

Devolution and regional governance

Tackling the economic needs of deprived areas

David North, Stephen Syrett and David Etherington

This study links together two of the main policy agendas of the last ten years: devolution of power and policies to tackle deprivation.

There is a continuing debate about how to ensure that deprived areas benefit from the pursuit of economic growth, and identifying the right level of governance for linking economic development and social inclusion policies. The study looks at:

- how far the economic and social aspects of regeneration are being effectively linked
- the extent to which political devolution in Scotland, Wales and London is bringing greater strategic attention to the needs of deprived areas
- successful initiatives and how they have worked.

The research involved interviews and workshops with 94 organisations in four English regions (North East, South West, East Midlands, and London), Scotland and Wales as well as a detailed examination of six 'good practice' policy initiatives.



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Main report

David North, Stephen Syrett and David Etherington



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1 Introduction

The policy context

The starting point for this research has been to understand the impact on the prospects of disadvantaged places of new and emerging governance structures and arrangements at the national, regional and sub-regional scales. More specifically, it is concerned with how the processes of devolution and decentralisation of state power and the resulting changes in regional governance, under the New Labour Government, have impacted on the design and delivery of strategies and policies related to the economic problems of deprived areas in England, Scotland and Wales.

In so doing, the research links together two of the main policy agendas of the last ten years: devolution of power and policies to tackle deprivation. The first is the devolution agenda, involving the devolution of powers and responsibilities to an elected parliament in Scotland and elected assemblies in both Wales and Northern Ireland, the restoration of democratically elected government in London and the decentralisation of decision making to a new regional tier of organisations in the English regions. The Government sees its wider programme of constitutional reform as 'a dynamic ongoing process to ensure that functions are carried out at the appropriate level within the overall UK framework' and that 'decisions made at the regional level can take better account of the unique opportunities and challenges faced by an individual region' (Cabinet Office and DTLR, 2002, p. 2). This issue of devolution is of particular interest within the context of a traditionally highly centralised unitary state such as the UK.

The second agenda is that of tackling the causes of social exclusion and deprivation. Following the Social Exclusion Unit's National Strategy for Neighbourhood Renewal (SEU, 2000), the Government has prioritised the renewal of the most deprived areas and neighbourhoods in England via programmes such as New Deal for Communities, its Neighbourhood Renewal Fund, and a plethora of other place-based and people-based initiatives. This has involved a restructuring of local governance in the most deprived areas, notably through the creation of Local Strategic Partnerships, to give communities a greater say in the provision of public services and the kinds of initiatives needed to reverse or manage the decline of deprived neighbourhoods and narrow the gap with the rest of the country. The devolved governments in Scotland and Wales have also prioritised the need to improve the well-being and life chances of those living in the most deprived neighbourhoods, establishing their own programmes and governance arrangements for doing so (i.e. Communities Scotland and Community Planning Partnerships; Community First in Wales).

This research is therefore concerned with the relationship between these two policy agendas and the extent to which there has been an integration or separation and tension between them. Specifically, it explores the linkages between strategies and policies related to economic and business development issues and competitiveness that have predominated at the national/regional level, and those concerned with reducing social and economic exclusion and narrowing the gap between the poorest neighbourhoods and the rest of the country, primarily pursued at the local and neighbourhood levels, with a focus on the employment and worklessness agenda. The persistence of intense concentrations of localised deprivation, evident even within cities and regions enjoying strong economic growth, raises fundamental questions as to what the most appropriate policy responses are and at what spatial levels these should be pursued. This research builds on a review of the dynamics and governance of local economies and their relationship to deprived neighbourhoods that the authors undertook for the Government's Neighbourhood Renewal Unit,¹ a central conclusion of which was the need for policy initiatives relating to deprived areas to be more closely integrated with strategies at wider spatial scales.

The policy context relating to the issues covered by this research continues to develop along several related dimensions, reflecting the continuing importance that different government departments attach to them. Since the start of this research, the UK Government has embarked on a number of key policy reviews, the principal ones being the following.

- *The review led by HM Treasury of sub-national economic development and regeneration* carried out during 2006–07 (HM Treasury *et al.*, 2007). Relating specifically to England, this brings together the policy agendas of improving regional economic performance and releasing the economic potential of regions, cities and localities on the one hand, and tackling social exclusion and delivering neighbourhood renewal on the other. The challenge is to strengthen the links between the two so that disadvantaged people and places can both share in and contribute to sub-national economic growth. The question of what is the optimal level for governance and decision-making functions relating to the economic development and regeneration of deprived areas is also central to the review. The direct relevance of this research to the sub-national review meant that preliminary findings from this project were fed into the review process. The conclusions of this review (HM Treasury *et al.*, 2007) as they relate to the findings of this project are considered in the final chapter of this report.
- *The Local Government White Paper* (DCLG, 2006) setting out the Government's intended reforms relating to local government in England. As well as proposals to strengthen leadership within local government, a key aim is to devolve more

powers and resources to both the local and neighbourhood levels so that local government and other local partners can respond more flexibly to local needs, including those relating to the economic development of deprived localities.

- *The Leitch Review of the UK's long-term skills needs* (HM Treasury, 2006).
Against a background of the UK's poor productivity performance and skill deficits relative to other OECD countries, the Review has put forward proposals for reforms to the skills and training system based on a 'demand-led' system that meets the needs of individuals and employers (i.e. responding to employers' skill demands rather than trying to plan supply). It is concerned about the fragmented service that people receive at the sub-national level and proposes an integrated employment and skills service more capable of delivering the full range of support that people need in a rapidly changing labour market. The development of skills, including basic skills, is seen as a key factor in overcoming barriers to employment and to improving the employment prospects of those living in the most deprived localities.

Aims

There were four interrelated aims to this research.

First, it has sought to assess the actual and potential impact on the economic and employment needs of disadvantaged places of new and emerging governance structures at the regional and sub-regional scales, looking across England, Wales and Scotland, which have different forms of devolved governance, and at various regions within England.

Second, it has tried to assess the degree of compatibility (or tension) between strategies and policies at the regional and sub-regional levels concerned with economic development and job growth on the one hand and those at the local and neighbourhood levels concerned with tackling economic and social exclusion on the other, including an assessment of the degree of institutional co-operation and partnership involved.

A third aim has been to identify and critically evaluate examples of good practice where integration between different levels of governance and economic and social policy agendas has benefited deprived localities and the people who live and work within them.

Following on from this, the fourth aim has been to generalise lessons from such good-practice examples, paying particular attention to the importance of regional differences in governance arrangements and the relative benefits of different kinds of interventions, distinguishing between those that are place based and those that focus on the people who live within deprived localities.

Selection of regions/devolved administrations

In order to cover a range of different devolved governance arrangements within the UK, six case studies were selected, comprising four English regions, Scotland, and Wales. The four English regions were chosen to cover different parts of the country, different types of deprived areas (i.e. inner cities, coalfield and rural areas), and different models of devolved governance. On this basis the selection comprised the following.

- 1 The North East: an example of an old industrial region that has suffered greatly from deindustrialisation and in which a high proportion of the population live in deprived neighbourhoods, including both coalfield and inner-city areas. At the time the research proposal was formulated (summer 2004), there was the possibility that it would be the first region to have an elected assembly.
- 2 The East Midlands: a diverse region comprising economic dynamism with major problems of deprivation associated with former coalfield areas, major urban centres and certain rural areas. It is also a region lacking cohesiveness and identity, which has resulted in a more decentralised governance system.
- 3 The South West: although one of the most successful English regions in terms of economic performance overall, there are some marked intra-regional disparities, including pockets of deprivation in inner cities and remote rural areas. A focus on Cornwall enables the research to consider how the links between economic development and social inclusion have been shaped by EU Objective One status in this peripheral part of the region.
- 4 London: a global city and metropolitan region, experiencing rapid economic and population growth but characterised by large inequalities in wealth and income between different social groups and areas, and including some of the most deprived localities in the UK. It also has a more devolved form of governance than other English regions, with a mayoral system and an elected assembly.

The inclusion of Scotland and Wales enabled the research issues to be studied in two UK jurisdictions with the most devolved governance arrangements and in which a high proportion of the population live in deprived neighbourhoods. Scotland has the most devolved governance arrangements, with its own Parliament, well established economic development institutions and distinctive approach to regeneration. Wales was also included to examine the Welsh Assembly Government's (WAG's) strong commitment to regeneration and social justice. WAG was taking steps at the outset of the research to restructure the governance arrangements relating to various economic development functions, making this an interesting point at which to examine the issue.

By focusing the research on these six case study UK 'regions', it has been possible to examine the above research aims in some very different socio-economic contexts covering various inter-regional disparities that exist throughout the UK, as shown by the selected descriptors in Table 1.

- In terms of population change, the South West, East Midlands and London have experienced substantial growth over the last 20 years, compared to small decreases in the North East and Scotland.
- Employment rates in the South West and East Midlands exceed the UK average, whereas, in Wales, the North East and London, rates are well below average as a result of the lower levels of economic participation in these regions (Figure 1).
- Scotland and the North East also have above average unemployment and London has the highest unemployment rate, despite its very strong economic growth (Figure 2).
- Some of the most marked disparities relate to productivity (gross value added [GVA] per head), with London being almost a third above the UK average, compared to the North East, and Wales falling 20 per cent below (Figure 3).
- There are similar disparities in average household incomes, ranging from more than 20 per cent above the UK average in the case of London, to more than 10 per cent below in the case of Wales and the North East.

Table 1 Key descriptors for selected UK regions

	Population, 2004 ('000)	Population change, 1981–2004 (%)	Employment rate, ^a 2005 (%)	Unemployment rate, ^b 2005 (%)	GVA/head, ^c 2004 (£/head)	Household income, ^d 2003 (£/head)
North East	2,545	–3.5	69.7	6.4	13,433 (79.9)	10,787 (86.0)
South West	5,038	+14.9	78.9	3.3	15,611 (92.9)	12,704 (101.0)
East Midlands	4,280	+11.1	76.0	4.1	15,368 (91.5)	11,612 (92.0)
London	7,429	+9.2	69.3	6.9	22,204 (132.2)	15,235 (121.0)
Scotland	5,078	–2.0	74.6	5.9	16,157 (96.2)	11,753 (93.0)
Wales	2,953	+4.9	70.8	4.5	13,292 (79.1)	11,137 (88.0)
UK	59,835	+6.2	74.4	4.7	17,258 (100.0)	12,610 (100.0)

^a Total in employment as percentage of all people of working age (males 16–64) and females (16–59) in each region.

