Community Regeneration and Neighbourhood Renewal: a review of the evidence

by

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Executive Summary

This review was carried out in order to support the development of the Scottish Executive's community regeneration statement, now published as: “Better Communities in Scotland: Closing the Gap”. It analyses the existing research around five key themes:

- Developing effective connections between ‘people’ policies and ‘place’ policies
- Partnership working for social inclusion
- The role of community in neighbourhood renewal
- Achieving effective service delivery
- Understanding and influencing neighbourhood change

These are addressed with key findings and references and, for each chapter, a summary of main points. A final chapter sets out recommendations. The main conclusions to arise from the review are as follows:

Place and People Policies

Place policies are useful for addressing the social exclusion suffered by the 38 per cent of Scottish households that live in deprived areas. People policies, including benefits, employment programmes and sectoral initiatives, such as for elderly people or the farming community, are important for tackling the social exclusion of households outwith deprived areas. People policies supplement what neighbourhood renewal is able to achieve, a relationship which is clearly important but insufficiently understood.

Neighbourhood renewal, although not sufficient for the overall magnitude of the task of social inclusion, is useful for a number of reasons including an increasing concentration of disadvantaged households in social housing and the fact that neighbourhoods are an ideal level for local participation. However, different neighbourhoods may require different packages of intervention. The report identifies four types of neighbourhoods or settlements for policy intervention including deprived neighbourhoods in declining compared with prosperous urban economies, formerly industrial rural settlements, and remote settlements dependent on agricultural, forestry or seasonal tourism. Remote settlements with dispersed populations require a different approach to that taken in urban areas.

Partnership

This chapter looks first at the lessons of how to organise partnerships for neighbourhood renewal and the options available. It then goes on to explore the lessons on how to overcome the many barriers to successful partnership working. These barriers range across numerous issues: insufficient access by partners to decision making structures; the importance of good human relationships and supportive organisational culture; risks of cultural clash,
cross-sectoral tensions, discredited visioning processes and bland consensus; creation of ‘talking shops’ and problems of partnership proliferation and ‘fatigue’; misperceptions of the nature of community; conflict between the longer-term process of partnership building and the need to achieve quick, measurable outcomes; and the issue of lack of funding for partnership administration and the development of regeneration strategy. In each case the chapter looks not only at barriers but the evidence on the way to overcome these.

The report notes that there is no ‘right’ model for neighbourhood renewal in terms of partnership structure, however community organisations must be empowered to work on a ‘level playing field’ with institutional players. Good partnerships foster integration: physical with social and economic development; time-limited initiatives with mainstream service delivery; and neighbourhood initiatives in the context of strategy at higher spatial levels: the area (a group of neighbourhoods), the local authority and the ‘travel-to-work’ sub-region.

There is a vital relationship between local government modernisation, partnership and neighbourhood renewal. Local authorities provide: leadership in establishing a vision for the local authority and its neighbourhoods, now within the Community Plan; joining up corporate strategy; devolving the setting of service priorities, within the framework of best value; and rethinking of local democratic processes and the roles of councillors, so they are champions of neighbourhoods. Local authorities need to be encouraged and supported in this agenda. The evidence suggests the importance of further integration of currently diverse initiatives such as community planning, area regeneration, Agenda 21, best value and neighbourhood management, and so on.

The Role of Community

With exceptions, good community participation is yet to be embedded in partnership or governance. Many residents feel disenfranchised, having little control over renewal or service delivery. Renewal policy could be made more community friendly by reducing the bureaucracy of partnership and emphasising community-led evaluation of partnership processes and outcomes.

There are good ideas from America including community development corporations and intermediary organisations which focus expertise and package finance for local partnerships. However the evidence is that good initiatives are only of marginal value if the innovation is dwarfed by the scale of deprivation. European literature points to the value to neighbourhoods of a high degree of integration between renewal and mainstream planning and policy, and between spatial levels of governance.

The need for not only social but also economic ‘community capital’ suggests an important role for asset-based regeneration organisations which enable deprived neighbourhoods to help themselves in a longer term, sustainable process. Asset-based development transfers capital resources, such as social housing or land, to formal community organisations as the basis for long-term regeneration activity. Scotland has good experience in terms of community-based housing associations, but the opportunities offered to renewal by housing stock transfer must be grasped or they will be lost.
The report cites evidence on the need for social and community capital building suggests an important role for community regeneration organisations, which could be registered social landlord, development trusts or reflect other forms of organisational innovation. These enable deprived neighbourhoods to help themselves in a process of self-development. The main requirements are the presence of neighbourhood organisations, local people with the capacity and resources to engage in community development, and the empowering of these to act on behalf of residents in renewal and securing better service delivery.

**Effective Service Delivery**

Mainstream services are vital to social inclusion due to impact on quality of life, the long term nature of regeneration and the fact that they constitute the majority of expenditure in deprived areas. Barriers to better service delivery are fragmentation and poor standards. Fragmentation occurs because service delivery is divided between government departments, centrally and locally, and not ‘joined up’ to deliver a quality package of services. Another barrier is failure to establish, monitor and achieve high standards of service which reflect local requirements.

Although it is a new area of initiative, local service partnerships can make an important contribution to neighbourhood renewal. In the neighbourhood or area (a logical group of neighbourhoods), local service partnerships can empower residents to enter into partnership with the local council and other providers and to have a real stake in monitoring the quality of service delivery.

**Understanding Neighbourhood Change**

Despite thirty years of effort, achievements of neighbourhood renewal are patchy. While there has been much physical regeneration, and some good examples of communities taking the lead in improving their neighbourhoods, there is little hard evidence of higher rates of social inclusion for the most disadvantaged households. Indeed, a striking finding is the degree of economic inactivity of households in deprived neighbourhoods, set against an increasing concentration of deprived households in social housing in deprived areas. Recent research also suggests that caution should be exercised in assuming that tenure diversification reduces social exclusion.

However, there is evidence that targeting of local interventions is effective when the needs of groups, such as the elderly, disabled, single parents or youth are addressed by tailor-made projects within the neighbourhood, managed by residents. But there is also evidence that neighbourhood renewal and the social inclusion of deprived households is dependent, in part, on the achievement of economic regeneration at higher spatial levels, that is, on the achievement of economic regeneration at the level of the local authority or the travel-to-work sub-region, particularly in local authorities such as Glasgow or Inverclyde, which suffered deindustrialisation and massive loss of full time, manual jobs. In such local authorities, a majority of households or wards can be categorised as deprived, and the regeneration and urban development agendas are one and the same – another argument for integrating area regeneration within community planning.

Finally, the chapter notes continuing gaps in the evidence base on neighbourhood renewal:
1. resolving whether neighbourhood effects in deprived areas reinforce social exclusion, and whether renewal initiatives can help overcome them, or reinforce them in some manner;

2. to identify positive models for local partnerships in improving the delivery of mainstream services to deprived neighbourhoods; and

3. understanding how neighbourhood, area, local authority, regional and national initiatives are linked to achieve social inclusion, area regeneration and regional economic development.

Recommendations

Key recommendations to arise from the review include:

1. Further integration of people and place policies from a national perspective in terms of aggregate achievement of social inclusion and reduction of poverty, and from a local perspective derived from systematic case studies.

2. Better ‘vertical’ integration of neighbourhood, area, local authority and regional initiatives, through co-ordinated approaches to policy and practice. Weak points are, first, poor linkage between neighbourhood, area and community planning at the level of the local authority; and second, lack of linkage between local authority initiatives in urban ‘travel-to-work’ sub-regions.

3. Broadening the base of partnership and assistance to partnerships to develop their strategic or forward planning capacity and to integrate plans and budgets of partner agencies.

4. Enhanced support for processes of local government modernisation which directly influence the achievement of partnership objectives including support for leadership development, visioning processes, corporate strategy, review of the role of councillors and experiments in participation processes at neighbourhood and area levels.

5. Support for new, efficient governance structures at the neighbourhood and area levels, through initiatives in neighbourhood management and service appraisal and area governance.

6. Fostering community–led strategies to enable residents to develop their own agenda for change.

7. Defining logical boundaries for neighbourhoods, for community regeneration and neighbourhood management, and for enabling information to be brought together on neighbourhood websites to provide a more sound basis for action and evaluation.

8. Enabling neighbourhood websites which can ‘capture’ the flows of information about neighbourhoods and their social organisations.

9. Asset-based development by experimental community regeneration organisations, including review of opportunities offered by voluntary transfer of housing stock.
10. A programme of neighbourhood management opportunities in and out of regeneration areas.

11. A ten year programme for systematic assessment of social inclusion initiatives using longitudinal studies which track both areas and individuals. Action research to encourage innovation and risk-taking in partnership and more constructive monitoring and evaluation.

12. A review of optimum potential role for Communities Scotland and other key institutional players in regeneration and social inclusion.
Glossary

BNSF – Better Neighbourhood Services Fund [Scotland]
CBHA – community based housing association
CDC – Community Development Corporation [USA]
CDFI – Community development finance institution
CDP – Community Development Partnership [USA]
CLS – Community Letting Scheme, of Communities Scotland
CRO – community regeneration organisation
DETR – Department for Environment, Transport and the Regions
DfEE – Department for Education and Employment
DTLR – Department for Transport, Local Government and the Regions
DTA – Development Trust Association
HICAD – Highlands and Islands Community Appraisals Database
LOA – Local Outcome Agreement, under the BNSF
LSP – Local Strategic Partnership [England]
PPA – Priority Partnership Area, past area designation [Scotland]
RMI – Resident management initiative
RSL – A Registered Social Landlord
SIP – Social Inclusion Partnership [Scotland]
SRB – Single Regeneration Budget [England]
WfC – Working for Communities projects [Scotland]
1 Introduction

This review was carried out in order to support the development of the Scottish Executive’s community regeneration statement, now published as: “A Better Scotland for Everyone: Closing the Gap”. The purpose is to produce a review directly relevant to Scotland’s needs and to assess existing research on five key themes:

- Developing effective connections between ‘people’ policies and ‘place’ policies
- Partnership working for social inclusion
- The role of community in neighbourhood renewal
- Achieving effective service delivery
- Understanding and influencing neighbourhood change

These themes are addressed in the next five chapters, with key findings in the literature and references and, for each chapter, a concluding summary of main points. A final chapter sets out recommendations to arise from this analysis. The review examined four sorts of documentation: published material, all unpublished annual reports of Scotland’s Social Inclusion Partnerships (SIPs) for 2000/01, interim or final evaluations of some SIPs, and Scottish Homes internal Community Regeneration Monitoring Reports.
The need to reduce the social exclusion of people and households, and to regenerate deprived neighbourhoods, are key priorities of policy in Scotland. But there can be confusion over whether the most effective policy interventions apply to people or places, or both. Place policies can be defined as interventions aimed at designated neighbourhoods, groups of neighbourhoods which can be called ‘areas’, or rural settlements. Examples include the current, area-based Social Inclusion Partnership initiatives, and early New Life for Urban Scotland initiatives on four key estates.

People policies, on the other hand, can be macro-level policies which generate support for individuals and households such as financial transfers through the tax and benefit system, but also programmes in and out of regeneration areas which are applicable to household or individual needs rather than area-specific, such as training programmes for the unemployed or capacity building programmes for community representatives. Examples include government initiatives to address the problem of low pensioner incomes through the implementation of a Minimum Income Guarantee, strategies to tackle non-take-up of benefits by older people, and Winter Fuel Payments and Warm Deal grants offered by the Scottish Executive to help combat fuel poverty. Similarly, the Scottish Executive’s Central Heating Programme will help to install central heating and insulation and provide energy advice in and out of regeneration areas. People policies can also have an explicit geographic dimension, for example if they apply only in some areas or to specific locations, such as Scotland’s Village Shops Rates Relief Scheme, or a de facto geographic dimension, if many recipients tend to be clustered, for example, a requirement to hire local unemployed residents in construction of new social housing.

This chapter examines the need for social inclusion and area regeneration in Scotland, aspects of people and place policies, and their evolving relationship. Many regeneration initiatives combine people and place policies to good effect. For example, as mainstream initiatives target deprived areas more closely, there is early evidence of success in raising benefit take-up amongst disadvantaged households in deprived neighbourhoods, and a blurring of the distinction between people and place policies (Dabinett et al.; 2001).

However, confusion about the relationship between area regeneration and social inclusion arises because some households in designated regeneration areas will not be deprived. Conversely, prosperous neighbourhoods often contain a significant number of ‘hidden’ socially deprived households, such as those without employment, the elderly or the infirm. In rural areas, socially excluded households may be widely dispersed rather than concentrated in rural settlements. Policy analysts have warned since 1970 that, however deprived neighbourhoods are defined for intervention purposes, a majority of

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1 There is broad range of mostly means-tested benefits available to excluded households including: Attendance Allowance, Council Tax Benefit, Disability Living Allowance, Housing Benefit, Incapacity Benefit, Income Support, Jobseeker’s Allowance, Disablement Allowance, Statutory Sick Pay, Working Family Tax Credit and others. For a complete list and entitlement requirements, see Social Security and Benefits Agency, 2001.
deprived households will reside outwith those designated areas (Glennerster et al., 1999). This suggests that place policies and people policies are both important, and need to be coordinated to overcome social exclusion.

The Scottish Executive’s definition of social exclusion applies to people and places:

A shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown (Scottish Executive, 1999).

Social exclusion refers to the multiple and changing factors which result in people being excluded from the normal exchange, practices and rights of society (Lee and Murie, 1999). Poverty is an obvious symptom of social exclusion, but the term can also refer to inadequate access to housing, education, health, transport and local services.

Social exclusion affects individuals as well as groups in society. It can be found in urban and rural areas, as people are in some way subject to discrimination by a lack of access opportunities that are taken for granted by the majority of the population. As such, social exclusion is associated with both a wider concept of citizenship but also with day-to-day quality of life. As well as a result of poverty, O’Conner and Lewis (1999) note that social exclusion can come about as a result of discrimination due to ethnic origin, impairment, religion or sexuality. Discrimination is less likely to be place-specific and suggests a further dimension to the requirement for people policies.

In an extensive review of definitions and dimensions of social exclusion, Hinds, Pickering and Park (2000) reinforce the view that exclusion is about more than poverty alone. Five dimensions are identified which, in any combination, can constitute what has come to be called ‘multiple’ deprivation:

- **Poverty**: low income, poor housing conditions, inability to purchase healthy foods or necessary utilities;
- **Lack of productive activity**: ability to engage in paid work, caring or voluntary activity, lack of which reduces social contacts and sense of self-worth;
- **Poor access to services**: organisational and language barriers, lack of transport and/or disability can hinder normal access;
- **Weak social networks and integration**: internal family and community resources which augment ability to cope and reduce social isolation; and
- **Attitudes and aspirations**: which can influence both networking and productive activity through generations.

Causal factors for the latter two dimensions of exclusion are mapped out in survey work at the level of the individual by O’Conner and Lewis (1999) who identify ‘junctures’ at which individuals move into a pattern of social isolation which can dramatically alter life opportunities. These include: an unstable upbringing, early abuse, lack of education, abusive adult relationships, loss of children and dependency on drugs and alcohol.
Although much of the early literature of social exclusion focused on obvious, urban poverty, Shucksmith and Philip (2000) warn that social exclusion is as much a problem for Scotland’s rural communities. In a broad analysis, they look to the structural underpinnings of social exclusion which is the result of “the breakdown or malfunctioning of the major societal systems that should guarantee the social integration of the individual or the household”. With regard to rural social exclusion in Scotland, these they identify as market and economic forces, such as the restructuring of the agricultural economy, reform of the Common Agricultural Policy, migration away from and to rural areas, ‘casualisation’ of employment, and inequality in income distribution nationally. A Scottish Homes analysis of the Western Isles adds the strength of sterling related to the decline of tourism, EU fisheries policy and marketing problems with aquaculture (Scottish Homes, 2001a). Similar structural factors are at work in urban regions, discussed in a later chapter.

While not all of such factors are amenable to policy intervention at the level of Scotland, it is important that they are recognised as the ‘meta-context’ of policy and practice, and that neighbourhood renewal initiatives work to restore social inclusion in the face of these structural factors. Econometric research in the USA (Jargowsky, 1996) suggests that such structural factors, evident at the level of the regional economy, explain around four-fifths of neighbourhood deprivation, with the remaining one-fifth explained by what are called ‘neighbourhood effects’, discussed below.

With a similar broad view, research for the Joseph Rowntree Foundation suggests that 17 per cent of adults in Britain live in absolute poverty, with more than two million British children without adequate levels of food or clothing (Gordon et al., 2000). The survey puts the numbers of British residents in houses which are poorly heated or damp at nine million. The 1996 Scottish House Condition Survey (Scottish Homes, 1997) found that around 1 per cent (21,000) of occupied dwellings fall ‘Below Tolerable Standard’, with the most common reason being rising or penetrating damp. However, overall 25 per cent of all dwellings are said to suffer from problems of dampness or condensation. Households renting from the public or private sector, single parent families, large households and households on low incomes experience a substantially higher incidence of dampness or condensation than other groups.

Neighbourhood renewal initiatives, in combination with national ‘people policies’, must be sufficient to this magnitude of the task of social inclusion, or as Carley et al. (2000c) warn, another thirty years of neighbourhood initiatives could go by without resolution of the fundamental nature of the problem. An evaluation of the Cambuslang Social Inclusion Partnership (SIP) echoes the concern about intervention levels needing to be sufficient to the task:

The scale of SIP funding has led to an inability to make a critical difference to the scale of the required regeneration...Problems are so deep-rooted, a longer period of intervention and greater funding is necessary for a significant difference to be made (DTZ Pieda, 2001).

2.1 Types of neighbourhoods requiring intervention

As a result of the analysis in this report, four types of Scottish neighbourhoods are identified which may require renewal, and for which policy may need to be specifically tailored:

- Neighbourhoods in urban travel-to-work regions characterised by historic economic decline, such as in Glasgow or Inverclyde (Turok and Edge, 1999);
Neighbourhoods in prosperous urban regions, such as council estates in Edinburgh or Aberdeen;

Rural settlements or smaller towns with a formerly industrial economic base, such as coalfield rural settlements of South Lanarkshire (ODS, 1999), or the former textile village of Renton in Dunbartonshire (these localities are described as “neither urban nor rural” by Bennett et al., 2000); and

Rural settlements or areas with a mainly agricultural, forestry or tourism base, such as in the Highland and Islands or the Borders. Shucksmith and Philip (2000) divide these further into: accessible commuting areas, tourist and retirement areas and areas of population and employment decline.

Renewal strategies for neighbourhoods may need to reflect the diverse constraints and opportunities in the various types of regional economies these represent, a point taken up later. Finally, any definitions of neighbourhoods would also need to accord with urban/rural classifications proposed recently by the Scottish Ministerial Committee for Rural Development (Scottish Executive, 2001). These are primary cities (>125,000 population), urban settlements (>10,000), small accessible towns (>3,000), small remote towns (>3,000) and rural settlements (<3,000).

As to the definition of the neighbourhood itself, Hinds, Pickering and Park (2000, p.44) explore a variety of options, attempting to balance administrative and data collection requirements with the subjective definitions which might be held by either residents or experts. Any definition will involve compromise between competing requirements but if boundaries do not reflect what seems sensible to local people, they will certainly object. Carley et al., (2001) record how when the London Borough of Newham attempted to define neighbourhoods based on administrative boundaries alone for community planning, residents vocally disagreed until a modified definition centred neighbourhoods around the local high streets by which residents defined their location in the borough.

