Building communities, changing lives

The contribution of large, independent neighbourhood regeneration organisations

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Introduction

The contribution of neighbourhood regeneration organisations (NROs) to tackling social exclusion is central to determining the intervention strategies in disadvantaged neighbourhoods. If their contribution is marginal, then the emphasis of any strategy will necessarily be placed on modernising the intervention mechanisms of existing agencies. If, on the other hand, their contribution is significant, the extent to which current policies and programmes facilitate such organisations to become substantial and sustainable partners will be a litmus test of policy makers and existing institutions to bring about lasting change at local levels.

This study explores the contributions of holistic regeneration organisations 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 are regeneration organisations that focus on the needs of minority ethnic communities because, although they do not set out to meet the needs of all the communities within a neighbourhood, people from black and minority ethnic communities form the majority of the population in many disadvantaged neighbourhoods.

The study found a mature operational culture and an extensive body of experience among the diverse range of NROs participating in the study. They perform several important and often unrecognised functions within disadvantaged neighbourhoods. Their contribution is constrained by financial insecurity, lack of organisational capacity and the fragility of regional and national infrastructures, much of which stems from the unwillingness of institutional service providers to acknowledge the role of independent, locally based agencies.

The report concludes with a range of recommendations that if implemented would enable NROs to fulfil their potential of being important partners in the process of transforming the prospects of disadvantaged neighbourhoods.

Nature of social exclusion

Central government is right to take the issue of social exclusion seriously. It is widespread and pervasive throughout the European Union, North America and Japan as well as the developing economies of China, India and the Far East.

Social exclusion is a relatively recent addition to the UK policy agenda and is often described as a series of acquired symptoms, such as unemployment, poor housing, bad health, alcohol and substance abuse, family breakdown and a high incidence of crime, which afflict those who do not participate in mainstream society.

Social exclusion defined as a series of symptoms is not helpful. Poor health, alcohol and substance abuse, and family breakdown are to be found among those who are employed and well housed. The well-off might be better insured but they are not immune to burglary and theft.

For many children born into poverty or with a physical or mental disability, social exclusion can be a lifetime's experience. They have enormous barriers to overcome if they are to

make positive linkages between their own experience and the wider world.

For others, social exclusion is an incremental process. Technological advances and changes in the global economy impact progressively on local industrial and commercial processes. Organisational restructurings, downsizing, mergers and closures form part of a drawn-out and apparently irreversible process. Incremental social exclusion is not only work related. Ageing can also be a slow and even more remorseless process.

Social exclusion can also strike suddenly. Injury, the onset of a disability or the death of an adult member of a household can dramatically alter the life chances of an individual. Family and other social support systems are not necessarily able or inclined to shoulder the additional burden. In other instances, environmental disasters, political upheavals and civil war can transform well-established members of society into impoverished, stateless refugees overnight.

The repercussions of social exclusion extend beyond the individual. Economic insecurity, ageing and social upheaval can place an unbearable strain on personal support networks, frequently resulting in domestic violence and/or family breakdown. Poverty and the humiliation of coping with the benefits system can leave many people depressed. Their energies are focused on survival or denial. Few have either the time or the enthusiasm to participate in community activities. As a consequence, the social fabric in many disadvantaged neighbourhoods has been severely eroded.

Social exclusion is like a debilitating virus and is as difficult to throw off. Individuals who have the choice will do all in their power to

avoid it. They will move house, change job and sever friendships in order to remain immune. A corollary of moving on is the emergence of neighbourhoods with high concentrations of people who exhibit the symptoms of social exclusion. Social exclusion is the culmination of a series of interrelated processes whereby those who are least able to avoid poverty and its debilitating consequences become and remain poor. The criteria by which this social exclusion takes place centre on the dominant norms of society. Those who are not perceived to have the qualities and skills valued by the dominant society are progressively excluded and concentrated in second-class neighbourhoods.

Such neighbourhoods have different dynamics. Some have stabilised around lowered states of economic and social activity and aspiration. Others are neighbourhoods of transience, where new arrivals take the place of those who move on. Other neighbourhoods have become so undesirable that they have become areas of flight.

Many residents in these neighbourhoods have withdrawn from public engagement. They have become defensive and suspicious of 'outsiders' as well as other constituencies within their neighbourhoods. They can also have a deeply ambivalent attitude to the providers of public services on which they depend.

Large independent neighbourhood-based regeneration organisations (NROs)

The study covered both broad-based NROs and those with a more concentrated focus. The broad-based organisations included development trusts, settlements, social action centres and rural community councils as well as

faith-based, partnership and black and minority ethnic regeneration organisations. Housing, education and health agencies were included as examples of NROs with a narrower focus.

NROs have developed a number of complementary styles of operation. Some start out as single-strand agencies and expand their remit incrementally to become more holistic in their approach, while others are initiated as holistic organisations and subsequently develop in-depth competency in each of their areas of activity. Some NROs concentrate on enabling other organisations to set up and manage their own projects. Others are more concerned to develop and manage projects under their own banner. Most, however, are hybrids straddling both the facilitating and doing modes of operation.

All the NROs included in the study were formally constituted as legal entities and all were governed by committees of management or boards of directors/trustees, which were accountable to local constituencies. The constituencies took one of two forms: individual or stakeholder membership. The extent to which local residents, or their representative organisations, formed the majority of the membership varied from NRO to NRO, as did their representation on the governing bodies.

The dynamics and capacity of the locality are the most important guide as to which type of NRO is applicable in any given situation. It is better to build on existing capacity where it is willing to take on broader responsibilities. All NROs – whether existing or newly created; starting out as holistic or single stranded; or operating in facilitator, doer or hybrid mode – need to have a long-term vision and a strategy for achieving it.

NROs' contribution to neighbourhood renewal

The range of projects undertaken by a single NRO can be impressive: those undertaken by all NROs are legion. They work with people across all age ranges, from all cultures and of all abilities. They are active in the fields of education, health, training, employment, recreation, artistic development and many more. They are engaged in physical, economic and social regeneration.

Within this multitude of activities, there are a number of underlying roles and functions that are in varying degrees particular to NROs.

Local anchors

NROs are unambiguously committed to improving the neighbourhoods within which they are located. Their scale creates an important local presence. They provide a viable alternative to external agencies for projects that are beyond the scope of smaller community organisations. When entering into local partnerships, external agencies find reassurance in the management and financial systems which NROs need to have put in place in order to manage their affairs. Their scale and range of projects also enable them to act in a leadership role on behalf of the community sector, contributing to policy formulation as well as providing a gear-change mechanism between slower moving external bureaucracies and diverse and rapidly changing local needs.

Personal development

The dynamics of social exclusion results in individuals increasingly withdrawing into themselves. All NROs are engaged in activities

that enable individuals to grow in confidence and competence. NROs establish environments that allow people to regain a sense of personal worth, tackle barriers that impede their development and construct pathways that reconnect them with the wider world. This they do through processes that involve outreach work, engagement, trust building, skills development and onward movement.

Community building

The activities that NROs directly provide create clusters of home-based networks. These networks not only allow people to develop their own potential, they also create new forms of social fabric that enable people to meet and form their own friendships and support networks within a safe environment.

The linkages that NROs develop with wider social, economic and decision-making infrastructures create networks that spread into and beyond the neighbourhoods in which they are located. These extended networks can be used to provide supported pathways for people from within disadvantaged neighbourhoods to take when they want to explore wider horizons. Link workers can help the move from one protected environment to another. These external journeys can involve both physical movement and use of telecommunications. They can involve making connections around the corner and around the globe.

Partnership making

It is now accepted that the problems that face disadvantaged neighbourhoods cannot be solved by any single agency acting alone. It requires co-operation and partnership between all the stakeholders with an interest in the well-

being of a particular neighbourhood. Partnerships need to exist at, and across, all levels of engagement from the local to the national. NROs are well placed to participate in the vertical partnerships linking the activities of regional, district and neighbourhood stakeholders. They are also able to participate in partnerships which draw together the various participants at the district level as well as to help ensure that there are effective partnerships, within the community and voluntary sectors, at the neighbourhood level.

Wealth creation

NROs also contribute to tackling the wealth inequalities that separate disadvantaged neighbourhoods from mainstream society. Some help to increase the amount of money within the neighbourhood by assisting residents to take up the benefits to which they are entitled, helping them to reduce their outgoings, engaging in skills development programmes and creating pathways into employment. Some also help to keep the money in the neighbourhood by strengthening the local economy and tackling problems of indebtedness, crime and gambling, alcohol and substance dependency.

NROs also make important indirect contributions to wealth creation by making existing resources go further. The social capital embodied in the networks and partnerships that NROs create assists in enhancing decision-making processes, flows of information and establishing agreed norms of behaviour. The services NROs provide often lower or forestall demands on statutory providers. By linking local residents into the labour market, they help reduce need for state benefits. In numerous instances, they are also able to provide better

services at the same cost or the same services at less cost than external providers.

Policy issues

NROs face two sets of issues that limit their effectiveness in helping to transform the neighbourhoods within which they are located.

Legitimacy

NROs operate within the operational and physical space that has traditionally been the domain of local authorities and other public sector bodies. They champion their neighbourhood in a way that employees and elected or nominated representatives of institutions with districtwide responsibilities cannot. The activities that NROs undertake often generate different priorities and forms of intervention. Many have developed alliances or come into being as a consequence of perceived failures of institutional service providers. Others challenge the culture of those service providers. As a consequence, NROs, especially those that have developed a holistic approach to tackling social exclusion, report ambivalent and uncomfortable relationships between themselves and the local authorities within whose areas they operate

The needs of disadvantaged neighbourhoods are such that it is important that the contributions of all partners are harnessed to tackle the problems that exist. NROs, statutory agencies, single-focus community groups, schools, primary health providers, social landlords, faith communities and many more each have complementary contributions to make.

Operational difficulties

Project funding regimes, which increasingly allocate on the basis of bidding procedures, have created a situation whereby chronic financial insecurity is endemic across all holistic NROs, no matter how well managed or how well established they are. This financial insecurity and a commitment to meet front-line needs means that the risks are passed on to the employees. As a consequence, those who are committed to work on developing long-term relationships with the poorest and the most financially insecure sections of the community are themselves poorly paid and in insecure employment. The lack of resources also means that there is inadequate investment in staff and committee member training programmes, organisational structures, ICT and financial systems, internal monitoring and evaluation procedures. Financial insecurity also militates against NROs participating as fully as they might in local partnerships or developing effective regional and national networks.

The multiplicity of project-funding programmes with different allocation criteria and reporting procedures complicates the administrative burden that NROs have to bear. The focus of funding regimes on activities rather than on processes also undermines the ability of NROs to establish personal development pathways for individuals on their journeys out of the isolation of social exclusion. The short-term time horizons and the tendency of funding agencies to alter their priorities without consideration of the long-term consequences also means that those pathways and support networks, which do exist, can collapse with serious repercussions in terms of relationships, expectations and trust.

Recommendations

In order that NROs can fulfil their potential to make individual and aggregate contributions to the economic, social and physical renewal of disadvantaged neighbourhoods, a number of initiatives need to be actively and diligently pursued.

Promotion

The contribution that NROs make needs to be better articulated. The Development Trusts Association (DTA), Action with Communities in Rural England (ACRE), the British Association of Settlements and Social Action Centres (BASSAC), People for Action and other bodies representing and working with NROs need to work more closely together to develop common platforms at district, regional and national levels. The Inner Cities Religious Council should develop an action plan to establish an audit of the intervention mechanisms of each of the faith traditions, and improve the co-ordination within and between them at neighbourhood and district levels. The Government Offices of the Regions should require that the Community Plans, which feed into the Local Strategic Partnerships, should consider the creation of substantial multi-cultural, multi-functional regeneration organisations in those neighbourhoods where black and minority ethnic communities form the majority of the local population.

Legitimacy

Government Offices for the Regions should include the strength of the commitment to create a sustainable third sector to participate in tackling the problems faced by disadvantaged neighbourhoods as one of the accreditation criteria of the new Local Strategic Partnerships. The New Deal for Communities Unit within the Department of Transport, Local Government and the Regions (DTLR) should identify, say, 12 New Deal for Communities Partnerships as testing grounds for strengthening existing, or creating new, NROs and devolving to them delivery responsibility for sufficient services to enable them to be self-sustaining.

Creating successful partnerships

NROs should be seen as important members of neighbourhood renewal partnerships. Each Regional Development Agency (RDA) should identify and disseminate the work in progress of two Single Regeneration Budget (SRB) Partnerships that seek to promote NROs as important vehicles for building strong and sustainable civil society networks, and creating continuous and multiple pathways out of social exclusion.

Financial security

The Joseph Rowntree Foundation and the DTLR should jointly commission a research programme focused on understanding the extent and nature of the financial insecurity among community sector organisations participating in neighbourhood regeneration. The Neighbourhood Renewal Unit should take the lead in developing a partnership with the Local Government Association, the Urban Forum and the relevant RDAs (Regional Development Agencies) and GOs (Government Offices) to explore the feasibility of 'hypothecating' a proportion of central government funds channelled to local authorities to be used for buying in services from the community and voluntary sectors.

Project funding

The Active Community Unit of the Home Office should take the lead in developing sector-wide protocols covering administrative costs, cash reserves, employment practices, reporting requirements and programme termination. These should be included in all public sector and charitable grant-giving regimes. In the longer term, there should be a commitment to move away from individual project funding to supporting organisations, individuals and processes. Government Offices of the Regions should ensure that the Community Plans include a commitment that funding for community and voluntary sector organisations should be set within, say, a three-year framework with a minimum of 75 per cent rollover from one year to the next.

Beyond project funding

The Department of Trade and Industry (DTI), DTLR and the Home Office, through the Small Business Support Service, the Neighbourhood Renewal Unit, the Active Citizenship Unit and Government Offices, should clearly state that funding for organisational set-up and review, systems development, preparation of feasibility studies for large-scale projects, innovation and infrastructural development will be supported by the Phoenix Fund, Community Empowerment Fund and the Community Chest. The Neighbourhood Renewal Unit should be tasked with the responsibility to make

recommendations on how best to remove the barriers to the inclusion of community and economic development as an allowable criterion for the disposal of publicly held assets at less than best value.

Neighbourhood Support Corporation

The Minister for Housing, Planning and Regeneration should take the lead in exploring the potential of establishing a Neighbourhood Support Corporation committed to promote the continuous development of substantial, locally based, locally accountable organisations engaged in the creation of active, healthy and economically sustainable communities across all the UK disadvantaged neighbourhoods.

Central government champion

Without independent anchor organisations with the appropriate skills, revenue streams and capital assets, there can be little confidence that the existing and proposed interventions will achieve lasting change in disadvantaged neighbourhoods. It is not reasonable to expect the community sector organisations engaged in neighbourhood regeneration to address the situations that they face on their own. The Minister for Housing, Planning and Regeneration through a cross-departmental group of senior ministers and the Neighbourhood Renewal Unit should take the responsibility to champion their cause and oversee their development.

1 Introduction

Large, independent neighbourhood-based regeneration organisations

This report summarises the findings of a study of large, independent neighbourhood-based regeneration organisations (NROs). The study builds on previous work commissioned by the Joseph Rowntree Foundation's Action on Estates Programme and its more recent Area Regeneration Programme. The report seeks to cover three main areas. It aims to:

- examine the contribution that large, independent neighbourhood-based regeneration organisations make to tackling social exclusion and implementing area-based regeneration programmes

- assess whether there are patterns or models of organisational structures and whether different types of community regeneration organisations can be matched to different types of disadvantaged neighbourhoods

- recommend possible changes in guidance, funding, regulatory arrangements and government policy, which, if implemented, would enable neighbourhood-based regeneration organisations to make a fuller contribution to local renewal strategies.

As their name implies, large, independent NROs are located and operate within the specific neighbourhoods. This group of organisations was first given prominence in the early 1990s (Pearce, 1993). Although part of the third sector, NROs have a distinctive role in transforming disadvantaged neighbourhoods. Whereas most community groups and locally based voluntary sector agencies focus *either* on community *or* on economic development activities, large, independent NROs are engaged in *both* spheres of endeavour. They are multi-functional, seeking to serve the needs of all the communities that live within their neighbourhood. They employ full-time and part-time staff, manage considerable revenue turnovers and, in some instances, own and manage substantial capital assets. Their independence also distinguishes them from local branches of external voluntary organisations. As they are not part of a larger infrastructure, they can be totally committed and accountable to their particular neighbourhoods.

Their independence also sets them apart from statutory agencies such as local authorities and primary health service providers. Although the local offices of statutory agencies are established to meet the needs of local people, they operate within a wider framework. Their staffs are managerially (and politically) accountable to people outside the neighbourhood. They also work to priorities developed to meet needs across a larger geographical area. Statutory agencies are also primarily concerned with the delivery of general services to agreed common standards. Although they recognise the necessity of responding to special needs, they find it difficult to develop whole-person responses or to engage in the range of enterprise and wealth-creating activities undertaken by community and voluntary sector organisations.

Although the organisations included in this study are larger than single-issue community groups, the question of scale is relative. None of them could be described as large when

compared with a local authority department, a substantial private sector employer, a major housing association or many regional and national voluntary sector organisations. They are, however, substantial players within their localities.

Organisations included in the study

In selecting the organisations to be included in the study, a deliberate decision was taken, first, to identify neighbourhoods that reflect the spread of disadvantage throughout England and Wales and, second, to identify independent or quasi-independent regeneration organisations active in such neighbourhoods. As a consequence, the organisations that participated in the study are not a roll-call of the more famous 'usual suspects', though major organisations such as Community Links in Newham and Royds Community Association in Bradford were included. Study participants included generalist agencies, such as development trusts, partnership organisations, settlements and social action centres and, because of their relatively autonomous status, those faith-based organisations that seek to meet the needs of all the communities within their neighbourhood.

Also included were a number of organisations that focus on the needs of specific minority ethnic communities. Although these organisations, as their first priority, seek to meet the social and economic needs of a specific community, they were included because, in an increasing number of disadvantaged neighbourhoods, people from black and minority ethnic communities form the majority of the local residents. These communities face the double jeopardy of poverty and institutional discrimination. Finally, as community and economic development are not the prerogative of the third sector, other locally based organisations, which have a specific functional focus, were also sought out. These included housing, education and health organisations, which were also engaged in developing a community and economic development agenda.

No attempt, however, was made to include regeneration consultancies, local authority regeneration departments and other organisations that are primarily concerned with assembling and administering regeneration programmes on behalf of, or providing services to, other agencies. Also excluded were local authority housing departments, as well as national and regional housing associations as they are not by definition freestanding within a particular neighbourhood.

The spread of organisations included represents a plurality of locally accountable responses to social exclusion in disadvantaged neighbourhoods. Table 1 presents a matrix, which attempts to codify the diversity of responses identified by the study. Development trusts, settlements, social action centres and rural community councils address the needs of all the communities within their particular area. They are freestanding and are equally active in the areas of community and economic development. Black and minority ethnic regeneration organisations may well be constituted as development trusts and therefore are independent and locally based. They do not, however, set out to meet the needs of the whole neighbourhood. Faith-based groups are locally accountable and semi-independent but to date have concentrated primarily on community development. Health centres and schools have only recently begun to expand their remit to

Table 1 Large, independent neighbourhood-based regeneration organisations and their defining features

Agency	Whole community coverage	Community development	Economic development	Local accountability	Independent
Development trusts	*****	*****	*****	*****	*****
Settlements/social action centres	*****	*****	*****	*****	*****
Rural community councils	*****	*****	****	*****	****
Partnership organisations	*****	*****	*****	*****	*****
Faith-based organisations	****	*****	**	****	****
Minority ethnic regeneration agencies	***	*****	*****	*****	*****
Health centres	*****	**	**	**	***
Locally managed schools	***	**	**	***	***
Community/locally based housing associations	***	***	***	****	*****
Local authority/housing association devolved management: EMBs, TMOs	***	***	***	*****	****

Key: Relative importance to an organisation's work:
***** Central commitment; **** Historically of secondary importance; *** Structurally constrained;
** Recent addition.

cover broader-based community and economic development. Health centres, unlike schools, serve all the communities within their neighbourhoods. Locally based housing associations, tenant management organisations (TMOs) and estate management boards (EMBs) have a specific housing focus and only locally based housing organisations can claim to be both independent and locally accountable.

Scope of the study

The study is set within important boundaries. First, the report does not seek to valorise neighbourhood-based organisations or demonise external agencies: both have important roles to play. Second, the report does not seek to allocate to NROs a role beyond their competence. They can complement the activities of the local authorities and other public sector agencies but they cannot replace them. They can develop constructive working arrangements with major employers but they cannot on their own provide the answer to the severe levels of unemployment in disadvantaged neighbourhoods. They can support the multiplicity of existing and emerging smaller community organisations: they cannot usurp them.

The problems that exist in many disadvantaged areas are deep-seated and the

product of long-term under-investment in human, organisational and physical capital. No single agency has the resources, legitimacy or skills to regenerate disadvantaged neighbourhoods on their own. It has to be a partnership between top-down external agencies – such as local authorities, health authorities, the police and major employers – and bottom-up organisations, whether they are small community groups or larger, independent NROs. The process has to be inclusive.

The study had three main components:

- Visits to and interviews with staff of 20 large independent NROs: this part of the study helped to establish the contribution of these organisations and the difficulties they encounter in tackling social exclusion and implementing area-based regeneration strategies.

- Interviews with 16 institutional stakeholders to establish the extent to which they understood the role of NROs and the constraints they face.

- A series of four regional seminars, which allowed some 94 practitioners and institutional agencies to respond to the preliminary findings of the study and discuss possible ways forward on a number of key issues. The seminars took place in London, Birmingham, Manchester and Bristol.

Structure of the report

Chapter 2 sets down the reasons for undertaking the study and Chapter 3 provides some insights into social exclusion as experienced on the ground. Only by understanding the processes that lead to social exclusion is it possible to identify the relevant points of intervention.

Chapters 4 and 5 describe the range of NROs active in disadvantaged neighbourhoods and outline the contributions they make to neighbourhood regeneration. Their contributions are measured not so much by the specific projects that they undertake but by the processes that they employ to enable individuals and communities to become reconnected with the mainstream of social and economic activity.

The final two chapters describe the barriers faced by these organisations in achieving their potential and propose a number of ways by which these could be overcome. The report concludes with an Appendix, which lists the participating organisations.

At the outset, it was assumed that the activities and contributions of NROs could be placed within a relatively simple framework. However, as the project unfurled, it became clear that the range of interventions made by NROs and the diversity of organisations that are engaged in community and economic development are more extensive than originally appreciated. There was a danger, therefore, that it would not be possible to identify a meaningful typology for what is taking place within disadvantaged neighbourhoods. By digging deeper, it has been possible to identify a series of shared characteristics that are both less obvious and potentially more profound.

2 In the frame but not sufficiently on the agenda

Policy relevance

At first sight, an exploration of the role of large, independent neighbourhood-based regeneration organisations (NROs) in countering social exclusion and promoting sustainable area-based regeneration strategies might appear to be of marginal importance. There are, after all, a host of agencies participating in regeneration initiatives – local authorities, the police and health services, the employment service, training agencies, voluntary sector organisations, community groups and an army of consultants and other contractors. In addition, the government has accepted the need to reverse the chronic under-funding of disadvantaged neighbourhoods up and down the country and has committed itself to rethinking delivery mechanisms in order to overcome departmental and professional disjointedness. After a long period of withdrawal, institutional service providers have also begun to engage with a more community-oriented agenda and to give greater emphasis to tackling the economic difficulties and institutional discrimination that beset people in most disadvantaged neighbourhoods. The problem would appear to be not the lack of agencies but the utilisation of the resources and agencies that are available. This has been the thrust behind much of central government's search for 'joined-up' thinking and co-ordinated delivery of services.