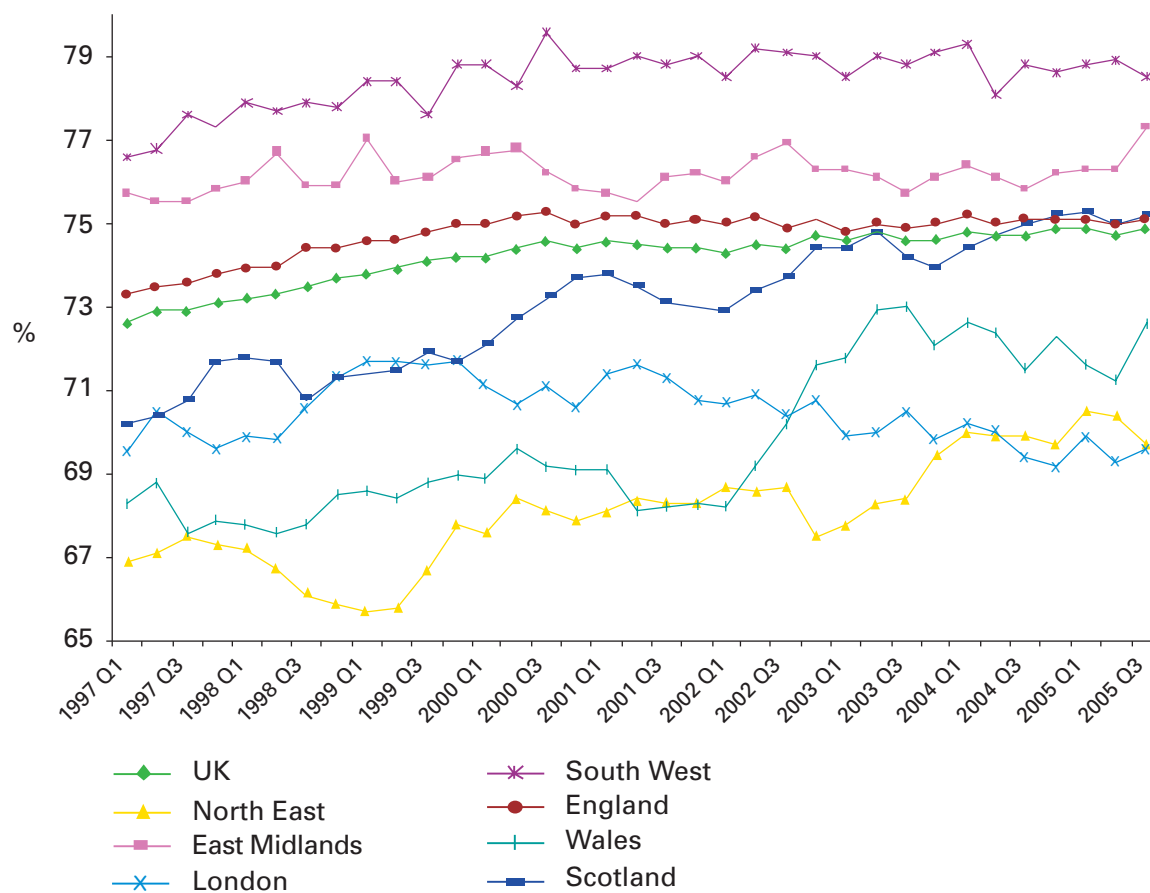
^b Labour Force Survey unemployment rates.

^c Gross value added at current basic prices.

^d Gross disposable household income.

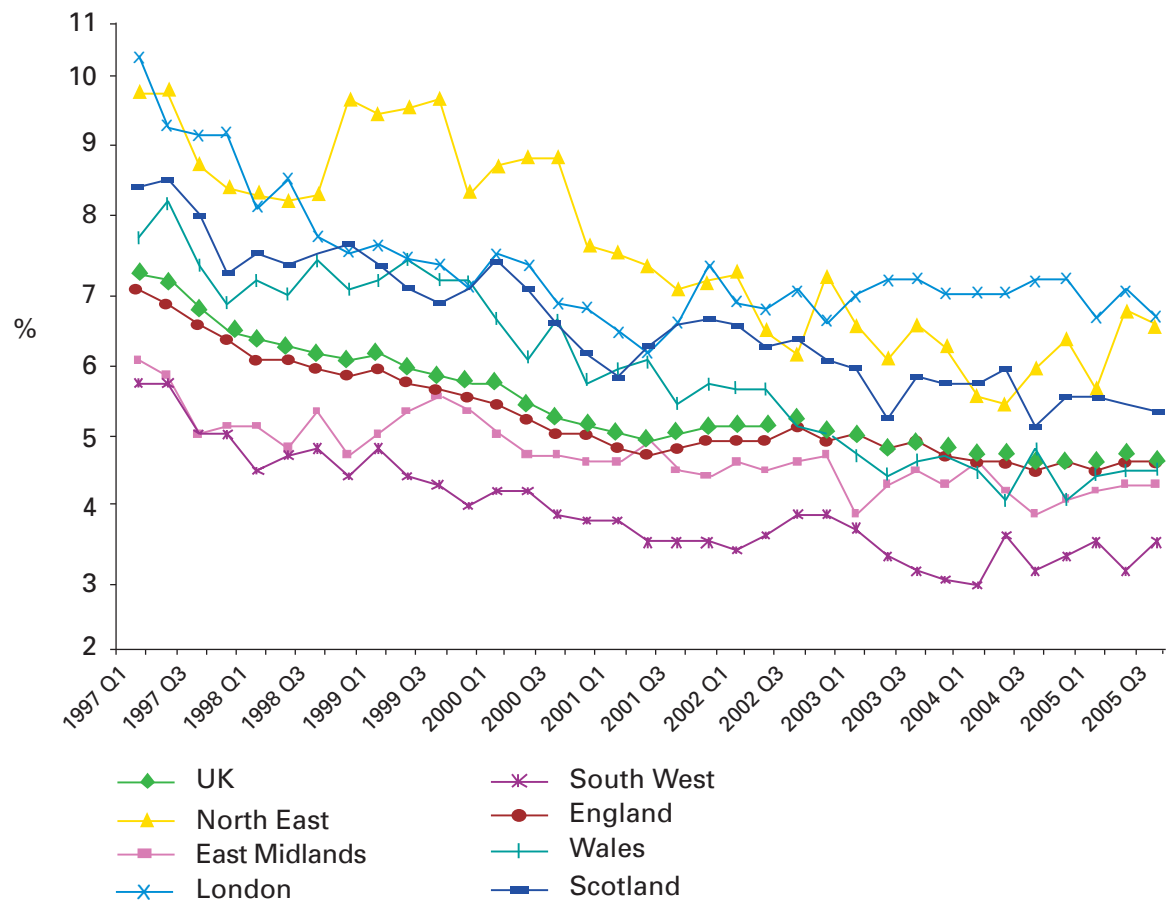
Source: Office for National Statistics.

Figure 1 Employment rates of study areas

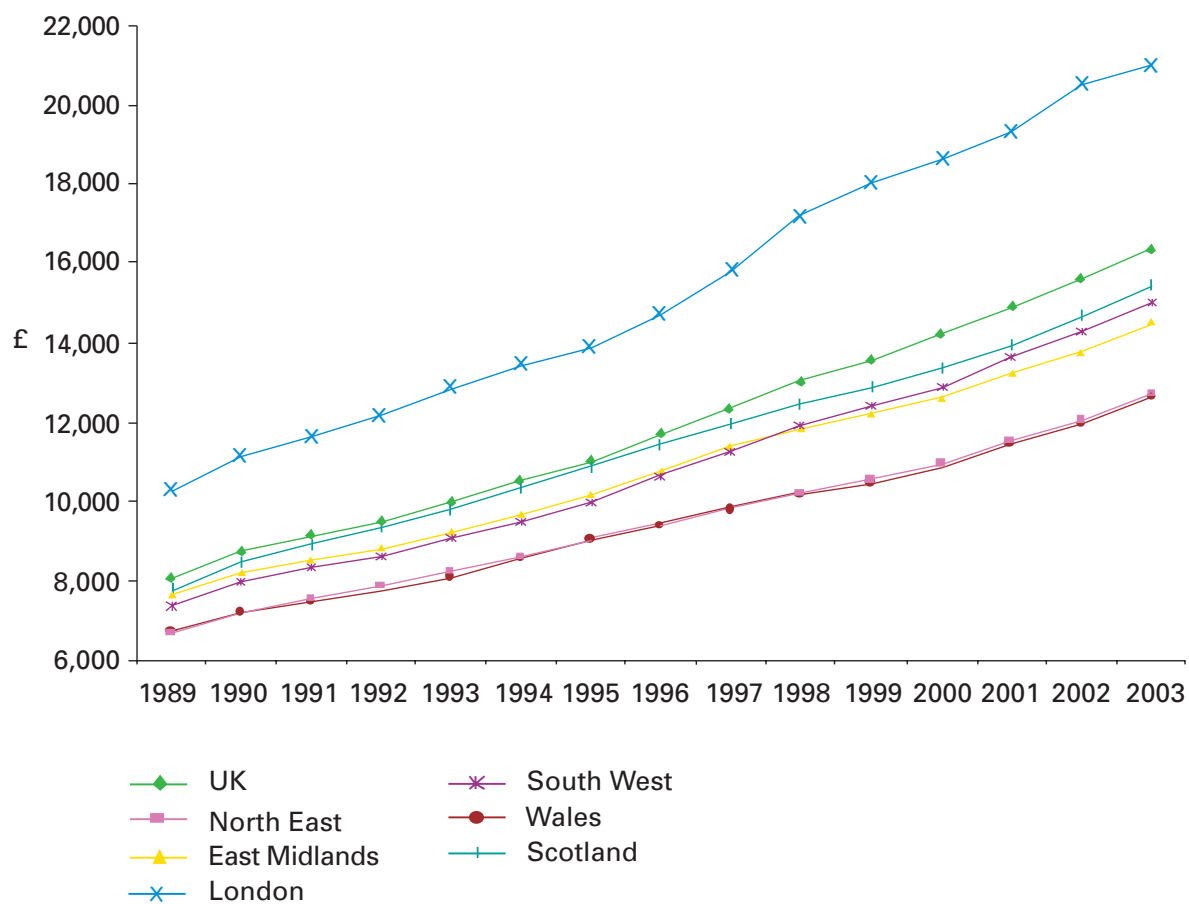


Source: Labour Force Survey, Office for National Statistics.

Figure 2 Unemployment rates of study areas



Source: Labour Force Survey, Office for National Statistics.

Figure 3 GVA per head of study areas

Source: Office for National Statistics.

Research approach and methodology

The research has been conducted in two sequential stages, with stage one concerned mainly with assessing the impact of new governance structures and the relationship between economic development and social inclusion in the six case study areas (i.e. the first and second aims in the section on 'Aims' above) and stage two concerned with the identification and analysis of a number of case study initiatives that demonstrate effective integration between different levels of governance and between the economic and social agendas (i.e. the third and fourth aims in the section on 'Aims' above).

In the first stage, various strategies and policies at the regional and sub-regional level for the four selected English regions, Scotland and Wales were reviewed and analysed to assess the extent to which different policy agencies are pursuing strategies aimed at transforming the futures of disadvantaged places and people within their regions. Another aim was to identify possible examples of successful interventions that directly seek to integrate the needs of deprived areas within broader regional/sub-regional strategies, which could be selected as suitable case studies for stage two of the project.

The first stage of the research involved the following.

- 1 The use of secondary source material (both web-based and printed), including regional economic strategies and other relevant strategies/policy documents of agencies at both regional and sub-regional level (i.e. economic strategies; spatial strategies; employability strategies; and regeneration strategies).
- 2 A programme of face-to-face interviews with senior representatives of regional and sub-regional agencies in each of the selected regions/nations to obtain first-hand information on their actions to address the problems facing deprived localities and communities within the region. Within each region/nation, at least five face-to-face interviews were carried out at the regional and sub-regional levels (50 in total) with relevant senior officers within Regional Development Agencies (RDAs) (e.g. head of the social inclusion team or regeneration division), Government Offices, Regional Assemblies (and national assemblies/parliaments in the case of Wales and Scotland), and at least two organisations operating at the sub-regional scale (e.g. sub-regional partnerships).
- 3 A programme of telephone interviews with a sample of organisations involved in local and neighbourhood-level regeneration within each of the six regions/nations with the aim of drawing on the experiences and views of those directly

involved in tackling economic and social exclusion in deprived localities. They included programme managers of regeneration programmes such as New Deal for Communities, Local Strategic Partnerships, Community Forums (in Wales), Community Planning Partnerships (in Scotland), and representatives of various voluntary and community sector (VCS) organisations. A total of 44 telephone interviews were undertaken. A full list of the 94 organisations interviewed in stage one of the project can be found in Appendix 1.

- 4 Towards the end of stage one, a workshop was held in each of the regions/nations at which the principal findings of stage one were presented and the emerging issues discussed with interviewees from the key stakeholder bodies. This proved to be an effective way of further involving those organisations and individuals who had participated in the interview programme. It also provided an opportunity to take on board some of the latest policy developments.

The second stage of the research focused on examples of joint working between the regional/sub-regional and local levels of governance relating to tackling the problems of deprived localities. Six case studies were analysed, one from each of the six regions/nations. All the schemes related to employment. As well as the need for partnership working between different levels of governance, the selection took into account the need to find initiatives linking and integrating economic growth/development with tackling social exclusion and accessing employment, and examples of good practice in terms of community participation. Each scheme assessed difficulties and positive aspects experienced by the interventions. The aim was to have a varied mix of case studies, including interventions that were focused on place (e.g. physical regeneration schemes) and those focused primarily on the people who live within deprived areas (e.g. the young unemployed, minority ethnic groups, incapacity benefit claimants).

