Changing places, engaging people

Duncan Maclennan

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List of abbreviations

ARP	Area Regeneration Programme
DETR	Department of the Environment, Transport and the Regions
EMB	Ethnic minority business
ESRC	Economic and Social Research Council
GRO	Government Regional Office
HAG	Housing Association Grant
JRF	Joseph Rowntree Foundation
LEC	Local Enterprise Company
LED	local economic development
LETS	Local Employment and Trade System
LGA	Local Government Associaiton
NEF	New Economics Foundation
PAT	Policy Action Team
PEP	Priority Estates Project
PSA	Public Service Agreement
RDA	Regional Development Agency
SEU	Social Exclusion Unit
TEC	Training and Enterprise Council

1 Connecting policies and places

Limits and links

Despite their best efforts, researchers and policy-makers always have a limited understanding of the world as it was, is and will be. A common response to such uncertain complexity is to target concerns, to simplify them and to disconnect them from the wider systems in which they are located. Great science in the twentieth century made progress in quantum physics, electronics and bio-technology precisely because of such simplifying, or reductionist, approaches (see Kaku, 1998). The same century saw the great, sweeping syntheses of Adam Smith and Karl Marx decomposed into the more fragmented and forensic concerns of modern economics, sociology and political science. Equally, the major, radical social and economic reforms of the post-war welfare state also made impacts only because emphasis was put on the rapid formation and implementation of sectoral programmes for health, housing, education and so on. Urgent needs could not wait for a protracted, intellectual, empirical analysis of mutual synergies, spillovers and connections.

However, realities and priorities change and phases of sectoral specialisation within 'silos' of research, thinking and policy can come to be viewed as dysfunctional and costly. This holds true in science and social science, where cross-disciplinary concerns are gaining momentum, and it has growing salience in social and economic policy.

The last decades of the twentieth century produced major works in social sciences, which stressed not reductionist simplifications but telling interconnections. The productivity and costs of running an economic system were seen to be embedded in, and not separated from, social arrangements and cohesion (Granovetter, 1985). Similarly, the associational or cohesive dimensions of living were seen to influence mutual trust and, in consequence, worker flexibility in the face of change and innovation (Fukuyama, 1995). Societies with strong social links and associational behaviour had better representational democracies and improved economic performance (Putnam, 1993). In short, national policy strategies which separate thinking on 'economic' and 'social' issues and which have a sectoral domination will miss influences on capacities for change. Further, the emerging evidence that how resources are spent in the present has a potentially cumulative impact on future growth capacity (Romer, 1986) stressed the continuing momentum of change. That change is now seen to occur within connected social, economic and political networks which are not always coterminous with national boundaries (Castells, 1996, 1998).

Developing connections

All of these disparate academic developments (and others) point towards the need to rethink broad policy content and governance configuration in countries such as the UK. There is an emerging developmental emphasis in economic thinking in which the longer term and wider impacts of particular sectoral policies are given greater salience. The Treasury, and others, have broken shackles on intellectual and policy-thinking which goes well beyond the 'macro-economic' issues which dominated concerns for 20 years. That is, governments are seeking new 'wiring diagrams' to connect the policy levers pulled in one sector of activity to consequences

for other sectors as well as the top-level objectives of government. For example, when there is an increase in investment in the social housing sector, it is no longer enough to regard the policy outcome as the expanded supply of affordable homes. Now it is important to consider wider effects on health, the environment and employment as well as the broader policy aims of national competitiveness and social cohesion.

There is, then, a growing familiarity with the language, if not (yet) quite the reality, of 'joined-up' or 'holistic' or 'synergistic' approaches to policy. Much of this discussion emphasises potential 'horizontal' joins in policy, for example, the housing investment synergies cited above. But the same arguments which have stressed the importance of 'embeddedness' and 'associational behaviour' have also, though often implicitly, shaped thinking about the geography of policy-making and management (or territorial policy in EU parlance). Whilst there are debates about the potential shifting of economic sovereignty upwards from Westminster to the EU, there are equally significant questions about the organisation of territorial management within the UK.

At one level, this is concerned with the devolution of significant public spending powers to 'regions' of the UK, or to city-regions, and it relates to the structure and governance of municipalities. However, in the 1990s, in both poorer and more affluent areas, there has been a renewed interest in 'communities' and 'neighbourhoods' as localised levels for service design and delivery and, importantly, participative democracy. That is, the 'vertical' joins in policy-making are becoming more important and complex. 'Spatial awareness' is becoming as important an attribute for Permanent Secretaries in Whitehall as it once was for Soviet gymnasts. In policy-thinking, 'place' (the complex milieu of activities, connections and groups at some location) as well as 'space' (the accessibility of a location or its geography relative to other locations) now matter.

Policies which have a cross-sectoral awareness in design and implementation, and which are sensitive to place and local sovereignty may well find support in emerging socio-economic thinking. They do, however, constitute an enormous challenge, not just to specific groups who benefit particularly from existing arrangements, but also to ways of thinking about issues, official information systems, present structures of governance, service delivery and so on. For example, the delivery of integrated neighbourhood services involves breaching and rejoining funding streams, shifting professional conceptions of 'what works' and, in some instances, converging the different cultures of the Civil Service, town halls, communities and the private sector.

Creating such changes, and this paper argues that they are not just desirable but essential for a better Britain, requires a linked, recursive top-down and bottom-up re-engineering of how public policies are delivered in the UK. For example, to reconfigure 'local' policies (whether 'local' equates to 'municipal' or 'community' levels) will require rethinking of how resources are allocated at the highest levels within spending reviews. It will also require some coherent region/city-region framework for governance, and the forthcoming Urban White Paper for England is awaited with interest. But, obviously, a principal requirement

is to rethink how policies are designed and managed for and by neighbourhoods and communities.

It is, after all, at the street, neighbourhood and community level that so many public policies, designed in the abstract and delivered in silos, touch people and places. The 'hail' of policy arrows hitting neighbourhoods in Figure 1 makes this point graphically. The scope for synergy and for community influence is all too clear. Also clear is that the old and simple distinctions between 'people' and 'place' policies are no longer adequate to the task. Places differ in their prosperity, composition and functioning. People and place interact. Who lives in a neighbourhood and how they live becomes an attribute of the place. In short, there are important policy concerns which are influenced by the interaction of 'people' and 'place' (or by 'neighbourhood effects') and this interaction must have a central locus in neighbourhood policies. It is precisely such ideas which lie at the core of the *National Strategy for Neighbourhood Renewal* published by the Social Exclusion Unit (SEU) in April 2000.

Here comes the neighbourhood!

This emphasis on putting 'neighbourhood and community' at the centre of policy-thinking in Britain at the start of this new century might seem a little odd to a visitor from another place or time. In the United States, for example, neighbourhoods and neighbourhood decline have been at the forefront of much housing and urban policy discussion (but more limited public action) since the 1934 Housing Act. In Britain, Joseph Rowntree, the Garden City Movement and even those who designed early post-war new towns would recognise that policies should address causes, and not just symptoms, and that housing, health and related actions were simply means to the end of higher quality and more mixed communities; that is, the integrated 'place' dimensions of well-being in urban neighbourhoods and rural communities were well recognised a century ago.

Some time in the last half-century, the UK lost both a purposive vision for neighbourhoods and a sense of 'place' in making policy. Britain has, arguably, become less expert and interested in how to understand, plan and stimulate community change. 'Place', or geography, has a minor status in the British intellectual tradition. In the 1960s, the first post-war attempts at community development policies tended to be based on the assumption that all of the problems of a neighbourhood, more usually labelled community, had to be solved within it. And many foundered on an ideological polarisation between relatively militant Marxist local advocates and central governments heading for the harsh realities of public spending after the oil-shocks. The phrase 'community development' can still spark a frisson of angst in British debates about neighbourhood policy and practice. At the same time, town planning in Britain has still to recover from the opprobrium heaped upon it in the Thatcher decade. We have not evolved interests in place, neighbourhood and community into any coherent synthesis of how to plan, implement, manage and govern effectively at neighbourhood level in ways that connect local interests and energies to mainstream policies.

Area regeneration policies, which developed in the UK from the early 1970s onwards, hardly

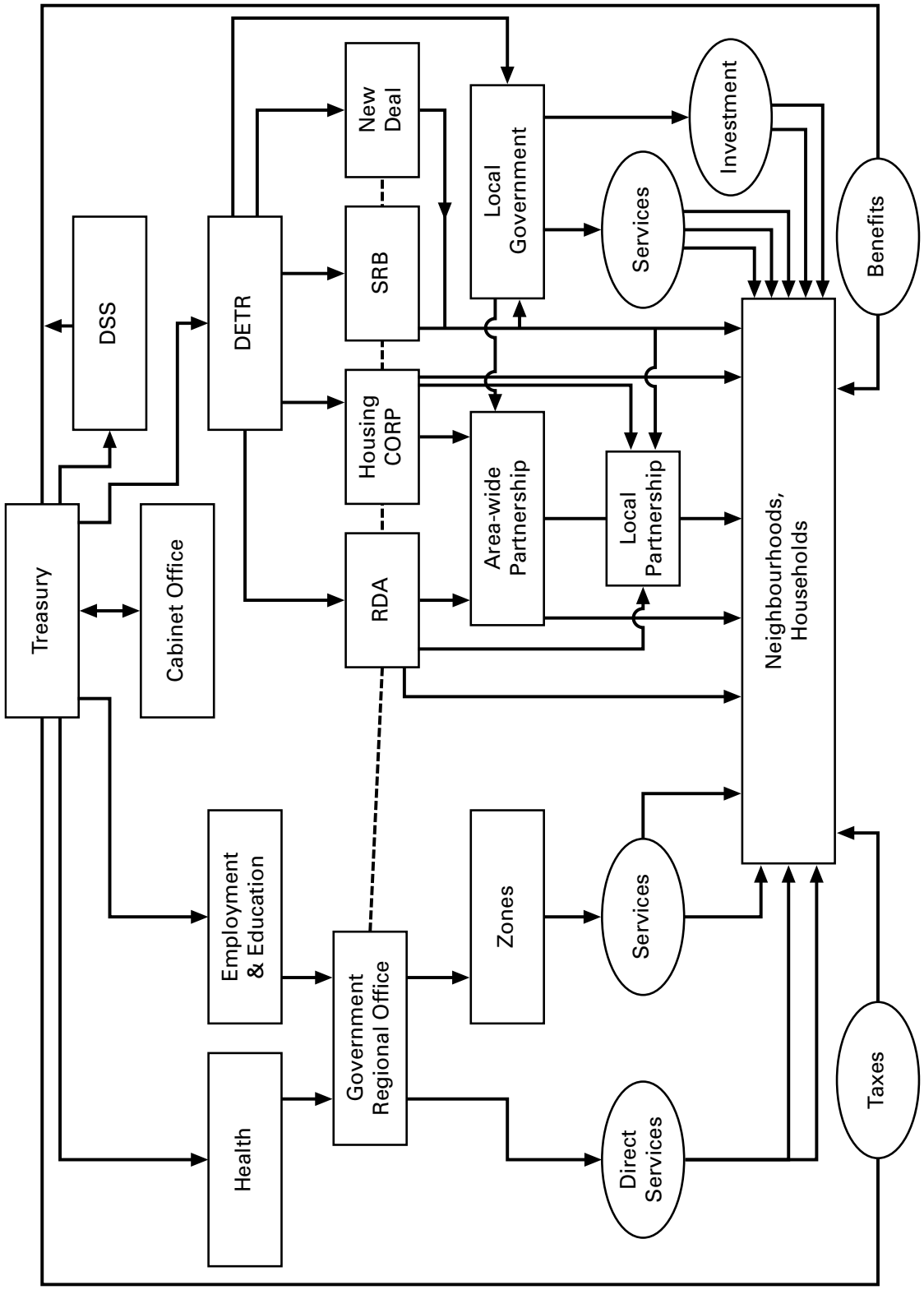

Figure 1 Flow of funds, Nation to Neighbourhood (simplified).