2.2 Rural exclusion

Rural Scotland accounts for 98 per cent of the Scottish landmass and 18 per cent of the population, or about one million people (Scottish Executive, 2001). While low income residents of attractive rural areas are said to value their surroundings highly, beautiful countryside does not alleviate hardship and those suffering rural poverty face distinct problems, warn Burningham and Thrush (2001). Indeed, if beautiful country means tourism, some households will benefit economically, but others will feel further excluded by rising house prices, second homes, lack of affordable rental accommodation, village shops which cater for tourists and the inability of local resident without cars to access shopping by public transport. Household-level social exclusion in peripheral areas, such as the Western Isles, is set against a background of “long-term decline… particularly serious population and service losses and local economic decline” (Scottish Homes, 2001a). In rural areas, the socially excluded can be forced to move out of remote settlements to seek social housing and other services. A recent survey of rural Scotland also found that young people with educational qualifications were found to leave to seek employment opportunities, leaving young people on low incomes in poor quality private sector housing (Pavis et al., 2000).
Considering rural social exclusion in Scotland, Shucksmith and Philip (2000) warn that the pathways in and out of exclusion in rural areas have less in common with urban areas than expected. They note that people in rural areas are vulnerable to chronic low pay leading to low pensions, poverty in self-employment, low levels of benefit take-up, small workplaces with little opportunity for training, greater visibility of exclusion in small communities, lack of social housing and car dependency and inadequate public transport. These concerns are mirrored by the Moray Youthstart SIP (2001):

Low-waged, seasonal and insecure employment, high cost of basic commodities and services, and limited... incentives for young people to move away from their homes for training, without any prospect of suitable employment on their return.

Research comparing households in rural Scotland and England also cite the insecurity of much rural employment, with rural jobs said to be “casual, seasonal, flexible, part-time and low paid” (Joseph Rowntree Foundation, 2001, p.4) The specific problems of exclusion in former coalfield rural settlements are described by ODS (1999) including depopulation, poor social housing and high void levels, exacerbated by rural isolation and poor public transport. In almost all cases, inadequate service provision is an important component of social exclusion in rural areas (Higgs and White, 2000). Rural areas are said to have difficulty engaging with regeneration approaches which have been drawn up with urban areas in mind (McLean, 2000).

Finally, intervention in rural areas has given rise to a multiplicity of definitions of ‘ruralness’, with about 20 different definitions said to be in use across the Scottish Executive (2001). The response of the Ministerial Committee on Rural Development has been to propose a core definition which defines rural Scotland as being areas outside of settlements of more than 3,000 residents.2

2.3 Social inclusion

The term ‘social inclusion’ is used to define the strategy or set of policy initiatives that target either individuals, groups in society or specific geographical locations, which aim to provide those experiencing multiple deprivation with pathways or routes from exclusion back into the mainstream of everyday life (Scottish Executive, 1999). Policy and service areas relevant to social inclusion include: education, employment and training, community safety and crime, young people, equal opportunities and assistance for disadvantaged groups, such as ethnic minorities or disabled persons, health awareness and promotion, housing and environment and community capacity building.

To pursue social inclusion through some, or all, of these policy areas, partnerships are organised on spatial basis, such as for area regeneration, or on sectoral basis, such as partnerships intended to reduce crime and disorder, or promote youth involvement, across the city. This is reflected in the organisation of Scotland’s Social Inclusion Partnerships (SIPs) into area and thematic initiatives. Finding a balance between an area-based and a thematic approach is said to be a central issue in regeneration in rural areas, but this is probably true across the field of social inclusion (McLean, 2000).

2 The Rural Partnership for Change National Steering Group (2001) recommends that, whatever definition of ruralness is applied, as much data as possible be geo-coded in order to make it accessible to analysis by geographical information systems.
2.4 Need for place policies

In terms of the potential for area policies, a substantial amount of social exclusion, assessed on a per capita basis, is concentrated in the poorest wards. For example, in the UK as a whole, 37 per cent of the long-term unemployed live in just 10 per cent of local authorities districts; with unemployment in the 100 ‘worst’ wards over 15 per cent points above the national average (Campbell and Meadows, 2000). A similar figure of the concentration of one-third of the socially excluded in deprived neighbourhoods is suggested by Smith (1999) with evidence of acute multiple deprivation becoming more concentrated between 1970 and 1995 (Glennerster et al., 1999). A 1991 census based analysis of multiply deprived households in Scotland suggests a similar degree of concentration – 38 per cent of multiply deprived households live in what are termed ‘deprived’ and ‘at risk’ areas (Martin, 1997). This analysis also shows that 58 per cent of all severely deprived households in Scotland live in the old Strathclyde region and 28.4 per cent in Glasgow city. Rural areas are said to contain 15 per cent of severely deprived households. Concentrations of multiply and severely deprived households are “notably higher” in households consisting of a single adult and dependent children.

The figure of about one-third, or just a little over, of socially excluded persons concentrated in a small number of neighbourhoods is important, because it provides a rationale for neighbourhood renewal policy as a potentially effective means of both reaching a significant number of deprived households and restoring run-down neighbourhoods to social inclusion. It does not imply however that neighbourhood renewal will necessarily be successful, particularly in urban areas such as Glasgow or Inverclyde, where a majority of neighbourhoods can be classed as deprived. Neighbourhood renewal focused on one-third of the socially deprived also implies the need for policy mechanisms to reach the remaining two-thirds of the socially excluded. Nor should it be assumed that physical regeneration constitutes social and economic regeneration, or will even reduce the stigma which stems from a long-standing poor reputation of an area (Carley and Kirk, 1998; Dean and Hastings, 2000).

A number of studies on patterns and processes of decline addressed by area regeneration are reviewed by Kearns (2000) in relation to patterns of employment and non-employment, degree of concentration of deprivation and the challenges of area-targeting, and the problem of low demand, service withdrawal and even abandonment, of marginal, inner city areas. The problem of stigma was examined on three heavily-stigmatised estates in Birmingham, Newcastle and Edinburgh (Dean and Hastings, 2000). They note the persistence of stigma despite recent regeneration activity including demolition of unpopular blocks and tenements, tenure diversification, landscaping and initiatives to reduce crime and unemployment. Stigma affects both places and people, inward investors and prospective residents may shun an area; residents suffer ‘postcode’ discrimination when looking for work. The analysis concludes that private and public sector agencies, ranging from estate agents and local employers to schools and cleansing services, can play an important part in either perpetuating an estate’s ‘problem’ image or in helping to change perceptions. Other factors of disadvantage, which tend to spatial concentration, are discussed below.

The evidence of the efficacy of area-based programmes is patchy. In a review of all available evidence, Dabinett et al. (2001, p. 44) concludes:
Ultimately, robust evidence would need to show that targeting at the neighbourhood level generated larger, more favourable and sustainable outcomes for the most severely socially excluded groups that schemes of the same expenditure spread across cities or sub-regions... Currently, the evidence to demonstrate this is not available.

They do however provide evidence that area-based programmes do work, in part, for certain reasons: the need for intensive, focussed approaches; greater impact than thinly spread resources; and the neighbourhood as an appropriate size for effective management of regeneration, assessment of service delivery and for integrated economic, social and physical regeneration programmes. However, they also warn that area regeneration schemes:

- May be more appropriate for physical and social regeneration and less so for economic regeneration – they may seek employment solutions locally which can only be resolved outside the neighbourhood;
- May pre-empt resources which might be applied more widely to prevent social exclusion and deterioration of neighbourhoods elsewhere; and
- Need to be applied over a very long period of time, during which political pressures will build up for expenditure elsewhere.

These issues are taken up again in Chapters four, five and six.

A final concern is that, even where area regeneration is underway, certain groups in society may be excluded from the benefits of the process. A first area of concern, the issue of inclusion or exclusion according to gender and race, is taken up in the next chapter. A second is low take up of training and other educational opportunities in acutely deprived neighbourhoods, and especially low take-up by the most deprived households (Dabinett et al., 2001). The problem is said to lie with a lack of flexibility in options for programme delivery at the local level, and lack of attention to basic numeracy, literacy and personal development skills.

### 2.5 Neighbourhood effects on social exclusion

In an overview of the available evidence, Dabinett et al. (2001) find the body of evidence inconclusive about neighbourhood effects, that is whether the geographical concentration of social exclusion in deprived neighbourhoods causes what they call ‘adverse compounding’ or area-induced cultural effects. The question is important because the postulated existence of neighbourhood effects, that is that living in a deprived area may itself be a source of social exclusion, provides an underlying basis for intervention at the neighbourhood level. The impact of neighbourhood effects is identified by Dabinett et al. as a key topic for which evidence is urgently required in future.

A study of neighbourhoods and exclusion carried out within the ESRC Study of Central Scotland compared two deprived and two non-deprived areas in Edinburgh and Glasgow to examine whether neighbourhood effects were at work in poor areas (Atkinson and Kintrea, 2001). If so, social exclusion would be found to extend and intensify neighbourhood effects, defined as independent, separable effects on social and economic behaviour which arise from living in a particular neighbourhood. The paper notes that, although it has been known since 1970 that area policies will exclude many poor, their expanded use in the 1990s can be interpreted as a response to growing social
polarisation across space, said to be a product of a social housing system which more effectively than ever sorts the poorest people into social rented estates and, to a lesser extent, into areas of low quality private housing.

This implies that, in deprived areas, social problems, such as crime, unemployment, low educational attainment and lone parenthood become concentrated at a socially unacceptable level which triggers intervention on the grounds of social equity.

The neighbourhood effects approach is said to be an hypothesis of five main propositions (Atkinson and Kintrea, 2001):

1. Neighbourhoods are an important source of social contact through spatial proximity.

2. In poor areas, residents necessarily associate with people like themselves, a tendency reinforced by physical isolation and the cost of transport.

3. People’s beliefs, attitudes and expectations are intimately tied up with those of others who inhabit their social world.

4. Social isolation reinforces inequalities through four mechanisms:
   - Residents are excluded from networks which provide information, such as on employment;
   - Available social capital helps people ‘get by’ (i.e. to survive daily life) without helping them ‘get on’ (i.e. to move beyond their current situation).
   - Socialisation is influenced through peer groups and role models. This reinforces low self-esteem and aspirations in poor areas.
   - Isolation encourages stigma and discrimination by outsiders based on home address. Resident’s sense of isolation and low self-esteem are intensified as poor areas become ‘neighbourhoods of exile’.

5. The difficulties of surviving economically and socially in a deprived neighbourhood, and residents’ reaction to social exclusion, stigma and discrimination, may mean that there is adjustment to ‘deviant’ social norms such as petty crime and substance abuse. This, in turn, is harmful to social inclusion.

An obvious source of neighbourhood effects is said to be the quality and availability of local services. If key services such as schools, health services, social care and leisure are deficient in poor areas compared to better off areas, there are likely to be detrimental influences on the life chances of residents. Poor quality or withdrawn privately-supplied services such as shopping and retail banking also influence social exclusion, not only with direct costs but with higher transaction costs for alternatives (Acheson, 1998; Speak and Graham, 2000). Studies of poor areas have consistently shown that services are indeed worse than elsewhere and their negative impact is intensified by limited mobility and a paucity of financial resources among residents, which means that most have few alternative choices for securing services (Robinson et al., 2000). Another problem is that public services are often badly co-ordinated, both in policy and implementation (Cabinet Office, Social Exclusion Unit, 2000). This matters more in poor areas, where more people rely on public services to buttress quality of life.
2.6 Advantages of neighbourhood intervention

Understanding the influence of neighbourhood effects is important for tailoring renewal policy, but it is also the case that all neighbourhoods benefit from government intervention to a greater or lesser extent in the form of mainstream services and that, as will be shown, high quality mainstream services, are vital for social inclusion. This makes neighbourhood intervention appropriate. For example, after charting the complex nature of people and place exclusion, Dabinett et al. (2001) find advantages for targeting initiatives at the neighbourhood level, including the wide disparities in deprivation and the fact that the neighbourhood is the most appropriate area for fostering community identity, involvement and neighbourhood management. Carley (1999b) makes a similar case, calling neighbourhoods “the building blocks” of sustainable development. Both also argue that neighbourhood renewal needs to be in a city-wide context, a point taken up later.

Hinds and Park (2000) also find that the neighbourhood is a useful focus for many initiatives, with the advantage that area initiatives do not require identification of deprived individuals per se. However, they find that the definition of neighbourhood can be problematic: individual, or ‘common-sense’ definitions vary and overlap, especially at shopping areas, but statistical analysis cannot cope with overlapping boundaries. Neighbourhood boundaries as defined by residents may not correspond to official boundaries used by service providers.

Whatever problems exist in boundary definition, and experience suggests they can be overcome, neighbourhood is a better descriptor of the focus of intervention than the term ‘community’, which can be confusing as it can apply to spatial communities, say a neighbourhood or a rural settlement, or to communities of interest, say, single parents, which can form at any spatial scale from the local to the global. In this report, the term community is taken to imply a group of residents in an urban neighbourhood or rural settlement, recognising that residents of any neighbourhood are far from homogenous or harmonious, and that groups of neighbourhoods may form into a community of interest for partnership purposes.

With regard to the idea that a unified community can be identified within a geographical area, Purdue et al. (2000) warn this can be misleading, with the ‘representativeness’ of community leaders limited by patterns of social division. A study of neighbourhoods in East London notes that the neighbourhood remains central to the lives of residents, but also that renewal expenditure in one area and not in another, adjacent area can cause divisions between communities, a real problem for the designation of regeneration areas (Cattell and Evans, 1999). A related problem is that the designation of regeneration areas based on concentrations of deprived households often requires substantial gerrymandering of boundaries which have little or no logical relationship with neighbourhood realities. In Inverclyde for example, residents are disturbed by the fact that one side of street is within a SIP and the other is not (Carley, 2001). This is a common problem for neighbourhood renewal, discussed in more detail in Chapter 6.

In rural areas, the dispersed nature of the population can mean that the notion of ‘community’ is less often defined by geographic proximity and more productively by ‘communities of need’, such as the farming community, younger or older people or the small business community (McLean, 2000). These communities may benefit more from thematic policy and partnership,
particularly as in rural areas the socially excluded and vulnerable are unlikely to be concentrated into rural settlements or neighbourhoods. This is not to imply that place does not matter in rural areas, it matters very much in terms of service provision, infrastructure, location of economic activity and for perceived quality of life. For example, a recent study of rural communities in Scotland and England found that a majority of parents felt that their rural area provided the ideal environment for raising a family, and that this advantage outweighed any limitations (Joseph Rowntree Foundation, 2001).

2.7 Area decline, housing and education

Neighbourhood effects are said to manifest themselves disproportionately as a result of two factors: poor management of the housing stock (Power, 1997) and in terms of the children of deprived households being in school classes with other deprived, underachieving children, the latter affecting long-term school performance and subsequent earnings (Robertson and Symonds, 1996).

Neighbourhood renewal initiatives face a difficult challenge in areas with a high proportion of low demand housing and an outflow of more prosperous households which can be up to 5 times the city average (Power and Mumford, 1999). This concentrates deprived households, further contributing to housing management problems, educational underachievement and low aspirations. In worst cases, ‘area abandonment’ can occur, but more common is the ‘population churn’ which characterises renewal areas. For example, more than one-fifth of residents in Single Regeneration Budget (SRB) areas in England have been resident for less than five years, with up to a third turnover in the worst neighbourhoods, and a 50 per cent turnover common in ten years. A third of the in-migrants said they moved because they had ‘no choice’ compared with 2 per cent nationally, and a fifth of residents in these areas want to move away again ‘as soon as possible’ (Dabinett et al. 2001). Little is known about households leaving, but inflows are known to be heavily weighted toward households already experiencing severe deprivation.

Such neighbourhood decline must be curtailed because of dire social implications for households that have to stay, knock-on effects on nearby neighbourhoods, and implications for the attractiveness of the city as a focus of inward investment. Loss of economic function and the economically-able, mobile segments of the population has major impacts on service provision such as education and health, for the residents remaining. As the client base declines, social problems become concentrated while the fixed costs of service delivery remain constant (Carley and Kirk, 1998). This triggers further cycles of outmigration. For example, in the Cambuslang SIP area, 23 per cent of resident households want to move away as soon as possible (DTZ Pieda, 2001).

2.8 Household income and employment

A summary of projects in the Area Regeneration Programme of the Joseph Rowntree Foundation (JRF) suggests that an understanding of not only registered unemployment but ‘non-employment’ is important as non-employment in inner city and former industrial neighbourhoods relative to the rest of Britain is greater than suggested by unemployment figures (Campbell, 2000). The non-employed are defined as “not only the registered unemployed, but also those who are economically inactive and want a job, whether or not they are seeking work” (Green and Owen, 1998). Using this type of definition, a ‘real unemployment rate’ for Glasgow has been calculated
at 30 per cent (Beatty and Fothergill, 1997). In the Gorbals SIP (2001), 57 per cent of households are "workless", against a local unemployment rate of 10 per cent. Other SIP areas, such as Motherwell North and Drumchapel have similar rates of non-employment (Gilroy, 2001; Scottish Homes, 2001).

Following net out-migration of employed residents to live or to work, the second largest response to deindustrialisation within the labour market has been this expansion of the economically inactive, especially among the least skilled of any age and those over 50 years of age, due to a 'jobs deficit'. The increase in inactivity was found to be greatest in cities where job loss was highest, suggesting to researchers "that demand-side factors influence inactivity and permanent sickness" (Kearns, 2000, p. 3). In Strathclyde for example, an analysis of the Labour Force Survey shows that less than 50 per cent of least qualified quartile of 25-34 year olds are in employment (Glyn and Erdem, 2000).

In terms of neighbourhood intervention, it should not be assumed that renewal necessarily reduces the problem. For example, a review of tenure diversification (involving £25 million of housing investment) on the Craigmillar estate in Edinburgh found that, although one-fifth of houses were now owner occupied and the overall unemployment rate had fallen, this was achieved by "importing" households containing workers in employment:

The unemployment rate differential with Edinburgh as a whole remains very large and joblessness among social sector tenants is, if anything, even higher than in 1991 (Pawson et al., 2000, p.1)

2.9 Need for people policies

While there is ample evidence of increasing concentration of deprivation in inner cities and peripheral estates, due in part to changing patterns in social housing allocation policies, over-reliance on area-based policies presents challenges in getting to the root of deprivation (Lee and Murie, 1997). This is due to four factors:

- the spatial dispersion of socially-excluded households, which means socially excluded households outside of renewal areas risk 'slipping through the policy net' (Adamson et al., 2001);
- a 'rich mix' of types of social exclusion and special needs of say, lone parents or ethnic minority households, which risk being obscured in policy delivery mechanisms which focus on areas rather than people (Adamson et al., 2001).
- deprived households are also owner occupiers and private renters, which means programmes focused on social housing miss significant areas of households in deprivation; and
- application of different indices of deprivation result in substantially varying definitions of what constitutes a deprived area (Carley et al. 2001).

The implications of the first three points for Scottish policy suggest that area initiatives should be complemented by steady improvement in both mainstream programmes and service delivery across Scotland, and thematic approaches to regeneration which cut across boundaries and reach deprived households within and without designated regeneration areas. This would enable area regeneration to tackle factors of social exclusion which can indeed be resolved
community regeneration and neighbourhood renewal: a review of the evidence

at the local level. Dabinett et al. (2001) cite a number of studies which argue strongly that mainstream programmes are the best means to tackle deprivation (Glennerster et al., 1999). These equate regeneration with the alleviation of poverty through the tax and benefit system and its use of means testing to accurately target resources at the most deprived households. This argument is summarised as follows:

Locally based strategies are unable to change the structural determination of poverty which requires intervention at national level in the policy structures of education, employment, incomes... tax reform, improvements in the level of welfare spending and overall economic development (Duggan, 1999).

