Devolved approaches to local governance

Policy and practice in neighbourhood management

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PREFACE

Many local authorities have or are intending to adopt devolved forms of governance for their areas. The Local Government Act, 2000, emphasises the role that local people should play in preparing community strategies and the forthcoming Urban and Rural White Papers are expected to stress the need for communities to become more involved in the planning and management of their areas.

This report examines the background to the current debate about new forms of local governance and its potential implications for central and local government policy and practice. The authors acknowledge the help and support provided by the Joseph Rowntree Foundation in the completion of this project. The assistance of the Local Government Association (LGA) in allowing access to the evidence submitted to the LGA's Urban Commission hearings into neighbourhoods is also recognised. In particular, thanks are due to Julie Hill of the London Borough of Barnet who was seconded to the LGA at the time. It goes without saying that the authors are solely responsible for the interpretations, arguments and errors contained in the document.

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Executive summary

The policy background

This report examines the background to the current debate about new forms of local governance and its potential implications for central and local government policy and practice. It is widely acknowledged that decision making has become too centralised and programmes delivered on traditional departmental lines often fail to respond to the needs and expectations of local communities. The government is seeking to tackle these failings through its programmes for *Modernising Local Government* and the *National Strategy for Neighbourhood Renewal.* They are motivated by different preoccupations, but both are concerned with the need for local communities to identify local problems and, by working with local authorities and other stakeholders, to improve local outcomes by joining up local services and making them more responsive to local needs. The aim is to achieve a citizen-focused and holistic approach to policy development and delivery, and to reinvigorate local democracy. The government attaches great importance to a community-led approach in which local citizens and stakeholders are encouraged to engage in decision making through capacity building, community planning and devolved forms of local government. These developments are taking a variety of forms but are invariably referred to as neighbourhood management.

They herald a potentially significant shift in the way our communities are governed. However, unlike some other European

states, the structure and role of UK local government have not been designed with decentralisation in mind. Moreover, previous attempts by central government to adopt more devolved and targeted approaches to area regeneration have often foundered on rigid bureaucratic structures and a lack of understanding as to how to engage the local community. Local authorities, too, are criticised for being remote and failing to meet the genuine needs of local communities. Parish and town councils offer a prototype for devolution, but their role in the modernising agenda has been neglected.

Emerging themes

The government's blueprint for local governance challenges established approaches. In the process, it raises many practical considerations, in particular:

- how the various elements of the government's modernising agenda are to be brought together at national, regional and local levels
- the need for organisational and cultural change in local government, and the political and financial challenges in implementing devolved approaches
- the role of traditional representative politics
- the scope and the means by which active community involvement may be translated into genuine forms of local devolution.

Approach and aims

The report examines these issues and their implications for policy

and practice. It draws upon evidence from recent studies, including those conducted by the Social Exclusion Unit's Policy Action Teams on neighbourhood renewal, the Local Government Association's Urban Commission hearing into neighbourhood management, and research on the Best Value pilot authorities conducted at Warwick University and elsewhere. In particular, it investigates the following:

- the recent evolution of central government policies for the regeneration of deprived neighbourhoods
- the key elements of the local government modernisation programme and their potential implications for the decentralisation of service delivery and devolved forms of community and neighbourhood governance and management
- the policy objectives of neighbourhood management, and the resulting organisational and management issues, including the promotion of democratic accountability, improved service delivery and community capacity building
- the conditions for success and obstacles to effective neighbourhood management
- the alternative approaches to neighbourhood management open to local authorities.

Past failings

Deprived neighbourhoods

Attempts to respond to the problems of deprived neighbourhoods have often proved ineffective because of the following:

- Although substantial government resources have been directed into these areas over recent years, particularly in inner cities, they have been insufficient to counteract the impacts of profound changes in urban economies.

- The traditional functional, hierarchical structure of British government has proved incapable of responding to the complex multifaceted and cross-cutting problems of neighbourhoods.

- There has been a failure to engage local communities and other stakeholders in addressing these complex issues through a truly holistic regeneration effort.

- Central government resources for deprived neighbourhoods have often been directed through a range of discrete initiatives with specific timetables and budget requirements, and insufficient attention has been given to the interdependent impacts of separately devised and managed funding programmes and other policy measures.

- There has been constant reordering of central government initiatives, institutional and organisational arrangements.

- All too often, there has been a lack of genuine understanding by civil servants and their political masters of the obstacles to achieving action on the ground.

- The scarcity of detailed socio-economic data for small areas, leading to misdiagnosis of problems and solutions.

- The lack of evaluation frameworks to assess so-called best practice and the absence of a vehicle through which best practice can be exchanged.

Local government

In contrast with many other European states, rather than devolving decision-making powers to local communities, the historic emphasis has been upon the efficient and equitable delivery of universal services by relatively large, in European terms, all-purpose local authorities.

In recent years, there has been increasing criticism that local authorities:

- are too often remote and fail to meet the genuine needs and aspirations of local citizens and communities

- are dominated by professional and departmental priorities and spending programmes which inhibit efforts to secure joined-up working with local partners and may lead to insensitivity to the needs of specific communities

- fail to actively involve citizens, in their role both as consumers of local services and electors, and in decisions affecting their quality of life.

The case for local devolution

Advocates of the modernising agenda suggest that devolved forms of local governance offer the prospect of the following:

- better quality and more joined-up forms of service delivery based on community priorities

- ensuring that local authority main programmes and budgets are better targeted at community needs and priorities

- providing a territorial focus for cross-cutting measures which focus on outcomes for citizens rather than bureaucratic performance input and output measures
- presenting the opportunity for enhanced community participation and partnerships with local authorities
- strengthening and reinforcing the role of elected councillors
- developing the enabling role of local authorities by attracting the involvement of local stakeholders in area-wide and local partnerships.

Although action at the neighbourhood level has the capacity to influence some outcomes, it is also acknowledged that causal links are often difficult to establish locally and that the effects of deep-seated socio-economic changes are all too frequently unlikely to be responsive to local solutions.

Central government's role

Although devolved local government may be regarded as a predominantly local activity, many of the problems and solutions that it seeks to address demand a more coordinated response by central and local government (Joseph Rowntree Foundation, 1998). Central government has a responsibility to do the following:

- Establish clear links between the central government inspired array of regional and local authority community strategies and neighbourhood management and regeneration partnerships.
- Coordinate responses to issues at national and regional levels that run across traditional bureaucratic boundaries

and devolve greater discretion to regional and local outposts of central government responsible for the administration and delivery of programmes.

- Take account of variations in local circumstances and understand the practical problems encountered by those charged with implementing neighbourhood management. All too often, centrally imposed solutions and rigid monitoring and evaluation frameworks inhibit local innovation and sustainable solutions.

- Adopt a national programme for compiling data for small area analysis and promote the use of new technologies for training and information exchange and democratic engagement.

- Support pilot schemes, promote and disseminate good practice, and develop new approaches to the measurement of community engagement and 'quality of life' outcomes.

- Recognise that, if the modernising and neighbourhood renewal agendas are to succeed, the 'hidden costs' of the new approaches need to be met, particularly in fostering partnerships, community involvement and the risks attached to encouraging innovation.

The role of the local authority

Historically, local authorities have tended not to give great attention to geographic variations in service delivery and impacts at a micro level, but both the modernising and neighbourhood agendas challenge them to adapt their political and administrative structures to meet specific community needs. Some local authorities are already engaged in various forms of administrative and political decentralisation and there is widespread confidence

among authorities that they are equipped to respond to the emerging agenda. It remains to be seen, however, whether all local authorities as currently constituted have the necessary resources, organisational capacity and/or the political commitment to fully address the government's agenda.

Improving service delivery and political devolution

In meeting the challenge of improving service delivery, authorities will need to explore difficult choices including the emphasis to be placed on area management approaches and how far to devolve decision making and discretion over the use of resources to local communities. Greater citizen engagement in the development and implementation of service delivery, via Community Strategies and Best Value, may be anticipated to improve policy and service outcomes. But what is less certain is whether authorities are prepared to contemplate devolving significant decision-making powers and resources.

Areas, themes and projects

In effecting neighbourhood management, local authorities face decisions surrounding the form it will take. There is no single blueprint, but, for the purpose of clarification, three methods stand out within a spectrum of choices.

- *Area-based approaches:* the selection of localities of differing physical size for devolved management covering a potentially wide range of policy areas and service delivery programmes, e.g. housing, social services, environmental improvement, local planning and education. A number of local authorities have gone further and are developing a

model in which the management of individual neighbourhoods is nested within a comprehensive local authority wide approach to community governance.

- *Thematic client-based approaches:* the management and political challenges entailed in a comprehensive area-based approach have led local authorities and central government itself to adopt a thematic perspective, where the emphasis is on issues such as crime and disorder, the environment, parenting, education and housing management. Such initiatives may extend across the whole of the local authority area or be targeted on particular localities or, indeed, focus on the needs of specific client groups such as young unemployed or disabled people. They frequently involve local partnerships drawing on funding from specially devised national programmes, e.g. the Single Regeneration Budget (SRB) and Employment, Health and Education Action Zones. Such centrally determined initiatives may prove difficult to reconcile with area boundaries and local definitions of neighbourhood. This approach can lead to duplication in relation to policy issues and the targeting of clients and/or areas. The interdependency of areas and issues may blur the impact of such approaches and create confusion about the roles and responsibilities of key players.

- *Project-specific approaches:* the quickest and easiest way of securing community engagement and results at the neighbourhood level is when the issues being addressed are specific and project based, for example small environmental projects, play areas and building refurbishment which can be speedily implemented using established approaches. Engagement in small schemes

may act as a spur to greater community involvement in the longer term.

Key lessons

If devolved forms of local governance are to be effective then it is necessary to address several key issues.

Establishing the needs, priorities and aspirations of key players and individuals

Local devolution requires that measures are in place to identify and articulate the needs, priorities and aspirations of local communities, and a set of actions is agreed with those key organisations responsible for meeting local needs. Local authorities with experience of area-based programmes should review with local communities existing mechanisms and the effectiveness of processes for establishing needs and priorities. For others, the most pragmatic approach may be to begin with simple project pilots. This should enable best practice to be established and relationships built in the context of an achievable set of objectives and outcomes. Small-scale projects and less ambitious forms of devolution are suited to circumstances where needs and priorities are easily defined. With experience, and increasing self-confidence, lessons may be transferred to more complex forms of neighbourhood management.

Building community capacity: promoting participation

Local authorities apply a range of participation techniques, but it is often unclear how the results influence decisions and how participation may be used to stimulate inclusive local involvement in decision making, implementation and capacity building. The

experience of the Best Value pilot authorities is that the new regime has forced them to adopt a more systematic approach to consulting with service users, including a broader range of people than in the past.

A considerable commitment in terms of time, money, and change in bureaucratic attitudes is required if communities are to become interested and actively involved in efforts to improve local services. To that end, there needs to be a strategic approach to strengthen the existing network of intermediary bodies who support local communities and residents but who are presently under-resourced. More funding is required in main programme and specific targeted policies to facilitate community engagement. A neighbourhood empowerment fund could be established to provide the kind of support which is available to local residents in the start-up phase of New Deal for Communities. A critical factor here is the need to facilitate the involvement of the most disadvantaged groups in the community and specifically to ensure that the interests of ethnic minorities, the disabled and other disadvantaged groups are adequately resourced and supported. Approaches will vary, depending upon local circumstances; however, certain key lessons are evident.

The scope, realistic outcomes and the time period of participation exercises should be clear from the outset. The responsibilities of the local authority, councillors and other stakeholders need to be defined, and communities must be reassured that their views will count. Local authorities have sometimes been hostile to the involvement of 'unelected and unaccountable outsiders', but providing support for potential community leaders and the existing network of organisations that help local communities is essential, particularly in deprived neighbourhoods. The new Neighbourhood Renewal Fund offers a potential source of assistance. It also needs to be recognised that community views are far from homogeneous and that care

is required to identify the aspirations of those who often find themselves excluded by more assertive voices. Getting 'quick wins' may be necessary to provide the initial impetus. The key lesson to emerge is that participation should not be seen as a 'one-off' exercise, and building community capacity requires resources and a sustained commitment.

Enhancing and legitimising the role of elected members

The role of the elected member is already undergoing change and devolved approaches to local governance present further opportunities and challenges for councillors. It raises important and complex questions about the relationship between representational and democratic structures, and the connections between backbench councillors and new forms of 'cabinet-style' government. Neighbourhood management should offer the opportunity to enhance and legitimise the elected member's role because it allows them to be more visibly involved in local issues. At the same time, the process may open up tensions between elected members carrying out different management roles, and between community organisations and local authority staff engaged in neighbourhood management and their counterparts at the centre. The role of members, therefore, needs to be clearly defined and rules of engagement established which clarify the responsibilities of the various parties involved.

Improving service delivery

Service delivery should be improved if account is taken of community views in preparing performance plans. However, difficulties may arise in meeting competing local interests and the need to balance local democratic pressures with a consistent

and equitable distribution of resources and effective service delivery across a wider area. Furthermore, staff from local authorities and other service providers will need to develop links with colleagues working in other service areas and invest in the skills necessary to establish the trust of local communities and client groups.

Developing the enabling role of local authorities

A key issue facing local authorities is the extent to which they should become 'enablers' rather than direct service providers. The 'enabling' model implies that local authorities should become strategic, partnership-building agencies, identifying need and commissioning services from other organisations in the public, private and voluntary sectors. It challenges local authorities to adopt new ways of working including the development of networking skills around partnerships and new approaches to accountability. Devolved forms of governance may accelerate this process, as local authorities begin to support cross-cutting measures and capacity-building initiatives, through strategic and local partnerships with the public, voluntary and private sectors. But partnership working is not devoid of risks; indeed, it raises fundamental questions about the extent to which partners can be expected to cooperate to promote community interests while competing for the privilege to deliver local services. Careful consideration needs to be given to the costs and benefits of direct service delivery as against other means of service provision.

Producing better 'joined-up' working

Political and institutional commitment to 'joined-up' working is essential if it is to succeed. Central government has a key role to play in applying its Best Value approach in all areas of public

administration, devolving decision making in its own structures, facilitating pooled budgets at local level and introducing more flexible approaches to auditing. It should also establish a framework setting out the connections between the various strategies being prepared by different tiers of government. The consolidation of central government departmental policies at the regional level, the implementation of proposals in the Cabinet Office report *Reaching out* (Cabinet Office, 2000a) and the launching of the Urban Renewal Fund should have an impact in due course. Nonetheless, central government's mainstream budgets remain organised on traditional functional lines.

Bending main programmes and budgets

The reworking of main programme budgets to reflect community priorities is essential if the government's commitments are to be realised. But, while Best Value is encouraging authorities to examine new approaches to service delivery and criteria for allocating resources, as yet there is little evidence that main programmes are being 'top sliced' to match local community priorities. Many local authorities fear that devolved forms of local governance, based upon territorial or cross-cutting measures, will prove more expensive than traditional approaches, introduce an unwelcome level of complexity and raise expectations that cannot be met from existing budgets. Furthermore, while community engagement and devolved budgets may seem desirable, local authorities presently operate within a legal framework which may restrict their capacity to devolve decision making and budget responsibilities – an 'own resource' – to independent local communities. The recent agreement between the Local Government Association and the National Association of Local Councils suggests that there is scope for the modest delegation

of powers, but a more radical approach would require reforms to existing financial arrangements.

Encouraging innovation

Experience suggests that the active engagement of local communities can lead to improvement in service delivery and governance processes. Community involvement should lead to better decisions, add legitimacy and confer a greater sense of ownership. The government strongly endorses this approach but local discretion and innovation also invokes risk and possible failure. If greater power and discretion are to be transferred downwards to local neighbourhoods, then issues surrounding regulation and public auditing methods need to be addressed. This is particularly so in respect of risk taking and the use of more sophisticated performance measures which relate to the kind of circumstances experienced in deprived communities. Encouraging innovation is easiest when people understand and relate to the objectives and required outcomes. It becomes more difficult in area-based and cross-cutting thematic approaches. As complexity increases, all too often innovation takes the form of process changes while outcomes for residents are replaced by more easily measurable outputs. But moves towards devolved governance are dependent upon innovation – 'doing things differently' – which involves local leaders having the capacity to deliver better, more accountable and transparent outcomes. If there is an unwillingness to face change it will very quickly become apparent to citizens, residents and other local stakeholders; the process may be discredited and the motives of the authority questioned. Initially, at least, expectations about the outcomes of local devolution should not be overstated.

The way forward

At this stage in the modernisation process, diversity is the keynote. Local authorities should adopt approaches that best suit local needs, political structures and the capacity and willingness of both local institutions and communities to adopt alternative forms of local devolution. Learning from best practice and the dissemination of different working models are vital in order to avoid 'reinventing wheels' and to maximise the impact of devolved approaches. Measured experimentation and risk taking should be encouraged. Making mistakes is a critical part of the process of capacity building and changing the way people and institutions act. Action research and pilot programmes could well prove a valuable instrument at this stage. But, ultimately, it is the willingness of local authorities and central government to learn and transform their bureaucracies through clear political leadership and the extent to which individual citizens can be persuaded to participate in decisions affecting their neighbourhoods that will determine whether the government's commitment to devolved forms of local governance is met.

1 INTRODUCTION

Background to the study

There has been growing recognition that 'top-down' policy measures determined by central and local government often fail to respond to the needs and expectations of local communities. This is discernible in several separate but converging strands of national and local policy.