Notwithstanding the importance of the effective delivery and co-ordination of services provided by existing agencies, the contribution of NROs lies at the heart of the effectiveness of the current approach to the transformation of disadvantaged neighbourhoods. The agenda and priorities of central government, local authorities and other institutional players will inevitably move on as the economic and political environment changes. An important objective of the current concern with community is to strengthen the fabric of civil society such that neighbourhoods can become more self-managing. It will be the strength and sustainability of the local organisations left behind that will determine the ultimate success of the existing and proposed initiatives.

This report seeks to answer the question 'What are to be the sustainable, on-the-ground vehicles for delivering social and economic change in marginalised neighbourhoods?' The answer cannot be simple. The real world is not one where absolutes are easily found. Simple remedies to deep-seated and multi-faceted problems are likely to be ineffective. The issues are more likely to be cultural as well as technical, and to require the participation of a multiplicity of delivery agencies. Also, if a concept such as 'local self-sufficiency' is to take root, it needs to be recognised as important by a range of stakeholders, locally, regionally and nationally.

However, without an approximation to a coherent and credible understanding of what the on-the-ground delivery agencies might look like, no number of fine words, well-meaning policies and even well-endowed programmes will produce lasting change. Indeed, the ability to produce a shared understanding will be a litmus test of the commitment of policy makers to bring about sustainable change at the local level.

Figure 1 Many fingers in the neighbourhood pie
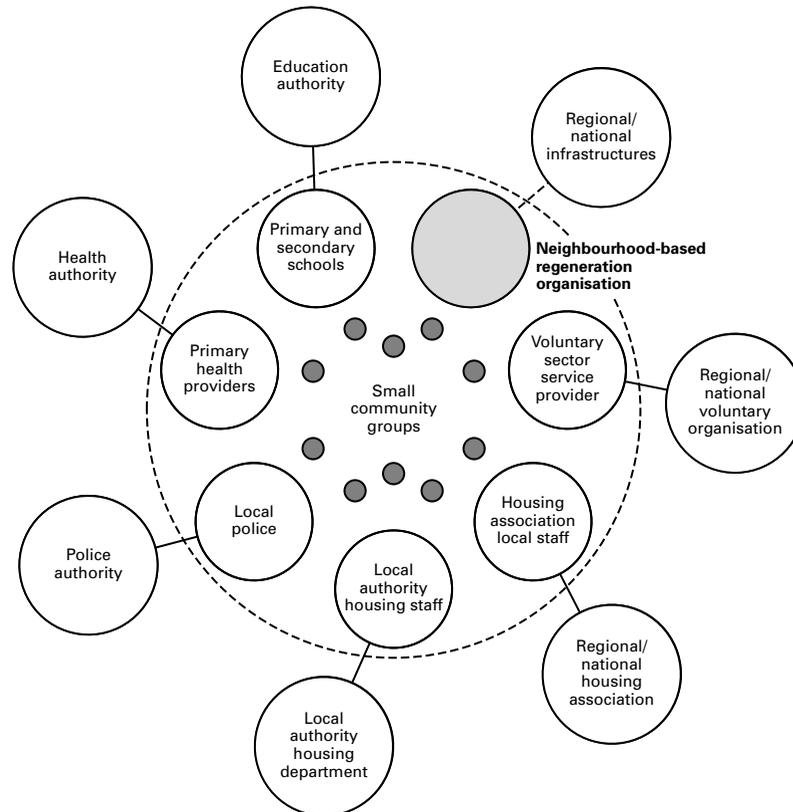
Changed agenda

Understanding the contribution of locally based organisations to neighbourhood renewal is important because the policy agenda has changed dramatically during the last decade. Academics assessing the on-the-ground experience of practitioners and supposed beneficiaries reported that government intervention strategies were not effective in bringing about sustained social and economic regeneration in the neighbourhoods and communities that were the targets of those policies (Robson *et al.*, 1989). The collapse of the property market at the end of the 1980s also exposed, in a most dramatic fashion, the

limitations of a private sector, property-oriented approach to the regeneration of disadvantaged neighbourhoods.

The termination of the Urban Programme in 1991, followed in 1993 by the abandonment of ten other government flagship programmes and the launch of the Single Regeneration Challenge Fund (SRB) and City Pride programmes, along with setting up the regional government offices, represented a watershed in government thinking. In place of top-down, outside-in programmes, with predetermined frameworks, came a commitment to support bottom-up, user-led approaches. In many ways, such a commitment was an act of faith. In the face of the evidence that existing policies were not

effective, there was a belief that there had to be alternative and better approaches. However, although there were numerous examples of innovative solutions to the diverse problems found in disadvantaged neighbourhoods, there was little evidence to suggest that they had the potential to provide the basis of broad-based national programmes. Nevertheless, having made such a public commitment, the government was obligated and much of the energy in subsequent funding rounds was focused on ensuring that the reality matched the rhetoric of the early SRB guidelines.

The succeeding years have been highlighted by a number of key developments. First, a plethora of innovative responses has been brought forward. As a consequence, bottom-up approaches have brought about greater community participation in the regeneration process. Successive rounds of the SRB have provided a living example of 'letting a thousand flowers bloom' and have both surprised and enthused civil servants, ministers, regional offices of government and local authorities, as well as the community sector and private sector participants. The SRB programme has also exposed how weak civil society had become in disadvantaged neighbourhoods and how much has to be put in place before local communities can participate as equal partners.

Second, the Commission on Income and Wealth (Hills, 1998), funded by the Joseph Rowntree Foundation, identified the scale of economic polarisation and the depth of poverty that has emerged since the 1970s. It has become increasingly apparent that the exclusion of marginalised communities – whether identified by geographic location or identity – is not solely the product of the failure of government

machinery. Larger forces – globalisation of economic processes and technological change – are at play. The machinery of the state has frequently been unable to anticipate or reverse the negative consequences of these developments as they work their way through at regional and local levels.

New directions

When the Labour government came into power in 1997, it endorsed and strengthened the previous government's commitment to adopting an inclusive approach to locally based regeneration. It revised the SRB bidding guidelines to give greater emphasis to community involvement and, within a year of coming into office, established the Social Exclusion Unit (SEU). The decision to base the SEU within the Cabinet Office was both a reflection of the priorities of the Prime Minister and a recognition that departmentalism at central government level and professionalism at local government level have frequently militated against holistic problem-solving analysis and integrated service delivery.

The third report of the SEU, *Bringing Britain Together: A National Strategy for Neighbourhood Renewal* (Social Exclusion Unit, 1998), addressed the needs of the estimated 4,000 disadvantaged neighbourhoods throughout the UK. It brought together and added to lines of thinking that had been developed by the Commission for Social Justice, the Institute for Public Policy Research, Demos and the European Commission, as well as the Joseph Rowntree Foundation.

The SEU report assembled an impressive array of initiatives which, taken together, represented the government's strategy for

tackling social exclusion. It has also established 18 Policy Action Teams (PATs) to consider unresolved, deep-seated issues in policy and practice arenas. In parallel, the then Department of the Environment, Transport and the Regions (DETR) launched its New Deal for Communities in 17 of the most deprived neighbourhoods in England. These developments were an acceptance that the scale and approach of existing interventions had not addressed the pervasiveness or intensity of the problems that exist on the ground.

The current policy environment is heavy with action and impending change. Altogether, there have been over 40 area-based initiatives introduced during the lifetime of the current government. In June 1999, the Urban Task Force produced its report. Many of the Task Forces' recommendations have been incorporated in the Urban White Paper, which has been complemented by a similar White Paper on Rural Affairs. The Regional Development Agencies have produced their draft strategies for consultation. The HM Treasury is in the process of reviewing charity taxation and the Charity Commission, in its review of activities, is recommending that unemployment, regeneration and community development should be added to the register of permitted activities. The Home Office has embarked on its Active Citizenship Campaign. The DETR also published its Green Paper on housing reform.

The SEU Policy Action Teams (PATs) have made their individual reports, and the main findings and recommendations have been brought together as the consultation document, *A National Strategy for Neighbourhood Renewal* (Social Exclusion Unit, 2000). The New Deal for Community Programme has developed its

Phase 2 Bidding Guidelines based on the experience gained from the first round and has invited submissions to be made from an additional 22 local authority areas.

All of these initiatives have been brought together under the overarching Comprehensive Spending Review (HM Treasury, 2000). This gives priority to building strong and responsible communities. Such communities will be achieved through major commitments to improve education, health and housing conditions as well as to reduce unemployment, crime and fear of crime within disadvantaged neighbourhoods. The lead responsibility for bringing about this step change between the poorest neighbourhoods and mainstream society has been allocated to partnership bodies in 88 local authorities through which the proceeds of the new Neighbourhood Renewal Fund will be channelled.

Finally, the Social Exclusion Unit has published its last report in this area (2001), which represents the culmination of its nationwide consultation process. The *National Strategy Action Plan* focuses on improving people's lives in roughly 900 of the most severely deprived neighbourhoods in England by setting new targets for better health, education, housing and employment as well as reducing crime and the fear of crime. A new Neighbourhood Renewal Unit has been established within the DTLR and dedicated Neighbourhood Renewal Teams have been established within the Government Offices of the Regions.

Policy agenda

The government's approach to building strong and responsible communities has three

objectives. The first is to devise processes and practices to overcome the difficulties that existing stakeholders – locally, regionally and nationally – have in working together co-operatively. The second is to harness their energies and programmes to narrow the gap between the most deprived areas and the rest of the country. The third is to empower grassroots activity by people in their own communities. The intention is to establish a stronger, more responsive community infrastructure. Increasingly, community-based organisations are envisaged to be key partners in developing local strategies, and major contributors to the improvement and sustainability of the quality of life within disadvantaged neighbourhoods. They will be expected to complement modernised public sector agencies and provide an alternative to the private sector as the deliverer of existing and emerging services. Community sector organisations are also seen as the vehicle through which the views and engagement of local people can be fed into local strategies.

This confirms the emergence of the social sector as a third force to the prevailing private and public sectors. It provides the basis for arguing for a further strengthening of the sector and also implies a greater differentiation within it. The inclusion of the social sector within the public policy debate has a number of important drivers. As Francis Fukyama (1995) has argued, the dependence on the public sector to deliver services is not only expensive and inhibits innovation but also indicates a lack of trust deeper within society. Robert Putnam (1995) has shown that the existence of a strong, civil society is associated not only with greater levels of trust within society but also with more

successful economic activity and greater legitimacy for government. In the UK, others have confirmed and built on work in this area (Halpern, 1998; Perri 6, 1997). Richard Wilkinson (1996) has painstakingly brought to light the positive linkages between good physical and mental health and the existence of strong social networks and support systems.

Lack of local infrastructure

There is a great deal of prose in current government reports and statements in favour of community-led initiatives. However, there is a danger that, in seeking to achieve central government's first two important goals of greater co-operation between institutional stakeholders and an effective local focus for state interventions, the third objective of creating a sustainable, local infrastructure could be crowded out.

This would appear to be confirmed by the absence of any sustained consideration of the scope, structure and sustainability of NROs in current policy discussions. The draft strategies of the Regional Development Agencies made fleeting reference to the role of neighbourhood-based regeneration or social enterprise in the economic transformation of disadvantaged neighbourhoods. These issues did not receive detailed attention in the 1998 SEU Report, *Bringing Britain Together*. They did not figure as one of the core concerns of any of the 18 PATs. Although *what* should happen in disadvantaged neighbourhoods forms the substance of the consultation document, *A National Strategy for Neighbourhood Renewal* (Social Exclusion Unit, 2000), *how* community-based organisations might become strong, sustainable delivery vehicles receives only passing mention. The

Urban White Paper is strong on the need for Local Strategic Partnerships but weak on how community sector organisations can influence their agendas. The *National Strategy Action Plan* (Social Exclusion Unit, 2001) places the community at the heart of neighbourhood renewal but concentrates on setting new standards and putting in place the infrastructure that will oversee expenditure from the new Neighbourhood Renewal Fund.

Yet, the absence of a substantial and robust community sector is proving to be an impediment in achieving the government's objectives. The first year of many Single Regeneration Budget programmes is now almost entirely given over to the capacity building of the community sector and to undertaking a backlog of preparation activity on the part of public sector agencies. It is also accepted that in the majority of cases the New Deal for Community Pathfinders have struggled to establish the hoped-for level of community leadership.

This lack of capacity is one of the major reasons why the lead responsibility for implementing the government's neighbourhood renewal strategy lies with the local authorities and not with the community and voluntary sectors. This, however, leaves the extent to which the community and voluntary sectors can participate to the willingness of other more powerful stakeholders to devolve leadership responsibilities to community sector organisations. In the helter-skelter of activity and pressure to produce closure in time to deliver measurable existing commitments, the voices and arguments of those who are in the weakest position might not have been adequately heard. This would be an unfortunate legacy of past under-funding and under-representation of the community sector. The failure to create a sustainable community sector could have serious detrimental effects on the potential to resolve the underlying dynamics within disadvantaged neighbourhoods. It could mean that the opportunity to introduce new players to the table and new voices to the decision-making process will have been missed with serious consequences for another generation; hence, the relevance of this study.

3 The nature of social exclusion

Social exclusion is a relatively recent concept. Although it has its roots in a European discourse,[1] it has, nevertheless, become a central theme of UK policy dialogue. The ease with which it has taken the centre stage presumes that there is a widely held and well-grounded sense of its meaning. This is not necessarily the case. In a UK context, the term social exclusion represents the current reformulation of what has hitherto been referred to as poverty. Social exclusion encompasses more than financial poverty and is frequently defined as the concurrence of a number of factors. For example, the SEU (1997) describes social exclusion as 'a shorthand label for what can happen when individuals and areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown'. However, as with most definitions, this describes some *characteristics* of social exclusion; it does not adequately describe the *experience* of social exclusion.

In any area of endeavour, it is important to have a clear understanding of the nature of the causes that give rise to specific problems if there is to be a realistic chance of making a difference. Describing social exclusion by its symptoms rather than by the underlying dynamics that give rise to them is insufficient. Commitment, energy and resources that are directed only at symptoms will not be successful.[2]

Drawing on the experiences of disadvantaged neighbourhoods visited during this study, this chapter identifies some of the interrelated processes that give rise to social exclusion in disadvantaged neighbourhoods.

Pervasiveness

UK experience

The government is correct to identify social exclusion as an important issue. The experience of poverty is awful. It limits choice and is humiliating. It damages health and shortens lives. Once acquired, poverty, like a deeply seated illness, is difficult to throw off. Individuals, families and groups of people, if they have the choice, will do all in their power to avoid poverty and to flee from and shun those who are poor. Social exclusion encapsulates the processes by which those with power, ability and information avoid the negative consequences of social and economic change. These processes result in those who are least able to avoid poverty becoming and remaining poor.

In times of rapid social change and economic instability, poverty will be widespread and the fear of poverty will be pervasive. Social exclusion, therefore, is not limited to one part of the country or identified with particular locations within the urban fabric. In order to reflect this, the study included neighbourhoods from a number of regions – London, the South East, the West Midlands, the South West, Wales, Merseyside and the North West, and Yorkshire and Humberside. The neighbourhoods were located in small towns and rural settings, as well as in the centre and on the periphery of major conurbations.

International experience

Social exclusion and its geographical concentration in particular neighbourhoods is not a solely UK phenomenon. It is found in apparently successful countries with historically

fast-growing economies, such as the USA, Japan and Germany, as well as in those with faltering economies, such as the countries of the former Soviet Union. It is also found in the developing countries and regions of China, India, South-east Asia, Africa and South America. For some, such as Manuel Castells (1997), social exclusion is a systemic consequence of the growth in the global economy, which is giving rise to an emerging Fourth World of international poverty that crosses national, racial and linguistic boundaries. Members of this Fourth World have more in common with each other than they do with the more affluent communities within their own countries.

Social exclusion as reality

For children born into poverty, social exclusion is not a condition; it is a reality. Dilapidated housing, bleak environments, run-down schools, closed-up shops, and the lack of health and leisure facilities form a major part of their everyday experience. Having a parent or parents who are unemployed or have intermittent and poorly paid work is not unusual in neighbourhoods where only one in four households has any wage earner. It is likely that their elder brothers and sisters and their neighbours will have similar life experiences. In some areas, it will not be only their parents who have experienced poverty; their aunts and uncles and grandparents will also have had difficulty in making ends meet.

Such communities will have developed coping strategies for getting by and they are passed on by word of mouth. For the children in those neighbourhoods, there are enormous barriers, both mental and physical, to making

linkages between their reality and the wider more successful world. For children in black and minority ethnic families, the barriers are far greater. Discrimination against their parents on the basis of their colour will mean that they have a greater chance of being born into poverty than their white peers, and discrimination against them will be an enduring aspect of their lives in the playground and as they grow up.

For children born with a mental or physical disability, social exclusion is also likely to be a lifetime's experience. Shunned at school for being different, most will also experience a lower than expected standard of living as their parents have to juggle work around their caring responsibilities. In adulthood, difficulty in finding work, a lack of choice over where they live and a dependence on others for support will mean that most will experience social exclusion throughout their lives.

Unanticipated social exclusion

For others, social exclusion is unexpected and comes as a shock. Injury at home, at work or on the road, the onset of a disability or the death of an adult can change the trajectory of a family suddenly and irrevocably. Once the immediate trauma has been overcome, the long-term consequences have to be coped with. Children take on adult roles and the remaining adult has to act as both carer and wage-earner. Friends, relatives and institutions can provide support but it is the members of the household who have to bear the brunt. Long-term aspirations are abandoned in the face of the need to survive from day to day. Family homes are sold, holidays restricted, clothes have to last longer, diets become meaner, educational potential

takes second place to the necessity to earn immediate money. Once the processes of social exclusion begin to bite, it is difficult to escape.

Incremental social exclusion

For most people not born into poverty, social exclusion creeps up on them slowly. It is likely to affect the nearly poor more quickly than it will the well off as the nearly poor have less financial reserves to call on.

Unemployment is seen as the major determinant of poverty and social exclusion. In all neighbourhoods visited in the study areas, whether in the countryside, small towns or major conurbations, profound economic restructuring has taken place. People have been driven out of the labour market as employers have shed labour or existing forms of employment have been closed down.

This history of economic restructuring is often expressed as an integral part of the oral history of the area. These narratives recognise that not all change is negative. New firms have been established and these have drawn in new people, although not necessarily from their area. However, the new sources of employment have fewer jobs on offer and employers expect their employees to have different skills and aptitudes from those held by those who have been displaced from existing forms of economic activity.

Although the experience of factory closure and redundancy is traumatic, it is frequently the last act of a long drawn out process. Businesses do not close willingly. The people who run them and own them do so because it is their livelihood. Changing markets, uncompetitive products, falling revenues, reduction in profits

can be masked for a time – sometimes for a long time. Investment in research and development, exploring new markets or buying in new skills can turn businesses round but for many commercial enterprises it is difficult. Technological change renders their products and processes obsolete. Diesel and electricity replace steam as a generator of power. Plastic replaces wood and steel as a carcassing material. Bulk tankers replace tramp steamers. Computers replace bookkeepers. Robots replace skilled artisans.

People in these industries hang on making the best of what is a bad job. Fringe benefits are slimmed down and abandoned, wages and salaries rise more slowly, overtime becomes increasingly scarce, short-time working becomes more prevalent, people are not replaced when they leave and the work is shared around. Sometimes niche markets are identified; however, in many situations, mergers are mooted, takeovers are mounted or accepted, and at the end of the day the doors are closed.

The long lead time of decline favours those with the knowledge and the transferable skills, and for whom self-preservation rates more highly than loyalty. They move on. Those who do not have these qualities take a gamble and stay hoping to see out their time. Many lose and then blame themselves. For those who work for suppliers to major commercial undertakings, the process can be dramatically truncated. They are cushioned from the uncertainties that work their way through the bureaucracies of large companies but, when those large companies are downsized, taken over or restructure their supply chains can collapse overnight.

When a large plant closes, the repercussions in the locality are devastating. It is not just those

immediately employed and their suppliers who are affected. The local shops and service providers lose their custom too. A pall hangs over the area. It is difficult to 'get on your bike' as there appears that there is nowhere to go. Despite the increase in mobility, most people continue to live within a relatively short distance from where they were born. The locality is their reality. When the local networks fail them, people are unwilling and have not the resources to put themselves at risk in untried environments.

Even those who do move on do not necessarily find the security that they seek. Redundancy used to be thought of as a once in a lifetime's experience – awful and never to be repeated. However, as technological change accelerates and markets become more fluid, employees have to be willing to accept constant moves to stay ahead of the wave (Sennett, 1998).

The associated stress takes its toll. Depression, panic attacks and the onset of nervous and muscular disorders are all symptoms associated with the new economy. Many will accept early retirement, trading a lower but secure income for an uncertain future. Others will put themselves in debt or increase their alcohol consumption to tide them over periods of short-term difficulty. Debt and alcohol have their price and the problems are compounded when those difficulties are long-term.

For others, the onset of social exclusion is not work but age related (Johnson and Falkingham, 1992; Tinker, 1997). As people grow older, their physical energies wane. Their mental processes become less flexible. They are more prone to illness and the onset of disabilities. Many will have grown up at a time when it was possible to

get by with little by way of acquired skills. Many of those who do have skills and experience will find that their particular attributes are not valued in working environments where presentability and youth are in the ascendance.

Socially excluded neighbourhoods

Although social exclusion is felt at a deeply personal level, it is also a shared experience. Children gather on street corners or in the underground car parks of housing estates. Job Centres and job clubs have the same entry qualifications. Adults will recognise each other by the clothes they wear. They will shop in the same stores and, in conversation, will share similar experiences in trying to access public services. As their relative income falls, so their choices will be restricted. They will be housed in rental accommodation rather than in the owner-occupied sector. Their children will go to the same school. They will attend the same doctor's surgeries.

As with the run down of failing companies, the process of concentration is incremental. Those residents who are able to do so move out to other areas where job prospects are better. Those who cannot are obliged to stay. The failure of the local authorities to maintain their housing stock has meant that the environment around them has deteriorated outside their control. Cycles of exterior decorations have been missed out, lifts not replaced, repairs not undertaken, improvements and major repairs not carried out. Again, those who are able to do so use the opportunities within the system to move to better accommodation. Those for whom there are no alternatives have to stay,

incarcerated in an ever deteriorating and increasingly humiliating environment. Many who remain silently withdraw their commitment to the neighbourhood. They are waiting for the opportunity to move that never comes.

Neighbourhoods with poor environments or poor reputations also have a high turnover of residents and therefore high vacancy rates. People with the least choice or in the most desperate need frequently find themselves allocated to such neighbourhoods. Homelessness or an urgent need of alternative housing is frequently only one among a number of pressing symptoms of distress and, once housed, these people often continue to have complex and diverse support needs.

Erosion of social capital

Social exclusion also has, as it name implies, a social dimension. It is more pervasive than inclusion in or exclusion from the labour market. The ability to participate in the activities of mainstream society is not only limited by a lack of financial wealth.