meet the conception of neighbourhood policies implied by the above analysis. Although they grew in scale in the 1990s, and indeed were well developed by European standards, they were regarded as being palliative (targeted relief for the worst symptoms) and simply redistributive (not raising growth and productivity). That conception of policy, at least within central government, essentially doomed area policies to failure from the outset, if the criterion of success is creating sustainable, competitive solutions.

The Joseph Rowntree Foundation's (JRF's) Action on Estates Programme, through the 1990s, began to draw attention to the need for a wider conception of policy and a new policy framework. And some local authorities and initiatives began to demonstrate that innovative, creative change was possible, even in the then more adverse climate for employment and public services. It is important not to lose sight of the reality that it was often 'local' projects which pushed for more strategic, integrated partnerships and that this emerging style did not simply evolve in Whitehall.

This groundswell of problem–solution recognition was reinforced at JRF in 1996 with the development of an Area Regeneration Research Programme. And, of course, the Social Exclusion Unit has now placed their 'national strategy' in the public domain for consultation. The Social Exclusion Unit's report has been long awaited and its tone and content are much welcome. Although, as discussed below, it falls well short of constituting a 'strategy' for neighbourhood renewal, the Unit has produced a 'framework' of evidence, ideas and policy proposals which places neighbourhood renewal not at the palliative edge of policy but at the core of bottom-up change.

The SEU has made a major advance in recognising (as JRF did in 1997) that the crucial aspect of area or neighbourhood policies is not especially boosted and targeted 'special programmes', but the design of local mechanisms to capture, integrate and amplify the set of programmes more commonly regarded as the mainstream. This sets the issues of neighbourhood mechanisms of governance, management and organisations at the forefront of the policy agenda, offering the prospect of engaging people, and people policies, in changing places. Britain will benefit from the important work of the SEU, and the criticism in this essay is offered in a constructive spirit.

Responding to the SEU

The purpose of this paper is to summarise, briefly, some key findings of the Area Regeneration Programme (ARP) in a fashion which directly interfaces with the concerns of the SEU report. SEU has called for consultation and this is one response. Whilst much of the evidence produced by ARP supports the vision and, indeed, detail of the SEU strategy, there are also points of difference. ARP *Findings* are not wholly consistent with the SEU's analysis of problem incidence and causality, and there are some potential qualms about proposed employment policies, services, etc. There is still no settled government position on governance structures for regeneration policy in the UK. Further, the SEU has omitted housing system features and policies from its key sectors of solutions, and this reflects a failure to think through neighbourhood choice and change processes. All of these concerns, and others, are discussed below.

This range of issues is explored in the chapters that follow. They cover:

- problem definition, incidence and causes (SEU, 2000, Chapters 1 to 3)
- changing services (SEU, 2000, Chapter 7), jobs (SEU, 2000, Chapter 5) and homes
- strengthening communities (SEU, 2000, Chapter 6) and new organisational/ governance arrangements (SEU, 2000, Chapter 8).

Individual project reports and findings have already been published and JRF will shortly produce a set of programme theme summary essays. In this 'big-picture' policy review, this substantive research is referred to in synoptic fashion.

2 Problems, patterns and processes

The first two chapters of the SEU report are concerned with the patterns, causes and persistence of neighbourhood disadvantage and the justification of a strategy for action. These chapters could have been expected to set out a clear description of the problem and a framework of definitions and concepts for analysis and strategy design. However, they do not.

The failure to provide a convincing description of the geography and dynamics of the problem is, however, hardly the fault of the SEU; credible, fast reports cannot be produced when research and statistics to describe the problem have been ignored by governments and their agencies for decades. Conversely, the SEU could have been more cautious in drawing robust conclusions about geographies and, more critically, processes of neighbourhood choice and change from the data it had available. Even with good multi-sectoral panel data for places, and the people who pass through them, research on the causalities of neighbourhood change is notoriously difficult and expensive.

The Prime Minister, in his foreword to the SEU report, observed that 'Good policy depends on tapping into the widest base of ideas, knowledge and experience'. The SEU has been truly innovative, and effective, in the ways in which it designed an agenda for Policy Action Teams (PATs) and then used them to gather, develop and test ideas. In the policy and practice sections of the report, there is an authoritative sense of what has worked in English area policies (though a disturbing and unnecessary absence of any reference to the rest of the United Kingdom). However, in the discussion of neighbourhood patterns and change, plausible impressionism rather than systematic social science has prevailed and the SEU's ambition of evidence-based policy has some distance to go.

This point is not made out of academic nicety but rather because the analysis that the report presents misses important aspects of neighbourhoods, the processes by which they are chosen and what drives change. In consequence, one of the key integrative systems in shaping neighbourhood outcomes is given insufficient weight in process and policy analysis, namely the housing system. This deficiency is explored in more detail in Chapter 3.

Unequal places, similar views

The SEU rightly recognises that the process of economic change is seldom even or balanced across different areas and, in consequence, poverty and affluence have geographies of marked disparities. Moreover, these disparities arise at different system scales and explanations of their pattern have to be scale specific. Independent research has established long-standing but changing differences in average incomes and unemployment rates, for example, across the major regions and conurbations of the UK. There are still, though the SEU does not explore this, significant differences in average prosperity between the North and South of England, which reflect inter-regional differences in labour markets, mobility, innovation, etc.

At the same time, within any region, there may be differences between cities, for example, Manchester and Leeds appear as relatively affluent in relation to their (respective) neighbours of Liverpool and Bradford. These patterns reflect the sorting effects of regional

labour and housing markets. However, within each of these more prosperous places, there are both affluent and deprived areas. Areas of concentrated and multiple deprivation are not the preserve of poorer regions and cities but may exist in cities, towns and rural areas embedded within prosperous regions.

There is nothing new in this; the deprivation of some Kent towns was pointed out almost 40 years ago (Holmans, 1964). And there is also much continuity (or endogeneity) in which towns and neighbourhoods remain poor over time, precisely because of the interacting webs of people and place disadvantage that the report is concerned with. Indeed, the SEU could have made much more of the pattern of problem persistence; there are many neighbourhoods in Northern Britain with households which now contain three generations of the same family who have always been poor and have never worked. Problem persistence is not inconsistent with problem spread, which is the message the SEU emphasises.

The SEU's approach to problem description is quite simple. It notes that differences in well-being are marked at the level of overall local authorities and are even more pronounced at the neighbourhood scale. The contrasts made rely on official statistics of outcomes in relation to un/employment, health, crime, etc. at the council ward scale. There is, then, some evidence on why these patterns matter to society and the economy, either from a fairness perspective or because they create costly (recursive) feedback effects, such as the costs of coping with crime reinforced by neighbourhood peer group behaviour. The SEU cites JRF evidence that these inequalities have been growing since 1980.

The Rowntree Foundation has been highlighting patterns of inequality and their geographic incidence for all of the last decade and the SEU has absorbed and utilised much of this evidence. The ARP and other recent JRF work confirms the broad patterns as follows.

- In 1997/98, some eight million households received less than 40 per cent of national average income, and this is a historic peak figure, and 10.7 million below a half (New Economics Foundation, 2000).
- Some inequalities, such as health, are widening and the contrast between social renters and others is growing. However, most of the community's indicators are actually improving or stable (Howarth *et al*., 1999).
- Work at the end of the 1980s confirmed that there was then a complex mosaic of disadvantaged neighbourhoods within urban areas and there was no simple 'inner-city' problem. The difficulties of post-war social housing areas were already acute with less than one household in three with any connection to the labour market (Maclennan *et al*., 1990).
- Since 1990, there has been a steady stream of JRF research stressing how this set of neighbourhood problems was deepening and spreading, although attention was also given to sets of places where significant regeneration policies seemed to be leading to effective improvements in the quality of neighbourhoods without displacing original residents.

- The geography of 'misery', as defined by neighbourhood quality indicators used in the English Survey of Housing, was plotted and largely meshed with measures of low income and social housing (Burrows and Rhodes, 1998).
- Ethnic minority groups were found to be disproportionately over-represented in the most disadvantaged neighbourhoods (Dorsett, 1998).

In many respects, the studies cited above are similar in nature to the kinds of evidence used by the SEU, that is, researchers' interpretations of official and other statistics at the ward scale. But such studies tell us little about the feelings, perceptions, aspirations and achievements of local residents. For example, in relation to ethnic minorities, further research (Chahal, 2000) indicated how minority communities can bring stability, cohesion, leadership, entrepreneurship and more complex external networks to disadvantaged areas. With these attributes and an observed dynamism in the lives of the minority young, then it is easier to take a more optimistic view of the prospects for some of the more disadvantaged areas, a view of opportunity which official statistics conceal.

There are two microeconomic concepts at the core of the SEU thinking about disadvantaged individuals or areas, reflecting the interaction of 'people' and 'place'; concerns referred to elsewhere in this paper. 'People' issues are largely conceived as how individuals and households evolve through transitions and stages of the life cycle; the best possible start for children, improved schooling and socialisation; the shift to work or continuing education, forming a family, retirement and the like. Much of policy can be seen as trying to ensure that the least advantaged households become set on a better trajectory and that disadvantage at one stage is not replicated at the next. This analysis is complex enough but the 'place' dimension also has to be considered insofar as neighbourhood influences may heighten or constrain the capacity of individuals to make transitions in the life course. Designing policy requires a general empirical understanding of how different kinds of places affect life courses for different groups.