First, the current modernising agenda for local government is intended to renew public confidence in local democratic institutions. Reforms to local political and management structures, including Best Value, a focus on community leadership and planning, and community engagement and partnership are designed to increase the responsiveness and accountability of local authorities to local communities.

Second, policies to regenerate deprived local communities are placing increasing emphasis on engaging with local residents and mobilising community capacity.

Third, there is recognition that, given the multi-faceted nature of neighbourhood issues, local government's reliance on traditional departmental and professionally led approaches to policy making and service delivery may be inappropriate. This is demonstrated in the drive towards 'joined-up' government, the emphasis on partnership and multi-agency working at both strategic and service delivery levels and in the involvement of local stakeholders.

These developments are taking a variety of forms, but are

invariably referred to as neighbourhood management. Each points to the need for quite fundamental cultural change in central government, the voluntary and private sectors, community organisations and, not least, local authorities. They challenge government to develop policy frameworks that are more responsive to local needs. Community organisations and local residents will be expected to become genuinely engaged in the planning and management of their areas through local partnerships. Local authorities will be required to play a key role in helping to facilitate this process and providing the strategic direction and local leadership in the preparation of community strategies in partnership with their communities and other agencies.

Political and philosophical underpinnings

Since the 1960s, local, area-based approaches have become widely used in efforts to tackle the problems of deprived neighbourhoods. The Community Development Programme, established between 1969 and 1972, was a model of the new thinking. Its objective was to empower local people to press for improved services and organise self-help. But the initiative raised wider concerns, it challenged policy makers to acknowledge that deprivation was connected to profound changes in urban economies and required radical solutions (CDP, 1977). Thereafter, devolved approaches to neighbourhood renewal have been overseen, for the most part, by the formal political system at central and local levels with their associated bureaucracies, as exemplified in the Urban Programme and Inner City Partnerships established by the Callaghan Government in the late 1970s (Atkinson and Moon, 1994).

There were variations between political parties in their approach to decentralisation. The Conservative governments from

1979 to 1997, for example, gave greater credence to the private sector and the use of market and quasi-market delivery mechanisms than earlier Labour administrations. However, under governments of varying political complexion, the engagement and influence of local communities and residents in such initiatives remained marginal, either taking the form of token representation, or being altogether absent (Tilson *et al*., 1997).

During the latter period of Conservative administration under John Major, there were the beginnings of attempts to secure local engagement through the mechanism of competitive bidding by local partnerships, sometimes referred to as 'Challenge Funding' (Hall and Mawson, 1999a). Pioneered by Michael Heseltine in the Department of the Environment under the umbrella of City Challenge, the approach was extensively copied across Whitehall departments when introducing new targeted, locally based initiatives. Subsequent research has shown that local partnerships based on the Challenge Funding model proved innovative and pioneering in many respects (Robson *et al*., 1994). Nonetheless, they continued to be dominated by traditional local government bureaucratic methods and/or by central government inspired quangos, with their associated top-down approach to programme management, delivery and evaluation.

In this respect, the election of New Labour could be seen as a watershed (Pimlott, 1997), given its emphasis on the active engagement of local citizens and local communities in the formulation and implementation of those national programmes and special initiatives which have an identifiable local dimension – regeneration, housing, social exclusion, training, etc. A similar shift in thinking is evident in central government's attitude towards the management of local government. Nonetheless, there remain both theoretical and practical questions surrounding the concept of community engagement.

The notion of community is a central theme in New Labour's political philosophy (Freeden, 1999). Academic and political analysts close to the Blair project have drawn on theories of 'communitarianism' (Etzioni, 1995; Gould, 1999). This analysis suggests that certain contemporary trends including enhanced physical and social mobility, individualism and the associated loss of communal obligation have served to undermine traditional local support mechanisms and are leading to calls for the return to a sense of belonging and association (Giddens, 1998).

From this perspective, there is a need to restore social cohesion, social justice and the values of local community through a new kind of partnership between the state and civil society – the so-called 'Third Way' (Giddens, 1998). Critics have argued that all too frequently the post-war welfare state has failed to deliver because it has relied too heavily on traditional vertical and functionally organised structures, dominated by professional bureaucracies. Decision making has become too centralised with insufficient local ownership and engagement (Ransom and Stewart, 1994).

It is contended that there is a need to refocus policy development and service delivery through greater user involvement (Corrigan and Joyce, 1997) and by supporting the development of so-called 'social capital' (Putnam, 1993; van Kersbergen, 1995; Hargreaves and Christie, 1998). According to this latter view, there are a number of significant tangible and intangible community assets upon which an effective local regeneration strategy should be based. The latter characteristics include social entrepreneurship, social networks, community participation, trust and a sense of belonging (Leadbetter, 1997). The notion of 'social capital' has generated much debate in the academic literature not least about the policy implications (Gittell and Videl, 1998). Policy uncertainties reflect divergent perspectives on the assets that need to be mobilised in

community development and regeneration, particularly the balance between the application of internally generated resources and reliance on externally led support. In the United States, the *community first* philosophy emphasises that, whatever the balance, neighbourhood assets should form the starting point for planning the future:

> "… to be effective community development must start with the individual associational and institutional assets present in a given neighbourhood."
> (Dewar, 1998, p. 187)

This 'bottom-up' approach is very different to that adopted throughout much of the UK. The Social Exclusion Unit, established by the incoming Labour government in 1997 to develop co-ordinated approaches to the problems of poverty, has been critical of top-down, provider-led approaches, either from central or local government. Rather, it has stressed the need to strengthen civil society through a neighbourhood-based approach to policy formulation and implementation. In the foreword to its 1998 report, *Bringing Britain Together*, the Prime Minister stated:

> "Too much has been imposed from above, when experience has shown that success depends on communities themselves having the power and taking the responsibility to make things better."
> (Cabinet Office, 1998)

Foley and Martin (2000a) have argued that emerging community-based policy initiatives are symbolic of the centre's concern to rebuild the relationship between government and the electorate. A number of commentators have reflected on the

threat to democracy arising from a loss of confidence in formal politics and the inability of traditional governmental structures to address contemporary issues (Carnevale, 1995).

Since coming to office, New Labour has been grappling with a dilemma faced by governments in all Western countries, namely the (perceived) resistance of the public to pay more taxes alongside their expectation that contemporary social problems will be tackled and the quality of public services improved. The new public service management reforms introduced by the Conservatives in the late 1980s and early 1990s were a response to this pressure. In large measure, New Labour has accepted the view of previous Conservative governments that the state has to work with other sectors in the delivery of public services, whether it be through privatisation and regulation or in partnership with private, voluntary and community organisations. However, the delivery of public policies outside the framework of traditional democratic decision making has raised questions about the openness and accountability of the new governance structures. A further consequence of moves in this direction has been to weaken the capacity of the state to handle complex interrelated or 'wicked' policy issues which run across traditional functional, departmental boundaries (Clarke and Stewart, 1994).

The reforms of the late 1980s and early 1990s sought to decentralise management responsibilities to dedicated single-purpose agencies, policy delivery mechanisms and local institutions, as the traditional multi-purpose local authority was stripped of its roles (Pollit *et al.*, 1998). However, the new devolved structures (e.g. quangos, next-step agencies and non-departmental public bodies) remain wedded to a functional, departmental tradition. But, unlike the traditional local authority, they are primarily accountable to their paymasters and target setters in Whitehall and Westminster, leaving limited scope for local policy discretion. While such agencies have strengths in

focusing on service delivery, they are less useful when it comes to building integrative policy mechanisms. This presents difficulties in an era of accelerating technological, social and environmental change in which problems are becoming increasingly complex and interrelated (Hall and Mawson, 1999b).

New Labour's response to the perceived weaknesses of traditional forms of bureaucracy and political structures is set out in the White Paper *Modernising Government* (HM Government, 1999) and the subsequent Performance and Innovation Unit reports, *Reaching Out* and *Wiring it up* (Cabinet Office, 2000a, 2000b). Alongside the introduction of the Best Value regime for local government, the emphasis is clearly to modernise public services through rapid improvements in service standards and more 'joined-up', flexible, citizen-centred forms of service delivery. The *Modernising* White Paper proposes that five key principles be adopted – *challenge, compare, consult, compete and collaborate* – to help promote the continuous improvement in policy making and service delivery at central and local levels (see Table 1). In relation to each of the five 'Cs', the government envisages an active role being played by citizens and communities in the various processes leading to continuous improvement.

An additional 'joined-up' measure followed the White Paper, *Modern Local Government: in Touch with the People* (DETR, 1998a). This indicated that local councils would have a duty to prepare a community plan and a power to promote the economic, social and environmental well-being of their areas. This included the requirement to produce a comprehensive strategy through a process of community planning in which the local authority would play the leading role. Community plans would also provide a framework for external funding bids and a backcloth to the main programmes of central and local government. To consolidate the leadership role of local authorities, they were also to be given discretionary powers to participate with other stakeholders in

Table 1 The key principles of the modernising agenda

Continuous improvement for central government	We will
Challenge Is this service, legislation or policy work what is needed? Is it being delivered in the right way by the right organisations?	• Assess the impact of policies and legislation (for example, on ethnic minorities or small firms, or people's health) before they are introduced. Evaluate policies after they have been introduced and put right any failures. • Review all activities in all departments and agencies against five options: abolish, restructure internally, strategically contract out, market test or privatise. • Strengthen the five-yearly reviews of agencies and Non-departmental Public Bodies (NDPBs).
Compare Compare actual performance with promises, and learn by benchmarking policy making and services between organisations, regions, sectors and countries	• Use Public Service Agreements. These provide, for the first time, hard targets for improving services over the next three years. They shift the focus decisively from inputs to outcomes. • Monitor progress on a regular basis through the new Cabinet Committee (PSX). • Use the new Public Service Productivity Panel to bring public and private sector expertise together. • Produce an Annual Report summarising progress. • Benchmark service delivery and policy functions, in particular by using Business Excellence Model.

Table 1 The key principles of the modernising agenda (*cont.*)

Continuous improvement for central government	We will
Consult Be responsive to the needs of users, listen to and work with stakeholders, including both customers and staff	• Consult stakeholders as part of our continuous improvement activity. This is: _ one of the nine principles of the Service First programme _ the starting point for service level and organisational reviews _ supported by publication of departmental and agency annual reports _ part of best practice in developing and implementing policy and legislation.
Compete What matters is what works – the government should use the best supplier whether public, private or voluntary sector	• Build on *Better Quality Services* which sets out the government's pragmatic approach and provides guidance on how to achieve it. We will work with the Local Government Association to develop guidance on how Best Value and Better Quality Service reviews can be used together to help join up services. • Base procurement on competition to secure best whole-life value. • Use partnering to encourage innovation and continuous improvement, and Private Finance Initiative (PFI) for capital projects.
Collaborate Work across organisational boundaries to deliver services that are shaped around user needs and policies that take a holistic approach to cross-cutting problems	• Build on the development of partnerships, at local level through initiatives such as Health Action Zones, and at national level, for example through a joint strategy, for the criminal justice system. We are working to identify and overcome the barriers to closer working.

Source: HM Government (1999, p. 40).

partnership activities, including pooling resources, accommodation, staff and delegating decision-making responsibilities.

Emerging issues

It is clear that the political and administrative developments highlighted above herald a potentially significant shift in the way our communities are governed. However, much remains to be done in clarifying relationships and roles, and working through the practical implications.

This study seeks to focus on some of these key themes, most particularly the following.

* What is the relationship between the modernisation of government project, the reforms to local government and area-based initiatives?

* What needs to be done to ensure that these emerging relationships are brought together in a clear and coherent manner at national, regional and local levels?

* How do we define the local community and what are the issues surrounding its representation in emerging government structures?

* What steps need to be taken to facilitate effective community engagement in this modernising agenda?

* What political and practical problems do these devolved approaches pose for traditional local government structures?

* Given local government's new community leading and enabling role, what best practice techniques and practical

lessons are there to help local officers and members take the agenda forward?

Aims of and approach to the study

It is in the context of these emerging questions that the present study is set. Its purpose is to investigate the implications for both policy and practice of these current trends towards devolved approaches in local governance.

The structure of the report is as follows.

Chapter 2 examines the recent evolution of central government policies specifically designed to promote approaches towards the regeneration of deprived neighbourhoods.

Chapter 3 outlines the key elements of the local government modernisation programme as they impact on the decentralisation of service delivery and the emerging lessons for devolved community and neighbourhood governance and management.

Chapter 4 considers the evidence from recent studies, including those conducted by the Social Exclusion Unit and the Local Government Association dealing with deprived neighbourhoods and local devolution. In drawing upon this material the aims of the study are to identify the:

- *policy objectives* and the scope and potential outcomes of neighbourhood management

- organisational and management *process issues* relating to the promotion of democratic accountability, service delivery and building community capacity

- *conditions for success and obstacles to* achieving effective neighbourhood management.

Chapter 5 illustrates the choices local authorities may need to make in their approach to neighbourhood management.

Chapter 6 concludes by examining the connections between the policy issues examined in the report.

2 Top-down solutions to local problems

Introduction

The present Labour government, like its Conservative predecessors, has been seeking ways to reconcile the aspirations of an expectant public with its often-stated commitment to fiscal prudence. These pressures have, typically, led to innovations in the management processes of government designed to achieve greater efficiency and value for money. For example, during the 1980s, the Conservatives introduced market testing and competitive tendering procedures, alongside decentralised management responsibilities to sub-national, single-purpose, executive agencies, bypassing elected, multi-purpose authorities in the process.

A key feature of UK government is that it has been organised on the basis of *function* and *hierarchy* rather than *territory*. This vertical approach to both policy making and service delivery presents difficulties when the complex issues of particular localities are being addressed and where problems may not coincide neatly with organisational or territorial boundaries. The need to adopt integrated policy responses in the increasingly overlapping circumstances of contemporary policy making and implementation is the touchstone for the Labour government's stated commitment to developing *joined-up solutions to joined-up problems*.

The policy dilemmas associated with moving from a vertical, functional, professional-led approach have been most apparent in efforts to develop strategic responses to the problems of deprived neighbourhoods, particularly those in inner city areas and outer estates. The problems of deprived communities have been a concern of government in Britain for more than 30 years. One of the defining features of its response has been a preoccupation with *area-based* initiatives, from the Education Action Areas of the 1960s, to the Enterprise Zones and Urban Development Corporations of the 1980s, via the Community Development Projects and Inner Area Studies of the 1970s (Atkinson and Moon, 1994). The area-based orientation to regeneration policy is, therefore, not unique. There have been attempts to develop a spatial dimension to local government service delivery more generally. The best examples are probably the decentralisation initiatives developed by 'New Left' and Liberal councils, e.g. Tower Hamlets (Burns *et al.*, 1994). However, it is in the field of neighbourhood regeneration that the challenges of 'joined-up' policy making have been felt most acutely. Solutions have eluded policy makers, often as a result of a failure to develop a truly multi-faceted response to a multi-faceted problem.

Area regeneration policies in the 1990s: the Conservative legacy

The late 1980s represent an important watershed in the evolution of neighbourhood regeneration policy in England. It was at this time that criticisms of the fragmented, uncoordinated nature of policy pursued by the Conservative government came to a head. In 1989, the Audit Commission (Audit Commission, 1989) coined perhaps the most famous regeneration-related metaphor of all time when it described the government's agenda as:

> "… a patchwork quilt of complexity and idiosyncrasy ... [within a] ... strategic vacuum and weak co-ordination of local strategies."

The 1988 Action for Cities White Paper endeavoured to respond to these shortcomings by establishing an interdepartmental approach to deprived inner areas at central government level. But community needs and local authority engagement were marginalised in favour of economic development and a preoccupation with the involvement of the business community. The Major government of the 1990s emphasised partnership, strategic management and coordination of policy. This was to entail the creation of new multi-departmental funding streams to enable government assistance to be tailored to local circumstances, together with the creation of new structures: local regeneration partnerships and the Government Offices for the Regions. The objective was to create a *seamless duvet* of regeneration funds and agencies. This institutional arrangement was to be allied to a competitive resource allocation process. Local regeneration partnerships would be charged with developing strategies to mobilise agencies, resources and programmes in a coherent and coordinated manner consistent with broad government guidelines.

The City Challenge was the first programme to embody these principles in practice (Wilks-Heeg, 2000). It involved a process in which local partnerships in the Urban Priority Areas competed for a standard five-year funding package of £37.5 million to support comprehensive local multi-agency strategies. City Challenge was suspended after just two rounds, but its potential to achieve greater value for money, inter-agency co-ordination and galvanising local effort was asserted in the Conservatives' 1992 general election manifesto.

Merging 20 regeneration programmes from five government departments (Environment, Trade and Industry, Employment, Transport, Home Office) created the Single Regeneration Budget (SRB), announced in 1993. The uncommitted element of the SRB was to be made available to local regeneration partnerships from all areas in England through an annual competitive bidding cycle. The importance of the SRB lay in its 'cross-cutting' nature: central government financial support could be adapted to local circumstances with no pre-determined quotas or ring fencing.

This ethos of 'integration' was also evident in the establishment of the Government Offices for the Regions (GORs), announced at the same time (Mawson and Spencer, 1997). These brought together the regional operations of four government departments (Environment, Trade and Industry, Employment, Transport). But the GORs, whilst the most important multi-departmental government presence in the regions, represented only a partial integration of central government activities at the regional level. Other important regeneration interests were omitted: other government departments, Next Steps Agencies and Non-departmental Public Bodies. Nonetheless, the GORs were charged with managing the SRB process.