Health
There are clear links between employment, health and social exclusion (Walker and Park, 1998). Economic inactivity can result in a loss of self-confidence and in physical inactivity. Individuals who have lost status and become financially impoverished by factors frequently beyond their control can become disoriented. Their expectation of employment and a stable income sufficient to meet their needs has been eroded. Dependence on state benefits can be humiliating and for some these daily

humiliations can give rise to clinical depression. Dependence on medication, although not confined to disadvantaged neighbourhoods, can be a response to social exclusion and can be destructive.

Family breakdown
Isolation from the labour force puts demands on an individual's personal support systems (Walker and Park, 1998). Close and extended family relationships have to withstand levels of proximity and strain for which many of the participants are ill prepared and which the institutions themselves were not designed to bear. Anger and frustration can result in domestic violence and lead to family breakdown. These are taboos that result in the collapse of friendship patterns and lead to further social isolation. High percentages of single-carer households, and the significant numbers of children on the 'At Risk' register, can be further indicators of exclusion.

Collapse of social networks
Coping with the benefits system and financial poverty leaves many people with little time, energy or resources to participate in social activities or to be part of community networks. As a consequence, those networks that do exist will struggle to survive or collapse through lack of members. Unemployment also results in exclusion from workplace social networks and activities – sports clubs, lunchtime and evening activities, membership of trade unions and other work-related organisations.

That does not mean that past social networks have been an unalloyed benefit. Some have been exclusive and have favoured insiders. Others have given primacy to certain groups within the

neighbourhood, or have favoured certain activities or modes of engagement over others. Nevertheless, they have provided an infrastructure for everyday life. They were a vehicle for friendships to be made and maintained, the means by which 'people have looked out for each other' and the channels through which information has travelled. The break up and lack of networks not only cuts individuals off from social interaction and information but also results in the erosion of organisational capacity within disadvantaged neighbourhoods. It means that it becomes difficult to organise to improve the situation.

Breakdown of trust

Many of the disadvantaged neighbourhoods included in the study were characterised by a lack of trust – expressed in terms of fractious relationships both within the neighbourhood and towards the outside world. The breakdown of social networks, the withdrawal from the public domain and the resulting fragmentation help to create an environment where rumour and misinformation can take root. The lack of social networks and absence of structures for resolving local difficulties mean that, in many disadvantaged neighbourhoods, fractiousness and distrust are endemic.

'Us' and 'them'
Distrust takes the form of a tension between 'us' and 'them'. This tension is expressed in a number of ways. In one form, the dominant community within the neighbourhood is seen as the 'us'. This mainstream is not necessarily made explicit and can take a number of forms – adults, white, black or working class. 'Them' is

represented by minority communities and can also be expressed in a variety of ways – young, black, yuppies, refugees, townees, etc. These others are seen either as coming in from the outside – yuppies, townees and refugees – or as an alien culture that is emerging within their midst – youth gangs, drug-related crime, or anti-social neighbours.

This tension is often expressed territorially as in 'those over there' being inferior/superior to 'those over here'. Territorial boundaries can be very precise and closely guarded. The 'Peace Lines' in Londonderry and Belfast are very public expressions of such territoriality. The turf demarcated by the graffiti of local youth gangs, the domains controlled by organised criminals and the unwillingness of residents of one estate to share facilities with those of an adjoining estate are other less institutionalised examples.

Powerlessness
In all of the 'us' and 'them' scenarios, the dominant community within the neighbourhood sees itself to be besieged and powerless. For those who are old, for instance, their age makes them powerless to stop the advance of the young and, for those who are poor, their poverty makes them powerless to stop the wealthy buying their way in. With respect to the external service providers, they feel dwarfed by the size and complexity of the bureaucracy, and powerless in the face of institutional unwillingness to alter their policies to accommodate their priorities. The intractability of the situations that they have to confront and the repeated inability of those with power to counter them have inevitably led to a deep scepticism of those within or beyond the neighbourhood who offer potential solutions.

Dialogue of betrayal

Another expression of distrust casts the dominant communities within the neighbourhood as 'us' and external institutions – the local authority, the health authority, the police, etc. – as 'them'. In this instance, the institutions have control over decision making, resource allocation and service delivery. Thus, although distrust can be deeply embedded, local communities and external providers are nevertheless locked together. The resulting relationships can be deeply distressing.

Public sector institutions

Understandably, many of those who have been excluded look, in the first instance, to the state for the interventions that they feel should be available to them in a democratic society and for support services that they feel they have 'paid for'. However, in many instances, those interventions and services have either not been forthcoming or have not been successful in altering the situation that people face and they feel betrayed.

The factors that create this environment of betrayal are many. The litany of complaints concerning the failure of public sector agencies to deliver basic services is both familiar and, in the short term, overwhelming. This betrayal is confirmed, over and over again, by promises made and broken, an unwillingness to explain decisions taken or to apologise for mistakes made. In such circumstances, it is difficult to re-establish trust or to move on to more productive agendas.

Meetings between institutional stakeholders and local communities, when they do occur, are often poorly attended and frequently are the vehicle for expressing pent-up anger and deep resentments. In the face of this hostility, institutional stakeholders adopt defensive positions and withdraw from direct forms of engagement. This withdrawal is often justified in terms of the difficulty of dealing with communities in conflict and/or people expressing aggressive behaviour either to one another or to outside agencies and their staff.

Financial dependency

The withdrawal is reflected not only in terms of face-to-face contact but also in terms of financial support and the control over the funds that are made available to local communities. Grants can be allocated not on the basis of need or relevance but on the degree to which an organisation supports or is controlled by the grant-giving body. Such practices further exacerbate and confirm the culture of distrust amongst the wider community.

Local authority and other public sector support for voluntary and community organisations is discretionary. The scale of that support and the priorities for its use can change, without reference to the receiving organisations. In times of financial constraint, grant-giving bodies retrench around core activities or statutory responsibilities. Marginal changes to funding body priorities can have dramatic knock-on effects for voluntary and community sector organisations.

Mismatch between rhetoric and reality

For many people living in disadvantaged neighbourhoods, there is a profound disjuncture between their experience and the rhetoric of government policy. For the elderly or those with long-term debilitating illnesses, the prospect of

entering or re-entering the active labour force is not a realistic option. For them, the overriding priority is to achieve and maintain a tolerable quality of life. Many others of working age are daunted by the barriers to employment in terms of lack of skills, lack of confidence, the absence of support networks and pathways and the existence of discriminatory practices.

For those who do persevere, the benefits in being employed are often illusory. The jobs that are available are poorly paid and short-term. Few carry any realistic prospect for advancement. The consequential tapering of benefits that comes with employment means that the marginal rate of taxation for those entering employment has been extremely high. Jobs that have the status and remuneration to take them across the threshold of poverty remain beyond most people's reach. They might have gained the appropriate skills but, in a highly competitive marketplace, they lack the experience necessary to secure an interview or advancement.

A simple risk analysis on the part of those who are excluded from employment leaves many feeling that the benefits of participation do not warrant the energy. Their assessment of the situation is frequently shared by those who are employed to help them through the maze of, often discontinuous, pathways into work. Training, employment counselling and skills enhancement, therefore, become a permanent way of life on a journey that has no end.

Alienation
Institutional withdrawal, the lack of transparency and institutional doublespeak can lead to a profound sense of alienation both within the institutions providing services and

on the part of individuals and groups within disadvantaged neighbourhoods. This alienation can be measured by the difficulty in engaging in constructive dialogue. This difficulty is found not only within institutions and neighbourhoods but also between institutional and neighbourhood representatives. The impediments to open discussion are many. They include a need to remedy prior grievances, mandates placed on community and institutional representatives, intractable personal/group/departmental animosities, the presence of closed mindsets, an unwillingness to experiment, denigration of other participants, a suspicion of other people's motives and an unwillingness to work with new potential partners. The consequence is that it is often impossible to establish common or firm ground for discussion. The creation of constructive partnerships in such an environment is extremely difficult.

Exacerbating features

Although disadvantage and social exclusion are widespread and the consequences corrosive, the form they take differs from one location to another. There are factors that are present in some situations but absent in others. These factors add further layers to social exclusion but are not of themselves sufficient to explain its occurrence.

Housing
Many neighbourhoods visited during the course of this study were characterised by poor housing. In other neighbourhoods, however, the housing stock was in reasonable condition. In some neighbourhoods, it had been recently

refurbished or newly built. Not only did the quality of the housing stock vary from neighbourhood to neighbourhood, so did its ownership and management.

Although there is a close overlap between local authority ownership of the housing stock and disadvantaged neighbourhoods, other social landlords also own property in such neighbourhoods. The correlation in the UK between public sector ownership of housing stock and neighbourhoods of disadvantage is a consequence of the role played by and allocated to local authorities in the provision of rented housing. Experience elsewhere in Europe and North America, where there are different patterns of ownership of rental housing, shows a different picture.

The quality, ownership and management of the housing stock, although associated with, and contributing to, social exclusion, are not of themselves its determinant. When the ownership of the stock is transferred from one landlord to another, economic and social disadvantage is not left behind with the original landlord.

Ethnicity

Some of the visited neighbourhoods were culturally diverse and predominantly black, while others were culturally homogeneous or predominantly white. This indicates that, notwithstanding widespread institutional racism, ethnicity itself is not a determinant of social exclusion. In some areas, the relationship between minority and majority communities is positive and constructive; in others, it is negative and destructive.

The further up the economic ladder, the more evident it is that there are practices that favour white communities over black and men over women. As a consequence, there are few women or people from black and minority ethnic communities in senior positions in either the public or the private sectors. In more junior positions, young, inexperienced, unskilled males will be at a disadvantage and black, young, inexperienced, unskilled males will be at a particular disadvantage. The 'black' community, however, is not homogeneous. It experiences exclusion differentially. Bangladeshi and Pakistani men are more likely to be unemployed than Afro-Caribbean men who are themselves proportionally more represented on the unemployment register than are men from the Chinese or Indian communities.

The experience in the UK with respect to ethnicity is consistent with that across Europe and North America. Social exclusion does not explicitly recognise ethnicity, class, family or religion. The origins lie at a deeper level. Dominant societies are discriminatory in whom they choose to include and support. They first offer protection and advancement to those who most closely approximate the pervading norms of that society. As a consequence, those people who are at the greatest remove from these norms are most at risk of social exclusion. If social exclusion is to be addressed, these central norms have to be changed.

Neighbourhood dynamics

Finally, it is also important to recognise that there are different dynamics within socially excluded neighbourhoods. Each is different and has its own history. These differences and histories need to be understood and respected. Nevertheless, it is possible to identify three

dynamics which help to categorise otherwise diverse neighbourhoods.

Stable neighbourhoods

In these neighbourhoods, change, in terms of population decline and turnover, does take place but it either takes place relatively slowly, as in small coastal and inland towns and villages, or as a consequence of a once-and-for-all change in gear, as in ex-mining communities. The economies have changed but the people remain – there is nowhere else to go. The populations are often ageing. In these instances, there is scope to build on existing community organisations where they still exist. If not, it will be necessary to tap into the latent experience and re-engage the energies of local people to create a new social and economic infrastructure.

Neighbourhoods of transition

Many neighbourhoods are characterised by continuous transition. Here, those arriving mirror the numbers of people leaving an area; dockland neighbourhoods of many major cities have traditionally been neighbourhoods of transition. The incomers are frequently different from those who have been resident for a long time. There are two common scenarios. In one, there is an increase in the diversity and proportion of people of different ethnicities within the neighbourhood. In the other, which is more recent and often the product of deliberate policy intervention, there is a process of neighbourhood gentrification.

Neighbourhoods of transition either, because of the rapid turnover, do not have the capacity to establish community networks or divide into two or more communities – those who have been resident for a long time and those who represent

the new community. In these situations, it is necessary to work with both existing and incoming communities. The aspirations and apprehensions of both communities need to be acknowledged. It is important to break down barriers and to seek to build accommodations between the various communities.

Neighbourhoods of flight

Neighbourhoods of flight pose the most difficult regeneration scenario. The reasons why people wish to leave an area are many. A poor environment, postcode stigmatisation, fear of crime and distance from work opportunities are all powerful motivators for people to move on. In neighbourhoods of transition, they make space for the next generation of incomers. In some neighbourhoods, however, there are not enough newcomers who wish to take the place of those who have moved on. Many of these neighbourhoods have been dysfunctional for a long period of time. They have been the focus of repeated attempts at stabilisation or regeneration but the seeding processes have not been successful. People do not stay. In these situations, grand investment plans designed to regenerate, stabilise and even increase the population might well be inappropriate.

Attempts to rebuild such neighbourhoods without addressing the underlying alienation can be self-defeating. Here, it is necessary to work with existing organisations and community leaders to stabilise the community around realistic goals. At the same time, it is important to reverse the strong desire for relocation amongst those who wish to leave. This might well involve a process of retrenchment in which the population decline is managed. However, there is a deep-seated

reluctance on the part of institutional agencies to accept such an approach. It is, on the one hand, taken as a sign of defeat and, on the other, it is unclear where such a retrenchment might cease. It is important to recognise the difference between stabilising severely disadvantaged neighbourhoods within particular cities and the acceptance of massive regional migrations, which many fear may happen if such an approach were to be adopted. Retrenchment within a particular locality should not undermine, and indeed should contribute to, the successful development and implementation of broader regional strategies.

Summary

A profound change has taken place, on the one hand, in the balance between the individual and global market forces and, on the other, in the ability of existing institutions locally, regionally, nationally and even internationally to mediate effectively on the individual's behalf. This means that confidence in the ability of government to control and manage the agenda is limited. For many, government policies that envisage membership in mainstream society based on paid employment are either seen to be unachievable or, if achievable, judged to be of marginal benefit.

Within the labour market, a paradox is emerging whereby employers may have equal opportunity policies in place, yet those who do not approximate to the aspirations of, or have the qualities and skills valued by, the dominant society are excluded. Exclusion is not simply the product of rejection. It is also a consequence of discretionary selection processes. These selection processes are often overtly

judgemental. Multi-skilled people are preferred to those who have single skills; the qualified are preferred over the unqualified; younger people are preferred to older people; those who are presentable and accommodating are preferred to those who are seen as or thought to be difficult.

External service providers have a history of failure to deliver adequate services, work constructively with other service providers, respond to local grievances and delegate authority to on-the-ground staff. These failures have left an indelible mark on public engagement. There is a profound distrust of external agencies, such as housing, health and education authorities and the police, and their ability to respond effectively to local conditions.

Residents are often disengaged, resentful and carry a number of strongly held grievances. Most of these grievances are very practical and deeply embedded. There is a lack of community organisational capacity. That which does exist often reflects the lack of solidarity within neighbourhoods.

Social exclusion comprises a layering of interrelated processes. Unless strategies to counter exclusion encompass the lack of long-term, well paid jobs; alternatives to the formal labour market; discrimination; the collapse of social networks; distrust; powerlessness and alienation, they will fail to engage with many of the real issues experienced by those whom they are meant to support.

It is within this dense and difficult environment that community activity has endured. At a very local level, neighbours have, in spite of the difficulties, 'looked out for each other'. At a more organised level, community organisations have worked with specific

isolated groups of individuals, acting as an important mediator between them and external agencies. At a more general level, still larger NROs have acted as local anchors in disadvantaged neighbourhoods. They have brought to bear resources and expertise that complement, and in some instances replace, the services provided by external agencies. The following chapters outline the role of these larger organisations and show how they secure an improvement in the quality of life in disadvantaged neighbourhoods.

Notes

1   Originally coined in France, where 'social exclusion' was nationally specific, referring to a sense of rupture of the social bond assumed in national cultural policy, the term has been subsequently used by the European Union – see, for example, Duffy (1995).

2   Serious doubts have been raised about the possibilities for social inclusion in the face of entrenched social inequalities – see Levitas (1996) and Lister (1998).

4 Large, independent neighbourhood-based regeneration organisations

The formal and informal activities that take place within any neighbourhood, whether disadvantaged or not, can be extraordinarily diverse and can operate at many levels. They range from the support given to neighbours by individuals operating on their own behalf through to the intervention of external agencies. Not all of this activity is necessarily positive. Some external interventions can be damaging in that they are incompetently delivered or fail to respect local aspirations. Local activity can be exclusionary, amateurish or built around a victim culture. At best, top-down and bottom-up partnerships can bring resources and energies to bear that are far greater than the sum of their parts. This chapter and those that follow – while not denying the contributions of individuals, small community-based organisations, or external agencies – concentrate on the contributions of large, independent neighbourhood-based regeneration organisations (NROs) to neighbourhood renewal.

This chapter looks at two different types of NROs. First, there are those organisations that are usually included under the NRO umbrella. These include:

- development trusts, faith-based organisations, partnership organisations and independent organisations with no obvious affiliations – these are active in urban, suburban and rural areas

- settlements, social action centres and black and minority ethnic regeneration organisations – these are active in urban areas

- rural community councils which, as their name implies, are active in rural areas.

Second, there are a number of other agencies, such as schools, housing associations and health centres, which have taken on a regenerational role in disadvantaged neighbourhoods. Schools, health centres and many housing associations are locally based. They are, to different degrees, locally accountable and, to different degrees, have control over their own budgets. Although they have a particular functional emphasis, many are developing community, and to a lesser extent economic, development programmes for the wider community.

Neighbourhood-based regeneration organisations

Development trusts

Most prominent among NROs are the development trusts. The oldest, the North Kensington Amenity Trust, was established in the mid-1970s. It, like some of the other longer established development trusts, manages considerable programmes and has acquired substantial capital assets. Many of the earlier development trusts grew out of local opposition to external, often public sector, interventions in particular neighbourhoods.

Most development trusts, however, are small and of recent origin. Many of the recently established development trusts have been set up as part of, or as successor bodies to, area regeneration projects, such as the Task Forces set up during the 1980s and the Housing Action Trust, City Challenge and Single Regeneration Budget programmes of the 1990s.

The **Hastings Trust** was established in 1991, with the aim of bringing about the social, economic and environmental regeneration of Hastings and St Leonards through cross-sectoral partnerships. Working with 120 local groups and 50 businesses, it focuses on young people and isolated communities providing training, education support, advice and advocacy services. It has also set up a resource centre for community groups in the area and undertakes environmental and other projects in its own right. It employs ten members of staff and has an annual turnover in excess of £340,000. It is also in the process of creating a revenue-earning capital base by acquiring, renovating and renting/selling threatened buildings in the town.

The **Birmingham Settlement**, founded over 100 years ago, has reoriented its approach to deal with the new and emerging forms of poverty and need for different kinds of support in the mutli-cultural neighbourhood of Newtown and the surrounding area. It concentrates its energies on enabling individuals and communities to realise their potential, working with young people, adults and the elderly providing home-based support, crèches and children support facilities, day centres, financial advice and training, employment and personal development programmes. It employs over 100 members of staff, has an annual turnover in excess of £2.4 million and occupies buildings with a capital value of over £500,000.

There are now some 250 development trusts in England, Wales and Northern Ireland. Of the organisations participating in this study, the Hastings Trust, the Arts Factory in the Rhondda Valley and the Granby and Toxteth Development Trust are in this category.

Settlements and social action centres

Development trusts build on long-standing traditions of voluntary sector interventions in disadvantaged areas. Rapid nineteenth-century industrialisation gave rise to the Settlement Movement. A product of high-minded philanthropy, settlements, originating with Toynbee Hall and Oxford House in the East End of London, became a worldwide voluntary sector response to the privations of unstructured urbanisation.

Formed in the last decades of the nineteenth century and the first quarter of the twentieth, settlements were eclipsed by the growth of the welfare state. Many foundered because the original funders, although they endowed them with buildings, had not secured long-term operational funding streams. Those that have survived to the present day have had to generate new income streams to meet the changing needs of the areas in which they are based. For these agencies, it has required commitment and perseverance to transform their internal culture to reflect the needs and aspirations of the changed communities within their neighbourhoods.

The more recent social action centres grew out of the Settlement Movement. Established in the 1970s and 1980s, they are more distanced

from the philanthropic tradition of the settlements and have had to develop new approaches to acquiring premises from which they can operate. Altogether, there are some 70 settlements and social action centres in the UK. The Birmingham Settlement and Community Links, Newham, participated in the study.

Faith-based organisations
Anglican, Catholic and other Christian churches based in disadvantaged neighbourhoods, many inspired by the *Faith in the City* report (General Synod of Church of England, 1985) and the work of Church Action on Poverty, have expanded their remit to develop a community ministry in response to the changes that have taken place around them. Many also have been changed from the inside in response to the demographic and social changes that have taken place in their congregations and neighbourhoods. Muslim mosques, Hindu temples, Jewish synagogues and evangelical black churches have also developed community and economic development and support programmes.

The Muslim Cultural Heritage Centre, North Kensington, and the Brixworth Project at Christ Church, Brixton participated in the study. It is not known how many large faith-based neighbourhood organisations exist. Both the level of independence which individual places of worship enjoy within the faith traditions and the extent to which the individual faith traditions operate in isolation from, and sometimes in competition with, each other have militated against the mapping and co-ordination of faith-based activity in disadvantaged neighbourhoods.

The **Muslim Cultural Heritage Centre** has grown over the last ten years to become a focus for social and economic development for the Muslim community in and around North Kensington. It promotes self-reliance and develops self-confidence, providing facilities across the age range from children to adults in the areas of education, health, training, employment and cultural development. Religious activities blend with non-religious and the centre seeks the advancement of a multi-cultural society. It employs three members of staff and has an annual turnover of £350,000. It has raised over £5 million for the capital investment in the centre and has created a 'community chest' of £2 million.

Black and minority ethnic regeneration organisations
The exercise of choice within the rental, leasehold and owner-occupied housing markets results in a hierarchy of housing and neighbourhoods based on perceived value. A number of additional factors, when combined together, have resulted in a transformation of particular urban areas, in a relatively short period of time, from being predominantly white to becoming predominantly black neighbourhoods. These factors include:

- 'white flight' from cities in general and specific poor areas in particular

- new allocation systems among social landlords, to counter previous discriminatory practices.

The relative poverty of many of those who have newly arrived from environmentally devastated and war-torn parts of the world, and the institutional and cultural racism which confronts minority ethnic communities form significant barriers to onward movement.

The **Ethiopian Refugee Association, Haringey** (ERAH) was established in 1994 to meet the needs of the 5,000 or so Ethiopian refugees dispersed throughout Haringey and neighbouring boroughs. ERAH works in four main areas: advice on individual rights and mental and physical health; personal development programmes; business support and development; and information for and advocacy on behalf of Ethiopian refugees living in the UK. ERAH is a network organisation in contact with its 1,000 members and a wide range of associated organisations. It has an annual turnover in excess of £100,000 per annum, which is sufficient to employ one full-time worker and seven part-time sessional workers. It also has the benefit of three volunteers. It has no capital assets.

The communities in these neighbourhoods, although excluded from mainstream 'white' society, are often rich in cultural capital. Extended family structures and the tradition of intra-community support are still strong. Faced with difficulties in gaining access to public services, leaders in black and minority ethnic communities have organised within their own communities. They assemble resources and deliver services, as well as campaign for better

and more appropriate service delivery. In bilingual communities, meeting local needs through self-help circumvents the language and cultural difficulties of receiving services that are otherwise determined and delivered, in the main, by white professionals. There is no national register of black and minority ethnic regeneration organisations.

Rural community councils

In rural communities, there has been a long tradition of community development undertaken by the community and voluntary sectors. It has been funded through the Rural Development Commission and delivered by rural community councils. These, like the settlements, have had to change their agendas in response to changes in agricultural and small town economies. Many are now actively engaged in developing programmes and projects that address the underlying economic deprivation in rural communities. Dorset Community Action, which participated in the study, is an example of a reconstituted rural community council.