It is important not to pretend that we have an evidence base in the UK currently adequate to the task. These issues will not be addressed until there is some official data set in which the trajectories of the lives of individuals can be repeatedly matched to the trajectories of the places they reside in. Are we going to have a panel of neighbourhoods to parallel the Housing Condition Survey? Is there going to be any serious attempt at monitoring project impacts? Will we ever get beyond census outcomes to beliefs, expectations and aspirations in places?

With these reservations about the limits of official ward and service outcome data, the JRF programme undertook a more detailed study of the views of residents in four disadvantaged areas in each of Liverpool, the North East, Nottingham and London. This interesting study (reviewed in Forrest and Kearns, 1999) has its limitations; it was restricted to poor and relatively poor places (a 'pathological' emphasis typical of UK research on neighbourhoods) and thus could not address 'what succeeded'; it was entirely cross-sectional; it was primarily based on quantitative research. That said, the studies provide important pointers to the issues and

beliefs that could prevail in many places.

The Forrest and Kearns summary of the JRF studies concluded as follows.

- It was wrong to characterise most disadvantaged areas as lacking social cohesion and interaction; social 'glue' or 'capital' survives in difficult places.
- Neighbourhoods mattered to residents (and this confirms other econometric studies which indicate that neighbourhood attributes can shape up to 30–40 per cent of the value of a dwelling and that residents place significant value on their attachment to places).
- Decaying or abandoned homes or buildings had a severe negative effect on the morale of residents. They were an ugly reminder of lost community and a major incentive to get up and go elsewhere (and this is an important observation which runs counter to the SEU's dismissal of any relevance of bricks and mortar policies!).
- The areas lacked organised activities and community facilities.
- Residents did not see themselves as being in control and what they wanted to influence was regular services rather than special projects (a more comfortable finding for the SEU!).
- Residents wanted explicit image management for their areas and more connections in and out of their areas.

It was also clear from the local studies that there were obvious instances where housing regeneration projects had made a considerable difference to neighbourhood quality and image, and had been important in engaging communities in broader change processes. It is important, as is discussed further below, not to claim housing regeneration as a universal or sustained panacea for problem places but equally it would be absurd to neglect the specific contexts where housing investment can be a critical part of change.

Obviously, a national view cannot be constructed on the basis of a restricted number of local studies. But the converse also holds, namely, that the national norm or average may have little meaning in particular places and that, unless the potential for local variety, even idiosyncrasy, is recognised, there will be a danger that the framework for neighbourhood policies becomes too top-down. The SEU analysis omits consideration of important perceptual and functional aspects of places and there must be a concern that it has not adequately emphasised how the strengths and weaknesses of places and their detailed variety can be recognised and acted upon.

It is also then legitimate to ask, since we are dealing with issues surrounding the matching of particular kinds of people with particular kinds of places, whether the SEU says enough about household or life-cycle groups (an issue they avoid with the important exception of ethnic minorities). For example, JRF undertook two pilot studies, which illustrate the need to connect place and people thinking. First, an analysis (Richardson and Corbishley, 1999) of those who move rapidly in social housing: they were not benefit cheats; they were likely to be unemployed and white and to lack a sense of purpose or ambition; but above all their

restlessness was driven by adverse experiences in childhood and in the transition from adolescence to adulthood. Second, there is a danger of creating 'the excluded within the excluded' (Kynch *et al*., 2000). There are groups who feel more marginalised and excluded because of regeneration projects where they do not fit. These studies, though they were tentative pilots, both emphasise the need for recognition of complexity and diversity in assessing neighbourhood patterns and processes.

The JRF programme has established patterns of area disadvantage which support the SEU view on broad patterns. But it has also established notions of what neighbourhoods are and what they are for. The SEU has now, thankfully, placed 'neighbourhood' at the centre stage of policy debate, moving it on from earlier and unhelpful notions of inner city area or rundown estate.

However, there is no definition of 'neighbourhood' in the report or any attempt or guidance to identify neighbourhoods. Throughout the report, areas of 3,000 to 5,000 people are referred to as if they would constitute neighbourhoods; this will surely vary from place to place and purpose to purpose. These omissions, at this stage in policy development, are not unduly culpable as detailed identification is a matter for local strategy development. However, what is seriously amiss is the absence of any attempt to think about what 'neighbourhoods' mean, how they relate to wider space and how they are chosen. It is also worrisome that there is such an incomplete understanding of the dynamics of neighbourhoods, or ways of describing how they change (there was no PAT for developing frameworks for understanding neighbourhood change).

This omission is important because it influences the way one sees the problems and their solutions, and it is worrying because there is an established existing literature on these subjects. The understanding of the meaning of 'neighbourhood' which underpins this paper and flows from the JRF/ARP is set out in the box below. Readers wishing to avoid a brief diversion into some more abstract thinking can skip to the next section of the paper.

Research-based notions of neighbourhood

For policy and analysis purposes, a neighbourhood is a geographic zone or area which is continuous and surrounds some other point, usually home, and is smaller in size than some other recognised spatial entity, for example, a city sector or a city. Neighbourhoods can be defined by individuals, groups of individuals or organisations and they may be defined for single functions or the overall set of household activities. They do not therefore have precise unambiguous borders but are judgements about who and what to include in the operational definition. Neighbourhoods are not simply the preserve of large towns and cities; even quite small settlements may have recognised neighbourhoods.

continued overleaf

The SEU report is inevitably pragmatic in identification, at least for problem description, by equating wards and neighbourhoods. Academic thinking, set out below, stresses the fuzziness of neighbourhood boundaries and variety of definition. Agencies, on the other hand, like and even need sharp boundaries or 'neighbourhoods' with hard edges. What is important is to reduce as far as possible the arbitrariness in the selection of boundaries for given purposes and reliance on quite large-scale electoral boundaries may mask important differences and issues. There are other considerations that require attention.

- The key foundations of neighbourhoods are proximities which promote interactions which include spillovers, activities undertaken by one household which impact on others, either positively or negatively. Some of these interactions are physical activities (anti-social noise, planting roses) and structures (the unpainted windows); others are social interactions between individuals (borrowing the apocryphal cup of sugar) and yet more are between individuals and organisations which may be public, voluntary or purely private.
- This implies that neighbourhood may then be defined in physical terms, by land use mix, including building type, by perceived patterns of interaction between individuals or by patterns desired or perceived by service providers.
- There will then be no single definition of neighbourhood which is definitive. Households will differ in their range of interactions with other individuals and organisations, their daily household activity patterns will differ and so will their perceptions; these will differ by age, income, etc.
- An essential aspect of neighbourhood is then some heightened degree of localised interaction. These spaces will then be more closed or localised to different degrees for different activities. In general, social localisation is greater than for economic activity.
- An important attribute of any neighbourhood, with this relevance varying across households and possibly changing over time, will include the relative accessibility of the neighbourhood to other places or areas in the city used by residents; that is, the generalised accessibility attributes of the neighbourhood.
- The current nature and future trajectory of a neighbourhood reflect choices both about what is 'supplied' (housing quality, other amenity) and 'demanded', and these choices are made by residential and other neighbourhood users as well as by public agencies.
- The key land use in residential neighbourhoods is, by definition, housing. Choice of home and choice of neighbourhood are inseparably linked. Market-based research indicates that, for average home-owners in the UK, housing amenity and size account for 50– 60 per cent of

continued overleaf

house prices, with location and other environmental factors accounting for, respectively, two-thirds and a third of the remainder.

- Studies also show that environmental and neighbourhood quality are income elastic; that is, demand rises faster than incomes. It is easy to go from this observation to the explanation of why higher income households live in better neighbourhoods but the implication that neighbourhood quality matters more as incomes rise over time should not be missed.
- Within social housing systems, where income is intended to have less direct effect on choice outcomes, there has been research evidence since the 1980s that housing search and queuing processes may produce an association of socio-economic status and neighbourhood quality somewhat similar to market outcomes; that is, the poorest households end up in the worst neighbourhoods.
- Neighbourhoods are complex, open but local systems and, like such systems in general, are likely to be trajectories in which feedback effects are significant and change, once initiated, is rapid, cumulative and extensive.
- This implies that neighbourhoods will be sensitive to the wider context in which they are set; that is, a city will comprise a set of neighbourhoods which may be more or less closely linked. Some of these linkages may be competitive, others may be co-operative and complementary, but will react to each other and to external shifts.

Making choices

The research-based observations made above illustrate some of the difficulties in precisely identifying neighbourhood boundaries. But they may also make the point that neighbourhoods are chosen by households. This may be a market choice constrained by income and wealth. Or it may be a social sector choice essentially constrained not by the economic circumstances of the household (given the chaotic nature of local pricing systems for social renting and the pervasiveness of Housing Benefit) but by the set of properties offered to the household within some acceptable queuing period. It is manifestly obvious that housing choice and choice of neighbourhood are ineluctably linked; they are one and the same thing in most instances.

We cannot understand the formation and development of residential neighbourhoods unless the housing system is understood. The choices made by the household will include dwelling types and costs, local environmental quality, accessibility, a range of neighbourhood attributes related to people behaviour, including crime, noise, similarity of ethnic group, social status, etc. There may also be inherent dynamics, such as expectations about social change and indeed house price change, which have feedback effects.

The match between these preferred attributes and social status depends on a range of factors. Preferences differ even with similar

incomes. The matching process, even given simple preferences, may then either be a simple competitive market, a market with imperfections and discrimination, etc., or a bureaucratic allocation system. The implicit focus of the SEU is on the latter, for there is no real consideration of decline in private markets and how to arrest it.

The central point in reiterating these well-established findings of housing economics is that the housing system, and not just the quality or variety of housing in an area, is really critical in shaping neighbourhood choice and change. Improving the effectiveness of the housing system in producing better and more mixed neighbourhoods lies at the heart of preventing as well as reducing concentrations of deprivation and their consequent neighbourhood effects.

