveness of the programmes was assessed by considering how their net outputs relative to their costs compared with available benchmarks. The net outputs were estimated by adjusting for non-additionality (ie the extent to which the reported gross outputs would have happened anyway) and for the extent of their negative displacement and positive multiplier effects on third parties.
21. The additionality of both NCP and CRT funding and projects/activities was generally assessed by the evaluators to be high at the local area level. The case studies suggested a high proportion of projects with total additionality at this level (such as the Breathing Space Centre in South Yorkshire¹¹) and partial additionality (site clearance and development proceeding at faster pace, at greater scale and/or higher quality – or all three in many cases). Both displacement and multiplier effects were likely to be low in the immediate locality of the interventions although could easily get much higher if a slightly wider spatial area was used for analysis.
22. On this assessment, the net outputs from the programmes were judged by the evaluators to be some 70-80 per cent of the reported gross outputs. When the net outputs were set against the appropriate gross programme costs, the cost-effectiveness of the coalfield programmes compared favourably with benchmarks drawn from the English Partnerships' Best Practice Notes¹² and the estimates of the cost-effectiveness of other programmes.¹³ Since the two programmes scored well on both effectiveness (against output targets) and cost-effectiveness, it can be concluded that they offered good value for money in the use of public funds.

¹¹ The Breathing Space Centre is a specialist health facility that is being built to provide the hub for the largest respiratory rehabilitation programme in the country. The centre is the result of a partnership between The Coalfields Regeneration Trust (CRT), Rotherham Primary Care Trust (PCT), and Rotherham Metropolitan Borough Council.

¹² English Partnerships' Best Practice Note 15, *Calculating Cost per Job*, Issue date: 30/10/03 and English Partnerships' Best Practice Note 27, *Contaminated Land Remediation Costs*, Issue date: 01/07/05.

¹³ Such as the Single Regeneration Budget (SRB).

Regeneration progress in the coalfields since the late 1990s

23. Regeneration progress in the coalfield areas over the last five years or more was reviewed in order to set the contribution of the regeneration programmes in context and to assess the extent of remaining problems in the areas.
24. The growth in replacement jobs in the coalfields that was evident before 1998 continued over the next five years but at a slower pace than in non-coalfield areas. Moreover, despite some relative improvements, the deprivation, health, educational qualifications and enterprise ‘deficits’ in the coalfields persisted as a long term legacy from the loss of mining employment (see paras 31-33). These deficits hampered and will continue to hamper the capacity of residents to benefit from any increased job opportunities that come their way.
25. Three categories of sub-regional coalfields can be identified in terms of employment growth and rates¹⁴ as set out below. There is a tendency for the areas showing more sustained improvements in employment prospects also to be marked by less severe social and environmental deficits.
 - **Sustained improvement:** A small cluster of coalfields experienced consistent improvement relative to the non-coalfield English average both before and after the late 1990s. It is made up of Warwickshire, South Staffordshire and South Derbyshire/NW Leicestershire and represents about 10 per cent of the coalfield population.¹⁵
 - **Improvement since 1998:** A much larger cluster of coalfields had faster employment growth since 1998 than the national average and achieved employment rates around the average. It is made up of the Kent, Yorkshire and Lancashire coalfields with about 40 per cent of the coalfield population.
 - **Consistently weak progress:** There is an even larger cluster where employment adjustment continued to prove problematic, representing nearly half the coalfield population (Durham, North Derbyshire, North Staffordshire, Cumbria, Gloucestershire, Northumberland and Nottinghamshire).
26. Although the first cluster is located in the southern stretches of the coalfield regions, there was no evident regional pattern to the relative regeneration progress across the other coalfields. This evaluation confirms the findings of previous studies that local rather than regional factors are more important determinants of progress. Local coalfield areas are more likely to face barriers to regeneration where the scale of the legacy effect from the pit closures is significant (as measured by the proportion of people previously employed in mining) and where there are difficulties associated with poor access to major transport infrastructure and to economically vibrant adjacent areas.

¹⁴ There is wide variation at local levels within the coalfields and within these three categories. Blyth Valley and Wansbeck and Dearne Valley, for example, experienced particularly severe employment adjustment difficulties.

¹⁵ The number of people living in the English coalfields was nearly 4 million in 2003.

Impact of the programmes and remaining problems

27. The regeneration programmes contributed positively to the improvements observed in the economic conditions in the coalfield areas (particularly employment), their social conditions (skills and community development), and their environmental conditions (the remediation of derelict land). However, despite the improvements in these domains (as indicated above), there are significant remaining regeneration challenges to be faced.