The situation facing rural community councils and other large community and voluntary organisations in rural areas is uncertain. The Rural Development Commission used to deal with both economic and social issues. However, its economic development remit has been subsumed within the briefs of Regional Development Agencies, which are seen as being urban in their bias. Responsibility for rural social issues has been passed to the Countryside Agency. The future of rural policies in general awaits the working through of the government's Rural White Paper.

The Community Council for Dorset was founded 30 years ago It revised its structure and changed its name to **Dorset Community Action** in 1997. It promotes thriving and diverse communities throughout the county, responding to local needs and sponsoring local self-managing solutions. It works with young people and adults in the field of social and economic development, and undertakes research to map rural poverty. It also encourages and participates in cross-sectoral partnerships in its own right. It employs over 40 members of staff and has an annual turnover in excess of £1.5 million. It also manages several grant funds, which provide support for particular local initiatives.

Partnership organisations

There are other sizeable, independent regeneration organisations that have developed locally around particular partnerships or alliances. There have been two well springs for these partnership organisations. Some have been established to meet local gaps in existing service provision or to address issues where existing service providers have been seen to have failed. They have been able to thrive because the drive of the instigators was infectious, the needs that they addressed were self-evidently justified and they were able to access significant sources of funds in their own right. Others have been sponsored by existing initiatives such as SRB programmes as forward strategies, or have been brought together specifically as in the case of New Deal for Community programmes in response to the bidding guidelines of government programmes.

Royds Community Association, based on the outskirts of Bradford, is resident-led and focuses on social, economic and physical regeneration. Started in 1991, it was successful in securing its own seven-year SRB programme in 1995. Its social development programme covers education, health, welfare, leisure and crime abatement projects. The economic development programme includes training programmes, business development and support, and linking with wider employment opportunities. The physical programme involves the rebuilding/ refurbishment of local authority housing stock for mixed tenures and the exploration of stock transfer options. The association has an annual turnover in excess of £4 million, complemented by an over £9 million investment by the public and private sectors. There are 41 staff and five volunteers who each give 20 to 40 hours per week of their time.

Having grown from a specific need, they see themselves as independent, stand-alone organisations. Their size and success bring them into contact with those who are also involved in regeneration, whether at a political, policy or practitioner level. Although they might become members of an overarching membership organisation, such as the Development Trusts Association, they do not as yet consider themselves to be part of a wider movement. In addition to the Royds Community Association, the CAIA Park Partnership in Wrexham and SPARC in Pembrokeshire were participants in this study who belong to this category.

Other potential neighbourhood-based community and economic development organisations

Over the last 25 years, governments of different political persuasions and with different policy priorities have initiated a plethora of initiatives and programmes to tackle problems within disadvantaged neighbourhoods. It is not surprising, therefore, that attention has been directed at stretching the remit of existing institutions with a neighbourhood base, such as those dealing with housing, education and health.

Housing agencies

Although poor quality housing is not synonymous with disadvantaged neighbourhoods, there is nevertheless a significant overlap between the two. The dynamics of the housing market give rise to concentrations of poor people with the least economic power living in poor quality rented accommodation whether that be in the public social or the private sectors. As local authorities are the main providers of rented housing, local authority housing stock is correspondingly associated with high indices of deprivation.

Throughout much of the 1980s, the priorities of central government were to diversify tenure on local authority estates through the Right-to-Buy programme and to tackle the problems of physical dilapidation. There was a consistent commitment to encourage residents to become directly involved in the management of the maintenance of their homes. This was coupled with pressure on local authorities to devolve budgets and responsibilities for management and maintenance to local staff and tenant-dominated organisations. A number of tenant management organisations (TMOs), estate management

boards and tenant co-operatives were formed. Tenant co-operatives and TMOs are concerned primarily with the management and maintenance of physical stock. Estate management boards tend to be larger, have been directly involved in the refurbishment of their estates and have also begun to develop community and economic development programmes.

> **Bloomsbury Estate Management Board** in Nechells, Birmingham was established in 1989 to oversee the management and improvement of the local housing estates, which, after partial demolition, now total some 700 dwellings. It has also supported a number of other community and economic development initiatives including youth groups, a sports centre, a resource and advice service, a credit union and a Local Employment and Trades System (LETS) scheme. It also runs its own café and launderette. It has an annual budget of £1.6 million, a large percentage of which is devoted to providing housing management and maintenance services. It employs 13 estate-based staff but has no capital asset as the ownership of the housing remains with the City Council.

Later initiatives, such as the Housing Action Trusts (HATs) and other organisations owning and managing transferred local authority housing stock, have adopted a commitment to community and economic regeneration from the outset as a central theme of their mission statements. Like-minded housing associations have grouped themselves under the auspices of

the People for Action, and the Housing Corporation has instigated a Housing Plus agenda to address the economic and social deprivation of people within the properties owned and managed by registered social landlords. Digmore Estate Management Board in Skelmersdale, Bloomsbury Estate Management Board in Birmingham and Hastoe Housing Association participated in the study.

Schools

Primary and secondary schools are important community resources in any neighbourhood. They establish a protected environment within which children can form friendships and social networks, many of which will last for life. They create mediated pathways along which children can travel on their journey to intellectual and emotional maturity. They provide individual mentoring, allowing children to resolve individual difficulties and enabling them to develop the confidence to explore, and eventually take their place in, a wider environment.

The school gate is not just a place to leave and collect children or where the day stops when the bell rings. Schools also bring adults together and, through their children, they develop their own social networks. They also have physical resources – the school buildings, playgrounds and playing fields – that are often used in the evenings, at weekends and during holidays for community activities.

There is a long tradition, originated by Henry Morris, the Director of Education in Cambridgeshire in the 1930s, of community schools. These were seen as a resource for the whole community, providing a centre for lifelong learning without physical boundaries or

generation barriers. For some schools, the introduction of local management for schools and the recognition that the education of children and young adults has to be a critical element in the regeneration of disadvantaged neighbourhoods has led them to play an increasingly important part within their local community. However, for many, the burdens of self-management, changes in the curriculum, performance indicators and concerns for child safety have driven teaching staff and school governors to withdraw to within the confines of the school gates.

Langdon Comprehensive School, Newham was formed in 1972, a merger of three secondary schools. It has over 1,800 pupils with over 75 per cent from black and minority ethnic communities. Over 90 per cent of graduates proceed to higher education. It was granted Sports College status in 1998. It has a whole-person approach to education with disabled access, learning support, low exclusion levels, high pastoral support, elected year and school councils, and a rich variety of out-of-school activities. Outreach teachers develop links with community groups and families of children with difficulties. The school has strong links with local primary schools and higher education providers. Extensive links with the EU have also been developed, including health promotion and school effectiveness projects, and individual and group visits, hostings and exchanges. Two hundred adults work on the campus.

In addition to Langdon School, Rufwood Comprehensive School, Liverpool also participated in the study.

Health centres

Primary care provision has undergone radical changes in recent years and will continue to evolve with the establishment of local primary care groups. Increasingly, primary care provision is moving away from single-practice surgeries to group practices. These broader-based practices offer not only a one-stop shop for minor aliments and a clearing house for major problems but also a wider range of associated health-related services. These can include counselling, homeopathy and complementary therapies. They are also increasingly used as centres for ante- and post-natal care as well as community nursing services.

The promotion of positive health is bringing about a change of culture among primary health providers and has given rise to the development and promotion of Healthy Living Centres. These build on the inter-war experience of the Peckham Health Centre and take a whole-person, whole-life-cycle approach to health. They seek to bring health professionals, district nurses, midwives, other service providers and community organisations together in order to evolve co-operative and supported practices to meet the needs of both individuals and communities in disadvantaged neighbourhoods. The rewards in terms of the care experienced by individuals and job satisfaction enjoyed by service providers are worth the challenges set by the need to develop new working practices.

Poor health is both a symptom and a cause of isolation, and limits the quality of life of both

The **Waltham Forest Community Health Project** was formed in 1998. Although part of the Health Authority, and moving to the Primary Care Trust, it is embedded within a ten-year housing, social and economic regeneration initiative. It supports individuals and groups taking control of their health, promotes wider and better service provision, and works in partnerships with other agencies. The project's approach centres on outreach work, counselling, advocacy and referral, self-management and complementary therapies. It participates in SRB and Healthy Living Centre programmes and, with partners, pioneers developments in primary care and holistic treatments. The project has an annual turnover of £300,000. There are 20 full-time staff, 13 sessional therapists and 12 volunteer counsellors, as well as placements for Refugees and Asylum Seekers helping them to build on their own qualifications and experience in Britain.

the individual concerned and their carers. It militates against their closer involvement in wider society as well as the social and formal economy of an area. Health centres, unlike schools, do not provide services that are seen as age specific. The young, adults and the elderly can all be afflicted with poor health. Health centres, therefore, are open to all. Doctors can also have a pastoral role, making the doctor's surgery a legitimate place for individuals and families to discuss issues that have implications that extend beyond health considerations alone. The Waltham Forest Community Health Project,

which participated in the study, is an example of this more open approach to primary health provision.

Models and approaches

Not only is there a plurality of locally accountable organisations that address social exclusion at a local level, these organisations also have developed a wide range of intervention strategies. Two broad approaches, two types of accountability and three operational styles were identified in the study. Table 2 shows generic models and approaches of the various types of NROs participating in the study. The matrix should be read as an indicative and not a prescriptive typology. This field of endeavour is still in flux. Most of the organisations participating in the study are responding to intense and often overwhelming local situations. Many, in the absence of successful alternatives, 'are making it up as they go along'. Working in an environment dominated by competition for funding, the measuring of outputs and the achievement of milestones, practitioners centre most of their energy on securing funding and delivering projects. There is little space left to reflect on the underlying patterns of their interventions. Many organisations are testing the boundaries of existing structures and creating new ones. There is also a debate in progress as to whether a new form of structure needs to be developed, which permits a melding of charitable objectives and commercial undertakings within a single enterprise.

Holistic approaches

Regeneration organisations with a holistic approach adopt a whole-community view from the outset. They then develop professionalism and competence in their designated areas of operation. These organisations may experience a period of rapid growth as they seek to meet

Table 2 Typical models and approaches of large, independent neighbourhood-based regeneration organisations

Agency	Approach	Accountability	Operational style
Development trusts	Holistic	Membership	Hybrid
Settlements/social action centres	Holistic	Membership	Hybrid
Rural community councils	Holistic	Partnership	Facilitator
Faith-based organisations	Holistic	Membership	Doer
Partnership organisations	Holistic	Partnership	Hybrid
Minority ethnic regeneration agencies	Holistic	Membership	Hybrid
Health centres	Single strand	Partnership	Doer
Locally managed schools	Single strand	Partnership	Doer
Community/locally based housing associations	Single strand	Membership	Doer
LA/HA devolved management – EMBs, TMOs	Single strand	Partnership	Doer

the wide range of unmet local needs. Although they have a strong community base, at the outset they can be in danger of overstretching themselves, scratching the surface in a number of areas but without the resources or experience to make a significant impact. They therefore can appear to be opportunist. There is also a danger that the diversity of individual projects will make it more difficult to foster linkages between the various strands of an organisation's activities.

Organisations that start out with a holistic brief have to take a long-term view with respect to their strategic development. As they grow and develop, they will need to review the structure of the organisation, management approach, the buildings they occupy, and the quality and relevance of their activities. They also have to establish a culture that promotes joint working and the interlinking of different aspects of the organisation.

Single-strand approaches

The second approach centres initially upon developing a competence within a particular strand of activity and then opening out to embrace a holistic approach. Included in this category, for instance, are training organisations that establish a competence in outreach work, counselling, training, volunteering, work placement, mentored employment, small business initiation and support programmes as well as partnerships with major employers. As the organisation develops a competence and a linkage between each aspect of its initial brief, it initiates additional programmes and partnerships with other agencies to complement its activities. These can include confidence building, childcare, positive health

programmes, welfare rights advice, elderly care and literacy programmes. A similar pattern of developing a competence in one area before fanning out into associated areas of activity can be seen among housing, education, health, youth work and economic development agencies.

These organisations are committed to developing a high-quality integrated suite of interrelated activities. In their initial phase of growth, they can be seen as not having a strong enough community base. Organisations with a single-strand approach also need to adopt a long-term development strategy and to broker that strategy not only with other organisations within their neighbourhood but also with external funding agencies. Given their initial narrow remit, they need to work from the outset with other organisations that can complement their own in-house activities.

Accountability

All organisations included in the study are formally constituted and produce annual reports and accounts. They all have management committees, boards of directors or trustees. Indeed, they have to; they are large, responsible organisations. However, they also see themselves as being accountable to, and responding to, the needs of local communities. All gain their legitimacy through being able to establish an 'audit trail' back to their locality. There are two broad models of accountability.

Membership organisations

Some organisations, mainly broad-based community associations, have open membership. Everyone within a neighbourhood is a member by virtue of being a resident. Other

organisations – many set up by groups of individuals or sponsored by existing agencies – maintain their own membership registers. The extensiveness of those registers is in the hands of the organisations themselves. Some choose to have as wide a membership as possible, and go to considerable lengths to draw new members in and keep existing members involved. Others choose to be relatively closed organisations and ask to be judged on what they achieve.

Whether the management board is elected from a wide or a narrow membership base, virtually all NROs will invite representatives from other local stakeholders to be members of managing committees. Some will also seek the input of organisations with a broader perspective from outside the locality.

Partnership organisations

Partnership organisations are the consequence of alliances formed between existing organisations. The resulting organisation gains its legitimacy from the alliance that has sponsored it. Its accountability is built on the membership base of its constituent bodies.

Some partnership organisations deliberately include a representation from local residents and some, such as estate management boards and New Deal for Communities partnerships, are constituted such that local residents form the majority of the governing body. Nevertheless, it takes painstaking effort to create a confident community infrastructure after years of neglect, and it is often difficult for existing stakeholders to defer and devolve authority to organisations that they do not control.

Operational models

Doers

Doing organisations are primarily committed to undertaking activities and delivering services themselves. They can be very focused and full of energy. Because they are task oriented and meet a wide range of needs, they are capable of rapidly growing and quickly establishing a local presence. They are able to attract and gain the support of external agencies, form partnerships and, as a consequence, establish strong positive cash flows. They are, therefore, better placed to acquire or be allocated land and buildings to secure their future. Their success can sometimes be a barrier to forming partnerships with smaller community groups.

Facilitators

Facilitators differ from doers in that their central commitment is to ensure that sustainable activities are sponsored, supported and embedded within a particular neighbourhood. They do not have to undertake the task themselves. They are network builders and depend on their contacts, skills, reputation and acceptability to a range of stakeholders for their ability to deliver desired outcomes. People and skills rich, they are primarily 'anamateurs' able to assemble packages of funds and local alliances to establish and maintain local initiatives. However, because they do not retain control over the organisations they sponsor, they remain relatively small. They do not establish the kind of cash flow or presence that would allow them to acquire assets for their own use or to generate income to contribute to their own core costs. They, therefore, remain dependent on project finance for their continued existence.

Facilitators are most evident in rural communities, where the disadvantaged neighbourhoods are relatively small and dispersed. In such situations, there is an understanding of the benefits to come from co-operation and an acceptance that local communities are not large enough to be self-sufficient in a full range of organisational and entrepreneurial skills. Facilitators provide not only the added value of these scarce resources but also ongoing linkages between the organisations that they have sponsored.

Hybrids

Hybrids, as their name suggests, are organisations that are both doers and facilitators. They set up initiatives in their own right but they also spawn them as independent sustainable agencies. Alternatively, recognising that funding might be time limited, or needs might be short lived, they take responsibility for initiating, implementing and then closing down a project when the funding or need runs its course.

Hybrids can be large enough to develop significant income streams to generate and support capital projects. These projects can provide the 'move on' accommodation for sponsored initiatives as they reach maturity and independence. Hybrids are also better able to cope with project and managerial overload. They are less likely to become silted up and, because spawning initiatives is part of their founding mission, they are also committed to strengthening the civil society of the neighbourhoods in which they operate. Also, by managing the birth, life and death of time-limited projects, they are able to mediate the difficulties and pain associated with this process.

Applicability

It is difficult to make a prescriptive assessment of which model is most appropriate in which circumstances. Much will depend on the local situation. Clearly, there are common-sense divisions. Rural community councils do not operate in urban environments and settlements, because of their history, are not found in rural or suburban locations. The choice between a development trust and a settlement/social action centre will depend on whether there is a viable settlement in existence that can form the basis of the local infrastructure. The choice of whether to start with a single strand or a holistic brief again will depend on local realities. In those situations where the local housing agency provides the only substantial piece of local infrastructure, it might be sensible to start from there. In neighbourhoods where there are a number of local agencies, none of which have a central focus on community and economic development, then it could be appropriate to set out to establish a new organisation that takes such a holistic view from the outset. The decision as to whether a programme-funded partnership organisation should establish a free-standing organisation that has a community and economic development brief, or take that role on itself, will again depend on local dynamics.

To embark on a process of neighbourhood regeneration is to embark on a journey. The desired outcome is a more self-sufficient, better-integrated, wealthier community enjoying a sustainable quality of life. One of the products of that process can be the creation of a new NRO or the strengthening of an existing agency to undertake ongoing community and economic development activities across the

neighbourhood. If the NRO started out focused on a particular activity, it will need to develop a holistic approach over time. If it had been initially sponsored under the wing of a school, a housing agency or another organisation, the central remit of which was not community and economic development, it might well be that the NRO would have become constituted as a stand-alone body, working in partnership with, and complementing the work of, other groups and organisations in the area and beyond.

Whatever the journey, a sustainable NRO will need to be a networking organisation and it will also need to have financial and organisational substance; it therefore is likely to adopt a hybrid approach.

It is important to develop a process that relates to the locality. With the introduction of Local Strategic Partnerships and the Neighbourhood Renewal Fund, neighbourhood regeneration will increasingly become a partnership endeavour. The choice of the community and economic regeneration vehicle will similarly become a product of the process adopted and an emerging consensus between the stakeholders involved in the partnership.

It is clear, however, that all single-focus stakeholders involved in neighbourhood regeneration partnerships, whether they be schools, housing agencies or health centres, will need to develop a more community-orientated agenda. All local agencies have a responsibility to assist in creating as good a quality of life for local residents as possible. Second, there will

need to be greater co-operation between, and an increased number of joint ventures undertaken by, existing stakeholders than there have been in the past. Third, as part of any partnership initiative, the baseline study needs to include an audit of the local community and economic regeneration organisations in order to identify the local capacity. An assessment can then be taken as to whether it is appropriate to build on the existing infrastructure. The presumption should be to work with the organisations that are already in place, unless they fail to meet overriding considerations of inclusiveness and equality, or are unwilling to engage with the wider regeneration agenda.

Summary

Given the relatively recent central government commitment to neighbourhood approaches to regeneration, it is surprising that there is already such a mature operational culture among the many agencies active in the regeneration of disadvantaged neighbourhoods. Investment can be made in the sturdy body of experience established by development trusts, settlements, faith communities, partnership organisations, rural development councils and black and minority ethnic regeneration agencies, as well as housing, health and education organisations. The next chapter considers the specific contribution that large, independent NROs can make in countering exclusion and promoting area renewal.

5 Contribution of large, independent neighbourhood-based organisations

This chapter outlines the contribution that large neighbourhood-based regeneration organisations make to countering social exclusion and furthering area renewal programmes. As the previous chapter has demonstrated, NROs are varied in their origins and structures. Some have been in existence, in different guises, for over 100 years, while others have only recently come into being. Their diversity reflects their commitment to respond to specific and ever-changing local agendas, priorities and needs. A sizeable neighbourhood regeneration organisation in full swing is a hive of activity. Some of those activities are humdrum, others exciting; some are noisy, others quiet. People are coming and going. There are formal meetings taking place as well as consultations on the hoof.

The range of activities undertaken by a single neighbourhood regeneration organisation can be impressive. Those undertaken by all NROs taken together are legion. Their community development activities include work with young children, women and families. They are engaged in youth work, health care and support for the elderly and for those with disabilities and learning difficulties. Their economic activities cover skills development, training programmes and volunteer and work placements. They are also involved in business development and business support as well as engaging in income-earning enterprises themselves. In addition, they champion cultural and artistic development, recreational activities and neighbourhood celebrations. They provide advice on housing and welfare benefits and money management, as well as promoting the social economy.

However, in the same way as it is not sufficient to define social exclusion by its symptoms, an understanding of the contribution of NROs should not be limited to the activities they undertake. Simply meeting needs without addressing the causal issues results in a never-ending call on resources. For individual projects to have relevance, no matter how innovative or worthy, there needs to be an underlying framework that guides the interventions of the organisations undertaking them. Discerning that framework is not necessarily easy. Working in an environment dominated by competition for funding, practitioners find that much of their energy centres on securing and delivering projects. There is little space left to reflect on the underlying patterns of their interventions. Nevertheless, it is important to try to understand what that underlying framework might be.

The purpose of this chapter, therefore, is to identify features of the NROs participating in the study, which, while recognising their diversity, are common to all or many. This level of abstraction does not seek to distinguish between companies limited by guarantee and friendly societies. It does not identify whether an organisation operates within a major conurbation, small town or rural environment. In many ways, though important, these are technical and definitional issues. Instead, this chapter seeks to identify the practical and policy-relevant qualities that these organisations share, and that establish their value-added contribution to the regeneration process.

Setting down such a framework represents

an attempt to establish patterns in an evolving field of endeavour. The framework outlined is, therefore, indicative; few NROs yet include all the characteristics listed and, of those that do, none includes them in an equal measure. The importance that each of the features takes within a specific organisation will depend on the circumstances of the situation: past, present and future opportunities; local needs and priorities; and the interests, skills and motivations of people and agencies involved. The defining characteristics of these organisations will continue to evolve. Those characteristics that are seen to be dominant at the present time might well recede in significance as others take their place. Nevertheless, it is important to try to understand what an underlying framework might be, irrespective of the projects and activities that an NRO might undertake. Such a framework can also provide a template against which such organisations can measure themselves and be measured. The underlying characteristics are grouped around four different themes: local anchors, personal development, community building and wealth creation.

Local anchors

By definition, the organisations participating in this study are large relative to the environment within which they are working. They are substantial players within their localities and their size enables them to make a contribution to regeneration programmes.

Although it can cause problems, their scale means that they are recognised both within the neighbourhood and by external agencies. They

provide points of stability and substance in a rapidly changing world. In order to manage their affairs, they have to have organisational structures and management and financial systems in place. The existence of those systems means that external agencies are more comfortable working with them. They act as an intermediate organisation between grassroots activity and external agencies. In this role, they provide a gear-change mechanism, moderating between relatively slow-moving external bureaucracies, constrained by the needs of internal consistency, and diverse and often rapidly changing local needs.

Their size also better enables them to form horizontal and vertical partnerships with other agencies in order to access European, central government and local programmes. They are also able to deliver local services beyond the capacity of smaller organisations. As a consequence of running a range of activities and being engaged in both horizontal and vertical partnerships, they are more able to link into the bigger picture than many smaller community groups. They can play an important leadership role by contributing to strategy development, and identifying gaps and limitations in existing programmes and initiatives. As they are based within a neighbourhood and are in closer contact with local organisations, they can play an ambassadorial role on behalf of the community sector. They are, therefore, better placed to be involved in policy development and to influence decision makers and funders.