There are numerous examples in international experience which make this latter point, not just in Western Europe but from the co-ops of inner Toronto to public housing in Adelaide. And there are clear examples also in the UK. The inherent failure of Glasgow's massive council housing system is one story, but the success of housing associations and private developers in remaking and stabilising its inner neighbourhoods is another. The SEU seems to reach a conclusion that, as a nation, because we have wasted so much public capital on poor housing systems, then housing investment and systems have, at best, minor roles to play in remaking (some) neighbourhoods. This is throwing the baby out with the bath-water. The policy design questions should have been, first, to establish information and planning mechanisms to identify where housing had necessary, sufficient or no roles in regeneration and, second, to consider how community-led or sensitive housing systems could be developed to best support the objectives of the national strategy for neighbourhood renewal.

Improving the choice and dynamic features of local housing systems should have been a central organising theme and policy concern in the SEU report. Making this serious criticism is not the same as saying we can renew neighbourhoods with mountains of housing investment. It is not the same as looking for more housing investment as a single solution, we know that is absurd. But ignoring the core role of the housing system in translating local economic change into damaging concentrations of the disadvantaged is a bit like trying to deal with low wages without understanding the labour-market processes that produce them.

The dynamics of change

It is now pertinent to turn to the analysis of neighbourhood dynamics and causalities presented in the SEU report (SEU, 2000, Chapter 2). The need to simplify is obvious. But it is arguable that this section of the report is much too simplistic, does not present clear evidence and is too glib on causes. However, it is misleading rather than fundamentally wrong in its conclusions.

The SEU analysis of dynamics starts with the unduly bold, if often relevant, assertion that 'the cycle of decline for a neighbourhood almost always starts with a lack of work'. This may be true of many neighbourhoods that encountered accelerating decline in the 1990s, but it is certainly not a credible, universal generalisation. There are numerous instances of still deteriorating neighbourhoods in British cities

which declined decades ago when employment rates were higher than today. For example, in older areas of UK cities, decay appears to have started when property and environmental quality fell sharply after the War and well before urban unemployment and population loss rose. Even more pertinent, the period since 1991 has been one of steadily falling unemployment and rising employment in the UK. What then needs to be explained is not simply a lack of work but why those who are least employable or have least access to employment have become concentrated in particular places. Solving the problem requires work. Preventing it may require wider changes which tackle concentration processes, and especially housing systems.

Similarly, many rundown areas of social housing were already physically decaying before the sharp increase in unemployment after the mid-1970s. Earlier analyses (for example, Maclennan, 1986) pointed up that social housing estates in Britain had moved from solution to problem within two decades because: physical quality was falling as a consequence of both poor initial design and subsequent bad management; the original tenants were mainly employed but unskilled heads of families whose status had fared adversely as they had matured and those who had succeeded had left for ownership and the suburbs; by the early 1980s, they were replaced primarily by young, single and unemployed households. In essence, social change, adverse economic change and the maturation of a badly designed and managed social housing system all impacted places much about the same time, thus making specific causalities difficult to discern.

Once neighbourhood decline is established, then triggers and reinforcers interact and a whole suite of interactions comes into play. Identifying this process or these processes is demanding of data, time and intellect and the evidence base to do this frankly does not exist. It is misleading to cite American experience of neighbourhood dynamics as a substitute for real UK analysis (see Maclennan in Summers *et al*., 1993).

The SEU cycle of neighbourhood decline can be summarised as follows.

- A sharp fall in economic activity triggers decline. The SEU cites the Turok and Edge (1999) report for JRF on job decline in UK cities as evidence; however, as the number of jobs in UK cities has mostly risen since 1995, it requires some additional explanation as to why neighbourhood decline is thought to be becoming a more serious problem.
- This is reinforced by a sharp increase in the demographics and social effects of family breakdown, some of which make it more difficult for households to take work.
- Once out of work, households are then trapped by the benefit system. The SEU could have cited at this point the shift in housing policies which raised rents, slashed Housing Association Grant (HAG) and led to only workless households being able to pay for the rents of new social housing in much of southern Britain for almost a decade.
- Changing incomes and attitudes then shift the balance of choice for households with income away from social rental neighbourhoods and this is reinforced by

quality decline in these places. They might also have added the pricing/benefit system which gives neither households nor landlords an economic incentive to do anything about poor neighbourhood quality until it is either abandoned or included within a major regeneration scheme.

- The result is areas of social housing with benefit-dependent households and, often, no role models.
- Negative reinforcement effects then kick in for the neighbourhood, with high crime, low educational attainment and poor health reducing household well-being and opportunity.
- Drugs and anti-social behaviour then have a capacity to impart a sudden, then sustained negative dynamic to the neighbourhood.
- Negative images of the place then curtail house lettings, shops decline, external images are adverse with social and economic consequences which isolate or exclude the area from its wider context.
- Social capital is eroded by these processes, further weakening the capacity to renew.
- Residents come to rely on increasingly inadequate public services, core services struggle to meet overwhelming needs, delivery is inadequately customised and demoralised staff move to easier places.

This neighbourhood decay scenario seems plausible, and it may match lots of *ad hoc* area studies and conference anecdotes, and it is interesting that it does place a significant reinforcing role on the housing system (see above). But, however plausible, not all of it squares with all of our research. It is best to view the SEU analysis as a story which gives us a useful framework of possibilities and not a certain, evidenced, general model. In consequence, it should be noted that JRF *Findings* have stressed the importance of establishing, in area audits, the causes, trajectories, etc. of decline where specific new actions are being taken.

Evidence on the wider context

The SEU, whilst acknowledging the importance of recognising decayed places in smaller towns and villages, sees much of the above neighbourhood decay scenario unfolding within larger cities and towns. And it is at pains to stress that the more local analysis and solutions it proposes have to be set in the wider context of city change. Of course, the imminent White Paper on urban policies for England will no doubt contain much about the substance and process of policy at these broader levels. But the SEU does touch on the broader urban change context by reference to employment change in cities and some of the JRF research looked at city–neighbourhood interactions. In this section, programme evidence on major employment and demographic changes at the city scale is briefly summarised.

Within the programme, Maclennan (1997) summarised, and Turok and Edge (1999) and Green and Owen (1998) analysed, the serious negative employment shocks experienced in UK cities after 1950 but especially in the 1970s and 1980s.

Turok has established all too clearly how employment in all the major conurbations and in the core cities has declined, first as plants decentralised to the suburbs and beyond, and then as de-industrialisation laid waste the old manufacturing base. Service employment growth in the cities has not offset manufacturing decline and at the same time women have replaced men in the labour market. There is now wide acceptance that these processes have left unskilled males in cities at a particular disadvantage and the SEU has identified a crucial shaper of decline.

Without questioning the long-term trend that Turok and Edge identify there are, however, a number of important puzzles to resolve. Since the early 1990s, UK employment has risen steadily. Employment within the majority of core cities has risen since 1994 but at rates less than the national average and these jobs have often been captured by suburban commuters.

Two points arise. First, has recent experience simply been a cyclical interlude from city job decline, which will recommence when the cycle turns down, or have cities finally begun to adjust their economic bases following earlier shocks? Are there new city-loving enterprises or are city regeneration projects beginning to work? Second, as hinted above, some commentators have begun to associate the abandonment of specific neighbourhoods or even neighbourhood types with the possibility of potentially cumulative city decline (Power and Mumford, 1999). Leaving aside the rather obvious points that, in the long term, trees die in the most thriving of forests and it is always an error to extrapolate from specific specialised examples to general systems, there is a further conundrum to address here. The reality of the last five years has been that neighbourhood abandonment has risen as employment by city residents has grown. This may simply be lags in relationships, which have remained unexplored in research, or it may be that less affluent city workers, on getting back to work, are simply rejecting the tenure and housing quality offers available in the social rental neighbourhoods they inhabited whilst unemployed.

This research question rather illustrates the point about the imperative of being certain about causality. If these neighbourhoods are being abandoned simply by workless households, then the policy response has to be about multi-sectoral, and preferably employment-led, action. If there is never any prospect of work for the place because of its location, then perhaps it should simply be removed and grassed over. If, on the other hand, it is employed households of modest means leaving because they want better housing and can find it within the local housing market, then the issue is rather different. Are they leaving because they really desire a change in tenure, or because they want a bigger, better house, or are they seeking better schools and safer streets for their children? Unless we understand the causal and reinforcing mechanisms in particular places, and do so by robust methods of research, then we will confuse the problems and the solutions, and simply impose a top-down hypothesis about change on individual neighbourhoods.

Reverting to the broader questions of change, Turok's analysis of labour market accounts draws attention to the variety of ways of adjusting to employment losses, such as reduced participation rates, migration, long-term sickness, early retirement, etc. Green and

Owen (1998) analysed this phenomenon of 'non-employment' of working-age adults. They found that the growth of non-employment, after 1981, was fastest in the areas where it had already been highest and it was particularly associated with poor inner-city areas with high proportions of social housing. Whilst confirming many of the observations made above about regional and urban indicators of labour market change in the UK, they note that what is distinctive in the North and social housing is the extent of long-term unemployment.

In relation to the dynamics of employment, with the caveats made above, the city-level research undertaken in the JRF programme concurs with the patterns and implications set out in the SEU report.

The report is less clear on what it assumes about demographic and housing system change in the UK and the relationship to neighbourhood decline. However, JRF and related research allows a fairly succinct summary to be made.

- There is significant immigration into the UK and, like inter-regional migration, it primarily leads to increased housing demand in the South.
- However, the main migration flows in England are not from North to South but are still decentralisation *of population*, from city to suburb, and deconcentration, from metropolitan areas to rural areas and smaller towns.
- *Population decline* in cities is now running at less rapid rates than a decade ago and the population of Inner London has been rising since the mid-1980s.
- However, and with much salience for the housing sector, *household numbers* have been rising in cities since the 1980s, often in areas that were regarded as irreversibly declining in the 1970s. The limited evidence available suggests that, with real house prices and new construction rates in core cities lying at close to national rates over the last two decades, market demand for city housing has been increasing steadily. City housing markets are not, on average, declining.
- Failure to adequately understand, monitor and plan for changing housing demands has much to do with the abandonment of social housing in slower growth cities. Poor information and planning systems for housing within all levels of government have contributed to neighbourhood decline as the state has over-supplied the market for low quality social housing in some places and failed to ensure the appropriate evolution of quality and tenure options within city neighbourhoods. Analysis of JRF data for Glasgow suggests that such weaknesses lead to social housing abandonment within cities followed by a decentralising shift to suburban ownership. Within the JRF programme, Power and Mumford (1999) included some qualitative analysis of the decline of particular neighbourhoods within northern English cities and Niner (1999) reviewed the ideas and evidence pertaining to 'low demand for social housing'.
- Research evidence for London and Glasgow implies that suburban owners

will only return to the city, or decentralisers will not leave, if they feel that urban neighbourhoods can provide security for their families and good schools. Does this suggest that the SEU's prescriptions, if in different forms, for neighbourhood management and better services should be a new concern for all city neighbourhoods and not just the worst places? We do have externalities and communities even where people are not poor.