The chosen case studies were:

- Brent in2 Work (London)
- Acumen Community Enterprise Development Trust (North East)
- Local Alchemy (East Midlands)
- Camborne, Pool, Redruth (CPR) Works (South West)
- South Lanarkshire Routes to Inclusion (Scotland)
- Want2Work (Wales).

Information relating to each of the case studies was obtained from the following.

- 1 Assembling and analysing relevant written material, including policy statements, funding bids, and the results of any monitoring and evaluation exercises undertaken.
- 2 Visits to each case study location to conduct face-to-face interviews with key players and stakeholders involved with the initiative. The aim here was to obtain the perspectives of a range of people with first-hand knowledge and experience of the location and community that the initiative aims to benefit to achieve a critical understanding of its development and implementation – e.g. representatives of the local authority, the Local Strategic Partnership (LSP), VCS, Jobcentre Plus, local regeneration project, etc. The interviews focused on the relationships between different levels of governance and the extent to which the needs of disadvantaged localities have been taken into account at higher levels, as well as the scale and nature of benefits in terms of transforming disadvantaged places and their resident populations. At least six interviews were conducted for each case study (see Appendix 2).
- 3 A focus group (or individual interviews) held with a number of beneficiaries/clients of each case study initiative. The purpose here was to obtain their experiences of the initiative and the extent to which it addressed their needs/situation, their own assessment of the help that they received including the strengths and shortcomings of the initiative, and how their ability to obtain employment (including self-employment or starting their own business) has changed as a result.

Structure of the report

The findings of this study are presented in three separate volumes. As well as this volume presenting an overview of the research findings, Volume 2 comprises the reports on each of the six case study regions/nations, focused particularly on the first and second aims of the research, looking at governance issues. Volume 3 comprises the accounts of the six case study initiatives that were examined in detail in stage two of the research to examine good practice in local interventions.

The rest of this overview report comprises a further five chapters.

- Chapter 2 addresses the conceptual and definitional issues relating to devolution and regional governance, and types of deprived localities and their economic needs.

- Chapter 3 outlines the different governance structures and arrangements that exist in the selected case study regions/nations, as well as reviewing the various kinds of strategies at regional and sub-regional level that are potentially of relevance to linking economic development with social inclusion.
- Chapter 4 presents the core of the research findings focusing first on the extent to which there has been a linking of the economic development and inclusion agendas across spatial scales, including the extent of compatibility and co-ordination that exists and a consideration of the factors preventing greater co-ordination. It also addresses the question of whether devolution and regional governance have made a difference in meeting the economic problems facing deprived localities and whether currently evolving structures are likely to be more effective in the future.
- Chapter 5 provides an overview of the findings from the six examples of 'good-practice' initiatives that comprised the second stage of the research and examines them in relation to their successes and achievements, partnership working, effective integration and providing linkages between the different levels of governance.
- The final chapter summarises the main conclusions and policy implications of the study.

2 State rescaling and area deprivation

Devolution and regional governance

In the UK, the new regional settlement that has been put in place since 1997 has seen a strongly unitary and centralised state devolve varying degrees of power to elected assemblies in Scotland, Wales and Northern Ireland, and an elected Mayor and Assembly in London, and a limited decentralisation of administrative functions and decision-making power to the English regions. The significance of these changes to the nature of sub-national economic governance within Britain, and the opportunities and constraints it has created for tackling problems of spatially concentrated deprivation, form part of a wider reconfiguration of central state powers and related shifts in governance forms and arrangements.

Governance and rescaling of the State

The notion of a shift from government to governance has sought to capture the reality of changes in political institutions, networks, policy initiatives and responses to issues of co-ordination and accountability that have been apparent across the advanced industrial economies over the last 20 years. While *government* relates to the formal institutions and procedures that have developed within societies to express their interests, resolve disputes and execute public choices, *governance* relates to a more flexible pattern of public decision making located within loose networks of individuals and agencies. Significantly, the notion of governance emphasises how, within particular and complex contexts, important public decisions and choices are taken through the interaction of diverse actors and agencies operating within the public, private and civil society domains and across different spatial levels (Rhodes, 1997).

Shifts in governance forms are intimately related to what has been termed the 'rescaling of the State' – that is, the emergence of new and reconstituted scales of governance within an increasingly globalised economy. The notion of the rescaled state takes as its starting point that economic competitiveness within a global economy is constituted not only by increased internationalisation and globalisation of activity, but also by key regions, or city regions, that act as the motors that drive the global economy. Such changes, it is argued, have profound impacts on national and sub-national territorial structures, identities and governments (Brenner, 1999), not least through the 'hollowing-out' of the nation state, whereby national state powers have in part shifted upwards to the supra-national level and elsewhere have been devolved downwards to the regional and local levels (Jessop, 1994, 2002).

The notion of the rescaled state has led to considerable debate concerning the most appropriate level at which to manage the economy within a global economic system, with an important emphasis on the sub-national scale generally and the regional level in particular. Yet, while such economic impulses have fed into the rescaling of the State, the renewed emphasis on the regional dimension has to be understood as part of a political process (Jones, 2001; Jones and Macleod, 2004). The complex dynamic between territorial restructuring and political change also points to the increased multi-level nature of governance and the dispersal of power and authority to various levels of governance and differing relationships between them (Pierre and Stoker, 2000).

Despite this, the central state retains a dominant role vis-à-vis the variety of arrangements at the sub-national level that have developed to 'fill in' the spaces produced by the reconfigured role of the central state (Goodwin *et al.*, 2005). In the UK, in the absence of strong formal regional government structures, a variety of sub-national governance forms and arrangements have developed with regard to economic development and related issues, ranging from the supra-regional level (e.g. the 'Northern Way'), city regions and a host of sub-regional partnerships (e.g. economic development partnerships, housing market renewal pathfinders, etc.).

Forms of regional governance

The existence of an array of regional governance forms reflects two dimensions: the nature of state organisation and the extent to which power is devolved to sub-national government, and the internal characteristics and conditions of the region.

With regard to national government systems, local and regional governments play an important, albeit variable, role endowed with varying degrees of control over jurisdictionally defined areas. The extent to which power is devolved regionally varies considerably between nations, from an extensive devolution of power, in the form of federal regions (e.g. Germany, Spain, Italy) or, as in the UK case, to the nation states of Scotland and Wales, through to situations within unitary states where the regional level may be used to decentralise limited administrative functions, or indeed may be largely absent (e.g. England, Netherlands, Finland, Portugal). The nature and scope of regional governance is also defined in relation to the relative role of local government, and again this varies widely (John, 2001), as does the use of sub-regional and city-governance arrangements.

The conditions and characteristics of a given region are also important to understanding the nature of regional governance arrangements. Of significance here

is the extent to which there is a sense of shared history, culture and identity around which interests can be mobilised for a given geographical territory (Keating, 1997). Variation around this factor is evident in the study areas of this project. Scotland and Wales have strong national identities. In England, the North East has possibly the strongest sense of being a 'region' within existing regional boundaries – the factor that led to this region being selected for the referendum on whether to proceed with regional government within England. In contrast, the East Midlands region as currently constituted has little sense of any regional identity and the broad South West lacks a strong sense of being a coherent region. By way of contrast, within the South West, Cornwall has a relatively strong sense of place-based identity.

The nature of governance arrangements internal to the region is also important. These relate not only to the particular way powers are devolved sub-nationally, but also to the particular urban and rural configurations of a given region, and the array of sub-regional, city and local governance arrangements that have developed over time. The relationship between dominant urban centres and rural areas is one important dimension here, as is the relationship of the main city or cities to the region. A region can be characterised as monocentric, with one dominant metropolitan core and its hinterland, or polycentric, where there are at least two or more competing urban centres (Herrschel and Newman, 2002). In the former case, the dominant city's interests and policies are likely to shape the agenda for the rest of the region's governance, with a clearer identity and voice. In contrast, in a polycentric region, as in the regions and nations studied (excepting London), there is inherent inter-urban competition as cities compete for limited volumes of private and public sector capital. This relationship between city and region has been the focus for much ongoing debate within the UK context with regards to the best governance arrangements for securing the economic competitiveness of cities and regions (Harding *et al.*, 2006).

Devolution and regional governance in the British context

The drive towards devolution and regionalism that occurred in the UK from the mid-1990s was in part driven by an acceptance by policymakers and politicians that an essential element of national economic competitiveness was the presence of strong globally competitive regions, and that new governance arrangements were required to promote these. The clearest legacy of this line of thinking was the creation of the Regional Development Agencies (RDAs) in England with their primary duty to improve regional competitiveness. However, the devolution process was also driven by other important political imperatives, not least the desire to promote political mobilisation at a time of falling electoral turnouts, and to modernise existing

governance arrangements to improve their levels of effectiveness, engagement, transparency and accountability.

The tensions between the differing objectives of the devolution process and their implementation within the particularities of the British context remain evident within resulting governance arrangements. For economic development and regeneration these arrangements have resulted in an ever more complex set of governance arrangements (see Chapter 3). These extend both horizontally and vertically, and seek to draw in a range of actors from across the private, voluntary and community and public sectors. Analysis of such change has raised questions concerning not only the effectiveness of such arrangements, but also their accountability and legitimacy (Robson *et al.*, 2000; Fuller *et al.*, 2004; Goodwin *et al.*, 2005). This research builds on such work to analyse how these new arrangements are addressing the economic needs of deprived areas, as well as to consider what insights the operation of governance relations in this area provide more generally to processes of devolution and regional governance.

Deprived localities and their economic needs

The presence of localised concentrations of deprivation is a defining characteristic of contemporary landscapes of social exclusion. This view has been a driving force behind policies introduced by New Labour and has led to a policy focus on tackling concentrated disadvantage through policies and programmes such as the New Deal for Communities (NDC), launched in 1998, and the Strategy for Neighbourhood Renewal (NR) in 2001. Against this background, the issue of 'deprived localities' is of interest not only as a social phenomenon that requires to be addressed, but also as a high-profile area of current policy activity.

What is a deprived locality?

Despite the strong policy focus, there is evident difficulty in defining what constitutes a 'deprived locality'. Definitions from the British Government focus on deprived areas, and the people who live within them, as disadvantaged relative to other more prosperous areas:

People living in deprived areas are more likely to be worse off than similar people living in more prosperous areas ... *[they]* are less likely to work, more likely to be poor and have lower life expectancy, more likely to live

in poorer housing in unattractive local environments with high levels of anti-social behaviour and lawlessness and more likely to receive poorer education and health services. Living in a deprived area adversely affects individuals' life chances over and above what would be predicted by their personal circumstance and characteristics.

(PMSU, 2005, p. 10)

The geographical mapping of national patterns of relative deprivation can be conducted at a range of spatial scales from the regional through to the neighbourhood level. Within UK policy, the emphasis on 'pockets' of deprivation has produced a focus on the small scale, particularly neighbourhood level. However, defining this level is problematic. A neighbourhood might range from little more than a single street to an area based around a set of local services, and is likely to be defined very differently by local residents. These problems of terminology have led to some preference in policy documents to talk only in terms of 'concentrated' deprivation (e.g. ODPM, 2004), yet this presents its own difficulties, as it removes the sense of place and local context that is a critical element of the phenomenon under consideration.

In reality, there are clearly no simple cut-off points between deprived areas and other areas; deprivation is a spectrum of social processes that are constituted in and through particular places. However, looking at deprivation at different spatial scales – whether sub-regionally, locally or at the neighbourhood level – produces different patterns and interpretations of the extent and nature of the problem. While a fine-grained neighbourhood centre of interest brings into focus particular issues (e.g. housing type and environmental quality), a broader analysis at the sub-regional/local levels brings insight into travel to work areas (TTWAs) and the relationships between labour and housing markets that predominantly operate at these levels.

The danger of an analytical and policy focus on deprived localities or neighbourhoods is the potential 'fetishisation' of a particular spatial scale – seeing it as a distinct and separate entity, when in fact problems of concentrated deprivation need to be viewed as part of a particular expression of the operation of socio-economic processes over space and through time. The appropriate level for analysis and policy intervention is a particularly important issue with regard to the economic dimension of deprived areas (North and Syrett, 2008, forthcoming). The roots of the economic problems that affect such areas, and the economic processes that are manifest within them, stretch far beyond a highly localised area, pointing to a policy response that needs to be sensitive to, and co-ordinated across, a range of different scales.