Adamson et al. (2001, p.11) concur, but suggest that national people policies and neighbourhood place policies are not mutually exclusive “except when government abdicates its responsibility for structural change claiming it is resolving these issues solely through locally delivered programmes”. For example, Sabel (1996) suggests that evidence from Ireland is that policies of decentralisation and localisation can be linked to national targets of economic regeneration with the locality being an important spatial level for the delivery of national policy. Hall and Mawson (1999) concur, arguing that a main barrier to area regeneration is the fragmentation caused by central government departmentalism and policy silos, and that it is only at the local level that these can be joined up. A linkage of central targets with local needs and action is the intention of the Public Service Agreements launched for England in the 2000 Public Spending Review (Cabinet Office, 2000). For Scotland, the Better Neighbourhood Services Fund (BNSF) supports pathfinder initiatives in twelve councils with high levels of deprivation to share funding to improve the quality of neighbourhood services and encourage greater community involvement (Scottish Executive, 2001c).

In contrast to an emphasis on structural limitations of area renewal, Filion (1998) argues that the macro-economic and political conditions of contemporary society are favourable to community based initiatives to counter economic decline. Dabinett et al. (2001) argue that neighbourhood renewal is about more than alleviating poverty through fiscal redistribution, with the latter even acting as barrier to regeneration if “the alternative benefits of welfare and work are not set in favour of work” (p.10).

Finally, there can be a tension between people and place policies, particularly when renewal objectives are unclear, and between securing adequate household income levels and attempts to increase numbers in work. For example, the North Ayr SIP (2001) notes that its major effort in increasing take-up of benefit to alleviate material poverty based on increasing awareness of entitlement will adversely affect its benefit dependency indicators of poverty, which are ostensibly to be reduced as a result of SIP expenditure. On the other hand, there can also be a positive, or overlapping, relationship between people and place policies, as in the reinforcement of area initiatives by thematic SIPS in Edinburgh or the Highland Council area.

2.10 Conclusions

Place policies are useful for addressing the social exclusion suffered by the one-third of (U.K.) households that also live in socially excluded areas. These areas are frequently characterised by increasingly high concentrations of deprived households with high levels of ‘non-employment’, social housing, poor or expensive public transport, inadequate public services and poor quality...
or absent private services, such as shops, banks and affordable leisure facilities. Areas and their residents can suffer ‘postcode stigma’ socially and in employment.

**People policies,** including the national benefit structure, employment programmes and sectoral initiatives, such as for elderly people, young people or the farming community, are very important for tackling the social exclusion suffered by households outwith designated renewal areas. People policies also supplement what neighbourhood renewal is able to achieve.

**Neighbourhood renewal is necessary but not sufficient** for achieving widespread social inclusion, but it is a vital part of the toolkit of social inclusion for a number of reasons including an increasing concentration of disadvantaged households in social housing and the need for top down policy and bottom up action to be mutually supportive.

**Different neighbourhoods may require different packages of intervention.** In Scotland these include deprived neighbourhoods in declining or prosperous urban economies, remote industrial rural settlements, such as former coalmining communities, and rural settlements dependent on agricultural, forestry or seasonal tourism.

**People policies and place policies should be considered together** in assessing how to achieve social inclusion. Similarly, top down national policies and initiatives and bottom up, community controlled initiatives need to be in a positive relationship to achieve social inclusion. Both are required.
3 Partnership Working For Neighbourhood Renewal

In the 1990s partnership became an important organisational approach to the challenges of neighbourhood renewal in cities and towns, and a vehicle for rural development (Edwards et al., 2000). A partnership is a coalition of organisations and individuals who agree to work together for a common aim, or a set of compatible aims (Civic Trust, 1999). The focus of partnerships now ranges from city-wide and regional development to neighbourhood regeneration, to focused initiatives such as for healthy living centres or rough sleepers projects. Some partnerships focus on vision and strategy, such as Scotland’s city-wide partnerships, others may be delivery vehicles which provide services or own assets, such as community-based housing associations. As will be seen, the former may or may not be formally constituted, and there is no rule of thumb, while the latter almost always are, by definition and by law.

There is a long history of partnerships in Scotland, which is a pre-condition for many sources of funding, from SIP to European Regional Development funding. Currently there are 48 SIPs in urban and rural areas and 13 Working for Communities Partnerships to test innovative local service delivery. In each case, partnerships are formed in recognition of the fact that no single agency has the expertise or resources to tackle complex, multi-dimensional socio-economic challenges, and that neighbourhood residents and agencies need to have a joint stake in solutions, or they may well founder. Despite obvious advantages, partnership working is said by the Audit Commission (1998) to be “one of the toughest challenges facing public sector managers”.

Elsewhere, policy initiatives which require a partnership approach include, in England: local strategic partnerships (LSPs) which local authorities must establish to access the Neighbourhood Regeneration Fund (DETR, 2000a); community strategies, within duties imposed on local authorities under the Local Government Act 2000 (DETR, 2000b); and Local Public Service Agreements, being piloted in twenty local authorities with a further 130 local authorities participating on a voluntary basis (DETR, 2000c). In Wales, neighbourhood renewal is taken forward under Community First Partnerships (Adamson et al., 2001).

This chapter looks first at the lessons of how to organise partnerships for neighbourhood renewal and the options available. It then goes on to explore the lessons on how to overcome the many barriers to successful partnership working. These barriers range across numerous issues: insufficient access to decision making structures; the importance of good human relationships and supportive organisational culture; risks of cultural clash, cross-sectoral tensions, discredited visioning processes and bland consensus; creation of ‘talking shops’ and problems of partnership proliferation and ‘fatigue’; misperceptions of the nature of community; conflict between the longer-term process of partnership building and the need to achieve quick, measurable outcomes; and the issue of lack of funding for partnership administration and
the development of regeneration strategy. In each case the chapter looks not only at barriers but the way over these. It concludes by discussing the political and administrative context which influences the success of partnership, including the role of local government, which is also taken up in the next chapter.

A review across various studies of partnership finds striking similarities in the lessons of partnership, whether in urban (Carley et al., 2000a) or rural areas (Edwards et al., 2000; McLean, 2000) and whether the partnerships studied are in England and Wales or Scotland (Dean et al., 1999). The lessons of partnership, which are about human relationships (Young, 2000), are applicable to partnerships the length and breadth of urban and rural Britain, although the New Commitment to Regeneration Partnerships in England (forerunner to the LSPs) are said to have “provided a new voice for rural areas” (McLean, 2000).

**Evidence on benefits of partnership**

A study of 16 partnerships in Scotland found that they were generally effective in developing visions and formulating strategic objectives but less successful in translating objectives into deliverable activities (Dean et al., 1999). While most participants believed partnership generated added value, measuring the ‘partnership effect’ was found to be difficult. While there is much research which identifies good practice in partnership (Carley et al., 2000a), it remains difficult to assess the benefits of partnership over non-partnership working. However, Dabinett et al., 2001, cites evidence that, while voluntary groupings achieve added value, ‘grant coalitions’ designed to satisfy partnership requirements of bidding competitions may not.

The Audit Commission (1999) finds real weakness in economic development partnerships, stemming from internal factors such as poor communication, dominant and weak partners and ‘persistent territorialism’ of agencies, but also external factors, particularly a ‘patchwork quilt’ of initiatives which partnerships struggle to knit together into a coherent whole. Evaluation of twenty Single Regeneration Budget (SRB) partnerships also found mixed results, but with considerable evidence that partnership approaches had generated a greater flow of benefits than would have been the case otherwise (DETR, 1998). A slightly more recent final evaluation of 16 City Challenge partnerships drew more positive conclusions, with 14 of 16 appearing to generate a flow of benefits (DETR, 2000d). Similarly, the review of New Life Partnerships in Scotland found the benefits of partnership working to include a more comprehensive approach to regeneration (Cambridge Policy Consultants, 1999). However the ability of partnerships to ‘bend’ mainstream programmes is found to be more limited. Dabinett et al., 2001 (para. 3.2.20) summaries the current state of the evidence:

...several evaluations of urban regeneration programmes have pointed to the benefits arising from partnership working: enhanced volume and quality of outputs, more strategic approaches to the delivery of programmes, more innovative solutions to local problems, improved inter-agency co-operation, etc. However, there is little, if any, work which systematically tabulates the costs and benefits of partnership working, across different partnership models, through time.
Partnership structures

Successful partnerships are developed in response to local needs and opportunities, with a structure reflecting local strengths and human resource capabilities. Although there are many options in terms of organisation and legal structure, there is no evidence to suggest that one is preferable to another (Countryside Agency, 2001). As a Scottish Executive Good Practice Note suggests:

Partnership working is not a simple task to perform and there are no easy answers. No one partnership is the same and the application of the partnership approach should therefore vary to meet local circumstances. (Chapman, 1998).

In a review of area regeneration and partnership, Young (2000) notes that “partnership perfection is difficult to achieve; indeed there is no perfect model. Partnerships will change, adapt and – hopefully – mature over time”. An analysis of 27 partnerships, including those in Glasgow, North Lanarkshire and Edinburgh, reaches a similar conclusion: good partnerships grow organically, although it can be in response to an outside policy or funding stimulus, and they evolve over time, which is part of the vital process of developing consensus among stakeholders (Carley et al. 2000a). There is therefore a danger in assuming that partnership models can be imported from one place to another, or imposed from without, particularly because the process of partnership formation includes an important element of mutual learning among partners, which strengthens the partnership (Carley, 1995).

A 1998 review of the partnerships in the 1993 – 1997 period of Smaller Urban Renewal Initiatives initiated by Scottish Homes found that partnerships fostered by the national agency remained weak due to lack of partner commitment, even when extra housing resources were on the table (Pawson et al. 1998, p. vii). Lack of commitment undermined the development of renewal strategy, which further weakened the partnership, with “little genuinely agreed prioritisation or coordination of activities between agencies”. Since that time however both SIPs and city-wide partnerships have become more adept at partnership processes, with evidence that many partnerships are now well organised for their tasks (Carley et al., 2000a). Dedicated financial support for partnership staffing and development by the Scottish Executive is identified as playing a positive role.

Consideration of models of partnership therefore considers ‘what is’, but does not imply ‘what ought to be’ in an individual situation. What is important is for a participatory process to emerge which enables key stakeholders, including community representatives, to be involved in developing clear, fair and manageable partnership arrangements so that they have their full backing and reflect local organisational culture and requirements (Audit Commission, 1999).

At best, such arrangements are formalised in a code of practice to which all partners sign up. If partnership is to be formally constituted, it is important at the outset that a mutually-agreeable legal vehicle is adopted, since failure to base this on consensus can lead to misunderstanding and confusion (Chapman, 1998). Achieving the correct legal structure involves forward thinking, agreement on partners’ expectations, a structured but flexible plan, clear exit procedures and management and administrative responsibilities.
All models of partnership need to foster various types of integration, which suggest criteria for selection:

- physical development integrated with social and economic development, so social inclusion is fostered by public investment;
- community organisations working on ‘a level playing field’ with institutional players;
- time-limited regeneration initiatives co-ordinated with mainstream service delivery; and
- lower level initiatives organised in the context of higher level strategy.

Some partnerships choose to remain informal – advantages include reduced legal and administrative costs, no liability for VAT, flexibility in terms of changing structure and less chance of disagreement among partners over fixed administrative arrangements. Disadvantages include inability to employ staff directly and possible lack of distinct identity for the partnership.

Other partnerships are choosing to be legally established, which can be essential if they wish to be Accountable Bodies in receipt of public funds, or to develop an asset base of property or businesses, discussed below. Advantages of formal organisation include: clear identity, separate from partner organisations; reduced risk of one partner dominating; easier to maintain independent, motivated staff; and clarification of liabilities and responsibilities. Disadvantages include VAT liabilities and costs associated with company status, including use of auditors.

In either case, informal or legally constituted, there is evidence that how the partnership operates is more important than its structure. For example, the then Department of Environment (1997a, para. 4.9) found that, considering 21 City Challenge companies compared to 10 informal partnerships: “although the legal framework and the duties of individuals differ between the two models, experience has shown that there is not a great deal of difference in how the two types of structure perform on the ground”.

3.3 Informal partnership models

The Audit Commission (1998) identifies a number of informal models of partnership:

- Virtual organisation – partnership has a separate identity, but without creating a distinct legal entity. The partnership may have a name, logo and premises and staff answerable to the partnership. However one partner must employ any staff and manage resources.

- Co-location of staff – staff from partner organisations work together on a common agenda, under the aegis of a steering group, but are managed separately by partners. This kind of partnership can have a weak external identity.

- Steering group – the simplest and least formal model of partnership, without dedicated staff or budget; outputs are implemented through partners’ mainstream programmes and staff.
3.4 Company status for partnership

An increasing number of partnerships, even at the neighbourhood level, are constituted as companies limited by guarantee, in which there are no shareholders and the extent of members liability is limited (HACAS Chapman Hendy, 2001). Advantages include transparency in frameworks and procedures and the instilling of a degree of professionalism in management of partnership, which can be attractive to intending partners, especially from the private sector (Chapman, 1998). A good example is the Fairfield Trust in Perth, which has institutional members, such as the local council and Scottish Homes, with the community represented by the Fairfield Housing Co-operative (Paterson, 2001). The formal establishment of the Trust enabled the local council to transfer land and housing stock to it, as a first stage in the regeneration process. Another reason for its establishment was to avoid long-term reliance wholly on public funding, for example, to pursue the Trust’s objective of a diversity of tenure options.

Partnerships constituted as companies are eligible to be Accountable Bodies, that is to receive public funds on behalf of other organisations. However, partnerships with limited company status do not have to take on this role directly, as Accountable Body status can be left with one of the partners with the professional capability to carry out the necessary functions (Department of the Environment, 1997a). In turn, the Accountable Body will then delegate management responsibility for the programme to the partnership.

A disadvantage of company status is that partnerships are subject to more control and bureaucracy and company directors must be aware of their responsibilities to ensure that statutory obligations are carried out. The following legal factors are identified as important in determining whether company status is appropriate: structure, directors’ terms, tax arrangements, liability, confidentiality and disclosure, joint venture and stakeholder agreements, and exit arrangements for partners and the partnership as a whole (Department of the Environment, 1997b).

3.5 Charitable status

Another key consideration is whether partnerships become registered charities. Advantages include lack of tax liability and access to some important sources of funding available only to charities, such as national lottery funding. However, charities are not allowed to make a profit and this may limit the operations, development options and asset base of a partnership.

While securing company status is a relatively easy operation, securing charitable status takes considerably longer and this option is only pursued if clear advantage can be shown. The Local Government Management Board (1997, p.29) warns:

The fact that an activity may or may not be one for which charitable status can be obtained should not in itself be sufficient to determine whether a not-for-profit organisation provides the best option.

3.6 Community-led and housing-based partnerships

DETR (1998, para 3.2) argued that “social sustainability is enhanced through the establishment of structures which underpin commitment to community empowerment and local ownership”. An increasingly important approach to neighbourhood renewal therefore is the community-led partnership, a
community-based organisation (Scottish Homes, 2000a). This is called ‘wider action’ and continues a history of co-operation in the social housing sector between Scottish Homes (and now Communities Scotland) and community-based housing associations (CBHAs) to pursue neighbourhood renewal. The role of CBHAs was singled out in the late 1980s as a unique and successful Scottish approach to neighbourhood renewal, worthy of emulation in England (Carley, 1990). Current initiatives, such as the resident-run Fairfield Housing Cooperative in Perth continue this tradition (Paterson, 2001).

Smith and Paterson (1999) point out that some RSLs were established as a result of community activity and intended to act as community based organisations. Others were set up with the aim of taking a deliberately holistic view of regeneration requirements. Such community based associations, with local knowledge, experience in developing local capacity and links into local networks are often better placed than institutional stakeholders to develop projects based on residents’ needs. In such RSLs, it is their relationship with the community that provides strategic direction. The community based nature of many RSLs and techniques developed to consult with the wider community make RSLs attractive to public funding organisations. For example, Newcomb (1998, p.44) suggests that the involvement of tenants ‘is acknowledged to be one of the key ingredients of success for Housing Plus’ in England.

Initiatives under Housing Plus vary in scale and in RSL input (Evans 1998). Roles RSLs can perform in Housing Plus initiatives include catalyst, lender, leader, partner, enabler, funder, capacity builder and provider of accommodation and equipment. The Housing Corporation (1999) adds roles of advocate and sponsor as well as highlighting RSLs’ roles as community stakeholders, community companies and community entrepreneurs. Most seek to meet one or more objectives relating to jobs and training, homelessness and unemployment, debt/poverty initiatives, developing the social infrastructure and community safety.

Others RSLs become involved in wider action through a concern to ensure sustainable tenancies and rental income, or in a switch from development-led approaches in areas of low demand. Pressures to house local authority nominees, the homeless and other marginalised groups have prompted RSLs to question whether existing services are adequate to meet tenants’ needs. Those RSLs becoming involved in large-scale voluntary transfers frequently also get involved with wider action as a result of tenants’ demands. Beyond housing and environment, RSLs engage in economic development to reduce social exclusion through recruitment policies, use of purchasing and bargaining power and fostering an infrastructure for economic development, such as provision of workspaces for small business or delivery of training programmes (Training and Employment Research Unit, 1998).

Current deliberation over Scottish housing policy suggests the opportunity for additional involvement in neighbourhood regeneration for RSLs, which have an option to establish subsidiaries to engage in regeneration, or even themselves become subsidiaries of strategic community regeneration organisations. A recent report suggests an evolving role for Scotland’s social housing sector,
locally and nationally, in neighbourhood regeneration (Carley et al., 2000b). This is echoed by Burns et al., (2001) who examine the potential role of RSLs in developing social capital, a concept explored in a subsequent chapter.

One option is the development of multi-function community regeneration organisations, a bottom-up mechanism of initiative, control and development by communities. The term can cover a variety of approaches such as, in the UK, community development trusts, ‘housing-plus’ or ‘wider action’ social association activity, for example the community renewal activity of Cordale Housing Association in Dunbartonshire or the Wider Action Forum, a WfC Pathfinder (Carley et al., 2000b; Brown, 2001). In North America there is a history of community development corporations, neighbourhood renewal organisations and strategic neighbourhood action programs (Wilcox, 1998; Chartered Institute of Housing, 1998; Nye and Glickman, 2000).

While community-based RSLs have an enviable history in Scotland, larger RSLs, with extensive financial reserves, can be well placed to implement expensive capital projects that depend on assembling a complex package of financial support (Newcombe, 1998). They can also negotiate training, employment and community business benefits.

For Scotland, the relationship of Wider Action to community regeneration has been studied (SQW, 2000), suggesting that Wider Action will be more effective when it follows from a strategic framework which allows priorities to be established and mutually supporting links to be set up. It is not necessary for housing associations to develop new strategies for their own areas but they could draw together and interpret other relevant strategies, such as those developed by the local authority, SIP or local enterprise agency. The study concludes that for RSLs interested in neighbourhood renewal:

Taking a step backwards to develop a strategic view is essential if associations are to establish where their own contribution can be most effective alongside that of other organisations (p.6).

### 3.7 Neighbourhood management and local service partnerships

Neighbourhoods, or logical groups of neighbourhoods, are now at the heart of renewal initiatives such as Scotland’s Working for Communities (WfC) Pathfinders and the NSNR and Community Empowerment Fund in England. The Social Exclusion Unit (2000) argues that neighbourhood management is “the key vehicle, at the local level, that could provide the focus for renewal”, “within the context of local government reform”. The report distils four main ingredients of neighbourhood management:

- maximum involvement from communities, voluntary organisations and local businesses, that is, partnership;
- ‘someone in charge’ in the neighbourhood, a manager;
- reorganised public services as the main instrument of renewal; and
- targeted assistance from government.