Their leadership position within a neighbourhood and their intermediary position between external agencies and smaller organisations enable them to give local support such as:

- providing information to smaller organisations

- acting as advocate and negotiating on behalf of the neighbourhood

- facilitating the creation of neighbourhood-wide forums

- mediating where there are disagreements

- offering specialist skills, advice and mentoring

- managing a Community Chest to support local projects.

Struggling, as most are, to secure their own medium-term position, NROs have yet to fully develop their leadership aspect. Also, many smaller community groups prize their independence and are hesitant to enter into long-term commitments with NROs that can be seen as competitors for scarce funding opportunities.

Personal development

In many cases intuitively, and in others deliberately, NROs create pathways of personal development for people who have embarked on a journey out of isolation towards fuller integration with the wider world. Many outsiders are surprised and funding agencies are frustrated by the extent to which people who live in disadvantaged neighbourhoods have withdrawn from the public realm. Money might be available for training programmes, community activities, work placement and physical improvement projects but the take-up is often low and meetings called are poorly attended. There is insufficient understanding

that poverty, ill health and a sense of inadequacy are difficult to cope with emotionally and physically. An overriding sense of powerlessness makes it difficult to ask for help or to demand one's rights. Individuals, faced with apparently overwhelming odds, retreat into themselves, cutting themselves off from the outside world, even when support is available. Isolation destroys self-confidence and leads to depression and poor health.

The best NROs do not come with an externally acquired 'best practice' approach to creating change at the local level. They are responding to the unspoken pain, hurt and bewilderment that exists in many people's lives. NROs help to construct the pathways and environment that allow people to regain a sense of personal worth and reconnect with the wider world. Their contribution occurs at a number of levels.

Outreach work

In situations where adults and young children alike, fearful of the outside environment, have retreated behind their front doors, organisations working in disadvantaged neighbourhoods are operating in a new environment. It is no longer sufficient to offer a range of services and expect people to participate. People with poor health do not necessarily attend health centres. Alienated children do not necessarily go to school. Depressed people do not spontaneously join in community activities. In such situations, it is essential to develop new forms of outreach work in order to make contact with isolated individuals and groups. Outreach work takes three forms (see Figure 2):

- *Direct outreach* involves visiting people in their own homes and working in the

Figure 2 Outreach work
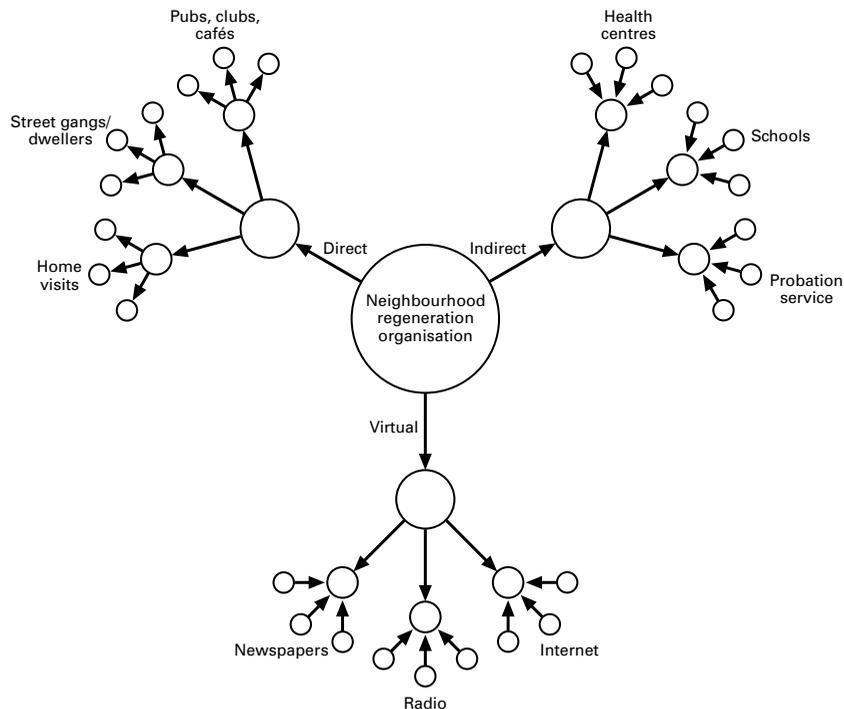
open, on street corners, in supermarkets, in clubs, in pubs and cafes.

- *Indirect outreach* involves taking referrals from other agencies that are in contact with isolated and vulnerable people, such as schools, health centres, health visitors, midwives and local authority social services departments. It also involves running joint projects with, and on the premises of, those organisations.

- *Virtual outreach* involves advertising in newspapers and newsletters, and on notice boards and local radio stations with very specific and targeted information. It also involves opening the doors of the organisation and inviting other groups to come in.

Outreach work has been a component of community development for many years but, in the past, it was done by junior, front-line workers with limited authority. Increasingly, senior members of staff are engaged in new forms of outreach work. They act as ambassadors for their organisation and have the authority to make decisions and shape responses to meet emerging needs. Outreach work, however, takes time to develop a critical mass. It is not readily funded as it shows few immediate benefits.

Trust building (see Figure 3)
Outreach work helps make the initial contact but, on its own, it is not sufficient. All the organisations included in the study have developed a range of low-risk, entry-level

Figure 3 Trust building
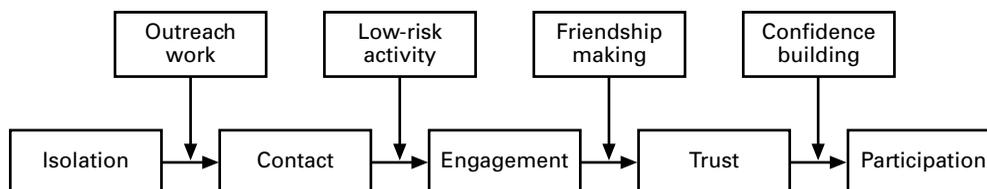
activities. They serve an important purpose in fulfilling a practical need such as a toy library, a knitting club, an advice centre, an art class, a football club, English language classes or an after-school club. These activities allow the participants to establish levels of trust and friendship with other participants and also with the project worker and the organisation that he or she represents. Once trust in individuals and confidence in an organisation have been established, the participants then introduce other members of their family and social networks. They become the outreach workers themselves.

Among certain groups, such as carers of young children, that initial trust can be established fairly easily and will remain in place, albeit dormant, for a considerable time before being activated by changes in an individual's situation. In other circumstances, such as among the elderly and women from some minority ethnic communities, trust takes longer to establish and people will need assistance to cross the threshold from isolation to engagement. Among other groups, such as young teenagers,

trust has to be renegotiated frequently because the client group changes or moves on rapidly. In other situations, especially among those who are referred by institutions, there needs to be a group of people who have successfully made the journey before. They act as ambassadors for those who are following them.

The success of these initial contacts and activities is crucially dependent on the person who convenes the activity. These initial meeting points provide not only the space to develop, test and validate bonds of trust and friendship but also a safe introduction to other activities. They act as a springboard to further levels of engagement. The people who run these entry-level activities also need to be talent spotters, counsellors, advocates and guides to other activities that are available.

Personal development (see Figure 4)
Virtually all of the projects undertaken by large, independent NROs include personal development and confidence building elements. These programmes enable people to improve

Figure 4 Personal development
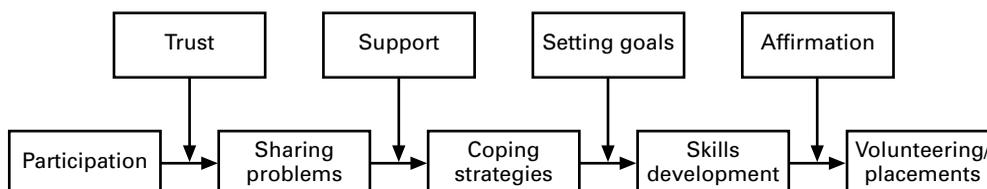
their life chances. When taken together, they form a progression of stepping-stones of increasing competence and participation:

- *Addressing difficulties*: many people remain isolated because they have difficulties in their own lives. These can range from debt, poor housing, poor health and domestic violence through to alcohol dependency, substance abuse, gambling, chronic insecurity and personality disorders. Unless people are able to admit to these problems and develop coping strategies, their ability to engage fully in the wider society is limited. Dealing with these issues is difficult. It can take a long time and require careful mentoring. However, once a particular threshold has been crossed, even though there will be setbacks, the release of energy and consequent personal development can be tremendous.

- *Skills development*: many of the activities seek to develop a person's confidence in their own abilities, either formally or informally. This can take the form of learning through doing, such as making rugs, cooking, pottery, painting, jewellery, silk-screen printing and dance. It can also take the form of dedicated training programmes, such as languages, IT, administration, and care and service skills development. There is an increasing tendency to accredit and validate the personal development that takes place or to build it into a broader programme. The emphasis on accreditation provides a measure not only of the effectiveness of a

particular programme but also of self-worth for the many people to whom formal qualifications have been irrelevant, oppressive or unobtainable.

- *Volunteering and placements*: there is a danger with much personal development work that it can take on a philanthropic aspect with services provided by those who have acquired the attributes of personal competence to those who have not. NROs seek to counter this by adopting a co-learning, two-way approach to their work. Users are encouraged to give as well as to receive. Once someone has gained sufficient confidence in their own worth, they can participate as volunteers, helping to run activities either within the parent organisation or working in an associated organisation.

In this way, NROs not only unearth, respect and strengthen the latent potential of individuals but also learn from their experience and insights. Users can help shape the form of the activities that take place and become involved in the management of the parent organisation.

The extent to which an individual or a group travels along this journey from isolation through to participation in the wider world will vary from person to person and from group to group. For some, their health, age or disability will limit their potential to participate. Others will pause at a particular level of engagement while they 'fill out' or sort out other aspects of their lives. Others will use the confidence gained by crossing a particular threshold to launch out elsewhere. Others will be knocked back by difficulties that beset them.

Building communities

Although focusing on the individual is a central commitment of NROs, it is not their only role. They are operating in neighbourhoods where existing social networks have been eroded, broken down or have not had a chance to develop. In many instances, the loss of some of these networks is inevitable. The lapse of others should not be lamented; some discriminated against women, others against children, and yet others against members of minority ethnic communities. Nevertheless, they did provide local support systems and have been lost. Underlying the activities of NROs is a concern, where appropriate, to rebuild social networks that have broken down and to strengthen those that have been eroded. They also facilitate the creation of new networks that serve local needs but do not have the negative impacts of those that have passed away. A central, but often unrecognised, function of NROs is, therefore, the creation of a strong civil society in the

neighbourhoods within which they operate. This contribution to building communities takes many forms.

Home-based networks (see Figure 5)
Large NROs, because they undertake a wide range of activities under the one roof, create clusters of mini-networks within their ambit. An individual can join an activity that meets an immediate need and this can be the starting point on a longer journey. For example, a Bangladeshi mother might join a toy library for her child, who later joins the crèche. Then, the mother takes up a place on an English for speakers of other languages (ESOL) class and later becomes a volunteer in an elderly project. An unemployed, middle-aged man might sign up for a training programme, and then meet and bond with other people on the course. They develop a business idea that is transformed into reality through the NRO's business development and incubation programmes.

Effective NROs provide not only a range of

Figure 5 Home-based networks

Care activities

Youth work

Health projects

Advice and counselling

Arts and recreation

Skills development

Business sponsorship
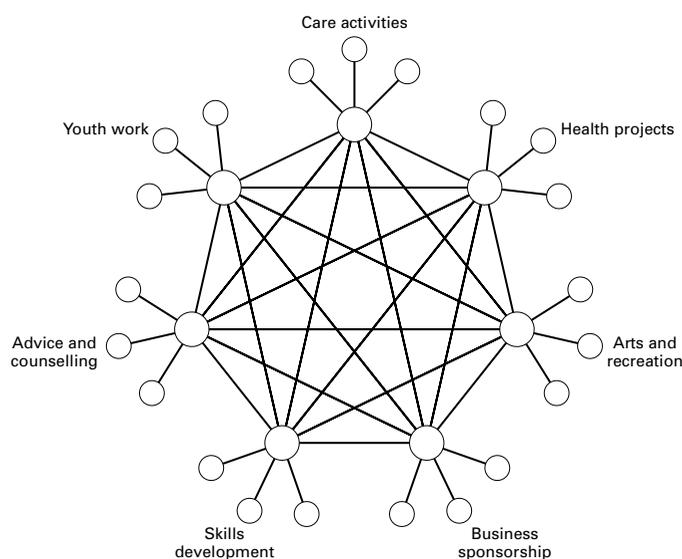
activities but also an environment that helps individuals to move on. By presenting a range of activities, they are able to respond to the needs of the whole person. It means that they can mentor people and open up opportunities for further personal development within a protected domain. These home-based networks provide not only essential stepping-stones on the journey out of isolation, but also important coping mechanisms in difficult times.

External journeys (see Figure 6)
One of the undoubted strengths of NROs is their ability to engage with local people and enable them to form support networks. However, although these networks have their benefits in terms of local solidarity, they can also have limitations. An individual's lack of self-confidence is often expressed territorially. He or

she is unwilling to explore outside their particular area or to enter what they perceive to be other people's domains. They feel safe only within their own community and among their own friends. The downside is that local networks can have limited aspirations and can become inward looking. Large NROs have established a number of different ways in which to extend home-based networks:

- *Local networks*: NROs are part of the local infrastructure. They know and work with other organisations active in the area. Individuals participating within home-based networks of one organisation can participate in the activities of sister neighbourhood organisations.

- *Extended networks*: NROs also belong to or have access to regional, national and

Figure 6 Network makers
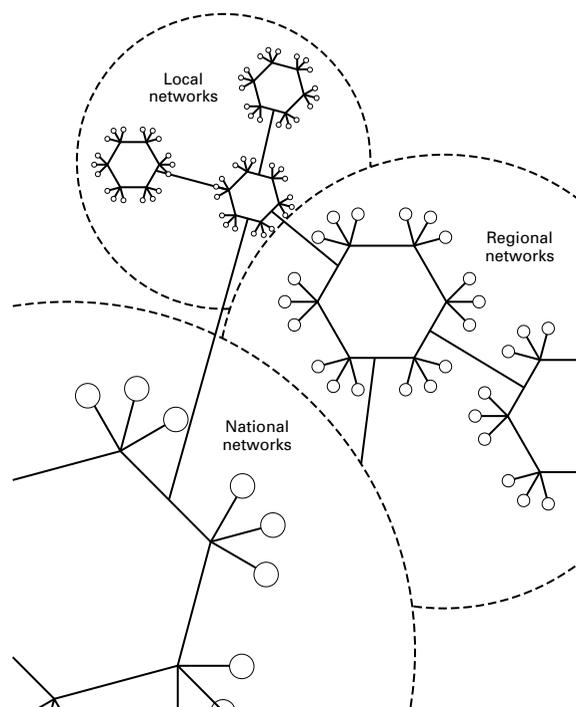
sometimes international networks. This enables them to have a wider context for their activities and allows them to make contacts and share information with organisations beyond the neighbourhood.

- *Real and virtual journeys*: local and extended networks enable opportunities to be opened up without the home-based organisation becoming an all-purpose agency. These extended networks provide important physical pathways for individuals and groups within disadvantaged neighbourhoods to move from one protected environment to another, with link workers helping individuals and groups across the thresholds. Moving about within

extended networks allows individuals and groups to exercise choice; develop skills and confidence; and expand their horizons, networks and friendships. It includes travel, training, volunteering, job placement, employment and the provision of goods and services. These journeys also can be virtual using Internet chat rooms, as well as video-conferences and radio and television link-ups.

Partnership building (see Figure 7)

Working in areas that complement those of mainstream service providers requires NROs to form partnerships and working relationships with other agencies. These can be diverse and extensive. At one level, they may be about providing services for, or on behalf of, another

Figure 7 Horizontal and vertical partnerships
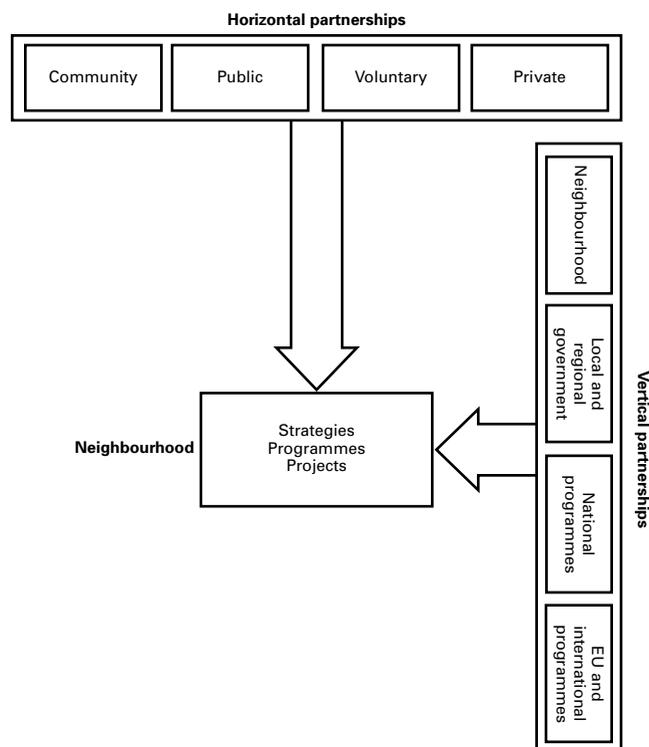
organisation. At another level, they may be about forming collaborative alliances to provide complementary services or to secure funding for the neighbourhood. Some of these collaborative networks will also have the effect of reducing duplication of scarce resources and widening the opportunities to meet local needs without jeopardising individual identity. At yet another level, they will provide for reciprocal arrangements involving the exchange of information, services and people.

Partnerships at the neighbourhood level entail horizontal linkages. Other partnerships might involve vertical linkages with other agencies at different levels of operation – local, regional, national and even international. These partnerships involve linkages with the voluntary sector as well as public and private sector agencies and other community-based organisations. Some partnerships include both horizontal and vertical linkages.

Wealth creation

The importance of the local economy has risen up the policy agenda as the failure of earlier economic development programmes has become apparent and national policy makers have learnt more about the reality of local conditions. Concepts such as the social economy, social entrepreneurialism and the intermediate labour market are descriptions of activities that, in many instances, have been taking place locally for a long time. Although the importance of the local economy has been absorbed into the policy milieu, the ensuing debate frequently fails to express the vitality and variety of wealth-creating activities that take place at a local level. A major contribution

of NROs to area regeneration strategies has been to identify, work with and enhance the local economy. Instead of stereotyping people living in disadvantaged neighbourhoods as being a drain on society, NROs have tapped into the productive energies and aspirations of local people in a number of ways.

Personal
The most immediate form of wealth creation takes place at the level of the individual. Here, NROs help increase personal capital by decreasing isolation, helping individuals to cope with personal-life difficulties, building confidence and developing positive health. These are essential first steps on a person's journey towards reintegration into the social and economic mainstreams of society. Second, they improve the employability of local people through training, volunteering and work experience. These activities also contribute further to raising individual self-confidence and reducing personal isolation. Third, they help to reduce financial poverty by increasing the amount of cash in people's pockets. They do this is two ways:

- *improving* benefit take-up through advocacy, advice and education

- *reducing* outgoings by improving access to transport facilities, the insulation of people's homes, setting up food co-ops, developing non-financial trading systems and the provision of debt advice.

None of these approaches to wealth creation necessarily involves employment. They are all measures that focus on improving the quality of a person's life and raising their latent potential. This latent potential can be quantified in terms

of the number of people participating in community activities as a proportion of the total population; the number of training/personal development programmes completed; or the number of people active as volunteers in running or managing projects. Without raising the latent potential within a neighbourhood, the prospects of an individual proceeding to being a part of the active labour force are diminished. For others, achieving a sustainable quality of life means that their situation has been stabilised. The misery of isolation and poverty has been reduced and the potential call on emergency services has been abated.

Pathways into employment (see Figure 8)
By encouraging users to become helpers and validating their contributions, NROs build from the inside out. As a consequence, many of the people working for an NRO have grown up with and within that organisation. They came first as users participating in the activities that were on offer. They then became more involved

as volunteer helpers and, as funds became available, as sessional, part-time and full-time workers. The service skills that they acquire along the way in areas such as childcare, youth work, elderly care, special needs, IT, counselling, catering, administration, gardening and driving are relevant in the wider economy.

Larger NROs also support local businesses and community groups by purchasing and providing local services. The extended local and regional networks, established by large NROs with local authorities, private sector employers and other voluntary sector agencies, also mean that they can broker employment opportunities outside the locality. For those who move into these wider networks, the NRO can provide an ongoing mentoring role and a place to return to meet old friends.

Reduced transaction costs
The health, education, environment, cultural and crime-reduction programmes undertaken by NROs not only improve the personal well-

Figure 8 Pathways into employment
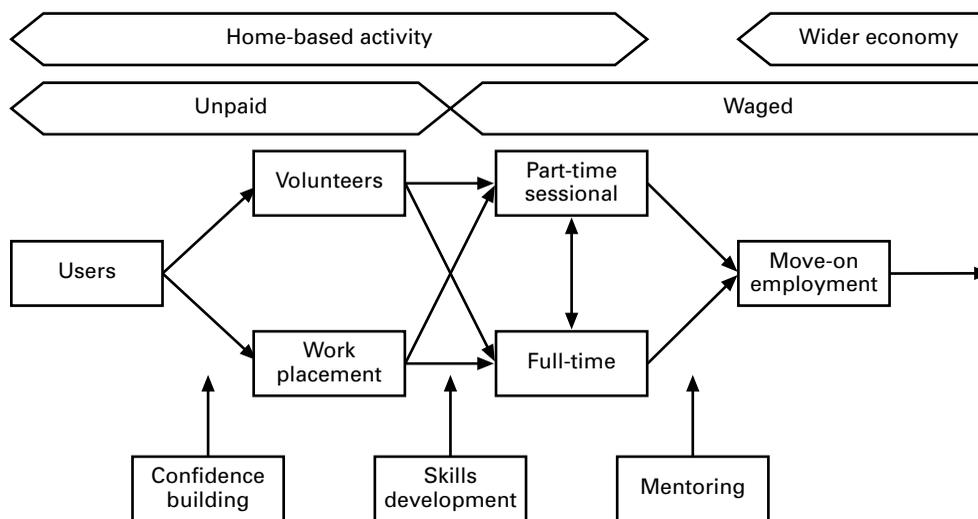
being of local residents, they also reduce the need for support systems to be provided by others. As a consequence, the load on local authorities and other agencies is lowered. This reduces the need for state funding or releases those resources to meet other needs. Training, volunteering and work placement programmes that result in employment reduce the need for state benefit support. The improvement in health, which for many is a consequence of becoming an active participant in a wider community, frees up time and resources for primary health providers. The provision of local services by NROs not only strengthens the local infrastructure, it can also deliver existing services more effectively or at better value for money than other agencies.

These hidden savings reduce the transaction costs of the public sector. The costs of meeting existing needs are lowered and the anticipated costs of meeting emerging needs are mediated. As a consequence, the state can deploy its financial and human resources more effectively. It does not need to employ so many people or raise so much money through taxation to meet a given level of need. The lower the transaction costs of the state, the more money is left in people's pockets and the lower the tax burden on commerce and industry. As a consequence, the economy is both stronger and more competitive.