- Other JRF work (Groves and Niner, 1998) shows that there are inner areas where housing investment packages have raised quality without gentrification.

In contrast to the essentially similar conclusions of the SEU and JRF programmes on the broad patterns of change in employment, SEU and JRF interpretations of the important residential and demographic processes in city and neighbourhood decline do not easily mesh. This may be because both JRF research and the SEU report need to have a better basis for defining and identifying decline (neighbourhood quality or income group, absolute or relative change) and understanding its links with housing policies. At this stage, neither approach has left us with any strong evidence on the relative importance of different triggers and reinforcers in different places, and neither has helped us to identify the real strength of neighbourhood effects. This would not be a happy position to be in should those who believe simply in people policies, with no room for place, exercise more power over policy. Britain has seriously to raise its game in the analysis of neighbourhood effects and dynamics.

True neighbourhood effects or synergies in systems and policies lie at the core of the need to redesign people and place policies, so that the distinction no longer matters. But there is little sense in the SEU report on how such synergies might be analysed or created. The substance is the interaction of individual life cycles and transitions as impacted by different scale interactions, such as neighbourhood and city. The SEU may be right about mainstream policies rather than special area spends but this is valid only if these mainstream policies have design and delivery variations that capture area synergies.

Reversing decline

The SEU report then turns to why neighbourhood deprivation has not yet been sorted out. The key messages are that the problems persist not because government has failed to spend on deprived areas. It has spent a lot (but in an adverse macro/public spending climate until post 1997!). The failure of policy, it argues convincingly, is because there is an absence of a coherent strategy to secure change and prevent the problem. It argues that the public sector is often the problem rather than the solution. The key themes in this failure, and in consequence the four key themes for change, are:

- ineffective action on jobs
- communities undermined and uninvolved
- poor private and public services
- lack of an effective strategy, poor governance and management and data arrangements.

The sentiment and programme espoused has much in common with any policy agenda one would draw from the JRF programme, with the exceptions that JRF stresses the imperative of remaking ineffective housing systems and espouses a more bottom-up perspective on community-led regeneration. In Chapter 3, we examine ways to improve action on jobs, enhance services and remake housing systems and, in Chapter 4, we consider communities in the context of wider improvements in strategy and governance.

3 Jobs, services and housing choices

New directions?

In developing its framework of proposals for action, the SEU emphasises measures to replace or to remove failed policies from the past. It also significantly shifts the balance of activities regarded as key to neighbourhood regeneration. Bricks and mortar are de-emphasised, even roundly abused, a sentiment which has some but not full support from JRF research (and which should not be confused with housing policies). In the course of the time it has taken to design and implement the JRF programme, I have seen essentially surplus houses on the edge of Glasgow each improved at a cost of £40,000 plus, only for them now to lie vacant again with cracked windows and 'disappeared' environmental works amidst an atmosphere of decay and menace. But, yet, there is merit in restoring housing systems to a 'principle' for action and this is discussed in this chapter.

A second key, and appropriate, shift has been to stress the importance of raising neighbourhood employment (and presumably income) levels. Aside for those retired or unable to work, raising neighbourhood employment rates will invariably boost area confidence, networks and image as well as incomes. So, whilst the question 'where will the people work, who will have jobs?' is a central issue in designing regeneration policies, it is not enough. Almost a decade ago, McGregor and Maclennan (1992), in advocating strategic, integrated, partnership approaches to area regeneration, reported instances of economic/training initiatives where programmes resulted in 'successful' labour market action simply leading to capable residents leaving poorer neighbourhoods. A principle rule of neighbourhood regeneration is that there are no absolute rules. The mix and phasing of actions has to be a considered response to each place rather than a pre-programmed slogan. Communities that work require strategic policy-makers who think.

Neither of the prior emphases is a new idea. Nor is the notion that neighbourhood services have to improve. However, it is argued below that the SEU's intention to reconfigure area mechanisms to capture appropriate levels and mixes of mainstream services is both more radical and difficult than it initially seems. It will require local, integrated thinking about services, which has been the exception rather than the norm and has received scant attention in UK regeneration strategies to date. But it also challenges the compartmentalised and centralised styles of much of central and local government.

In this chapter, reviving local economies, providing decent services and remaking housing systems are examined by setting out what the SEU report says and noting additions and exceptions from the JRF programme. In the main, the programme evidence strongly supports the broad principles adopted and the detailed measures for action.

Reviving local economies

The SEU proposes to pursue this 'principle' for change by a range of what would now be labelled as 'active labour market' policy measures. With the exception of promoting small business formation in disadvantaged areas, the measures are primarily aimed at the 'supply side', that is, raising the competitiveness of neighbourhood residents in the wider labour

markets. This strategic balance is examined further below. The key measures proposed include:

- improving adult skills, via neighbourhood learning centres
- improving IT in deprived areas
- improving employment service quality, offering such services through a range of providers and campaigning against racial discrimination to help people into jobs
- making sure that people know that work pays more than benefits
- keeping money in the neighbourhood, using New Deals to support locals in local service provision
- supporting and promoting business, with the Small Business Service in the lead, and engaging employers' interest

A range of relatively self-contained evaluative studies of a number of these broad approaches was undertaken in the JRF programme.

Business involvement and support

McGregor *et al.* (1999) found that employers could be more effectively engaged in regeneration programmes and there was an interest in developing 'corporate citizenship'. It was important to engage employers at the outset, to simplify their co-operation but to keep them informed and involved. Once involved, employers used their networks to bring in other business support and they worked best in strong partnerships with relatively small numbers of key change agents. Government could help by reducing administration and involvement costs, especially for small-scale employers.

In contrast, Oc *et al*.'s (1997) analysis of business support for ethnic minority business (EMB) in City Challenge areas indicated that there was little evidence of support for EMB attempting to develop beyond existing markets. Again, business networks were the most effective means of communication and agencies had to overcome contact and credibility issues. Both of these studies highlight the need to understand more about the interface of business networks with local communities. But, clearly, there is potential for improvement.

General training, local economic development (LED)

The Sanderson *et al*. (1999) review of a range of LED measures suggests that they have important but limited benefits. He argues that they played a role in securing work for a quarter of the client group but, and this is important, did not change fundamentally their overall employment prospects.

Such schemes were least successful in finding secure work for the most vulnerable. They were most successful in helping well-qualified, married women. Active measures (such as customising training and advice, guidance, help with search) were the most effective, and they aim to raise client employability, search ability and motivation. There was extensive scepticism about the efficacy of training, but arguably this will be least valid in the worst neighbourhoods.

Effective policies of this kind require a strategic understanding of local labour markets, as well as employer involvement, effective marketing and committed staff working in a

partnership context. But where are the knowledge of local labour markets and the empirical understanding of the strength of neighbourhood effects (on motivation, training interest, search ability and so on)? They are not in the SEU report, or in the JRF programme, or in the Economic and Social Research Council (ESRC) Cities Programme. The only 'neighbourhood' effect cited in the SEU report is a study for residents of public housing in Boston (Massachusetts, not Lincolnshire). This lacuna in understanding of the first principle is even more worrying in the context of more critical, more macro studies (see below).

Earlier in the report, reference was made to the failures in housing planning, and in particular the inability or unwillingness of housing authorities to make robust estimates of the demand for housing. In recent years, there have been improvements in the techniques and practice of understanding local housing systems and in local needs analysis, and the Green Paper on housing policy for England has made important suggestions about how to improve housing strategies. Perhaps a similar advance is needed in relation to local labour market analysis. It would be unhelpful if the newly emerging Regional Development Agencies (RDAs) were to assume that they were dealing with single or unitary regional labour markets. In that context, it could be appropriate for the RDAs to have a role in developing a better functional understanding of local labour markets within their regions of operation.

Keeping demand on the estates

This strand of thinking, which is widely advocated by community leaders, has had shifting currency over the last 20 years. McGregor (1995) found that most construction projects created few jobs for locals and any impacts were often short term. In recent years, however, housing associations and others have found an increasing array of routes for contractors (or a sequence of contractors) to employ local labour. There is a continuing concern that such measures simply displace other workers and this could be problematic, say with trade unions, if measures were extended to mainstream services.

Williams and Windebank (1999), if by a rather different route, touch upon similar issues in their analysis of 'self-help' possibilities. They argue that, either through constraints on household incomes or levels of public service provision (in poor areas), residents fail to complete, or have delivered, tasks necessary to the maintenance of a decent life. Living in deprived neighbourhoods, in effect, eroded their 'capabilities'.

Self-help, they argue, could take the form of 'do-it-yourself', 'reciprocal/mutual aid' or exchange through 'informal exchange/Local Employment and Trade System (LETS) schemes'. Their empirical evidence certainly indicates the wide range of domestic/neighbourhood actions which remain incomplete, particularly for the unemployed. Mobilising this labour supply would not, arguably, displace existing low-income workers/service providers and could improve provision and raise motivation.

The SEU does not explore this notion, but there is a potentially important issue here. 'Currency' earned through LETS needs, somehow, to be linked to benefit and credits, and Williams proposed an Active Citizens Credit Scheme.

In a recent report, MacFarlane (2000) has suggested yet another route to ensuring/keeping employment in areas undergoing regeneration. He suggests that, in the development of planning agreements, planning obligations and agreements should incorporate SEU/community objectives. This sounds fine in principle but there are two obvious difficulties. First, it is not clear how such objectives become those of the planning authority, however desirable this might be. Second, planning authorities do not all have a distinguished track record in economic affairs and, not least given the comments above on local labour markets, it is unclear how they would develop effective targets.

A more general, critical view

The research referred to above is reported in the belief that LED-type measures can make a real, if limited difference. The larger-scale studies of Turok and Edge (1999) and Green and Owen (1998) adopt a less optimistic tone, not about specific LED measures, but about the likelihood of reducing unemployment in disadvantaged neighbourhoods without demand-side measures.

This is not the place for a full analysis of the spatial dimensions of employment policies but the key issues need to be aired. Owen and Green lead hard facts in a softer tone than Turok and Edge. They note that the central problem is that the demand for labour is shifting away from unskilled and semi-skilled labour, especially men and especially in cities. And they observe that in some places the stock of jobs has fallen so dramatically that 'matching' (or supply-side) policies will not counter joblessness.

