

The potential contribution of 'Resident Services Organisations' to regeneration

Many social housing neighbourhoods contain a high proportion of residents who are trapped in unemployment. These same neighbourhoods often require an intensive level of local service provision, generating a great many jobs. Having examined a range of current initiatives in France and the UK a study, led by Roger Saunders of the Priority Estates Project, has developed the model of Resident Services Organisations - community-led bodies which would use neighbourhood jobs to create employment opportunities for residents. The study found that:

f There are many neighbourhood services which could be delivered by resident employees, including cleaning, caretaking, repairs and maintenance, and the upkeep of external areas. In certain conditions, residents can do some housing jobs more effectively than non-residents.

f Many regeneration schemes would welcome the development of a new model which could help them use their short-term funding to create long-term employment opportunities.

f To be sustainable, such an initiative would need to be based on revenue funding rather than reliant on time-limited capital programmes.

f The researchers conclude that:

Resident Services Organisations would mainly offer transitional, rather than permanent, employment, targeting jobs and training at those most in need.

Although Resident Services Organisations would receive 'market' fees in return for the services they provide, they would need subsidy to support particular elements of their activity.

Resident Services Organisations would address needs which are not being met by many existing approaches to regeneration. They could build on the experience and expertise of initiatives such as Community Development Trusts, Community Businesses, and Tenant Management Organisations.

The Resident Services Organisation model

The idea of Resident Services Organisations (RSOs) is drawn from a range of existing enterprises, such as community businesses, resident caretaking, and tenant management. However, the proposed model would draw together, in one enterprise, approaches which have not often been combined in the United Kingdom.

A Resident Services Organisation would have three sets of aims which would overlap and complement one another:

- providing local services
- developing employment and training for residents
- empowering the community.

It would be a neighbourhood-based organisation which both represents and is accountable to the residents. The organisation would compete for the right to provide neighbourhood-based services in ways which are attuned to residents' needs. In order to deliver these services, the organisation would employ local people, with jobs targeted at those who need them most. The organisation would help employees use the opportunity to find or create long-term jobs.

The *Régies de Quartier* in France are a significant inspiration behind this model. Their experience, together with that of many projects in the UK, suggest that RSOs could have great appeal to government, statutory authorities, community organisations and residents, and could make an important contribution to regeneration.

The Régies de Quartier

The *Régies de Quartier*, based in some social housing neighbourhoods in France, employ local residents to deliver local services. First developed in the early 1980s, there are now over 80 such organisations. They provide services to about 300,000 households, and employ on average 55 residents each year.

Most *Régies de Quartier* employ residents on a part-time and short-term basis (often 2 years). Jobs are targeted at marginalised members of the community, such as women stuck in the home, young people without qualifications, and the long-term unemployed. During their time with the *Régies*, employees are helped to develop skills and make links which will enable them to move on to more permanent employment elsewhere.

There is a National Liaison Committee of *Régies de Quartier*, which provides training, information and advice, and facilitates networking amongst its member organisations. Most *Régies* depend on the co-operation and support of social housing landlords (the HLMs), which are their principal clients.

Although most *Régies* aspire to financial self-sufficiency, they remain dependent on subsidy for 18 per cent of their income. Modest grants are available to help them set up; these are administered by the National Liaison Committee. Many *Régies* tap into established regeneration funding regimes for ongoing financial support.

Key lessons from the *Régies* for the UK are that Resident Services Organisations based on this model will need:

- support from social landlords
- subsidy, at least when setting up
- skilled management
- ways of offering intensive support to their employees
- effective ways of networking with one another.