The agenda of the Major government was, therefore, to improve the efficiency and value for money of neighbourhood regeneration policy at a time of fiscal constraint (the SRB was launched in the context of substantial reductions in government regeneration expenditure) by emphasising partnership, strategic management and policy coordination. However, this strategy was only partially successful (Hall and Nevin, 1999). There were two fundamental problems.

First: the SRB process can be characterised as a 'strategic vacuum' similar to that criticised by the Audit Commission a few years earlier.

The GORs were to compile a package of bids, submitted by local regeneration partnerships, to be recommended to ministers for funding. The GORs' assessment was informed by criteria set out in the bidding guidance document published by government (Mawson and Spencer, 1997). These criteria gave greater emphasis to process issues, for example, risk and managerial efficiency, rather than the policy orientation of the bid. In order for the process to be seen as fair, the government exhorted GORs to emphasise these national criteria above local considerations. The GORs were, therefore, assessing bids with limited reference to explicit regional strategies. A defining feature of the SRB process was, therefore, the paucity of policy guidance from central government.

Second: the potential synergies between the resources and expertise of local stakeholders were not exploited optimally.

The competitive SRB process undoubtedly galvanised local agencies into cooperating to an unprecedented degree. However, the resource-intensive and time-limited nature of the process meant that partnership working was only partially successful. A minority of key partners was fully involved at all stages of the process and able to shape policy priorities at the expense of other groups (Tilson *et al.*, 1997). Particular concern was expressed about the level of involvement of community and voluntary sector organisations, notably ethnic and minority groups, handicapped by their lack of partnership working experience, limited financial and personnel resources, and the low priority afforded to them by lead bidders. In many cases, therefore, partnerships remained pliant vehicles for lead organisations (particularly local authorities) to pursue their own particular regeneration objectives.

In spite of these shortcomings, the Conservative government was unequivocal in its belief of the benefits of the challenge funding approach. This led to its wider deployment. By the end of its term of office, some £3.4 billion of public monies was being

allocated through 56 different 'challenge funds' by 12 government departments or agencies (Hall and Mawson, 1999a). This proliferation of initiatives threatened to undermine the original rationale for the SRB. The 'patchwork quilt' was reappearing in the form of serial competitive bidding.

The evolution of area regeneration policies: Labour's agenda for change

The Labour government did not come into office with a clearly thought-through set of proposals for regeneration. Its agenda has emerged incrementally since the election of May 1997. The key themes are an emphasis on the economic competitiveness of *regions* epitomised by the creation of the Regional Development Agencies (DETR, 1997a) and a preoccupation with the problem of social exclusion at *neighbourhood* (that is particularly, but not exclusively, estate) level.

In November 1997, as part of its first Comprehensive Spending Review, the government published a paper *Regeneration Programmes – the Way Forward* (DETR, 1997b). This can be considered its first comprehensive statement on regeneration policy for England's deprived neighbourhoods. The paper emphasised the importance of optimising the use of mainstream funds for regeneration purposes as these significantly exceed expenditure on discretionary regeneration programmes. The importance of integrating the government's new client-focused initiatives, e.g. New Deal, into regeneration activity was also stressed.

The SRB was identified as a key vehicle for integrating mainstream and special programmes at a local level. The basic principles of SRB were accepted by Labour, but a renewed emphasis on concentrating funding in the areas of greatest need

and building the capacity of local partnerships would be incorporated into further bidding rounds. The SRB guidance indicated that partnerships were to forge links with the emerging plethora of central government inspired local initiatives including Action Zones and the New Deal for Communities. This latter initiative involved a new £800 million programme to be targeted at deprived urban neighbourhoods in which the local residents were required to play a lead role in the local partnership. The government also emphasised the need for the local community to engage in SRB partnerships and to build the capacity of the voluntary and community sectors to lead bids (DETR, 1998b, 1998c). In the case of New Deal for Communities, the government introduced longer lead times and funding to support community involvement in the development of partnership programmes. It has insisted that the first 18 pathfinders, intended to address the problems of communities containing up to 4,000 households, should be run by bodies who had not traditionally led regeneration programmes. These pathfinders are characterised by unprecedented levels of consultation and community-led research.

The importance of improving the coordination of government regeneration policies was also highlighted in the Social Exclusion Unit's report *Bringing Britain Together: a National Strategy for Neighbourhood Renewal* (Cabinet Office, 1998). This document attributed past failures to address the need of deprived communities to flaws in government policies and processes, including:

- the inability to exploit mainstream public spending programmes, e.g. benefit payments, for regeneration purposes

- the proliferation of centrally and separately devised schemes, along with different departmental rules and regulations

- departmentalism in central and local government.

The report set out a national strategy for addressing the problems of deprived neighbourhoods. This comprised three strands:

- national, client-focused programmes like the New Deals

- area-based coordination initiatives like Education, Health and Employment Zones, and the New Deal for Communities

- improvements in policy coordination to be achieved by 18 cross-departmental, thematic Policy Action Teams (PATs) including one on 'Joining it up locally'.

It is ironic, given its ostensible commitment to 'joined-up' government, that the Labour government has presided over such an unprecedented and bewildering proliferation of regeneration initiatives which, with the benefit of hindsight, make the original 'patchwork quilt' seem like a model of clarity and simplicity. These new initiatives are shown in Table 2. This array of separately devised initiatives has emerged in spite of the government's public rhetoric on regeneration, which emphasises integration and coordination (Hall and Mawson, 1999b).

The government has sought to impart a greater coherence to neighbourhood regeneration through a variety of measures, although these are themselves separately devised. A number of 'top-down' and 'bottom-up' elements are now in place but these

Table 2 The proliferation of regeneration and regeneration-related initiatives

Action for Cities/'patchwork quilt' 1989	Regeneration initiatives August 2000
Urban Programme	Community Legal Service Partnerships
Urban Development Corporations	Education Action Zones
Enterprise Zones	Employment Zones
City Grant	Health Action Zones
City Action Teams	New Commitment to Regeneration
Derelict Land Grant	New Deal for Communities
Housing Corporation	Single Regeneration Budget
Land Register	Sure Start
Housing Action Trusts	Action for Jobs
Estate Action	Active Community Demonstration projects
Garden Festivals	Better Government for Older People
Safer Cities	Coalfields
Section 11 Grants	Crime Reduction Programme
Ethnic Minority Business Initiative	Drug Action Teams
City Technology Colleges	Drug Treatment and Testing Order
Inner City Learning Centres	Early Excellence centres
English Estates Managed Workshops	Early Years Development/Childcare Partnerships
Task Forces	European Regional Development Fund
Enterprise Initiatives	Excellence in Cities
Regional Selective Assistance	Healthy Schools Initiative
Transport Supplementary Grant	Home Zones Pilot Schemes
Job Clubs	Lifelong Learning Partnerships
Loan Guarantee Scheme	Local Transport Plans
Race Relations Employment Advice	Millennium Volunteers
Small Firms Service	Neighbourhood Support Fund
Employment Training	New Deal – long-term unemployed (24 months+)
Enterprise Allowance	New Deal – long-term unemployed (12/18 months)

Table 2 The proliferation of regeneration and regeneration-related initiatives (continued)

Action for Cities/'patchwork quilt' 1989	Regeneration initiatives August 2000
Compacts	New Deal – disabled people
Youth Training Scheme	New Deal – lone parents
Headstart	New Deal – musicians
	New Deal – partners
	New Deal – young people
	New Deal – 50 plus
	On Track
	Provision of extra early education places
	Personal Medical Services Pilots
	Primary Care/School Partnership
	Renewal Areas
	Territorial Employment Pacts
	Youth Justice pilots
	Heritage Lottery Fund
	New Opportunities Fund
	Sport England Lottery Fund

have come from a variety of sources within government and it is only relatively recently that steps have been taken to ensure that they themselves will be 'joined up'.

These initiatives include a major review undertaken by the Cabinet Office Performance and Innovation Unit of the links between central, regional and local government, and an analysis of how Whitehall can tackle departmental barriers, which inhibit local partnership working (Cabinet Office, 2000b, 2000c). The review recommended strengthening the role of the GORs in co-ordinating the regional regeneration effort, not least through stronger links with departments and agencies not formally present in the GO structure. An inter-departmental group on area-based initiatives led by the Department of the Environment, Transport

and the Regions (DETR) and accountable to the Deputy Prime Minister has been established to ensure that, as new central government area-based partnership initiatives are introduced, they are not developed in isolation from existing schemes or that they do not impose unnecessary additional bureaucratic burdens on local partners. This group now falls within a wider grouping concerned with regional coordination headed up by Lord Falconer in the Cabinet Office.

The need to enhance the coordination and effectiveness of regeneration efforts is also an important aspect of the government's agenda for modernising local government. In future, local authorities will be required to produce a comprehensive strategy for their areas through a process of *community planning* (DETR, 2000a). This will provide a context for the provision of services by local authorities and other local organisations, and bids for central government funding. The process will be facilitated by new local authority powers to engage in partnership activities, including the scope to pool resources with partner agencies.

The Local Government Association's New Commitment for Regeneration (NCR) initiative is a formal collaborative pilot programme between government and 22 pathfinder local authorities. It involves central government providing greater flexibility for main programmes and the activities of government agencies to be adapted to facilitate the development of a locally agreed regeneration strategy (Hall and Mawson, 1999a).

Community Planning and New Commitment are, therefore, just two examples of a localised initiative requiring the development of strategic partnerships and active community participation. Alongside a shift away from a focus on inputs and outputs, towards outcomes relevant to local people, these priorities seem to be characteristic of the government's emerging agenda for area regeneration.

The National Strategy for Neighbourhood Renewal, referred to above, has been further developed and a 'framework for consultation' was published in June 2000 (Cabinet Office, 2000c). The document is informed by the work of 18 Policy Action Teams (PATs). It recognised that core public services are poorest in poor communities and envisaged a new role for discretionary regeneration initiatives built around a:

> "… coalition of policies, resources and people … marshalled behind a single strategy involving action on four fronts: reviving local economies; reviving communities; ensuring decent services; leadership and joint working … innovating and helping to join up core public services, rather than just shoring them up when they fail."

The government's agenda is also informed by Lord Roger's Urban Task Force, which reported in 1999 (Urban Task Force, 1999). The report asserted the primacy of urban design in regeneration but also considered new forms of delivery agencies such as 'not for profit' development companies and/or community trusts.

In addition to the impending Urban and Rural White Papers, in October 2000, the government published two consultation documents – *Local Strategic Partnerships* and the *Neighbourhood Renewal Fund* (DETR, 2000b, 2000c). Both illustrate current government thinking on the relationship between the various components of the modernising and renewal programmes. *Local Strategic Partnerships* (LSPs), prepared by Whitehall and Local Government Association officials, stated that LSPs are to be multi-agency, multi-sectoral, strategic partnerships and are perceived as an effective way to 'co-ordinate between local services, agencies and bodies to ensure coherence and effective working

at the local level'. They are to be modelled upon existing partnership arrangements including the LGA's New Commitment to Regeneration, the Single Regeneration Budget, Health Action Zones, Crime and Disorder, Learning Partnerships and Local Agenda 21, but are intended to be comprehensive in nature. Indeed, there is clearly scope to bring together these existing partnerships under the LSP umbrella.

'LSPs should exercise a broad strategic oversight across service providers and other partnerships in the area, to ensure that their activities are compatible and mutually supportive.' They will become a key feature of local authority activity, alongside community plans, local public service agreements, and neighbourhood renewal and management strategies. In the context of neighbourhood management, LSPs are seen as offering an obvious route through which neighbourhood managers can exercise leverage over main programmes at the neighbourhood level. The aim is that partnerships should be in a position to ensure that agencies prioritise key neighbourhoods, participate in neighbourhood renewal and achieve agreed neighbourhood goals via local Neighbourhood Renewal Strategies.

The DETR's consultation paper on new funding for neighbourhood renewal sets out arrangements for £800 million to be made available to 88 local authorities during 2001–04 to help deliver improved service outcomes for the most deprived communities. Funding is not to be ring fenced but it will be conditional on the presence of a neighbourhood renewal strategy, agreement from the LSP, clear links with local public service agreements (PSAs), where applicable, and a satisfactory Best Value performance plan.

PSAs are a further element in the panoply of new initiatives that are currently being piloted in a number of local authorities, based upon bilateral agreements between the authority and central government. They are intended to identify the extra

contribution the authority is prepared to make over and above its requirements under Best Value to achieve key national and local priorities. In return, the authority may receive greater freedom in the means of delivery and some limited pump-priming funding. If successful, the scheme is to be extended to other authorities, on a voluntary basis.

Key themes

There are profound problems in reconciling the complex, multi-faceted problems of territory (regions, cities and neighbourhoods) with the traditional functional, hierarchical organisation of British government. Rhodes (1997) has argued that:

> "Institutional differentiation and disaggregation contradict command and control bureaucracy. Thriving functional representation contradicts territorial representation through local governments. These contradictions are keys to understanding recurrent policy failures, even disasters."

Nowhere are these problems more evident than in the field of area regeneration.

The Conservative government of the 1990s sought to address these difficulties through the establishment of cross-cutting financial instruments (the SRB) and a multi-departmental government presence in the English regions (the Government Offices). While representing a potentially radical shift in civil service management and administration regionally, at local levels the associated partnerships did not fully engage all stakeholders in a truly holistic regeneration effort. Since coming to office, 'New Labour' has espoused a 'joined-up' approach to regeneration but,

in practice, has presided over a proliferation of separately and centrally devised locally targeted partnership initiatives. More recently, the government has sought to join up these elements through a series of further coordination mechanisms in Whitehall and the regions (Cabinet Office, 2000a, 2000b).

These developments are evident in the Labour government's emerging agenda for deprived neighbourhoods which includes a renewed emphasis on the coordination of central government policy making and implementation through:

- a greater coordination role for the Cabinet Office and the development of public service agreements between departments on cross-cutting themes

- strategic coordination by the Government Offices of all government departments and agencies in respect of regeneration at a regional level

- the development of regional regeneration frameworks by the Regional Development Agencies, identifying and working through sub-regional strategies and partnerships, and more specific urban regeneration zones and neighbourhood partnerships

- the rationalisation and merger of regeneration funding regimes.

This agenda is to be complemented by the development of local strategic partnerships that emphasise horizontal and vertical linkages to facilitate the pooling of budgets, development of single point of access delivery mechanisms and bending of main programmes. The structure and objectives of these partnerships are indicative of the government's current priorities. They are

intended to include all relevant stakeholders, including central government as a local partner in devising and implementing policies and presiding over regeneration schemes. Moreover, the new local strategies should include evidence of capacity building; engagement with the public, private, voluntary sectors and local communities; and strong links across funding regimes to area-specific initiatives, including the bending of national and local main programmes.

This succession of policy initiatives suggests that the government is serious in its intention to tackle the complex and recurrent problems of deprived neighbourhoods and delivering more effective local services. There is also evidence that lessons from previous attempts to address these issues have been learned. In particular the need to engage citizens and adopt a holistic approach which wires together the activities of different government tiers and connects with those of the private and voluntary sectors. But the plethora of government activity may not prove to be an accurate guide to policy effectiveness. Indeed there are dangers that while the current tide of initiatives may bring about new forms of structure and process, solutions to substantive issues, requiring fundamental shifts in budget priorities and organisational culture, may be overlooked.

3 NEIGHBOURHOOD MANAGEMENT AND MODERNISING LOCAL GOVERNMENT

Introduction

The National Strategy for Neighbourhood Renewal regards neighbourhood management as playing an integral part in delivering the local strategy for neighbourhood renewal, in particular tackling the problems of deprived neighbourhoods (Cabinet Office, 1998). But the principles of neighbourhood management are likely to be widely applicable, indeed they share many of the features of the government's modernising programme for local government, set out in the White Paper *Modern Local Government: in Touch with the People* (DETR, 1998a). It is, therefore, important to examine the connections between neighbourhood management and lessons from the broader process of modernisation. This chapter also explores the potential contribution of Parish and Town Councils.

The modernising agenda

The government's objective is to enhance the capacity of local authorities to meet local needs and provide community leadership. Area management is seen as having a key part to play in delivering this objective, since it offers the opportunity to work with communities to identify and respond to their needs, foster partnership arrangements and tackle the democratic deficit by

increasing public awareness and confidence in local government.

Given their experience in providing local services and their involvement in a wide range of initiatives aimed at tackling the problems of deprived neighbourhoods, many local authorities should be well equipped to respond to this emerging agenda. But authorities are often criticised for ignoring the views of the people and communities they are intended to serve (Gaster, 1996).

It is commonly asserted that local people:

- do not understand who is responsible for delivering their local services

- are often confused about how councils make decisions and see them as secretive and overly bureaucratic organisations

- consider that council decisions and the views of their elected representatives do not reflect either their own priorities or those of their neighbourhoods

- perceive local authorities as wasting council taxpayers' money

- consider efforts at 'consultation' as a means for post-hoc rationalisation of predetermined decisions.

The government's modernising programme is intended to meet at least some of these criticisms including mechanisms to:

- secure greater effectiveness in political management structures, so that councils demonstrate to their communities the quality and efficiency of local services

- increase public interest in local democracy, through greater openness and accountability, and by placing a duty on

councils to consult local people about plans and services which may affect their quality of life

- achieve continuous improvement in the way in which council functions are exercised through Best Value, on the basis of a rigorous regime of performance indicators and efficiency measures

- give councils powers to promote the economic, social and environmental well-being of their area.