Turok and Edge (who adopt the view that government is insufficiently unaware of city/nation economic divergences and, incorrectly, that the SEU sees the difficulties of urban areas as social rather than economic!) are direct and to the point. 'A pre-condition for getting more than a few back to work is to increase labour demand through spatial targeting and that the New Deal is being pushed hardest in the places where it will eventually make least difference.' In consequence, employment prospects in poorer estates will improve only if more jobs are located closer to pools of the unemployed with investment in strategic sites and infrastructure. Such considerations do not appear at all in the SEU proposals for 'Reviving local economies'. Does this matter? The Turok and Edge argument has a logic, but is there a counter-logic? Does it rest on ethical/distribution grounds or on some economic growth model?

There are a number of arguments to consider, involving policy time-horizons and geographic scales. First, although it may be entirely appropriate to see labour demand and supply as independent in the short term, this is not true in the longer term. If the skills of unemployed labour are raised then a location may attract new labour demands, perhaps without reducing them elsewhere. But it is unlikely that such 'endogenous' effects would be so sudden as to remove unemployment. And the 'demand-siders' could counter that failure to employ residents will erode their productivity as they remain unemployed.

So, how could government raise labour demand in poorer places? One route would simply be to increase public expenditure or reduce taxes (in general or on specific jobs programmes) from their present levels. The

Chancellor does not have to be mean nor stupid to resist the Turok and Edge policy prescription; he simply needs to point out the research consensus of the effects of fiscal and monetary policy on inflation and productivity growth. Pursuing higher levels of aggregate demand now, with present productivity levels, could simply lead to higher inflation and interest rates which would then inevitably lower demand later.

A second route would be to leave UK aggregate demand unchanged but to divert a larger share of it not just to poorer regions and cities but also to poorer places within them. At the inter-regional scale, even if we did not adopt the assumption that regional shifting of employment was simply displacement (but had the classic congestion-reducing/capacity-using features often attributed to regional policies), there could well be resistance. Why should the South support diversion to the North, as long as there are localised unemployment pools in the South? The politics of devolution increasingly run against such arguments.

But, even if they prevailed or (as many cities desire) spent a greater share of the UK Science Vote and R&D in the North and raised growth rates there, would this meet the Turok and Edge requirements? The answer is not really, because sites would have to be close to deprived neighbourhoods. In effect, they regard the unemployment problem of those in poor areas as lack of local access to work which they could perform productively.

This is an interesting proposition and it brings planning and transport policies (rather than skills) to the forefront of reviving local economies. The problem is that it is an empirical question, as it is for those who simply see the problem as arising from low skills denying job access. Access and skills probably both matter, but more specific evidence is needed on where, when and to whom; unless, of course, equal rates of employment are to be sought regardless of efficiency/inflation consequences. Training and Enterprise Councils (TECs) and Local Enterprise Companies (LECs) in Scotland, until now, have not yet developed informed strategic understandings of regional and local labour markets which allow us to establish the relative merits of demand side/job access claims (Turok and Edge) versus supply side/skills, information advocates (SEU).

To date, reviving local economies in Britain has had successes and failures. When neurosurgeons, dealing with complex, localised systems, encounter new problems or fail to solve old ones, they don't simply ask for new scalpels. They develop an evidence-based understanding of the issues. We need to do the same.

Providing decent services (public and private)

The SEU deserves much praise for its observations that core public (and some private) services are at their worst in poor places, precisely where they need to be particularly good.

It proposes to:

- develop targets for core services in poorest areas (improving health, reducing crime, creating jobs, education attainment, drugs reduction, better transport) for about ten indicators in the Public Service Agreements (PSAs), with minimum indicators for all

- ensure that services have resources to do the job; the current spending review has to look at departmental budgets and their resource allocation formulae
- define the new role for area policies as innovating and helping to join up core services rather than just shoring them up where they fail
- tailor services to the particular needs of disadvantaged areas; Schools Plus strategies including extra study support, new school support teams, better links with communities through community champions, increased ethnic minority support and mentoring, etc.
- target support for young people and families
- emphasise on-the-spot delivery
- bring back shops (or, in some instances, get them there in the first place) through local retailing strategies, crime prevention, removing planning impediments
- improve access to financial services; promote fast credit union growth, more insurance with rent, Post Office role, etc.

These proposals on core services are truly radical. If delivered, they would force Whitehall to monitor progress on improving core service provision within poor places; run-down neighbourhoods would, via PSA targets, be somebody's responsibility. Equally, as many of these core services are delivered via, or with, local authorities, they too would have to change, and so would government agencies. These PSA indicators are deceptively simple but potent mechanisms for prompting change, though much thought is required about delivery mechanisms.

Research on improving local services in the JRF/ARP had, perhaps, no less a radical vision than the SEU. In effect, four 'local' service delivery mechanisms were examined and they may have roles to play in meeting PSA targets. They were all, in some fashion, borrowing from overseas experience. And they were all designed not to displace or compete with existing local service providers (mainly local authorities). Perhaps, if local services in poor areas were so bad, the appropriate advocacy would have been contestable/competitive alternatives. We have, in some ways, been timid in our vision for changing local services.

The four 'mechanisms' explored were as follows.

- Housing Plus (Kemp and Fordham, 1997), which argued that housing associations could provide currently missing services (play facilities, vocational training, community safety) effectively and with a community input. Key issues relate to regulation by the Housing Corporation and whether Community Development Trusts are more effective multi-purpose vehicles.
- Enhanced Caretaking (PEP, 1997), which drew on a Scandinavian model. Multi-skilled caretakers located on estates gave more efficient repairs and service provision. Local presence gave better tenant–landlord relations and nipped problems in the bud. In effect, many landlords already do this as mini-neighbourhood managers.

- Resident Service Organisations (PEP, 1997) drew on French experience to develop community-led models to boost local services using local labour. Service revenue funds provided a basis for introductory, transitional employment, but required subsidy.
- Service Partnerships (Gregory, 1998) were an attempt to bring major service providers on estates to develop integrated service provision. This required active co-ordination and community support, but it gave more effective planning and provision. Prevention of difficulties reduced troubleshooting costs so that there were no cost increases.

These, in particular, were all effective innovations in service delivery. What remains to be discussed is whether they can be aligned to delivering core targets and whether communities are served or consulted or put in control. The critical issues of neighbourhood management and community control are discussed in Chapter 4.

Private services and private finances

Deprived areas, as survey after survey shows, have poor scores on resident satisfaction with services, the environment, etc. But there is increasing evidence, particularly in post-war social housing areas built further away from older neighbourhood retail and service locations, that areas are poorly rated on amenity provision.

The absence of private facilities and services reflects several different factors. Many estates and high-rises were simply planned from the outset without sufficient amenities, especially for places providing any form of fun. The high-rises of Britain, for instance, rarely contain the ground-floor service and retail outlets that are commonly found in expensive apartment buildings in New York or social housing in parts of Europe. In other instances, low incomes of residents have deterred service location on revenue grounds. In yet more instances, high costs associated with vandalism and crime have encouraged private service providers to locate away. The comparative cost of a 'basket of goods' across the range of deprived to affluent areas remains unmeasured but the remoteness of some estates, low car ownership and near local monopoly providers are likely to mean expensive goods and services in poorer areas.

The JRF programme commissioned Speak and Graham (2000) to report on changing provision of private services following deregulation and privatisation in, respectively, the financial and utilities sectors. They found that key services (energy provision, telephones, food retailing and banking) were being disproportionately withdrawn in the poorest neighbourhoods. Withdrawal was, worryingly, taking place even where major regeneration was ongoing. It was occasioned by low volumes/high costs and usually undertaken without consultation.

Speak and Graham established that less than half of households in poorest areas had a telephone and this is likely to mean exclusion from the benefits of new IT developments; capabilities for operating in the 'modern' economy are denied to such households. They usually also lacked bank accounts.

Jan Pahl (Pahl, 1999), in a related JRF project, confirmed the anxiety of the poor about using

IT and their exclusion from the e-economy. Similarly, Mayo *et al*. (1998) established that the disadvantaged have the least access to capital and credit. But it also found that there was growing consumer and supplier interest in relatively flexible and local community financial initiatives; credit unions, community loan funds, mutual guarantee and social banks all had support. The commercial lenders have progressively become more supportive of such ventures (not least because successful participation in a credit union is a useful screening signal should a member subsequently seek a commercial loan).

It would be fair to note that even since the NEF report in 1999 there has been substantial apparent progress in government and lender support for credit unions and lender interest in better serving poorer populations with new loan products and more accessible ATMs. Looking to the future, the presence or absence of such services in areas facing modernisation needs to be audited and some local agency needs to be given the responsibility for pursuing necessary change.

What about the money then?

The SEU's progress on thinking and action for public and private services has been impressive. However, there is an important omission.

In 1998/99, both the Department of the Environment, Transport and the Regions (DETR) and the Scottish Executive conducted pilot studies about local budgets. In a number of ARP research projects (e.g. Carley *et al*., 2000), officials raised the potential significance of local budgets. But, yet, the SEU report is silent on the matter.

A number of issues need to be probed. First, there has to be some greater clarity about whether public spending, on the range of initiatives in Figure 1, can be locally identified with any precision. Second, there has to be a tagging of flows of public funds which meet statutory requirements (e.g. in education) or individual entitlements. If the first condition is not met, then inter-neighbourhood wrangles are likely to be pronounced. If the second identification is not made, then government ministers may become concerned at the prospect of more local actions.

Subject to these reservations, the identification of local service budgets is likely, if communities are closely consulted or in control, to lead to a better selection of service priorities and more efficient delivery. At the very least, such budgets should be a prerequisite of neighbourhood management and community involvement in regeneration areas. Better local partnerships and more effective joining up may require local budgets.

Restoring housing, in principle

In this chapter, so far, two of the SEU 'principles' (reviving local economies and improving services) have been explored. It is relevant to ask what, in the long term, connects these two principles. Reviving local economies is about incomes and employment for the disadvantaged. Improving services is about better provision where they live. The principles are connected in several important ways, but a critical link is that it is the housing system that turns incomes into residential choices and therefore affects the quality of services available. Indeed, in social housing areas, provision of

housing services is an important shaper of local well-being.

The fundamental intellectual case for restoring the housing system to a 'Principal' concern in the SEU's agenda was made above and the ARP, in report after report, confirmed the myriad of ways in which improvements in housing policy and practice could lead to improved neighbourhoods. As noted earlier, although specific horrifying exceptions remain in some local practice, it is some time since housing professionals advocated 'housing only' solutions and equated housing policy with deeply subsidised provision of bricks and mortar. Arguably, researchers dropped a 'housing only' emphasis some time in the mid-1980s and, although it receives little recognition in SEU thinking, the best providers of housing and urban education had already designed and begun to provide an integrated course on 'neighbourhood renewal' by the middle of the 1990s.