Similar experience in the UK

Many organisations already established in the UK are trying to develop employment for residents on the back of housing-related services. Case studies of some of these organisations drew the following lessons:

- There is a crucial choice between trying to create permanent jobs or offering temporary work as a stepping-stone to employment elsewhere. Community businesses seeking to create permanent employment are likely to seek markets beyond the neighbourhood, and to focus on low-skill/low wage jobs.
- Resident Services Organisations are more likely to be successful as stepping-stones if they adopt a broad approach to employment development, for example: offering careers advice, building business links, using local training providers, developing skills on the job, offering local childcare.
- While it is difficult for new, community-based organisations to compete successfully within a highly regulated tendering environment, more could be done by client organisations to give them a chance.
- Tenant Management Organisations on local authority estates are potential clients for Resident Services Organisations, since they are exempt from Compulsory Competitive Tendering. They would need, however, to take care to separate out client and contractor roles.
- Resident Services Organisations would do better to establish a small number of jobs which lead to a long-term improvement in the quality of life, than a large number which create unrealistic expectations.

Links with other bodies

Resident Services Organisations are not intended to replace existing approaches so much as to support and build on them. There are many organisations pushing at doors which the RSO model might open. For example:

- Tenant Management Organisations desperate to use their role and resources to tackle local unemployment
- major regeneration schemes seeking ongoing funding mechanisms to develop long-term employment
- central government seeking sustainable regeneration from its investment
- housing associations developing a 'housing plus' role
- social landlords experimenting with new types of resident employment

- community development trusts looking for new ways of supporting community enterprise
- residents associations and community groups simply wanting better, more responsive local services.

Setting up a Resident Services Organisation

Establishing a Resident Services Organisation is likely to involve the following key stages:

- Inform and consult residents and potential partners
- Establish a steering-group
- Acquire subsidy for feasibility study
- Gather information on: prospective clients and services; other partners/ funders; social profile of neighbourhood; residents' skills/ aspirations; economic/ business environment
- Develop business plan/ decide whether to proceed
- Appoint a co-ordinator
- Register company and establish registered office
- Begin trading

It will be crucial to involve as many potential stakeholders as possible from the early stages in the process, if the organisations are to contribute to community regeneration.

The legal status likely to offer RSOs most flexibility is a not-for-profit company limited by guarantee. RSOs may want to set up a charitable wing in order to be eligible for charitable funding. Most RSOs will need subsidy to help them set up. It would be useful to appoint a co-ordinator at an early stage in the development process. The experience of other organisations suggests that the expertise needed by core management staff should not be under-estimated.

Key characteristics of Resident Services Organisations

Important features of RSOs are that they would:

- be community-led

They would have a majority of community representatives on their managing bodies, and would be accountable to the communities in which they are based.

- be neighbourhood-based

They would focus their activities within defined neighbourhoods - probably between 200 and 4,000 homes.

- deliver local services

They would provide services within the neighbourhood - mostly under contract to the local authority, social landlords, and other bodies responsible for local service provision.

- be revenue-funded

They would provide principally those essential, ongoing services which are funded from mainstream revenue sources.

- employ residents

Local residency would be a positive benefit for most of the front-line tasks RSOs would carry out.

- target jobs

They would aim to create employment and transferable skills in neighbourhoods where these

were previously scarce. Jobs would be made accessible to those who might not otherwise succeed in entering the labour market.

- support employees

Jobs may be short-term and/or part-time, but RSOs would give employees training and support to help them use the RSO jobs as a stepping-stone to employment elsewhere.

- be vehicles for community empowerment

Their important roles in the neighbourhood as service providers and employers would enable RSOs to play a wider role in strengthening community resources and processes.

Filling the gap

Resident Services Organisations could be a useful new tool for regeneration, helping to tackle some of the difficulties experienced in many schemes.

Insufficient attention to community development

The need for physical change has often dominated the agenda. A long process of community development is needed in advance of capital programmes, enabling local people to take the lead in the regeneration process. If established in advance of a physical programme, an RSO could help put the community in the driving-seat. It would give people the experience of making a major difference to their own neighbourhood, building confidence and skills. Involvement in the management of the RSO would prepare local people to manage capital schemes.