Mapping multiple deprivation

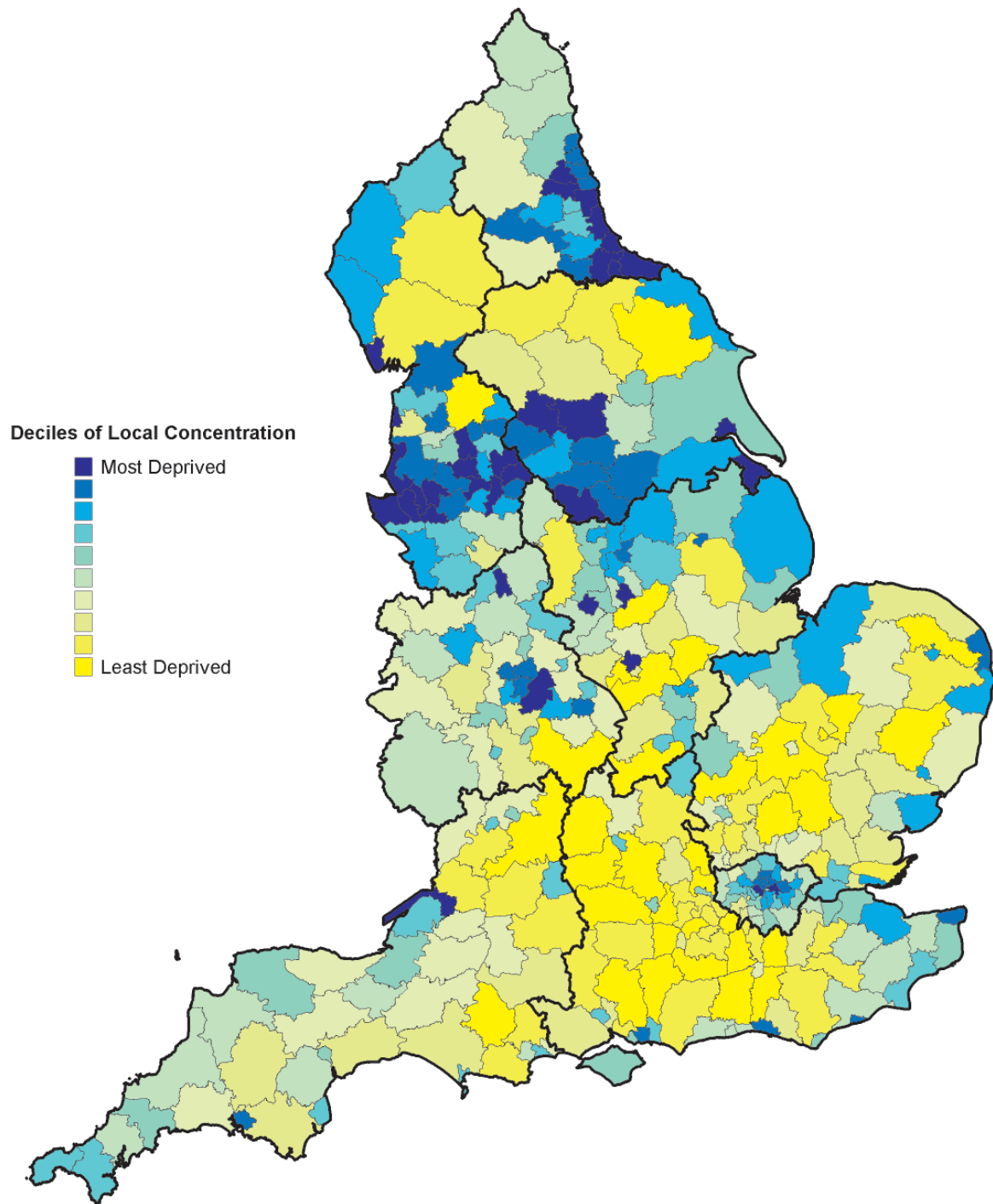
The nature of the problem identified in deprived localities is that of different elements of deprivation coming together in specific areas, to produce a mutually reinforcing process. The difficulties that arise from having a large number of deprived individuals concentrated in a particular area are further compounded by associated area-based effects (e.g. lack of information about jobs, lack of contact with the world of work, area-based discrimination and stigma) and the particularities of any given locality (e.g. peripheral location, poor infrastructure, poor-quality local services, lack of transport, etc.) (Atkinson and Kintrea, 2001; ODPM, 2004). Together these can create a cycle of decline or ensure that already deprived areas remain that way. The resulting policy emphasis is on how low levels of economic activity, and poor housing, local environment and public services combined with the characteristics of the local populations, produce relative deprivation in terms of income, health, safety and quality of life.

In order to capture both the multiple dimensions of deprivation and how these come together at the small-area level, and as a means of operationalising the National Strategy for Neighbourhood Renewal in England, the UK Government produced the Index of Multiple Deprivation (IMD), initially published in 2000 and subsequently in revised form in 2004 (ODPM, 2003) (see Box 1). As Table 2 and Figure 4 demonstrate, the localised distribution of the most deprived 20 per cent of Super Output Areas (SOAs)¹ within England shows strong regional variation. The North East has the greatest percentage of its SOAs in the most deprived 20 per cent (38.1 per cent), compared to only 8.6 per cent in the South West. London has a high number of SOAs in the most deprived 20 per cent of SOAs (1,260) accounting for a large population of 1,934,000 people. More detailed consideration of the geography of localised deprivation for each of the study areas is provided in Volume 2.

Table 2 Number of SOAs in the most deprived 20 per cent of SOAs in England on the IMD, 2004, by Government Office region

	No. of SOAs in most deprived 20% of SOAs in England	No. of SOAs in the region	% of SOAs in each region falling in most deprived 20% of SOAs in England
East	220	3,550	6.2
East Midlands	482	2,732	17.6
London	1,260	4,765	26.4
North East	631	1,656	38.1
North West	1,461	4,459	32.8
South East	271	5,319	5.1
South West	278	3,226	8.6
West Midlands	917	3,482	26.3
Yorkshire & the Humber	976	3,293	29.6
Total	6,496	32,482	20.0

Figure 4 Map of Index of Multiple Deprivation: England



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Scale 1: 2 958 000

Figure 5 Map of Index of Multiple Deprivation: Scotland

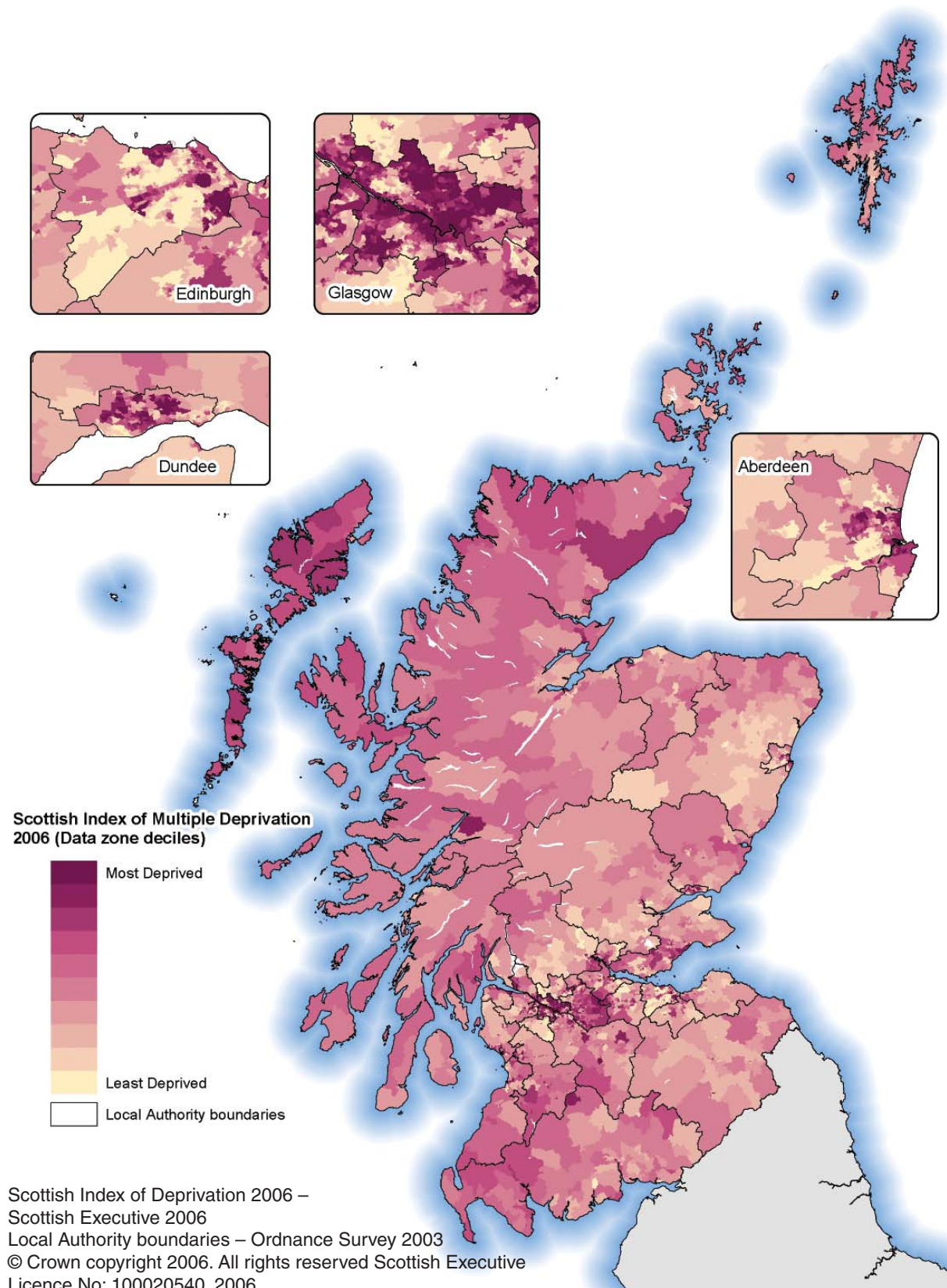
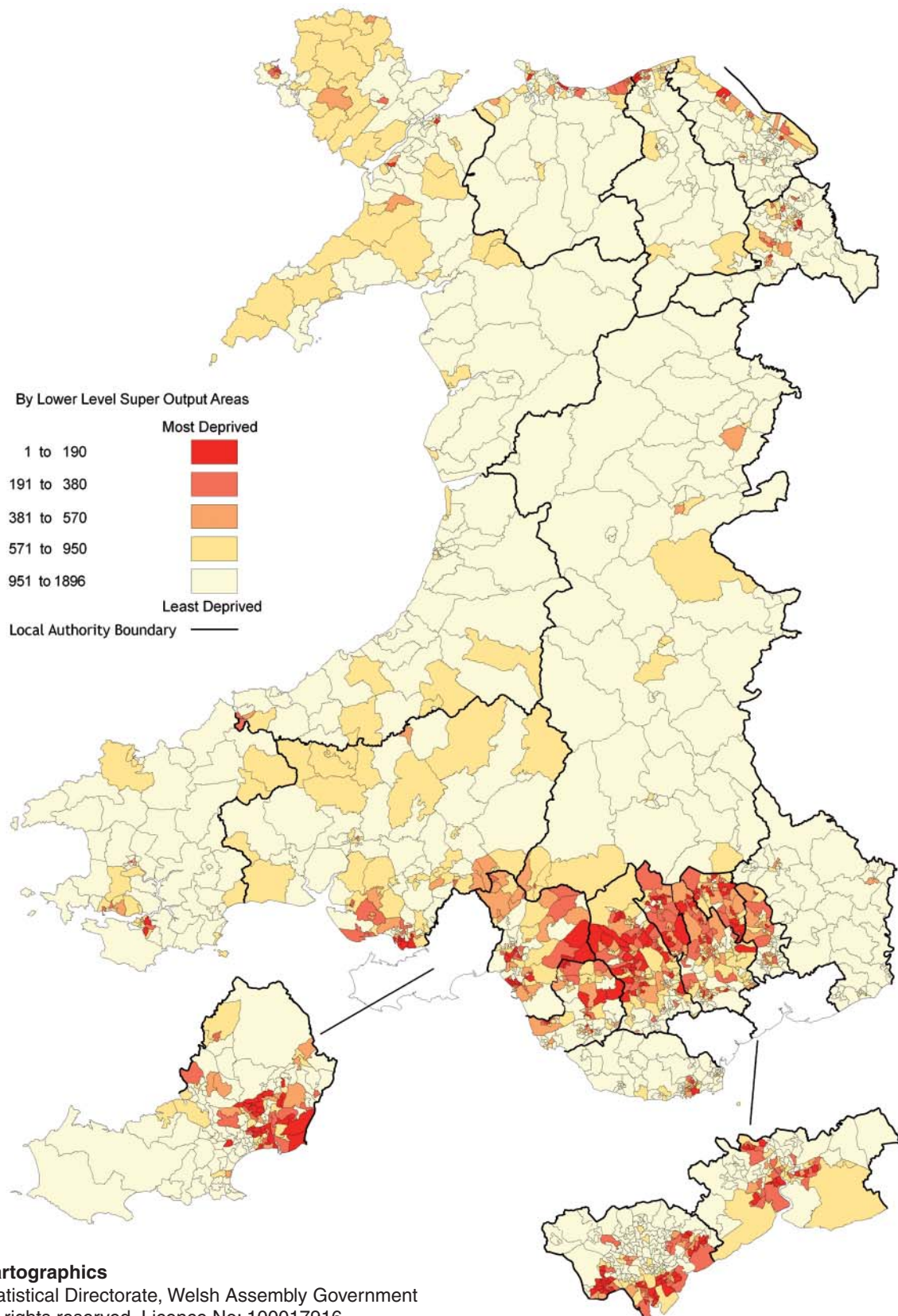