The intention is that the legitimacy of local democratic structures should be enhanced. Councils should be made more accountable and responsive to local needs by actively involving and engaging the community in local decisions, as well as working in partnership with other bodies, including the private and voluntary sectors, to ensure that resources are deployed effectively to improve social well-being.

Citizen engagement

The 1999 Local Government Act imposes on local authorities and some other service providers a new legal duty to consult widely about all aspects of their activities with services users, tax payers and businesses. The government's view is that establishing the nature of local needs, priorities and aspirations is the first step in changing the culture of local government. It invites community ownership and leadership, and challenges councils to examine established approaches to the delivery of service outcomes. The pilot programmes establishing partnerships between central and local government, so called 'Beacon Councils', are already developing strategies for consultation to help them engage with communities (DETR, 2000d).

Specifically, community engagement is seen as helping local councils to:

- make service provision more relevant to people's needs and raise fundamental questions about service performance
- promote 'joined-up' services, whereby local councils and their partners tailor their activities to meet local needs
- provide a stepping-stone towards developing community leadership and devolving governance to the community and neighbourhoods.

In advance of the new local government legislation, local authorities are presently adapting to the Best Value regime in which consultation with citizens and the users of services is a key feature (DETR, 1999a, 1999b; Martin and Davis, 1999; Martin *et al.*, 1999). It is seen as making local authority decision making more accountable and providing a means by which more local people are able to influence local decisions than has been the case in the past.

Under the previous government, market testing of service provision through competitive tendering was seen as the mechanism by which service provision was to be made more accountable and cost effective. However, critics suggested that such an approach was not equally relevant to all services and tended to emphasise the significance of cost effectiveness at the expense of service outcomes. Under the new regime of Best Value, the process of market testing is seen as only one of a number of means by which decisions are to be made about the nature and scale of service provision, and how they are to be delivered (see Table 1). Services may be provided directly or indirectly by the local authority, or through public and/or private

bodies on the basis of competitive tendering or through a process of partnership, which may involve a combination of public, private, voluntary and community representatives or 'stakeholders'.

In making these choices, Best Value places considerable emphasis on the direct involvement of local citizens and partners. It challenges the status quo and has important organisational and financial implications for local authorities, and obliges them to develop new ways of working (Birmingham City Council, 2000).

Lessons from Best Value

Research into the activities of the Best Value pilot authorities conducted at Warwick University and elsewhere indicates that local authorities have tended to focus on the following approaches (DETR, 1999a):

- direct service provision

- procurement through voluntary competitive tendering (VCT) and public–private partnership

- addressing 'cross-cutting issues' and/or focusing on the needs of particular client groups

- the priorities of specific geographically based communities.

Given the philosophy of Best Value, there is no one 'correct' approach, nor is any one mutually exclusive. In the context of neighbourhood management, a combination of cross-cutting and geographical approaches is frequently the most appropriate. The choice will reflect the extent of the territorial focus of local authority activity and the political priorities of the authority, irrespective of the modernising agenda.

What is common, however, is that community consultation is regarded as a vital part in the implementation of Best Value and that a consultation strategy should provide important insights into the increasingly complex issues, which cut across traditional local authority department services and their territorial provision. For neighbourhood management, the current literature and research on the experience of the Best Value pilots is, therefore, highly instructive.

Corporate and strategic lessons

The Warwick research (Martin and Davis, 1999) suggests that, to meet the requirements of Best Value, local authorities will need to:

- develop a clear purpose and set of outcomes

- adopt clear, corporate strategies and lead their communities

- learn in new ways and adapt in the light of changing circumstances

- provide clear political leadership, ownership and involvement

- motivate and influence people, and shape and achieve outcomes

- change the culture within communities, so that they are persuaded of the benefits of engagement

- move beyond processes to ensure that outcomes are secured

- take risks.

The role of elected members and officers

Given the overall strategic purpose of the modernising agenda, it follows that local authorities should seek to:

- encourage members and officers to recognise the need for cultural change

- draw attention to the need to actively involve elected members

- devise mechanisms for members to become involved in the consultation/participation process

- ensure that elected members have the necessary resources to support their involvement

- make staff more accountable, developing them and giving them career guidance, so that they feel they 'own' Best Value (DETR, 1999b).

Engagement with communities

The modernising agenda requires local authorities to:

- acknowledge that people should have a right to be involved in decisions about changes that may affect them

- recognise that a failure to involve communities can both undermine the effectiveness of service delivery and deny efforts to promote social cohesion and the mobilisation of community resources

- prepare and coordinate consultation strategies

- map out the process in advance and be clear how the results are to be used

- consult with staff on the ground and stakeholders to promote meaningful involvement
- adopt a variety of techniques for engaging communities
- use identified priorities to assist in the integration of Best Value into the corporate review process
- involve users/non-users and citizens
- be inclusive of all groups
- respond and give feedback to the community and keep promises
- keep stakeholders informed throughout the process
- evaluate and learn.

Constraints

In addition to identifying those elements that are essential in meeting the modernising agenda, the Best Value research has pointed to some of the constraints that may impede local authorities, including:

- the capacity of the organisation to engage in constant relearning
- tensions over the extent to which control over service delivery should be determined centrally by local authorities or locally in collaboration with communities
- combining the need to meet their traditional remit as service providers with a desire to enhance their role in working with other agencies and providing local leadership and governance

- achieving improvements in the quality of service provision and cost effectiveness; the latter are often far more easily measured

- adopting partnerships, which may prove fragile in practice, may inhibit long-term planning by local authority departments

- defining the role for elected members, particularly in the context of cabinet government; the proposed political structures for decision making may exclude backbench councillors from participating in 'cabinet' decisions affecting their areas

- combating the tendency for only the same few people to become involved in community issues

- defining those geographical areas with which people most identify.

Community strategies

The aim of these new strategies is to reinforce the enabling role of local government and to combine citizen participation with neighbourhood management (DETR, 2000a).

The strategies are intended to facilitate the enabling role of local authorities to meet *three objectives:*

- allow local communities to articulate their aspirations, needs and priorities

- coordinate the actions of the council, and of the public, voluntary and community, and private sector organisations that operate locally

- shape the existing and future activities of those organisations so that they effectively meet community needs and aspirations.

The strategies are to include *four components*:

- a long-term vision for the area, focusing upon achievable outcomes
- an action plan incorporating shorter-term priorities that will contribute to the long-tem outcomes
- a shared commitment among all the relevant partners to implement the plan and proposals for doing so
- arrangements for monitoring implementation and for review.

The focus is on ensuring that the strategy is prepared in partnership with other bodies, including local communities, and the results of consultation are communicated and acted upon. *Each stage of the process will require*:

- strong involvement of councillors from within and outside the executive
- the involvement and commitment of other organisations
- community engagement.

The purpose is to create a sense of ownership in the strategy and elected members will be expected to play a key role as:

- representatives of their wards, leading and listening to their electors and communicating community views to the executive

- members of overview and scrutiny committees responsible for identifying community needs and priorities, and examining the performance of the strategy and action plan

- members of area and neighbourhood forums

- council representatives on outside bodies, ensuring that their views are expressed in the community strategy.

Government sees community-planning partnerships as the most effective way of securing the involvement and commitment of a wide range of other organisations, and as a means of changing and enhancing the role of local councillors. Local authorities have considerable experience of working in partnership with health authorities, hospital trusts, the police, schools, businesses and voluntary groups. But, particularly in non-unitary areas, partnerships are often fragmented and the community partnership is, therefore, intended to act as an 'umbrella' for existing arrangements and to provide the opportunity for the coordination of strategic planning, thereby contributing to 'joined-up' local governance.

One feature of strategic partnerships is their potential capacity to focus the efforts of all partners on tackling the problems of the most deprived neighbourhoods. Within the framework of these area-wide community strategies, local authorities are to be encouraged to develop strategies that reflect the needs of different communities and localities.

Genuine community engagement is perceived as central to the development and implementation of the new community strategies. According to the draft guidance, local authorities will need to examine:

- alternative methods by which different communities can be involved in community strategies

- how to ensure that community views inform and influence decisions, and how differences are to be dealt with

- how to encourage community involvement but avoid raising expectations that cannot be met

- how communities and residents can help implement the community strategy

- the extent to which existing activities contribute towards community priorities.

The modernising agenda and local councils

The presence in England of more than 8,000 parish and town councils (defined as 'local councils') presents a potential model upon which to build neighbourhood management, yet they have been largely disregarded in recent debates. Local councils are predominantly to be found in rural areas and small towns, and there are no equivalent arrangements in the major urban areas. Successive reforms of local government have largely neglected their role. Local council elections are often uncontested and turn-out is usually low (Railings *et al.*, 1994). They have limited powers and resources and serve small populations; 80 per cent of councils represent fewer than 2,500 people and 40 per cent less than 500 – 6 per cent of the parished population. Only 5 per cent of local councils have populations above 10,000, although they account for a third of the parished population in England.

In this respect, the UK is distanced from its continental neighbours, which have eschewed large authorities in favour of maintaining basic authorities that have a close links with local communities in both urban *and* rural areas. Eighty per cent of

French communes have populations of less than 1,000 – smaller than the average English local council, while the bigger English councils – serving more than 10,000 people – are larger than most Italian and German municipalities, but perform a far less important role. Wilmott (1989) suggests that most people identify with communities of up to 5,000. But, in England, functional efficiency – based upon large units – has been accompanied by a neglect for local democracy and links between local authorities and local communities (Cairns, 1996; Sanderson, 1999).

Most local councils in England have few financial resources. The majority spend well below £10,000 per annum but, among the 400 councils or so with populations in excess of 10,000, council expenditure is on average in excess of £200,000 and, among those serving populations of more than 20,000, nearly £500,000 (Table 3). This implies that many larger local councils may have the capacity to develop and manage substantial budgets providing a range of public services (Ellwood *et al.*, 1998).

Local councils are a community resource and should be well placed to provide an input to Best Value frameworks, both in defining local priorities and in contributing to the ongoing cycle of performance reviews. The *Modernising* White Paper encourages innovation and diversity in the coordination and delivery of local services, through the involvement of local people individually and collectively through community groups.

Table 3 Average revenue payments (£) among local councils of different population size

Population size	<500	500–1,000	>1,000 –2,500	>2,500 –5,000	>5,000 –10,000	>10,000 –20,000	>20,000
Revenue payments (£)	4,911	9,003	18,158	45,717	122,330	253,496	491,611

Source: Ellwood *et al.*, 1998.

These developments could encourage principal and local councils to re-assess their relationships and respective roles, in particular to examine the opportunities for decentralising choice and the delivery of local services. Local Agenda 21 and village appraisals have already encouraged local people and local councils to become involved in bottom-up initiatives (Local Government Management Board, 1994, 1995). Moreover, the Local Government and Rating Act 1997 has extended the services that a local council may provide, notably in relation to transport, traffic management and crime prevention, while the Local Government Association (LGA) and the National Association of Local Councils (NALC) have recently agreed upon a set of services that might be the subject of delegation by local agreement (LGA and NALC, 1998). This might provide those local councils that possess both the necessary financial and administrative capacity with the opportunity for greater independence and tailoring service provision to local requirements.

Best Value emphasises public engagement and 'empowering local accountability' (Audit Commission, 1998) and, while some local authorities are content to largely discount local councils, evidence from the first group of Best Value 'pilots' suggests that some have espoused stronger links with parish and town councils as a means of engaging with local communities. There is also some evidence of a shift away from reviews based upon past performance and internal perspectives and priorities towards a community-oriented approach to service provision – an important counterbalance to the predominant feeling of powerlessness among local councils and communities, and the belief that elected councils do not represent community interests (Stewart, 1999).

The modernising agenda has not been extended explicitly to local councils; it is assumed that, because of their proximity, parish and town councillors are already more familiar with and better able to champion the views of their local communities than their

counterparts serving larger authorities. Moreover, there is presently little political enthusiasm for devolving power and resources to local councils. Indeed, the government's expressed desire for a bigger say for local people may see local councils further marginalised in favour of alternative forums including citizens' panels, focus groups and opinion polls (Smith and Wales, 1999; Stewart, 1999). Nonetheless, because they form the grassroots of rural governance in England, it is important that local councils are not abandoned; indeed, they may be a means by which local democracy may be reinvigorated.

Local councils have widely different capacities and ambitions. But, as Pearce and Ellwood observe, there are a significant number of proactive councils, particularly those serving larger populations, that possess the political leadership, confidence and competence necessary to assume new responsibilities (Pearce and Ellwood, 2001, forthcoming). This has led them to suggest that those larger local councils – the 5 per cent serving populations over about 10,000, which account for a third of the parished population – might become more akin to district councils in their role as service providers and community representatives. This possibility has also been raised in the recent Green Paper on *Modernising Local Government Finance* (DETR, 2000e). It questions whether the existing financial regime is sufficiently responsive to the current needs and future aspirations of local councils, and of those who use and pay for the services which they provide, and whether greater financial freedom should be available to the larger councils.

Some larger local councils are already seeking greater responsibilities, and might take on duties similar to their continental counterparts and become the focal point for service delivery and community representation. Reforms would be required to facilitate greater financial freedom and extend to them a power of general competence to promote the well-being of

their areas. The same approach might not be appropriate in all localities but, given the current commitment to public involvement, there is a compelling case for devolution to neighbourhoods and local communities, in both *urban* and *rural* areas.

Implications for local government

Neighbourhood management is intended to fill a gap in existing approaches to the governance of local communities. It complements efforts to modernise local government, which aim to find new ways of distinguishing and meeting local priorities and involving local communities and individuals in decision making and implementation.

There are clear parallels between the objectives and the approaches to neighbourhood management and the proposed community strategies. Community strategies are designed to provide an overall context for a geographical locality covering one (or more) local authority area, while neighbourhood management is a concept applicable to the micro level of community governance. We can envisage neighbourhood management being embedded within this wider community framework and as a mechanism for delivering some or all of the elements of that strategy. Indeed, this is clearly the intention set out in the *Local Strategic Partnerships* and *Neighbourhood Renewal Fund* consultation documents (DETR, 2000b, 2000c). It is far less clear how neighbourhood management is to connect with over 500 SRB partnership areas, some of which are geographically very large, the 22 New Commitment for Regeneration pilots, the partnerships associated with the 25 Action Zones, the Best Value process or, indeed, the activities of parish and town councils.

'Devolved local governance', therefore, represents a major challenge for local authorities. They need to adapt their culture

and develop new competencies if they are to be seen as being more responsive to the needs of their communities. No single model has yet emerged which will ensure successful outcomes; rather diversity is the keynote, in which solutions are tailored to local circumstances.

Nonetheless, several key issues are emerging which call for:

- local authorities to examine the connection between themselves and their communities

- the breaking down of organisational and departmental boundaries

- experimental approaches to engaging with and building community capacity

- enhanced communication (both bottom up and top down)

- improved service delivery through corporate and partnership working

- empowered front-line staff

- new roles for elected members and community organisations

- flexible ways of working

- a commitment to transparency in decision making.

4 THE CHALLENGES OF NEIGHBOURHOOD MANAGEMENT

Introduction

Evidence of the current drive in the direction of neighbourhood management is present in two major enquiries into the issue: the work of the National Strategy Policy Action Teams (Cabinet Office, 2000d) and the Local Government Association's Urban Commission hearings into neighbourhoods and neighbourhood management (LGA, 2000).

The Social Exclusion Unit report into a National Strategy for Neighbourhood Renewal (Cabinet Office, 1998) proposed that one of the building blocks of the National Strategy should be 18 cross-cutting Policy Action Teams (PATs). In addition to Whitehall civil servants, the PATs included academic experts and practitioners working in deprived areas, to ensure the recommendations were evidence based. Each team had a ministerial champion and was led by a government department. The PATs covered: (1) Jobs; (2) Skills; (3) Business; (4) Neighbourhood Management; (5) Housing Management; (6) Neighbourhood Wardens; (7) Unpopular Housing; (8) Anti-social Behaviour; (9) Community Self-help; (10) Arts and Sport; (11) Schools Plus; (12) Young People; (13) Shops; (14) Financial Services; (15) Information Technology; (16) Learning Lessons; (17) Joining it up Locally; and (18) Better Information.

The Local Government Association's Urban Commission undertook the second significant enquiry. It recognised that there had been a neighbourhood dimension to local governance and management for many years – arguably for many centuries in the case of parish councils. However, there was growing awareness that the approach was taking on increasing significance in the light of efforts to improve local democracy and local services and reduce social inclusion, and in response to an array of central government inspired initiatives. The Urban Commission decided to undertake some evidence-based research. This involved a two-stage process, inviting written evidence from local authorities and other organisations, followed by oral hearings at which particular issues could be explored in some depth. A panel of 11 local authority councillors and three representatives of the voluntary sector conducted the hearings. The final report *Local Voices: the Neighbourhood Dimension to Governance* was published in July 2000 and was based on written and oral evidence submitted to the panel (LGA, 2000).

Both reports represent a valuable source of information and guidance on neighbourhood policy and management. Furthermore, they highlight those issues which are often most difficult to resolve. There are parallels in the two perspectives adopted by the PAT and LGA. But, while the former focuses upon the problems of the most deprived neighbourhoods, the LGA has examined neighbourhood management as a generic task, potentially applicable to all local authority areas.

