



New Evaluated Manchester

Interim Evaluation of New East Manchester
Executive Summary

A report by the European Institute for Urban Affairs,
Liverpool John Moores University

Interim Evaluation of New East Manchester

Executive Summary by:

Michael Parkinson
Richard Evans
Richard Meegan
Jay Karecha
Mary Hutchins

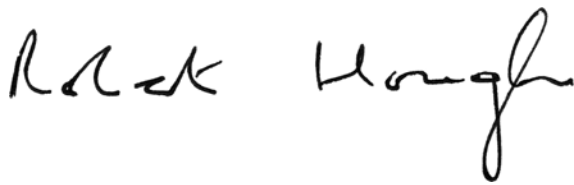
European Institute for Urban Affairs
Liverpool John Moores University

FOREWORD

I am pleased to introduce and, indeed, to welcome this report from Liverpool John Moores University on New East Manchester's performance and progress. The thoroughness and objectivity which the team have applied to their evaluation is evident for all to see. Although I am delighted with the report's overall conclusion that very good progress has been made against the objectives that my Board set itself in 2000, there are important insights and suggestions for improvement which we will need to examine in the coming months.

The report affirms that, notwithstanding the achievements of the last six years, the comprehensive regeneration of an area as large and complex as East Manchester, with very deep-seated problems of deprivation, requires a sustained commitment from NEM itself and also from its partners and stakeholders. This is very evident to all of us with a detailed working knowledge of the area and if NEM is to maintain the upward trajectory that this report highlights, then that commitment will need to be maintained in the appropriate form.

Finally, can I thank personally the European Institute for Urban Affairs team for their high standards, hard work and diligence in compiling this report – in particular, our gratitude extends to Michael Parkinson, Richard Evans, Richard Meegan, Jay Karecha and Mary Hutchins.

A handwritten signature in black ink, reading "Robert Hough". The signature is written in a cursive style with a large, looped 'H' and a long, sweeping tail on the 'g'.

Robert Hough
Chairman

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This Executive Summary is supported by a longer main report which contains more detailed evidence, analysis and argument than can be presented here.

SECTION A:

EVALUATING URBAN REGENERATION COMPANIES

1. What Are Urban Regeneration Companies Meant To Do?

- 1.1 There is currently great interest in understanding the contribution that different policy instruments and delivery vehicles make to the regeneration of our cities. This interest has been particularly stimulated by the debate about the future role of city-regions and their potential delivery vehicles like City Development Companies. The State of English Cities report, for example, recently provided a wide review of policy and practice in a range of cities. The Lyons review is looking at the economic role and contribution of local authorities to local prosperity. The Barker review is assessing the impact of planning on economic development. Most significant, the Treasury is carrying out a fundamental review of sub-national economic development and regeneration. Everyone wants to know what works. They want to understand what mix of powers, responsibilities and resources between partners at different levels of government and across the public, private and community sectors can best capitalise upon the burgeoning renaissance of English cities. This report provides a contribution to that debate. It evaluates the experience of one specific vehicle, which during the past five years has been regenerating one of the largest areas of economic, social and physical dereliction in one of the most dynamic provincial cities in England – Manchester.
- 1.2 New East Manchester (NEM) was one of the first three Urban Regeneration Companies designated by government in 2000 in response to Lord Rogers' Urban Task Force Report. The others were in Liverpool and Sheffield. Since then the number of companies has increased to 21, set in a variety of locations across the country and facing a range of challenges. Their experience should make a critical contribution to the current policy debate. Too often in the past in a search for novelty, government policy has moved from one regeneration initiative to another without learning from or building upon the achievements of existing approaches. Too often the policy baby has been thrown out with the bath water. It is important that the lessons that have emerged about the roots of success and failure from URCs are learned and built into the next phase of urban policy. In particular, the success of New East Manchester tells us a lot about how we should best manage our hard-pressed urban areas in future. NEM provides many important lessons about the processes, people, politics, and powers that are required to achieve successful urban regeneration.
- 1.3 URCs were designed to provide a different approach to regeneration from previous models, especially the Urban Developments Corporations that had substantial budgets and extensive planning powers. The Urban White Paper of 2000 which defined them said URCs were intended 'to work with a range of private and public sector organisations, including the Local Strategic Partnerships, to redevelop and bring investment back to the worst areas in our cities and towns.' Their job was to address significant latent development opportunities by developing and managing the implementation of a strategic plan, agreed by key stakeholders after public consultation to produce a collective vision for the future of the area. Their primary focus was to be physical development and the re-use of brownfield land.

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- 1.4 URCs were not intended to undertake a direct development role. Their job was to deliver physical improvements through partnerships, maximising the powers and expertise of existing agencies. They were meant to provide a focus and dedicated resources and would be created only where existing agencies could not have the same effect. URCs are companies limited by guarantee, established by local authorities, the Regional Development Agency and often English Partnerships. They were intended to be set up where local partners wanted them, rather than being imposed by government. So URCs receive no separate resources or specific powers other than those already possessed by the partners. They do not have their own budgets and rely on existing agencies for their core funding. This clearly requires the long-term strategic, financial and political commitment of the key partners.
- 1.5 National policy has always been that URCs should be flexible vehicles adaptable to local needs. However, there are some key basic principles that government believes they should adhere to. The key requirements of a URC are:
- A majority private sector Board and Chair.
 - Local authority and RDA membership.
 - High recognition of the URC in its Regional Economic Strategy.
 - A focus upon physical delivery of development.
 - An identifiable critical mass of development opportunities.
 - Evidence of market and/or institutional operational failure.
 - A clear idea of how it would add value.
 - A vision for the area and understanding of barriers to achieving it.
 - A 10-15 year regeneration framework.

2. What Did New East Manchester Plan To Do?

- 2.1 New East Manchester is one of the largest and most significant regeneration programmes currently being undertaken in the UK. It is attempting to regenerate a huge area of former industrial significance, which is very close to the centre of one of the most dynamic provincial cities in England. It is a crucial test of the extent to which policies and institutions can be devised which successfully link the benefits of the current urban renaissance to hard-pressed communities, which face significant economic and social challenges.
- 2.2 NEM faces more complex challenges than the other two first wave URCs in Liverpool and Sheffield. Essentially they are city centre initiatives with limited populations and areas. NEM has a much wider scale and is facing more complex economic and social challenges. NEM also faces much higher levels of deprivation than many other URCs. National data shows that compared with most other URCs NEM has more people, lower employment, higher deprivation, more households with a 'low' quality of life or standard of living, lower house prices, and more vacant or derelict land.
- 2.3 East Manchester is also the largest regeneration challenge the city of Manchester has faced, larger than those it faced in Hulme and the reconstruction of the city centre in the 1990's. The area, once the metal bashing heart of the city with some of the major heavy engineering firms, has seen the largest loss of jobs of any part of the city. NEM faced huge challenges in terms of the scale and complexity of the area, the institutional complexity and the scale of its ambition. It is very large area covering

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1,900 hectares. It lost 60% of its employment between 1975-85. The housing market had collapsed. It had 20% vacancy levels and negative equity. It had a low skills base, high crime, poor health, poor community and retail facilities. It had a fragile economic base with 52% on benefit and 12% unemployment. It had poor infrastructure and environment. Despite the relatively close proximity to both the city centre and M60 key parts of the area were relatively isolated because of inadequate transport links and other infrastructure. There was a wide range of overlapping area-based initiatives whose efforts had to be aligned including Single Regeneration Budget, New Deal for Communities, Health Action Zone, Education Action Zone, Sports Action Zone, Sure Start, Housing Market Renewal Fund, and Ancoats Urban Village.

The wider Manchester context - reasons for optimism

- 2.4 The prospects for success of any regeneration initiative are shaped by the wider context in which it operates. In NEM's case a number of features of the wider economic and institutional scene in Manchester suggested there were some grounds for optimism that the URC could be a success. These were outlined in the recent State of English Cities Report. For example, the Manchester economy has grown rapidly in recent years and has substantial economic assets in the media, HE, financial services, biomedicine and communications. There is a political consensus in the region on the importance of Manchester as the regional centre. There is substantial city centre renaissance, which allows potential linkage to NEM. There is a strong public private partnership and a committed local private sector. The local authority has a track record of delivering major regeneration projects. Manchester has the confidence of the external private sector and of national government. It has a good track record on design quality and master planning. Also NEM is the latest version of a well-practiced regeneration vehicle that delivered the successful regeneration of Hulme and the city centre. Key NEM personnel had been involved in earlier phases of regeneration. The success of the Commonwealth Games in 2002 in east Manchester had established an international profile, delivered significant facilities and increased public and private confidence in the area.

What did NEM plan to do?

- 2.5 NEM's vision and aspirations for its area was outlined in its original Regeneration Framework. It did not simply hope to make regeneration happen. It intended to: guarantee economic, social and environmental sustainability; achieve highest standards of physical redevelopment; retain its existing population; and improve its social and economic prospects. Two fundamental objectives underpinned the framework, linking the initiative's social and economic ambitions. The first was to create sustainable communities by ensuring that local communities benefited from job creation and by creating a place, which was attractive and friendly to live and work in with high quality facilities, which ensured long term viability. The second was to maximise its contribution to the economic competitiveness of both Manchester and the northwest region.
- 2.6 The original Framework identified four broad goals for NEM. It would act as custodian of the vision and regeneration framework and ensure highest standards. It would co-ordinate a wide range of area regeneration programmes with different boundaries, remits, timetables resources - SRB, NDC, Sure Start, EAZ, (now including HMRP) and mainstream programmes. It would drive forward major new physical developments - the new town centre, private sector housing programme, strategic environmental and public realm improvements. It would market East Manchester,

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raising its profile and building the private sector investment base. These were translated into a set of very ambitious goals: increasing the population of East Manchester by 30,000; building 12,500 new homes; improving 7,000 existing homes; developing a 160 hectare new business park; completing the Sportcity complex of world-class sporting facilities; the development of a new town centre; developing an integrated public transport system; raising educational attainment above the city average.

3. How Did We Judge NEM?

3.1 URCs have local and national policy significance. So this report assesses NEM in relation to the specific goals it set itself above but also in relation to a set of wider national success factors. ODPM, for example, identified the key criteria for URC success as: full commitment and involvement by key partners; close and effective working relationships with the local authority; getting local strategy right and communicating it widely; appointing a highly effective Chair, Board, Chief Executive and Executive Team; developing clear priorities and implementation arrangements; effectively involving and engaging stakeholders; including investment decisions of partners, other public sector organisations and private sector investors; integrating with other initiatives and establishing clear agreement on roles and responsibilities; establishing early momentum with high profile projects successfully delivered.

3.2 This report uses both the local goals and the wider success measures to:

- Examine the benefits and impact of NEM.
- Assess the contribution of the different partners.
- Show whether and how NEM has brought added value to the area.
- Assess NEM's implementation arrangements.
- Measure the programme's attraction of overall resources.

3.3 The report draws upon a variety of different evidence including: analysis of partnership arrangements based on interviews and key documents; perceptions of investors and other stakeholders; target, output, expenditure profiles; baseline analysis of the NEM area; residents' surveys. It also rests upon detailed analysis of NEM's achievements in the provision of sports and leisure facilities, economic development, housing, education, employment and training opportunities and community development. The following sections identify some key messages from those programmes and projects which were chosen to represent some of the most important initiatives NEM has undertaken. Each one illustrates wider messages about NEM. We consider in turn the contribution to economic development through a review of Central Business Park, to sports and leisure through an analysis of Sportcity, to housing through the New Islington millennium community and to community planning through a review of the Beswick experience. The remaining three sections focus on wider programmes rather than specific projects - community development, education and training and employment programmes. These sections only outline some key messages, concentrating upon the impact and added value of NEM. The full analysis can be found in the main report which accompanies this summary.