Figure 6 Map of Index of Multiple Deprivation: Wales



Cartographics

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Box 1 The Index of Multiple Deprivation (IMD)

The IMD is based on the concept of distinct dimensions of deprivation, which can be recognised and measured separately, and are experienced by individuals living in an area. The overall IMD is conceptualised as a weighted area-level aggregation of the specific dimensions of deprivation. The Index is made up of seven distinct dimensions of deprivation, called domains. Each domain contains a number of indicators (37 in total), which comprise (with their relative weighting indicated in brackets): income deprivation (22.5 per cent); employment deprivation (22.5); health deprivation and disability (13.5); education, skills and training deprivation (13.5); barriers to housing and services (9.3); living environment deprivation (9.3); and crime (9.3).

In identifying 'deprived areas', the IMD uses a relative measure of deprivation, commonly defining them in terms of the 10 per cent most deprived wards in the 2000 IMD and the 10 per cent or 20 per cent most deprived SOAs in the 2004 IMD. If deprived areas in England are defined in terms of the 20 per cent most deprived SOAs, 9.8 million people live in these areas, just under 20 per cent of the population. However, not all people living in deprived areas experience deprivation individually. On average just under a third of those people living in deprived areas are likely to be income deprived.

Both Scotland and Wales have developed their own modified versions of the IMD, the Scottish Index of Multiple Deprivation (SIMD) and the Welsh Index of Multiple Deprivation (WIMD). The first SIMD was published in 2004 and was updated in 2006. The SIMD 2006 contains 37 indicators in seven domains (with their relative weighting in brackets): current income (28 per cent), employment (28), health (14), education skills and training (14), geographic access to services (9), housing (2) and crime (5). The first WIMD was published in 2000 and revised in 2005. The WIMD 2005 contains seven domains: income deprivation (25 per cent), employment deprivation (25), health deprivation and disability (15), education, skills and training deprivation (15), geographical access to services (10), housing (5) and physical environment crime (5).

The basic methodology remains the same, with relatively small differences relating to the domains and their relative weighting. The major differences relate to them both having a lower emphasis on crime and including separate domains for housing and geographic access to services. The latter, which includes indicators that relate to public transport travel times, reflects concerns in both nations of the need for greater recognition of the problems of the poor and unemployed in rural areas in accessing distant services.

Targeting deprived localities

Analysis of area-based deprivation with the IMD and its use as a means of targeting resources raises a number of issues related to the manner in which it identifies and prioritises certain types of deprived areas. First, the manner in which the IMD is constructed is strong in identifying multiple deprivation in urban areas, where the vast majority of the population reside. However, it is less effective in identifying deprivation dispersed across more geographically sparse populations as occurs in rural areas, and where the basis of deprivation is also different, especially with regard to problems of accessibility to jobs and services. In areas with larger rural populations there has been concern over the under-reporting of rural deprivation and both Scotland and Wales have revised their indices to include a greater recognition of this issue.

Second, the focus on identifying deprivation based on small areas illustrates the tensions over the choice of scale at which the issue of deprivation is looked at, the indicators used and the nature of the problem subsequently identified. Whereas, in a region such as the South West, there are only a relatively small number of SOAs in the worst 20 per cent nationally (8.6 per cent), in the North East it is a highly significant 38.1 per cent, within which 37.8 per cent of the North East's population live. Similarly, in Scotland, in the city of Glasgow, 48 per cent of the population live within the most deprived areas. When regions, sub-regions or cities have a majority, or very significant proportion of their population, living within a large number of 'deprived localities', the problem is evidently not a 'localised' one. Analysis at a higher spatial scale may more accurately capture wider structural problems related to processes of economic development and labour market supply and demand in the sub-regional/regional economy. In this regard, in the South West, the EU, using a cruder and more restricted criterion (gross domestic product per head of population at 75 per cent or less of the European average) applied at the sub-regional/regional level, identifies Cornwall as a priority area (Objective One) for assistance, even though relatively few localities are highlighted within the IMD.

Third, although the IMD identifies deprivation at the small scale, it is unable to say anything about the nature of the problem. Across England, Scotland and Wales it identified former coalfield areas, older industrial areas, urban centres, one-industry towns and some seaside towns as particular foci of concentrated deprivation. However, the nature of the problems of deprived localities is in practice very different. The labour market challenges posed by a highly stable, largely homogeneous white population that has experienced intergenerational unemployment in a former coalfield area such as Easington in the North East or Mansfield in the East Midlands are quite different from those of an ethnically diverse, younger and more transient population living in an inner-city area such as Newham or Tower Hamlets. The

importance of recognising the extent of differences between deprived areas is one that is emphasised across a range of studies (MacLennan, 2000; Lupton, 2003; North and Syrett, 2006). Generalisation across localities may obscure more than it reveals. Consequently, there is an important need for locally based analysis rooted within particular regional contexts and local responses.

The economic needs of deprived areas

The weakness of local economies is recognised as a major cause of local deprivation and consequently is key to the development of policies responding to this issue (SEU, 2000; ODPM, 2004; PMSU, 2005). Across all three indices of multiple deprivation, the three domains of employment, income, and education, training and skills are weighted as the most important dimensions, together accounting for between 58.5 per cent to 70 per cent of the aggregate weighting.

The marginalised integration of deprived localities into dominant economic development processes is central to understanding their economic weaknesses. Over the last 30 years, processes of economic restructuring combined with the deregulation and re-regulation of labour markets have created a new geography of employment in Britain. In particular, job losses in manufacturing and coal-mining sectors have had major impacts on inner cities, large metropolitan cities, 'one-industry' towns and coalfield areas. Recent job growth, predominantly in the service sector, has contributed to polarisation in the labour market and the growth of insecure, low-grade service sector employment. As a result of such changes, high levels of worklessness have become entrenched in certain groups (e.g. older men, single parents, ethnic minorities) and in certain areas (Green and Owen, 1998).

The manner in which these wider economic processes combine in specific local contexts with other sorting processes, particularly those related to public and private housing markets, is critical to understanding the geography of concentrated deprivation. While such processes combine to produce a diversity of local outcomes, the economic weaknesses of these areas commonly comprise the following.

Low levels of business activity

Deprived areas are characterised by low and declining levels of formal private sector activity and an absence of private sector investment. The low levels of existing business activity within deprived areas, combined with low levels of spending power, the lack of locally available skills, a degraded physical environment and

negative images of such areas, combine to provide strong disincentives for business investment. Relatively low rates of new firm formation and entry into self-employment reflect the lack of skills, business knowledge and capital within deprived areas, as well as, in many cases, a lack of a tradition of entrepreneurial activity (Blackburn and Ram, 2006).

Policies seeking to improve levels of business activity have focused on both increasing inward investment and promoting local enterprise. There remain considerable barriers not only in terms of attracting investment to deprived areas in the first place, but also in ensuring local people benefit from the jobs that are created (North *et al.*, 2003). Policies to promote self-employment and business start-up are confronted by particularly high rates of business failure and this remains an option for only a small element of the population (Greene *et al.*, 2004).

Restricted labour market participation

Deprived areas have distinctive labour market characteristics, with residents of such areas displaying relatively high levels of unemployment and worklessness, low rates of economic activity and employment, low levels of skills and education, low levels of wages and household income, and high uptake of benefits. The low levels of education, training and skills of residents make it difficult for them to compete successfully for the available jobs (Gordon, 2003). If jobs are obtained, these are likely to be low-wage, low-skill and often insecure. For those in receipt of benefit, low-wage, insecure jobs can sometimes provide only a limited incentive to enter formal work.

Concentrations of worklessness in deprived areas only partially reflect the geographies of job loss and job growth. A series of interacting factors (e.g. poor local information networks, family fragmentation, educational underachievement, impacts of lone parenthood, limiting illness and short-term and interrupted work histories) produce a series of vicious circles that act to reproduce concentrated worklessness (Gordon, 2003). These circles are particularly evident at the individual and household level, but are compounded via the operation of the housing market, discrimination and area-based effects (Atkinson and Kintrea, 2001; Sanderson, 2006). These conditions often contribute to low aspirations, negative attitudes towards formal employment and a loss of confidence among the local population.

Seeking to promote a higher level of employment and economic inclusion has been the focus of much of the policy activity related to deprived areas, generally through an emphasis on improving supply-side conditions (i.e. factors influencing the supply

of labour), which seek to tackle the barriers to work facing individuals (e.g. skills, childcare, access to information, access to transport, the benefit system). However, where levels of worklessness remain high within the wider sub-regional and regional economy, there are also important issues relating to the extent of employer demand for labour and the nature of labour supply and demand interactions given the changing nature of the industrial and occupational structure of employment (Turok and Edge, 1999; Beatty *et al.*, 2002; Green and Owen, 2006).

Poor local environment, low level services and social problems

A degraded physical environment and a poor housing stock reflect a lack of ongoing investment from both private and public sector sources, often over long periods of time (Power and Mumford, 1999). Pressure on public sector services results from a high proportion of residents using services, and a difficult operating environment often produces operational problems and poor services (Lupton, 2003). Low levels of private sector services, particularly retail, reflect low levels of spending and a degree of stigmatisation. Issues of high levels of anti-social behaviour, crime and disorder and, in some areas, problems of community cohesion make it difficult not only to attract investment, but also, critically for the local economy, to retain those local people who get jobs (MacLennan, 2000; Cheshire *et al.*, 2003).

Conclusions

Although deprived areas are characterised by a number of common economic problems, the balance between these problems and the factors producing concentrated deprivation vary significantly between them, reflecting the particularities of their populations, histories and location, and their rootedness within wider local, sub-regional and regional economies. This points to the need for different types of intervention at different spatial levels, as well as the co-ordination of such interventions across spatial scales, as basic requirements of governance arrangements that have the necessary sensitivity and flexibility to address the economic needs of deprived areas.

The move towards devolution and regionalisation within Britain has created a new context of governance arrangements for the development of economic development and regeneration strategies and their delivery at the sub-national level. The precise nature of new economic governance arrangements and their orientation towards the economic needs of deprived areas in Scotland, Wales and four English regions is considered in more detail in the following chapter.