This makes sense – the neighbourhood or rural settlement3 is a good level for integration of policy agendas: area regeneration, Agenda 21, Best Value and service quality, local Community Planning, and improvements to local

3 With the ‘area’, which is a logical group of neighbourhoods, usually brought into a single framework for service delivery or, increasingly, community planning.
democracy, such as area forums, within the agenda of local government modernisation. The neighbourhood is also the logical level for combining intervention with participation—most people, poor and rich, relate strongly to local quality of life issues, taking a "joined-up" view of the development needs of their neighbourhood. Initiatives such as community forums, local committees, local service partnerships (Gregory, 1998), neighbourhood service agreements (Cole et al., 2000) and neighbourhood boards (SEU, 2000) are all attempts to achieve this and secure devolved control. Taylor (2000) is a guide and literature review on neighbourhood management. Within the WfC Pathfinders are initiatives in neighbourhood management, local service partnerships, area service teams and local action plans, taken up in a later chapter (Brown, 2001).

Neighbourhood management does mean local authorities "facing up to difficult choices" in terms of empowering neighbourhood level governance, and "consultation strategies embedded in the policy-making process—so that public participation is transparent, and properly planned and implemented" (Burgess et al., 2001). The JRF (2000) sets out other conditions for successful neighbourhood management including joined-up working by civil servants and the public policy professions, community themselves given power and responsibility to take action and frameworks for performance measurement, regulation and audit which genuinely allow local autonomy. Because it focuses directly on local services which have a great influence on quality of life, neighbourhood management is potentially a powerful means of community empowerment if genuine devolution of the setting of priorities takes place from the local authority control to the neighbourhood. This in turn could be the foundation for renewed interest in democratic processes (Carley, 1999a). The JRF (1999) summarises what residents want:

Residents wanted to be in control of deciding priorities which professionals would then pursue on their behalf. In particular, they wanted greater priority for everyday concerns relating to local public services relative to 'big regeneration ideas'.

3.8 Alternative models to partnership

Partnership working is both difficult and expensive, with Dabinett et al. (2001) citing the following disadvantages: over-abundance of partnerships leading to a shortage of community sector partners, lack of clarity in terms of remit and objectives and marginalisation of some constituencies in partnership processes including minority ethnic groups and young people. The Audit Commission (1998) suggests that other options should be explored, including:

- consultative arrangements, with a single agency retaining responsibility for decisions and actions;
- professional or personal networks, which need not involve organisational commitment;
- contractual relationships, such as established under the Private Finance Initiative, which produce different benefits for different partners; and
- moving in and out of partnership, using formal arrangements only when necessary.
3.9 Relationship basis of partnerships

In a review of partnerships, Young (2000) finds that relationships are at their heart: between residents and their council and other service providers, and between agencies themselves. He argues that, like all relationships, partnerships must be worked at to produce satisfactory outcomes; they involve sharing political power and require strong leadership. Without political commitment at the level of the local authority, neither organisational culture nor lower level officials value partnership working at the neighbourhood level.

Neighbourhood renewal partnerships therefore must be based on the assumption that all partners, including community representatives, have equal access to the decision making process, and an equal voice in the development of partnership strategy (Chapman, 1998). This is the foundation of successful partnership.

3.10 Executive leadership and management

In the early days of partnership the most important factor to consider is in identifying the right individuals with the leadership qualities necessary to convince other stakeholders to participate, to persuade external stakeholders to commit resources and to generate a persuasive vision of what the partnership could achieve (Audit Commission, 1998). At all times, good leadership of the partnership is vital, by the director and by the chair of the board. For example, Brown’s (2001) summary of the Working for Communities Pathfinders finds that the role of project coordinators is “crucial” to achievement. This is a “dual role”, working with communities and local agencies.

3.11 Visioning, consensus building and strategic objectives

Partnerships formed in the absence of tangible goals are dismissed as ‘talking shops’. Visioning builds a picture of the future, what the partnership hopes to achieve, which translates into workable longer-term objectives (Audit Commission, 1998). For example, the Motherwell North SIP (2001) has four ‘key vision principles’ which translate into seven strategic objectives. The guidance on Crime and Disorder Partnerships calls this “shared strategy” a crucial element in partnership working (Home Office, 1998). The vision or strategy is different from a partnership’s mission statement, which explains how it seeks to operate (Chapman, 1998). Most important in the visioning or strategy process is for mutual learning to take place; stakeholders about each other and what is possible in future. Mutual learning is not only to develop strategy but to build trust between stakeholders – the “most important requirement for successful partnership working” (Chapman, 1998).

Visioning is important, but visioning processes become discredited as “motherhood and apple pie” if visions are not translated into clear aims, objectives and responsibilities. This has been identified as a weakness of Scottish partnerships (Dean et al., 1999). The Audit Commission (1998) suggests partnerships should move through the following four steps: visioning, establishment of strategic objectives, action and budgeting planning and joint operations including capital projects, new services or new approaches to existing services. The Crime and Disorder partnership guidance calls for “a small number of challenging but achievable objectives as preferable to a long list of objectives which are not achievable” (Home Office, 1998).
The development of a high quality and adaptable neighbourhood renewal strategy is important not only in terms of achieving social inclusion and neighbourhood outcomes, but in ‘cementing’ partnership so that the strategy can be operationalised, and revised as will certainly be necessary, over the years it will take (Russell, 1998). Partnership without an adequate strategy is soon dismissed as a ‘talking shop’ and strategy with the mutual learning processes of partnership will gather dust on the shelf (Carley et al., 2000). Guidance on SIPs also alerts us to the important point warns that partnerships must ensure that local strategies are compatible with other local authority-wide strategies (Scottish Executive, 2000). Aspects of neighbourhood strategy are discussed in a later chapter.

3.12 Breadth of membership, structure and efficiency

The structure of partnerships normally consists of a partnership board, sub-groups and partnership support staff with a director. The board is the main strategic, decision making arm whereas the sub-groups bring together relevant partners with others to pursue specific elements of the strategy. For example, The West Dunbartonshire SIP (2000) has moved to a “more strategic deployment of Social Inclusion Partnership funds” to link projects together and for better co-ordination with mainstream services. Four strategy groups link partners together in operational planning on: Health, Housing and Environment, Community Capacity and Social Inclusion and Training and Employment Access (Carley, 2001). These groups are said to “hold the key to develop issues and approaches, which are defined by the community”. A key role is to co-ordinate SIP-funded projects with mainstream programmes which is done through resource planning by the Strategy Groups. They currently look ahead three years, “re-benchmarking” of SIP strategy.

Community involvement in partnership can frequently suffer from the mistaken notion that there will be a unified community within any geographical area. This perception of community is described as “misleading” (Purdue et al., 2000). To enable the diversity of residents of neighbourhoods to participate, involvement seems to work best when community groups organise their own representative and administrative structure as a community partnership, forum or development trust, parallel to the time-limited regeneration partnership, with representatives sitting on its main board. In North Edinburgh Area Regeneration, for example, the community has organised itself, on both regeneration themes and a neighbourhood basis, through their Pilton Partnership and Greater Pilton Community Alliance (NEAR, 2001). This provides a wide breadth of opportunity for participation beyond the confines of the NEAR partnership, and makes community organisation more sustainable.

3.13 Gender and ethnic minority inclusion

A key task is to ensure that a broad range of community interests are represented in partnership working including, for example, the interests of women and ethnic minority communities. The participation of women in Scottish regeneration has been studied by Scott, G. et al., (2000) who find that partnerships pay insufficient attention to the needs of women at risk of multiple social exclusion and that women’s participation in partnership structures can be limited by failure to develop their confidence and by lack of childcare and inflexible meeting times. They recommend extending “gender sensitive” strategies for capacity building.
This is similar to the conclusions of Brownhill and Darke (1998) who found that key issues of race and gender were marginalised or ignored within regeneration policy and programmes. Their recommendation that all regeneration strategies should be informed by a proper understanding of the dynamics and benefits of cultural diversity. In terms of partnership working, they note that not all partners are equal, particularly when professional norms, language and communication patterns dominate over the interests of community representatives. They also warn that the term ‘minority ethnic groups’ refers to “a range of groups of strongly contrasting economic situations and norms” (p. v), and understanding therefore begins with a recognition of this diversity. A recent review of research on minority ethnic groups in Scotland provides a basis for a more enhanced understanding of these issues (Netto et al., 2001).

3.14 Reviewing and restructuring partnership

During early years of operation, many partnerships suffer a tension between allowing many partner organisations to join so as to be democratic and inclusive, and the need for efficient decision processes, best accomplished by a small, directed core of partners. A review of partnerships (Carley et al. 2000a) finds that partnership boards must be kept to a reasonable number of formal partners, with around 15 to 17 persons on a main board being the norm. Larger memberships require additional managerial resources.

Because both tasks and partnerships evolve, structure, representation and legal status of partnerships need to be periodically reviewed (Audit Commission, 1998). There is evidence that such reviews can be vital to the partnership health and in terms of addressing difficulties between partners. Often a revised structure is required to ensure continued efficiency in partnership operation. NEAR, for example, conducts a major review of its aims, structure and operations every three years. The Greater Pollack SIP (2001) finds that “as the partnership matures, structures will need to be reviewed to reflect the changing needs of the area and the challenges we face”.

Whatever arrangements are put in place for streamlined decision making, the Audit Commission (1998) warns that every effort must be made to avoid a clique of core partners developing, or other partners feeling excluded from decision making processes. Failure to do so will undermine the very basis of trust on which partnership is based.

3.15 Partnership resources

Partnership resources extend beyond the financial. Types of resources which can be brought to bear on to regeneration objectives include:

- human resources, including staff time, volunteers and secondments
- financial inputs
- access to specific sources of funding
- physical resources, including land and buildings
- intellectual resources – information and expertise, and
- legitimacy in relation to different constituencies of interest.
Partnerships represent complex interpersonal and organisational interactions, so they are very dependent on human resources – the quality of their people. Aspects of partnership working – communication and diplomacy, building mutual understanding, learning that power sharing can increase agency effectiveness and so on, take time to learn (Young, 2000; Taylor, 2000). Confidence-building is also important, particularly for board members from the community – while they may be representatives of their organisations, they need to have the courage to question professional practices and decisions which may appear pre-ordained.

Often, in early days without dedicated funding, local partnerships are run on a shoestring. There is evidence that just modest salary funding can generate substantial improvements in partnership performance, compared to no funding (Carley et al., 2000a). The importance of staffed partnerships has been formally recognised by the Scottish Executive, which has made Partnership Support Funding grants available. It is important that staff are seen to be acting independently of any partner agency and that their sole duty is effective management of the partnership (Chapman, 1998).

3.16 Culture of partnership

Partnership structures and styles of working are in a dynamic relationship (Young, 2000). Successful partnerships require creation of a culture in which joint working is rewarding rather than detrimental to bureaucratic objectives and career prospects. The dimensions of organisational culture, including explicit expressions, norms and values and basic assumptions, and their impact on partnership are discussed by the Civic Trust (1999). They call an increase in ‘cultural awareness’ and reduction of inevitable ‘cross-sectoral tensions’ as a legitimate goal for partnership. Within the partnership itself, the chair plays a key role in establishing the culture, and a strong but skilled chair is vital, to heal inevitable divisions within the community, and between the community and institutional stakeholders, and to draw reluctant players, such as local business persons, into partnership working. The risk is that a weak chair undermines partnership processes. The Civic Trust also suggests a back-up role for a facilitator to assist the chair.

This suggests that training for partnership working including negotiating skills and conflict resolution processes should be a priority. The DfEE (2001) sets out key lessons on the development of organisational culture conducive to partnership with the business sector, but relevant to all partners:

Create the right conditions for partnership, recognising that a “a clash of cultures” is often inevitable. Business, for example, wants participation which is focused on problem solving, time-limited rather than open-ended, active and measurable in terms of outputs. Community representatives need transparency in information flows and care taken that the language and norms of paid professionals do not dominate discussion.

● Think strategically about the roles of partners, to unlock their resources.

● Unblock frustrations of partners by addressing their concerns in a forthright manner rather than attempting to ignore or sweep them under the carpet. Two main sources of frustration are lack of shared vision and poor management of the partnership.
Facilitation skills are crucial to partnership: to build consensus, encourage involvement, foster mutual learning and achieve a pro-active, problem solving orientation to the partnership.

These points are mirrored in guidance offered by the Local Government Association (2000) in its review of New Commitment to Regeneration Pathfinders, immediate forerunners of LSPs. They warn that confronting and then resolving conflict in partnership is a key task – without this partnerships only achieve bland consensus at a lowest common denominator and pace of the slowest partner. Confronting differences in culture gives rise to more effective, mature partnership.

3.17 Monitoring

As well as tangible outcomes, the health of partnership, and partners' (including community) views are relevant during annual monitoring processes. DETR’s (1999) guidance on partnership evaluation notes that certain objectives of regeneration schemes, often called process objectives, do not relate to measurable socio-economic and physical conditions in the target areas – though they certainly do relate to people’s quality of life. The key process objectives are partnership in local policy-making and the empowerment of local communities, especially disadvantaged groups. They represent values in their own right, but also in the long term should contribute to tangible improvements in the social and economic circumstances of individuals and communities.

In some cases, DETR warned, there may be an apparent conflict between process and measurable objectives: “community participation that really bites may delay decisions or produce untidy compromises; shared implementation may produce a higher unit cost than more traditional arrangements” (para 2.3). Evaluation should identify these trade-offs between objectives; and it should ensure that achievements against process objectives are credited to partnerships alongside their more tangible impacts.

3.18 Partnership fatigue

There is growing concern over ‘partnership proliferation’ and ‘fatigue’, even at the neighbourhood level. The Audit Commission (1999, para. 64) warns that “the growing number of partnerships risks compounding fragmentation without effectively involving key stakeholders”. Where too many partnerships are in operation without an overarching structure, the achievement of national policy through local partnerships is in danger of being undermined. The Audit Commission notes the transaction costs of partnerships, which reduces resources available for tackling substantive problems.

Partnership proliferation is also confusing for local residents who prefer a simple participation framework which delivers outcomes on a systematic basis (Carley and Kirk, 1998). What is important is to rationalise existing partnership arrangements, including those for social inclusion, community planning, health, education, best value, Agenda 21 and public safety, so that services are delivered within a joined-up organisational framework. There is evidence this is occurring, for example, in Aberdeen the Great Northern SIP (2001) and WfC Pathfinder are being integrated. There is also a real opportunity for integration of SIPs within the Community Planning Structure which is beginning to take place, for example, in the Stirling Partnership (2001).
3.19 Devolved authority in partner organisations

Even where positive perceptions of partnership are present within stakeholder organisations, there are additional factors which influence the ability of organisations to contribute to locally-determined requirements for neighbourhood renewal:

- the extent to which decision-making authority is devolved to area or field level, as opposed to being centralised at an headquarters level;
- the authority of the person delegated to attend partnership meetings, and whether they can take decisions or must report back to their organisation before any action or commitment can be made.

Some organisations, such as local councils and health boards, tend to be more centralised in terms of control of decision-making and resources, with less in the way of devolved authority for officers delegated to attend partnership meetings. This causes difficulties, not just in terms of slowing down partnership decision processes, but for community representatives who find it difficult to understand why these organisations cannot commit to expenditure and outputs which can directly benefit communities (Audit Commission, 1999). However it is also important to note that these same organisations can have intensive calls on their resources, and statutory obligations which curb their ability to devolve authority or transfer resources from one service area to another.

3.20 Role of local government in partnership

Local authorities play a vital, dual role in neighbourhood renewal (Pearson, 2001). First they are often important partners or lead organisations in partnerships themselves. Here, as discussed earlier, the commitment of politicians and officers at all levels to partnership working is vital, with both political and executive leadership playing a role (Carley et al., 2000a). Political leadership, beginning with the council leader, is important to ensure an organisational culture supportive of partnership at every level from the city-wide to the neighbourhood, and for taking forward longer-term visioning processes, scanning ahead for opportunities over the next twenty years.

Local authorities also provide the institutional context and many of the services which support partnership and regeneration in general. It is a challenging situation – councils must empower local partnerships with decision-making authority over a range of issues, and in effect empower other institutional stakeholders and community representatives to act on their behalf. They must then allow that partnership to act independently and, potentially, critique their actions in a constructive manner. To foster partnership, there is a need to promote a fruitful convergence of interests between the modernisation of local government agenda and neighbourhood renewal. The agenda is four-fold:

- Good leadership in establishing a vision for the local authority and its neighbourhoods, with open participation, translating this into a practical Community Plan, or development strategy;
- Formulating the local authority’s responsibilities into a corporate strategy, which links line departments in a coordinated agenda, with targets for assessing achievement, which is then disaggregated to a area or neighbourhood level;
● Rethinking local democratic processes and the roles of local councillors, especially those outside the new cabinets, so they are able to work closely and confidently with local community organisations; and

● Devolving service delivery to partner organisations, and/or local communities, with a measure of budgeting control and within the framework of Best Value.

Support for the efforts of local authorities and their strategic and local partners in these areas is an important catalyst for positive change. The SIPs themselves play a role in this regard, as does the Better Neighbourhood Services Fund and the Community Planning process. Paralleling their concern over partnership fatigue, local authorities and other partners in a recent study of two SIPs have expressed an interest in Community Planning becoming the main integrating and driving force for developing strategic partnerships and the strategic development agenda, which underpin neighbourhood renewal efforts (Carley, 2001).

3.21 Conclusions

There is no ‘right’ organisational model for neighbourhood renewal in terms of partnership structure. There are advantages and disadvantages to different arrangements, including the informal partnership. The best partnerships evolve organically according to the needs and resources in the community and among the members of the partnership.

All partnerships need to foster integration: physical development integrated with social and economic development, so social inclusion is fostered by public investment; community organisations working on ‘a level playing field’ with institutional players; time-limited regeneration initiatives co-ordinated with mainstream service delivery; and lower level initiatives organised in the context of higher level strategy.

At the neighbourhood level, a sustainable approach to partnership, and an integrated approach to regeneration, might involve either the community regeneration organisation (CRO) or a neighbourhood management partnership (NMP), or some fusion of the two. The CRO could be an asset-based development trust, a community-based housing association or a subsidiary of a large RSL. Neighbourhood management could mean not only more focused, more efficient local services but the beginning of a revitalisation of local democracy. It does mean local authorities facing up to difficult choices in terms of empowering neighbourhood level action, which is about establishing priorities and standards, but not necessarily managing services or finance.

There are four key steps in partnership working. Whatever its organisational structure, partnerships should move through the following four steps: visioning, establishment of strategic objectives, action and budgeting planning and joint operations including capital projects, new services or new approaches to existing services. Partnerships which don’t through this cycle are ‘talking shops’ which waste human resources.

There is a positive relationship between the modernisation of local government, partnership working and neighbourhood renewal. The evidence shows that local authorities play a dual role in partnerships. First they
are often important partners or lead organisations. Here the commitment of politicians and officers at all levels to partnership working is vital. But they also provide the institutional context and many of the services which support partnership in general. Organisational support mechanisms include: leadership in establishing a vision for the local authority and its neighbourhoods, translating this into a Community Plan; formulating a joined up corporate strategy; rethinking local democratic processes and the roles of local councillors, so they are champions of neighbourhood interests and work closely with community organisations; and devolving the setting of service priorities, with a measure of budgeting control and within the framework of best value.

**Renewal policy could be more community friendly** by reducing bureaucratic demands of partnership working on community leaders and emphasizing community-led evaluation of partnership processes and outcomes.
4 The Role of Communities in Neighbourhood Renewal

This chapter examines the role of communities in regeneration partnership and local governance, and the role of community development activity and social capital in fostering this participation. It examines research evidence and organisational developments in the U.S.A., continental Europe and the U.K. A recent, parallel literature review for Scottish Homes examined the research evidence of activity undertaken to build the capacity of communities with a view “to creating communities which are participatory, empowered and, as a result, sustainable” (Chapman and Kirk, 2001). That report identified good practice and research undertaken to assess capacity building activities undertaken during community regeneration. The conclusions of that literature review are not repeated here.