3.4 At the outset, we identify some of the key messages to provide a road map for the reader. The main report essentially demonstrates that NEM is making great progress. It is a good news story. NEM is on course to reach many of its specific outputs and

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targets. It is improving many of the social and economic conditions of the area. It has brought a range of community benefits and satisfied many of its residents. It has improved the educational and employability levels of many of its residents. It has delivered many of its key projects and is on track to deliver many more. NEM has added value to the projects, which have been done better or more quickly than if it had not existed. NEM has added sharper spatial focus, greater quality of product, attracted additional resources, improved private and public sector perceptions of and engagement in the area, increased partnership working. However, there is still a long way to go before the area is transformed and NEM and its partners do need to do some things better or differently in future if the gains that have been made so far are to be sustained. The following sections put some flesh on those bare bones. After this introductory Section A, the report presents evidence about policies, programmes, projects and processes in Section B, about outputs and impact in Section C and about policy implications in Section D.

SECTION B:

PROGRAMMES, POLICIES, PROJECTS AND PROCESSES

4. The Economic Programme: Creating Central Business Park

- 4.1 NEM's economic programme has three main aims: to reduce worklessness, encourage entrepreneurship and improve business competitiveness. It has tried to make the area more attractive to inward investment and growing companies by providing infrastructure, support and training to firms and potential employees and by strengthening the indigenous business base. It has also tried to integrate economic initiatives with housing, community and educational developments to maximise local benefits. This section focuses on one of NEM's key early interventions, the Central Business Park, which feature many of these elements and provides a good indication of NEM's success in shaping the trajectory of the area.
- 4.2 Establishing Central Park as a centre of excellence for the commercial development of ICT is one of NEM's key projects and of critical importance to East Manchester's future prospects. It is the largest economic development opportunity within the area and offers the greatest potential for securing new, high quality, inward investment and jobs. This is crucial since East Manchester has traditionally suffered from lack of investment, dereliction, decline of traditional manufacturing industry and high concentrations of unemployment and poverty. Central Park's prestigious quality is also of immense symbolic significance and a key part of attempts to lend the area a more attractive image.
- 4.3 NEM's initial aspirations for the Central Park were twofold. First they wanted to integrate separate land parcels to provide a high quality business and industrial park with a strong identity, high landscape quality and an effective management and maintenance programme. Second they wanted to provide a new central entrance and transport hub to improve access and connections and to form a gateway and symbol for the entire business park.

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How successful has the project been and what are the key messages?

- 4.4 The Business Park has made substantial progress. Many of the key goals on site acquisition, remediation and provision of a high quality business park with good maintenance arrangements have been successfully achieved. Good progress has also been made in delivering the outputs required by the different funding agencies. Management and implementation arrangements have worked well. NEM have played a critical role in delivery. In total, 39 jobs have been created by the project and 1,000 preserved.
- 4.5 The report showed that NEM contributed added value by:
- playing a crucial role in procuring resources and making a robust business case for Central Park;
 - conducting or facilitating critical negotiations, especially with the major tenant Fujitsu;
 - minimising project costs;
 - minimising private sector risk exposure by preparing a risk management strategy, promoting innovative design and construction solutions and advising development partners on how to mitigate VAT.
- 4.6 Most partners agreed that if NEM did not exist some form of business park project would eventually have materialised. But it would have been nothing like the same scale or quality as Central Park. Development would have taken place on a piecemeal basis if NEM had not persuaded NWDA to utilise their CPO powers. NEM has speeded up implementation. Partners universally felt that the NEM officers involved in Central Park had been effective and helpful in many different ways. The Chief Executive had been a powerful advocate for the scheme throughout and used his influence to procure resources, secure buy-in from partners, unblock problems and in one case rescue critical negotiations. This catalytic role has instilled private sector confidence in the project.

5. Delivering Sports and Leisure Facilities: The Sportcity Story

- 5.1 One of the fundamental problems facing East Manchester when NEM was created was the poor quality of recreational, retail and health facilities. Population decline was reinforcing the downward spiral. To reverse this process and underpin new economic and residential investment, improvements in community services, community safety initiatives and enhanced leisure and health facilities have been a key element in NEM's programme. This section focuses on East Manchester's major new leisure attraction, Sportcity. It provides a litmus test of the extent to which NEM and partners have capitalised on the main site for the Commonwealth Games and put the area on the map by attracting major new leisure events and facilities to Manchester and improving local residents' access to and enjoyment of the facilities. The creation of a new town centre next to the sports and leisure facilities to increase retail provision and give the area a new focus has been crucial to the project's success.
- 5.2 Sportcity contains the largest concentration of sporting facilities in the UK. The transformation of a formerly largely derelict area of heavy industry into a complex of modern leisure facilities has been a lengthy, ambitious project involving many partners and substantial investment in mixed-use and leisure-related, development.

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The 65ha site once contained heavy industry, a power station, a coalmine, gasometers and railway sidings. But these mainly closed down in the 1970s. Pollution posed a major reclamation challenge. On the other hand, the site offered a key strategic opportunity to give East Manchester a new lease of life. It subsequently became the focus for two Olympic bids and then the successful 2002 Commonwealth Games bid.

How effective has NEM been and what value added has it brought to Sportcity?

5.3 The report demonstrated that the initiative as a whole has been a remarkable achievement. It has:

- physically transformed one of the most polluted sites in Europe into a showcase sports facility;
- successfully relocated all 56 of the businesses displaced by the redevelopment, 50 of whom are still trading;
- successfully staged major events, notably the Commonwealth Games in 2002 and a growing number of different sports, leisure and conference events since then;
- ensured that there were no white elephants following the Games by finding users for different facilities and fully exploiting the legacy by continuing to attract major events to Sportcity;
- actively promoted community use of the facilities and encouraged volunteering - this increased local awareness and ownership of Sportcity developments and helped to achieve wider goals such as improved health and reduced alienation amongst some groups;
- fostered a spirit of collaboration between different facilities in exchange of expertise, equipment sharing and local contracting;
- given a community badly hit in the past by economic restructuring and lack of public and private investment new grounds for hope;
- minimised some of the adverse impacts of Sportcity events through visitor management and traffic reduction measures;
- linked the development of Sportcity to wider regeneration plans and the development of community sports and leisure provision;
- maintained the momentum by promoting further development for example, regional casino bid.

5.4 Sportcity is a success. It has become a new regional magnet and district centre. The amount of private housing supplied without subsidy has exceeded original expectations. The shift of emphasis towards constructing houses augurs well for creating a more mixed, sustainable community. Sportcity is very well served by public transport and pedestrian links. It has been successful in maximising local benefits and minimising adverse neighbourhood effects.

6. Improving Housing Provision and Opportunity: The New Islington Story

6.1 New Islington is a key piece of the jigsaw both in terms of providing a gateway to East Manchester and also regenerating the eastern fringes of the city centre. The project is a litmus test of whether higher density developments in city centre fringe areas can become sustainable communities, attracting a wide social cross-section. New

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Islington is on the western boundary of the NEM area and the eastern fringes of the city centre. This area was until recently an unpopular social housing estate that has been designated by the government as a 'millennium community' and is in the process of being redeveloped. It is the only Millennium Communities initiative located in an existing residential area and poses the challenge of reconciling existing residents' needs and preferences and also prospective homeowners.

- 6.2 The arrangements for executing the project have worked well. The design competition attracted considerable interest from a large number of leading architects and developers. The partnership has proved robust and durable. Its core members Urban Splash, English Partnerships and NEM have remained committed partners throughout. Partners have learnt from one another in terms of resident participation methods, design principles and content and procurement methods.
- 6.3 Early developments have been well designed and have been well received. The quality of life of those former residents who have returned has improved. While there has been inevitable disruption, residents no longer experience the anti-social behaviour and other problems they once did. And their new homes are as spacious as their former dwellings and are much more energy efficient. The partnership has engaged residents in many ways and shown considerable flexibility in accommodating former residents' preferences. Some residents based within the NEM area have also benefited from the job and training opportunities associated with the project.
- 6.4 Both client partners and also local developers felt that the New Islington project has positively influenced private sector attitudes. Developer and investor interest in the eastern fringes of the city centre has steadily grown since New Islington acquired Millennium Communities status and there are an increasing number of schemes in the pipeline. The project analysis showed that without NEM and Ancoats Urban Village, the project would have been delayed by 10 years. It would have been of lower quality by 50%. It would have been of lower scale by 50%. The project has increased developer interest and commitment in the NEM area. The project has boosted investor confidence in the NEM area.
- 6.5 AUVN/NEM have specifically added value by:
- shaping the development of a key part of the city fringe which is the interface between the city centre and East Manchester;
 - speeding up the project by 50% by co-ordinating inputs especially from the city council on re-housing, acting as mediator between the public, private and community sector thereby securing co-operation and progress chasing;
 - maintaining pressure on partners to achieve high standards and securing compliance with the conservation and design code;
 - acting in a co-ordinating and troubleshooting capacity;
 - reminding partners that policies adopted in New Islington should complement and be consistent with those for East Manchester and the rest of the city for example, housing affordability.

7. Improving Neighbourhood Planning: The Beswick Experience

7.1 The report focussed upon the Beswick area of east Manchester to provide a neighbourhood perspective on NEM's regeneration programme because it involves a combination of all its main programmes and demonstrated the extent of joint working between NEM's programme teams. The first major housing redevelopment was undertaken by NEM and key elements of the education programme are focused on Beswick. As part of the core area of Beacons New Deal for Communities, the neighbourhood has also been a focus of community engagement and development activities. It has pioneered the neighbourhood planning process in Housing Market Renewal. What does the report tell us of NEM achievements?

The Value Added of NEM

7.2 NEM, the developers and lead RSLs agree that, although there is still some way to go, the neighbourhood has changed for the better. New houses have been built and sold and existing homes modernised. One key indicator of success has been the rise in property prices, although this brings with it difficult issues of affordability and, for the RSLs, the issue of right to buy/acquire becomes more important. The average price of property in Beswick has more than trebled between 2000/1 and 2004/5. Increases of this – or even of any - magnitude would have been unthinkable ten years ago.

7.3 The interest of private sector developers in the wider regeneration programme has been stimulated and reflected in the presence of large, national developers on the Developers Panel in addition to regeneration specialists like Lovell and Gleeson. The "tenure blind" shared equity and social rented properties are being taken up. The lead RSL has a much lower number of void properties and a much more stable stock of properties overall than would be expected in areas similar to Beswick. While there is still much to do to achieve the objectives of the Neighbourhood Plan, all the signs are that the neighbourhood is becoming a place where people want to stay and to which they are willing to move.

7.4 Developers acknowledge the success of NEM in facilitating dialogue with key funders like English Partnerships and NWDA. As one put it, NEM 'has a strategy' and 'sees the bigger picture.' The fact that it operates recognisably with a high degree of delegated authority from the City Council further strengthens its co-ordinating role. NEM helps to keep developers on track and encourages collaborative working between them. It plays an important role in promoting a holistic view of regeneration, positioning housing in broader community development. All emphasised the need for a "vision" of the kind provided by NEM's Regeneration Framework.