This chapter draws upon both reports and other relevant sources and is in three parts.

- Part A is concerned with *policy* and examines different perspectives on what constitutes neighbourhood management, in what circumstances it may be appropriate,

the measures which may be applied and the potential contribution of the approach.

- Part B deals with *process* and focuses upon the organisational and management issues relevant to neighbourhood management at the national and local levels.

- Part C is concerned with *identifying conditions for success and obstacles* to achieving effective neighbourhood management.

A Policy objectives, scope and potential outcomes

The purpose of neighbourhood management

There are many different views on the goals and objectives of neighbourhood management. The National Strategy for Neighbourhood Renewal (Cabinet Office, 1998) defines the goal as being to:

- bridge the gap between the country's most deprived neighbourhoods and the average

- arrest the wholesale decline of deprived neighbourhoods, reverse it and prevent it from recurring

- improve outcomes in deprived neighbourhoods in terms of less long-term worklessness, less crime, better health and better qualifications.

Neighbourhood management should enable:

- deprived communities and local services to improve local outcomes, by improving and joining up local services and making them more responsive to local needs
- local communities to identify local problems, decide what to do about them and ensure that this gets done.

The objectives are multi-faceted and to achieve them the National Strategy states that: *coordinated action is required at national, regional and local levels* to help:

- revive local economies
- revive communities
- ensure decent services
- develop local leadership and joint working.

Action is advocated at the neighbourhood level, since it can:

- identify with precision the nature and scale of local problems
- ensure solutions are sufficiently fine-tuned to be effective
- secure community commitment, participation and leadership
- maintain momentum
- oversee progress and monitor impacts.

The LGA's initial definition of the purpose of neighbourhood management was:

"… to enable communities to improve local outcomes by improving, customising and joining up local services."

LGA respondents generally supported this broad and flexible definition (Barnet, Corby, Gateshead, Liverpool, Salford and Watford), but recognised that in practice the focus might include community development (Herefordshire), local authority capacity building, or more effective local service delivery (Forest of Dean).

The need to move beyond a simple focus on service delivery to include engaging citizen participation in local decision making and implementation was widely endorsed (Barnsley, Kirklees, Middlesbrough, Nottingham, Walsall). Neighbourhood management, local governance and community leadership were seen as inextricably intertwined. However, there was less accord about how these might be mobilised to best effect.

There was some support for the view that the definition of neighbourhood management will vary according to the size of area, its characteristics and the range of service provision (Southwark). Some respondents suggested that interpretations of neighbourhood management might vary according to different interest groups, for example, politicians, professional local government staff, the voluntary sector, community groups, residents (University of Warwick). There is an inbuilt propensity for neighbourhood management to fail because of mixed expectations and objectives, and these need to be resolved early on.

In a number of cases, it appears that neighbourhood management is regarded merely as the incorporation of existing

activities or projects, without any understanding or commitment to new ways of thinking.

Forms of neighbourhood management

Responses by authorities to the LGA hearing suggested that several approaches to neighbourhood management are currently being undertaken, but three were in common use:

- *Area based initiatives*. This approach appeared to reflect a desire to adopt a more comprehensive approach to local issues and problems and/or service delivery. The geographical scope of such approaches varied from very small areas such as a housing estate to larger areas involving up to 8,000 or more households. Examples include Barnsley, Cinderford, Norwich and Darnall/Sheffield.

- *Theme or client based approaches*. The range of theme or client based approaches was considerable, including initiatives based around health, education (Sheffield), employment (Birmingham), Agenda 21 (Barnet), town centres, coalfields (South Yorkshire), the needs of ethnic minorities and youth, crime and disorder and parenting (Nottingham). In some cases, the approach may extend throughout the local authority area, elsewhere targeting was evident. Many of these initiatives relied upon external funding with a requirement for partnership structures and the imposition of policy priorities and/or boundaries.

- *Project specific approaches*. Highly localised projects tackling a key problem identified in a neighbourhood, such as an environmental problem, building maintenance, play space, etc.

Policy measures for neighbourhood management

The PAT 4 report on Neighbourhood Management (Cabinet Office, 2000e) identifies the wide number of approaches to tackling the most deprived neighbourhoods (Box 1). Several of these approaches have already been tried in the UK but not in a coordinated and fully resourced way. The New Deal for Communities initiative is perhaps the best example of a situation where strategic partnerships have the necessary level of resources and political support from central government to address these complex agendas. However, such a focused and well-resourced approach is not possible in all deprived neighbourhoods.

Box 1 Key ideas for tackling deprived neighbourhoods (National Strategy for Neighbourhood Renewal 2000)

Reviving communities

- Tackling anti-social behaviour.
- Introducing neighbourhood wardens.
- Improving housing letting policies.
- Reducing neighbourhood abandonment.
- Promoting arts and sports in neighbourhood areas.
- Building community capacity.
- Making it easier for local organisations to get funding.
- Involving community and voluntary service organisations in service delivery.

Reviving local economies

- Improving IT in deprived neighbourhoods.
- Helping people from deprived areas into jobs.

- Better coordination of policies and services for young people.
- Getting businesses involved in neighbourhood renewal.
- Neighbourhood statistics.
- National centre for neighbourhood renewal.
- Better training.
- Keeping money in the neighbourhood.
- Supporting and promoting business.
- Making sure people know work pays.

Providing decent services

- Targets for core public services in deprived neighbourhoods.
- Ensuring services have the resources for the job.
- Increasing 'Schools Plus' activities.
- Support for families and young people.
- On-the-spot service delivery.
- Helping to bring shops back to deprived areas.
- Improving access to financial services.

Promoting leadership and joint working

- A central focus in Whitehall.
- Regional coordination.
- Local strategic partnerships.
- Neighbourhood management.

The capacity to influence key outcomes

Most respondents to the LGA gave credence to the view that neighbourhood management can help to address community problems and influence outcomes. Nonetheless, a wide range of issues was identified which influenced its capacity to do so:

- Ensuring that realistic outcomes and timetables are agreed (Liverpool, Sheffield).

- The experience of local community advocates in the process (Salford).

- The ability of wider policies to secure outcomes locally in key areas that are driven by macro and non-area based trends such as economic activity and health (Burnley).

- Tackling local problems with simple and easily definable solutions in basic service delivery areas that can be easily monitored such as environmental services, street cleaning, rubbish removal, etc. A recurrent theme was that 'it was better to do a few things rather than lots half-heartedly' (Croydon, Lancashire, Oldham).

- Recognising that neighbourhood management has the capacity to influence some outcomes. The evidence suggests that it can help reduce crime and improve education and the environment – that causal links are difficult to establish and that more often than not the impacts of wider socio-economic changes are unlikely to be responsive to local management solutions (University of Birmingham, Surrey, Gateshead).

- Avoiding falling into the trap of regarding neighbourhood management as a panacea for delivering local outcomes at the expense of more effective, broader policy making and service delivery across the local authority area (Middlesbrough, Sheffield, Surrey, University of Brighton).

- Acknowledging that a focus on delivering key outcomes in specific localities may displace activities elsewhere (University of Birmingham).

- Maximising outcomes at the local level requires strategic coordination at the centre – both national and local (University of Brighton, Surrey).

- Changing cultures, aspirations and expectations in communities are seen as precursors for delivering realistic outcomes (Nottingham).

B Organisational and management issues

Meeting local needs through building community capacity

There is widespread recognition that local residents and community organisations should play a key role in choosing, designing, delivering and monitoring local services. The Community Strategies consultation paper confirms that:

> "… there needs to be genuine community engagement at an early stage."
>
> (DETR, 2000a)

Some communities exhibit a considerable capacity for self-help; they possess cohesion, strong leaders, and an abundance of formal and informal associations. But they may, in the past, have had very few opportunities to make their voice heard, although they may be in a far better position than the local authority to judge the range and quality of services required. It is the government's view that communities are often excluded from the 'inside track' of council decision making, and the ability of local people to organise and participate in the modernising agenda depends upon access to information and channels of influence.

Ideally, the method of community engagement in

neighbourhood management should follow a pathway similar to the kind proposed by Lancashire County Council in its *Building Better Communities* (Lancashire County Council, 1999), including:

- gathering information
- consultation and identifying needs and opportunities
- community capacity building, developing community partnerships and action planning
- assembling the necessary funds
- setting key objectives at the community level which tie into area-wide policies
- developing and delivering activities
- managing projects
- monitoring and evaluation.

While many would agree with the broad principles surrounding this approach, there remain significant issues that need to be addressed for it to be implemented successfully.

- Communities are not homogeneous and the roles of community groups need to be clarified according to the definition of neighbourhood management being applied (Burnley).
- If communities and their representatives are to develop their capacity, they require a clear mandate and support from the local authority (Barnsley).
- For their role to be meaningful, local residents and partner organisations need to discuss with the local authority how

they can most effectively be engaged in the process of neighbourhood management (Gateshead).

- Effective involvement of local people and organisations is difficult, costly and time consuming (Southwark, Kirklees).

- Local authorities need to recognise that the engagement of key local people and organisations is not static and will change over time as they come and go (Liverpool).

- Ways need to be found of getting or remaining in touch with constituencies of interest that are not well represented. Community involvement may encourage those groups and individuals who 'shout the loudest and most often' and 'local cliques tend to dominate'.

- In some areas, it is difficult to build any form of participation and some groups are genuinely hard to reach. People may feel inadequate and unable to express their concerns in ways that fit the professional's agenda – there are 'numerous small, local communities … in poor private sector housing making them hard to reach'.

- If people are to have any hope of influencing decisions and developing community capacity, particularly in the most deprived neighbourhoods, they will need to rely upon the local authority for financial support and professional advice over a considerable period of time. Community groups and individual residents are not professionals and are unwilling to devote considerable time to neighbourhood management – 'Don't overestimate the resilience of citizen groups to burn out from frustration' – 'many people do not want constant engagement, but do want improved services'.

Approaches to community engagement

Local authorities claim that they consult widely, but the effectiveness of consultancy in terms of developing a genuine understanding of community needs and transposing them into actions and outcomes is far less evident. A range of techniques may be employed ranging from information provision, to consultation, to public engagement, through to delegation. Consultation can imply different things but, more often than not, local people perceive it as a waste of time and, even if action is taken, it is unlikely to be sustained. In the past and in the absence of devolved resources, 'the agencies can walk away pretty much with impunity' (LGA hearing).

DETR research (DETR, 1997c) has recommended that central government should develop and support innovative approaches to community consultation, and encourage local authorities to experiment and match methodologies to local needs and capacities. Box 2 shows the approaches presently being used by Coventry City Council to consult on its draft area plans for priority areas.

Martin (1999) illustrates the variety of local authority approaches to consultation and participation in Best Value authorities, for example:

- reviewing the ways in which they use feedback from the community and users to inform council decisions and budget setting
- providing information – exhibitions, road shows and a range of initiatives using information and communications technology (ICT)
- ensuring that local people are aware of and able to understand performance measures

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Box 2 Types of consultation techniques adopted in Coventry

- Questionnaire at shopping centres and supermarkets
- Contact programme at school gates, doorsteps, etc.
- Workshops
- Communities that care analysis
- Discussions with individual groups on themes
- Business seminars
- Needs identified through councillors' surgeries
- Market-type open forum
- Target contact with specific groups – lone parents, disabled
- Continuous dialogue through local networks
- Area seminars
- Area newspaper with freepost feedback
- Community road show
- Fun-days
- Local presentations
- Dialogue with senior officers
- Area teams consult own networks
- Enquiry card to residents
- Plans circulated to lead politicians and programme delivery groups

Source: Coventry City Council

- videos aimed at explaining to the public their approach to Best Value and/or their activities more generally

- residents' and users' surveys

- village appraisals with town, parish and community councils

- a focus on the needs of particular communities – area needs analysis, community coordination and service planning

- customer and citizen panels

- citizens' juries and scrutiny committees

- community and neighbourhood forums.

While local authorities have considerable experience of public consultation and participation, through their role as planning authorities, they need to:

- adopt more coordinated, authority-wide approaches to engaging with local people

- develop new ways of engaging with the whole community

- consider how they can process and use the results of consultation effectively

- engage with local businesses and other non-local authority public bodies, each of which has specific requirements.

Guidelines to help ensure public participation exercises are properly planned and implemented should include:

- provision for sharing control over the scoping of the exercises with those who will be involved

- making the scope and purpose of the consultation explicit at the outset

- being clear from the outset about what the authority can and is willing to consider changing in response to consultation and what is non-negotiable or outside its control

- specifying the time-scale of the process in order that consultees do not have unrealistic expectations of rapid change, and become disillusioned and alienated when this is not achieved

- establishing and publicising clear mechanisms for making decisions and for these to be challenged where appropriate

- building in evaluations of the outcomes and effectiveness of the consultation process which include consultees in both their design and implementation

- wherever possible, using existing information rather than collecting primary data

- coordinating initiatives in order to minimise costs and guard against 'consultation fatigue'

- using officers and members with the right mix of skills for working with the community

- investing in capacity building within the authority itself, among other agencies and, crucially, in those communities which it is hoped to engage with

- giving staff who are in closest contact with the public sufficient authority and resources to be able to implement changes which are needed

- making particular efforts to engage with the business and voluntary sectors.

The experience of the Best Value pilots underlines that there is no one 'best' approach to addressing these challenges or a 'blueprint' for public engagement with local people. The form will vary according to a wide range of factors. The most important of these are likely to include the nature of the intended audience,

the capacity of consultees, the level of participation being sought and available resources. Trade-offs will be required including choices about:

- eliciting opinions and engaging in more deliberative processes
- the quality and the quantity of consultation/involvement
- the depth and the breadth of engagement
- the usefulness of regular and one-off exercises.

In the longer term, these developments may produce a range of important benefits, not least in helping to facilitate more 'joined-up' approaches to consultation/involvement and ultimately more integrated service provision. Nonetheless, many Best Value pilot authorities, notably the smallest, have found the process highly demanding in resource terms.

Local devolution and partnerships

It could be argued that UK local and indeed central government is structurally unsuited to neighbourhood management. Compared with other EU states, the UK has comparatively few local authorities. Second, there has been a historic tendency in the UK for local choice to be eclipsed by a desire for universality of service provision. Third, the LGA study highlighted the difficulties and uncertainties that surrounded connecting the area management agenda to changing institutional and organisational arrangements at central government level, and the ambiguities surrounding new regional structures.

Central government
Local authorities considered that central government needed to:

- provide a clear perspective and framework on what it implies by neighbourhood management, whilst avoiding the imposition of a national blueprint compromising local flexibility and local democracy (Norwich, Telford)

- act corporately, with clear roles identified and appropriate coordinating mechanisms for joined-up working at regional, sub-regional and local levels (Gateshead, Telford, Herefordshire).

Local government
The Local Government Act will require authorities to examine the scope for deploying certain decision making and resources to the neighbourhood/community level.

A continuum of approaches might include the following.

- Political devolution – in which decisions by elected members and community representatives are taken at the lowest possible level, consistent with efficiency, justice and the political objectives of the local authority.

- Decentralised service delivery – in which services are delivered on a neighbourhood basis, implying a more effective and efficient use of resources.

- Decentralised access to services – a 'one stop shop' – which acknowledges that coordinated action is required.

- Neighbourhood managers – a senior local authority professional who is able to articulate community concerns to those responsible for service delivery.

- Neighbourhood wardens – providing 'cinderella' services.

The choice of approach will reflect local conditions – the capacity of community organisations, financial resources, political priorities and whatever new forms of management structures have been adopted. It should be accompanied by a local authority commitment to:

- assure communities that their needs and priorities will be heard and responded to effectively
- adopt an action plan setting out a coordinated set of measures and activities
- implement the action plan over an agreed time period with the community.

Although some authorities emphasised the importance of partnership and their role as enablers, there was widespread support for the view that local authorities should take the leading role in neighbourhood management initiatives (Barnsley, Burnley, Kirklees, Oldham, Salford). However, it was also acknowledged that effective neighbourhood management could not be achieved in the absence of quite fundamental reform of local authority corporate management structures and support for key stakeholders.

Some authorities have begun to develop new corporate responses, which entail the adoption of a 'nested' or hierarchical structure, in which the management of individual neighbourhoods is located within an area-wide community strategy. Neighbourhood plans should ideally have output measures, milestones and completion dates, and connect with the wider

strategy (Coventry, Nottingham). The analogy of the 'hard centre' providing coordination and links to other agencies is apposite.

Strategic partnerships have also been established, comprising senior representatives from local businesses, the police, health authorities and representatives of voluntary and community organisations, to provide area-wide coordination. Some have been stimulated by the New Commitment for Regeneration; others by the emerging requirement from Regional Development Agencies for sub-regional frameworks to deliver their regeneration programmes.

Below the strategic partnership level, some authorities are beginning to draw up area coordination strategies which include proposals for influential interdepartmental groups, posts for capacity building, community safety, community-based economic development and tenant liaison.

Some authorities were cautious about what they perceived as this 'hierarchical' approach. A representative of one metropolitan authority commented that multi-agency area forums might, in spite of the rhetoric of partnership, be overridden by local authority corporate strategy – top-down priorities might continue to prevail.

Action is needed to clarify how to engage and what are the responsibilities of local authority staff working with local communities and other stakeholders. These issues and dilemmas also need to be resolved for the senior management team in the authority and elected members. 'Rules of engagement' are required, indicating how potential conflicts between neighbourhood and local authority wide agendas are to be managed.