4.1 Community base of partnership

Community groups and community leaders can feel disenfranchised from partnership processes and, at best, ‘junior partners’ in such arrangements (Combat Poverty Agency, 1995; Anastacio et al., 2000). The contribution of community leaders, with “much responsibility but little power”, is found to be consistently undervalued by policy makers and public service managers (Purdue et al, 2000). An evaluation of the SURI partnerships, for example, found community participation “limited” or even non-existent and that “the community were very unequal partners” (Pawson et al., 1998, p.28). This need not be the case however – the same research team found a “highly positive experience in terms of partnership between tenants, the Council and various professionals” in the rebuilding of Niddrie House in Edinburgh’s Craigmillar estate (Pawson et al., 2000, p.4).

The situation where residents feel disenfranchised particularly arises when institutional stakeholders set both the agenda of regeneration and the rules of participation, hold the purse strings, and take real decisions before they interact with residents. In terms of neighbourhood policy, professional interests can dominate because of the ease of communication between regeneration professionals and civil servants, and because professionals have the resources and skills to respond to funding opportunities in a manner recognised as acceptable by the civil service.

Communities and their representatives can also be demoralised by the fact that their time is undervalued, often requiring many tedious meetings to achieve standards of local service delivery taken for granted in prosperous areas. For example, a review of citizen perceptions of Scottish local governments found a feeling that “current consultation was largely cosmetic and more of a public relations exercise than a serious attempt to gauge public opinion” (Carole Miller Research, 1999). Too often, participation programmes fail to lead to a productive, systematic plan for neighbourhood improvement, but rather to uncoordinated requests for yet more participation, often from agencies working within diverse funding streams (Carley and Kirk, 1998). In
areas of physical regeneration, decisions by professionals can even determine whether long-standing communities survive, or are incrementally eroded by decanting of tenants, demolition and onward sale of housing or cleared land to promote tenure diversification, a regeneration strategy now being questioned (ODS, Ltd. 2000). Problems can also arise when the ‘community’ is assumed to be unitary in its interests by institutional stakeholders, who fail to differentiate between communities of place, or neighbourhood interests, and interest or faith communities, which can link households across neighbourhoods (Carley and Kirk, 1998).

In light of past failures in engaging with communities, it is a great challenge to achieve genuine partnership in neighbourhood renewal. Genuine partnership implies empowerment, which means communities enhancing their own ability to participate in the development and implementation of renewal strategy, service delivery and community governance. The following concerns about past participation in regeneration have been identified:

- Residents in neighbourhoods with a history of unsuccessful renewal can be apathetic or cynical about new initiatives;
- Communities ought to be involved at the beginning in establishing development priorities for their neighbourhood, but if renewal funding is not forthcoming it can be very disheartening;
- the all-too-common effect of ‘population churning’ which sees the economically successful depart from problem neighbourhoods, thus eroding the community’s base of social capital, and further concentration of problem households which demoralises community spirit;
- the need to create opportunities for all community members to participate, balanced against the need to select a small number of representatives to sit on partnership boards;
- the need to reconcile the potentially important role of local authority Councillors with that of community representatives (Brown et al., 1999); and
- the need to create opportunities for long term, less intensive participation which puts local people in charge of neighbourhood renewal rather than responding mainly to the interests of institutional stakeholders and short term funding mechanisms.

On the positive side, perhaps for the first time regeneration policies are offering residents the opportunity to become genuinely involved in partnerships focused on the governance of their neighbourhoods. It is often said this is essential to social inclusion, but the difference now is that participation could become a mainstream aspect of local governance rather than a superficial ‘bolt on’ to the institutional and professional agenda of regeneration. Initiatives such as Community Planning, the NSNR for England and Scotland’s Neighbourhood Renewal Statement could trigger this important step.

Guidelines for good participation have been identified by Liard et al. (2000) who highlight South Lanarkshire Council’s ‘wheel of participation’ which distinguishes between 12 steps in ascending stages of information sharing, consultation, participation and empowerment. There are also benchmarking

4 A previous chapter noted the opposite effect in remote rural areas where it is the socially excluded who may move, to access services such as social housing.
systems for community participation (Burns and Taylor, 2000; Yorkshire Forward et al., 2000).

4.2 Local participation in democratic governance

Neighbourhood renewal initiatives need to be part of broader initiatives to buttress local participation in democratic governance, and to bring citizens, local councillors and local authorities into a more fruitful relationship. Given the long-term nature of neighbourhood renewal in some areas, and the importance of local services, better participation can be viewed as at the heart of renewal, rather than peripheral to it.

The challenge of improving local government in the eyes of its citizens is indicated by research on perceptions of Scottish local government (Carole Miller Research, 1999) which found views of: lack of transparency in council decision making, lack of accountability in the event of poor service, uncertainty about the role of local councillors and the view that they were “motivated by self-interest” and lack of interest in local government elections because “nothing changed as a consequence of voting”. Overall:

Participants in general had a poor image of both local authorities and councillors and they did not feel empowered to effect change.

However, participants did feel that:

Councillors should be the main link between communities and their local authorities. As such, Councillors should be proactive, seeking out constituents views and communicating with residents about what they have been doing on behalf of local communities. Participants wanted such interaction to be the main focus of councilor’s activities.

These findings reinforce the view that the temporary participation exercises which characterise time-limited regeneration funding programmes, and their partnerships to which they give rise, will never substitute for longer term participation in democratic processes, which should be the participative framework for neighbourhood regeneration. One option is to buttress the role of Scotland’s 1,169 community councils, although their current lack of impact on processes of governance may be hard to overcome (Goodlad et al., 1999):

The majority of local authorities see community councils as, in principle, having no different a role in community consultation than voluntary and community groups... A small number of authorities, perhaps four or five, give community councils a distinctive role in their decentralisation schemes...

4.3 Role of community development

The main organisational mode of community regeneration has shifted from single function organisations to multi-agency partnerships. While these have proved useful in integrating the regeneration strategies of institutional partners, there can be real difficulties in getting statutory bodies to work together, and in partnership with community organisations (Development Trusts Association, 1997).

Community development work can be essential in this regard. Watkins (1999) identified two main roles for community development: a developmental role which involves increasing the ability of local communities to control their own affairs and a functional role which involves formulating and progressing projects of benefit to the community. These processes can be assisted by
community development agents which help groups within communities develop social capital, discussed below.

The ability of communities to control their own affairs may be necessary but not sufficient for neighbourhood renewal, if the political opportunity for self-control is not present. Successful community development therefore will be predicated on a sufficient measure of what is defined as empowerment in the South Lanarkshire guidance:

- Delegated control – delegation of limited decision making powers such as to a tenant management organisation;
- Interdependent control – local councils facilitating community groups and/or other agencies to provide services; and
- Entrusted control – devolving substantial decision making control.

In this context of community development, the objective of neighbourhood renewal is sustainable community regeneration, defined as:

Self-management and participation processes, and investments, directed at the economy, environment and social life of disadvantaged areas and households. These generate long-lasting improvements in the prospects of residents and promote their full integration with society, accord with residents’ needs and aspirations, and are likely to benefit coming generations (Carley and Kirk, 1998).

Organisational development in the community is also important because regeneration and social inclusion is invariably a long term task, requiring investment, institutional action and community management over ten or even twenty years. To participate fully in this long process, which can span generations, local residents need an organisational infrastructure to enable them to be fully represented in the processes of regeneration: strategy deliberation, identification of key priorities, ‘bending’ of human and financial resources to the regeneration task, and so on.

Although sometimes the need for regeneration exists in small neighbourhoods within prosperous areas, much deprivation remains a persistent problem across urban areas hard hit by industrial decline. This means that, although the primary focus of community development is at the neighbourhood or rural settlement level, an approach which integrates city-wide and regional initiatives with an enabling national policy framework can be essential.

### 4.4 Role of social capital

Social capital is defined by Kearns and Flint (2000) as features of social organisation, such as networks, norms and trust, that facilitate co-ordination and co-operation for mutual benefit. It is an intangible resource which exists in relations among people, and is self-reinforcing when used, but depleted when unused (Burns et al., 2001). Social capital can be developed by residents of neighbourhoods interacting for social or political reasons, and by community development activity and “community capacity building”. A recent review examines the parallel literature of capacity building (Chapman and Kirk, 2001) and there are guides to its achievement (Skinner, 1997) and resourcing (Duncan and Thomas, 2000). There is also increasing attention within SIPs, for example, by the Community Capacity Strategy Group of the West Dunbartonshire Partnership (2001).
In this context of developing social capital, trust is an important foundation for the reciprocity between residents and stakeholders necessary for mutually beneficial behaviour. Kearns and Flint argue that neighbourhood decline sets in train a cumulative decline in social capital: “Networks are disrupted and weakened, population turnover erodes familiarity and trust and policies and initiatives aimed at reversing decline are implemented in a context of community disengagement and disillusionment” (p.4). Conversely, it is argued, successful outcomes of interventions in fields as diverse as poverty alleviation, job creation, public safety and health are more likely in “civically engaged” communities. Successful outcomes are reported to be not only a result of social capital, but also of “community capital” or institutional infrastructure, which is central to the mobilisation of social capital. Institutional infrastructure is defined as the level and quality of formal organisations in the neighbourhood (Temkin and Rohe, 1998).

Community capital is said to mediate between individual associational behaviour and formal local politics and governance (Burns et al., 2001, p.8):

Community in this sense is central to the construction and mobilisation of social capital for the benefit of the neighbourhood as a whole and helps us distinguish between benefits which accrue to individuals through, for example, developing wider networks, and benefits which accrue to the community.

Consideration of the related concepts of social and community capital suggests that more clarity may be required over the objectives of community renewal, that is, what are the objectives of intervention, both from the view of local residents and for society as a whole, and the methods and effects of intervention. For example, Atkinson and Kintrea (2000, 2001) distinguish between households and neighbourhoods ‘getting by’, as a result of neighbourhood effects, as opposed to ‘getting on’, or moving out of social exclusion. They warn about initiatives which foster getting by, reinforcing inward-looking social norms, without addressing the underlying causes of social exclusion. This perspective is paralleled by Kearns and Flint’s (2000) analysis of social capital, in which they distinguish between ‘bonding’ and ‘bridging’ forms. Bonding within the local community is seen to support getting by, whereas bridging social capital linking local households to the wider world of economic and social opportunity is necessary for getting on.

Although formal training, and community development work, to develop ‘bridging’ social and community capital is important, informal networks, voluntary organisations and community initiatives also play a vital role in social inclusion. In coalfield rural settlements for example, where economic regeneration is both difficult and a lengthy process, community initiatives are found “to create alternative forms of work and provide services that both government and market fail to deliver”, enhancing people’s quality of life” in very difficult circumstances (Bennett et al., 2000). For many households in deprived areas, informal social networks:

Emerge as an important source of support, meeting emotional, physical and practical needs as well as providing stability, self-confidence and esteem and the strength to challenge discrimination and survive adversity (O’Conner and Lewis, 1999, p.85).

Such outcomes are seldom measurable, but no less important.
4.5 Social capital and neighbourhood renewal in the U.S.A.

In America, there is also emphasis on social capital as a key factor in community regeneration with the argument that neighbourhood renewal initiatives which are not underpinned by development of institutional and organisational social capital and community networks are likely to fail (Lang and Hornburg, 1998; Temkin and Rohe, 1998). An analytic framework for examining enhanced formal and informal social capital is defined by Vidal (1998). Formal capital includes public, private and non-profit organisations and the relationships among them that creates working markets and strengthened political and social systems. Informal capital includes family, friendship and voluntary networks and neighbour relationships.

In terms of the benefits of social capital, Temkin and Rohe (1999) demonstrate that neighbourhoods with higher levels of social capital are more stable, with a more effective outcome to renewal. They also argue that local organisations which engage in community development make a greater contribution to renewal than organisations that see their role primarily in housing development.

Some authors question how social capital can be developed, with general agreement that genuine community empowerment and ‘participatory tools for building organisations and institutions’ are fundamental to so doing (Wilson, 1997, p.749; Kingsley et al., 1997). A parallel conclusion is drawn by Peterman (1996) in a review of resident management initiatives (RMs) on American public housing estates. He finds RMs useful, but not sufficient, for sustainable regeneration. The missing link is self-developed community organisation(s), which create empowerment. Peterman warns social housing organisations not to ‘put the resident management cart before the community development horse’.

4.6 Neighbourhood renewal organisations in the U.S.A.

Three approaches to ‘reintegrating disadvantaged communities in to the fabric of urban life’ are reviewed by Vidal (1995): enterprise zones, community development corporations (CDCs) and community development financial institutions (CDFIs). The latter include community banks, credit unions and access to ‘micro finance’ for business start-up intended to redress lack of access to credit and financial services (on banks’ commitment to aid CDFIs, see Schwartz, 1998). No evidence is found that enterprise zones significantly aid local communities, as opposed to inward investors, but CDCs and CDFIs are viewed in a more positive light.

Glickman and Severn (1995) undertook detailed analysis of CDCs. They propose that successful CDCs have developed regeneration capacity and make use of funding intermediaries. The best CDCs are described as:

Learning organisations, maintaining a shared vision with their community, developing personal mastery within staff and board, and challenging commonly held assumptions. Collaborative CDPs are local intermediaries that attract funds from local, regional, and national sources (p.164).

They go on to define capacity in five dimensions: resource, political, organisational, programmatic and networking, with a further two characteristics which cut across these five: responsiveness and resiliency. Nye and Glickman (2000) review the operation of CDCs and supportive Community Development
Partnerships (CDPs). As with British urban policy (Carley, 2000) although inspiring successes can be documented, there is little evidence that the achievement is commensurate with the scale of social exclusion.

Many CDPs which support CDCs are organised with the assistance of intermediary organisations such as the Ford Foundation and the Local Initiatives Support Corporation, discussed below (1999). Nye and Glickman go on to chart constraints on the achievement of community regeneration in CDC/CDP initiatives:

- a top-down approach of the support structure which does not enable community participation
- lack of resources compared to the severity of neighbourhood problems brought on by market failure and private disinvestments
- a focus on affordable housing has hindered development of skills in more broad based economic regeneration
- lack of funding for community development activities which, although important, may not have measurable outcomes
- lack of positive relationship between CDCs and city governments.

Other themes in the American literature include physical redevelopment along the lines of ‘traditional neighbourhood design’ and housing redevelopment:

- shifting low income households into middle income neighbourhoods (called pepper potting)
- attempting to create mixed income communities on hitherto low income estates.

These points coincide with the concerns of Atkinson and Kintrea (2000) with regard to neighbourhood renewal policy in Scotland.

### 4.7 Intermediary organisations

Intermediaries act nationally and locally to support neighbourhood renewal organisations by increasing their access to national and local finance and expertise (Glickman and Severn 1995). These were enabled by the Tax Reform Act 1986 to pool private corporate investment for social purposes through syndication. They include the Ford Foundation, the Local Initiatives Support Corporation and The Enterprise Foundation. They become active in CDC partnerships at the local level and also establish city-wide and regional intermediary organisations.

The role of intermediaries is summarised by Vidal (1995): fostering social experimentation, hard-nosed philanthropy and social banking. The functions of intermediation are defined by Liou and Stroh (1998 p. 577):

- mobilisation of capital, including project and operating support and predevelopment packaging;
- provision of technical assistance in local institution building, financial packaging and project development; and
- legitimisation of CDCs, enhancing perceived technical competence and reducing risk to both private and public funders.
Liou and Stroh suggest that intermediaries pursue a variety of different approaches but also warn that there is evidence that what works in one state may not work in another, and that national intermediaries may need to establish regional offices to tailor their approaches locally.

A similar point is made with regard to local strategies and capacity building in Ontario (with a similar population to that of Scotland) by Smith (1996). She reports on the challenges to the management of social housing including ‘residualization’ of low income residents. She argues that different estates in different cities require tailored solutions that cannot be dictated from the headquarters of the Ontario Housing Corporation (OHC), and that it must substantially change its management approach to devolve responsibility to tenant-focused initiatives, including opportunities for local asset management. The OHC provides funding to local housing organisations for tenant participation, on a per capita basis.

A looser definition of ‘intermediation’ with regard to wider role activities of Scottish RSLs is put forward by Burns et al., (2001) who suggest that RSLs can act as a link between community organisations and broader institutional networks, or in playing a coordinating role between organisations in an area. Around one-quarter of RSLs are said to currently do so.

4.8 Summary of American achievement in neighbourhood renewal

It is important when making trans-national comparisons to look not only to the apparent quality of the organisational framework for neighbourhood renewal in the US but also at the outcomes compared to levels of social exclusion. Recent research suggests that, like Britain, the US has a long way to go. Some of the American organisational arrangements, such as the productive relationship between CDCs and intermediary organisations may be relevant in Scotland, although recent commentators suggest the CDCs’ achievements are limited when compared to the degree of need (Nye and Glickman, 2000).

Assessed at a national level, the aggregate achievement of American renewal appears weak. For example, a recent survey of 149 urban experts identifies the key influences on the American city in the next fifty years. The most significant factor is seen to be worsening poverty, and growing income disparity, with ‘a perpetual underclass in central cities and inner ring suburbs’ leading to ‘possibly dire consequences for American cities’ (Fishman, 2000, p.209). The comment is made that there is ‘little evidence that recent government policy, including Empowerment Zones and housing investment programme, can deal with the scope of the problem’ (p.210). The scope of the problem has been exacerbated over many decades by a de facto urban policy which concentrated the poor in inner city public housing while encouraging (through highway investment, mortgage subsidies, etc.) the middle classes to move out.

Given the weakness of this policy approach, urban policy in the US is shifting toward what is termed a ‘new market approach’. At a basic level, this is simply recognition that, for some prosperous city-regions benefiting from the booming American economy, inner city locations are now back in favour with inward investors, and that policy needs to encourage this by land use planning, land banking by public agencies and transport investment. However, ‘rust belt’ cities such as Cleveland, Detroit and Baltimore are largely excluded and there is no evidence, at least as yet, that the ‘perpetual underclass’ is likely to benefit from these market driven developments. However, policies directed at improving the
household incomes of the working poor, by earned income tax credits, could combine with improvements to inner city neighbourhoods to create more mixed income communities with greater political clout to achieve quality of life improvements.

4.9 Neighbourhood renewal in Europe

A range of literature on European approaches to community regeneration has been reviewed (John and Cole, 1998; Quaife, 1997; Schuiling, 1996; Harding, 1994). A main lesson is that community renewal is not seen as a different process from more general urban development, planning and local governance, but part and parcel of it. After many years of focusing on problems of disadvantaged estates and areas in isolation, the move in the UK to city-wide regeneration and broader partnership, such as the Edinburgh Partnership and Glasgow Alliance, suggests we may be sharing this approach (Carley and Kirk, 1999). The European approach is characterised by:

1. Clearly stated national policies on the role of cities in the national economy, and the need for neighbourhood regeneration;

2. Strong integration between regional, city and neighbourhood planning, often mandated by law;

3. Major investment in housing, environment and transport infrastructure as a catalyst to regeneration, and to integrate neighbourhoods into the urban fabric; and

4. Higher benefit levels and, in some cases, provision of subsidised employment workshops giving local social benefit, which reduces the impacts of unemployment and social exclusion at the neighbourhood level.