Social capital

Wealth is measured in other than financial terms. For instance, an increase in trust lessens the hostility of daily interactions and speeds up decision making. It also increases the chances that decisions, once made, will be supported. The creation of social networks improves the

density of civil society within a neighbourhood. This in turn increases the ability to disseminate and collect information. It permits better early warning systems to guard against neighbourhood deterioration. A multiplicity of local networks and human interactions helps to consolidate a range of norms of acceptable behaviour. This helps reduce neighbourhood disputes and vandalism. It also enables the public realm to be reoccupied and thereby reduces both the fear of crime and the incidents of crime. This, in turn, also reduces the demands made on the police for enhanced security services and patrols. It is difficult to put a value on this hidden wealth. What is clear, however, is that the costs of rectifying the situation when local networks have broken down can be extremely high and time consuming.

Summary

Larger NROs have a major role to play in the transformation of disadvantaged neighbourhoods and in tackling social exclusion. Their scale enables them to participate in formal partnerships, and to draw down funds from EU, central government, the Lottery and local programmes. They can act as intermediaries between external agencies and numerous smaller groups within the neighbourhood. They can also act as a resource to foster and to support community activity within their neighbourhood.

NROs change people's lives by valuing individuals, and by investing in their education, health, enterprise and culture. They understand that people's lives, their sense of well-being and their confidence have been damaged by factors often beyond their control. They provide the stepping-stones for personal development on

the difficult journey from isolation to re-engagement in the social and economic mainstreams of society.

However, they are more than organisations that foster personal development. They also help build strong communities. They recognise that the social networks of neighbourhoods have been damaged by economic trauma, worn away by the daily grind of getting by, or, because of their transitional nature, have not had the opportunity to form. They are effective network makers, helping to recreate the connective tissue of civil society. The economic remit of larger NROs also generates important wealth-creation and entrepreneurial activities. Wealth creation takes a number of forms, both within and beyond the formal economy.

This chapter outlines a significant role for NROs in neighbourhood regeneration. At one level, this confirms the community sector's claim to be taken as a serious partner in neighbourhood renewal. At another level, it is a challenge to the community sector. The sector

has argued that it is able to make contributions that are not easily replicated by other stakeholders. However, it has been difficult to comprehend the nature of that distinct contribution. A contribution that is couched in terms of responding to unmet or emerging needs within disadvantaged communities is not sufficient, as it is open to counter-claims by other sectors and can, as far as funders are concerned, give rise to open-ended, unquantifiable commitments. This chapter has, therefore, attempted to identify the underlying components of the community sector's contribution. A consequence could be that such a template could be taken as a set of performance indicators to be imposed on NROs as a condition of funding or being appointed to deliver local services. If that were to happen, without adequate preparation, it would be unfortunate. There first needs to be a profound change in culture both within the community sector and among external agencies, as the next chapter indicates.

6 Policy issues

Large, independent neighbourhood-based regeneration organisations can make a major contribution to transforming their neighbourhoods, building social capital and assisting people to achieve their potential. They have a role that is distinct from that of other organisations active within disadvantaged neighbourhoods. They create pathways out of isolation, network building and wealth creation that are at the heart of the social inclusion and regeneration agendas. Yet, fundamental concerns about the potential of NROs to fulfil their role were raised continuously throughout the study. The first set of concerns focuses on the unwillingness of other stakeholders to accept the contribution that NROs can make and the second focuses on a number of severe operational difficulties that limit their effectiveness. These concerns extend well beyond the good-humoured 'whingeing' that takes place in the messy, on-the-ground reality of day-to-day activity within disadvantaged neighbourhoods. These issues are difficult to raise in the public domain because, in many instances, they appear to go against the grain of policy consensus and partnership that are in the process of being implemented.

However, if left unaddressed, the potential of NROs to make a significant and sustained impact on the transformation of disadvantaged neighbourhoods will be permanently constrained. This chapter identifies a number of policy issues raised during the study, which, if resolved, would go a long way to establishing a constructive framework for supporting the sustainable development of these valuable organisations.

Contested space

Again and again, throughout the one-on-one meetings with NROs that have adopted a holistic approach – development trusts, settlements, faith-based organisations, minority ethnic regeneration organisations and even partnership organisations – the ambivalent and uncomfortable relationship that exists between them and their local authorities surfaced as an issue. This was explored further in the regional seminars. Very few of the holistic NROs participating in the study reported that they had constructive and supportive relationships with their respective local authorities. Most of the single-strand organisations, housing agencies, schools and health centres also had to take the initiative in developing a wider agenda and often found the sponsoring institution unsupportive of their community and economic development activities.

Holistic NROs need the support of institutional stakeholders, and most particularly their local authority, in order to thrive. As strategic authorities, local authorities have the responsibility for bringing together local stakeholders to form partnerships in order to bid for funding from regional, national and EU programmes. They also act as referees or co-signatories on applications made by NROs themselves. The local authorities still maintain considerable discretionary grant-giving powers of their own and are often the vehicles through which external funds are channelled to these organisations. It is therefore important for NROs to remain on the right side of the powers that be within the local authority.

However, NROs operate in a physical and operational space that has traditionally been the

domain of local authorities and other public sector bodies. Their emphasis on creating stronger neighbourhood networks, enhancing personal development and promoting wealth creation, whether measured in terms of social capital or engagement in the formal economy, engenders different priorities and gives rise to different forms of intervention. They also champion the locality in a way in which ward counsellors and public sector officials, constrained by the need to balance the specific requirements of a neighbourhood with the overall budget constraints of their authority, cannot do. These organisations can be in much closer contact with the communities within their neighbourhoods than are the local authorities. As a consequence, they are more rapidly able to identify changes in local needs and pinpoint failings in existing forms of intervention. Many local authority councillors and officers, as a consequence, feel threatened.

Some NROs are not seen simply as an irritant by existing public sector service deliverers. They have come into being as a result of the perceived failures of local authorities and other service providers to respond adequately or appropriately to local situations. They have organised locally and built local alliances to confront these perceived failures. They have developed projects that are tailored to local situations, and have been able to tap into financial and human resources that local authorities cannot draw upon. Often, the more successful these organisations are at articulating and meeting local needs, the more hostile the statutory authorities become.

At a more profound level, large, independent NROs challenge a culture of collusion that sometimes exists at an unspoken, and often subliminal, level amongst public sector and externally based voluntary sector organisations. These agencies administer to the poor, the ill, the disadvantaged and those who are disabled or suffer from mental illness. They are the service providers of last resort. Sometimes, a symbiotic relationship emerges between those who are 'in need' and those who provide services to them. Service providers have a vested interest in the continued existence of their clients. Their legitimacy, salaries, authority, position in society, holidays and mortgages depend on the continued existence of the disadvantaged. Notwithstanding the importance and necessity of the services these agencies provide, there are powerful reasons of self-interest that favour dealing with the symptoms and not addressing the causes of social exclusion.

Effective, independent NROs are committed to alter this culture of service delivery. They seek to empower local people and to utilise the energies released to create personal and social wealth. Their aim is to minimise or obviate the interventions of those who wittingly or unwittingly 'farm' those who are socially excluded. This poses a major organisational and professional challenge to existing service providers, as many of the services they offer can be delivered more appropriately and cost-effectively by other organisations or by local people. Many of their clients, if allowed to develop their own agendas to meet their own needs, might come to the conclusion that there are alternative approaches to those that are currently in use.

Institutional responses

The pattern of behaviour of existing service providers has not been uniform.

During the 1980s, many urban local authorities supported existing community-based organisations and promoted the creation of others. This support had two major drivers. On the one hand, local authorities were responding to the growth of such organisations as they attempted to meet the needs of new or hitherto under-represented constituencies. On the other hand, under attack from central government, local authorities sought to secure their position by developing defensive local alliances.

Given the adversarial nature of central–local government relations and the defensive nature of local authorities, it is understandable that grant support was channelled to community organisations that facilitated or complemented the activities of the funding agencies. Few community organisations could expect to maintain their grant funding if they overtly opposed the strategies of the funding agency. As a consequence, those community organisations that sought to address local economic regeneration issues, or championed the needs of a particular neighbourhood, or were critical of local authority policies and practices have not always thrived. Those that have prospered have developed incrementally, have slowly achieved a degree of financial security, or have had access to independent sources of funds.

Many of the organisations that developed within the hegemony of the local authority have, as they grew in competence and confidence, developed their own agendas. Some have challenged the authority of the

agencies that created them. A parent–child relationship frequently has evolved in which the sponsored organisation has struggled for its independence and the local authority has been unwilling to let go.

In attempting to maintain control, some local authorities have questioned the accountability and effectiveness of independent NROs. Others have sought to make appointments to their boards. Some local authorities have withdrawn funding or made grants dependent on specific outputs. Others have initiated look-alike projects. Some have sought to isolate NROs by forming alliances with smaller community organisations, exploiting their dependence on local authority funding streams and their fear that every sizeable grant given to a large organisation means that many smaller organisations will go unfunded. Notwithstanding the responsibility of local authorities to monitor the quality of the services provided by organisations that they fund, the universality of the criticisms would imply that there is an underlying issue that goes beyond the technicalities of financial accountability.

This troubled relationship remains in place even though support for neighbourhood-based regeneration programmes has been an important plank of central government policy for nearly a decade. There are examples of local authorities circumventing the intentions of central government policy by introducing external agencies and consultants to undertake specific programmes of work, thereby bypassing local organisations. In other instances, local authorities have externalised their own operations rather than invest in the existing independent neighbourhood-based infrastructure. Some have used their influence

over regeneration funding to support a plethora of new organisations rather than strengthen the existing infrastructure. Others have used the Best Value process to review services they buy in from the community sector before they have reviewed their own practices. Few see their own services as public assets that can be transferred to NROs. In other instances, partnerships formed to deliver regeneration programmes have been empty vessels. The local authority has been the accountable body and has thereby controlled the flow of funds. They seconded staff to partnerships and thereby controlled the flow of information. In other instances, they have cherry-picked the partnership board members to ensure that any opposition to their hegemony is minimised.

A constructive and supportive accommodation needs to be established between local authorities and independent NROs active within disadvantaged neighbourhoods. This is not a question of either/or but of both having a role to play; mechanisms need to be put in place that recognise the legitimacy of their respective contributions.

Clarity of roles

The need for a strong civil society, with confident communities and active support networks, is widely appreciated across the political spectrum. The current administration's commitment to Active Citizenship represents the most recent embodiment of that consensus. It is evident, therefore, that NROs do not and cannot expect to have a monopoly on developing and maintaining an effective infrastructure within disadvantaged neighbourhoods. They will be working alongside single-purpose community and voluntary sector organisations meeting specific needs of specific communities. Other community groups will spring up spontaneously. Some will meet a short-term need; others will have a much longer time requirement. Each will require different levels of support and sponsorship. Other local players – housing, education and health agencies – have an important role in using their presence to support the strengthening of civil society and community and economic development within their neighbourhoods.

However, it is also important to recognise that these other local players are not able to replicate the contribution made by NROs.

Single-purpose community groups are unable to respond to the diverse needs of disadvantaged neighbourhoods. Few are large enough to provide an anchor role for the community and voluntary sector.

Within the housing sphere, few estate management boards have been large enough to have a sustainable impact on the local economy. Their objectives have often been narrowly defined to focus primarily on housing issues. It has therefore been difficult to widen the agenda or to persuade residents to become involved in other issues once the original programme of work has been established. Of the larger housing initiatives, such as HATs, all have sponsored separate organisations to undertake their community and economic development functions. This is partly because the cultures, processes and practices of housing management and maintenance, although complementary, are different from those of community and economic development. It is also in part

recognition that community and economic development represent a longer-term resource demand that benefits the wider community. The cost and risk of these activities should not be borne by the tenants of social rented housing alone.

Although local authority housing departments have been criticised for taking too narrow a remit with respect to tackling social exclusion among their tenants, independent registered social landlords (RSLs), such as housing associations, are themselves quite restricted in what they can do. The Housing Corporation, which regulates RSLs, has constrained them from being involved in community and economic development activities except on a *de minimus* basis. Although the Housing Corporation has widened the parameters within which registered social landlords can operate and has actively supported the Housing Plus agenda, there remains a number of limitations to the substantial involvement by housing associations in community and economic development.

First, the culture of registered social landlords is embedded in the delivery of housing development, management and maintenance services. Most see their primary objective as being housing providers. As long as there is unmet housing need, their main priority will be to focus their resources on the acquisition and building of additional properties. Second, few have adopted a specifically neighbourhood focus. Most meet housing need by providing housing across a number of disadvantaged neighbourhoods. Most neighbourhood-based housing associations are by definition small and are not significant players in determining the policy

agenda of their sector. Third, there has been little incentive for larger housing associations to metamorphose into smaller locally based agencies or to work co-operatively with other community and economic development organisations within particular neighbourhoods. Finally, there is an often unspoken tension between the contractual responsibilities of the social landlord, which has the ultimate authority to evict residents, and that of a community and economic development agency, which is committed to supporting individuals on their journey out of isolation and poverty.

Nevertheless, many registered social landlords have a commitment to serious engagement in improving the quality of life and wealth-creating opportunities for their residents. The development of the Housing Plus Agenda, initiatives taken by individual associations and the formation of People for Action are evidence of this commitment. These initiatives need to be fostered.

There are also many factors that militate against schools taking a central role in providing a community and economic development anchor role for an entire neighbourhood. As with housing agencies, their primary responsibility is to deliver a particular range of services. The delivery of educational services to children is a demanding and ever-changing responsibility. The introduction of the National Curriculum, the publication of performance tables, the devolution of financial management, the need to raise standards, the problems of attracting and keeping staff set an agenda for immediate action, which means that few have the resources or energies to engage with the wider community. When that

engagement does occur it usually stems from concerns about children who are experiencing difficulties within the educational system. Their commitment to inclusion stems initially from educational concerns regarding the disabled and those in need of learning support. Frequently, their approach to exclusion has been to address the issues facing those children who are particularly disruptive in or alienated from a school environment.

There are also perception difficulties and skills deficits. First, schools are seen as dealing only with the needs of children. Also, many adults living in disadvantaged neighbourhoods have had unsatisfactory experiences within the educational system and do not see schools as places where they would expect or wish to go to develop their own skills. Second, in the wake of the violence that has taken place in UK and North American schools, as well as the continued concern about child abuse, schools are increasingly creating secure barriers between the school and the surrounding neighbourhood. Unfortunately, gated fortresses are replacing the 'boundaryless school' of Henry Morris's original vision. Third, for teachers, working with adults is very different from working with children. Furthermore, schools are not funded to take on broad-based community and economic development programmes. At the end of a tiring day, these aspects will remain marginal to their mainstream functions unless resources are made available.

The active participation of health authorities in regeneration has been a recent phenomenon. Notwithstanding the setting up of primary health care groups, the publication of the Health of the Nation strategy, the introduction of Health Action Zones and the support for

Healthy Living Centres, their engagement has so far been tentative. There is a long way to go and it would be too early to generalise the outcome from specific initiatives. To date, health issues have been on the agenda of local communities far more often and for longer than neighbourhood regeneration has been on the agenda of health authorities.

The current changes taking place in primary care will absorb the energies of service providers for some considerable time. The extension of that agenda to embrace neighbourhood regeneration and community and economic development as a mainstream function will also require the addition of new skills.

Chronic financial insecurity

If, for the foreseeable future, community and economic development will remain of secondary importance to single-strand service providers, it is essential that NROs that focus on these aspects of neighbourhood renewal should be confident about their ability to contribute. However, the most important issue facing all the holistic NROs included in this study is their chronic financial insecurity. Financial insecurity is so endemic that it is assumed that 'it comes with the territory'. It dogs every organisation no matter what size it is, how long it has been in existence or how apparently well established it may be. There are many factors that contribute to this situation.

Changes in funding regimes
Funding regimes, which have never been prolific, have changed substantially in the last decade. First, there was a reduction in funding from traditional sources, such as the Urban

Programme, which was terminated in the early 1990s. Next, came the decision of local authorities to consolidate their activities around their core statutory functions and to limit their commitment to the voluntary sector. This coincided with the emergence of new sources of funding for the voluntary and community sectors, such as the National Lottery, Single Regeneration Budget and access to European funding. In many instances, the net effect of the withdrawal of local authority funding and the introduction of new targeted sources of funding has been a reduction of resources available to NROs and the communities they serve. Future prospects are uncertain. The SRB and the New Deal for Communities programmes are drawing to a close. Neighbourhood Renewal Fund (NRF) will become the major vehicle for bringing additional resources to bear in disadvantaged neighbourhoods. However, the extent to which NRF expenditure will be driven forward by local communities will be dependent on the quality of the Local Strategic Partnerships and Community Strategies that are to be developed. The responsibility for preparing these will fall largely on the local authorities.

Project-based funding
The new forms of funding share two important characteristics. They are project based and output driven. The need to monitor the effectiveness of activities undertaken by organisations is self-evident. It is good management practice and provides an accountable feedback to external funding bodies. The debate is about the detail of monitoring required, choice of particular milestones and whether outcomes are a more appropriate measure of effectiveness than outputs.

The switch to project funding has required the community sector to become more financially aware and has obliged those organisations that did not engage effectively with users to improve the quality of their activities. However, it has had a number of profoundly destabilising effects. Project funding, in the main, recognises only the direct costs of the organisation undertaking the project. The central administrative core costs of an organisation are not recognised as a legitimate expenditure within the criteria of many project-funding regimes. In order to cope, successful NROs have developed two strategies. First, they operate with small central administrative and financial teams and adopt a flat management structure. Second, they seek to defray these minimal but essential costs as invisibly as possible over as large a number of projects as practicable. This means that these organisations are forced to be project driven and they have to temper their commitment to meet the needs of their constituencies with their need to generate income.

Competitive tendering
Project funding has also coincided with the introduction of bidding procedures. Competition has a number of advantages. It helps to identify and reduce programme costs and promotes innovation. However, it also increases the on-costs of an organisation, since staff have to devote energy to preparing submissions. It also heightens financial insecurity. In an environment dominated by short-term projects and competitive tendering, few organisations have any control over their medium-term finances. Finally, it fragments capacity at the neighbourhood level, as NROs have to compete

with other potential providers in order to carry out work in their neighbourhoods. Although New Deal for Communities and the proposed Neighbourhood Renewal Fund have substituted measurement against performance criteria for competitive tendering as the initiating approval mechanism, such an innovation has yet to be introduced for community and voluntary organisations operating within disadvantaged neighbourhoods.

Payment by results and payment in arrears also have a number of serious consequences. Virtually all community-based regeneration organisations operate with a significant overdraft for much, if not all, of the year. This increases their operational costs and leaves them dependent on the goodwill of their bank managers. Alternatively, it makes them dependent on the local authority, which acts as the grant holder for projects and in effect the banker *in absentia*. Delayed payment on a project or failure to achieve specific outputs can put the whole organisation in jeopardy.

Poor employment practices

If financial insecurity was simply a way of life, it might be tolerable. However, it has profound knock-on effects for NROs. Financially insecure organisations, unable to plan ahead and without cash reserves, have little alternative but to pass their insecurity on to their staff. Without an ability to forecast its medium-term income, it is not possible for an NRO to establish long-term or responsible employment practices. This results in a situation whereby those who are committed to work with the poorest and the most financially insecure sections of the community are themselves financially poor and

insecure. The dependence on time-limited projects contributes, therefore, to a culture that tolerates poor employment practices.

Front-line staff
The conditions of employment for staff of NROs reflect their funding regimes. Some are appointed on short-term contracts, often with variable hours. Others are employed on part-time contracts but expected to work the equivalent of a full-time working week. On other projects, fixed costs such as rent and telephones are paid first and the remainder taken as wages. Because the organisations are small, not-for-profit and working in disadvantaged communities, it is frequently assumed that the levels of pay they award should be low. Dependence on short-term projects also militates against the provision of adequate pension arrangements. Once such a culture becomes established, competitive bidding processes ensure that it remains so.

Not only do staff members working for NROs have to endure poor conditions of employment, many are also regularly served with precautionary redundancy notices. These are issued because the projects they are working on have to be re-tendered on their completion or the grant funding supporting them is not automatically rolled over at the end of the year. If they are to act responsibly, many management committees/boards of trustees feel that they have no alternative but to issue redundancy notices in situations where the organisation has no reserves. Staff, having been made redundant at the end of one month, with all the associated anxiety, can, quixotically, be re-employed the following month if continuation funding is secured.

Senior managers

Senior managers also are under-resourced. They have the equivalent of a portfolio of jobs wrapped into one. They are the chief executive and the company secretary with overall responsibility for the management of the organisation and for ensuring that the accountability of the agency is properly maintained. They are also the marketing managers responsible for the organisation's public face and the income generators, negotiating and preparing bids for new projects. In many instances, they are, by default, the personnel and IT managers and, if a specific project gets into difficulties, they are also crisis managers. Clearly, there are many factors that force senior managers working for NROs to be wedded to their jobs.

This produces a stressful working environment for all concerned. It is exhausting and never-ending. It is an environment where the risk of failure is always present. These are conditions that can easily result in burnout and ill health.

Organisational constraints

Project funding hinders NROs strengthening their internal procedures and structures. As a consequence, most NROs are obliged to operate at the edge of their competence. This is evident in a number of areas of activity.

Lack of capacity

As organisations grow, the managerial, organisational, financial and legal structures, as well as the administrative and IT systems, need to be upgraded. Internal monitoring and quality performance procedures have to be developed

in order to cope with the more complex day-to-day running of the organisation.

Staff, volunteers, committee members and trustees also need training in order to develop their own skills, as well as their ability to respond to changing external and internal environments. Organisations that have reached a level of maturity also need to be able to reflect and, where appropriate, restructure in order to remain innovative and relevant. Settlements, rural community councils and faith organisations in particular have had to adapt their cultures and activities to reflect the changing environments within which they operate. In addition, external funding agencies are increasingly requiring the existence of extensive internal management, quality assurance and financial systems as the prerequisite for the award of funding.

At present, this work is undertaken on the hoof, after hours and at weekends. It is an extra activity imposed on an already pressured work programme. Without adequate staffing, funding and time for this type of investment, the development of NROs will be hampered.

Financial systems

The diversity of the projects undertaken creates a further administrative burden. Few projects are large enough to warrant a full-time manager. The salaries of senior managers are, therefore, split between a number of funding sources. In addition, most projects will be supported by a range of funding agencies; indeed, matched funding is a requirement of many funding bodies, as it spreads their risk. Each funding body has its own approach to financial accountability and with few exceptions each sets down its own reporting requirements. At

the centre of every successful NRO, therefore, there is an overworked back-office team responsible for maintaining the multiple audit trails that link individual grants to specific aspects of numerous projects. On some EU projects, files have to be kept open for inspection for up to three years after the completion of a project. Failure to retain such files can be grounds for reclaiming the initial grant. However, the need to develop and maintain complex suites of financial systems, although a prerequisite of being able to manage multi-funded projects, is not covered by project funding regimes.

Reserves and capital assets

Although NROs are expected to operate in the market, a pervasive culture militates against 'not-for-profit' organisations establishing financial reserves that would protect them from the risks of the marketplace. Frequently, there is a presumption that the organisation has to be without any reserves in order to show proof of its not-for-profit status. Also the creation of financial reserves is seen as making profits from delivering services to disadvantaged communities. Funds set aside, for instance to cover potential redundancies, are considered to be free reserves and count against an organisation when it is seeking grant support. This situation is in stark contrast with the fiscal practices applied to the private sector. When private sector companies put themselves forward to be placed on a local authority tender list, they have to show that they have assets and a positive cash flow before they can be considered eligible to undertake work.