3 Comparison of governance arrangements and structures

Introduction

This chapter sets out the different governance structures and arrangements for the four selected English regions, Scotland and Wales, which provide the context for discussing the issues that lie at the heart of this project in subsequent chapters. A fuller discussion of governance arrangements for each of the study regions is provided within Volume 2.

The asymmetric nature of the devolution of power that has occurred in the UK under the New Labour Government has given rise to several different models of devolved governance, extending from the decentralisation of a range of central government functions to regional bodies that have little regional accountability (particularly Regional Development Agencies) in the case of the English regions (outside London) to various models that involve the devolution of a range of domestic responsibilities to enable a degree of self-governance and participation in policymaking and implementation in the case of London, Scotland, Wales and Northern Ireland (Ayres and Pearce, 2005). In what follows, we will discuss four different models:

- English regions (administrative decentralisation)
- London (mayoral model)
- Wales (national assembly model)
- Scotland (devolved parliament model).

As various writers have noted (e.g. Jessop, 2001; Goodwin *et al.*, 2005), devolution in the UK since 1997 has been an evolving process and, during the course of the research, various developments have led to the emergence of new structures and arrangements of governance in all the regions and territories being studied. They include the abolition of various economic development ‘quangos’ and the centralisation of their functions in Wales; the shift towards voluntary partnership working on a city-region scale in England and Scotland; and the move towards greater co-ordination and partnership working in England as a result of Local Area Agreements. As one interviewee expressed it, ‘the scenery of governance is always changing’, often leading to new organisational arrangements and approaches for

tackling what are invariably long-standing problems. This chapter aims to capture some of the changes that have occurred since the start of this research.

English regions

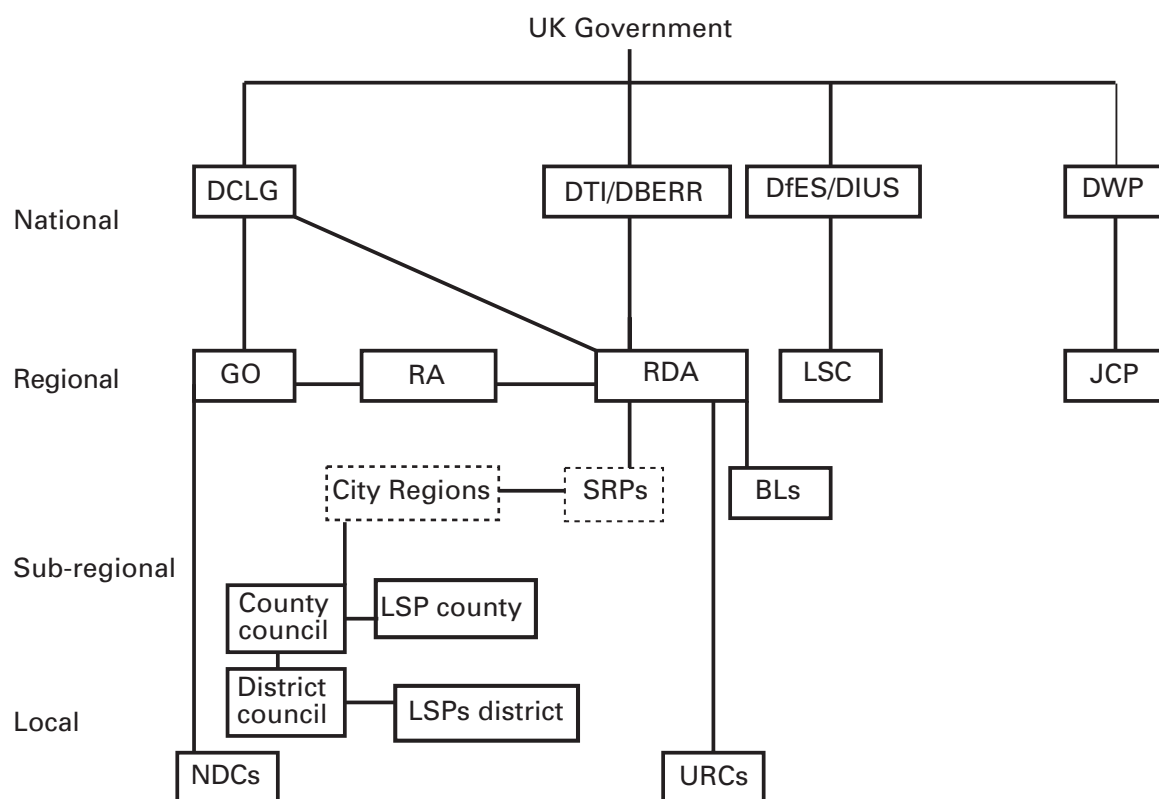
The English regions, with the exception of London, experienced the least radical changes as a result of devolution, the new governance arrangements that were established in 1999 being referred to as a form of ‘administrative decentralisation’ (Ayres and Pearce, 2005, p. 582). It was the Government’s intention to move towards a degree of self-government for the English regions, as put forward in its White Paper *Your Region, Your Choice: Revitalising the English Regions* (Cabinet Office and DTLR, 2002), but the rejection by the North East electorate of proposals for an elected regional assembly has led to no further progress being made on plans for regional government in England. Against this context, this section describes the multilevel governance arrangements relating to economic development and regeneration in the English regions (see Figure 7), drawing on the examples of the East Midlands, North East and South West.

Regional level

Regional Development Agencies (RDAs)

The main purpose of the RDAs (according to the Regional Development Agencies Act, 1998) has been to improve the economic performance of their respective regions through their responsibilities for economic development and regeneration by promoting business efficiency, investment and competitiveness; promoting employment; enhancing the development of skills; and contributing to sustainable development. They are responsible for preparing regional economic strategies. Also, the RDAs were established not only to strengthen national economic performance and competitiveness, but also to reduce disparities both between and within regions (Robson *et al.*, 2000). Since 2002, the RDAs have been accountable to the Secretary of State for the Department of Trade and Industry (DTI) (now Department for Business Enterprise and Regulatory Reform [DBERR]),¹ although most of their funding comes from the Department for Communities and Local Government (DCLG). RDA board membership is drawn principally from business, although there are representatives from trade unions, the voluntary sector, higher education and local government. Over time, the RDAs have seen their responsibilities and resources increase, including acquiring new responsibilities relating to business support, skills, tourism and rural policy. The Government therefore sees the RDAs as

Figure 7 Economic governance structure: English regions



BL	Business Link
DCLG	Department for Communities and Local Government
DfES/DIUS	Department for Education and Skills (now Department of Innovation, Universities and Skills)
DTI/DBERR	Department for Trade and Industry (now Department for Business Enterprise and Regulatory Reform)
DWP	Department for Work and Pensions
GO	Government Office
JCP	Jobcentre Plus
LSC	Learning and Skills Council
LSP	Local Strategic Partnership
NDC	New Deal for Communities
RA	Regional Assemblies
RDA	Regional Development Agency
SRP	Sub-regional Partnership
URC	Urban Regeneration Company

Note: In single-tier areas, unitary councils replace and combine the functions of district and county councils.

the main agencies of decentralised economic governance in England, albeit strongly tied to central government accountabilities and performance incentives (HM Treasury *et al.*, 2004).

Regional Assemblies

Regional Assemblies (originally established in 1999 as unelected Regional Chambers) exist in all regions, 'to provide a mantle of regional democracy, but without legislative or policy-making powers' (Ayres and Pearce, 2005, p. 582). They comprise mainly nominees from local authorities, with a few representatives from the voluntary and community sector and other regional economic and social interests. The rationale behind their formation was to provide some democratic accountability over the RDAs and to foster the creation of a regional civic culture by enabling regional partners to work together more effectively (Sandford, 2002). Their main function has been to scrutinise the work of the RDAs and, if need be, to call them to account, although in 2003 they were also given responsibility for developing regional spatial strategies. They also now have responsibility for the Regional Housing Boards (responsibility transferred from the Government Offices of the Regions [GOs] in 2006), established in 2003 as part of the Government's Sustainable Communities Plan with the aim of giving regions a greater say in the development of housing strategies and ensuring a better integration between housing, planning, transport and economic development. The 2007 Treasury Review has, however, raised questions about the future of Regional Assemblies and has proposed changes in the arrangements of other regional agencies (HM Treasury *et al.*, 2007).

Government Offices

Much of the decentralisation of central government departments that has occurred has been to the GOs. Although they have been in existence since 1994, they were given an enhanced role from 2000 onwards with more central government departments (ten compared with three originally) establishing a presence in the GOs. This was not only to improve the co-ordination of government programmes at the regional level – especially those with a strong territorial impact, such as economic development, employment, housing, planning, transport and the environment – but also, ostensibly, to make Whitehall departments more aware of regional priorities and the views of regional stakeholders. In practice, however, they have retained control over resources and key policy decisions (Marsh *et al.*, 2003), as shown by the emphasis that has been given to setting regional and local delivery targets as part of the Government's Public Service Agreement (PSA). Despite their low profile,

GOs are therefore the most powerful of regional level organisations, administering four-fifths of central government spending in the English regions (Musson *et al.*, 2005). Responsibility for most policies and funding streams related to the social and community aspects of regeneration directed at deprived localities/communities lies with the GOs (including Neighbourhood Renewal Fund [NRF], NDCs and EU Structural Funds).

Following a government review of their activities in 2006, the GOs are moving towards having a more streamlined and strategic role in their regions, which includes working more closely with local and regional partners to determine priorities and seeking to improve the quality and consistency of regional strategies, including the regional economic and regional spatial strategies (HM Treasury and ODPM, 2006).

Other responsibilities

Central government has retained responsibilities for employment and labour market policy and post-16 education, training and skills development, acting in the regions through Jobcentre Plus (JCP) and the Learning and Skills Council (LSC) respectively. Until now, policy initiatives have been introduced nationally and the regional dimension has been relatively weak, limiting the scope for developing local discretionary initiatives. However, there are now signs of an acceptance of the need for more spatially based strategies, including the DWP's City Strategies and the involvement of JCP and LSC in Regional Skills Strategies and Regional Employability Frameworks.

Sub-regional level

While there is no formal tier of governance at the sub-regional level, sub-regional 'economic' partnerships (SRPs) have been established in most English regions, mainly for the purpose of producing and delivering sub-regional economic development strategies, closely linked to the RDAs' regional economic strategies. Their influence and responsibilities vary, reflecting their lack of a statutory role. The sub-regional partnership model is most developed in the case of the North East, where experience of partnership working at the sub-regional level dates back to the 1980s. From 2001 until 2005, the RDA One NorthEast devolved 75 per cent of its uncommitted resources to the four SRPs, with the intention of giving them a prominent role in the economic development of the region and the implementation of the regional economic strategy (RES).

The sub-regional partnership model is also relatively well developed in the East Midlands, being the favoured response by the East Midlands Development Agency to the governance challenges resulting from the lack of regional cohesiveness. On the other hand, despite facing similar challenges, the South West of England Development Agency preferred not to adopt this model, resulting in a confusing and uneven set of governance arrangements at the sub-regional scale here.

Since starting this research, the notion of the 'city region' has gathered momentum politically, being seen by its advocates as the optimum scale for driving economic growth (Harding *et al.*, 2006). It has already been adopted in several regions as the best scale for integrating policies, particularly in terms of integrating labour markets, housing and transport around travel to work patterns. It is also being advocated to the linking of the economic development and social inclusion agendas, based on 'voluntary' joint working and co-operation between local authorities and other agencies. For example, in the North East, Tyne and Wear and Teeside are two of the eight city regions that have been defined as part of the Government's 'Northern Way' initiative, aimed at promoting growth, individual opportunity and a better quality of life in northern England (Goodchild and Hickman, 2006).