Within a generally systematic, integrated approach to regeneration in Europe, of course, there is an enormous diversity of examples, but much scope for learning. Carley and Kirk (1999) for example, argue that there is much to be learned from European approaches and that observers in the UK may tend to overemphasise the value of rather fragmented American approaches to community regeneration because the problems of deindustrialisation and social exclusion appear more similar.

One of the best known initiatives, the French Contrat de Ville approach to community renewal includes initiatives for employment, training and investment in infrastructure in inner city areas and peripheral estates (Carley and Kirk, 1999; Quaife, 1997). The Contrat scheme resembles the SIPs in that, where good local partnerships are in place, national resources are provided to local areas for regeneration, especially large housing estates and working class suburbs but also with a city-wide element which recognises that areas of poor housing needed to be integrated into healthy neighbourhoods. However the main difference is that it is not a competitive programme which pits place against place but rather, once partnership is in place, resources are allocated on the basis of direct negotiation between the central Ministry of Urban Affairs and local government. The various Contrats cover urban redevelopment, public services, housing, training, education, crime control and cultural projects and programmes. A parallel contractual negotiation exists between central government and France’s regional councils, called Contrat de Plan. The Contrats are legally enforceable agreements setting out an agreed programme of regeneration over a four year period.
Organisationally, the Contrat programme has fostered not only local regeneration but encouraged partnership among fragmented local municipalities, an important outcome in France where historically one of the main handicaps to city-wide regeneration strategy is the division of conurbations between a large number of communes, each with planning and revenue raising powers. The problem is exacerbated by antipathy between cities and suburbs, often of different political persuasion, retarding the process of partnership.

4.10 Characteristics of the U.K.’s community-led neighbourhood initiatives

The term ‘community-led’ covers a variety of approaches such as informal partnerships, development trusts, ‘housing-plus’ or ‘wider action’ housing initiatives, tenant management or ownership co-operatives and neighbourhood renewal organisations (Wilcox, 1998; Chartered Institute of Housing, 1998). Whatever the name, successful community-led initiatives tend to have these characteristics:

- they are concerned with the long term regeneration of a neighbourhood;
- they involve the community in hands-on management;
- they often begin with a specific task, such as housing management or environmental improvement, and expand the range of interest and community intervention activity as community capabilities evolve;
- they have business-like objectives, budgeting and a performance review systems, described as a ‘commercial surplus-generating mentality bound by a non-profit distributing philosophy’ (Thake, 1995);
- they combine public and private income;
- a proportion of their budget may be derived from commercial endeavours or commercial lending organisations, giving a degree of independence from public funding; and
- they are involved in a broad range of initiatives from provision of community facilities to retail enhancement to the provision of managed workspaces.

If the community-based sector is to play a significant role in neighbourhood renewal, commensurate with well-resourced and staffed institutional stakeholders, it will require “a wholehearted acceptance by other partner organisations that the community-based sector needs to be directly resourced if it is to be able to make its contribution” (Development Trusts Association, 1997, p.36.)

4.11 Development trusts

Development trusts are a good example of formally constituted, local initiatives of which there are more than 230 in the UK. They are independent and profit generating, but not for private profit (Development Trusts Association, 1999). The majority are companies limited by guarantee with charitable status, although others are registered charities or industrial and provident societies. They need not use the term development trust, but may be ‘amenity’ or
'environment' trusts. Initiatives undertaken include a full range of neighbourhood renewal activities: employment training, housing improvement, small business and property development, sport and leisure facilities, retail improvement and so on.

Although they make use of public grants, development trusts work toward financial independence through 'asset base' development of land, buildings or capital. This is intended to specifically counter failure of markets to work in areas of social deprivation, and the difficulties local residents have in securing adequate income levels and access to capital (Development Trusts Association, 2000). This involves partnerships engaging in processes to foster local economic transformation, based on community assets and enterprises which produce local jobs and income streams. In this context, attention is paid to both the capital and revenue implications of community investments over time, to ensure that capital investments will supported with the necessary management and maintenance, requiring revenue streams, over the lifetime of those capital investments. Asset-based community regeneration partnerships may also become service commissioning organisations or service providers, buying in services from a range of sources, or as delivery vehicles providing services on a fee basis or on contract from public sector purchasers, or a combination of functions.

4.12 The future of community participation

A seminar organised by Scottish Homes (2000) considered the future of local participation in Scotland. Some participants felt that the future of local empowerment and participation had to lie with local authorities, because they were the only organisations operating at the local level which had democratic legitimacy in law and whose representatives were elected in a comprehensive electoral system. The local authority was also seen to be a vital ally to communities due to the substantial amounts of public funds invested in regeneration, which the public sector needed to oversee. However, other participants felt the past record of local government was poor in terms of empowering communities, that "they had lost the trust of local people", and that other mechanisms of participation had to be found if there were to be effective outcomes for communities. This line of argument suggested that local government, on current arrangements, mainly served the interests of party politics, and so could not be relied upon to genuinely empower neighbourhoods when it implied a dispersal of power. Other mechanisms, such as CROs unconnected to local government, were suggested. Representatives of some housing associations working in community regeneration pointed out the unwillingness of their respective local authorities to empower them in functions such as neighbourhood management.

4.13 Conclusions

High quality community participation has yet to become widespread or embedded in partnership or governance. Despite professed commitment to 'community participation' by institutional stakeholders, there is evidence that many residents still feel disenfranchised from partnership processes, having little control over renewal strategy or the service delivery which influences quality of life. However this need not be the case, with good examples of high quality participation.

There are some good ideas coming from America, but they should be viewed with caution. Good ideas include community development
corporations and regional and national intermediary organisations. The latter help focus expertise for the benefit of local partnerships and they package finance for partnerships. This experience holds two lessons for Scotland. First, the evidence is that, although there are good initiatives, a smattering of these may only be of marginal value if the innovation is dwarfed by the scale of deprivation. In other words, the amount of financial and human resources devoted to renewal needs to be commensurate with the task. There is evidence that intermediary organisations, and legislation which fosters their activity, can play a positive role in neighbourhood renewal.

**The need for social and community capital building suggests an important role for community regeneration organisations.** These enable deprived neighbourhoods to help themselves in a process of self-development. The main requirements are the presence of neighbourhood organisations, local people with the capacity and resources to engage in community development, and the empowering of these to act on behalf of residents in renewal and securing better service delivery.

**Britain already has good examples of community regeneration organisations.** These may be development trusts, engaged in asset-based community development. With appropriate backing at a national level, these could be one good vehicle for neighbourhood renewal. Scotland has a history of community-based housing associations which were, at one time, an organisational model for neighbourhood renewal. Both development trusts and ‘wider role’ RSLs have real potential to become community regeneration organisations.
5 The Importance of Effective Service Delivery in Neighbourhood Renewal

This chapter looks at the role of service delivery in neighbourhoods and at the growing emphasis on locally-controlled neighbourhood management as an important aspect of local regeneration. In deprived neighbourhoods, mainstream expenditure programmes and local government services constitute up to 85 per cent of financial intervention flows (Bramley et al., 1998). The quality of service delivery in these neighbourhoods is therefore a major factor in social inclusion. As Atkinson and Kintrea (2001, p.5) note:

Perhaps the most obvious source of neighbourhood effects is the influence of the quality and availability of services which are consumed within local neighbourhoods. If key publicly-provided services such as schools, health services, social care and leisure are deficient in poor areas compared with better off areas, there is likely to be significant detrimental influences on the life chances available to residents.

The pressing challenge to service delivery in these neighbourhoods has been highlighted by the Cabinet Office:

...the very processes that push communities into dependence also undermine the ability of the state to help them. Core public services, like schools, the police, health and social services, struggle under a higher and more difficult workload...The difficulty of the job makes it more difficult to recruit and retain staff. This often means that the poorest neighbourhoods get the poorest services (Cabinet Office, Social Exclusion Unit, 2000, para. 2.10)

Mainstream services are administered nationally (for example, benefits and employment services, soon to be integrated), regionally (health, water and sewage) and by local authorities, responsible for up to 184 statutory functions in Scotland, from education to street cleansing (Scottish Homes, 2000). Evidence that mainstream programmes have not been well structured for tackling the problems of deprived neighbourhoods is cited by Dabinett et al. (2001), although national initiatives such as the Working Family Tax Credit, New Deal for Employment and the cross-cutting element of the 2000 Spending Review are seen as positive developments in targeting resources more accurately.

It is also important to note that it not only mainstream financial benefits or large regeneration projects which are important to residents' quality of life, including socially excluded households. A growing number of surveys report the importance residents attach to 'minor' neighbourhood problems which, although modest, degrade quality of life by their persistence. For example a review of environmental concerns of disadvantaged groups in urban and rural neighbourhoods finds that litter and dog dirt were of more concern than apparently larger issues (Burningham and Thrush, 2001). Similarly, a focus group review of local aspirations in five Edinburgh neighbourhoods within an 'archipelago' SIP found that in every neighbourhood 'litter, dog fouling, cleaner streets and parks' were identified by residents as of pressing concern (SQW, 2001a).

Although there is much experimentation, there is no one model for neighbourhood management of services, but research indicates the importance
of communities themselves participating in establishing a forward vision, service priorities and measures of service quality (Taylor, 2000). In this sense, experiments in community governance could be essential to neighbourhood renewal.

5.1 Overcoming barriers to service delivery

Partnerships are turning their attention to overcoming barriers to good service delivery inherent in bureaucratic systems. These are described by the Scottish Social Inclusion Network (SSIN, 1999, para. 15):

Public services are fragmented for the user because of the range of organisations involved in their delivery. Central government and its agencies are structured around the services delivered rather than the areas or groups served. In consequence, joint working can be given a lower priority than the perceived mainstream work of the organisation or service.

The same fragmentation can occur with local government services, identified by residents as vital to their quality of life (Kearns, 2000). The current policy focus on neighbourhood renewal and community planning reinforces the need for cross-cutting partnerships which focus on the contribution of services to overall quality of life, rather than the delivery of individual services per se. The SSIN argues that “community planning offers the prospect of key agencies, facilitated by the local council, integrating the planning of the delivery of services locally. It is as much about the process of implementation – about partnership – as it is about the production of a plan” (para. 47).

5.2 Local service partnerships

Fostering more efficient service delivery to secure a better outcome for residents as consumers of local services is now recognised as vital with key partners service providers working with local communities. According to the National Strategy for Neighbourhood Renewal, “the poorest communities have received the poorest services” (2000, p.26). Local service partnerships bring together resident and community organisations with institutional stakeholders to assess local needs and to readjust service priorities in light of these. The outcome is a local service agreement which sets out targets, a schedule for achievement and a monitoring system. However improved service delivery, although integral to renewal, requires a “major conceptual and practical shift away from traditional producer-driven services” (Gregory, 1998). Residents and institutional stakeholders, especially local authorities, need to work together to drive forward this agenda which may involve:

- redefinition of services and service delivery patterns;
- reappraisal of the process of targeting resources, tying resource levels to needs assessment;
- better integration of services, bridging gaps and avoiding duplication, by better information from service providers, joint working and reappraisal of responsibilities;
- uniform standards and locally-negotiated service agreements for neighbourhoods
- service partnerships which review performance against assessment; and
- community business involvement in service provision.

In Scotland, barriers to better service delivery are being addressed through the Better Neighbourhood Services Fund. The current round of the BNSF allocates substantial funds to pathfinders in twelve local authorities, selected by the
proportion of total population in receipt of income support. The local authorities and their "community planning partners" are free to allocate funds to choose the neighbourhoods they wish to benefit from the resources, and to determine what outcomes they want pathfinders to deliver (Scottish Executive, 2001a and c). The proposals for the pathfinders are set out in Local Outcome Agreements (LOAs) which charts how the initiative will deliver improvements in measurable key outcomes in service delivery, based on community priorities and set by reference to baseline information, targets and an agreed timescale for achievement.

5.3 Locality budgeting

In all policy areas, the contribution of public expenditure is highlighting the significance of 'locality' budget deployment in regeneration areas. The notion of 'bending' mainstream budgets to achieve additional benefits in regeneration areas has long been identified as important, but recently more practical attempts are being made to achieve such integration. For example, the Scottish Social Inclusion Network has called for pilot projects on more flexible approaches to benefits in SIP areas, a proposal which mirrors a pilot Social Enterprise Zone initiative in East London (Robinson et al., 1998).

If reallocation of expenditure closer to local needs is to be achieved, a task of partnership is to make progress towards locality budgeting. This involves knowing what the level of public expenditure is in any service sector in a designated regeneration area, and co-ordinating resource commitments, linking them to regeneration objectives and systematically monitoring the outcomes of expenditure patterns. Locality budgeting may include any or all of the following functions:

- Information sharing: specification and clarification for partner agencies and local residents of existing spending levels within an area;
- Reallocation of funds: by individual agencies ("bending") of budget resources to designated regeneration areas;
- Joint funding: of short-term interventions/activities and of staffing budgets of partnerships;
- Partnership co-ordination: between agencies or departments, or within the broader partnership structure, of budgets to a common purpose, including linkage of mainstream and regeneration budgets;
- Strategic integration: multi-agency integration of funding programmes to meet longer-term, strategic objectives; and
- Devolution of budget control to the neighbourhood/area level: which empowers local organisations to establish priorities and oversee implementation of expenditure. Control is the key, actual transfer of funds need not occur.

There is little evidence that mainstream expenditure patterns are as yet readily available for existing initiatives such as SIPs (Craigmillar Partnership, 2001) but efforts at innovation in service delivery and budgeting are being taken forward within the WfC Pathfinders, reviewed by Brown (2001). The challenges are substantial and progress slow, with "little or no impact on patterns of mainstream expenditure, service delivery or expenditure, except at a very localised level". A main barrier is failure of local authorities to give priority to these initiatives with only a minority having local councillors as active participants. However, some innovation is found in 'community agents' acting as information channels between service providers and the community, 'financial input service mapping', thematic local service partnerships, such as around youth issues, community banking and for joint training for residents and institutional stakeholders on service level agreements. Brown suggests a "far longer timeframe" is necessary for developing innovation.
Locality budgeting may also be important in rural areas, where there has been major restructuring of service provision in recent years, especially following the increase in the size of service units such as shops and banks and the development of out-of-town shopping. This, along with increased car ownership, improvements in roads and access to services by mail and telephone, has led to increasing problems in delivering some services: concern has arisen over the declining levels of provision in rural areas. For example, Hope et al. (2001) in a survey of service in rural Scotland find that population growth in many rural areas does not necessarily lead to expansion of service provision, especially if the incoming population is more mobile. But the satisfaction of residents is mixed; many appreciate better retail service even if they need drive long distances or secure ‘a ride’ with friends. Older people, however are more reliant on local shops and services, not surprising given that half of Scots over 65 years of age have no access to a car compared with 23 percent of all other adults (Scottish Executive, 2001b). Of those in remote rural areas without a car, 29 percent have to walk for 14 minutes or more to their nearest bus stop or else have no bus service at all.

In the survey by Hope et al. rural residents attached the highest priorities to improvements to activities for teenagers and general sport and leisure provision. For other services, the emphasis was on gaining or improving access to services, usually by improvements in public transport, with poor or expensive transport links said to contribute to the perception that there is little for young people to do in rural areas. Hope et al. distinguish between four types of rural services which could guide locality budgeting assessments and allocations: fixed local services used predominantly by people living in the same locality, fixed non-local services to which users travel from a range of localities, mobile services which travel between different localities and remote services which are accessed locally (e.g. by telephone or via the internet).

5.4 Conclusions

Mainstream service provision is vital to social inclusion and neighbourhood renewal. This is due to the impact of public services on quality of life, the long term nature of regeneration processes, the importance residents attach to service quality and its improvement over time, and the fact that the great majority of public expenditure in deprived areas is from mainstream programmes.

Mainstream services are particularly vital to residents of rural areas and to the two-thirds of socially excluded households living outwith designated regeneration areas.

The main barriers to better service delivery are fragmentation and poor standards. Fragmentation occurs because aspects of service delivery are divided between government departments, centrally and locally, and not ‘joined up’ to deliver a quality package of services. Another barrier is failure to establish, monitor and achieve high standards of service which reflect local requirements.

Local service partnerships can make an important contribution to neighbourhood renewal. In the neighbourhood or area (a logical group of neighbourhoods), local service partnerships can empower residents to enter into partnership with the local council and other providers and to have a real stake in monitoring the quality of service delivery. The counterpart to this will be local government modernisation processes, including joined up corporate strategy and a rethinking of the important role of local councillors.
6 Understanding Neighbourhood Change and Developing Local Renewal Strategies

This chapter examines the evidence base for our understanding of neighbourhood decline and renewal and the implications of this for the development of local renewal strategies. It also considers the strategic context of area regeneration in terms of local authority and sub-regional economic development and some specific aspects of local renewal strategies such as tenure diversification.

6.1 Failure to understand decline

The neighbourhood strategy consultation document for England (Cabinet Office, Social Exclusion Unit, 2000) expressed concern about our failure to understand the mechanisms of neighbourhood decline:

Underlying policy failures has been a lack of understanding of how neighbourhoods decline, and what could turn them around again. In particular, for too long, deprivation was seen as a housing problem to be fixed with bricks and mortar. This missed important dimensions.

Among the important dimensions listed by Government are:
- the erosion of social capital,
- the failure of core services in deprived areas,
- the ghettoisation of neighbourhoods, and
- the lack of clear strategy or concerted joint action.

The first two were addressed in previous chapters. The question of ghettoisation, or stigma, was examined in the New Life summary evaluation by Cambridge Policy Consultants (1999). They suggest the need to address both an image of an estate by residents, which influences their intentions to stay or leave when they become ‘socially included’, thus contributing or not to what has been called ‘population churn’, and outsiders’ views of a neighbourhood. This can influence employment opportunity with ‘postcode discrimination’ common in disadvantaged neighbourhoods. The evaluation suggests Business Support Groups and school business links can play a key role in altering employers views.

6.2 Evidence of success of neighbourhood policies and initiatives?

The most complete review of the evidence on past neighbourhood renewal is Dabinett et al. (2001) which finds that much of the evidence base is about physical improvements or changes in unemployment of local residents. There is said to be far less on regeneration outcomes such as health, education or public safety. In the area of employment, even while some schemes “played a

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5 This review includes research material for Scottish organisations and about Scottish case studies. Its conclusions apply to the UK as a whole.
role in helping some unemployed people to obtain work, they did not appear to fundamentally change the overall prospects of client groups or areas” (p.13). Regeneration programmes are said to have failed their main challenge: giving back to residents of deprived neighbourhoods access to mainstream employment opportunities, many of which “have shifted out of town” (p.32).

Overall the evidence base on neighbourhood interventions is said to be limited with regard to social and economic outcomes, with little clear evidence about who has benefited. Overall Dabinett et al. (2001, p.13) conclude:

... diversity in approach and constraints on evaluation practice limit the degree to which informed and rigorous lessons can be drawn from experience gained over the last twenty years.

Dabinett et al. do find evidence that disadvantaged households receive most benefit from intervention and targeting of benefits when the needs of groups of disadvantaged households, such as the elderly, disabled, single parents or youth are addressed by tailor made projects for each group within the neighbourhood, managed by resident community groups. Beyond this, they suggest that assessment of the impact of area-based initiatives requires longitudinal studies which track both areas and individuals. They also cite the benefits of ‘action research’ in partnerships to:

- encourage innovation and risk-taking,
- help partnerships build on successes,
- demonstrate the benefits to partnership of constructive monitoring and evaluation processes, and
- link evaluation and policy more closely.

They go on to identify “outstanding gaps” in the evidence base as:

- resolving the issue of whether adverse compounding neighbourhood-induced effects’ exist and reinforce social exclusion, and whether neighbourhood renewal initiatives can help overcome them, and
- to identify the role of local partnerships in improving the delivery of mainstream services to deprived neighbourhoods.