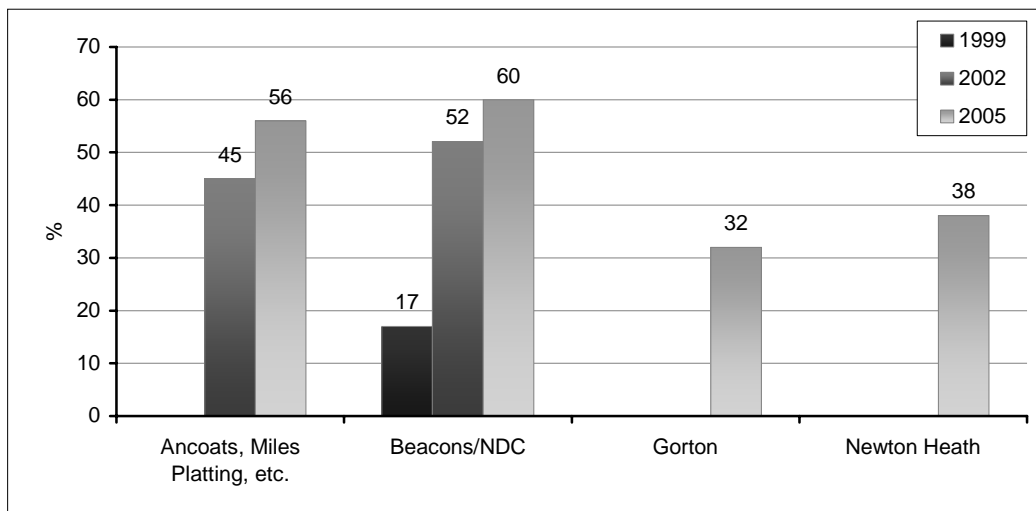
7.5 Beswick is an example in microcosm of the added value that NEM brings to the overall regeneration programme - pulling together funding partners, engaging the private sector and attempting to secure holistic redevelopment. Its structure facilitated the extensive joint working across housing, education and social programmes that underpinned the neighbourhood strategy. Its neighbourhood plan provides the organising framework for the necessary inter-agency partnership working. The neighbourhood planning process was itself facilitated by the significant community engagement and development work that NEM, and notably Beacons NDC, had undertaken. It encouraged and sustained, the necessary community buy-in. Development of the scale and reach of Beswick requires a driver and proactive leadership. Partners believe that NEM provides it.

8. Strengthening Community Cohesion

8.1 NEM made it a major target to build the capacity of local residents and capitalise on existing strengths to create a more cohesive community. It invested substantial resources in the activity. £10.1 million has been budgeted for the strand over the 10-year programme, about 13 percent of the total expenditure for the Community Framework as a whole (£79.3 million).

8.2 The community regeneration programme has already had a major impact. NEM and Beacons NDC have played a catalytic role with a coherent suite of projects that have developed the community infrastructure and supported the voluntary sector. The residents' surveys showed that it has changed their perceptions of the degree to which their neighbourhoods are improving. Much higher proportions feel that the neighbourhoods have improved in the areas in which NEM activities have been concentrated so far than the more recent additions to the programme (Figure 8.1). For example, the figures for Beacons NDC, which is the only area for which 1999 figures are available, show a dramatic increase in the proportions of residents who feel that their neighbourhood is getting better, from 17 percent in 1999 to 60 percent in 2005.

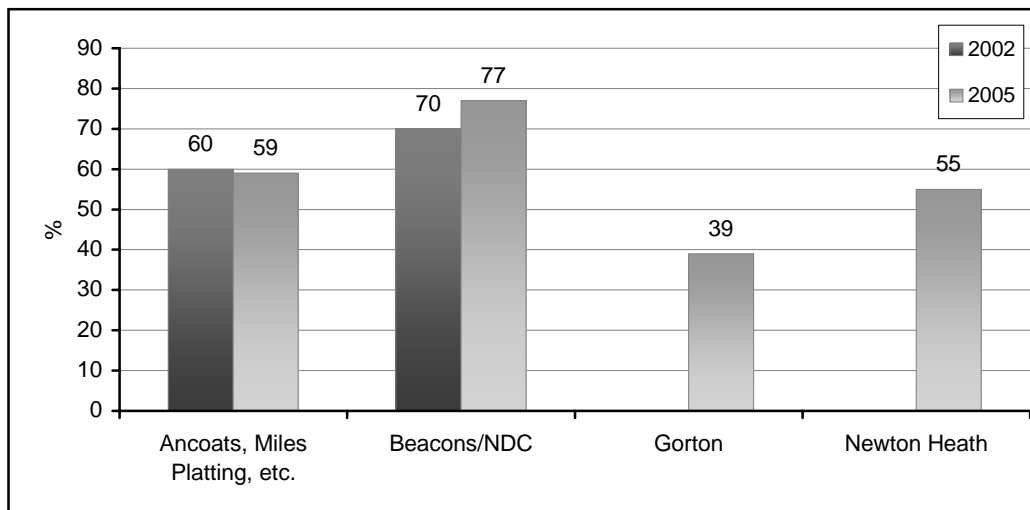
Figure 8.1: Proportion of respondents stating that neighbourhood is 'getting better', 1999, 2002 & 2005



Source: Kwest Research Perceptions survey

8.3 The surveys also showed that residents felt that regeneration agencies had played a key role in improving the area. This approval rating was particularly marked in the Beacons NDC area, suggesting a strong degree of identification with the agencies involved (Figure 8.2).

Figure 8.2: Proportion of respondents expressing the view that impact of local organisations on the area has been to 'improve the area', 2002 & 2005



Source: Kwest Research Perceptions survey

8.4 The 'community capacity and cohesion' targets that Beacons NDC set itself have either been achieved or are consistently on track for being achieved by the end of the programme with:

- the proportion of residents who believe the area is getting better rising from 17% in 1999 to 60% in 2005, only 5% below the target figure of 65%;
- a reduction in the proportion of those not interested in getting involved in the local community to 20%. This 5% above the 15% target but a massive reduction in the figure of 43% in 2002.
- a reduction in the proportion of those wanting to move out of the area to 24% - 4% above the target of 20%;
- an increase in PCs in residents' homes to 52% - an increase from 19% in 1999 and just 3% below the target figure;
- an increase in the proportion of people who have heard about New Deal to 70% - up from 41% in 2002 and 6% below the target figures.

The balance sheet

8.5 There has been a marked increase in the proportions of residents who feel that their neighbourhoods are improving. There is a clear recognition on the part of the majority of residents of the role that the regeneration programme and agencies have played in this improvement. Residents' surveys also show a relatively strong sense of community and community spirit. As an index of change, Beacon NDC has either achieved, or is well on course to achieve by the end of the programme the targets it set itself for achieving 'community capacity and cohesion'. A critical mass of people are engaged with the regeneration programme and it is essential to sustain this if the transformational change needed to foster a New East Manchester identity is to be achieved.

9. Improving Educational Provision and Performance

9.1 NEM had ambitious aims to improve the quality of education in east Manchester. Their original goals were "...to develop education and training provision which raises expectations, sustains high attainment and giving all children the best start; ensuring successful progression between key states of learning; raising the quality of teaching available to young people in east Manchester; ensuring children, young people, parents, carers and other local residents value and support education and training; securing high quality facilities which demonstrate the high value placed on lifelong learning by the regeneration partners and the local community; promoting lifelong learning provision; developing the skill of young people to make a positive contribution to their community."

9.2 The report showed that NEM has achieved many of those ambitions and provided added value to the education programme by providing a strategic framework that has brought education closer to economic and social programmes. NEM has encouraged:

- joint working across the programme teams to develop the education framework;
- the joint funding of projects;
- inter-agency partnership working;
- community engagement.

The dedicated education framework and the proactive role of the Education Action Zone/and New East Manchester Education Team (NEMET in translating national policy developments into the local context have intensified and quickened the pace of change in east Manchester. National recognition of key elements of the Education Programme has also helped to promote the area.

Joint working across the programme teams

9.3 Development and implementation of the education framework involved extensive joint working across NEM's programme teams, notably in the strategies for early years development and the rolling out of Sure Start and in the new schools programme. NEM facilitated this multi-disciplinary approach.

Joint funding

9.4 One crucial feature of the education initiative is the degree to which income was generated in addition to the core DfES funding. Indeed, over the lifetime of the Zone, DfES grants only accounted for approximately a quarter of income. Other public sector contributions made up 57%, and private sector (principally in kind) contributions 18% of total income. NEM has facilitated this combination of different funding sources. When EAZs were wound down, one of the criticisms of the programme was the failure in general of Zones to attract private sector support. This criticism cannot be levelled at East Manchester EAZ, however. NDC/SRB has been an important source of public funds for the programme, providing 43% of public sector contribution other than DfES grants. This level of funding underlines the extent to which the EAZ and NDC – as two key elements of NEM – have worked closely together to deliver the educational programme.

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Partnership working

- 9.5 Inter-agency collaboration in delivering the educational programme has also involved considerable joint working in the preparation of strategies and project delivery. Not only, has Sure Start been rolled out across the east Manchester area but also the principles of the strategy and lessons from the rolling out process are being used to shape policy for the rest of the city. The EAZ's Learning Network, for which it received national recognition, is another good example of the extensive collaborative working on which the educational programme has depended.

Community engagement

- 9.6 The Education programme has widened community engagement to bring in parents, teachers and children. Schools coordinators and the Homes Schools Liaison officers have developed new links with parents. Wider community input into the Education Programme has also been secured through Ward Coordination structures.

Conclusions

- 9.7 The Education Programme has been one of NEM's success stories, with its multi-stranded approach meeting virtually all of its targets and producing significantly improved educational outcomes that put it well on course to meeting its challenging educational performance indicator.

10. Increasing Employment and Training Opportunities

- 10.1 The NEM area has deep-seated economic problems because of the steady haemorrhaging of jobs from manufacturing during the last twenty years and difficulty in attracting new industry because of dereliction and residents' lack of skills and qualifications. Reconstructing its economic base is crucial to its future prospects. NEM's economic programme consists of two strands - employment and training and business support - which closely complement one another. Skilling helps residents compete for existing jobs and makes the area more attractive to incoming businesses. Effective business support measures boost job and training opportunities.
- 10.2 NEM has been very active in all these areas. This section explores the degree to which NEM has: successfully married promoting an economic resurgence in east Manchester with ensuring local people have access to new job opportunities; improved the coherence of local training provision; positively influenced its local training and employment partners by raising the quality and labour market relevance of interventions; changed residents' attitudes to training and work; promoted innovation and good practice; achieved its targets and expectations.
- 10.3 Project deliverers, partners' and residents have consistently positive views on NEM's achievements. Its programme is highly regarded because interventions have dovetailed and added value to mainstream provision. NEM has adapted well to national policy shifts and changing local circumstances. Staff are valued because of their commitment, enthusiasm, expertise and willingness to try innovative approaches and tackle difficult problems. NEM has made a tangible difference to local outcomes in the following important ways:

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- its employment and skills programme has helped NEM marry economic regeneration and improved residents' access to job opportunities giving the local community renewed hope and confidence;
- it has linked local training and employment programmes together and has offered ladders of progression, tried to fill major gaps in provision and to add value to mainstream services;
- it has encouraged much closer partnership working between job and training organisations with one stop shop approaches, more coherent planning and provision, more client referral and better networking;
- the success of projects targeting the nearly job ready has boosted private sector confidence in training provision;
- it has been responsible for a number of innovative initiatives;
- intensive marketing of job vacancies and training and job support services has raised local awareness of job and training opportunities;
- new forms of outreach with hard-to-reach residents has raised their aspirations and increased local take-up of training and job support services;
- greater use of other organisations' intelligence has enabled NEM to target provision more effectively;
- training providers have been held to account more by close dialogue, rigorous monitoring and performance review.

Most important, these factors have improved local job prospects and raised skill levels of residents of east Manchester.