Economic conditions

28. Analysis of NCP and CRT monitoring data suggested that the combined job outputs of both programmes (some 10,000 jobs) had contributed significantly to the growth in workplace-based employment since 1998 in the coalfields as a whole (about 20 per cent of the overall growth of some 50,000 in employment) and particularly in the North Derbyshire, Durham and Kent coalfields (30 per cent or more).
29. The job outputs associated with the NCP are anticipated to be of the order of 18,000 from now to 2012. This would supplement the growth already achieved in workplace-based employment in the coalfields (1998-2004) by about one-third. If achieved, it would represent half the increase in jobs that would have been required for the coalfields to match the national, non-coalfield rate of increase over 1998-2004. The projected job contribution in these terms would be particularly significant in the Kent, Yorkshire, North Derbyshire and Durham coalfields.
30. However, even on the expected NCP job outputs, there is likely to be a continuing job deficit in those coalfields identified as having experienced consistently weak employment growth and rates (see para 25). This deficit is likely to be particularly severe in the North Staffordshire and Nottinghamshire coalfields because of the loss of 5,000 jobs or more since 1998 and where the expected NCP related jobs are not anticipated to exceed 1,500 by 2012.

Social conditions

31. There was a reduction of some 28,000 on the 480,000 key benefit claimants in the coalfields over the period 1999-2005. But this number would have to be reduced by over 100,000 to achieve the benefit claimant rate for the national non-coalfield average in 2005. Moreover, there are significant numbers of people flowing on and off benefits all the time. Therefore, the CRT's output of 5,500 people assisted into employment is likely to be a small proportion of the flows of people coming off benefits over this period. While the CRT's performance is commendable, clearly there is still a big job to be done.

32. In 2004 there were over 450,000 people in the coalfields without qualifications and an estimated 68,500 reduction in this number would be needed to achieve the national non-coalfield average percentage of the working age population without any qualifications. This puts the CRT outputs into perspective. It suggests that the 65,000 people assisted by the CRT to get into education and training and the 10,000 who were assisted to get qualifications represented a major contribution to reducing the qualification deficit in the coalfields. The contribution was likely to have been particularly marked in the Kent, Yorkshire, Nottinghamshire and Northumberland coalfields.
33. There remains a significant health deficit in the coalfields. There would have to be a reduction of nearly 100,000 in the number of Incapacity Benefit claimants for the coalfields to achieve the average claimant rate of non-coalfield England. The coalfield programmes were not tasked with generating health outcomes and this deficit is one that has to be tackled primarily by the mainstream health service providers.

Environmental conditions

34. The closure of pits led to there being a considerable volume of derelict land within the coalfields (one quarter of all derelict land in England was located in the coalfield areas in 1998) often resulting in poor environmental conditions. It is evident from NCP output delivery (some 1000 hectares of brownfield land reclaimed over 1996-2004), and the changes in the extent of derelict land in the coalfields, that the NCP made a significant contribution to improving those environmental conditions, particularly in Durham, South Staffordshire and parts of the Yorkshire coalfield.
35. However, there remain some 3,000 hectares of derelict land in the coalfields and there is clearly a major task still to be done, especially in some of the coalfields – most notably in North Derbyshire and parts of Yorkshire.
36. The hectares of brownfield land that are expected to be reclaimed through the NCP during the period 2004-2012 will make for a significant reduction in the hectares of derelict land in the coalfields as a whole – by some two-thirds. The coalfields where the programme is expected to substantially reduce the amount of derelict land – by at least 50 per cent – are Kent, Yorkshire, Lancashire, Durham, North Derbyshire and Nottinghamshire. If the NCP is successful in this, then dereliction is likely to cease to be the issue in the coalfields that it has been up to now.

Remaining issues in the coalfields

37. The coalfield programmes have provided – and will continue to provide – the foundations for regeneration and growth in the coalfields. However, in most coalfields there remain stubborn and substantial deficits in terms of education and training, enterprise, health and, in some cases, employment.

38. Unless these underlying drivers of productivity and growth¹⁶ are addressed, the sustainability of the regeneration achieved to date must be in question. This is particularly so for the large proportion of coalfields (by population) whose employment adjustment so far has been weak (eg North Staffordshire, Cumbria, Northumberland, Nottinghamshire and North Derbyshire). The adjustment difficulties have persisted in these coalfields for a considerable time and will only be addressed by sustained and well integrated regeneration efforts from coalfield and non-coalfield programmes and mainstream service providers.

Policy review

39. This evaluation has provided some answers to the following important policy questions:

Is there still a set of problems in the coalfields related to their erstwhile dependency on coal mining?