Because neighbourhood management inverts traditional relationships, staff at all levels in local authorities will need to learn, via seminars and training programmes, new skills about

capacity building at the neighbourhood level, and how to support, respond to and deliver neighbourhood agendas. This will require an understanding of the views and problems faced by other partners and, where necessary, how to provide support.

Local responses

Area panels, comprising a mixture of elected members and constituents, have been established in some authorities and are conceived as providing a point of contact between the public and the authority (Nottingham). They are responsible for identifying local priorities through consultation with local people and monitoring the delivery of services.

Neighbourhood offices are intended to offer a seamless service in which staff are provided with support and commitment from the centre and are able to deliver the residents' agenda. By virtue of such contacts, the 'centre' should be kept informed of local needs, and take these into account in corporate and departmental plans and partnerships. Experience suggests that practices within the same authority will vary but, irrespective of different management approaches, they should provide the opportunity for sharing information, comparing practice and learning from outcomes.

Neighbourhood support may take a variety of forms, including staff:

- responsible for liaising and dealing with the public, with control over a limited range of contracts, monitoring service provision, the enforcement of legislation and rapid support teams

- providing a limited range of local services, but also tapping into those centrally provided services which are not neighbourhood based but whose involvement is vital.

Neighbourhood managers need to possess excellent social skills, and be capable of motivating and cajoling both residents and senior officers, and of remaining in close contact with both.

In strategic terms, the overriding issue is how to ensure that the focus is shifted away from the organisational processes and power struggles of individual partners to the beneficiaries of services. In many authorities, the issue is stark and some would argue simplistic as to whether neighbourhood management represents an opportunity or a threat. This suggests that a much greater level of informed debate is required about the choices, strengths and weaknesses of different approaches, as they impact locally.

Choice of areas: a focus for cross-cutting measures

Selection or comprehensiveness

There was a lack of unanimity among local authorities about whether neighbourhood management should be seen as primarily applicable to deprived areas (Middlesbrough, Oldham), or part of a broader approach to localised working, service delivery and governance (Kirklees, Barnsley, Nottingham, Walsall). Targeting scarce resources on deprived areas can be justified on equity grounds and has the merit of providing opportunities for the authority and its partners to gradually learn about new approaches.

Alternatively, targeting may be seen as creating a 'holey patchwork', in which area management becomes associated solely with deprived neighbourhoods. If the aim is to empower people to use their own skills and experience and adopt Best Value techniques, then neighbourhood management should have relevance to all communities. Neighbourhoods may, therefore, be regarded as the 'building blocks' in a vertical structure of delegated budgets and decision making for the entire authority.

Initial targeting should not discount the possibility of neighbourhood management being rolled out progressively, in which different approaches are applied in different localities. Priority areas could still be identified and targeted, as long as they were connected to a wider 'matrix' of area-based strategies and frameworks, although this would require complex processes and considerable resources.

Border definition

Boundary definition was a recurrent theme in the LGA study. Local areas are generally defined in accordance with electoral units or to meet management structures or funding regimes imposed by central government or the EU. Neighbourhood boundaries should ideally be drawn to reflect people's perceptions but there is an absence of data on local areas on which to base such decisions. In localities with well-defined geographical/ physical boundaries or with some history of community activity, the issue is unlikely to be contested but, elsewhere, definition may prove problematic. In towns, wards may be too large to provide the opportunity for genuine contact between the public and the council about neighbourhood concerns.

Coordinating service provision: 'joining it up locally'

There is evidence of disillusionment with the fragmentation of service provision between county, district, parish and other agencies. As one respondent to the LGA noted: 'people need to know who they can turn to'. The issue of coordination was plainly evident in the responses to the LGA.

Central government

The need for joined-up thinking to deal with cross-cutting issues at the neighbourhood level is widely recognised. But there is little

point in doing so if those organisations responsible for funding and providing local services fail to acknowledge the interrelationship between service provision and locally determined community priorities. Central government was criticised for the bureaucratic and often over-prescriptive nature of bidding processes, the limited time-scales for preparing proposals, continuous policy changes and the tendency for its initiatives to be seen as 'quick-fix' solutions imposed by outsiders, which local authorities often find it difficult to sustain.

Research undertaken for the Cabinet Office, 'Reaching out', has confirmed that these views are widely held amongst local stakeholders across the country (Ipsos-RSL and Mawson, 1999). The research also found that there remains a substantial gap to be bridged between community managers and staff in Government Regional Offices, Regional Development Agencies and other non-departmental public bodies and Next Step Agencies. As one respondent to the LGA noted: 'The Social Exclusion Unit has provided a contribution by pulling the issues together but, unless this is reflected in central government, then progress could be limited'.

Local authorities
In both the LGA and PAT reports, there was a prevailing view that community needs and aspirations are most likely to be met where service delivery and area-based programmes are properly coordinated. Local authorities are primarily responsible for service provision but they also rely upon a variety of partners – central government, the private and voluntary sectors – who also need to be drawn into the neighbourhood agenda through local partnerships.

Professional and departmental interests, centring on the planning and delivery of individual services, may inhibit fresh thinking built around coordination, responsiveness, self-help,

consultation and local leadership. Service professionals in individual departments and agencies may regard neighbourhood management as inefficient, uneconomic and poor value for money. As one local authority officer commented: 'It is the disjointed departmental management style that has failed in the past'. Moreover, most service providers, including local authorities, tend not to think in neighbourhood terms; they are not structured to do so. Nor do staff have the necessary skills and, for career reasons, many are disinclined to become preoccupied with implementation issues.

These difficulties of institutional inertia were reflected in the views of one respondent to the LGA: 'Partnership arrangements are crucial to achieve "joined upness", but it adds a degree of unwanted complexity to service plans'. Moreover, the nature and timing of national and EU programmes are rarely designed to incorporate a neighbourhood model. 'Partnerships – a good idea but we can't get going because of the EU funding timetable', commented one LGA respondent.

Neighbourhood management, by focusing on issues and problems on the ground, forces local authorities to address issues across traditional vertical structures and, likewise, should encourage other agencies to do the same. The implication is that, in addition to capacity building at the community level, much needs to be done to enhance the institutional capacity of local authorities themselves.

Enhancing and legitimising the elected member's role

The participative approach implied in neighbourhood management challenges representational democratic structures and the role of the elected member, through its emphasis on citizen involvement. These changes may 'simply shift power and

influence to self-appointed community representatives and opinion pollsters' (Foley and Martin, 2000b). As the modernising agenda unfolds, the experiences of councillors need to be monitored to identify problems and dilemmas which require solutions.

The new political structures triggered by the forthcoming Local Government Act will require elected backbench members to:

- have 'an explicit duty' to scrutinise decisions taken by the executive

- become 'champions of their community'

- be 'more representative' of the electorate

- 'spend less time in council meetings and more time in the local community'

- reflect local people's concerns and priorities rather than 'defending council decisions'.

The implication is that members will need to operate in new ways and develop new skills. Authorities have already begun specific training for members to help them fulfil their Best Value role. However, some observers believe that party loyalty may prevent backbenchers from challenging the executive by pressing the needs of their community over and above the collective decisions of the local authority. Others regard greater engagement with the public as an opportunity to strengthen the role of elected members, for example, through local area forums:

"A well informed electorate may be better placed to understand the constraints upon authorities, and better

information about what local people value and expect from the council is seen as providing councillors with a sounder basis on which to form policy."

(DETR, 1999b)

Research into the Best Value pilots indicates the following.

- Although almost all councillors see their primary role as representing local people, some feel ill equipped to represent all sections of the community.

- If officers take the lead in community consultation, they will effectively 'set the agendas'.

- Information gained from public engagement needs to be analysed and fed into the decision-making process in ways and at stages in the policy process that are most useful to councillors.

- Members have a role in setting future priorities and commitments to continuous improvement, determining the framework for corporate and service review, undertaking reviews; and engaging with local people and feeding back to the community information about council decisions made by the council as well as the reasons for these (DETR, 1999b).

Evidence presented to the LGA hearing argued that elected members have a key part to play in neighbourhood management (University of Birmingham) but, while councillors have detailed knowledge of local communities, they may face similar difficulties and dilemmas to those arising from discharging their Best Value roles (Watford).

There are potential conflicts of interest that need to be managed, including tensions between the political priorities of councillors, community organisations and, potentially, neighbourhood-based local authority staff. Difficulties may also arise from elected members promoting neighbourhood management projects and, at the same time, examining the quality and best value of local service delivery. There is a clear need to define the elected member's roles in policy development, implementation and scrutiny.

Financing neighbourhood management via main programmes

All respondents to the LGA's enquiry recognised that there were immediate and additional extra costs involved in developing the neighbourhood management model. As well as significant costs associated with changing budget mechanisms and the internal organisation of authorities, 'pump priming' costs would arise from the staffing of dedicated neighbourhood or community teams and the need to build visibility and social capital in some areas. However, there was disagreement over the capacity of existing budgets to fund this process.

Several alternative perspectives were offered.

- Most authorities (Barnsley, Burnley, Sheffield) were convinced that neighbourhood management could not be delivered with existing resources: 'local has to mean more expensive', certainly in the short term. However, in terms of existing area management approaches, there was limited information on 'how money is spent and what works and what doesn't'.

- Some authorities considered that cost savings might emerge in the long term (Herefordshire, Middlesbrough) through the rationalising of service delivery and improved targeting, although they were unable to suggest by what order of magnitude.

- The reallocation of existing budgets was advocated by some (Burnley, Kirklees, Liverpool) – whilst recognising that this implied difficult choices over finance and personnel issues.

Fundamentally, the modernising agenda requires local authorities to look at service delivery in a different way, which inevitably implies a political commitment to reallocating resources and the adoption of new corporate solutions. As one local authority officer commented: 'Neighbourhood management can be delivered through existing budgets, provided there is a strong commitment to do things differently and to "top slice"'.

An emphasis on department budgets set within performance frameworks and the implementation of Best Value should help facilitate area management since, 'At local level, new flatter management systems, horizontal working groups and inter agency projects have begun to cut across conventional structures' (DETR, 1999c). However, it is generally recognised that 'The extent to which local authorities are able to bend mainstream budgets is a real problem'. Initially, local authorities will find it difficult to reorganise mainstream funds to meet the outcomes of community consultation and respond to changing contexts and relationships, including the localisation of resource allocation. 'The pressure of mainstream programmes means ... that responsibility and accountability for crosscutting issues is often weaker than for conventional service delivery' (DETR, 1999c). As the

representative of one large city authority observed, 'there is little evidence of changes in attitudes yet'.

The use of SRB and other specially targeted government funds was commonly referred to in stimulating local partnerships. But it was suggested that the limited time horizons usually associated with such assistance could lead to short-term, rather than sustainable, solutions being sought.

The prospect of devolving budgets to local communities also raised concerns about financial accountability. A satisfactory minimum requirement for genuine neighbourhood management is one in which neighbourhoods should have the ability to determine their own priorities, some say over mainstream funding programmes and discretion over a limited 'own resource'. Where the intention is to establish sustainable partnerships at the neighbourhood level and encourage communities to influence a wider agenda, these financial issues will become even more pronounced.

Local authorities are understandably resistant to sharing control over resource deployment, especially as they may be driven by service plans and performance indicators, which are perceived to be difficult enough to achieve given resource constraints and the new Best Value regime. The addition of a geographical dimension may be perceived as a further unwelcome tier of bureaucracy, at a time when staff resources are already stretched.

Similarly, there were concerns that devolved approaches may stimulate demands for more or better quality services which cannot be met, given the resource constraints. Authorities were also perturbed at the prospect of devolving budgets against the background of stringent auditing procedures. As one local authority respondent observed:

"Venturing into dialogue with non-accountable community voices also introduces risk – although this is seen as a cultural imperative."

A further critical issue in this context is the capacity of local community leaders and elected members to oversee complex devolved budget mechanisms. The inference is that the process should not initially be too ambitious and should rely upon combining simple targets with a minimum of bureaucracy.

New ways of working with technology

The use of information and communication technology to enhance neighbourhood management is at its earliest stages, but its potential has already been recognised. Some of the areas where it has the potential to be applied are:

- local authority geographical information systems (GIS) for planning and consultation purposes and small area analysis (Barnsley)

- community IT access points and web sites for training and information exchange purposes (Redditch, Forest of Dean)

- IT points for democratic engagement on council services and processes (Middlesbrough)

- community-based IT for training and capacity-building programmes and for exchange of best practice (Nottingham)

- community-based IT in rural areas where accessibility to information and support is a major issue (Herefordshire, Telford).

Neighbourhood management needs innovative approaches to information sharing, learning and capacity building, and the new information and communication technology offers huge but largely unexplored opportunities. It will take time for best practice to emerge and for skill levels to be raised for councils and communities to benefit from such approaches.

C Impediments and ingredients for success

The reports prepared by the cross-cutting Policy Action Teams (PATs) and the LGA hearing provide a useful basis for identifying those key factors which may assist or constrain the achievement of effective neighbourhood management.

The national perspective

Five of the PAT reports included findings, which have particular relevance for the process of neighbourhood management:

- PAT 4: neighbourhood management
- PAT 9: barriers to community self-help
- PAT 16: learning lessons
- PAT 17: joining it up locally
- PAT 18: better information.

PAT 4: neighbourhood management
The team acknowledged that efforts to respond to the problems of deprived neighbourhoods were often frustrated by poor data, a lack of knowledge of 'what works', problems from working in partnership with other organisations and difficulties in recruiting and retaining staff. Local authorities and other agencies rarely

provide a neighbourhood focus to their services and are often not particularly good at communicating with local people and reflecting their views in policy design. It was observed that special initiatives have often suffered from design features that alienate rather than involve communities, an inability to engage with main programmes and a remit that is more about shoring up main services than about joining them up.

Local service partnerships were seen as critical and the PAT suggested that all regeneration funding for deprived areas should be dependent on having an effective local service partnership in place. Partnerships should provide a forum at the local level to pull together all relevant providers and ensure that public services join up with one another to address the needs of priority neighbourhoods. They would also need to tie into regional and national strategic levels and not just function at local level. This PAT recognised that neighbourhood management is a new concept, so it cannot be fully costed. But evidence suggested that it need not be expensive, it is 'about spending existing money better, rather than spending new money'.

The PAT concluded that neighbourhood management was more likely to be successful if the following principles were in place:

- someone with overall responsibility at the neighbourhood level

- community involvement and leadership – the emphasis being on the need for local ownership of urban renewal efforts

- tools to get things done – including agreements with local service providers, devolved delivery and/or service purchasing, an ability to exert pressure on agencies or government and dedicated resources

- a systematic, planned approach to tackling local problems – including decisions about the allocation of neighbourhood managers and their responsibilities, and how the community and other local partners are to be engaged

- effective delivery systems – involving different bodies to lead the process.

PAT 9: barriers to community self-help

Experience from previous attempts at neighbourhood renewal has demonstrated that community involvement and self-help is a prerequisite for sustainable solutions to local problems. Nonetheless, the PAT team concluded it should emerge organically and should not be seen as a cure for all ills.

Five main barriers to community and voluntary activity on poor estates were identified:

- *Motivational barriers including*: mistrust among residents of external agencies – statutory services and some voluntary organisations – which are perceived to have let residents down, failed to deliver relevant services and not listened to them in the past or a lack of confidence among residents because of low levels of literacy and education, unemployment and a lack of experience of community involvement, committee work and management.

- *Organisational barriers including*: a lack of resources and support for community activities – the absence of basic equipment, a place to hold meetings and support from neighbourhood community workers – complex and impenetrable local bureaucracies and consultation processes, the difficulties of coping with a multiplicity of partner organisations and the failure by some local

authorities and other agencies to recognise the potential contribution of community groups.

- *Institutional barriers including*: the inflexibility of the benefits system which may act as a bar to job-seekers seeking to participate in community self-help, the complex application procedures surrounding funding programmes, even where very small sums are involved and the reluctance of public bodies to take risks with public money.

- *Political and cultural barriers including*: the unfavourable 'labelling' of communities as 'sink estates' or 'the homeless', the desire of agencies and professionals to control the agenda and block local initiatives, racism and other forms of discrimination, conflicts within and between communities, often exacerbated by competition for resources and influence, and issues of accountability and the respective roles of community groups and elected local councillors.

- *Economic barriers including*: people in low-paid employment, working long hours may find the time and costs of volunteering and community self-help activity too demanding.

The team identifed seven principles for community empowerment:

- Participatory democracy through local groups is complementary to representative democracy through local councillors and should be treated as such.

- Resource-holders should strive to reach the most 'grassroots' level possible when disbursing resources.

- The starting point for the development of a community should be the aspirations of that community not the plans of external agenices.

- External agencies should welcome and respect, and not seek to circumscribe, the independence of community groups.

- The proper balance between providing too little support and too much support will vary from time to time and place to place: it should be the subject of negotiation and agreement.

- Clarity of relationships is crucial, with recognition of obligations on both sides.

- No one has all the answers: all parties should recognise that they can learn from others.

It was acknowledged that these principles are general and, to be effective, each needs to be broken down into a set of more specific objectives, activities and targets. Their adoption would represent a huge improvement in relationships and help create a major increase in the self-confidence and effectiveness of communities.