SECTION C:

PROGRESS ON OUTPUTS, OUTCOMES AND IMPACT

11. The Big Picture: Is NEM On Target?

11.1 The previous section looked at a series of critical programmes and projects that NEM has so far delivered. This section of the report tries to paint a picture of the overall progress NEM has made in relation to its short, medium and long-term targets that were identified in its original strategic framework. Its long-term targets, to be achieved over a 10 to 15 year period, were:

- increasing the population of East Manchester by 30,000;
- the construction of 12,500 new homes;
- the comprehensive improvement and modernisation of 7,000 existing homes;
- the development of 160ha new business park (Central Park);
- the creation of over 10,000 new jobs in the area;
- the completion of the Sportcity complex of world class sporting facilities;
- a new commercial and retail centre for east Manchester at Sportcity;
- the development of an integrated public transport system incorporating Metrolink, heavy rail, bus and car transport as well as pedestrian and cycling provision;

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- a rise of educational attainment in east Manchester schools above the city average.

These are deliberately aspirational high-level targets, a mixture of output and outcome measures of success. Many factors influence whether these targets are achieved, and NEM only has control over some of them. Ultimately success is dependent on delivery by a range of different organisations as well as national and local policy priorities and actions. We look at their performance across them so far.

Increasing population – much progress but more to be done

- 11.2 There has been considerable progress on population. The decline in residential population in NEM has been halted and the area is now experiencing a slight increase in population. But the area is not yet witnessing the large increases in population required to raise the residential population by 50%. This was a particularly ambitious target, set against a background of citywide population decline. Since 1999, Manchester's population has been growing with an increase of 26,000 residents between 1999 and 2004 (4.9% up). It is set to increase by 9.6% between 2001 and 2016. However, even if this population increase is achieved across the city, the population target will take longer to achieve than originally envisaged.

New home construction – much progress made

- 11.3 NEM is making good progress towards its target of providing 12,500 new homes. Anticipated delivery of new homes was modest for the early years of the programme, and there were just 22 new builds in 2001/2. However, in 2005/6 some 2,567 homes were completed or on site, bringing the cumulative total to 3,406. There are a further 15,000 anticipated new builds. This suggests that NEM will meet the original target by 2010.

Modernising existing homes – real achievement

- 11.4 This target will be met. The stock transfer of local authority housing to Eastland Homes will result in significant improvements over the next five years. So far it has made improvements to 2,000 of their homes.

Central Business Park – a success story

- 11.5 The target for Central Business Park has been met. Phase one of this project has been successfully completed. The business park covers 182 hectares. Fujitsu UK has taken 175,000 sq ft of floorspace, and the One Central Park building contains 96,000 sq ft of floorspace. Master planning and scene setting work for phase 2 - Central Park South - covering 145 hectares is now underway.

Creating 10,000 Jobs – progress on an ambitious target

- 11.6 NEM is performing well and has created 3,131 jobs so far. The number of people employed in the NEM area is increasing – up 7.8% in the NEM original area and up 13.2% in the NEM extended area. It is outperforming national and regional trends. The NEM extended area is ahead of citywide job growth rates. NEM is performing well in terms of jobs safeguarded and had achieved 82.3% of its lifetime target by the end of March 2006. Three quarters of NEM projects with a target for safeguarded jobs have achieved their lifetime target. However, this remains a very ambitious target. In 1999 an estimated 11,600 people were employed in the NEM original area.

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Creating 10,000 jobs would mean virtually doubling the number of employees working in the area.

Sportcity, commercial and retail – real achievements

- 11.7 As the report showed in detail earlier, Sportcity has been achieved and is a great success. The new commercial and retail centre is largely complete although additional retail units may be added.

Integrated public transport system – progress is partial and slow

- 11.8 There have been substantial delays as a result of central government policy on the Metrolink in particular. This should be speeded up by the recent policy decision to support it. However progress has been made in other areas. Advanced infrastructure for Metrolink is in place. Cycle and pedestrian pathways have been improved – particularly along the Ashton Canal Corridor with primary and secondary City Centre to Sportcity routes.

Educational attainment – substantial progress made

- 11.9 NEM has two main educational attainment targets. The first is to raise the performance of schools in east Manchester to the citywide average. This was achieved in 2005. The second target is to be in the top quartile of schools in the North West. This is a very ambitious target but good progress is being made. In 2001 there was a 28.9% gap between the performance of NEM schools and the NW top quartile. By 2005, the gap had been cut to 12.8%.

Programme Expenditure

- 11.10 During the first five years of the NEM programme outturn was £622 million. Anticipated outturn throughout the lifetime of the programme currently stands at £2,683 million. So far 23% of anticipated total lifetime outturn expenditure has been achieved. This overall picture conceals the differences in public and private sector outturn. 44% of total public outturn was achieved in years 1-5 with just 12% of anticipated total private sector outturn. But NEM anticipates that this public pump-priming will achieve the private sector target by 2010.

Overall outputs

- 11.11 The outputs that can be identified and quantified across funding streams and projects are listed in Table 11.1. NEM is performing strongly across these outputs. Where delivery is slow this tends to be a consequence of phased delivery, for example new housing was always to be delivered later in the life of the programme and new stock is now coming on stream across all tenures.

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Table 11.1: NEM Programme Outputs

Output	Lifetime target	Outputs Achieved 31/03/06	% lifetime target achieved
Public Open Space (hectares)	1	1	100.0
Jobs Safeguarded	5,168	2,466	47.7
Land serviced (hectares)	30.1	23.11	76.8
Brownfield land reclaimed (hectares)	113	88	67.3
Floorspace for new or upgraded business premises (sq m)	148,318	83,236	56.1
Jobs Created	12,484	2,366	25.1
Land brought back into use (hectares)	190	134	23.7
Renaissance programmes including public/civic realm (sq m)	36,400	7,207	19.8
Housing: Affordable	2,018	236	13.0
Housing: Key Worker	650	100	28.6
Housing: Market Value	9,832	3,487	37.7

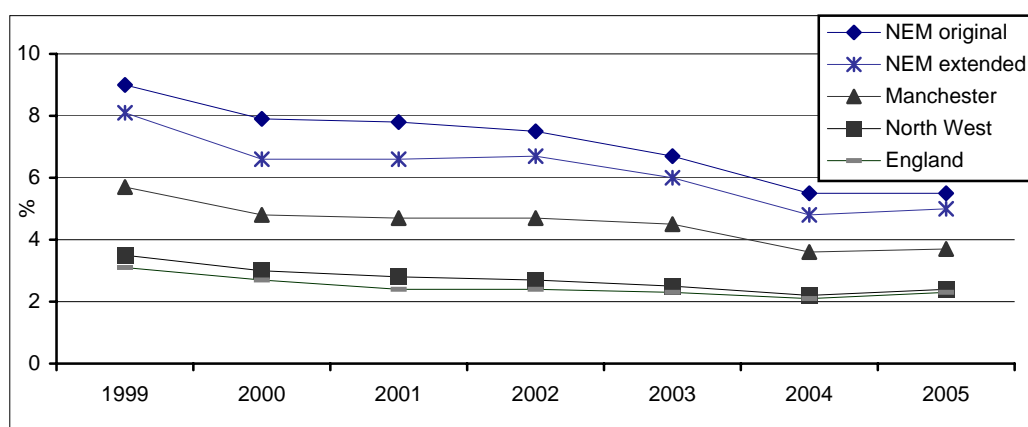
12. Making a Difference on the Ground?

12.1 This report shows that much has been achieved by NEM in east Manchester. The area is heading in the right direction. Given the scale of challenges faced in the area at the start of the initiative, this represents real sustained progress. The NEM area is clearly picking up. However, the job is not yet done. There is much more to do if east Manchester area is to catch up with Manchester city averages, let alone the superior regional and national averages.

Unemployment

12.2 Unemployment rates have fallen in the NEM area. Nevertheless they have remained at over twice the North West rate between 1999 and 2005. NEM rates have consistently been above the Manchester rate.

Figure 12.1. Unemployment rates, claimants as a proportion of persons of working age, October 1999-October 2005



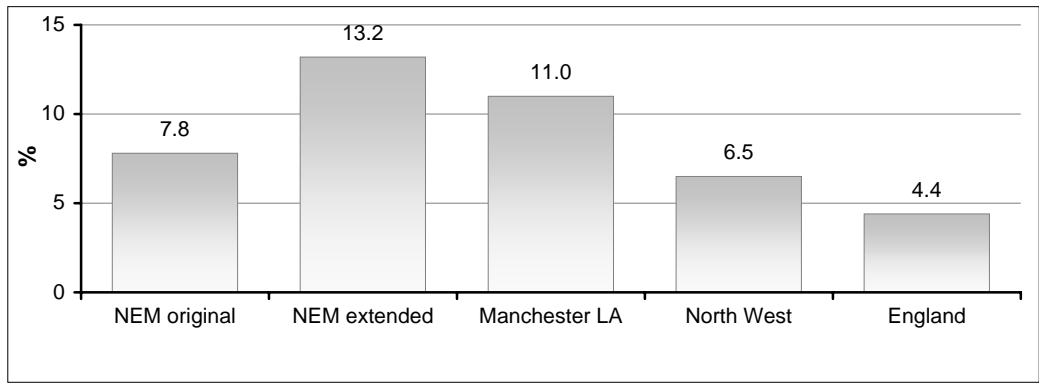
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Employment

- 12.3 Employment growth has been higher in Manchester and the two NEM areas, than in the region. NEM original's employment growth is below the Manchester average. NEM's extended employment growth is above the Manchester average.

Figure 12.2: Percentage change in total employment 1999-2004



Incapacity Benefits and Severe Disablement Allowance

- 12.4 There has been a slight fall in claims at the 'NEM original' level, and also a slight fall at the Manchester level. But there has been an increase in IB & SDA claimants at the 'NEM extended' level.

Income Support

- 12.5 There were falls in the number of claimants in both NEM areas in the period 1999-2005. The fall in NEM original is greater than that seen in Manchester. The fall in NEM extended is smaller than that seen in Manchester.

Figure 12.3. Percentage change in income support claimants aged 16-59, 1999-2005



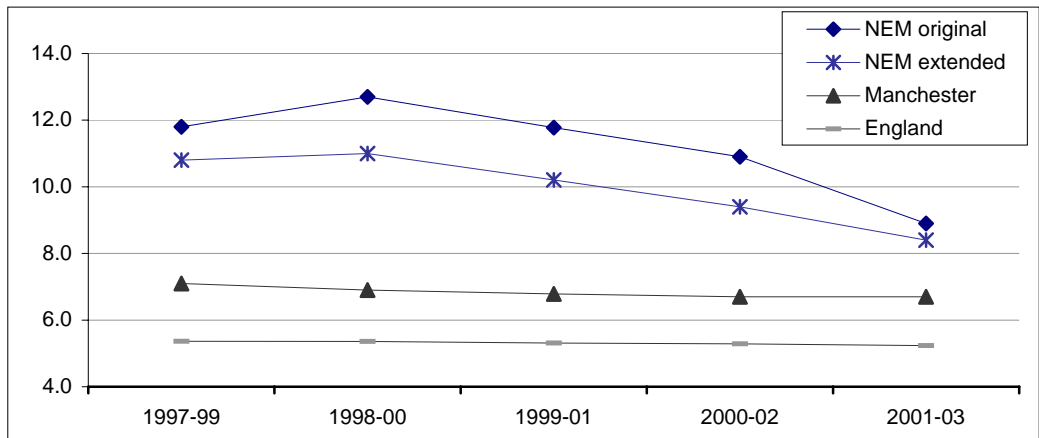
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Health

- 12.6 Both NEM areas have made some progress in terms of reducing teenage conception rates towards the national rate. However considerably higher rates persist. The NEM rates are also noticeably higher than the Manchester rates. The low birth weight rate data show some slight progress towards moving inline with the national average. The NEM rates are just slightly above the Manchester rate.