Economic needs overlooked

Regeneration has sometimes focused on cosmetic improvements at the expense of more far-reaching initiatives which would make a real difference to residents' lives. RSOs could offer people trapped in poverty a way back into jobs and wages. In an area of high unemployment, the daily experience of seeing numbers of fellow residents engaged in useful, paid work could have a significant impact on people's morale. RSOs would also be likely to have a knock-on effect on the local economy, as wages are spent on local goods and services.

Short-term local labour

Most local labour schemes are based on construction work, and have a limited impact on long-term employment in their area. Because they would be based on revenue rather than capital funding, RSOs would have greater permanence and stability. RSOs could complement local labour in construction by developing services which could be transferred to revenue sources when building work is completed. Hence they would act as a bridge between redevelopment and ongoing management of neighbourhoods.

Local services fragmented

Government thinking behind capital funding for over a decade has been that physical improvements must be protected and reinforced by ongoing changes to local service provision. However, many multi-landlord developments have failed to do precisely this. RSOs would be a tool for *improved* service provision. Resident

caretaking and other initiatives have often demonstrated that there are jobs which can be performed more effectively by residents than by non-residents. The impulse behind much of the tenant management movement has been a dissatisfaction with landlord services and a belief that "we know what is best for our neighbourhood because we live here". RSOs would integrate the delivery of front-line services which currently fall between different landlords or contractors.

Neglecting the most deprived members of the community

Young people who have never had a job, the long-term unemployed, and lone parents are often not touched by regeneration programmes. RSOs could target opportunities at those who would otherwise have no hope of entering the labour market. Besides offering work experience and training, they could give employees additional help such as careers counselling, contacts with prospective employers, qualifications/ accreditation, and business skills. Childcare, flexible working arrangements, and intensive initial support could be built in to the way the organisation would operate.

Sustainability

Regeneration based on short-term funding often fails to create sustainable improvements to the quality of life of residents. RSOs could be developed as part of the 'exit strategy' of regeneration schemes, becoming one of a range of successor organisations.

Policy implications

Changes at the level of national policy could create an environment more favourable to the widespread development of Resident Services Organisations:

- RSOs would need subsidy to help set up, and to support their employee development work.
- The benefits system would need amending if there were to be a realistic incentive for people to take 'transitional' steps back into employment, particularly through part-time work.
- The regulatory framework surrounding Compulsory Competitive Tendering could be amended to give RSOs a better chance of competing successfully.
- Incentives may be needed to encourage social landlords to support Resident Services Organisations.

- Resident Services Organisations would thrive within a national strategy to tackle social and economic exclusion in marginalised neighbourhoods.

About the study

The research involved a postal survey of around two hundred organisations in the UK which employ residents, followed by interviews with a sample of them. In France, consultation was held with national bodies involved in social and economic development. As a result, three initiatives in the UK and two *Régies de Quartier* in France were selected as case studies. This involved visits and detailed interviews with key individuals in the organisations and their partners.

Further information

The full report, Resident Services Organisations: A new tool for regeneration is published by Priority Estates Project, price £12.50 (£8.75 for residents groups) and is available from PEP, 3rd Floor, City Point, 701 Chester Road, Stretford, Manchester M32 0RW. Tel: 0161 877 9383, Fax: 0161 877 2992.

Related Findings

The following *Housing Findings* look at related issues:

- 151 Progress and polarisation on twenty council estates (Jul 95)
- 167 Community involvement in estate regeneration partnerships (Feb 96)
- 204 Achieving regeneration through combining employment training and physical improvement (Mar 97)

The following *Housing Summaries* are also relevant:

- 7 Creating sustainable neighbourhood and estate regeneration (Apr 95)
- 10 The effect of community regeneration organisations on neighbourhood regeneration (Oct 95)
- 11 Lessons from Bell Farm Estate, York (Nov 95)
- 12 Unleashing the potential: bringing residents to the centre of regeneration (Dec 95)

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