Despite these changes, the view that regeneration is 'too housing-led' is quite pervasive, and in some instances may be valid. Does this perception stem from failures in cross-sectoral working or perceptions? One important, but often unrecognised, contribution to the notion of 'housing dominance' is the inescapable fact that housing (and many environmental actions) are by their nature tied to particular closes, streets and neighbourhoods. They are inherently, literally, grounded in the neighbourhood and, when investment is involved, form part of the visual landscape of the place.

In an integrated project involving employment, education and homes for local residents, the education provision may be real but near invisible in the neighbourhood. The LED action and the jobs it creates may lie entirely outside the residential neighbourhood and, even in project planning, whilst subsidised social housing gains for a neighbourhood may be predicted with certainty, economic gains and plans will be much less certain. And, of course, whilst everyone in the neighbourhood is likely to have a home, it will generally be the case, even in the poorest places, that only a minority of homes will have a child in education or a household member in an LED programme.

Housing matters to neighbourhoods not only as a verb but also as a noun. Housing is not only an important organising system (the verb) but also a visible, tangible outcome (the noun) within poorer (and other) neighbourhoods. The unavoidable realities that housing is enduring, localised and used by all residents, make it a central pillar in community activity and local service delivery structures. In short, SEU should re-integrate the numerous (and interesting) comments spread seriatim throughout its report into a cohesive principle (or pillar) for action. And, with a Green Paper on Housing (for England) and Housing Benefit (for Great Britain) recently published, the theme of the restored principle should be 'Promoting community housing to progress renewal'.

In this regard, the *Findings* of the JRF programme can be used to pose key questions for the SEU about housing policy, planning and practice.

- Does the housing planning system, as practised, under-provide mixed communities in cities and, through inadequate needs and demand assessments, exacerbate the problems of poorer quality neighbourhoods?

- Is housing well designed to prevent crime, enhance environmental quality, etc.?
- Do the structure and level of support for social investment in housing interact with the Housing Benefit system to create 'dependency' neighbourhoods?
- Do allocations and pricing systems within social housing contribute to geographic separation of socio-economic groups and lay the foundations for excluded neighbourhoods?
- Does the interplay of rent policies (including local rent structures) and benefit structures create a system that will lead to the under-supply of quality homes and neighbourhoods (or does economics matter to social landlords only when abandonment sets in)?
- Does the housing system facilitate access (via allocations and exchanges) to the range of employment sites and service locations that specific households need?
- Does physically inadequate housing reduce the efficacy of other service programmes, say education and health, and is this a serious issue within particular types of disadvantaged areas?
- Can 'housing' managers take on a wider set of roles within poorer communities and indeed can local offices have extended roles?
- Is 'housing' an important issue base on which to engender and develop community involvement and organisations within disadvantaged neighbourhoods and, if so, how can this be evolved into wider roles?
- Is there a clear enough emphasis on 'community management and ownership' of housing in the Housing Green Paper, and an understanding of how such approaches could facilitate neighbourhood renewal?

Housing policy in England needs a vision, coherence and purpose. There are some encouraging thoughts in the Green Paper. Arguably, a core purpose should be renewal. The prospective gains are great, even within existing public spending limits, if government would set community housing as a principal ends and means of strategy.

4 Reviving communities, remaking governance

JRF has consistently argued, on the basis of evidence, that the community has to be set at the heart of plans, mechanism and governance to stabilise and improve run-down neighbourhoods (JRF, 1998). Places change by engaging people. Previous *Foundations* have developed this theme and emphasised participation and ownership.

The SEU does address these issues, primarily under the heading of 'Leadership and joint working', but it also presents a chapter on 'Reviving communities', which looks at the threats to community stability as well as the capacities required to engage with them. The main thrust of this chapter will be to examine the proposed 'governance' structure for neighbourhood renewal. However, before turning to these issues, it would be remiss not to address, briefly, 'threats/capacities' issues.

Confronting problems, creating capacities

There is little doubt that the SEU has understood and responded creatively to the depressing and destabilising effects of crime and anti-social behaviour in deprived areas. The JRF programme has produced a range of evidence to support these notions, not least in the local neighbourhood studies. These studies reported that residents believed that service cutbacks over the last two decades had reduced the presence of council and other officers on their estates and that this had removed the appearance of 'authority'. For example, the removal of caretakers and park-keepers had meant that public spaces and parks were now full of drug addicts and had become dangerous and menacing spaces rather than places for relaxation. Service cutbacks, they believed, had accelerated estate decline.

Now there is increasing linkage of police and other services in local regeneration projects and there is a growing imperative to link Drug Action Teams to the nexus of health, housing and employment officials and agencies who already work in partnerships. And there is also much support for the notion of Neighbourhood Wardens, though there is also some concern. The Warden's role would become less productive and more dangerous where Warden and police were seen as close substitutes in areas of high crime. Clearly, the Warden will have to be seen as support for 'the community', be supported by them, and be a source of advice and contact. Fine, but does this begin to seem like the 'Enhanced Caretakers' discussed above, or indeed the active managers involved in community-based housing associations? That said, the 'name' is not important, nor indeed the service 'home' but a concerned and robust presence will be. Perhaps communities should be consulted about what they want and need in this regard! Perhaps they should even be given the opportunity to design the service and run it themselves.

Housing lettings policies and housing abandonment are seen, correctly, as barriers to community revival. Indeed, Key Ideas 9 and 10 in the SEU report touch on some of the key questions set out above but this does not invalidate that critique.

The chapter begins to touch upon community governance concerns by considering how to stimulate community activity, capacity

and involvement. The proposals made are interesting and consistent with JRF research but they are a little limited. They include the following.

- Promoting arts and sports in regeneration (through presence in partnerships) and re-specified resource allocations across funding bodies, but what about IT facilities and cybercafés for fun; what about 'volunteering' roles for young and old?
- Providing places to meet, 'community venues', but should new or remodelled schools provide 'community venues'? National Lottery may support capital provision but what about revenue funding?

More fundamentally, there is little discussion of how activities, contacts, networks located outside 'the area' can be engaged. There are no suggestions of how deprived and more affluent communities can meet, interact and communicate; that is, earlier in this paper, there were some notes of concern about the need to balance a top-down perspective on neighbourhood change with bottom-up perceptions, energies and visions. In relation to communities, it could be argued that the SEU report has a very top-down perspective. A central interpretation of the issues facing communities is followed by consideration of how to involve communities on those issues. But they are not simply agents in the process of neighbourhood regeneration, they are also the purpose. Where, in the strategy, is there the space for communities to articulate their own analysis, preferences and strategies, and the mechanisms to ensure that these voices will be heard in council chambers, RDA boardrooms and GRO offices?

Community capacity building and volunteering need to increase and a range of measures is suggested: developing skills via local training; altering benefit rules; simplifying access to public funding via the Home Office and a new Community Resource Fund; providing more opportunities to be involved in public services and Neighbourhood Endowment Funds. These are all important and laudable proposals, but they are rather left hanging in the blue sky of policy thinking and not clearly grounded. A number of key issues arise.

- Will community capacity building start before major renewal activities impact areas, or will communities simply be left to make the second order choices about change as often happens at present?
- Who will audit community capacity within deprived neighbourhoods and prepare plans to improve it? Will it be monitored before, during and after change?
- Who will provide expertise in and local support for this task?
- Which services or authorities will open up to local volunteers, or is the problem, with new initiatives on the horizon, an excess demand for skilled community volunteers?
- For which services and activities will decisions about investment and management actually pass to

communities, ensuring more empowerment rather than simply more engagement?

- Where communities own or control activities, how are they to be monitored and regulated?

Are these tasks for the local authority? If the local authority is resistant to community capacity building and real empowerment (and some are), how will community involvement increase (arguably where it is most needed)? Do there need, somewhere, to be targets and responsibility for these issues? Can steps be taken to build upon and diversify existing local volunteer efforts and organisation rather than bombarding communities with a bucket-load of new initiatives? Within each community, will new social entrepreneurs also co-ordinate these efforts?

Findings from the JRF research programme strongly support the broad thrust of 'reviving communities', but would also call for clearer management, 'ownership' and funding of these ideas (Duncan and Thomas, 2000; Smith and Paterson, 1999), for their success will shape the tone and effectiveness of new governance structures for area regeneration.

Remaking the governance of regeneration

The SEU has been brutally frank about the limitations of the ways in which central government plans, finances and implements policies for run-down neighbourhoods. In brief, it notes that there is nobody in government with specific responsibility for action on neighbourhood inequalities and this is reflected in the absence of a vision, aim, objectives and targets. The report, rather bravely, proposes radical change, with a view to commanding resource support in the year 2000 Spending Review. In particular:

- the SEU report constitutes 'the vision'
- a specific aim, to reduce the differences in well-being between the worst and average neighbourhoods, is being developed
- ten targets, to be written into the Public Services Agreements of central government departments, are proposed
- options for a locus of responsibility for neighbourhood strategies and outcomes within Whitehall are being explored.

This suite of actions makes sense. It is increasingly clear that 'joined-up' policies to secure cross-cutting objectives might attract kind words from ministers but, often, little spending support. Tough spending rounds do not encourage ministerial generosity nor do they encourage officials to explore new cross-departmental synergies. To make cross-cutting happen, ministers have to be rewarded for joint actions and something like a 'purchaser–provider' split has to be engineered between the ministers with sectoral programmes and those charged with integrated delivery. The 'integrators', in turn, must be able to sway the Chancellor and the Prime Minister.

The Prime Minister, in writing the foreword to the SEU report, has emphasised the importance of the issues and the imperative of well-designed, co-ordinated, multi-sectoral actions. We have never had such a clear, coherent policy commitment to revitalising

neighbourhoods in Britain. But, yet, referring back to the introduction, the report remains a 'framework', or at best a strategy for forming a strategy, rather than an action strategy for neighbourhood policy. Clarity at the 'top-level' and a raft of innovations in relation to local practice are not enough to constitute a strategy. There has to be some set of well-defined arrangements, or an implementation framework, to transmit resources and ideas from Whitehall to, ultimately, thousands of communities, and to allow insights and change to flow back from the community to Whitehall.

