The contribution of large, independent neighbourhood regeneration organisations to regeneration

Stephen Thake, with colleagues at the University of North London, has undertaken a study of 20 large, neighbourhood-based regeneration organisations (NROs) operating in disadvantaged neighbourhoods in major cities, smaller towns and rural areas of England and Wales. This study, supported by interviews with institutional stakeholders and four regional seminars, found:

f The range of organisations which could be encompassed by the term 'neighbourhood regeneration organisation' was wide, including partnership organisations, development trusts, rural community councils and settlements as well as more focused agencies such as schools, health centres, housing providers and faith-based organisations.

f Some NROs concentrated on helping other organisations to set up and manage their own projects. Others were more concerned to develop and manage projects under their own banner. Most, however, were hybrids, both facilitating other organisations and undertaking work directly themselves.

f Well-established NROs were able to develop new forms of social networks both within and beyond the neighbourhoods in which they are active: these networks were fundamental to helping residents to re-establish contact with mainstream social and economic activity.

f Individually NROs provided substantial local leadership and collectively they have established an extensive body of expertise in education, health, employment, safety, recreation, and cultural development.

f The effectiveness of NROs was limited by financial insecurity, lack of organisational capacity and the fragility of regional and national infrastructures. Relationships with more traditional service providers could be difficult. The complexity of the various funding regimes also created administrative difficulties.

Background

This study explored the contribution of independent neighbourhood-based regeneration organisations (NROs) in tackling social exclusion, looking in detail at 20 varying organisations. It covers broad-based bodies such as development trusts, partnership organisations, rural community councils and settlements as well as more focused agencies such as schools, health centres, housing providers and faith-based organisations. Also included were regeneration organisations that focus on the needs of minority ethnic communities. Although these do not set out to meet the needs of all the communities within a neighbourhood, in many disadvantaged neighbourhoods, the groups they serve form the majority of the population.

What form do NROs take?

NROs performed several important functions within disadvantaged neighbourhoods and have developed a number of complementary ways of working. Some had started out as single-strand agencies and expanded to become holistic in their approach. Others began as holistic organisations and subsequently developed in-depth competency in each of their areas of activity. Some NROs concentrated on helping other organisations to set up and manage their own projects. Others were more concerned to develop and manage projects under their own banner. Most, however, were hybrids, both facilitating other organisations and undertaking work directly themselves.

No single type of NRO emerged as best suited to a particular situation. The most effective approach seems to be to work with existing agencies where they have the organisational capacity and willingness to take on broader responsibilities. Regardless of their origin, the development of a long-term vision and a strategy for achieving it serves to enhance the effectiveness of NROs.

NROs' contribution to neighbourhood renewal

Single NROs undertook a broad range of projects; taken as a whole the study group encompassed an extremely wide range of activities. NROs worked with people across all age ranges, from all cultures and of all abilities. The fields in which they were active included education, health, training, employment, recreation and artistic development. They were engaged in physical, economic and social regeneration.

Despite this diversity, a number of underlying roles and functions emerged:

Local leadership

NROs were able to undertake projects that were beyond the scope of smaller community organisations, such as raising capital finance to develop community buildings. The management and financial systems that NROs have put in place gave external agencies the reassurance that NROs could manage projects with multiple outputs and specific audit trails. NROs' scale and range of projects also enabled them to act in a leadership role on behalf of the community sector as well as providing an agency that can accommodate the requirements of external bureaucracies and respond to rapidly changing local needs.

Community building

The projects undertaken by NROs often gave rise to clusters of complementary activities taking place under 'one roof'. These home-based activities not only allowed individuals to explore their own potential but also created new social networks, enabling people to form new friendships and support systems within a safe environment.

The links which NROs developed with external social, economic and decision-making partners created networks that extended beyond the locality. These extended networks gave residents the support to explore wider horizons: some of these external journeys take the form of visits, exchanges and placements, others make use of the Internet and video conferencing.

Personal development

All the NROs examined were engaged in activities that aimed to counter the isolation and sense of powerlessness that so often epitomise social exclusion. They have developed new forms of outreach work, trust building and skills development to establish environments that encouraged individuals to grow in confidence and competence.

Partnership-making

NROs' activities in outreach work, trust building and forming networks meant they were well-placed to participate in and sometimes lead partnerships that linked the activities of regional, district and neighbourhood stakeholders, such as Healthy Living Centres, Single Regeneration Budget and EU programmes. They were also able to participate in partnerships, such as integrated training and employment programmes, that drew together the various participants at the neighbourhood level.

Wealth creation

NROs also contributed to tackling the wealth inequalities in disadvantaged neighbourhoods. NROs helped to increase the amount of money circulating within the neighbourhood by assisting residents to

take up the benefits to which they were entitled and helping them to reduce their outgoings. NROs also strengthened the local economy by offering skills development programmes, establishing social enterprises and creating volunteer and placement programmes that assist people into employment. They helped to keep money in the neighbourhood by tackling problems of indebtedness, crime, gambling and alcohol and substance dependency.