6.3 Failure to develop an evidence base

As well as substantive issues, the development of an evidence base is also hampered by lack of reliable, reusable indicators of renewal and social inclusion, a long-standing problem (Carley, 1981). One aspect takes us back to the previous discussion of neighbourhoods and areas, which is that we have failed to generate and then operationalise a reasonably consistent spatial definition of actual neighbourhoods and areas, so as to allow data collection procedures in a variety of departments, institutions and agencies to evolve within some coherent, directed pattern. Since these data collection patterns have not been able to emerge, it is then almost impossible to marshal baseline data at the beginning of an initiative, with which to judge success or failure. Changing the boundaries of regeneration areas with every new initiative only worsens the problem, as noted in a review of the Dundee SIP:

There is a web of entanglement of parallel, discrete and overlapping inter-related initiatives, which make it difficult to determine the full benefits, additionality and displacement from SIP designation of areas (Lloyd and Fernie, 2001).
Because we lack reliable outcome indicators, and because we have not resolved key issues, such as ‘is increased benefit take up good or bad?’, annual assessments tend to rely on litany of outcome indicators, described as “a reiteration of activities carried out by the project” (Training and Employment Research Unit, 2001).

6.4 Neighbourhoods, areas or archipelagos?: spatial focus of renewal

Although the term ‘neighbourhood’ is frequently used, many renewal initiatives and local service partnerships tend to focus on an ‘area’, that is, a group of neighbourhoods. An exception is smaller estate-based initiatives, and four of the WfC Pathfinders. The lessons of the Pathfinders are that the neighbourhood-level approach brings a sense of local ownership and common interest, but there can be diseconomies of scale in terms of setting up an office and recruiting staff (Brown, 2001) and problems of data collection at a micro level when services tend to be administered at a larger scale (Carley, 2001).

The archipelago approach links many small areas of deprivation in a common initiative. An advantage is that small areas which might otherwise be ignored receive attention. But this approach is also felt to present problems, particularly when the number of areas exceeds five or ten. In the North Lanarkshire SIP (2001) “the extensive number of areas the SIP covers has made representation difficult and it is unclear how community representation covering 28 areas could be made to work effectively”. In the Inverclyde SIP, consultants state “we cannot see any cost effective way to collect relevant data due to SIP geography” (Hall Atkin, 2001a). In North Ayrshire, “near neighbours can be offered very different levels of assistance…identifying spend in an archipelago is virtually impossible” (Hall Atkin, 2001b). In Dundee, the “fragmented SIP geography …created problems of identity, and for creating arrangements for effective partnership working and community engagement” (Lloyd and Fernie, 2001).

There are also criticisms of the boundaries of larger SIPs, which are seen in Dundee to be an “administrative device” which “do not reflect a working approach to addressing social exclusion”. In Glasgow’s East End SIP boundaries “cause significant concern for many members of the SIP and real practical difficulties for projects” (SQW, 2001b). Taking the analysis a step further, Hall Atkin (2001) suggest that SIPs should become an “integral part of Community Planning” at the level of the local authority, noting that in Inverclyde:

The solutions to most of the problems faced by SIP residents, with the exception of housing and physical infrastructure, lie outwith SIP boundaries.

Resolution of these issues could come from three points. First, a more consistent approach to the geography of neighbourhoods and areas, discussed in the final chapter. Second, within neighbourhood initiatives, Brown’s (2001) assessment of the lessons of WfC suggests that “overall it appears that working with small, contained geographical areas works best”. Third, neighbourhood renewal needs to be carried out in a strategic context.

6.5 Neighbourhood renewal in a strategic context

Research which compared area-based regeneration in four European countries found that Britain was in the forefront of partnership creation and in attempts at integrating initiatives within the public sector (Parkinson, 1998).
However, all four countries faced the same key dilemma, which was the integration of area strategies in wider urban conurbation and regional level strategies. Although there are positive initiatives in this spatial integration, much remains to be achieved (Carley et al., 2000a and b).

Perhaps most problematic is how to foster neighbourhood renewal in city-regions which themselves are suffering overall economic decline stemming from long-standing deindustrialisation. The characteristics of these regions include:

- loss of full-time, male, manual employment, with large cities having lost half a million manufacturing jobs between 1981 and 1999, giving rise to a third generation of unemployment (Turok and Edge, 1999);
- decentralisation of economic activity as shops, offices and new, single floor factories choose suburban and greenfield locations (Turok, 1999);
- decentralisation of jobs, with inner districts of urban areas losing 12 per cent of jobs between 1981 to 1996, compared to 2 per cent for outer districts (Kearns, 2000);
- concentration of deprived households in deprived neighbourhoods, as prosperous households move on, leading to low housing demand (Power and Mumford, 1999; Niner, 1999); and
- a shift of population from urban areas to suburbs, market towns and attractive rural locations (Keeble and Tyler, 1995; Robson et al., 2000). Inverclyde, for example, suffers a 1 per cent loss of population every year (Hall Atkin, 2001a).

The evidence reviewed by Dabinett et al. (2001) suggests that, in the neighbourhoods of these cities, physical regeneration has played an important role in improving neighbourhood identity and external image, and in attracting employment opportunities into an area, but that most jobs have not been secured by residents of the deprived neighbourhoods. The biggest problem is a mismatch between local skill levels of residents and requirements of available jobs.

The need to address neighbourhood renewal in the broader context is a powerful conclusion of the New Life evaluation:

A key lesson is that the housing, economic and social agendas need to be fully integrated with each other and linked to wider area regeneration strategies that incorporate external factors such as economic opportunity and population mix at a City/District wide level.

There is growing evidence of the benefits of integration of area based initiatives in wider city strategies to address adverse effects of market forces, with positive outcomes arising from improved coordination between initiatives (Dabinett et al., 2001). City-wide regeneration strategies are also required to avoid merely shifting social problems and problem families from one renewal area to another (Hall and Mawson, 1999). These strategies need to be built on an understanding of housing and labour markets, and the impact of social housing allocation policies (Maclennan, 2000).

City-wide strategies are recognised to be important for the attraction of private finance into deprived neighbourhoods, where a concern is that investment in
one area risks being degraded by decline in a neighbouring area. The rebuilding of urban neighbourhoods is said by Power and Wilson (2000) to require limiting the supply of suburban development land, creating higher housing densities, equalising incentives to develop brownfield land, improving public transport to allow people to go to jobs and managing neighbourhoods to encourage a more diversified social mix. Atkinson and Kintrea (2001) suggest that renewal policy make more concerted effort at scaling down social housing development in regeneration areas, and increasing it in non-regeneration areas to foster a spatially integrated society. This requires redirection of capital investment and use of the planning system to create socially mixed areas which:

Should not just be seen as a solution to the problems of the worst estates, but should pervade housing development policy (p.16).

Atkinson and Kintrea suggest use of portable subsidies to encourage movement out of deprived areas is suggested as is a more tenure-neutral housing policy. A related response to isolation would be to make neighbourhoods both easier to travel out of, and easier to travel into, and to give both out- and in-going movers good reasons to make them want to travel in the first place. This would also require much more attention to the implications of the cost and availability of public transport in relation to social exclusion (Lucas et al., 2001).

6.6 Rural dimensions of renewal strategy

In rural settlements, this link between transport and regeneration is described as “critical” to social inclusion, but also unfortunately an area of policy over which local partnerships have little or no control, reinforcing the need to link local strategies with action at higher spatial levels (Adamson et al., 2001). Lucas et al., 2001 remind us that those on the lowest incomes who must drive cars because public transport is inadequate are forced to commit a greater proportion of their disposable income to transport than the socially included population. Pricing policies to reduce car use can therefore impact most heavily on rural residents.

However, some areas of hitherto national policy control are being devolved to rural settlements, such as in Communities Scotland’s Community Letting Schemes (CLSs) which aim to balance individual housing needs with community objectives, and are particularly relevant in remote areas suffering depopulation. However a review of CLSs stresses that, while they can contribute to social inclusion, they are only part of a framework of addressing economic and social development in a strategic context (Craigforth, 2000). The Community Planning initiative, it is suggested, ought to provide this context, but is currently “not concerned with ‘joined up’ thinking at a more local level”.

Community appraisals, increasingly undertaken for, and by, residents of rural settlements in the Highlands and Islands could also contribute substantially to the development of renewal strategy, particularly if they continue to be participatory. These are defined as “initiatives which have had an active involvement from the community (geographical and/or community of interest) in identifying its needs and in suggesting how these needs may be met” (Scottish Homes, 2001a, p.2). Community appraisals focus on identifying community needs and service gaps, economic opportunities, feeding into the development of area plans and local strategies and environmental and housing issues. However a review of appraisals argues that an overall strategy is needed for the funding and use of community appraisals in identifying local
needs. In part this requirement is being met by the establishment of a Highlands and Islands Community Appraisals Database, which ought to support community planning at a local level.

### 6.7 Tenure diversification as a renewal strategy

Recent inflows of deprived households to deprived neighbourhoods is caused in part by housing allocation policies (Dabinett et al., 2001). To counter this, tenure diversification, by the introduction of owner-occupation and RSLs in excluded neighbourhoods, has been a key part of renewal strategy over the past decade. This is driven by the hope that mixed tenure (and mixed income) households living together in a neighbourhood will foster a more sustainable community and reduce exclusion by increasing social capital “as a result of social contact between owners and tenants” (Beekman et al., 2001).

There is evidence that providing alternative tenures, landlords and diverse unit sizes, can stabilise population on declining estates, such as Fairfield in Perth, reduce the stigma associated with single tenure social housing, and reduce crime and vandalism by reducing the numbers of dysfunctional households as a proportion of the total (Paterson, 2001). However, such households may be displaced elsewhere in the local authority. There is also evidence that tenants of RSLs and tenant cooperatives can be “consistently and significantly” more satisfied with housing and environmental management than council tenants on hitherto deprived estates (Lothian, Valleys and Forth Valley Region, 2001). Tenant-led RSLs can foster participation (Scottish Homes, 2001b). Tenure diversification can also introduce to an area a functioning private housing market, which can be important in providing socially included households a tenure option for remaining in the neighbourhood.

At the level of the local authority as a whole, there is evidence that regeneration initiatives concentrate too much on deprived areas per se when the needs of the poor would be better served by making towns and cities much more attractive to residents of all income levels, say with quality public transport and excellent parks, than just to concentrate on area-based initiatives. This allows the social mix to evolve in a way which supports the economic and social functioning of the local authority (Schoon, 2001). This perspective is also supported by research which finds that people living in deprived neighbourhoods resent being categorised as ‘poor’, which contributes to their stigma and sends the wrong signals to potential investors (Burningham and Thrush, 2001).

At the estate level, research in Scotland set out to assess the influence of owner-occupation in mixed tenure estates, and whether it would positively influence the prospects of households in the social rented sector. Atkinson and Kintrea (1998) charted the social networks of both social renters and owner occupiers in and beyond their estates. Such ‘social networking’ is identified as a possible source of social capital and a tool for escaping social exclusion. The study found significant differences in the networks, with the estate itself, rather than the world beyond, a much more significant area for social relations for renters than for owners. Renters had a vigorous pattern of networking within the estate; owner occupiers’ networking focused on work, shopping and services off the estate. The low degree of interaction suggested little positive influence on social capital.

Another project first reviewed earlier studies (Beekman et al., 2001). The main conclusions were also that little social interaction was evident between renters and owners, but that contact increases over time, especially for household with...
children. Mixing of tenures did improve perceptions of an area, within and without, but mixed tenure was also used as a convenient scapegoat for problems on the estate. Research in ten case studies then confirmed low levels of interaction between owner occupiers and tenants, even when physical integration of tenures had been encouraged. On the other hand, where physical integration was inherent in estate design, this was found to increase perceptions of tension between households in different tenures. Nor was mixing of tenures found to have any discernible positive impact on the quality of local services compared with the prior situation, or on perception or use of social and community facilities. Given the low reported levels of social interaction, it is not surprising that there was no evidence of improved access to employment for the unemployed on mixed tenure estates.

Finally an assessment of tenure diversification in Niddrie, Craigmillar reached similar conclusions (Pawson et al., 2000). On the plus side, a “more balanced” profile of households was achieved in terms of age, household type and income, with the environment improved. The introduction of housing for sale reduced stigma. However the researchers question whether anything like an integrated community was achieved and note that no employment benefits accrued to existing social tenants. The estate is said to continue to be plagued by crime and vandalism with high turnover in the social sector. The researchers recommend a more strategic approach, a community lettings policy and more intensive housing management.

In summary, reduction of stigma is a positive benefit, but lack of other discernible social benefits suggests that exclusion may not be overcome to any great extent by tenure mixing as a renewal strategy. However, tenure diversification is said to be of benefit generally by directing new development to areas of lower land prices, thus increasing the stock of affordable units for owner occupation (Beekman et al., 2001).

The main conclusions are two-fold. First, an inference drawn by Atkinson and Kintrea (2000) is that it is not tenure alone which influences quality of life in neighbourhoods, but the quality of neighbourhood management and service provision. This reinforces the notion that CROs, including RSLs, should consider a neighbourhood management function if they wish to make a significant contribution to renewal. However, activists and professionals attending a recent seminar in Ferguslie Park questioned the extent to which local authorities would be willing to genuinely devolve responsibilities for neighbourhood management to CROs, however deficient the quality of existing service delivery (Scottish Homes, 2000).

Following this, the quality of integrated neighbourhood renewal and management strategy is vital. Following ten case studies, the quality of strategy is questioned by Beekman et al. (2001, p.x):

In reality, regeneration strategies often take place in a relatively haphazard way against a background of development opportunities, administrative deadlines and funding constraints. It is therefore not surprising if some of the presumed benefits are not achieved.

Although tenure diversification may well have a role to play in creating mixed communities, Beekman et al. conclude that:

Neighbourhood management strategies, with an emphasis on the importance of good quality local services, are an equally essential element in delivering sustainable regeneration.
6.8 Conclusions

Despite thirty years of effort, past achievements of neighbourhood renewal are patchy and the evidence base is weak. A review of the achievements of neighbourhood renewal finds that much of the evidence is about physical improvements or changes in unemployment rates of residents with little information on outcomes in health, education or public safety. In terms of employment, while some schemes helped some people obtain work, they did not change the overall prospects of client groups or areas. Initiatives have mainly failed to give residents of deprived neighbourhoods access to mainstream employment opportunities, many of which have shifted to out of town locations which are inaccessible or expensive on public transport, further contributing to social exclusion.

Failure to improve public transport contributes to social exclusion. There is little or no linkage between the two policy agendas, even though access to work, shops and leisure activities is a mark of social inclusion.

Targeting of interventions on social groups is effective. Disadvantaged households receive most benefit from intervention when the needs of groups of disadvantaged households, such as the elderly, disabled, single parents or youth are addressed by tailor-made projects for each group within the neighbourhood, managed by resident community groups.

There is evidence that caution should be exercised in assuming that tenure diversification reduces social exclusion, although it does provide residential building opportunities on low cost land, thus contributing to affordable owner occupation and sustainable development. The evidence is that it is not tenure of occupation, one way or another, which influences quality of life, but the quality of neighbourhood management and service provision. This reinforces the view that neighbourhood management partnerships have a vital role to play in renewal.

There is evidence that area regeneration is dependent, in part, on the achievement of economic regeneration at the level of the local authority or the travel-to-work sub-region, particularly in local authorities such as Glasgow or Inverclyde, which suffered deindustrialisation and massive loss of full time, manual jobs. In such local authorities, a majority of households or wards can be categorised as deprived, and the regeneration and urban development agendas are one and the same.

There are gaps in the evidence base on neighbourhood renewal:

4. resolving whether 'neighbourhood effects' reinforce social exclusion, and whether renewal initiatives can help overcome them, or reinforce them in some manner;

5. to identify positive models for local partnerships in improving the delivery of mainstream services to deprived neighbourhoods; and

6. understanding how neighbourhood, area, local authority, regional and national initiatives are linked to achieve social inclusion, area regeneration and regional economic development.

Further assessment of the impact of area-based initiatives requires longitudinal studies which track both areas and individuals. There are also benefits to partnership of 'action research' to: encourage innovation and risk-taking, help partnerships build on successes, constructive monitoring and evaluation processes, and linking more closely evaluation and policy.
7 Recommendations

The previous chapters cited examples of what is already being achieved in neighbourhood renewal, such as replacement of poor quality housing, mixing of tenures to give a better social balance, community appraisals in rural areas, environmental improvements, training for local residents, refining of partnership structures, developing capacity for effective community participation, fostering of renewal by social landlords in wider action and by development trusts, and so on. The recommendations here, following from the evidence and conclusions in the report, concentrate on what needs to be done better to achieve the social inclusion of people and places in Scotland. The recommendations are organised according to the five themes set out in the first chapter, recognising that there are bound to be overlaps between themes.

Theme One: More effective connections between people and place policies

7.1 Policy integration and experimentation

The review suggests that, despite almost thirty years of area-based programmes, the evidence base on their effectiveness remains weak. More also needs to be done to understand the linkages between people and place policies, as defined in the report, and to examine that relationship in a more robust, systematic manner. This is necessary so that social exclusion and neighbourhood renewal are achieved simultaneously in renewal areas, rather than physical regeneration taking precedence, or deprived households being shuffled around cities. It is also necessary to ensure that people policies, which can have place implications, work effectively to achieve the social inclusion of the 62 per cent of deprived households in Scotland living outwith deprived areas. Understanding what works and what doesn’t, in varying situations and in various types of neighbourhoods, requires both top-down and bottom-up initiatives.

Communities Scotland should review and assess, through research, monitoring and evaluation, the contribution and interaction of people and place policies to the objectives of neighbourhood renewal and social inclusion. This can be done both from a national perspective in terms of aggregate achievement of social inclusion and reduction of poverty, which is measurable from Census data and survey analysis, and from a local perspective derived from systematic, longitudinal case studies. The latter requires a change in research perspective from the one time evaluation or ‘snapshot’ to a dynamic evaluation framework which may need to evolve as long as widespread social exclusion and the need for neighbourhood renewal continues. Only a national organisation with the needed long term perspective could accomplish this. A later point considers how research can contribute to this.

It may also be helpful to draw a distinction between monitoring, which ought to involve constructive feedback, in an action-research mode, to regeneration partnerships, so strategy can be improved as it evolves, and evaluation, which implies an analytic perspective on the effectiveness of various policy initiatives in different types of neighbourhoods and circumstances over time. Within this
context, there is considerable scope for experimentation in devolving flexibility in administration of national ‘people’ programmes to a more local ‘place’ level so that more innovative approaches develop to matching local needs and national resources.

7.2 Vertical integration of people and place policies

There is no evidence of the usefulness of making an ‘either or’ distinction between people and place policies – both have a role in neighbourhood renewal and social inclusion. The situation is more complex. A growing number of researchers are calling for better ‘vertical’ integration, that is linkage between:

- neighbourhood initiatives,
- initiatives to improve local democracy and service delivery at the area level,
- strategy and partnership at the level of the local authority, as in Community Planning partnerships,
- strategy at the level of the ‘travel-to-work’ sub-region,
- all supported by the national policy framework.

If the achievement of partnership, that is better horizontal integration, was a key task of the 1990s, a key task of the current decade must be more rational vertical integration, with more sophisticated, efficient partnership and strategy processes at the various levels.