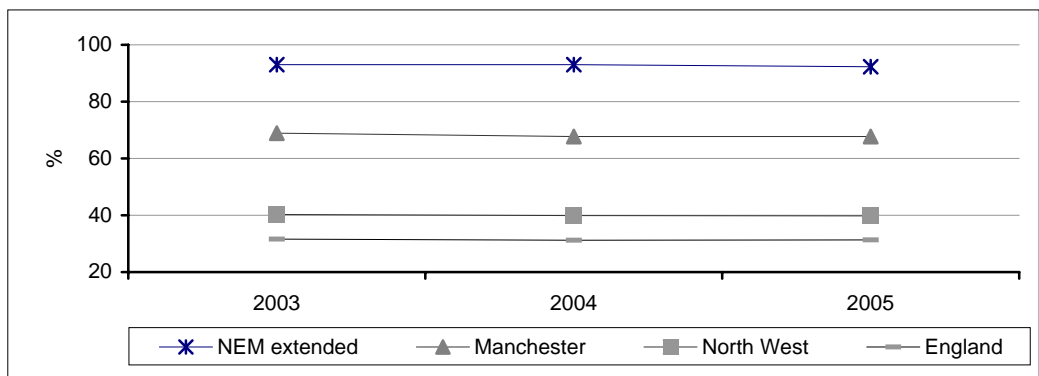
Figure 12.4 Conceptions to under-18s as a proportion of all conceptions



Deprivation

- 12.7 The Index of Deprivation data show that the NEM areas experience some of the most concentrated deprivation in the country, most especially in the 'NEM original' area. The 'quality of life' data also show that, despite some improvement, there is a very high proportion of persons with a 'low' quality of life or 'low' standard of living in 'NEM extended', compared with Manchester, the region and the national picture.

Figure 12.5 Percentage of households with 'low' quality of life 2003-2005



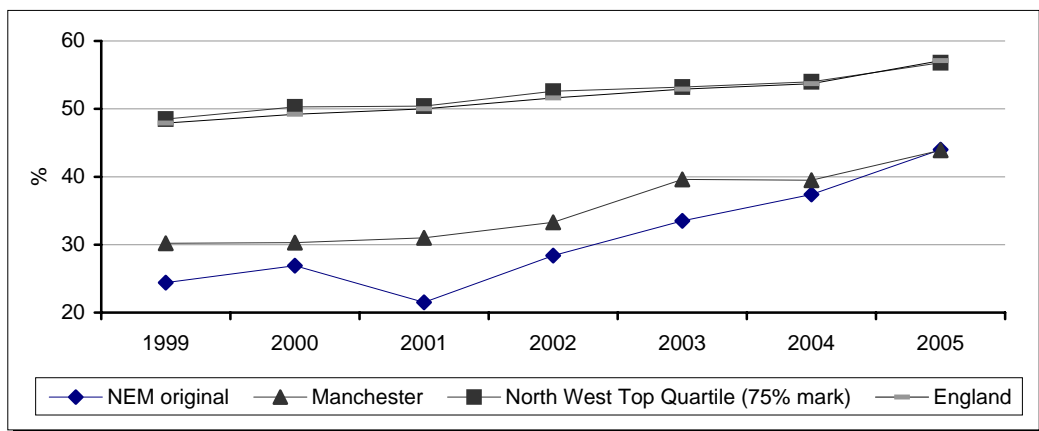
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Education

- 12.8 There has been real improvement in the performance of schools serving the 'NEM original' area. They have closed the gap on the North West top quartile in terms of GCSE performance. By 2005 NEM had just slightly exceeded the average performance of schools within Manchester Local Authority. The Key Skills 2 English data show that the performance in 'NEM original' has improved. But it has not managed to close the gap on the North West top quartile. Key Skills 2 Mathematics data has not shown improvement in performance however, and there has not been a reduction in the gap with the North West top quartile.

Figure 12.6: Percentage of pupils attaining 5+ GCSEs grades A* to C 1999-2005

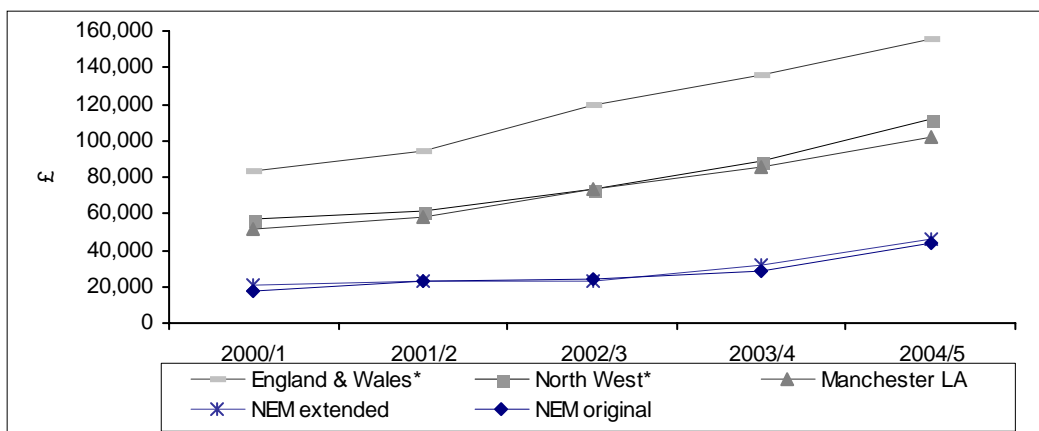


Source: Department for Education & Skills, & Neighbourhood Renewal Unit

Housing

- 12.9 In terms of house prices there is a large gap between the NEM areas and Manchester and the North West. But the gap is closing. Over 3,400 homes are either currently on-site or have been completed. This is over a quarter of the new homes overall target.

Figure 12.6: Median house prices (£), all house types, 2000/1–2004/5



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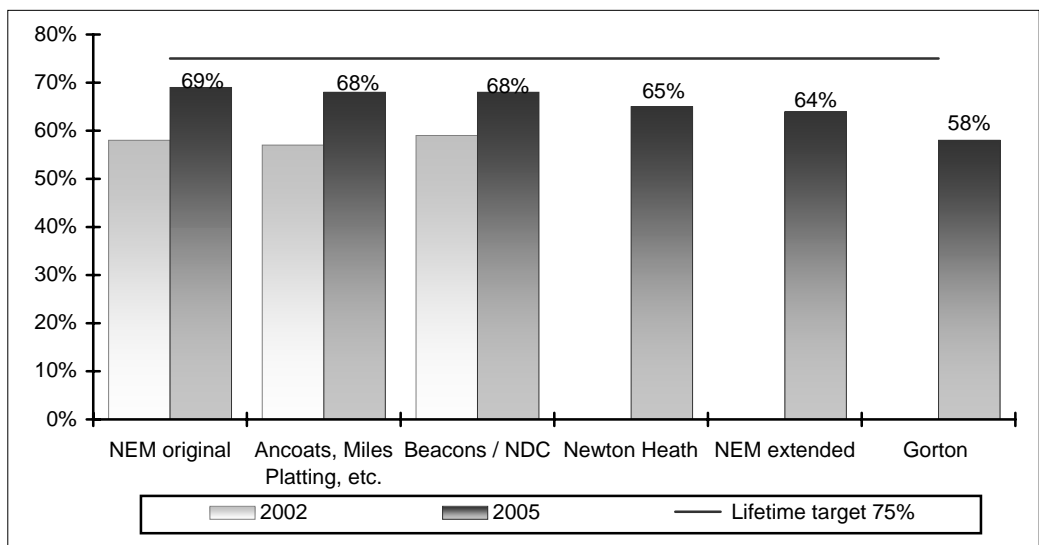
Land

12.10 NEM has serviced three quarters of the land identified in its lifetime targets. More than half of NEM's lifetime target for floor space for new or upgraded business premises has been achieved. So far 11.8 hectares of land have been brought back into use, 23.7% of NEM's lifetime target. Significant amounts of vacant land and buildings were transferred into use during the period 2003-2004. The amount of land area 'currently in use, but either allocated for development or with an outstanding planning permission', is also increasing. There have been substantial changes in land use in 'NEM extended', even if the most difficult to develop areas of land remain undeveloped.

13. What Do the Residents Think?

13.1 The residents like what is happening to east Manchester. Satisfaction levels among residents across different parts of the area are increasing, even though they remain below the NEM target level of 75%.

Figure 13.1: Percentage of residents 'satisfied' or 'very satisfied' 2002-2005



Source: Kwest Research Perceptions Survey

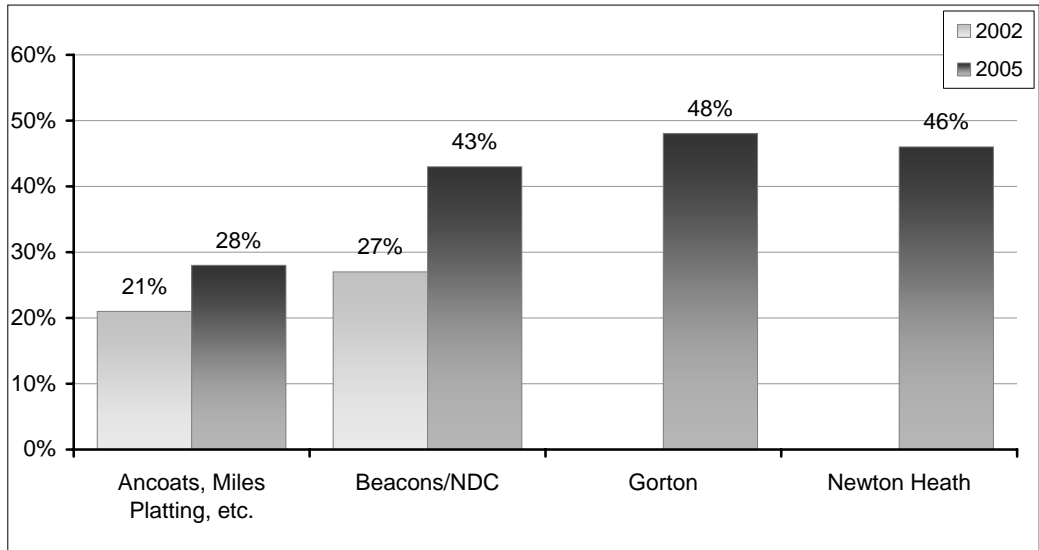
Accommodation

13.2 The numbers of residents who are 'very satisfied with their accommodation' has increased.

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Figure 13.2: Respondents 'very satisfied' with accommodation 2002 & 2005

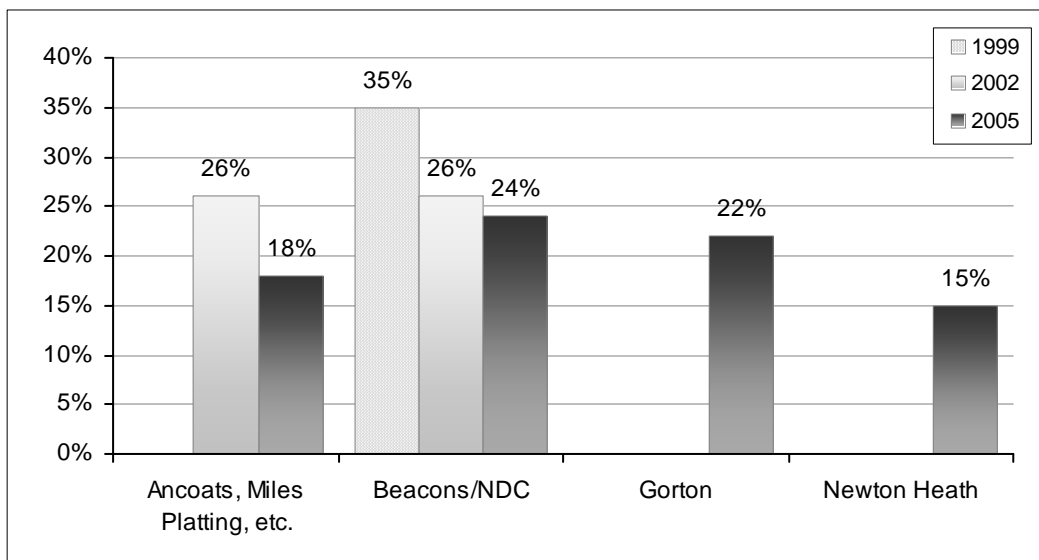


Source: Kwest Research Perceptions Survey

Moving plans

- 13.3 Smaller proportions of residents have plans to leave the area compared with earlier years.