There are a number of critical decisions required about the desired implementation or governance framework. In one view, joined-up working at the local scale (to achieve the aim and ten targets) could simply have been about the centre designing a co-ordination framework to deliver locally, centrally determined levels and mixes of resources. Zones or local government would have been likely local agents delivering the centre's will. This is clearly central government policy for neighbourhoods, but that conception of policy no longer holds sway. It does not reflect modern thinking about the dynamics of governance and the recognition of local creative capacity and, in some senses, sovereignty. There is more and more resistance by local agents to simply delivering central government policy objectives. Key considerations include the following.

- Will central government give local agents (municipalities or community bodies) choices in how to use resources; that is, to vary service mix and delivery systems, or to vary resource levels?
- If so, will local authorities agree to monitoring of their activities and will they also transfer real decision power to communities when appropriate?
- Central dominance may fail to capture local commitment, effort and insight, thus lowering the productivity of programmes.
- The nature of the spatial systems, and the pattern of government, mean that multi-level co-ordination is likely to involve five levels and not just the central–local government interface. There has to be co-ordination on relevant issues between London, Cardiff, Belfast and Edinburgh (reserved powers are involved, we can all learn from 'what works', etc.); regions within England, as RDAs evolve and GROs gain standing; local authorities; neighbourhoods and communities.
- The tone of the cross-level, cross-sectoral relationships has to be one of partnership.
- One level of government in this multi-level, partnership approach may play different roles at different levels. For example, central government may scrutinise local authorities but, at the same time, sit on a partnership led by a municipality; that is, government hierarchy level does not necessarily equate to power status within a particular partnership.

The nation

Central government still has much to complete in setting a clearer governance framework. For example, there still has to be some clarification

of regional roles and government preferences about municipality/community as public asset owners and service deliverers. But, aside from these sovereignty/style issues, there are substantive spatial policy decisions, which influence regional/city-region contexts for neighbourhood change, to be made. The strengths and roles of the RDAs have to become clearer; inter-regional infrastructure decisions are important; the urban White Paper has substantive issues to address about greenfield/brownfield development and the harmonisation of region-wide transport, housing and employment policies. Getting these decisions right, as well as serving as an innovator and co-ordinator, is a key role for national government.

But what of the other geographic levels?

The region

In a review of strategic lessons for regeneration policy, Hall and Mawson (1999) emphasised the important and under-valued contribution of regional offices of government in linking sectoral and spatial issues. GRO roles in strategy, for linked activity, are to be strengthened but how does this sit beside the recent emergence of the RDAs?

Brian Robson has recently reviewed the early experience of RDAs for JRF (Robson, 2000). He notes that RDAs have objectives to link economic development with sustainable development and social inclusion. This makes a great deal of sense. In Scotland, where the forerunners of RDAs have existed for more than a quarter of a century, Highlands and Islands Enterprise has social as well as economic objectives, unlike Scottish Enterprise, and it has enjoyed a better reputation as an 'integrated' agency and partners. Perhaps the RDAs' objectives have to be more formally tied to the ten PSA targets that the SEU proposes. Otherwise, the pressure may be to place business and growth ahead of the community and the environment.

Robson notes that the RDAs have developed their roles sensitively and are keen partners. This bodes well for the future, although he notes that their strategies have a uniformity rather resonant of DETR guidance. Although business has been successfully engaged on boards, there is little clarity about how and where to engage with communities. Perhaps any early task for RDAs, promoting the social economy, would be to 'wire the voluntary sector' and create well-functioning regional community networks.

The development of RDAs has rather over-shadowed possible roles of other regional quangos. The Housing Corporation is conspicuous by its absence in SEU reports. Why? This is an important omission. It is inconceivable in Scotland, for instance, that Scottish Homes would not play a key role in regional information partnerships, strategic partnerships, promoting community capacity and funding community-based associations. Two-thirds of the examples cited in the Best Practice Appendix of the SEU report cite English examples with the remaining third from overseas. It would appear that nothing useful comes out of Glasgow, Belfast or Cardiff, yet they are all cities which have attracted international attention and praise for their regeneration efforts and where Scottish Homes, the Housing Executive and Tai Cymru have all played significant roles. JRF work is not so bounded and it has pointed up the key role of community housing in Scottish regeneration. The significant point is that England is missing

a trick by not re-inventing the Housing Corporation as a regional agent to promote the implementation of the SEU agenda.

Health boards and others have important regional roles to play and the question arises as to whether GROs, RDAs, other quangos and local authorities should have a regional-wide 'community plan'.

At present, RDAs are administrative devices. But, over time, they may form the basis for more explicit governance and political roles. However, for the moment, intra-regional conflicts will have to be resolved by central government.

Local authorities

Previous JRF reports have explored the regeneration role of local authorities. In some places, the observed unwillingness of councillors to share power or engage with communities allied to administrative/official silos as deep as in Whitehall can lead to a sense of frustration and an urgency to by-pass councils (via quangos and Single Regeneration Budget [SRB] and other bids).

The evidence is, increasingly, that this understandable short-term response is the wrong long-term strategy. In Scotland, local authorities were given the formal lead in authority-wide partnerships in 1995 and most major authorities have developed multi-sectoral alliances. The Local Government Association's (LGA's) New Commitment to Regeneration Programme Initiative is promoting a similar approach in England. The SEU's proposal to have partnerships of central departments/agencies with council departments at the local scale is a much-welcomed recognition of the need not only to modernise government but also to set local authorities in key strategic roles.

Such strategic service/investment/regeneration partnerships at the municipal-wide scale may also lead to some rationalisation of the present plethora of partnerships. It has previously been argued, on the basis of JRF/ARP evidence (Maclennan, 1999) that we have too many token partnerships with no entry price, no core staff or budgets, no exit rules and no strategies to capture synergies. The new approach, allied to some formal monitoring of partnerships by an independent assessor, could promote more effective partnerships.

Carley *et al*. (2000) recently reported to JRF the results of an analysis of almost 30 regeneration partnerships throughout Britain. They argue that good partnerships (*inter alia*) require:

- strong leadership by council leader and chief executive
- good visioning and clear objectives
- mechanisms for building and maintaining partnership support
- budget flexibility
- genuine community and private sector involvement.

None of this is surprising. What is surprising is, to date, the unwillingness to have strong scrutiny of partnerships and a 'client' to demand programme performance. The SEU needs to confront this issue. Its ten targets will be driven not simply by central government departments but also by the performance of local authorities, quangos, the private and voluntary sectors. If partnerships are the key integrative device at municipal scales, then they will have to work if targets are to be met.

Neighbourhoods and communities

Essentially, similar remarks can be made about the neighbourhood scale, but other nuances arise. Neighbourhood management (and local budgets, if they existed) would enhance local level co-ordination and were advocated by JRF programme research (Taylor, 2000). But is that enough? Do we need more multi-output organisations rather than multiple partnerships? The SEU has rather ducked this issue. And, if we have single or multi-output neighbourhood producers, will communities be encouraged to own the assets? Are there not obvious community incentives to go beyond neighbourhood administration to community control? The report adopts a more 'co-ordination' interpretation than JRF research would suggest.

But partnerships, targets, single budgets, better-trained staff, service agreements, strategies, visions, IT/websites are as much a requirement at neighbourhood scales as they are at the council level. And JRF research adds to that list the need for new efforts to consult with and engage young people (Fitzpatrick *et al*., 1998), the recognition of the need for special efforts to involve ethnic minorities (Carley *et al*., 2000), and to recognise that regeneration alienates some groups (Kynch *et al*., 2000). Again, the key question for the SEU is who will promote this bottom-up re-engineering of regeneration where councils resist?

5 Conclusions, refinements and strategies

For most of the last quarter century, I have lived and worked in the city of Glasgow. It has been all too apparent to me, both as a citizen and as a researcher, that neighbourhood inequalities have been severe, shifting and, in places, deteriorating. Vast public expenditures, often directed at symptoms rather than causes, have also been evident as has been a mixed performance of service delivery. The downsides of municipal monopoly have too often drowned out the successes of community-led change in the city. And all of this has been set in a context of relentless reduction in the manufacturing base of the city.

There are now positive signs of change in Glasgow, as there are in other UK cities, and we should not be blind to emerging opportunities. But, in all of our cities and towns, even of quite diminutive scale, there are deprived, difficult, decaying places. We know where these places are and we know that we cannot abandon them, not simply because of fairness but also because they are economically as well as morally costly places.

The National Strategy of the Social Exclusion Unit, and the equivalent work of the devolved administrations, is to be welcomed. For the first time in my working life, there is a possible policy framework for reviving neighbourhoods, that recognises key problems and might reverse or remove them.

In this paper, I have pulled and nagged and teased at the SEU report not because it is wrong-headed or misdirected. On the contrary, its merits are obvious; it is informed, imaginative, honest and (in part) opinionated. This paper is offered as constructive criticism, as a means of contributing within the framework of consultation. The key areas in which the report could be strengthened prior to finalisation as strategy are in clarifying concepts, including the housing system as a key concern, being more explicit on strategy implementation mechanisms and 'hardening-up' thinking about community empowerment and governance.

The areas or topics that the SEU needs to consider, or reconsider, in progressing the framework, include:

- developing a more systematic and evidenced review of existing research to illuminate the notion of neighbourhoods and neighbourhood change; clarify the concepts
- drawing back from imposing a top-down view of neighbourhood changes and their causes either until a systematic review is undertaken or, preferably, local neighbourhood assessments are prepared for neighbourhood strategies; limit Whitehall opinions and generate bottom-up evidence
- firming up evidence of the significance of 'neighbourhood effects'; show that neighbourhoods matter
- introducing housing system change, and a shift towards community-led housing in particular, as a key principle for action; drop an indefensible intellectual and policy position
- promoting, perhaps through RDAs, a better understanding of the structure and functioning of local labour markets;

consider where and what the limits to 'supply-side' labour market policies might be

- building on radical proposals for changing local services by developing measures for community budgets and by illustrating how new PSA targets will be translated into strategies for action; end some important ambiguities about whether communities are to co-ordinate or control service provision
- clarifying the mechanisms by which community capacities are to be built and neighbourhood strategies developed and implemented; be explicit about possible alternatives when local government does not/will not promote community capacity and empowerment, and consider the roles of RDAs and the Housing Corporation in these regards
- linking to changes in wider governance/policy frameworks for regions, cities and local authorities; be prepared to review the efficacy of city-wide and local partnership arrangements and re-think the nature of local organisations for delivering 'joined-up' change (are mono-purpose not-for-profits really the best approach?).

These are very generalised conclusions, and a raft of more specific recommendations about neighbourhood change can be found in the numerous JRF programme reports outlined above. The SEU has made an excellent start on strategy, but there is more to do.

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