With some exceptions, notably the older settlements and the NROs that were set up as

metropolitan counties were being wound up during the 1980s, NROs have not been endowed with buildings from which they can operate. Very few have had the advantage of Coin Street Community Builders and the North Kensington Amenity Trust of being the beneficiaries of assets that would enable them to develop sustainable independent income streams. Even though there has been a major shift in the policy agenda to create an environment that is conducive to the development of such organisations, it continues to be extremely difficult to establish substantial independent organisations that have the necessary capital assets to make a sustainable impact on the underlying economic and social issues causing social exclusion in disadvantaged neighbourhoods. As a consequence, most are under-capitalised, housed in run-down buildings and subject to the uncertainties of the property market or their public sector landlords.

Inadequate infrastructure

Unequal partnerships

NROs are at a severe disadvantage when working with better-funded institutional partners. Each of these stakeholders – health authorities; the housing, social services and education departments of local authorities; the Employment Service; the police authority; housing associations and major private sector employers – has an operating budget measured in millions of pounds. Many employ hundreds, and some thousands, of people and each brings that capacity and authority to the table. In addition, institutional stakeholders are able to vire between budget heads and allocate additional staff to meet specific needs. The

people participating on their behalf can draw on the back-up resources.

On the other hand, NROs have few, if any, of these advantages. In comparison, their budgets are small. Their resources are limited and their organisations fragile. They may be at the table but they are not resourced to participate on equal terms. Many of those who participate on behalf of NROs have to fund-raise for their own salaries. Although the other stakeholders are aware of this, they take their own capacity, and hence the imbalance of the relative capacity of institutional and community sector participants, for granted. Their policy and programme priorities are focused on meeting their own needs and achieving their own agendas. Few include the tackling of the imbalance between the participants in local partnerships as a central priority. This leaves NROs isolated. It is seen as a problem that they have to solve on their own.

Break-up of pathways and networks
The downside of project funding and financial insecurity is not restricted to the organisations alone. It also impacts on the users. One of the most debilitating consequences of short-term project-funding regimes is that they do not recognise the important pathway building, network making and civil society strengthening work that large NROs undertake. These organisations attempt to create continuous pathways and joined-up networks by assembling and juggling functionally specific, time-limited projects. Most organisations are, at best, able to assemble a clutch of short-term projects. As a consequence, pathways have missing stepping-stones, networks have trailing edges and many personal development programmes come to a dead end. Not only does

project funding militate against holistic solutions, it makes it almost impossible to keep in place the pathways and networks that have been assembled. NROs are at the mercy of the funding bodies. Projects can be terminated, priorities can change and funds can be switched to another area or to another organisation. This means that pathways out of isolation, personal development programmes and networks can be broken up with little or no notice or consultation. The provider is left to pick up the pieces.

This makes NROs unwilling to commit themselves with confidence to forming long-term, trusting relationships with the individuals or groups with whom they work. They cannot afford to do so because they cannot be sure that they can reciprocate the confidence they seek to inspire. Yet they are working with individuals and groups of people where establishing trust is the key to making meaningful progress.

Lack of regional and national forums
Given that NROs have an important contribution to make, it would be anticipated that the bodies representing their interests would take the lead in championing their cause. For a number of reasons, this has not been the case in practice. First, NROs themselves have been reluctant to trumpet their achievements. Their focus on meeting unmet local needs and re-empowering disenfranchised local people is demanding and inadequately funded work. As a consequence, there is little energy available for self-promotion. There is a concomitant distrust of self-appointed social entrepreneurs who take on the mantle of champions for the sector. This is the community sector's equivalent to *Catch 22*. The assumption is that those who take on a

leadership role cannot be serious practitioners because, if they were, they would not have the time for promotional activity.

Second, under-funding at a local level has knock-on effects at regional and national levels. Senior managers of NROs are primarily concerned with managing the organisationally and financially insecure environment in which they operate. There is always a danger that, if they invest their energies in citywide, regional or national infrastructures, the needs of the home-based organisation could be left unattended with disastrous consequences.

Third, the numerous membership bodies representing different types of NROs – the Development Trust Association, BASSAC, People for Action, ACRE and others – are all under-resourced. They depend on a small number of key staff members and voluntary committee members, and are vulnerable to personnel changes. The Urban Forum acts as an umbrella body for community sector organisations active in the field of regeneration but it has only recently established itself as an organisation independent from the National Council for Voluntary Organizations (NCVO). Although the regional and national bodies representing the interests of NROs are beginning to work together, they have yet to develop a common stance on issues or to come together formally as an alliance. In the case of faith-based organisations engaged in regeneration, there are no regional or national structures that allow them to articulate and co-ordinate their contributions. The Inner Cities Religious Council has made a great deal of progress at a national level but there is an urgent need for similar functions to be established at regional and local levels.

Not only are representative organisations under-resourced, they are also, because they are membership based, constrained from taking positions which do not have consensual support. Because most NROs are struggling with immediate local issues, few have had the opportunity to develop a broader or longer-term vision. They are understandably unwilling to allow their representative bodies to engage in developing such long-term visions until the more practical and life-threatening issues of funding are resolved. As a consequence, the voice of NROs remains muted and fragmented, and their contribution remains under-recognised. Yet, without the existence of strong and integrated regional and national infrastructures, individual local organisations are at a disadvantage relative to public sector authorities, registered social landlords and bodies representing the interests of housing, social work and health professionals. These agencies all have well-established national bodies with regional networks.

Absence of external champions
As part of this study, interviews were held with a wide range of institutional stakeholders that have an interest in neighbourhood renewal. Those discussions confirmed that, notwithstanding the relevance of the policy programmes promoted by these institutions in their particular spheres of interest, no policy think tank or institutional stakeholder is championing the inclusion of larger NROs on the policy agenda. The reasons for this are many, but two are of particular importance.

First, the commitment to create a policy framework that respects, responds to and is shaped by local communities is relatively new.

As a consequence, major changes in outlook and practice need to be put in place before the new agenda is fully taken on board. In this context, more recent additions to the policy agenda are in danger of being squeezed between the government's need to manage its business and the time it takes for a new concept to percolate through the existing policy-making machinery.

The creation of a community-responsive framework requires a change in institutional mind-sets at central, regional and local levels. In order to establish such a framework, structures, procedures, priorities, programmes, outputs and outcomes are required which are different from those that have governed previous relationships. The further commitment to co-ordinate actions across professional and departmental boundaries, and to integrate activities at neighbourhood, local, regional and national levels introduces forms of accountability and transparency not before articulated. It is not surprising, therefore, that public authorities, and the bodies which influence their agendas, are fully engaged in putting their own houses in order. The needs of on-the-ground NROs have been of secondary importance.

Second, because institutional stakeholders have been so self-absorbed, there is no clear appreciation amongst them that these new commitments will bring to the fore organisations that have either yet to be formed or that have been seen until now as marginally important. The legacy of a 150-year assumption that the private and public sectors would be able to meet all the basic needs of society is still strong. Nowhere is there an understanding that it is essential to invest substantial resources in community-based organisations and their

representative bodies in order to create a thriving social sector. The presumption remains that existing agencies, by improving their performance and co-ordination, will continue to be able to meet the needs of society. As a consequence, there are no substantial programmes to help communities recreate their social fabric. Most funding is directed towards investment or health, education, training and crime-reduction projects. The hope is that, as a by-product, these programmes will foster an enhanced social infrastructure.

Summary

There are a large number of policy issues that need to be addressed if neighbourhood regeneration organisations are to fulfil their potential. At a very basic level, the role that independent NROs seek to perform within disadvantaged neighbourhoods is contested. This tension will continue until a constructive accommodation can be established between the institutional service providers and these organisations. Developing such an accommodation will also enable clarification of the respective roles of NROs and other local service delivery agencies. The process of developing such an accommodation will take time but should not delay the need to improve the financial environment within which NROs have to operate. While it is accepted that there are many advantages to project funding, the chronic financial insecurity that it engenders is endemic throughout the sector. Mechanisms need to be put in place that relieve the severe difficulties that give rise to poor employment practices, organisational constraints, inability to meet the needs within their neighbourhoods

and inadequate regional and national infrastructures. The next chapter puts forward a number of proposals that seek to establish a constructive framework that will enable larger NROs to better achieve their potential.

7 The way forward

For most of the twentieth century, endogenous economic growth was taken for granted. Nevertheless, there was an incomplete understanding of the processes that produced such wealth and the problems they caused. The major problems centred on the uneven patterns of growth – over time, between global regions and within nation states. Much of the economic debate, therefore, focused on macro-economic management in which the state had a number of important functions. First, it had the responsibility to create an environment that fostered economic growth. Second, it sought to ensure that the economy neither over-heated nor slowed to a halt. Third, it delivered services that were perceived to be outside the commercial sphere and, fourth, it supported those who were outside the labour market and could not support themselves. It was left to the private sector to create wealth.

At the beginning of the twenty-first century, it is now apparent that, in spite of the growth in wealth globally and the better understanding of economic processes, neither the private sector as wealth creator nor the public sector as service provider can secure an adequate quality of life for many groups and individuals within society. It is also accepted that those who are excluded are disproportionately concentrated in neighbourhoods characterised by multiple deprivation. It is not surprising, therefore, that the needs of such neighbourhoods are currently high on the policy agenda. New approaches that can ensure that the quality of life in these areas is both tolerable and sustainable have been sought. The Housing Action Trusts have been followed by City Challenge, which was subsumed within the Single Regeneration Budget. The Social Exclusion Unit was launched alongside the New Deal for Communities programme which itself is to give way to the Neighbourhood Renewal Fund. In England, access to this new fund will be open to the 88 most severely disadvantaged local authority areas and will be dependent on the formation of authority-wide Local Strategic Partnerships and the development of Community Plans.

This commitment to creating a step-change in the prospects of those people living in disadvantaged neighbourhoods is not only a question of social justice; it is also an issue of economic competitiveness. In a global environment, the way in which society cares for those who are marginalised, whether for shorter or longer periods, impacts on the overall effectiveness of the whole economy.

Although the social and economic needs of disadvantaged neighbourhoods have now been accorded high political importance, disadvantage has existed in many communities for several generations. This gap between on-the-ground reality and the ability of the political process to respond has been a traditional area of voluntary sector engagement. In the nineteenth century, during the first phase of urbanisation and industrialisation, when the public sector infrastructure had not been formed, the voluntary sector, in its many guises, took the lead in responding to the needs of those who were disadvantaged. The Settlement Movement was one of the enduring products of this wave of philanthropy.

In the last quarter of the twentieth century, while both the private and the public sectors have been struggling to come to terms with seismic technological and global change, a range of NROs have emerged from within the voluntary sector and have responded to the

local consequences of these changes. These organisations, quasi-charitable and freestanding, can be seen as a new form of community intervention for a post-industrial era. They help to improve an individual's life chances and offer an alternative to the public and private sectors as a means of creating a sustainable and acceptable quality of life. In the absence of adequate private and public sector responses, they have often been the only form of local support. They have evolved new practices, processes, languages and leaders. They build on principles of respect for difference, self-help, co-learning and mutuality. These differ from the philanthropic motivations that inspired the earlier interventions and settlements, faith-based groups and rural community councils have had to reappraise their approach.

NROs have grown up in a policy vacuum and often in response to the apparent failures of existing agencies. They have had to scrabble for funds from a variety of sources. Although they have, for a long time, been at the margins of policy consideration, the issues that they are addressing are anything but marginal. Their contribution lies at the heart of reintegrating those who are excluded into a society that is increasingly fragmented and an economy that is churning at an accelerating rate. They help renew the networks of civil society by providing social maps and creating mentored pathways for individuals on their journey out of isolation. They also make an important economic contribution by supporting wealth-creation activities in their neighbourhoods and by replacing or anticipating more expensive interventions. However, even in a changed policy environment, they struggle to survive. In order that these organisations can fulfil their

potential, a number of initiatives need to be put in place.

Coming of age

The contribution of NROs needs to be better articulated and understood. It can then be better championed and accepted by other stakeholders. At present, much of the promotional material provided by individual organisations and their representative membership bodies focuses on specific activities and their unique contribution. Although these are important, greater emphasis needs to be given to what member organisations have in common. Defining and articulating that contribution will require the various bodies representing NROs to work more closely together to form common platforms at city-wide, regional and national levels, and to identify the common strands that provide the wellspring of NROs. This coming together should not entail a decrease in the diversity of responses. All of their activities can be seen as examples of enhancing social capital, rebuilding civil society, strengthening the local economy and complementing the interventions of other stakeholders.

This process needs to be incremental. Sustainable alliances will be built only on the back of mutual understanding and trust. Jointly commissioned projects on specific issues would be one approach as this would make good use of scarce resources and give rise to shared position statements. The recent bilateral discussions taking place between the DTA and ACRE, BASSAC and People for Action are also indications of the way forward. So, too, are joint applications for funding, such as the pan-

London SRB capacity-building programme. These initiatives promote co-operative working between different voluntary sector agencies in delivering specific programmes. The emergence of the Urban Forum as a separate entity from the NCVO is also to be welcomed. Its role in providing national and regional forums to bring together neighbourhood organisations engaged in regeneration needs to be supported.

Important further work needs to be undertaken in the arena of faith-based engagement and black and minority ethnic community regeneration. The co-ordination of faith community activity in the field of regeneration has hardly begun to take shape at neighbourhood, citywide, regional or national levels. At the neighbourhood level, co-operation between organisations of different faith traditions is more evident by its absence than in its existence. The Inner Cities Religious Council, which has achieved an important degree of co-operation at a national level, should accept the task of developing an action programme that will bring regeneration work to the fore within each faith tradition and improve the co-ordination and representation of faith-based activity in the regeneration of disadvantaged neighbourhoods.

In those neighbourhoods where black and minority ethnic communities form the majority of the population, the Government Offices of the Regions should require Local Strategic Partnerships to consider in their Community Plans the creation of substantial multi-cultural, multi-functional regeneration organisations that are black led. The creation of these organisations should be a partnership-sponsored initiative, involving organisations such as the Black Training and Enterprise Group, the DTA, the

private sector, the appropriate local authorities, the Regional Development Agency and Government Office of the Region.

Legitimacy

The roles of NROs and public authorities need to be seen in a wider perspective. Local economies have changed and will continue to change as a consequence of evolving technological and social pressures. The roles and functions of the major institutional players are also changing not only in response to, but also in anticipation of, these pressures. Unless and until the role of independent NROs is accepted and championed by institutional stakeholders, they will continue to be marginal. Among institutional stakeholders, the need to build alliances and accommodations between NROs and the municipal sector is of particular importance.

As the structure of regional economies changes and the future of local sources of employment is decided outside the boundaries of the region, local authorities have become increasingly engaged in creating strategic economic partnerships. In a globally competitive marketplace, they have had to become entrepreneurial in their approach and will need to become even more so. In future, they will be working with the private sector to attract and keep mobile capital, and will be forming alliances with other local authorities with similar perspectives. This will take place not only within their own regions but also within the UK and internationally. Local and regional rivalries will need to be subsumed within a greater commitment to co-operation that seeks to maintain and enhance regional

competitiveness and marketability. Successful authorities will be focused on developing cross-sectoral and multi-layered partnerships that can attract funding from national and EU programmes to support their local economies.

In order to concentrate on these new functions, local authorities will need to adopt a more strategic and less operational approach. More and more of their traditional service delivery functions will need to be outsourced or devolved to other agencies. In this context, many of the functions currently performed by local authorities and other institutional stakeholders need to be seen as services carried out for, or on behalf of, local communities. These services can be seen as community assets, which can be, as part of the Best Practice consideration, devolved back to the community. This will free up the energies of institutional stakeholders to concentrate on developing strategies that maximise the potential benefit of technological and global change. It will also place sustainable resources in the hands of those neighbourhoods most severely affected by these changes. This does not mean that local authorities would cease to be interested in these functions. Instead, they will be focusing on monitoring and regulating the contributions of other participants.

Institutional stakeholders and NROs need to recognise that they have a shared interest in supporting each other in creating a sustainable third sector to tackle the problems faced by disadvantaged neighbourhoods. It is important to move from a culture of suspicion and competition to one of support and co-operation.

However, new understandings and trust at the local level will not be established by talking alone. They will come about by doing. The introduction of the Single Regeneration Budget has proved to be a sea change in determining the language of the relationships between the public and the community sectors. It has provided a practical testing ground for creating new ways of working. The introduction of the New Deal for Communities programme, Health Action Zones and other area-based initiatives provides opportunities to further extend this alliance-building process. In order to benchmark progress in this area, it is recommended that the New Deal for Communities Unit within DTLR takes responsibility for identifying, within the New Deal for Communities programme, 12 partnerships, say, which will be used as testing grounds for:

- establishing new or strengthening existing independent NROs to complement the functions of the institutional service providers

- devolving to them the delivery responsibility for sufficient local services to enable them to be self-sustaining.

As these would be partnership initiatives, there would be scope, for instance, for such NROs to use school buildings outside school hours as a base for their activities. In areas where there has been long-term population decline and, therefore, a surplus of school buildings, NROs could be allocated sole use of part or even the whole of a school that is surplus to requirements. Housing associations, acting as social developers and building on the experience of the HATs and other registered social landlords, could help with the acquisition, refurbishment or building of the premises from which such organisations can operate.

Successful approaches can then become integrated into the programmes supported by the Neighbourhood Renewal Fund.

Building local partnerships

It is accepted that community development and economic regeneration are essential components of any strategy for transforming disadvantaged neighbourhoods. They both complement and contribute to the provision of good housing, health, education and community safety.

The Urban White Paper proposes that the most significant cities within each region, and, within the major conurbations, each local authority, will establish a Local Strategic Partnership to develop and implement a vision for their area. These partnerships will include business leaders, the voluntary and community sectors as well as existing public sector bodies. The Community Plans developed by these partnerships will be expected to narrow the gap between people living in the most disadvantaged neighbourhoods and the rest of society through the development of neighbourhood partnerships which will focus on health, education, employment, crime and housing.

Those agencies involved in the criminal justice system and housing, education and primary health providers will be encouraged to engage in a more holistic agenda and to participate fully in these partnerships. However, NROs should also be seen as important members of such partnerships. All the partners would seek to maximise the community and economic benefit to be derived from their core activities but would look to the NRO within their neighbourhood to provide the anchor role

for sustainable community and economic development programmes. Under such a model, neighbourhood regeneration would be undertaken by a plurality of locally based and locally accountable bodies, each concentrating on their own primary areas of expertise but in partnership with each other.

In order to give practical reality to this approach to build community partnerships which are interdependent and mutually supporting, each Regional Development Agency should be invited to identify and disseminate the work in progress of two SRB partnerships in their region, say, which give particular emphasis to the development of strong and sustainable civil society networks, and aim to build continuous and multiple pathways for individuals to travel out of isolation into mainstream activity.

Revenue income

Researching financial insecurity

Including funding support for the establishment of NROs in government programmes and the strategies of Regional Development Agencies, Local Strategic Partnerships and other agencies will provide a significant step towards creating a supportive and legitimising environment for NROs. However, this will not ensure that, once established, NROs will thrive, nor will it enable them to participate on equal terms with other agencies with larger cash flows, capital assets and discretionary budgets. If the community sector is to play an important part in the regeneration and to help enhance the long-term sustainability of disadvantaged neighbourhoods, it needs to be put on a sound financial footing. Until the issue of the chronic

financial insecurity of community sector organisations is addressed, a major plank of the government's policy will be insecure; people working in and on behalf of disadvantaged neighbourhoods will be exploited; and the people in disadvantaged neighbourhoods will be constantly let down.

It is important that the multiple financial difficulties with which community sector organisations have to juggle are illuminated by the bright light of quantitative research. A great deal of important research has been commissioned on the work that residents and organisations in the third sector undertake in the regeneration of disadvantaged neighbourhoods. However, little funding has been allocated to understanding the precarious nature of the financial underpinning of these interventions. Examples and anecdotes, no matter how poignant, are rarely sufficient to change policy. Until policy makers are presented with the scale and the endemic nature of the problems, there will always be other priorities to consider. It is recommended, therefore, that the DTLR with the Joseph Rowntree Foundation jointly commission a research programme focused on establishing the extent and nature of the financial insecurity that besets community-based participation in the regeneration process. This should address not only the needs of large NROs, which have been the subject of this report, but also smaller organisations, community groups and the individuals that support them.

Side-slicing mainstream programmes
A case has been made for the creation of a dedicated programme to support voluntary organisations working in disadvantaged

neighbourhoods (Commission on Social Justice, 1994). However, this idea has not found favour in the voluntary sector (Ward and Watson, 1997). Community organisations are concerned that such an approach would institutionalise their marginalisation. It would also put a cap on their participation in the delivery of mainstream programmes. While the ambition to have equal access to mainstream budgets is understandable, the problem remains that these budgets are controlled by mainstream service providers. The extent to which public sector institutions use their discretionary powers to fund the voluntary and community sectors has not been consistent. Frequently, local authorities have seen their support for the third sector as peripheral. Often, grants to the voluntary sector have been the first expenditures to be cut when there has been a need to control central budgets. In addition, mainstream funding has been withdrawn when alternative sources of funding have been made available for disadvantaged neighbourhoods or the voluntary sector.

One solution to these funding issues would be to intervene further up the funding chain. Support for a vibrant, independent voluntary sector exists across all mainstream political parties. The nature of public sector funding in the UK means that all public authorities – education, health, the police, etc. – are dependent on central government grants to carry out their work. Yet, funding and the involvement of the voluntary sector at a local level remains at the discretion of the mainstream providers. In order to improve practice and consistency, the Neighbourhood Renewal Unit should take the lead in identifying ten unitary authorities, say, and work in partnership with the Urban Forum, the Local Government Association and the relevant

Regional Development Agencies (RDAs) and Government Offices (GOs), in order to experiment with 'hypothecating' a proportion of the funds that central government forwards to public sector agencies specifically for buying-in services from the community and voluntary sectors.

Although side-slicing mainstream programmes is radical in terms of UK practice, this approach is part of the fabric of governance in Germany where Federal funds are channelled through the *Länder* and local authorities to the voluntary sector. Side-slicing central government funding in order to directly support the third sector has a number of advantages. It obviates the need for the central government to become the direct funders of activity at the neighbourhood level and also ensures that there is a consistent allocation to the third sector. The local and regional authorities are obliged to work in partnership with the voluntary sector for the delivery of a significant proportion of those activities which complement their own core services. It is also relatively simple and is consistent with the principle of subsidiarity whereby services are delivered and decisions are taken as close to the consumer as practicable.

Project funding

Access to revenue funding is essential. The nature of that funding is no less important. If NROs are to make a meaningful, long-term contribution to the transformation of disadvantaged neighbourhoods, and work with the most isolated and insecure sections of society, their own financial insecurity needs to be addressed as a matter of priority. Creating

sustainable NROs will not be possible without a fundamental review of current project funding arrangements.