Figure 13.3 : Respondents planning to move from present home 2002 & 2005



Source: Kwest Research Perceptions Survey

SECTION D:

WHAT ARE THE POLICY MESSAGES?

14. Who Must Do What to Sustain the Gains?

14.1 The main report has provided a lot of detailed evidence that NEM is making great progress. It is a good news story. This summary report confirms this. NEM is on course to reach many of its specific outputs and targets. It is improving many of the social and economic conditions of the area. It has brought a range of community benefits and satisfied many of its residents. It has improved the education and employability levels of many of its residents. It has already delivered many of its key projects across its strategic ambitions and is on track to deliver many more. NEM has added value to the projects, which have been done better or quicker than if NEM had not existed.

14.2 This final chapter does not repeat the individual project assessments of earlier chapters. Instead it pulls together the threads of our analysis and provides an assessment of the overall impact of NEM as well as the steps it must take next to sustain its success in the coming years. It assesses the achievement of the NEM partnership model and whether it has added value beyond individual initiatives. It tries to put some flesh on the bones of the analysis so far by reporting the views and aspirations of a range of key partners on:

- The achievements of NEM so far.
- The added value of the NEM.
- The secrets of its success.
- Outstanding challenges for the area and NEM.
- Who must do what next to sustain the gains?
- Policy messages for government.

What have been NEM's achievements so far?

14.3 Previous chapters have presented many parts of the jigsaw. But what does it look like to those who have invested so much effort, time and resources in NEM? The picture is a very positive one – from insiders and outsiders, senior and junior. The successes of NEM far outweigh any disappointments. The Chief Executive of Manchester City Council said it was 'overall a remarkable achievement, a resounding success. The URC has led to the serious commitment of NWDA and EP. It has shown that an organisation with a wide remit could secure a holistic approach to regeneration. It has influenced the behaviour of the local authority in terms of neighbourhood devolution and has influenced education through pilot experiments in the Education Action Zone.' The Chief Executive of the Chamber of Commerce, who is a board member of another URC, put it this way. 'That part of the city centre was a dump. It's great to see the transformation. The area had no identity in the past. But people now know where it is. The URC's style and approach is great. It has an unusually good Chief Executive. It has a good big team. They have got lots of secondees. It was backed by a city centre vision. It was part of a city Masterplan. It has taken the community along. It has brought developers in. It has not shied away from the need

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to bring in new people. I have seen many URCs. Some are not credible. This one hangs together. It is on fire'

14.4 The leader of Manchester City Council was equally positive. 'The URC is working. It has given us tremendous capacity. The area would have been a long way behind without it. It has allowed us to effectively co-ordinate social programmes and get inter agency working. It has brought close relationships with regional and national partners, which we do not have outside the URC area. NEM has wider social responsibilities than other URCs and this has been important. East Manchester is visibly and psychologically different than it was five years ago. The physical development has been pretty enormous. Education has improved. Crime has come down. We have created a housing market which is not simply speculation, although there is some. People are moving into the area from outside. Council housing is no longer low demand. There is not a flood of new businesses but there are clear shoots of economic revival beyond the big projects. But the change is fragile. The unwinding must be careful and be monitored. It will need all of the ten-year programme. The Council has always regarded east Manchester as a 20-year project.'

14.5 A team member put the achievement this way. 'There has been massive change in the area – far less crime, better education, lower unemployment and better job prospects, a better environment, fewer empty homes and improved housing conditions, better more responsive services. There are big changes physically – Sportcity with all it entails, the massive changes in Ancoats, the Business Park and City Works, Asda, the new homes especially in Beswick. More importantly there is a real hope amongst a large proportion of the existing population who do believe it has got better and is worth remaining here. Linked to this it is now a place where people are not only willing to move but also are prepared to invest heavily in new homes. This can't be underestimated. '

14.6 In his view NEM had achieved the following:

- Matching opportunities in east Manchester with the market and projects like Aspire, which provides local work and training for residents.
- Changing the way social services work in the area.
- Providing new educational facilities and support.
- Gaining the trust of the community after all the failed initiatives.
- Marketing the area by ensuring NEM is constantly in the local press.
- Building trust and confidence with the local private sector.
- Linking to other strategies and successfully working with multiple partners with different objectives and monitoring methods.

14.7 A developer put NEM's achievement as:

- 'Changing the perception of the area and establishing it as a location for reinvestment.
- Re-engaging a community or communities that had almost ceased to operate in many areas following years of industrial decline, neglect by central government, poor investment decisions by the public sector and a lax planning system which favoured out of town and greenfield development.

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- To establish what the economic role of the area is in relation to its sub-regional and regional context.'

14.8 So there is a consensus across the sectors on the major achievements NEM has made so far. However, despite this there is equally no doubt amongst the major players that NEM still faces a major challenge to widen, deepen and sustain its achievements. NEM is still a long way from hitting all of its specific targets. It still needs to make east Manchester an area of choice for residents, community and investors. The NEM rock is half way up the hill. There is much development planned. If support is not maintained it could just as easily roll back down the hill as reach the sunny uplands at the top. It is critical that all partners realise this and continue to support NEM. We discuss this issue at greater length later in this report.

What is the added value of NEM?

14.9 So there is much progress in the east Manchester area. But the question arises: Would it have happened anyway if NEM had not been invented? Has the area simply benefited from the performance of the national economy and the economic success of the city of Manchester itself during the past decade? The answer from all the participants is a clear no. NEM has added value. Stakeholders are clear that it has done different things or done things differently - that would not have happened if it did not exist. NEM has brought vision, partnership, area focus, coordination, speed, engaged the private sector, engaged the local community.

Sharper area focus

14.10 The leader of the local authority underlined that the URC had been necessary to achieve three purposes. The first was to link together a series of related but separate regeneration initiatives. The second was to get the formal strategic endorsement of the key partners - North West Development Agency and English Partnerships. The third was to provide a sense of place in an area, which had suffered from huge economic and social problems but also from a lack of coherent identity. In his view the initiative had achieved all three goals. It had successfully linked many of the complementary area-based initiatives. It had created a strategic partnership between key public and private sector players. And it had created a framework in which the area could be addressed as a coherent entity. It had also emphasised the connection between NEM and the city centre and emphasised the economic opportunities for NEM just as a decade earlier City Challenge had made the private sector aware of the locational and economic advantages of Hulme.

Quality and speed

14.11 A senior team member assessed the added value in the following way. 'The regeneration of east Manchester would have taken some form, particularly following the Commonwealth Games. But NEM has brought a focus that has ensured that the regeneration is more significantly fundamental, has ensured greater quality and has happened a great deal quicker than if the vehicle had not been in place.'

Increased partner commitment

14.12 A developer added a different perspective 'Some regeneration of the area would have taken place. But if it had been led largely by the council, I am not convinced the funding partners would have been so willing to commit the level of resources that they have done over the last five years – or would be willing to invest so much in future. It

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can act as an interface between the local community and the council or other public and private bodies and between the council and the private sector.'

Private sector engagement

- 14.13 There is considerable agreement that NEM has encouraged the private sector to think of NEM as a place in which to invest. This was made abundantly clear in the project review of Central Park. It is underlined by the views of the Chief Executive of a major firm, which chose to relocate in the NEM area precisely because of the attractions of working with a dedicated, understanding and flexible team. In his words 'We were tearing our hair out and going around in circles until we met NEM. It helped us get grants from the RDA. They helped us find a site. They helped with getting customised training. They helped us recruit 50 local employees. More generally the team's positive enthusiasm persuaded us that the area was one in which we could have confidence in the future and NEM is an agency we could do business with.' Eventually the firm closed a plant in the south of England and located it in east Manchester.

Engaging community and changing local perceptions.

- 14.14 One of the most significant and potentially enduring effects of NEM has been to change the way in which the people who live in New East Manchester see themselves, their area and the actions of external agencies. Residents, community board representatives, NEM team members underline the great achievement of NEM in raising the morale of the local community. Many underlined that before NEM existed the place and many of its the people felt neglected and abandoned. Morale was low. There was a need to raise the expectations of the families in the area and in particular to challenge the low expectations of children. There was virtual unanimity that those attitudes had dramatically changed. There had been considerable local cynicism initially. As many partners observed, the community had heard such promises before. But the philosophy, style and achievements of NEM – building upon the achievements of the NDC – had changed peoples' views. The Chair of the Board underlined that one of his greatest achievements and pleasures was seeing the degree of community engagement, participation and enthusiasm in the area which NEM had been able to capitalise upon. Team members equally consistently pointed out that the level of community engagement was one of the primary achievements of NEM. A team member put the achievement most simply 'People are not embarrassed to say they are from here anymore.'

Organisational synergy

- 14.15 NEM has acted as an umbrella for many regeneration programmes and initiatives. A key policy question is whether it has been more than the sum of the parts and proved more than just a badging device. The answers to both questions are again yes. NEM has generated added value by co-ordinating interventions within a wider framework, procuring resources and achieving synergies with other initiatives by combining their respective strengths. For example NEM's focus on development has provided leeway and scope for the NDC to carry out time-consuming community engagement work, which has in turn benefited NEM by helping to build community trust and confidence in the regeneration process. NEM and the Housing Market Renewal Programme have complemented one another because NEM's holistic approach to regeneration has given the latter programme a wider logic and boosted its credibility. Co-location of NEM, NDC and EAZ/NEMET has enhanced resource procurement, tied in education more closely with related economic and social programmes and

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enhanced community involvement in educational initiatives. NEM's increased use of secondees has proved valuable. They have boosted its internal capacity, built rapport and mutual understanding between NEM and the seconding body and also helped embed initiatives in partner organisations improving the prospects of achieving mainstreaming.

What are the secrets of success?

- 14.16 We explored whether the success of NEM could be explained by the partnership, the resources, the area focus, or other factors.

Timing, political support and people

- 14.17 A senior team member offered the following analysis: 'It is a combination of all of these, although some have greater significance than others. The main factor is the opportunity – being in the right place at the right time. The hosting of the Commonwealth Games together with the prioritising of east Manchester by the City Council was critical. The fact that it had not benefited from previous regeneration funding helped to ensure it became the recipient not just of a URC but also a raft of other regeneration activities. The shift in emphasis that the new Labour government brought to regeneration, and the significant resources that followed, have been essential. We are also well placed to take advantage of a very keen interest by the Government in east Manchester. The area focus has been significant. The cocktail of initiatives has been a key factor not necessarily due to the resources it has attracted - important though that is – but more due to the staff it has brought to bear on the area, a number of whom cut their teeth in Hulme. The success of NEM is largely down to some key individuals who have worked collectively to ensure it.'