Perhaps with the exception of the sub-regional level in Scotland, there are many good initiatives taking place at the various levels. But better integration needs to be achieved, with Communities Scotland playing a role in assessment of the need for integration as it supports neighbourhood renewal and social inclusion, review of policy and practice in Scotland’s regeneration areas and in identification of areas and spatial levels where better integration is required. This type of integration may need to be a condition of renewal funding, which implies identifying criteria for its assessment. There is a substantial research base in this regard (Carley et al., 2000a; Robson et al., 2000; Maclennan, 2000; Dabinett et al., 2001). The background of Communities Scotland, with its regional offices, forward planning activities at the regional level and expertise in housing market analysis, could provide the right organisational perspective for assessing the linkage between neighbourhood level and strategy and partnership at higher spatial levels.

Theme Two: Support for partnership working

7.3 Broadening the base and strategic skills of partnership

Research shows the most effective partnerships are built on the meaningful involvement of a full range of key agencies and organisations. At the city region level, this means regional as a well local organisations – if they don’t exist they may need to be created as the research also shows that neighbourhood renewal benefits from a co-ordinated regional economic development framework.

In order for any partnership to develop necessary strategic capacity, and move beyond the ‘talking shop’ phase, they need to devise plans and programmes that truly integrate the various perspectives, resources and activities of the
public, private and voluntary sectors. In particular, effectiveness depends on securing a broad base of participation from the many players who have a hand in local governance and quality of life, say the local health trust, police or bus company, or who are providers of significant people policies and resources, such as the Employment Service and Benefits Agency. More effort needs to be made to involve the business community – only relatively few partnerships have effective business involvement.

In order to ensure that the base of partnership is broadened into genuine participation, and that the expertise and capacities of partners are used to maximum benefit, it is important that responsibilities for leadership, agenda setting and management are shared; the organisational culture of the lead agency does not dominate partnership processes; opportunities exist for agencies to participate at their own pace; and resources are available for the management and administration of the partnership, and its staffing, as well as for community renewal activities.

Resources are also important for partnerships to develop their strategic skills, that is in detailed forward planning which links community needs to operational plans and resource commitments and budgeting of partner agencies. As chapter three showed, there is progress in development of strategic capacity in SIPs and other partnerships, often through sector working groups within partnership. But further sophistication is yet required, given the only patchy achievement of regeneration initiatives in the most deprived neighbourhoods. Areas for further attention include: better data for baseline analysis to enable longer-term monitoring and longitudinal studies, discussed below; better integration of strategies and budgets between different sectors and agencies active in partnership, including in community planning processes; and better integration of neighbourhood, area, local authority-wide and sub-regional regeneration strategies. The development of sophisticated strategy is an ‘on-the-job’, learned skill essential to partnership working – the best regeneration efforts have both strong partnership (participation) and effective, evolving strategies which become steadily more sophisticated. Monitoring progress as a means to the revision of strategy plays an important role here – monitoring ought to be viewed as a constructive, internal process to partnership, as distinguished from evaluation, which involves an independent, outside viewpoint.

7.4 Fostering local government modernisation as a basis for partnership working

The evidence shows that local authorities play a dual role in partnerships. First they are often important partners or lead organisations. Here the commitment of politicians and officers at all levels to partnership working is vital. But they also provide the institutional context and many of the services which support partnership in general. Organisational support mechanisms include: leadership in establishing a vision for the local authority and its neighbourhoods, translating this into a Community Plan; formulating a joined up corporate strategy; rethinking local democratic processes and the roles of local councillors, so they are champions of neighbourhood interests and work closely with community organisations; and devolving the setting of service priorities, with a measure of budgeting control and within the framework of best value. This indicates necessary areas of support for the activities of local authorities as lead agencies in regeneration: support for self-improvement in political and executive leadership qualities; support for the development and integration of strategic approaches in different but related sectors, such as area regeneration and education; support for innovation in democratic or
‘participation’ processes which are at the heart of regeneration and good governance; and support for innovation in devolved service management and budgeting.

Theme Three: The role of the community

7.5 Decentralisation for local empowerment

Implementing community-based strategies and neighbourhood management partnerships presents local authorities and other institutional stakeholders with real challenges in redressing the balance of power between agencies and communities. One challenge is to decentralise service coordination to the local level, but in a way that also works at the area level, defined as a group of neighbourhoods, and in terms of service priorities and statutory obligations in the local authority as a whole.

Another challenge is to generate a joint approach across local government departments, within a corporate planning process, so that neighbourhood organisations can deal with a single portal to the local authority rather than a disjointed structure. A third vital task is to constructively reassess the role of local councillors, so they feel that representing the interests of local neighbourhoods is an important, politically-rewarding role. Well-prepared local authority decentralisation strategies which address these issues and which have the full support of the Council’s Leader and Chief Executive, could therefore be essential to neighbourhood renewal. Although some local authorities are making progress with decentralisation, in others it is in the doldrums.

Finally, fostering neighbourhood renewal through decentralisation will require continued changes in local authorities’ organisational culture. This means a strong, unequivocal message supporting decentralisation needs to come from the Scottish Executive or Communities Scotland, with guidance and resources for experimentation. There is no easy answer as to what constitutes an empowering yet workable decentralised structure, so a process of coherent experimentation is necessary, with ample learning about what works and what doesn’t. The learning process represents a joint effort of local authorities, residents and other stakeholders.

Although resident participation at both neighbourhood and area level is vital, there have been many attempts in past which have failed. Nobody wants yet more ‘community forums’ that are just talking shops, so it is important that participation is cost effective, not time consuming. A period of monitored experimentation of a variety of decentralisation initiatives is important, with local authorities working together with residents to devise arrangements acceptable to both. Some experimental initiatives will be at the neighbourhood level, others will be at the area level, linking neighbourhoods in what might be considered a ‘forum of communities’. Both levels need to integrate in a coherent effort, and with strategic efforts at the level of the local authority. In England, this might be coordinated by the new Local Strategic Partnerships (LSPs). The question for Scotland, outside of the big cities with city-wide partnerships, is whether the equivalent of a LSP needs to put in place, or whether a more evolutionary process might be appropriate. There is a strong argument for encouraging Community Planning partnerships to be the equivalent to LSPs, which can also reduce the now all-too-common ‘partnership fatigue’.
In terms of residents participation at the neighbourhood level, a criteria ought to be extensive (rather than intensive) participation – the opportunity to participate which extends throughout a resident's lifetime, and to coming generations, but which does not demand inordinate amounts of time away from home or work. There should be no age discrimination – school children also have a role to play and the ten-year-old of today is just a decade away from being the young adult of tomorrow. Either these young adults will feel stewardship for their neighbourhood, and positive linkage to decision making structures, or they will be alienated from them in a way which could be socially destructive. Information technology ought to hold out real scope for fostering effective participation for residents of all ages, beginning with the neighbourhood websites discussed below.

7.6 Integration of people and place programmes through community-led strategies

It should not be assumed that integration could come about solely by top-down endeavour. The review also suggests the importance of steady improvement in both mainstream programme and service delivery at the local level across Scotland, and thematic approaches to regeneration which cut across boundaries and reach deprived households within and without designated regeneration areas. This would enable area regeneration to tackle factors of social exclusion which can indeed be resolved at the local level.

In terms of the achievement of neighbourhood renewal and social inclusion, which requires integration of the agendas of physical, social and economic regeneration, the only effective approach to achieving more than physical renewal is likely to be to enable communities to develop their own long-term, strategic agenda for change. ‘Long-term’ here means an at least ten year programme which extends beyond the time limits of specific renewal initiatives. ‘Strategic’ implies local residents having a role in identifying the linkage between sectors – employment, education, crime, housing, retailing, transport, planning and how those linkages are to be achieved. This is to say that the pace of ‘joined up’ policy and service delivery can be increased by empowering local participation and making use of local knowledge.

A strategic approach also implies positive linkage between neighbourhood action and its reinforcement by decisions at the area, local authority and sub-regional levels, a point discussed below. This means communities will be concerned not just with renewal but with key issues of policy, planning and service delivery which affect their neighbourhoods. Developing their own strategies and seeing these unfold, with all the challenges that entails, fosters community involvement and capacity building in a way which no amount of training or passive acceptance of professionally prepared, outside plans can do. Residents develop skills and confidence with a real purpose in mind, which is reinforced by tangible improvements in the neighbourhood.

To empower community-led strategies requires a change of mindset in institutional stakeholders; there is a long history of paying lip-service to participation and then allowing the mechanics of funding regimes and requirements of service providers to dictate what is done locally, with residents tinkering with plans at the margins. A unified community strategy requires integration between neighbourhood renewal, local community planning and service management initiatives so that they become an ‘holistic’ effort from the

6 For example, City of Edinburgh Council is leading a project on “Democratic Participation in Urban Governance” of innovation and experimentation at the area level in eight cities across Europe, under the EU’s Fifth Framework Programme “City of Tomorrow”. As of this writing, the project is in the final stage of negotiation.
neighbourhood point of view. Local residents are indifferent as to whether they live in a PPA, SIP, a WfC or any other initiative area – what they want is a coherent approach for as long as it takes to achieve social inclusion of households and the neighbourhood. It will also require empowerment within decentralisation processes in the local council, discussed below. The new Neighbourhood Management Pathfinders in England, with strong, mandated links to Local Strategic Partnerships at the local authority level, and funding for consultants to work with local residents, may be an interesting step in this direction (Neighbourhood Renewal Unit, 2001). In Scotland, pathfinders are making use of the Better Neighbourhood Service Fund to develop Local Outcome Agreements. Although resident participation is required, it remains to be seen if local residents find they are empowered by the grant funding.

7.7 Defining neighbourhoods and areas

Although neighbourhood renewal on its own cannot bring about widespread social inclusion, it is an important part of a coherent approach. Neighbourhoods are the ideal spatial level for local participation; people identify with them. But the boundaries of renewal areas have chopped and changed too often, usually to ‘corral’ sufficient numbers of deprived households to quality for funding. Given the need for decentralised neighbourhood management to be coordinated fully with renewal initiatives, community planning and other initiatives, such as for Agenda 21 and locality budgeting, it is time to encourage consistent definitions of neighbourhood and areas to emerge, which would be the same for the purposes of renewal, neighbourhood management and service delivery.

It is also important because changing boundaries have meant that data collection at the local level has been uncoordinated and erratic, hindering our understanding of, and our ability to measure, what works in renewal. A failure to develop adequate baseline data or robust outcome measures, identified strongly by consultants attempting SIP evaluations, is one example; the difficulty of measuring the local impact of mainstream spend for locality budgeting purposes is another. Consistent definitions of neighbourhoods and areas will not be achieved instantly, people will have differing views. But consensus on workable definitions will emerge, giving a stability to consideration of neighbourhood development and enabling more rigorous longitudinal analysis. The argument of the Rural Partnership for Change National Steering Group that as much data as possible be ‘geo-coded’ in order to make it accessible to analysis by geographical information systems should be implemented. Downloading to websites developed for, and by, local neighbourhood organisations could make information useful and accessible to local development needs.

7.8 Enabling neighbourhood websites

If ‘information is power’, even in part, a common complaint of residents in renewal areas is many flows of information about the neighbourhood are currently collected over and over again by consultants and researchers but result in little or no feedback or benefit to the community. The concern extends to the fact that the next consultant or government officer which comes along too often knows little or nothing about previous analyses, or about the community’s contribution to them. A programme of neighbourhood websites could redress this situation and set the marshalling of information on local areas onto a more sustainable path.
Neighbourhood websites also could provide a ready picture of community resources and human networks, displayed in such a way as to be accessible to a range of users requiring different levels of sophistication, from primary school children to community organisations to incoming professionals working in the neighbourhood. A Scottish Neighbourhood Statistics project within current initiatives of the Office of National Statistics to develop neighbourhood statistics, including those below ward level, will come to fruition in 2004. This is a further reason for defining neighbourhoods in ways which are statistically appropriate and workable for neighbourhood management and participation.

7.9 Fostering Asset Base Development and Experimental Community Regeneration Organisations

Community renewal can be enabled by the development of social capital, such as through local networks, and community capital, or ‘institutional infrastructure’, such as community regeneration organisations (CROs). In many cases, these may have to be nurtured into existence and empowered to work towards positive change. Community regeneration organisations, including RSLs and asset-base development trusts, could play an important role in the development of both social capital and institutional infrastructure.

It is already the case that Scotland has an enviable record in fostering community-based housing associations as CROs. Now voluntary transfers of housing stock to RSLs acting as CROs may offer real potential for supporting neighbourhood renewal, with RSL status extended to encompass development trusts and other formally constituted community organisations. However, research and policy may be urgently required to enable this potential to be realised or opportunities may slip away.

The use of asset value in the service of neighbourhood renewal could be a powerful tool, with RSLs, unlike many voluntary organisations, not dependent on time-limited funding. A strong asset base provides a steady, independent income stream. Looking to the future, RSLs will have built up accumulated surpluses in reserve with the debt profiles common to many voluntary transfers meaning debt could be largely extinguished in 25 to 30 years. This will result in many RSLs being freestanding organisations with an unencumbered asset base, assuming high quality planned maintenance. There is a virtuous circle at work – community regeneration protects asset value which is guarded by owning and managing houses in healthy, economically vibrant communities. In this argument, community regeneration is not only good for communities but good business.

More broadly, this discussion suggests a programme of experimentation in the development of community-based organisations engaged in asset-based development and neighbourhood management. But there is no one model – local communities, local authorities and other stakeholders need to define mutually acceptable ways for this to occur. Because there is no easy answer, an organised programme of experimentation across Scotland, in urban and rural areas, is suggested.

Theme Four: Effective service delivery

7.10 Fostering Neighbourhood Management Of Local Services

There is sufficient evidence to suggest that, beyond physical renewal, social inclusion is not achieved solely by the short-term, area-based policy initiatives
relied on in the past. Such ‘catalyst’ initiatives, with their modest extra resources, are helpful, but they must be complemented by a steady process of integrated physical, social and economic development – based on local participation and effective use of mainstream resources.

There is also ample evidence that statutory service provision, from education to street sweeping, plays a vital role in social inclusion, quality of life and in fostering renewal. For example, surveys and focus groups with residents in SIPs and other regeneration areas reveal that a clean, high quality local environment is a priority of many people, whatever their personal circumstances. Neighbourhood renewal therefore ought to be about not only programmes for the socially excluded but also about neighbourhood management of local services. This means developing a consensus-based vision of what might be achieved locally and then turning it into practical objectives and methods for its realisation.

Neighbourhood management is about local people having a stake in setting targets for, and monitoring of, service delivery. It requires new, efficient governance structures at the neighbourhood and area levels, and joined-up systems for implementation locally and at the centres of power. Here the term ‘efficient’ means achieving maximum benefit from local services with the least use of bureaucratic and community resources needed to do so.

Neighbourhood management is not just for deprived neighbourhoods, but needs to be developed within the mainstream structure of local governance. To assume it’s ‘just for the poor’ contributes to exclusion by implying that socially excluded areas need to organise themselves to achieve service levels taken for granted elsewhere. Research shows that households in lively, if deprived neighbourhoods, often with strong community spirit, resent being branded as ‘poor. There is also evidence that regeneration and renewal programmes concentrate too much on the specific needs of the poor when they might be better served by programmes to improve quality of life in the town or city as a whole. Finally, research also shows that many people in Scotland, from all income levels, would welcome opportunities for participating in the sustainable development of their own neighbourhoods, which would contribute to a much-needed revival of interest in democratic processes.

Theme Five: Understanding neighbourhood change

7.11 Consolidation of the Knowledge Base On Social Inclusion and Renewal Strategies as a Guide to the Way Forward

In chapter two, four types of neighbourhoods were have been suggested as a starting point for analysis – a definition which can be assessed for its usefulness. A key point in distinguishing neighbourhood types is that renewal policies and strategies should reflect the constraints and opportunities in differing local areas and (sub)regional economies. In particular, there is evidence that neighbourhood renewal is even more challenging where the sub-regional economy has suffered from deindustrialisation. The variety of rural areas also offer challenges which cannot be met by policies prepared with urban neighbourhoods in mind, not least because of the dispersal of households and the differing nature of social networks.

As there are no simple ways to achieve neighbourhood renewal, experience is

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7 For a discussion of the future of Scottish RSLs as community regeneration organisations, see Carley et al., 2000b; SQW, 2001).
the best teacher. But too much learning-by-doing escapes without transferable learning taking place, with too much ‘reinventing the wheel’, because a coherent, organised evaluation process does not continue over many years and many policy initiatives, even though the problem itself does not go away over decades. Nor have we worked out a way to assess policy failure, or policy mediocrity in a constructive manner which allows lessons to be learned.

Communities Scotland, as a national community renewal agency, could be in a position to foster systematic learning, relating this to the policy framework, and feeding back good practice to neighbourhood renewal organisations. A first step could be to take a ten year perspective on the need for renewal, identifying clearly the task at hand. Recent proposals for a national study of neighbourhoods in Scotland (Hinds et al., 2000) and the work toward Scottish neighbourhood statistics can contribute to this understanding. A second task is to categorise neighbourhoods and methods of intervention, in policy and practice. A third is to develop a ten year research programme of various projects, combining traditional and action research, which addresses the key issues set out here. The many projects, taken together, should be intended to generate a coherent perspective on the effectiveness of area level initiatives, productive relationships between people and place policies and how better governance can influence renewal and social inclusion.

7.12 Future Role of Communities Scotland

Beyond these important steps, there is no research evidence base to which we can turn to identify the exact role Communities Scotland might take in co-ordinating the delivery of regeneration at a national and local level. Organisations such as DOE, DETR and the Scottish Office had been attempting this for many years, but with patchy and perhaps modest results. Various wide-ranging inquiries such as Acheson (1998), Power and Wilson (2000), Carley et al. (2000c) and Dabinett et al. (2001) suggest entrenched problems of social exclusion and area deprivation are being contained or ‘managed’ but hardly resolved. This means that while review of policy and area regeneration initiatives of the past thirty years may be instructive, it can hardly be said to provide detailed guidance for future direction. Indeed there is a risk, cited by Carley and Kirk (1998) and others, that basing future policy on incremental adjustments to the current range initiatives used over the past few decades could mean that a few decades hence problems continue to be managed without being resolved. It is possible more radical approaches are required, particularly if the resources available to tackle social exclusion are not significantly adjusted upwards. One such approach, discussed above, is to do substantially more to empower local initiatives, with authority and resources flowing from central to local government and thence to areas and neighbourhoods.

Information on the action of regeneration intermediary organisations in the U.S.A., and of vertical policy integration in continental Europe cited in Chapter 4, provide further food for thought, but the lessons must be carefully assessed for their implications for Scotland. Recent moves toward formal neighbourhood management in England and Scotland, discussed in Chapter 5, are also relevant, but it is too soon for any substantive evidence of the benefits to social inclusion.

However the review of the dimensions of social exclusion in Scotland by Hinds et al. (2000) for Scottish Homes, cited in Chapter 2, suggests the various areas of intervention, nationally and locally, within which Communities
Scotland will need to engage if social exclusion is to be tackled through improved partnership and governance processes, and through better integration of people and place policies. These broad categories are: poverty, including low incomes and poor housing; the widespread lack of productive activity which characterises many households in deprived areas; poor access to services, including the role of transport; weak social networks and integration; and attitudes of deprived households which condition aspirations through generations. On the other side of the coin are opportunities for sustained intervention – through partnerships, CROs and experiments in local governance discussed throughout the report.

This provides a realistic if broad agenda of areas and opportunities for intervention which will need to be examined to determine Communities Scotland’s optimum forward role in co-ordinating the delivery of regeneration at the national and local level. A review would need to assess key organisational issues about the delivery of regeneration such as the most productive relationship between Communities Scotland and the Scottish Executive; the role of local authorities in regeneration, the influence of local government modernisation processes, and the extent to which Communities Scotland can support these; and the issue of how innovation in governance, whether at neighbourhood management or sub-regional level, can support community renewal and social exclusion. This is a review which should be undertaken with some urgency.
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