40. The answer from the evidence in this evaluation and in the view of the evaluators is yes there is, although the problems are more profound and severe in some coalfield areas than others.

Has the set of problems changed over time?

41. The answer to this is yes and no. The extent of the physical blight has been significantly reduced but there still remains a job to be done. Employment prospects have improved but not in all coalfields. Skills and community development have been pushed forward. But, residents in coalfield areas have more difficulty in accessing job opportunities because of poor health, low educational attainment and the lack of an enterprise tradition.

Is there a rationale for continued public sector support to the coalfields?

42. The evidence suggests regeneration barriers are a stubborn combination of market and institutional failures that are difficult to overcome (especially in some areas). Furthermore, the regeneration job remains unfinished and unless the underlying drivers of productivity and growth are addressed, the sustainability of the regeneration achieved to date must be in question.

Have the coalfield programmes been effective and efficient?

43. The answer in the judgement of the evaluators is yes, with the exception of the CEF where it is too early to say. The programmes have exceeded most targets set for them and have done so with high levels of additionality at local area levels and good cost-effectiveness by comparisons with benchmarks and programmes producing similar outputs. Moreover, within the constraints of their resources and targets, they have worked in increasingly flexible, innovative and community based ways.

¹⁶ Five productivity drivers are identified by HM Treasury and DTI – eg *Productivity in the UK 6: Progress and new evidence* (March 2006) – www.hm-treasury.gov.uk/media/1E4/71/bud06_productivity513.pdf. They are competition, innovation, investment, skills and enterprise.

Should they be allowed to continue down the same path to finish the job they started?

44. The answer to this is yes and no. The performance of the programmes justifies their continued operation. However, times and wider policy contexts have changed, and the set of problems in the coalfields has moved on. There is a need to review how the programmes should operate in the future to ensure that regeneration activity in the coalfields is sustained based on the foundations they have already laid and plan to put in place.

Have the coalfield programmes had a positive impact on the regeneration of the coalfields?

45. In terms of their specific objectives (and again putting the CEF to one side), the answer is clearly yes – and there is more to come with the pipeline of NCP investments and the capacity building work of the CRT beginning to pay dividends. But, in terms of the wider regeneration needs of the coalfields, there is a lot more to be done, particularly in the health, worklessness and education domains that are not the primary territory of the NCP and CRT.

What have non-coalfield specific regeneration programmes and service providers contributed to addressing these other regeneration needs?

46. The answer in the judgement of the evaluators is, with some notable exceptions, not a great deal in terms of specific targeted and coordinated efforts to address the multiple and inter-generational problems of the coalfields.

Future policy rationale

47. On the basis of evidence presented in this report, the evaluators make recommendations about the need, justification and broad policy options for future policy intervention. Times have changed, government policy has moved on and its arrangements for local area renewal and regeneration are now very different. The evaluators suggest that coalfield regeneration policy needs to be brought into line with these changes.
48. The coalfields policy response formulated in 1997 was of its time – functional, and designed with some clear delivery activities in mind. It also had to slot into a fragmented, yet fairly well defined policy framework, where local partnership working was relatively weak and focused around existing area based initiatives such as SRB or the allocation of EU Structural Fund resources.
49. Regional and local devolution was only just emerging as a real possibility on the political agenda and the world of Local Strategic Partnerships and neighbourhood renewal through the Neighbourhood Renewal Fund and other initiatives was some years away. This policy rationale has been adopted and recently restated and confirmed as a Government priority in the Local Government White Paper (2006).

50. Therefore, the evaluators conclude that now is a good time to review and, as appropriate, modify the policy response to tackling the remaining problems in the former coalfields of England. In summary, the problem for the people resident in many of the coalfield areas is that they are disadvantaged by where they happen to live, and by an historic dependence on coal mining which was lost, in many cases, very abruptly. As such, they represent precisely the people and communities that the local and neighbourhood policy agenda is all about.
51. Moreover, the remaining issues that they confront – access to employment, education and skills, public health and transport – are domains where the role of mainstream service providers will be critical. Sustained regeneration of the coalfields will depend on how mainstream resources are allocated and used by organisations such as Job Centre Plus, LEAs and schools, DWP, PCTs, local authority transport planners, regulators and the sub-regional passenger transport authorities. The evaluators suggest that coalfield regeneration policy interventions need to be designed to make sure this happens especially in the most disadvantaged coalfield areas.

Further Information

Further information is contained in the full report, *Regenerating the English Coalfields – interim evaluation of the coalfield regeneration programmes*, which is available on the Communities and Local Government website:

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