A helpful wider economic and policy context

- 14.18 At the outset of this report we underlined the importance of the wider economic and institutional context in which regeneration initiatives have to operate. A housing developer underlined their importance by identifying some of the crucial macro factors that underpin NEM's success:

- 'Its location close to the economic drivers of Manchester city centre, the universities, the airport and the completed M60 motorway link.
- The benign economic circumstances that most of the country has enjoyed over the last ten years.
- The tightening up of the planning system, which is much more focussed on development in town and city centres and on brownfield land.
- The introduction of a number of key social programmes such as New Deal that has enabled a more holistic approach to be adopted than in many other URCs.'

The virtue of partnership

- 14.19 The NEM partnership was another secret of success. The relationship worked especially well in the early days when the initiative was new and the only game in town. The major partners committed people, time, effort, resources and especially political capital. The Chair of the URC underlined the important contribution from partners. EP had brought significant resources as had NWDA as well as CPO powers, the local authority had brought people and revenue and capital resources.

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Intelligent relationship with the local authority

- 14.20 A key feature of NEM's success has been its intelligent working relationship with the local authority. NEM fits into a model of arms-length bodies for regeneration, that Manchester has developed in recent years including most obviously Hulme and Manchester city centre after the IRA bomb. This encourages very close working between the company and the local authority but gives the company freedom of manoeuvre as well. NEM is able to present itself as a private sector operation with considerable autonomy, which gives reassurance to the private sector. Board members and partners are very clear that the private sector would not have been so willing to work with NEM if it had been simply a local authority organisation. The Chair also underlined that residents would not have been as happy working with the local authority, which is often their landlord or provides a whole range of services. They trust NEM. Senior figures in the local authority also accepted that it could never have operated in the same way as NEM or delivered so many of its benefits. But a private sector partner also believed NEM benefited from the association with the achievements of Manchester City Council on regeneration during the past two decades. She said 'Manchester has this incredible belief it can do anything it wants. Manchester is good at this stuff. NEM can present itself as an extension of the local authority when it wants to be associated with success.'

The team

- 14.21 All partners agreed that the talent and experience of the NEM team had been a major secret of its success. The Chief Executive of the NEM is very experienced and has been a great success in leading the initiative. He has had the advantage of a number of very experienced team members who have been in the regeneration game in Manchester for a long time. Also NEM was able to build upon the achievements of a range of the social initiatives already happening in the area. In particular the resources, commitment and quality of the NDC and EAZ teams have made a major contribution to the success of NEM. They delivered real, tangible social benefits to NEM residents, which made residents more prepared to wait for the economic and physical benefits that inevitably take longer to deliver.

Early wins - the Commonwealth Games

- 14.22 Staging the Commonwealth Games was a huge challenge for the Manchester City Council. However, once it was achieved it meant that NEM was able to build upon its major achievements. It provided the basis of Sportcity. It generated huge community involvement through the volunteering programme which NEM has tried very hard to sustain with considerable success as earlier chapters showed.

How far to go – outstanding challenges for the area and NEM

- 14.23 Everyone agrees east Manchester and NEM have made a lot of progress. But the next stage will be just as – if not more – challenging for the residents, the area and NEM partners. The job is at best half done. The report showed there are big challenges for the area and for the organisation. What are they?
- 14.24 A senior team member, for example, identified the following key challenges:
- To develop a more effective economic strategy for east Manchester and its role in the sub-regional economy and ensure that the area is well placed to meet changing economic circumstances.

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- To ensure that the expectations of communities who have become more effectively engaged over the past five years are managed as their communities increasingly become the subject of major development proposals.
- To effectively engage the private sector as the majority of investment in the regeneration of east Manchester in the future will be from the private sector.
- Since there is a property market now in the area, to ensure that new investment goes to the right places at the right time.

Expanding and diversifying the economy

- 14.25 Even an enthusiastic supporter like the Chief Executive of the Chamber identified some continuing concerns. 'There are a lot of premises ready but some employers have concerns that there is not much else around. Some think it looks pretty but are still concerned a bit about safety. There is a lack of public transport and this could prevent people getting into the area. NEM has done well with developers. But the area needs more employers. But it is difficult to galvanise the private sector if they are not already in the area. They do not live in that part of town. Companies may know about it - but they don't stump up cash.'
- 14.26 The Chair of NEM defined its future economic challenge this way: 'We need a new generation of business services in the area. We are perfectly located close to the motorway for this. We need a workforce that is locally employed within a three quarter of a mile radius. We need links to sectors that are higher up the value chain. We need to capitalise upon culture, media and sports. We need companies coming out of universities. We need to be served by good transport. We have gone through a slow decline of manufacturing and the next generation of jobs must be driven by SMEs. But mainly we need the next generation of families in this area to have a good standard of living.'

Creating an area of choice

- 14.27 A key challenge is to make east Manchester 'normal'. This will involve providing a richer mix of services than currently exist. The area will need better schools, better shops, better transport, safer streets, a better environment. It will also involve reconciling the aspirations and needs of the new communities that are being attracted to the area while ensuring that the interests and needs of the existing poorer communities are met as well. A developer expressed the remaining challenges for the area like this: 'While the perception of the area has significantly changed for the better, its physical appearance improved and tangible improvements in the general well-being of the community with less unemployment, and better education, the community remains unbalanced. It is still dominated by lower income groups, single parents, the elderly and other vulnerable groups. It still lacks the social and physical infrastructure that other groups, particularly young families look for - that is larger family houses especially semi detached properties, good schools, areas of attractive open space and viable local centres offering shopping and other facilities. It is critical to the area's long term sustainability, that working families are both retained and attracted back to east Manchester if it is to become sustainable in the long term.'

Financing and supporting the social benefits

- 14.28 NEM has benefited enormously from the financial and human resources that the New Deal for Communities programme brought to east Manchester. But the programme and its resources will not be available in future. It will be a major challenge to meet

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the expectations of communities that have rightly been raised during this period. Both the Chair and ward councillor have underlined the importance of those social benefits in persuading residents that there would be eventual benefits for them from the long-term economic programmes. It will be a particular challenge in the extended areas of NEM, which have as yet to see the long-term economic benefits but will not be able to benefit in the same way from the levels of investment that the core areas have enjoyed.

Who must do what next to sustain the gains?

Partners restating commitment to NEM

14.29 NEM is a success. But it is living in a changing policy and financial landscape and runs the risk of being the victim of its own success. In the early days there were only 3 URCs. Now there are 21. The Sustainable Communities Plan and the growth areas in the south had not been invented. As a consequence, there are many competing demands upon the resources and time and attention of the funding partners, in particular English Partnerships and the NWDA, especially in view of the obvious progress by NEM thus far. The Chair is clear that NEM must not wind down but must forge ahead at full speed. But his view was that partners 'are not as receptive to us now as they find new things to do.'

14.30 NEM needs a second act not an exit strategy. It is crucial that all partners remain committed to the NEM initiative. Even if there are declining resources there must not be declining strategic and political commitment by the partners. As one team member put it, 'The regeneration of east Manchester should remain a high priority, is still fairly fragile and does require continued and probably greater input. It is probably more important than ever that the Board engages in a meaningful, strategic debate about the future not just of NEM but of regeneration in Manchester.' The partners should return to NEM's original philosophy and strategy and ask what needs changing or retaining in the coming years. In particular partners after a period of re-examination should recommit to the initiative and be clear what it means for their own organisations in terms of future commitments, resources and attention. That honest reappraisal could eliminate any lingering uncertainty about intentions and make clear to each partner what they had to do in future years. In the meantime, there are a number of more immediate issues that the partners should focus upon if they are to sustain NEM's gains.

A more strategic Board

14.31 The local authority regards the Board as well led by a thoughtful private sector person. But some have argued that the Board has not been as strategic or as dynamic as it might be in leading the initiative. However, others take the view that the primary task of the Board is to look after the governance arrangements and to allow the Chief Executive and team to lead. On balance the view is that the Board has played the right kind of role. Some recent appointments from the private and public sectors might increase dynamism. One Board member expressed the view that the Board should extend its membership to include more public agencies like LSC, Housing Corporation, HMRP as part of a strategy to engage more with regional players in future. The Board must also decide where it wants to go during the next five years and where it can add the greatest value and how it will address the big challenges and the wicked issues it will face during this period.

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The Team – more administrative capacity

- 14.32 The qualities and achievement of the Chief Executive of NEM are universally acknowledged. He is a senior figure in the area who has had extensive experience of regeneration initiatives. He has good relationships with his Chair, board, team members, private sector and local authority. However there is a concern that the structure is very flat and that there has been a gap between the Chief Executive and more operational team members. The gap has been recognised recently and there are plans to appoint a Deputy Chief Executive. Although this is late in the life of the organisation, the decision is welcome and sensible. It means the Chief Executive can continue the necessary political, representative, marketing and networking activities while a senior colleague can undertake some of the administrative burden.

The team - more development skills

- 14.33 Many of the team members are very experienced and have contributed a great deal to NEM, especially in education, housing, and community development. However, there is a view that the team needs to be stronger on the development front. This is particularly important since economic and physical development will play a larger role in future than it has in the past as NEM seeks to increase the level of private investment and development in the area. The next challenge for NEM will be about guiding and assessing investment from the private sector, as opposed to changing the perceptions of the area to make it attractive to market.

Refreshed marketing

- 14.34 NEM's marketing activities need some thought. The 'New Town in the City' marketing drive early on successfully raised the visibility of the area and the profile of constituent regeneration initiatives. NEM has achieved significant press coverage and increased awareness of good news stories affecting east Manchester. But many felt that NEM has found it difficult to sustain early marketing efforts because of limited resources. There is also a view that there could have been greater clarity as to whether the focus is on promoting the company, the brand or the place. Some partners felt that NEM should be more pro-active in promoting common branding and suggested that some projects had been developed within a vacuum in marketing terms. It will be vital to align partners' approaches more in view of the number of regeneration programmes operating in east Manchester, NEM's stretched capacity and the doubling in the size of its designated area.

What should the local authority do?

- 14.35 There is wide recognition of the achievements Manchester City Council has made in regeneration. But many believe it has been less good in delivering some of the basic services to areas like east Manchester. One of the advantages frequently claimed for NEM is that it was closer to the community and more sensitive to local needs. It was, in some people's words, 'less bureaucratic' than the local authority. If the local authority takes back responsibility for many of the social programmes, it will be important that the trust and relationships built up with the local community are not lost. The gains have been made in improving the delivery of services in NEM must be sustained in future years or the return on the huge financial and political investment might be less than anticipated.

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Future role for NEM

- 14.36 NEM was a ten-year initiative. But meeting the challenge of east Manchester will take at least twenty years. Partners should now begin to think clearly about the future of the area after 2009 and of what kind of delivery vehicle will be needed. All partners accept that after NEM has gone there will need to be a co-ordinated response. But there has been little systematic thought of what that might be. And there should be. The team, the residents, the private sector and key partners will wish to know what succession arrangements will be put in place and when. This underlines a worry that time-limited organisations face difficulties in getting long-term commitments from partners and in retaining experienced staff as they approach the end of their working life.
- 14.37 A number of options are available. But the primary view is that the social and community programmes should be absorbed back into the local authority. Given the area-based reorganisation that is taking place in the city, the local authority believes it would not be appropriate to have a special arrangement for east Manchester in future. However, it is recognised that the economic and physical development task is not finished. Many believe that some version of NEM should continue after 2009 and that it should primarily focus upon the tasks of economic and physical development. There should be some discussion whether the education and training component of NEM might also be retained. Senior officers in NEM believe that a physical development programme that could not deliver the appropriately trained workforce would be a missed opportunity. Whatever the role, resources and responsibilities any future organisation would have is open to debate. But that debate should begin sooner rather than later.