PAT 16: learning lessons

During the course of its work, the PAT found that community leaders do not get the support and encouragement they need, professionals are often not equipped to operate effectively in poor neighbourhoods and civil servants lack a full understanding of the communities they are trying to influence. In addition, there is a lack of entrepreneurship, drive and innovation, and no reliable way for local organisations to learn from 'what works'. The key questions raised by the team were, therefore:

- How to support social entrepreneurs?

- How to improve public sector training?

- How to make Whitehall work better?

- What is likely to work best?

According to this PAT, a key issue was how to encourage government and other agencies to draw more consistently and regularly on what has been shown to work. The team examined a variety of measures that might bring this about, including new forms of funding, a more coherent framework for training, development and mutual support, and new ways of promoting social entrepreneurs.

It identified three groups whose active involvement was crucial:

- *people within communities* – encouraging more of them to take on a leadership role

- *local practitioners and professionals* – helping them to become more effective at their core jobs and better at working with each other and with local communities in poor neighbourhoods

- *national policymakers* – encouraging them to understand, from personal experience, the deprived communities their policies are designed to help.

In putting forward its recommendations, the PAT recognised that the National Strategy for Neighbourhood Renewal will pose new challenges for the people who have to make it happen. Based on experience of successful neighbourhood regeneration

initiatives, it was concluded that the following approaches were likely to work best:

- *in communities* – providing funding, skilled mentoring and training so that many more people are helped to become community leaders and social entrepreneurs
- *among professionals and practitioners* – making training more relevant to the challenges of working in deprived neighbourhoods
- *among policymakers* – increasing interchange with organisations working in front-line neighbourhood renewal
- *for everyone* – encouraging entrepreneurship and creating an understanding about what works.

PAT 17: joining it up locally

This team argued that deprived neighbourhoods face multi-faceted problems and that past attempts at 'joined-up' working have failed because:

- communities were not adequately involved or empowered
- initial joint strategies were not translated into sustained joined-up working
- too much action was driven by central funding rather than local need
- central government policies and practices made joint local working difficult.

Seven key factors were identified for effective joint working in deprived areas:

- empowerment
- leadership and commitment
- an approach based on prevention rather than cure
- a radical change of culture for all parties
- the involvement of all levels of government
- mainstream services as the key to local devolution and working
- central government acting as a facilitator.

The importance of having in place the following was also identified:

- strategic or community plans to focus activity
- neighbourhood-based planning and delivery to facilitate change
- strong links between strategic and community levels
- mechanisms for bending mainstream programme activity to support a joint local vision for tackling social exclusion.

The team held that service-specific and cross-cutting targets provided a powerful incentive for public sector action and should be applied by both central and local government. It was argued that local authorities should establish Local Strategic Partnerships to encourage core public service providers to work together with

local residents, the community and the voluntary and private sectors. LSPs would vary in nature reflecting the characteristics of their locality but should draw up strategic responses based on the following steps.

- Identify which neighbourhoods need help.

- Find out what can be done to improve outcomes there.

- Agree a response that meets these concerns.

- Bid for money from area initiatives for cross-cutting needs.

- Monitor and evaluate progress and maintain dialogue.

Although much of the action to facilitate joined-up working in practice would take place at the local level, central government had a clear role in facilitating the process.

In addition, it was stressed that groups who were most easily ignored or had fewer resources should be involved in local joint action.

PAT 18: better information

The team concluded that no single database exists that provides anything remotely comprehensive or up to date in terms of social conditions at the local level. This lack of information presents problems for central government in assessing strategic needs, and for local service providers who need to know more about the conditions they face.

The report argued that limited information had led to:

- a lack of awareness of neighbourhood problems and trends amongst communities themselves and in local and national government

- incomplete diagnosis of problems leading to poor government strategies and resource allocation

- new programmes being forced to devote resources to collecting information

- difficulties in judging whether policies had worked

- a failure to identify problems when there was still time to 'nip them in the bud'.

Difficulties in obtaining relevant information about area deprivation arose because of the following.

- Much of the necessary data was collected by public institutions but not shared because of two factors: cost and concerns about the Data Protection Act and other legal considerations.

- The data that institutions were willing to share was collected on the basis of varying territorial boundaries and different definitions and conventions.

- There was no single body charged with the responsibility for producing comprehensive aggregated data for small-scale geographical areas.

- The decennial census was too infrequent and missed out many key items of information of relevance to neighbourhood management and regeneration.

The local authority perspective

The views submitted to the LGA hearing mirrored many of the findings in the PAT reports. There was also a significant consensus

among local authorities on the conditions necessary for the achievement of effective neighbourhood management and the associated constraints.

Success factors

- Clear statements of objectives and responsibilities at the outset (Barnsley, Redditch, Salford).

- Setting realistic expectations and timescales for achievement (Burnley).

- Adequate resources to meet the expectations of the project (Barnsley, Corby, Gateshead).

- Flexibility built into the processes to reflect local diversity and changing scenarios (Burnley, Norwich).

- Linking the neighbourhood management activities to the wider area-based and other partnership processes (Burnley, Coventry, Nottingham, Southwark).

- Developing, mandating and mobilising key local individuals and organisations to help the process of capacity building (Barnsley, Croydon, Forest of Dean, Herefordshire and Lancashire).

In addition to these key success factors there were a number of other steps that needed to be taken, which necessitated difficult choices, for example, whether there was a need to:

- focus on tightly defined and substantive initiatives *or* be more generalist in terms of establishing a process

- go for quick wins in order to establish credibility with the community *or* take a longer-term view

- have significant involvement of local councillors at the start *or* initially have less direct participation by elected members

- instigate immediate and substantive devolution of budgetary powers to the neighbourhood *or* develop a local capacity to influence budgetary decisions elsewhere

- focus on tightly defined small areas with limited household numbers *or* develop neighbourhood management over large areas.

Obstacles

The wide range of conditions for success identified by practitioners lend support to the argument that it may prove difficult to define the scope and potential outcomes of neighbourhood management in the early stages.

In many cases, the LGA respondents indicated that the barriers to success were the direct converse of the positive factors identified above. However, further issues did emerge including:

- problems with local authority structures, hierarchies, work practices and the culture of professionals (Barnsley, Middlesbrough, Redditch, Walsall)

- absence of capable community leaders and local skills (Corby, Telford)

- lack of finance and other resources to effectively fund the neighbourhood management process over wider areas

- problems over vested interest and rivalry (Middlesbrough, University of Warwick)

- the absence of a longer-term strategic approach because of dependence on ever-changing sources of outside funding and difficulties of finding matched funding.

Many local authorities and partners were aware of these obstacles but often found them intractable.

The importance of cultural change

Underlying the whole policy and practice debate about local devolution and neighbourhood management is the need for a sea change in attitudes and working practices. This focus on cultural change has also emerged as a key theme in the evaluation of the Best Value pilots (Martin *et al.*, 1999).

It needs to be recognised that:

- neighbourhood management is not a panacea

- neighbourhood management will require a considerable resource commitment from central government, local authorities and other agencies

- motivation, to achieve outcomes, needs to replace process: 'completion of process dominates, with no additional reward or recognition for achieving final results ... There are disincentives to radical thinking and action ... evaluation remains fragile' (LGA, 2000)

- neighbourhood management, like other aspects of the modernising agenda, requires that local authority staff emerge from their departmental professional 'silos' to address cross-cutting issues within and between organisations, and focus more on successful outcomes for

citizens than the achievement of bureaucratically determined outputs

- neighbourhood management requires the capacity to communicate effectively with local residents and stakeholders in the successful development of partnerships and engage in the Best Value process
- authorities will have to adopt a longer-term perspective in working with local communities outside the constraints set by funding regimes and policy cycles
- neighbourhoods should share in the ownership of local authority funded initiatives.

The implications of the preceding discussion for policy and practice are wide ranging and include the need to:

- understand the needs, priorities and aspirations of key players and individuals
- recognise that building community capacity may not be achieved either cheaply or quickly
- enhance and legitimise the role of elected members
- continuously improve service provision through joined-up working arrangements
- develop the enabling role of local authorities through partnerships
- bend main programmes and budgets in favour of neighbourhood priorities
- encourage innovation

- develop evaluation frameworks to assess the effectiveness of neighbourhood management practice and mechanisms for exchanging best practice in this regard.

5 ALTERNATIVE APPROACHES TO NEIGHBOURHOOD MANAGEMENT

Introduction

The previous chapter showed that while there is no 'blueprint' there are a number of principles that need to be applied if neighbourhood management is to prove effective. Local authorities will need to explore various options surrounding the scope for local political devolution and the forms it might take. They will also need to consider the various ways in which it might be implemented through, for example, integrated area management, thematic-client policy approaches targeted in particular localities or applied more generally, or project-led initiatives.

Alternative approaches to local devolution

In meeting the government's agenda for modernising local government, local authorities need to take account of two interlocking, but potentially conflicting objectives:

- the desire to deliver improved local services
- the intention to devolve decision making as far as possible to communities/neighbourhoods.

Given its fundamental ideological commitment to the delivery of public services wherever possible through market mechanisms, the Conservative government emphasised the former, with service levels being determined centrally by the local authority using compulsive competitive tendering (CCT), and provided increasingly by private contractors. The present government emphasises the need to enhance the quality of local services through the Best Value approach which does not reject market mechanisms but rather wishes to see that other mechanisms, including direct delivery and partnership working, are also tested in order to secure the highest quality of services.

A key assumption in the Modernisation programme is that the greater the engagement of the citizen and other users in the development and monitoring of service delivery the greater the prospect of achieving successful policy and service outcomes. Through community strategies and the Best Value regime, it is proposed to extend decision making by providing local communities with a far stronger voice in specifying the form and quality of the services they need and aspire to and, alongside other partners, to increasingly take responsibility for their delivery.
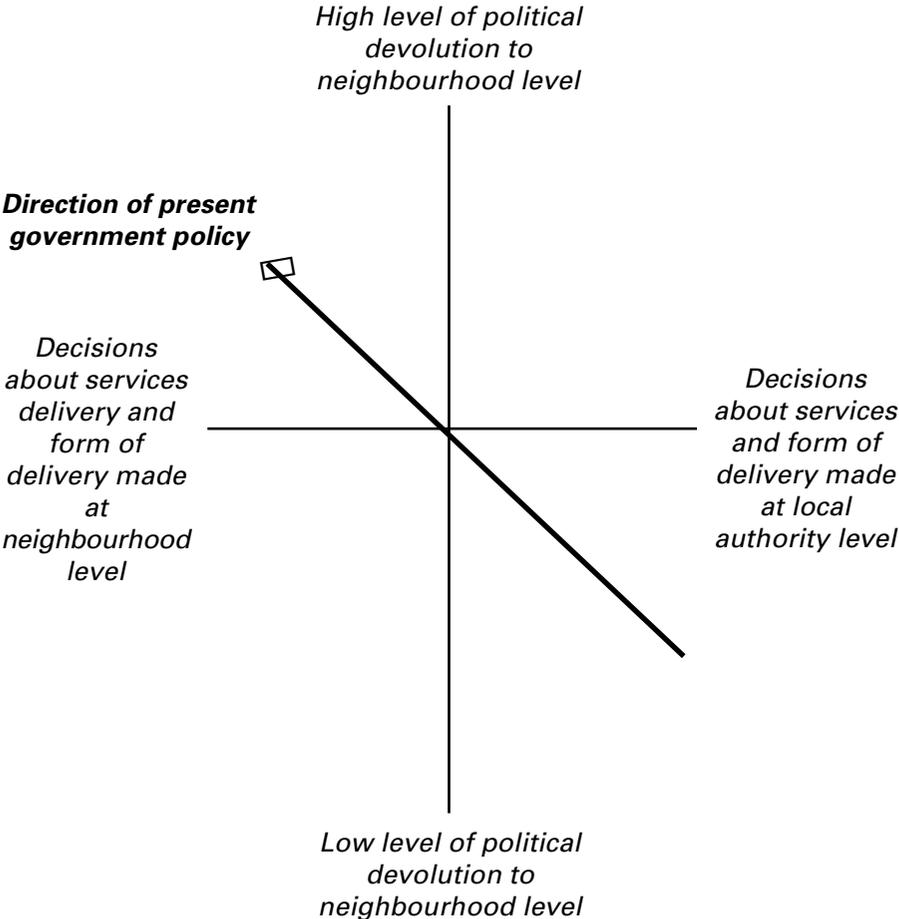
That much is clear, but what is less certain is whether local agencies will collaborate to meet community needs or whether local people can be sufficiently motivated to participate in intiatives aimed at regenerating neighbourhoods and improving local services. Moreover, it is questionable whether all or, indeed, many local authorities will be prepared to take the steps necessary to meet the second of the government's objectives and contemplate the devolution of significant decision-making powers and implementation processes to communities.

Approaches to neighbourhood management are likely, therefore, to take the form of a hierarchy or continuum. The minimum requirement will be that neighbourhoods should have the opportunity to be consulted and informed, and be provided

with the chance to influence council decisions affecting them. Alternatively, some local authorities may be committed to a more radical realignment, involving the ceding of substantial powers and resources.

Figure 1 illustrates the alternatives that might be contemplated in the context of the government's stated policies for neighbourhood management and the modernising agenda. Local authorities will need to review the various issues and constraints

Figure 1 Choices for local devolution

High level of political devolution to neighbourhood level

Direction of present government policy

Decisions about services delivery and form of delivery made at neighbourhood level

Decisions about services and form of delivery made at local authority level

Low level of political devolution to neighbourhood level

previously considered, which will determine how far they are prepared to proceed along this continuum and, indeed, whether the same approach is to be applied to all neighbourhoods within their areas.

Alternative methods

A second set of choices open to the local authority revolves around the question of what form of neighbourhood management is appropriate. For the purpose of clarification, three methods of neighbourhood management stand out within a spectrum of choices. They are:

- area based

- theme or client based

- project specific.

Area-based approaches

The development over the last two decades of regeneration programmes has given some impetus to area-based approaches to management in which localities of differing physical size are selected for devolved management covering a potentially wide range of policy areas and service delivery programmes. The process may involve reviewing local service delivery in a range of key functions such as housing, social services, education, etc. to determine which might be most effectively delivered through devolved management. Equally, the focus could be on the whole issue of governance and the nature of decision making within a particular locality and how it relates to decisions across the local authority as a whole. There might well be additional considerations as to how neighbourhood management relates to local strategic

partnerships or centrally funded partnerships. A number of local authorities including Coventry and Nottingham are developing a model of neighbourhood management specifically linked to citywide approaches to area management and decentralisation.

Thematic client-based approaches

The various difficulties surrounding the application of a comprehensive area-based approach have led many authorities, and central government itself, to adopt a theme or client based approach to problem solving, with the neighbourhood as the key delivery vehicle. The focus has been on *issues,* for example, crime and disorder, the environment, parenting, education and housing management or the targeting of client groups, for example rough sleepers, the young unemployed and others experiencing discrimination. Central government has also adopted this approach in the case of various Action Zones, for example, Employment, Health and Education. Similar approaches are evident in relation to Agenda 21 and Youth and Healthy Living.

These approaches offer the advantage of distinctiveness but are often difficult to reconcile with area boundaries and local definitions of neighbourhood. Problems of duplication and overlap may arise in relation to policy issues and the targeting of clients and/or areas. The interdependency of policy areas and issues may serve to blur the impact of such approaches and create duplication of effort and confusion surrounding the roles and responsibilities of key players.

Project-specific approaches

There is considerable evidence to suggest that the quickest way of securing community engagement and results at neighbourhood level is when the issues being addressed are specific and project

based. There are many examples of this approach, including small environmental projects, building maintenance and refurbishment, play areas, etc. Neighbourhood involvement can be focused and discernible by all parties, and outcomes can be achieved over an agreed and comparatively short timescale.

This approach also allows key local players and individuals to dip in and out of the process, and for their involvement to end once the objectives of the project have been achieved. It does not necessarily require either the ongoing development of community capacity or the commitment to political devolution implied in the first two approaches. However, it may provide the foundations for a genuine process of community engagement eventually leading to a more holistic approach to the issues and opportunities facing local communities.

Evaluating alternatives: lessons and implications

In practice, most local authorities are already engaged in some form of neighbourhood management or devolution of decision making. There will probably be a patchwork of area-based, thematic approaches and project-led activities underpinned by an overall commitment to devolve decision making and deliver services in a way that more accurately reflects local needs.

Table 4 maps some of the implications of the different approaches linked to the broader objectives of devolved governance and service delivery which local authorities will need to weigh up. The following analysis suggests some of the basic requirements of effective neighbourhood, as set out in the left-hand column of Table 4, and reviews the various alternative approaches accordingly.

Table 4 Neighbourhood management approaches, potential objectives and implications

Objectives	Area-based	Alternative approaches Theme or client based	Project-based
1 Establishing the needs, priorities and aspirations of key players and individuals	Best Value provides strategic focus. Process will, however, be highly complex. Likelihood of conflict and disagreement. Process and language may be too complex to encourage and maintain local community involvement.	Allows a theme-based focus and boundary to the process. Information may be easier to obtain. Problems over linking causal issues and programmes. Can lead to strong competitive approach to gaining resources.	Least strategic approach. Tends to cover only limited needs. Projects can be championed in isolation, at expense of broader objectives. Number of people and organisations involved may be limited.
2 Building community capacity	Difficult and complex. Many established interest groups. Resource costs high.	More focused so easier to define process and key partners. Can be taken over by existing key interest groups.	Easiest route. Ability to gain 'quick wins'. Limited broader application. People and organisations may come and go.

Table 4 Neighbourhood management approaches, potential objectives and implications (cont.)