Project funding has a number of advantages as a mechanism for supporting locally delivered activities and services. As a method of funding it will not disappear. However, the procedures adopted by funding bodies – public bodies and charitable trusts alike – create severe difficulties for the organisations they seek to assist. Principal among the areas where improvements can be made are the following:

- *Central administrative costs*: an allowance for central administrative costs needs to be built into project budgets. Clearly, where the project is the only activity of the organisation, the central costs and project costs are synonymous. In other instances, a sliding scale should be introduced, which relates the number of projects to the central costs of an organisation. For instance, an allowance of 10 to 15 per cent, say, could be factored into grants made to organisations that run a small number of projects. This would mean that an organisation managing between six and ten projects would then be able to cover its central overheads. For organisations managing larger numbers of projects, the percentage would be smaller.

- *Cash reserves*: the existence of cash reserves should not be a factor influencing the outcome of an organisation's application for funding. Project funding procedures should allow NROs to build up and maintain cash reserves to meet variations in their own

cash flows and to cover anticipated contingencies. A minimum cash balance reserve of 15 per cent, say, of an organisation's annual turnover would be sufficient to provide a two-month buffer against negative cash flow.

- *Employment practice*: in calling for proposals, funders should make it explicit that they expect organisations to have arrangements in place to meet their obligations towards their employees, such as pension provision. These overhead costs should also be eligible for grant funding. The application process should also seek information that links the salaries and anticipated inputs of staff and volunteers to anticipated project outputs. It is important that the quality as well as the quantity of anticipated outputs should be specified. This will help provide an assessment of whether what is being proposed is achievable. By taking such steps funders will begin to recognise the true costs of the work that they support.

- *Monitoring and reporting requirements*: increasingly, NROs secure funding from multiple sources in order to support their work. The absence of an 'industry standard' with respect to monitoring protocols means they are then subject to a host of individual reporting systems developed by each of the grant-giving bodies. Funding agencies need to harmonise their monitoring and reporting requirements.

- *Projects to pathways*: funding agencies need to recognise that they have a

responsibility towards the organisations and communities they support. The emphasis of funders needs to shift away from ad hoc projects towards funding clusters of interrelated projects that counter social exclusion and support the development of networks for personal development.

- *Programme termination*: where a funding agency proposes to alter its programme priorities or terminate an income stream, they should give sufficient forewarning to the NROs that they support. Indeed, such changes should be subject to a process of consultation. Many local authorities now enter into three-year funding and monitoring agreements with the organisations that they support. This needs to become a benchmark standard.

Changing the culture in an area that is made up of a large number of diverse organisations will be both difficult and slow. The London Funders Group, which has 110 members that between them allocate some £300 million annually, has made important progress in developing a single application form and it is recommended that other clusters of funders should follow its lead. However, the development of a common application form and rationalising current practice is but the starting point on a much longer agenda of issues that needs to be addressed. It is recommended that the Active Community Unit develops a code of conduct covering employment practice, programme termination and support for sustainable personal development pathways which would be applicable to all government and charitable funding regimes.

In the longer term, the aim should be to move away from individual project funding to supporting accountable organisations responding creatively to neighbourhood needs. As part of the funding process, disadvantaged neighbourhoods, which are the focus of regeneration programmes, should be required to undertake a pathway and network audit to establish where the gaps are. With this information, funding bodies could co-operate to support programmes that would target local deficiencies. Once sufficient pathways and networks have been established within a neighbourhood, there would be scope to replace project funding with a joint commitment from grant-giving bodies to support anchor organisations within a neighbourhood, subject to satisfactory performance, in order to maintain, over a given time frame, the networks and pathways established.

The situation where key local organisations are unable to prepare their budget for the forthcoming year until three months or less before the start of that financial year because of their dependence on their funders' timetables needs to become a feature of the past. With the introduction of Local Strategic Partnerships, Government Offices are in a position to require three-year rolling programmes, say, for the community and voluntary sector organisations supported by the partnerships, with a minimum of 75 per cent rollover from one year to the next.

Beyond project funding

Access to funding streams and improvements in project funding will help to stabilise the financial base of NROs. However, stabilised project funding will not, on its own, help these organisations to deepen their competence or broaden their capacities, nor will it help them to remain at the forefront of innovation. For NROs to thrive, they need access to organisational and project development building funding. This is an already accepted strategy in Round 5 of the SRB Programme, which requires community capacity building to be a key element of applications for funding. However, funding for organisational capacity building needs to be available to all NROs independent of specific regeneration programmes. It also needs to recognise NROs' life cycles as they move from inception through to maturity. Support needs to provide for the following:

- *Set-up funding*: newly established neighbourhood groups need support and advice on establishing budgets, legal structures, memorandums and articles of association, registration, and administrative and financial systems. The participants need to understand their respective roles and responsibilities as well as the implications of future growth and success.

- *Systems development*: established organisations need resources to develop and/or upgrade IT, financial and administrative systems. As they employ staff, they need to set up personnel systems and acquire marketing and communication skills, as well as fund-raising strategies. They will need to have access to resources to buy in one-off interventions as well as develop their in-house skill base.

- *Funding for growth*: NROs need to have access to funding streams in order to bid for longer-term or larger project funding, either on their own or as part of a consortium with other neighbourhood-based organisations. Local authorities and private sector partners with secure and substantial cash flows can top-slice their budgets to undertake risk-bearing development work. Most NROs do not have that capacity and, without access to appropriate funding streams, they will not be able to compete with larger, better-endowed organisations.

- *Innovation*: many local needs are not adequately met through existing channels. It is not necessarily a question of money but of delivery. Many existing projects also fail to make good use of the resources that are available. New issues and the identification of unmet needs emerge continuously. There is a need for experimentation in order to operationalise many of the untested ideas that are constantly being developed to meet these new situations. These innovations become the mainstream projects of the future. However, they need a funding source. Any innovation fund should be open to applications from individuals as well as organisations.

- *Organisational review*: many older organisations will need from time to time to review their original mission statement, structures, activities and practices. Some will also need to strengthen their senior management teams and committees/boards of trustees.

These processes take time and often require external support. At present, funding for these activities has to be generated internally, often at a time when such resources are least available.

- *Support for smaller organisations*: beyond their own individual needs, larger NROs need to be funded to act as a resource of support for smaller organisations within their locality. They also need to be transparent in their actions in order to demonstrate that they bring additional resources to a locality rather than siphoning off scarce resources from smaller organisations.

- *Infrastructural development*: the views and agenda of NROs need to be articulated in citywide, regional and national forums. Unless their voices are represented in these arenas, they will not be able to respond to or influence the agendas of other agencies and stakeholders. Setting up such an infrastructure takes time, money and energy but once established it also provides a vehicle for developing voluntary sector staff and promoting good practice.

These are legitimate and essential activities if NROs are to take their place alongside other agencies in combatting social exclusion. These are not costs that can be reasonably charged to individual projects. There needs to be a national commitment to support the skills within, and the organisational development of, NROs and other voluntary and community sector groups active in disadvantaged neighbourhoods.

The announcement of the first 50 successful

applications to the Department of Trade and Industry's (DTI's) Phoenix Fund and the launch of the National Action Plan for Neighbourhood Renewal, with a £36 million Community Empowerment Fund and a £50 million Community Chest, represents an important first step for establishing dedicated funds to support organisational capacity building of grassroots community organisations. It is important that, within the spending guidelines that accompany these funds, the DTI's Small Business Support Service and the Neighbourhood Renewal Teams within the Government Offices in the Regions clearly state that proposals for organisational set-up, systems development, the preparation of large-scale bids to regeneration programmes, innovative projects and the development of authority-wide infrastructures would be supported from these new funds.

Neighbourhood Support Corporation

Support for the organisational capacity within the community sector should not be seen as something that falls only on the public sector. The breakthrough established by the Phoenix Fund, the Community Empowerment Fund and the Community Chest should be seen as the beginning of a process which builds a cross-sectoral support.

In the United States, federal and state governments, the private sector and charitable foundations share a commitment to support locally based, locally accountable organisations – Community Development Corporations (CDCs) and Neighbourhood Works Organisations (NWOs) – which are committed to creating healthy communities. The activities of these organisations involve thousands of residents, business people and government

officials in metropolitan areas, cities and towns of all sizes as well as rural communities. Each organisation is autonomous, locally funded, non-profit making and resident led.

CDCs and NWOs are committed to the revitalisation of a particular neighbourhood. They help to develop the local economy and support community enterprise and the provision of community facilities. These non-housing activities overlap with those of many UK-based NROs. They also build and maintain low-cost rented housing and promote home ownership.[1]

The capacity building of CDCs and NWOs is supported through two national agencies: the Local Initiative Support Corporation (LISC) and the National Reinvestment Corporation (NRC). LISC is funded through major private sector corporations. It also manages a capacity-building fund supported by major charitable foundations to which the federal government also contributes. The NRC is funded primarily through the federal government. They each have regional structures that focus on the organisations in their localities. Between them, they are responsible for providing funding for feasibility studies, training, the development of administrative and financial systems, core funding, performance monitoring and certification. They also set standards for accountability, and provide advice and linkages to appropriate sources of funding. Their boards, both nationally and locally, include representatives from the public, private and community sectors.

The US experience indicates that it is possible to create a funding infrastructure to promote substantial independent NROs and support their development without resource to

a solution which is solely public sector supported. Although interesting, it is unlikely that it will be practicable to apply US models directly to the UK. The history of adapting technical solutions developed for one environment to another environment with different cultures and traditions has not been universally successful. Nevertheless, it is possible to learn from experience from elsewhere and adapt the principles to suit the UK context.

In the UK, there already is an agreement to support the capacity building of local communities through public programmes such as SRB, New Deal for Communities, Local Strategic Partnerships and the new Neighbourhood Renewal Fund. There is also a commitment on behalf of the private sector, both in principle and practice, to support local capacity building through such organisations as Business in the Community and Common Purpose. Different strands of National Lottery funding have also been devoted to capacity building within the voluntary sector and many charitable trusts are concerned that their support of specific initiatives can be undermined by a lack of capacity within the organisations carrying out their projects.

The potential exists, therefore, for establishing a cross-sectoral national programme to enhance the capacity building of NROs. It is recommended that the Minister for Housing, Planning and Regeneration should take the lead in bringing together the public, private, voluntary and community sectors to explore the potential of setting up a Neighbourhood Support Corporation (NSC) for England, with similar initiatives to be explored in Wales, Northern Ireland and Scotland. The

Neighbourhood Support Corporation would be an independent partnership organisation with public, private, charitable and community representatives on its Board. Its primary aim would be to support the development of substantial independent, locally based organisations committed to creating healthy and economically sustainable communities. In order to secure sustainable funding, the initiative could explore:

- the consolidation of the various funding streams that central government has in these areas

- making representations to the National Lottery Boards to match its contribution

- encouraging private sector corporations, possibly with the benefit of tax breaks, and charitable foundations to participate.

The NSC would not set a national agenda but seek to respond to the needs of regional networks and partnerships. In order to ensure that it did not create another level of expensive bureaucracy, no more than 10 per cent of its annual turnover would be used to cover its own administrative costs. The remainder would be allocated to improve the capacity of its target organisations.

The NSC could operate a number of discrete funding programmes covering each of the main capacity-building areas identified earlier, namely:

- start up and registration

- systems development

- feasibility studies and bid preparation

- innovation

- infrastructural development

- probity and accountability

- personal development and training programmes

- asset development and portfolio management.

The NSC would provide a source of capacity-building funding that NROs could access independently of regeneration programmes and mainstream funding. This would be of particular assistance in those situations where local authorities and other public sector institutions are antipathetic towards the growth of NROs. It would also help NROs to develop wider horizons and external networks, which will remain difficult if they are continually channelled back to the local authority and other public bodies for their financial support. Finally, the NSC could be responsible for developing a capacity-grading system for NROs, which could be used when they apply for funding from third parties and could thereby establish an independent form of validation for these organisations.

Capacity building should not be seen as a one-sided activity. Institutional stakeholders will also need to develop their own capacity to become effective participants in local partnerships. However, they have their own income streams and training budgets to help them enhance their capacity in this respect. Initial capacity building for local communities is also a responsibility that needs to be addressed by the stakeholders in regeneration partnerships. The extent to which prospective partnerships have involved NROs and consulted with local partnerships in the

preparation of their bids should not be seen as the only criteria for assessing neighbourhood-based participation. The history of their investment in community sector capacity building should also be taken into account.

Capital assets

Access to independent revenue and organisational development funding streams will assist NROs to play a fuller part in the transformation of the areas in which they are based. However, until they are able to own the freehold or long leasehold of capital assets (land and buildings) in their own right, they will not have come of age. A case has already been made in support of community regeneration organisations developing an asset base (Hart, 1997) and it is not intended to reprise the arguments here.

The ownership of capital assets is much more important than strengthening an organisation's balance sheet. It means that NROs can have premises from which they can operate without the fear of licences being withdrawn or rents being increased. Ownership of capital assets also allows NROs to add the role of social developer to their armoury as their assets can be used as collateral to support the further capital investment projects. These capital projects can provide the activity space for smaller neighbourhood organisations and office space for social and commercial enterprises. Any surpluses on the rents charged can be used to meet the NROs' core costs, to undertake initiatives for which there are no external funding streams, or to support community chests for smaller local initiatives. Using capital assets to become self-sufficient allows larger and

better-established NROs to be less reliant on other funding sources, which means that they can make way for other emerging organisations to follow in their path.

The public sector, independent bodies, churches and commercial organisations hold under-used or redundant land and buildings. These could be transferred to NROs, either under licence or lease for short-term intermediate use or outright sale where no future uses are foreseen. However, at the moment, most organisations – commercial, charitable or public sector – are obliged to dispose of assets surplus to requirements at best value. The only major exception is where local authorities dispose of land or building for social housing purposes.

Including community and economic development in the criteria for disposal of publicly held assets at less than best value would be a major breakthrough. The newly formed Neighbourhood Renewal Unit should be charged with the responsibility to explore, with the community and municipal sectors, the mechanisms developed for HATs, City Challenge, Urban Development Corporations (UDCs), SRB partnerships and similar initiatives for disposing of assets to successor bodies at less than best value and, through the DTLR, to make representation to HM Treasury to amend the criteria for disposal of public assets. Such a breakthrough could then act as a yardstick for the trustees of charitable organisations and commercial enterprises seeking to implement socially accountable practices. It is also recommended that the Neighbourhood Renewal Team within the Government Offices of the Regions should require the Community Plans to be drawn up by the Local Strategic Partnerships to include an audit of the capital assets owned

by the partnership members to establish which can be utilised either in the short or long term for community benefit.

Conclusion

Sometimes slowly and incrementally and sometimes rapidly and dramatically, a new social contract is being drawn up between the state and the individual. The need for this new contract is being driven by powerful forces. Globalisation together with social, demographic and technological change has irrevocably disturbed the status quo. The state apparatus has responded in a number of ways by:

- modernising itself to be better able to cope in the changed environment

- divesting itself of those activities that it does not consider to be essential to its new core business

- devising new approaches to meet existing, unmet and emerging needs.

However, the institutions of the state have frequently been powerless to foresee or to relieve the dense knots of deprivation and exclusion that have emerged in many neighbourhoods. The urgency with which the current policy agenda is being implemented is a reflection of the degree to which practice lags behind the changes that are taking place. As the true cost of economic uncompetitiveness becomes apparent, the agenda is also being driven forward by the fear that the situation, which is currently controllable, can deteriorate rapidly in both its scope and intensity.

This new contract is being drawn up without a full knowledge of what that contract might

eventually be. That is understandable. The existing contract is so deeply embedded in the system that it is difficult to recognise all its facets and ramifications. It is also difficult for governments to admit that they lack the means to intervene effectively. They are unwilling to place their bleakest forecasts in the public domain in case they spread alarm and that their fears for the future become self-fulfilling. It is clear, however, that limits are being established to the state's responsibility for individual well-being. For those who cannot look to the private sector for solutions, there will be greater emphasis upon self-help, user participation and a greater reliance on the voluntary and community sectors as mainstream delivery agents.

This is not simply a top-down reworking of the social contract. There has been a burgeoning of community-led, bottom-up activity as this and other studies have demonstrated. If one of the roles of the state sector is to fill the gap in service provision, it also needs to be able to let go when alternative capacity exists. Neighbourhood renewal is neither top-down nor bottom-up; it has to be both. External agencies need to be competent in what they do. They need to be able to co-operate across institutional and professional boundaries. They must also be willing to devolve power, responsibilities and resources to local communities where appropriate. Local communities, for their part, need to have the capacity and the infrastructure to accept those responsibilities, to exercise power constructively and to manage resources effectively.

At the local level, individuals and groups, building on long-standing and well-established traditions, have been developing ways to

improve on existing concepts of meeting community needs. An important example of this new way of operating at the local level has been the re-emergence of independent, locally based, multi-functional organisations dealing with the community and economic development needs of disadvantaged neighbourhoods.

The development of a diverse ecology of alternative organisations in what has been a policy vacuum is a testament both to their resilience and to their relevance. The picture that emerges is not simple; it is diverse and messy. That too is understandable. The communities these organisations serve are themselves diverse and the problems they face are interrelated. It would be surprising if a simple and coherent picture were to emerge at the outset. Nevertheless, it is clear that the activities of NROs directly contribute to countering social exclusion and improving economic competitiveness. They provide anchors for local communities that the public sector has had difficulty in reaching and where the private sector is largely absent. They work with the most isolated and often the most fragile individuals within society. They help them to orient themselves and to create pathways out of isolation, creating the capillaries that allow the most excluded to link into the arteries of mainstream activity. In doing so, they also re-create networks of social interaction and thereby re-establish the social tissue of civil society.

Yet, the contributions of these organisations are largely unsung. They operate in an environment that has often been hostile and have to live with a level of financial and administrative insecurity that is often crippling. A range of issues needs to be addressed if this situation is to change:

- NROs locally, regionally and nationally need to articulate and co-ordinate their activities more effectively.

- The opportunity for communities to establish sustainable NROs needs to be included as an objective within Local Strategic Partnerships and Neighbourhood Renewal programmes.

- Mechanisms need to be established that allow NROs access to adequate revenue-income streams and capital resources.

- The existing project-funding procedures of grant-giving and contract-awarding bodies need to be overhauled.

- A national commitment to support organisational capacity building and skills development throughout the community sector needs to be established.

This report has outlined a number of ways in which these issues might be addressed. It is interesting to note that the identification of social exclusion as a theme within government provided an issue which has infiltrated and challenged government and officials at all levels. Addressing the dysfunctionality that has been identified has required a fundamental reappraisal of the culture of government and the creation of new programmes, new structures and new standards.

Similarly, it is interesting to note that the recommendations that have grown out of this study of NROs impact on a wide variety of organisations at many different levels within the social fabric. It is not reasonable to expect community sector organisations, on their own, to redress the situations that they face. They need champions. Perhaps for the first time, with the setting up of the Neighbourhood Renewal Unit, accountable to a cross-departmental group chaired by the Minister for Housing, Planning and Regeneration, such a champion exists. If the Neighbourhood Renewal Unit were to take responsibility for overseeing the implementation of recommendations included in this report, we would have gone a long way to providing an answer to the question raised at the beginning of this report: 'What will be the vehicles for delivering sustainable on-the-ground community and economic development activity in disadvantaged neighbourhoods?' Without independent anchor organisations in disadvantaged neighbourhoods with the appropriate levels of skills, revenue streams and capital assets, there can be little confidence that existing and proposed interventions will achieve lasting change. The willingness of external power structures to allow such organisations to become substantial and sustainable partners in the process of neighbourhood transformation will be a test of the quality of the new social contract that is currently being negotiated.

Note

1   As resident-led organisations, they would, in the UK, be precluded from becoming registered social landlords.

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Appendix

Study and seminar participant organisations

Study participants

*Indicates that the organisation also participated in one of the regional seminars.

Neighbourhood regeneration organisations
Development trusts
Arts Factory, Rhondda Valley, Wales
Granby Toxteth Development Trust, Liverpool
Hastings Trust, Hastings, West Sussex

Settlements and social action centres
Birmingham Settlement, Newtown, Birmingham*
Community Links, Newham, London

Rural community councils
Dorset Community Action, Lyme Regis, Dorset*

Faith organisations
Brixworth Project, Christ Church, Brixton, London
Muslim Cultural Heritage Centre, London

Black and minority ethnic community organisations
ACEE, Bradford, Yorkshire
Ethiopian Refugee Association, Haringey, London

Partnership organisations
CAIA Park Partnership, Wrexham*
Community Action Furness, Barrow in Furness, Cumbria*
Royds Community Association, Bradford, Yorkshire
SPARC, Tenby, Pembrokeshire*

Housing agencies
Bloomsbury Estate Management Board, Nechells, Birmingham*
Digmore Estate Management Board, Skelmersdale, Lancashire
Hastoe Housing Association, Twickenham, Middlesex

Schools
Langdon School, Newham, London
Rufwood School, Liverpool

Health centres
Community Health Project, Leyton, London

Institutional stakeholders
British Association of Settlements and Social Action Centres (BASSAC), London
Business in the Community, Bristol
Church Urban Fund, London*
Civic Trust, London*
Community Development Foundation, London
Development Trusts Association, London
Inner Cities Religious Council, London
Institute of Public Policy Research, London
National Council for Voluntary Organisations, London
National Housing Federation, London*
New Economics Foundation, London*
People for Action, Birmingham*
Social Exclusion Unit, London
Suffolk Acre, Ipswich
The Princes Trust, London
Wales Rural Forum, Camarthen

Regional seminar participants

Birmingham
Balsall Heath Forum (3)
Birmingham City Council Housing Department
Birmingham City Council Economic
Development
Birmingham Settlement
Bloomsbury Estate Management Board
Co-Enterprise Birmingham Phoenix Trust
East Birmingham Community Forum
Friendship Charnwood Housing and Care
Focus Housing Group
Highgate Action Group
Jericho Community Project
Nechells Association for Community Education
People for Action
Project Planning Centre
Small Heath Community Forum
St Alban's CE Church and School
St Paul's Community Project (2)
Stepping Stones
West Midlands Probation Service

Bristol
Action for Market Towns
Action with Communities in Rural England
Mendip District Council
Bristol 2020 SRB
Bristol Community Health
Bristol Racial Equality Council (2)
British Urban Regeneration Association (SW)
Community Action Bristol (2)
Cornwall Community Volunteer Services
CRISP
Development Trusts Association (SW)
Dorset Community Action
Fair Shares
Kennet District Council

Keyham Community Partnership
Meeting Point
Norton-Radstock Regeneration Partnership
Progress
SPARC
Sydenham SRB Trust
Welsh Development Agency (2)

London
Asian Action Group
Bootstrap Enterprises
Brokerage Citylink
Bromley by Bow Healthy Living Centre
Camden Training Centre (2)
Church Urban Fund
City Parochial Foundation
Civic Trust Regeneration Unit
College of North East London
Employment Service
Finsbury Park Community Trust
Greater London Enterprise
Groundwork Hackney
Islington & Shoreditch Housing Association
Local Government Association
London Borough Grants
London Borough of Hackney
London Borough of Haringey (2)
National Housing Federation
New Economics Foundation
North London TEC (2)
Orient Regeneration Trust
Prospects Careers Service
Selby Trust (2)
Strategic Urban Futures
Tottenham Community Pathways
Urban Forum

Manchester

Bolton WISE Ltd

Caia Park Partnership

Centre for Local Economic Strategies (2)

Community Action Furness

Lache 2000 Trust

Manchester City Council

Manchester Settlement

Manchester TEC

Moss Side and Hulme Community
Development Trust (2)

National Housing Federation (NW)

North West Regional Assembly

Signposts

Westwood SRB Team (2)

Wythenshawe Partnership