Local governance

Within the English regions, local authorities have no specific duty related to local economic development and hence vary in the extent to which they pursue such activity, reflecting differences in the capacities between councils and the history of intervention. The remit for Local Strategic Partnerships (LSPs) is to deliver sustainable economic, social and physical development, although, to date, activity related to economic development has been underdeveloped and similarly shows significant local variation (ODPM, 2005). The introduction of Local Area Agreements (LAAs) between local authorities and other key local partners, with a block of funding earmarked for economic development, has the potential to become an important vehicle for addressing the economic needs of deprived localities and for co-ordinating the targets and activities of a number of agencies with an interest in local economies. The introduction of the Local Enterprise Growth Initiative (LEGI) by the Government in 2005, aimed at stimulating enterprise as a means of achieving sustainable economic growth and regeneration in some of the most deprived areas of England, has led to a noticeable acceleration in local economic development in several deprived localities, such as in the North East region, where both East Durham and South Tyneside made successful LEGI bids, as did three adjoining district councils (Mansfield, Bolsover and Ashfield) in the East Midlands.

Neighbourhood level

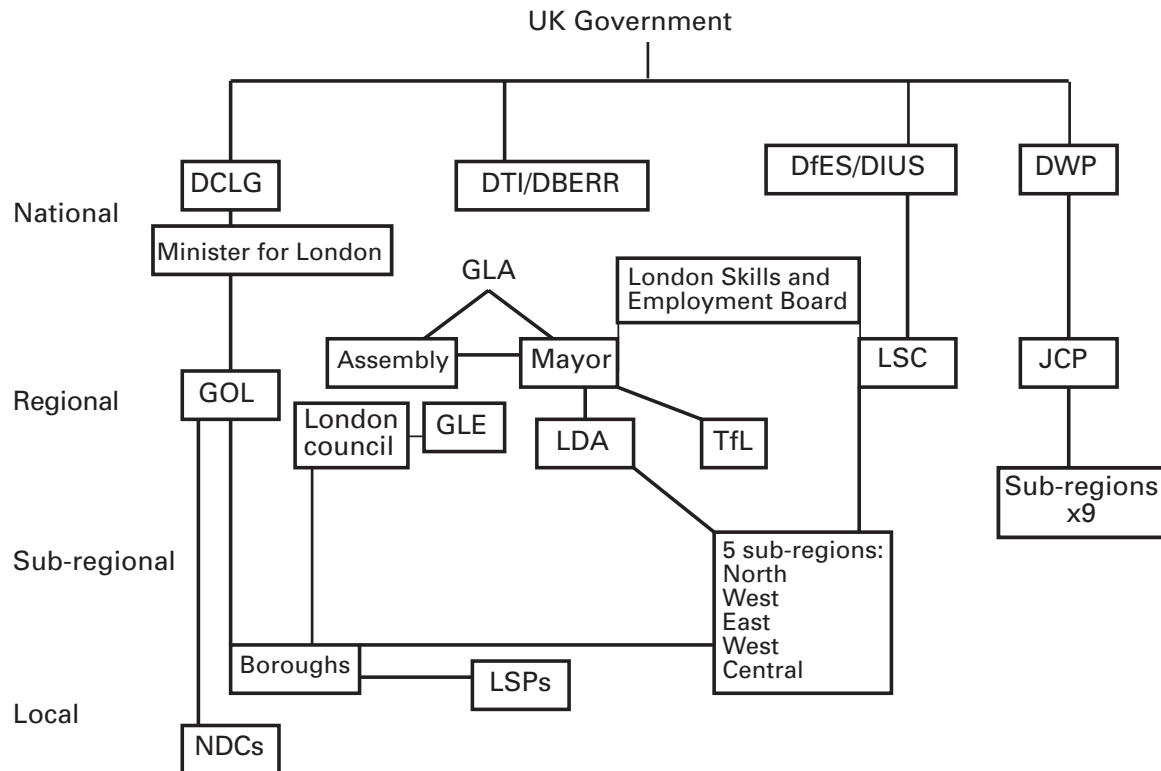
A primary feature of policy related to social exclusion and area renewal under New Labour has been a focus on the neighbourhood level, particularly under the high-profile Neighbourhood Renewal (NR) and New Deal for Communities (NDC) programmes in England. As a result there has been the development of a range of interventions at this level, as well as the variable development of neighbourhood management structures. The NDC programme, for example, has been concerned with tackling an array of deprivation problems in relatively small areas (39 areas with an average population size of 9,800 people) over a ten-year period, based on renewal strategies produced by partnerships drawn from the local community (Lawless, 2006). However, the production and implementation of neighbourhood renewal strategies is via NDC Partnerships and LSPs, and they have to date focused their priorities predominantly on 'liveability issues', such as ameliorating poor environmental conditions and tackling problems of crime and anti-social behaviour, rather than addressing the economic and employment problems that beset deprived neighbourhoods (North and Syrett, 2008, forthcoming).

London

London is the exception among the nine regions in England in its governance arrangements, having the most devolved model in the form of the Greater London Assembly (GLA) comprising a directly elected Mayor and a separately elected Assembly. The structure of economic governance therefore differs from that of the other English regions in a number of important respects (see Figure 8) (see also Volume 2 for further discussion). The Mayor leads the preparation of statutory strategies, sets budgets for the GLA and chairs Transport for London. The 25-member Assembly scrutinises the Mayor's activities and has a remit to initiate its own investigations into issues deemed important. There is a clear separation of powers within the GLA between the Mayor, who has an executive role, making decisions on behalf of the GLA, and the Assembly, which has a scrutiny role and is responsible for appointing GLA staff.

One major difference is that the London Development Agency (LDA), which shares the same powers as the other eight English RDAs, is a mayoral agency answerable to the Mayor rather than the Secretary of State for Department of Trade and Industry (now Department for Business Enterprise and Regulatory Reform). A board is appointed by the Mayor to run the LDA. The Mayor directs the LDA to prepare an economic development strategy, provides guidance to the LDA about the strategy,

Figure 8 Economic governance structure: London



GLA Greater London Authority
 GLE Greater London Enterprise
 GOL Government Office for London
 LDA London Development Agency
 TfL Transport for London

and appoints the board, its chair and the Chief Executive. The Assembly's role is to be consulted on the LDA board and on the economic development strategy, to inspect and approve the Mayor's budget, and it may recommend some Assembly members to sit on the LDA board. Local and sub-regional governance arrangements within London are similar to those in the other English regions. The London boroughs retain their own powers and functions to deliver regeneration programmes, and there are five sub-regions, which are closely tied to the implementation of the LDA's economic development strategy.

The above arrangements provide the Mayor with considerable agenda-setting powers in relation to economic development and regeneration within London, although competencies and control over resources and delivery are heavily constrained by the relations with central and local government (Syrett, 2006). As part of the review of mayoral powers in 2006, the Mayor sought and succeeded in

taking over more powers from central government departments, notably in the areas of housing and skills. As a result, responsibility for the London Housing Board has been transferred from GOL to the Mayor, as have other responsibilities relating to employment and skills (through the creation of the London Skills and Employment Board) and powers relating to the local development plans of London boroughs.

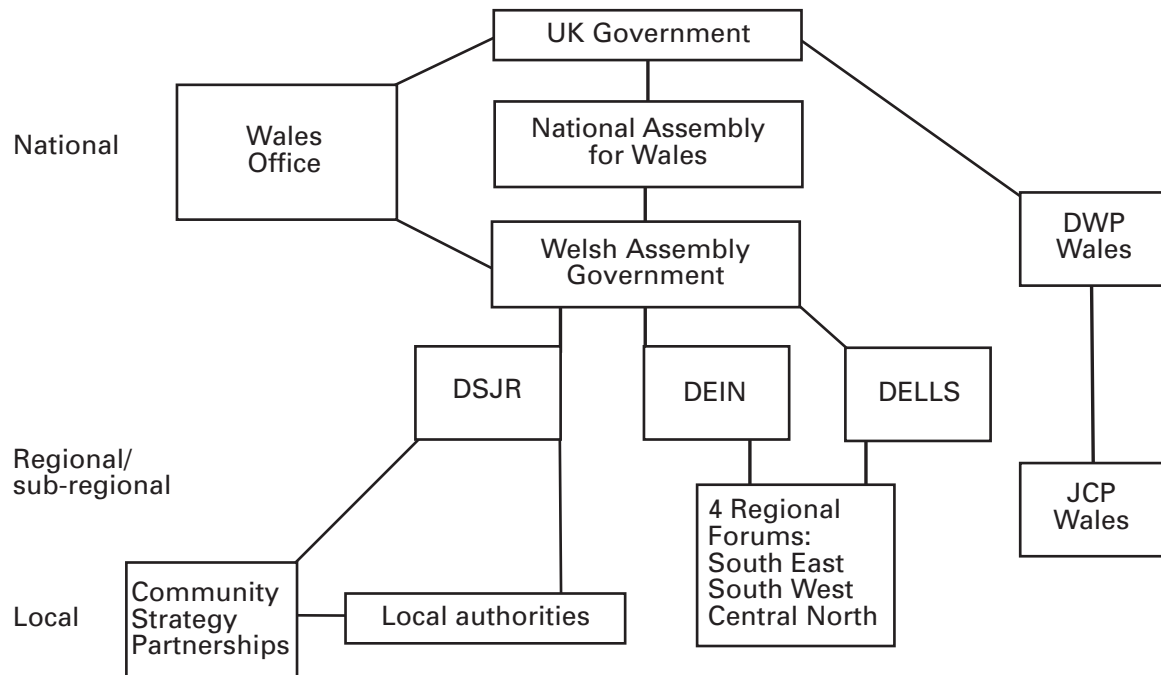
Wales

National level

The Welsh Assembly Government (WAG) was formed in 1999 with fewer legislative powers than the Scottish Parliament. Its devolved responsibilities include agriculture, culture, economic development, education and training, housing, social services, planning and transport. According to Jeffrey (2006, p. 2), the Labour-controlled WAG 'has been keener to establish a distinctive profile vis-à-vis Westminster than its Scottish counterpart', reflecting the ideological differences of the Labour party in Wales with the 'New Labour' UK Government. For example, WAG has resisted the UK Government's 'choice agenda' relating to access to public services, as well as the adoption of a target-driven approach to performance monitoring. Wales has also developed its own governance arrangements and structure relating to economic development and regeneration (see Figure 9).

The Welsh Development Agency (WDA) predates devolution, dating back to the 1970s and having primary responsibility for economic development within Wales, traditionally focusing much of its efforts on attracting foreign direct investment. The WDA continued in existence after the creation of WAG, combining its responsibilities for inward investment and business development with those for area-based regeneration, rural development and land acquisition. In 2004, WAG took the decision to wind up a number of economic development 'quangos' and absorb their functions directly into government departments (Cooke and Clifton, 2005, p. 444; Jeffrey, 2006). Thus the WDA, the Welsh Tourist Board and Education and Lifelong Learning for Wales (ELWa) were brought under the direct control of WAG on the grounds of improving their performance and the need to deliver more efficient and accountable public services, indicating increased politicisation of economic governance within Wales (Goodwin *et al.*, 2005, p. 432). The functions of the WDA were absorbed into the Department of Enterprise Innovation and Networks (DEIN) and those of the ELWa into the Department of Education Lifelong Learning and Skills (DELLS).

Figure 9 Economic governance structure: Wales



DEIN Department for Enterprise, Innovation and Networks
 DELLS Department for Education, Lifelong Learning and Skills
 DSJR Department for Social Justice and Regeneration

Note: This figure was configured prior to the 2007 elections in Wales, which may lead to some further alterations in its governance arrangements.

DEIN's principal functions include supporting job creation and helping individuals to tackle barriers to work, investing to regenerate communities and stimulating economic growth through supporting entrepreneurship, innovation, inward investment and trade. The Department of Social Justice and Regeneration has had a particularly important role in terms of area regeneration, delivering and funding programmes for locally based regeneration and social inclusion including 'Community First', WAG's flagship strategy for tackling poverty and deprivation within localities. The change of Government in Wales following the elections in 2007 is leading to further changes in the central WAG departmental responsibilities.

Regional level

As in England, regional governance structures (which largely equate to the sub-regional level in England) are concerned mainly with economic development functions. The DEIN plays a central role in steering the four main Regional Economic Forums – South East Wales, South West Wales, Central Wales and North Wales,

each comprising representatives from the public and private sectors with an interest in economic development and regeneration. The North Wales Economic Forum, for example, defined its role as influencing and lobbying government and EU bodies, developing and securing commitments to pan-North-Wales strategies, securing funding, promoting the region, and researching and monitoring the regional economy.