Next steps for NEM

- 14.38 A former Board member identified six things that NEM should do next. They reflect much of current opinion about NEM:
- It should get the right team and a staffing structure fit for purpose for the next set of challenges.
 - It should get the founder members to buy in to the process for the next five years and to demonstrate continued support.
 - It needed a clear statement of what they plan to do with clear outcomes. The current plan is not tangible enough.
 - It needed to play a bigger role in the emerging new city regional agenda, to be more visible as an exemplar of good practice in the new Regional Economic Strategy.
 - The board should recharge its batteries and become more dynamic.
 - It should appoint a driving deputy Chief Executive who could bully through the process internally and externally allowing the Chief Executive to do what he already does so well.

What policy messages for government?

Roles, responsibilities and resources for URCs.

- 14.39 NEM is a success. But this does not necessarily mean the URC policy generally is a success. For example, there are a series of advantages that the first three URCs
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have had in comparison with the generation which followed. In particular the first URCs benefited from having the wholehearted commitment from the major partners at the outset when there were only three URCs in the country. As NEM's Chief Executive said, in his dealings with the private sector he could honestly say he had the wholehearted support of all levels of government, which was a real incentive for them to think about his area. For that reason initially he did not believe that URCs required extra powers and resources beyond those which the partners possessed.

14.40 However, that position is not necessarily the case now that the circumstances have changed. Many feel in the changed circumstances, URCs may not have the capacity to deliver in the way that the first three companies have done. Many partners have argued that there have been too many URCs declared which do not have a sufficiently compelling rationale. In one team member's words 'the brand has been devalued.' Many argued that the capital resources required for URCs to deliver have not been guaranteed. This question of whether URCs have the necessary powers and resources to deliver their ambitions – or whether they can continue to rely on those held by their major partners - is an open question.

14.41 One developer provided this cautionary note about the URC model. 'The model has some advantages in delivering urban regeneration from one where delivery remains with the local authority. However because a URC cannot own land and is not the planning authority for the area, its hands are tied in trying to deal with new development in the area. Also it has no resources of its own for social programmes – other than in NEM's case the New Deal, the SRB and EAZ programmes that have been run in tandem with NEM.'

14.42 Another team member compared URCs unfavourably with Urban Development Corporations. In his view 'Government should be careful about the creation of any more URCs on the existing model – there is a large number already. In many cases the UDC model may be more appropriate. While some UDCs were a poor advert for this model and led to poor quality development and lack of engagement with surrounding communities, these issues can be addressed. Central Manchester UDC was extremely successful. It worked very closely with council. But the fact that it had land and planning powers gave it the degree of autonomy to pump prime a key area of Manchester. It could be argued that it set in place the regeneration that was to take place over the next 15 years in Manchester.' A team member entered similar reservations about the URC model. 'The UDC or HAT model is more clear-cut from personal experience. Even in the SRB partnership model, at least the funding was devolved to local partnerships who managed within agreed ODPM tolerances. Even though they were often locally authority controlled, they were constitutionally more independent – or felt it. If URCs are the only acceptable model then certainty of funding is crucial.'

Government as partner

14.43 Many involved in Manchester argued that the URC had changed the behaviour of local and regional partners, who now act much more in partnership than in the past. But they were disappointed that central government departments had not responded in the same positive way. Many do not believe that central government outside ODPM (DCLG) have sufficiently entered into the spirit of partnership in the way local and regional partners have. Some departments had not been sufficiently flexible nor had they understood the significance of area-based working. Many argue that government is not coherent enough at the centre as different departments handle

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different parts of the urban agenda, requiring local partners to put the system together again on the ground.

- 14.44 A local authority leader and Board member of NEM made a related plea to government – to let go. ‘The private sector wants two things – consistency and speed of decision-making. But national government makes it difficult for local partners to provide either. Local authorities have not been fleet of foot in the past and so the URC model can add value. But the government should shut up a bit. There is a real danger the process is becoming too centralised. We have to dance to too many controls. Civil servants are too frightened to let go because of the fear of local failure. But local partners will not be more responsive to national government if they squeeze us too much. Instead it will make local partners more apathetic.’

What future for URCs?

- 14.45 Some doubts have been expressed whether URCs constitute a single coherent policy and are an agreed delivery vehicle. Many also argue that government no longer attaches the same degree of significance to them that they once did. Some partners argued that too many URCs with too few resources and powers have been created in too many disparate places. Although government stresses that the URC movement is essentially a locally driven initiative, it does need to reconsider the future of URCs and the significance it attaches to them.

What messages for future development vehicles?

- 14.46 An important question raised by the experience of URCs is their implications for future economic development vehicles – possibly City Development Companies. It is not certain what powers and resources CDCs would have. But the presumption is that they would cover a wide range of responsibilities economic and social and cover large territories, possibly city-regions. It is clear from NEM’s experience that certain principles are critical to success. These principles include for example: having a strategic regeneration framework; having an arms-length body; having an area focus; having longer term commitments; getting the private sector on board; getting the strategic and funding commitments of key partners, having the right people and the right political relationships between them in the team, Board and local authority. These characteristics have helped NEM to flourish. But there is another different message which does not necessarily sit easily with the potential range of responsibilities and territorial reach of putative CDCs. Partners both inside and outside Manchester stressed that a key virtue of the URCs was their tight spatial focus and their limited range of responsibilities. As one team member put it ‘You cannot do neighbourhood regeneration at city–regional level. Economic issues can be addressed there. But regeneration issues must remain local.’
- 14.47 Delivery vehicles should be fit for purpose. Their roles, responsibilities and resources should vary in terms of the challenges they face. For example, local authority leaders in Manchester argued that a URC was an appropriate model for New East Manchester because of the scale of the area, the extent of physical and economic dereliction, the range of overlapping initiatives. But it was not their preferred model for regeneration in other parts of the city where the challenges were different. Indeed they doubt whether they would use the URC model in future. Many partners said that government should recognise that the variety of challenges and circumstances required a variety of responses. In particular, they advised against a uniform national policy that would specify where and when delivery vehicles should be adopted across the country. Local circumstances should dictate.

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The overall balance sheet on NEM

14.48 So what is the big picture on NEM? How well has it performed, has it made a difference to east Manchester, has it added value? Section 3 identified a set of questions this evaluation would attempt to address. We gave a variety of detailed answers to them throughout the main report. But at the end of this summary report it is important to repeat some simple answers to those questions.

14.49 The first question posed for this evaluation was the extent to which NEM had met national government's definition of a successful URC. They are defined as the following:

- Full commitment and involvement by key partners.
- Close and effective working relationships with the local authority.
- Getting local strategy right and communicating it widely.
- Appointing a highly effective Chair, Board, Chief Executive and Executive Team.
- Developing programme priorities and clear implementation arrangements.
- Effectively involving and engaging stakeholders.
- Including investment decisions of partners, other public sector organisations and importantly private sector investors.
- Integrating with other initiatives and establishing clear agreement on roles and responsibilities.
- Establishing early momentum with high profile projects successfully delivered.

Of course behaviour and relationships change over time. Not all issues are handled as effectively as in retrospect one would wish. But the detailed evidence from the interviews, the project analysis, the performance reviews, the baseline analysis and the residents surveys in this evaluation is that NEM scores highly on virtually all of these criteria. NEM does meet the national criteria of a successful URC. And those criteria should be applied to future regeneration vehicles.

14.50 A second goal of the evaluation was to assess the extent to which the programme has achieved additional impacts. The objective and subjective evidence is that the area has improved as a consequence of NEM's policies and programmes. The evidence from the project case studies and the wider views of partners show NEM has had a substantial positive impact. Programmes and projects have been delivered in a way that would not have happened if NEM had not existed. The NEM partnership has brought: tighter area focus, policy and organisational integration, increased private sector engagement, partnership working, increased project quality, increased community engagement, increased resources and commitment, speed of decision-making.

14.51 A third goal was to assess the extent to which the URC brand has helped or hindered efforts to attract public support and private investment from outside the URC area. Again the detailed evidence from the projects, and the wider views of the public and private sector indicates that the URC vehicle has brought more public and private sector money than would have been the case if NEM had not existed.

14.52 A fourth goal was to assess the impact it has had upon internal and external perceptions of the area and how well it has worked with key external stakeholders,

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especially the development and investment communities. This report shows that there remains a long way to go to make east Manchester an automatic investment area and to make it a normal sustainable community. But NEM has changed internal and external perceptions of the area and in particular the views of the investment and development interests. They now regard east Manchester as a place they can make long-term investments. Businesses are investing and expanding. A real housing market is being developed and house prices are moving closer to city averages. The local community has greater confidence in the area and greater willingness to remain or move into east Manchester.

14.53 A fifth goal was to provide clear evidence of the costs and benefits of the NEM process overall. This study has identified a clear range of benefits that the process of partnership had brought to the area beyond the individual projects it delivered. No partnership is perfect. But the consensus is the NEM process has delivered, is valuable and should be sustained.

14.54 A sixth goal was to investigate the relationships and behaviours of different partners, what outcomes they achieve, how they could be improved. This report did indicate that the founding partners do need to redefine and restate their commitment to the area and the initiative. But the bigger picture over the six years was that the key partners had worked effectively together, had changed at least their funding behaviour and often their organisational behaviour as a consequence of NEM.

15. Recommendations

15.1 This section makes recommendations for future actions for each partner.

The Partnership

- *Reaffirm their long term commitment to the NEM.*
- *Identify the future resource and personnel implications for each partner organisation.*
- *Develop a clear action plan with specific goals for the remaining 3 years.*

The Board

- *Play a more proactive leadership role.*
- *Review NEM's strategy, processes and procedures.*
- *Diversify its membership to include more regional and mainstream partners.*
- *Clarify NEM's future contribution to city-regional agenda.*

The Team

- *Strengthen the mix of skills especially in development.*
- *Appoint the proposed deputy Chief Executive.*
- *Refresh the marketing strategy.*

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Manchester City Council

- *Confirm its continuing commitment to east Manchester.*
- *Ensure the quality of local services in east Manchester is sustained.*
- *Ensure the engagement and support of the local community is sustained.*

NWDA

- *Confirm its continuing commitment to NEM in future.*
- *Encourage speed-up decision-making processes through improved communication, planning upskilling and development work.*

English Partnership

- *Confirm the level of support that will be available to NEM in future.*

Government

- *Match the increased partnership working of local and regional partners.*
- *Increase cross- departmental support and autonomy for URCs.*
- *Limit the number of URCs it declares in future.*
- *Review whether URCs have sufficient powers and resources.*
- *Assess the implications of the URC experience for future development vehicles.*

All

- *Vigorously pursue outstanding goals and targets.*
- *Clarify the future role and responsibilities of NEM.*
- *Begin discussions about a successor body for NEM.*

Endpoint

- 15.2 This has been a long report which contains many detailed messages for many partners. The majority of them have been positive - about the principles, the processes, the practices, the place and the people. It has suggested ways in which things could be improved at the margin. It has also identified a number of future challenges that all partners need to face and act upon. But in facing those challenges it is critical to remember how much has been achieved by NEM in east Manchester. Partners should keep in mind two comments made to us. The first is about NEM - 'It's an inspirational place to work – there's so much going on we can hardly keep up.' The second is about the people and the place. 'Nobody is embarrassed to say they come from here anymore.' NEM is getting a lot right. It should keep on keeping on.