Objectives	Area-based	Alternative approaches Theme or client based	Project-based
3 Enhancing and legitimising the role of elected members	May lead to higher local profile. Problems likely over boundaries of representation. Possible conflicts over area and broader member role. Role may be diluted if within area-wide partnership.	Allows members expertise and specialisation. Can lead to 'silo' approach at the expense of other issues in the area.	Can be vehicle for project champion role. The project focus can be at the expense of broader role. Can lead to member domination within under-developed project groups.
4 Improve service delivery	Best level to achieve improvements if services can be linked to the area boundary. Broader and more visible impact if successful. Integration possible across different service areas if frameworks put in place. Can move to devolved budgets and community involvement if political support in place.	Can lead to major improvements in service areas if a singular theme, e.g. waste collection. Problems if a theme is multi-faceted, e.g. health and deprivation.	Minimal impact on service delivery unless complex and wide-ranging project. Individual pilot project may produce lessons for broader application.

Table 4 Neighbourhood management approaches, potential objectives and implications (cont.)

Objectives	Area-based	Alternative approaches Theme or client based	Project-based
5 Developing the enabling role of local authorities	Evidence that area-based working has fundamentally challenged a wide range of local authority practices and roles.	Strong evidence of local authorities' changing role in key theme-based neighbourhood management schemes. Some themes appear easier to link to the devolved approach, e.g. crime and disorder.	Minimal impact unless major project. Local authorities most comfortable, historically, with this role.
6 Producing better 'joined-up' working	Potentially the most suitable route, but dependent on willingness to break down department boundaries and budgets. Complex issues around area boundaries and roles and responsibilities.	Tends to reinforce 'silo' mentality and approach. Can lead to better joint working within the themed area, e.g. education, employment, etc.	Limited benefits other than project delivery and coordination. Can lead to better highly localised joint working between individuals and organisations involved in the project.

Table 4 Neighbourhood management approaches, potential objectives and implications (cont.)

Objectives	Area-based	Alternative approaches Theme or client based	Project-based
7 Bending main programmes and budgets	Significant potential if political support. Possibility of moving between budgets and reallocating resources if given the power to influence. Process can be highly distorted by 'one-off' initiatives, e.g. SRB.	Can lead to major priority changes within a themed budget area. Tends to militate against broader budget and resource shifts.	Minimal impact.
8 Encouraging innovation	Scope for innovation high but needs to transcend traditional structures and approaches. Number of excellent examples of neighbourhood management leading to major changes in decision making/policy making processes with broad benefits.	Focus on a key theme helps innovation and the ability to evaluate impacts. Can challenge long-held views, practices and structures.	Using a project as a first step in devolving decision making can be highly innovative and motivating, but the focus needs to be maintained.

Establishing the needs, priorities and aspirations of key players and individuals

- In those local authorities with extensive experience of area-based programmes, the first step will be to systematically review existing mechanisms and the effectiveness of the processes for establishing needs and priorities.

- For those local authorities at the early stages of considering neighbourhood-based programmes and devolution, perhaps the most pragmatic approach is to begin with simple and confined project pilots. This should enable best practice to be established and relationships to be built up against the background of an achievable set of objectives and outcomes. With experience and increasing self-confidence, the lessons from successful working can then be transferred to more complex thematic and area-based programmes. Such small-scale projects and less ambitious decentralisation schemes are suited to an approach where needs and priorities, and the aspirations of key players are easily defined.

Building community capacity

- The modernising programme assumes that communities will become more prepared to engage with local service providers. But building community capacity is a complex and dynamic process, and the approaches to achieving this will vary. However, in the end, it has to be tailored to specific local circumstances.

- Getting 'quick wins' and focusing upon issues which matter most to local people will often be necessary to provide the initial impetus. Experience, however, also suggests that, particularly in the most deprived areas, trying to identify potential community champions and ensure their sustained involvement in complex and time-consuming processes may be difficult.

- The key lesson is that building community capacity takes time and resources, and requires a long-term political commitment by the local authority, rather than being part of a series of 'one-off' engagements.

Enhancing and legitimising the role of elected members

- The involvement of elected members in neighbourhood management processes and devolved systems of governance presents the possibility of potential conflicts of interest.

- Clarity of role, responsibilities and declarations of interest are vital within all three approaches to neighbourhood management. Conflicts of interest and roles will require resolution through impartial and transparent procedures.

- For elected members, a move towards a more devolved approach to neighbourhood management allows members to be seen to be more involved in key local issues and projects. But it also exposes potential conflicts of interest and role, for example a councillor's position as both a ward member and a member of the council's cabinet. These problems have already been identified in the Best Value

pilots and should be recognised when considering member involvement in either project-, theme- or area-based approaches to neighbourhood management.

Improving service delivery

- There is ample evidence that service delivery will be improved if account is taken of the observations and wishes of its key customers at the local level. However, detailed issues surrounding resource allocation and the interdependency of different services can then complicate this broad principle.

- Project-led approaches to service delivery may act as a useful start in understanding key issues and possible solutions, but the lessons may have limited application in the broader context.

- The choice between a thematic approach and the area-based approach to improving service delivery is likely to be especially apparent. Local authorities looking at these options need to be fully aware of the potential conflicts that can occur between competitive local interests and the need to balance local democratic pressures with a consistent and equitable distribution of resources and effective service delivery across the wider area.

Developing the enabling role of local authorities

- The role of the local authority as the enabler has been a key theme in local government for many years but in practice there have been wide variations in its application.

Neighbourhood management and the modernisation agenda more broadly give local authorities a fresh opportunity to step back and review their role as an enabler, service provider or contractor of services.

- A key issue for local authorities is the practical difficulty of moving from service provider or lead player to the enabler without major consequences. This change in focus must be accompanied by a full range of support and capacity-building programmes that clearly establishes the roles of other players and enables them to both participate and influence. It also requires a change in organisation culture and ways of working by local officers and members.

- Evidence suggests that local authorities that have moved too quickly to develop a more enabling role have encountered problems of adjustment. These have included accountability, the empathy towards and understanding of the approach by officers and members, developing the necessary organisational capacity and networking skills, as well as the need to address the dilemmas arising from conflicting pressures in an increasingly output-driven funding climate.

- Again, a continuum can be identified in which, over time, the local authority can build confidence and capacity, and move more towards the enabling role. It also needs to be recognised that the local authority, having provided the initial stimulus and assisted in the development of local competitiveness and leadership, may progressively withdraw its involvement.

Producing better 'joined-up' working

- The project-based and thematic approaches to neighbourhood management are not designed to maximise 'joined-up' working but can lead to better coordination. It is the area-based approach that presents both the major challenges and opportunities for 'joined-up' working.

- 'Joined-up' working in the context of area-based approaches can be expected to bring benefits in the longer term, but does not eliminate competition for resources between geographical areas and client groups, and functional departments and agencies. Indeed, focusing resources on specific areas or groups may displace activities elsewhere.

- Political and institutional commitment to 'joined-up' working is essential for it to succeed. Neighbourhood management has already exposed local authorities to the complexities and benefits of 'joined-up' working but has also highlighted the major conflicts that can occur. Clarity of purpose and roles are essential ingredients. In this respect, central government has a key role to play in devolving decision making in its own agencies, and facilitating flexibility in main programme and special theme- or area-based initiatives. Recent developments following the publication of the Cabinet Office Report *Reaching out* (2000a) suggests that this is slowly beginning to happen.

Bending main programmes and budgets

- The ultimate test of a more devolved approach to governance is the willingness of local authorities as well as central government to bend main programmes and budgets towards newly established priorities set within the context of neighbourhood management. There is little evidence as yet that this is taking place on any significant scale. However, the launching of the Urban Renewal Fund and other changes designed to improve 'joined-up' working in central government at national and regional levels should in due course have a significant impact.

- Locally determined priorities may run against the grain of national and regionally imposed programmes. While central government wishes to see local communities and neighbourhood management determining local priorities, there is often a tension between them and the broader resource allocation criteria established for central or local government main programme activities. On occasions, this will lead to conflict and sometimes disappointment, and may drive away the most able local community leaders. The difficulties of resolving these dilemmas should not, however, dissuade local authorities since setting priorities is a democratically driven and legitimate role, and choices always have to be made whatever the specific mechanisms chosen to resolve competing demands.

- In separating out decisions in respect of initial, broad-based resource allocations to areas, themes or projects, the local authority can still allow for local choices about how resources should be spent. Indeed, a number of local authorities are conducting local consultations which request views on broad-based resource allocation decisions.

Encouraging innovation

- The scope for innovation within neighbourhood management and programmes is substantial. Initial evidence shows that harnessing the capacity of local communities to innovate has brought major changes to current practice, which are leading to improved delivery of services and governance processes.

- It is undoubtedly easier to encourage innovation at the simplest project level where people clearly understand and relate to the objectives and required outcomes. The process of encouraging innovation becomes more complex as we move into more complex 'joined-up' theme- and area-based approaches to neighbourhood management. Moreover, as complexity increases, innovation all too often takes the form of process changes in which there may be a tendency to lose sight of the pre-eminence of outcomes for residents as against measurable outputs for bureaucratic procedures.

- The credibility of moves to more devolved governance and neighbourhood-based approaches is dependent on innovation and change that delivers better, more accountable and transparent outcomes. The willingness to consider change and innovation – 'doing things differently' – must underpin the commitment by local authorities to this approach. If this is not the case, it will very quickly become apparent to citizens, residents and other local stakeholders, and the process will be discredited and the motives of the authority questioned.

At this stage in the development of the Modernising and Neighbourhood agendas, the evidence suggests that diversity is the best way forward, in which each local authority adopts approaches that best suit local needs, political structures and the capacity and willingness of both local institutions and people to move forward. Learning from best practice and the dissemination of different models of working is vital in order to avoid 'reinventing wheels' and to maximise the impact of devolved approaches. Making mistakes is, however, a critical part of the process of capacity building and changing the way people and institutions act. Measured experimentation and risk taking should not be penalised by traditional bureaucratic and auditing procedures.

The model frameworks set out in this report do not provide instant answers to local authorities, either presently undertaking or considering a more devolved approach to governance and neighbourhood working. Rather, they serve to highlight some of the issues and possible consequences of moving in particular directions. Local government will be expected to be in the vanguard of experimentation and successful approaches will need to be championed and disseminated, together with the painful lessons in those cases where objectives are not achieved. Practical solutions and ideas will emerge that will either challenge or endorse some of the frameworks developed in this study. Action research and pilot programmes supported by central government could well prove a valuable instrument at this stage in the development of neighbourhood management. But, ultimately, it is the willingness of local authorities and central government to learn and transform their bureaucracies through clear political leadership that will determine whether the stated desire for more devolved forms of local governance is met.

6 CONCLUSION

If the aims behind the local modernisation project are to be accomplished then it is vital that the connections between the various broad policy strands discussed in this report are clearly identified and actively worked upon. It is evident that policy making at the centre needs to adopt a strategic perspective, which sets the overall direction of policy via the Comprehensive Spending Review and has the necessary political and administrative mechanisms to identify and tackle cross-cutting issues which run across the boundaries of Whitehall departments and their agencies (Cabinet Office, 2000a, 2000b). Central government has to develop its 'Best Value' approach in all areas of public administration, not just local government. As the *Modernising* White Paper attests in its five 'C' tests for continuous improvement, it is essential to involve those who directly deliver and receive public policy and services at all stages of the 'Best Value' chain, from the centre to the local neighbourhood.

A further critical issue is the need to ensure that main programme and special initiatives and associated delivery mechanisms interact with regional, sub-regional and local partnerships, and their locally determined priorities. This implies that sufficient flexibility and discretion are given to government departments, their agencies and to the Government Offices.

It is recognised that across the greater proportion of public policy and service delivery there is a need to ensure equality and efficiency, which implies the setting of national standards, for

example, in education. But, there remains the need to adapt delivery to local needs and circumstances. The resolution of this tension is a critical issue in contemporary society, given the accelerated pace of technological change and the increasingly complex and overlapping nature of policy problems – the so-called 'wicked issues' which run across traditional bureaucratic boundaries.

It is true that decentralisation of administrative responsibilities and devolution of some measure of political choice can help. The principle is explicitly recognised in the *Modernising* White Paper and applies at both regional and local levels in England, but also in respect of the devolved institutions for Scotland, Wales and Northern Ireland. However, changing the structure and relationship between tiers of government is never easy.

As various studies have shown in the case of England, the current roles and relationships between the new regional governance structure – Regional Development Agencies, Regional Chambers and the Government's Regional Offices – need further clarification in the sphere of regeneration (Joseph Rowntree Foundation, 1998). However, clarifying roles and responsibilities is only one element; there is also a need to ensure that there are policy frameworks which facilitate the necessary connections between and within different tiers of government (Carley and Kirk, 1998; Carley *et al.*, 2000). It is here that there is much to learn from the pioneering strategic partnerships developed through the New Commitment for Regeneration (NCR) (Mclean, 2000; Sykes, 2000). The 22 pilots are beginning to identify the key issues and constraints that arise in both urban and rural localities when establishing and developing strategic partnerships involving public, private and voluntary sectors. These lessons will be invaluable, as organisations seek to relate local authority community strategies to the emerging requirements of central government's neighbourhood management and regeneration

partnerships. Indeed, some NCRs have already merged with the community strategy process (Coventry, Sandwell) and are making successful connections upwards to RDAs and downwards to local partnerships.

These lessons need to be disseminated as quickly as possible and adopted by both central and local government (Sykes, 2000). As Marilyn Taylor has argued: '"joined up" strategy and action must be driven through all levels of public policy making – from top to bottom, from back room to front line – with transparency and multi layered accountability as the guiding principles'. Of course, such transparency and accountability is difficult to accomplish against the background of complex strategic partnerships but without it the processes will not work (Taylor, 2000).

There also needs to be a fundamental change in attitudes and professional competencies in public organisations (including local authorities, government departments, government agencies and government offices) in order to engage the recipients of public services in policy formulation and implementation. Focusing on citizen outcomes rather than bureaucratic inputs and outputs can help strengthen local democracy and improve the quality of public services.

However as Taylor points out: 'Public sector cultures need to be changed from top to bottom if communities are to be given real power and responsibility to take action. A long-term perspective is essential; otherwise neighbourhood management will depend on few champions and not become embedded in new systems of governance' (Taylor, 2000). If greater power and discretion are to be transferred downwards to local neighbourhoods then issues surrounding regulation and public auditing need to be addressed. The government has recognised this need in establishing the Public Audit Forum, representing all the national audit bodies, which is seeking ways to address the

challenges of devolved management, for example in respect of risk taking and the use of more sophisticated performance measures which relate to the kind of circumstances experienced in deprived communities (HM Government, 1999).

It will also be essential to clarify or remove unnecessary statutory burdens. In the case of local government, the issue of fiduciary duty may present problems for local elected members co-opted to partnership structures based on private company law. Central government will need to maintain its efforts to remove unnecessary constraints and encourage innovation in public bodies as, for example, through the use of pilot schemes such as the Beacon Councils initiative.

If neighbourhood management is to be successful then local authority officers and members need to understand the potential contribution of community leaders. Purdue and colleagues argue that central and local government should seek to recognise and reduce the bureaucratic demands of partnership working on individual community leaders (Purdue *et al.*, 2000). Moreover, they highlight the fact that other regeneration partners do not always trust community leaders and in the case of elected local representatives may challenge their legitimacy. The concept of a unified community within any geographical area is misleading, and help and understanding are needed to resolve the complex issues which representation and accountability throw up for local organisations, communities and residents.

Researchers examining the experiences of residents involved in regeneration projects have pursued these issues (Anastacio, 2000). They conclude that communities are diverse and local interests may conflict, and that there is a danger that only the most powerful voices will be heard. Too often, the mechanisms for community consultation were found to be inadequate and there was insufficient support and training available to enable effective participation. The study piloted 'Audit Tools', which

residents could use as part of an obligatory system of monitoring community participation.

If neighbourhood management and the related processes associated with the government's regeneration and modernisation agendas are to be successfully implemented then far more attention needs to be given to capacity building. Duncan and Thomas (2000) argue that there needs to be a strategic approach to strengthening the existing network of intermediary bodies who support local communities and residents but who are currently under-resourced. It is suggested that intermediary bodies such as the RDA or Government Offices could play a key role here, drawing on greater levels of funding made available through main programme and special initiatives. They have also proposed the establishment of a neighbourhood empowerment fund to resource capacity building in terms of partnership bidding, training and financial support to enable attendance at various partnership bodies. Small amounts of money not normally available from orthodox regeneration programmes are often an important catalyst. A critical factor here is the need to facilitate the involvement of the most disadvantaged groups in the community, and specifically to ensure that the interests of ethnic minorities, the disabled and other disadvantaged groups are adequately resourced and supported.

The convergence of the various public policy developments identified in this report can only be successfully accomplished if there is a concerted and long-term strategy. This should not only address formal structural issues but, perhaps more important, facilitate access for citizens, residents and local stakeholders to the emerging governance structures and decision making. There are significant hidden costs here, which the government needs to face up to if its modernisation and neighbourhood renewal agendas are to flourish.

More fundamentally, while devolution of powers and

responsibilities may encourage local ownership and stewardship, it is incapable of tackling the causes of deprivation affecting some localities and individuals. Ultimately, the success of 'bottom-up' approaches rests upon central government taking responsibility for resolving the paradoxes and tensions inherent in its own agenda.

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