NROs also made important indirect contributions to wealth creation by making existing resources go further. The networks and partnerships that NROs created assisted in enhancing decision-making processes, easing flows of information and establishing agreed ways of working and interaction. The services NROs provided often lowered or forestalled demands on statutory providers; for example, by linking local residents into the labour market, they helped reduce the need for state benefits. In numerous instances, NROs by developing different working practices, such as employing local people, were also able to provide better services than external providers at the same cost (or the same services at less cost).

Limitations

NROs were constrained by severe financial insecurity, lack of organisational capacity and the fragility of regional and national infrastructures. NROs faced two sets of issues that limited their effectiveness:

Legitimacy

NROs operate within the traditional domain of local authorities and other public sector bodies. They champion their neighbourhood in a way that employees and elected representatives of institutions with districtwide responsibilities cannot. Many NROs have come into being as a consequence of perceived failures of institutional service providers. Their activities often generate priorities and forms of intervention that differ from those of external service providers. Many NROs reported that the local authorities and other institutional service providers within their areas were uncomfortable with such a plurality of approaches and frequently attempt to marginalise their activities.

Operational difficulties

Short-term, project-based funding regimes, allocated on the basis of bidding procedures, have created a situation whereby all the NROs studied faced chronic financial insecurity, no matter how well-managed or how well-established they were. Employees bore the brunt of this financial insecurity and were often poorly paid in comparison with employees in the public and private sectors with comparable skill

levels. The lack of resources also meant that NROs were unable to invest in staff and committee member training programmes, organisational structures, information and communications technology and financial systems, internal monitoring and evaluation procedures. Financial insecurity also militated against NROs participating as fully as they might in local partnerships or regional and national networks.

The multiplicity of project funding programmes with different allocation criteria and reporting procedures complicated the administrative burden on NROs. The focus of funding regimes on discrete activities rather than developmental processes also undermined NROs' ability to establish and maintain the local and extended networks, which are critical in helping people to re-engage with mainstream society. Short timescales and the tendency of funding agencies to alter their priorities without consideration of the long-term consequences also meant that those support networks that did exist, for young people, older people and other vulnerable groups, could collapse, with serious repercussions in terms of relationships, expectations and trust.

Conclusion

The Neighbourhood Renewal National Strategy Action Plan published by the Cabinet Office in January 2001 focuses on two long-term goals: improving employment, health, skills, housing, safety and the environment in the most disadvantaged neighbourhoods and narrowing the gap on these measures and the rest of society. It goes a long way to putting in place the frameworks that will enable central government departments and agencies and public and private sector organisations to direct and co-ordinate their activities in disadvantaged neighbourhoods. It also creates opportunities for local people and groups to become involved. However, the Action Plan does not spell out how community and voluntary sector organisations can become substantial and sustainable organisations active in their localities.

The researcher concludes NROs can directly contribute to countering social exclusion. However, discussions of the study's findings in regional seminars suggested that the following measures could help NROs fulfil their potential:

Promotion

- A regional support infrastructure for practitioners engaged in neighbourhood regeneration, renewal and management programmes with, at a national level, a free-standing agency committed to supporting the development of sustainable NROs in all disadvantaged neighbourhoods throughout the UK.

- Collaboration between bodies representing NROs to promote what NROs can achieve.
- Improved co-ordination within and between faith-based organisations at neighbourhood and district levels.
- A requirement for Community Plans of the Local Strategic Partnerships to consider the creation of multi-cultural, multi-functional regeneration organisations in those neighbourhoods where black and minority ethnic communities form the majority of the population.
- Dissemination by Single Regeneration Budget and New Deals for Communities Partnerships of their experience of the importance of NROs in building sustainable local and extended networks for local people.

Legitimacy
- A commitment from Local Strategic Partnerships to create a sustainable third sector.

Funding
- Specific commitments in Community Plans for funding for community and voluntary sector organisations.
- Including the following within the funding guidelines of the Phoenix Fund, Community Empowerment Fund and the Community Chest: organisational set-up and review, systems development, preparation of feasibility studies for large-scale projects, innovation and infrastructural development.

In addition, further **research** might look into:

- Investigating what makes independent NROs organisationally and financially sustainable;
- Establishing sector-wide guidance on administrative costs, cash reserves, employment practices, reporting requirements, and programme termination for all charitable and public sector grant-giving regimes;
- The feasibility of 'hypothecating' a proportion of central government funds channelled to local authorities to be used for out-sourcing the provision of services to the community and voluntary sectors;
- How best to remove the barriers to the inclusion of community and economic development in the allowable criteria for the disposal of publicly held assets at less than best value.

The main report includes more specific recommendations for relevant interest groups and bodies.

About this study
This study was undertaken by a fieldwork team, comprising Helen Evans, Kevin Tunnard and Stephen Thake, based in the Cities Research Group of the University of North London. In addition to the 20 NROs visited, interviews with 16 institutions with an active interest in neighbourhood renewal were undertaken. The preliminary conclusions and recommendations of the study were discussed at four regional seminars in Bristol, Birmingham, Manchester and London.

How to get further information

The full report, **Building communities, changing lives: The contribution of large, independent neighbourhood regeneration organisations** by Stephen Thake, is published for the Foundation by YPS (ISBN 1 84263 045 8, price £12.95).