Local and neighbourhood levels

Under the Local Government Act 2000, local authorities in Wales are required to produce Community Strategies setting out the long-term vision and priorities for their areas and Community Action Plans to which partner agencies are committed. These include the identification of key regeneration issues and how they will be addressed. Not only have Community Strategy Partnerships become important organisational mechanisms for regeneration, but also community participation is seen as paramount, as reflected in the need for all partnerships to draw up Capacity Development Plans to demonstrate how they are securing community participation. At the neighbourhood level, the Community First programme is being implemented in 142 designated deprived areas (defined on the basis of the Welsh Index of Multiple Deprivation), which are spread across 22 local authorities.

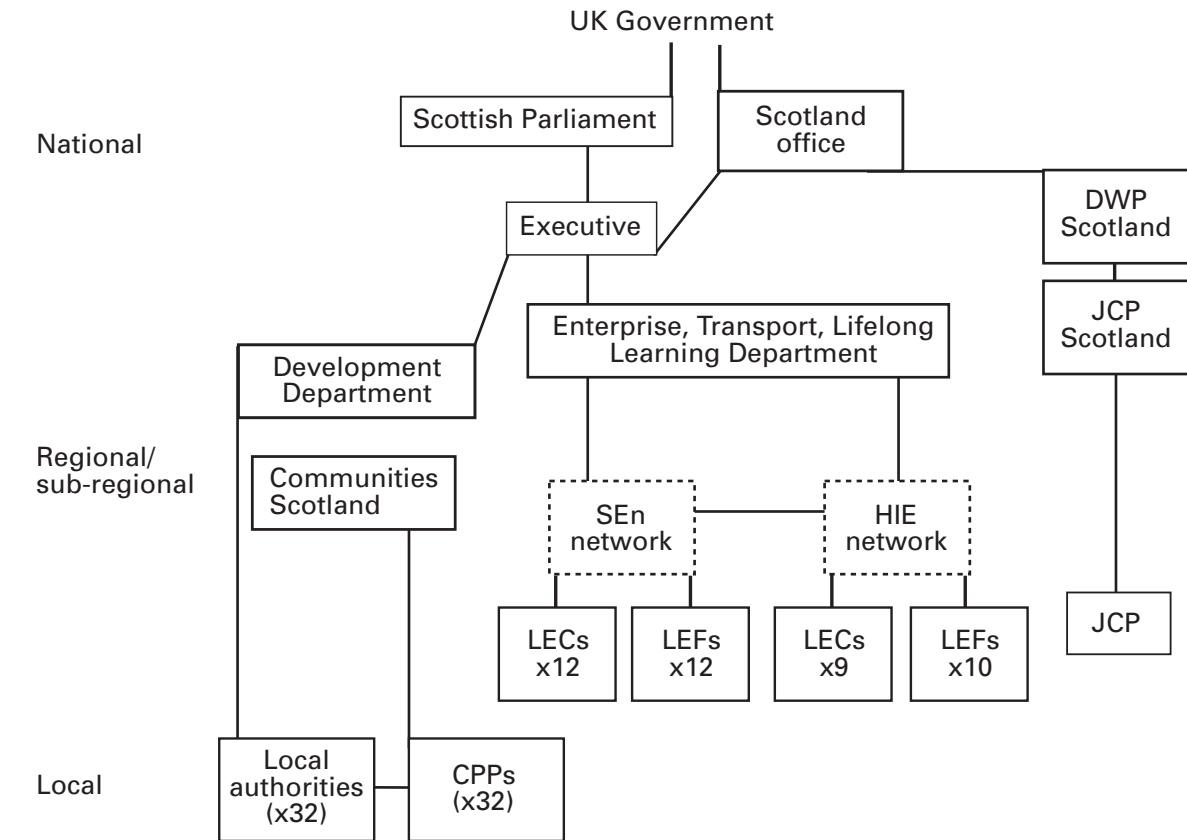
Scotland

National level

The Scottish Parliament and Scottish Executive (SE) were set up in 1999 following the referendum on Scottish devolution. The Parliament is the legislature and carries out committee enquiries and budget scrutiny. Of the devolved administrations, Scotland has the greatest range of powers, including over the economy, social justice, regeneration, housing, planning and education. Both prior to and following devolution, Scotland has developed its distinctive governance arrangements and structure for economic development and regeneration (see Figure 10).

A number of agencies responsible for economic development and regeneration come under the Scottish Executive, some of which pre-date devolution. In particular, Scottish Enterprise (SEn) (covering the lowlands and the major cities) and Highlands and Islands Enterprise (HIE) date from 1991, the former being created out of the Scottish Development Agency originally formed in 1975 and the latter out of the Highlands and Islands Development Board originally established in 1965. These two

Figure 10 Economic governance structure: Scotland



CPPs Community Planning Partnerships
 HIE Highlands and Islands Enterprise
 LECs Local Enterprise Companies
 LEFs Local Economic Forums
 SEn Scottish Enterprise

Note: This figure was configured prior to the 2007 elections in Scotland, which may lead to some further alterations in its governance arrangements.

economic development agencies are primarily responsible for delivering the Scottish Executive's national economic strategy, 'Smart Successful Scotland' (SSS). The main thrust of SEn's activities in recent years has been on improving the economic performance of the Scottish economy, with relatively little attention being given to the social or geographical distribution of economic benefits and the needs of deprived localities. Unlike the Welsh Development Agency which was brought 'in house' by WAG, SEn tends to be at arm's length from the Scottish Executive, having its own budget and, in the words of one interviewee, 'taking its time in adjusting to the post-devolution world'. In the case of the HIE, there has been a more balanced approach, with greater attention being given to the link between economic development and social development in the dispersed and remote rural communities of northern Scotland.

Communities Scotland plays a key role in implementing the Executive's objectives relating to reducing inequalities and disparities within Scotland. The objective of 'Closing the Opportunity Gap' draws heavily on deprivation indicators to target resources at the most deprived communities. Communities Scotland is responsible for the management of the Community Planning Partnerships, which cover local authorities (32 in all) as well as housing investment in relation to social housing.

In the area of labour market, work and welfare policy, the Scottish Executive and the UK Government have had to work together through a memorandum of understanding about joint working and consultation since responsibilities of the Department of Work and Pensions (e.g. benefits policy) have not been devolved.

Regional level

The delivery of the 'Smart Successful Scotland' strategy is the responsibility of Local Enterprise Companies (LECs), which run as subsidiaries of SEN and HEI, and their associated Local Economic Forums. SEN and HIE operate as networks of 12 and nine LECs respectively. The LECs generally cover three or four local authorities, Scottish Enterprise Glasgow being the only LEC that is coterminous with a single local authority. The LECs' role is to provide a range of services including a Business Gateway for business start-up and business growth, access to advice and assistance, access to training and infrastructure support. The networks are viewed as the Scottish Executive attempt to achieve a better alignment between national and local economic strategies through a more networked and local partnership approach within sub-regions. The Local Economic Forums (LEFs) are about resolving overlap and duplication in local economic development through improved partnership working. There are 22 of them in Scotland with their membership comprising a wide range of public, private and voluntary agencies/bodies.

Local and neighbourhood levels

The Local Government in Scotland Act (2003) established a statutory framework of duties for all stakeholders (not just local government) to participate in Community Planning Partnerships (CPPs). Partners include NHS boards, SE and HIE, chief constables and joint police boards, joint fire boards and passenger transport authorities. The Act obliges regeneration to be integrated within the CPP process rather than separate regeneration partnerships being established. This is seen as a way of rationalising partnerships within local authorities. The CPPs cover the whole of Scotland and not just deprived areas, although they are a key vehicle for bidding

for the Community Regeneration Fund (CRF), which is targeted at the 15 per cent most deprived areas (data zones) within Scotland. CPPs are crucial for bidding for CRF and formulating Regeneration Outcome Agreements (ROA) as a basis and framework for spending the money.

Conclusions

The differences in the nature and extent of devolved governance now found within the UK have resulted in some divergence in the governance arrangements and responsibilities for transforming the economic and employment prospects of those living in the most deprived localities. The governance structures for dealing with these issues have become more complex and multiscalar, dependent on the effectiveness of horizontal linkages and co-ordination between organisations with different functional responsibilities and vertical linkages between the regional, sub-regional and local levels. Although there remain many similarities in governance arrangements across Scotland, Wales, London and other English regions, processes of devolution and administrative decentralisation have started to lead to the development of different political priorities, strategies and delivery mechanisms in relation to the integration of economic and social inclusion agendas and how the economic needs of deprived localities are addressed. The next chapter turns to analyse these issues further.

4 Linking economic development and inclusion within and across spatial scales

The findings presented in this chapter relate to the two central concerns of the study. First, it assesses the degree to which there is a divide between strategies and policies that pursued economic development and job growth, primarily located at the regional and sub-regional level, and those more focused on economic and social inclusion, based at the local and neighbourhood levels. Second, it assesses the actual and potential impact on the economic and employment needs of deprived places of new and variable governance structures at the regional and sub-regional scales within the English regions, and the devolved governments of Scotland and Wales. The evidence has been assembled from a combination of sources, including analysis of key strategy documents and primary data drawn from an extensive set of key informant interviews.

Integration of economic strategies and social inclusion agendas

Analysis of the extent and manner of integration between strategies for economic development and social inclusion demonstrates a limited and variable concern towards deprived areas within the array of regional, sub-regional and national strategies that exist within the four English regions, Scotland and Wales, and limited local engagement with regional and sub-regional economic agendas.

In terms of economic development, national and regional economic strategies have pursued an agenda focused on promoting economic competitiveness within a knowledge-based global economy with limited attention to the implications of this for deprived populations and areas. In contrast, strategies to tackle social exclusion have been pursued with a strong area-based focus, as exemplified by the National Strategy for Neighbourhood Renewal in England and Communities First in Wales. In addition, there are a wide range of other national and regional strategies related to employment and skills, education, housing, transport and spatial development that play an important role in addressing the economic needs of deprived areas, either explicitly (e.g. the DWP's City Strategy) or, more often, implicitly, through their agenda setting, funding provision and delivery mechanisms. Analysis in this chapter focuses on certain key economic and employment strategies, with Volume 2 providing a fuller discussion of a range of strategies pertinent to the six study areas.

Economic strategies

For the English regions, including London, the regional economic strategies (RESs) set the direction and priorities for economic development by the RDAs and other key stakeholders. The first round of RESs was produced in 1999–2000 and subsequently revised in 2002–03 and 2006. Similar national economic strategies have been produced for Scotland by the Scottish Executive and for Wales by the Wales Assembly Government.

Regional economic strategies in England

The earlier versions of the RESs produced by the RDAs tended to be generalised and struggled to respond to local differences in economic decline and growth. The focus of successive RESs has been on how to improve economic performance and the promotion of economic and business growth within the region/sub-region, with only a marginal concern as to whether more disadvantaged groups and communities benefit directly from this growth. A desire to maintain market-friendly policies that attract and retain private sector involvement in the realisation of development/regeneration projects has limited attention to issues of wider community and social benefit. In this respect, thinking has remained dominated by a ‘trickle-down’ notion, which assumes that benefits of economic and employment growth within the wider regional/sub-regional economy will work through markets for labour, goods and services to provide opportunities for those living in more deprived areas. Justification of this position – not only from the RDAs but also a range of other actors – is that, given limited resources, RDAs should be single-minded in their objectives to improve regional economic performance and competitiveness, leaving distributional questions to other organisations.

The resulting regional and related sub-regional economic strategies demonstrate a strong focus on creating a ‘knowledge economy’, based on high skilled, high value added sectors. Yet, for those managing neighbourhood renewal policies and dealing with the problems of unemployment and worklessness in deprived areas, the benefits of this approach are less apparent. An alternative view from these groups is that much greater attention needs to be paid to issues affecting labour market participation among marginalised groups, namely the numbers and quality of jobs within lower skilled sectors that provide ‘entry-level’ opportunities and the possibilities of career progression opportunities within these jobs. In reality, the low pay of many of the jobs that have been created does not guarantee a move out of poverty, while many of these jobs offer few prospects for upward skilling and mobility. Furthermore, current strategies generally pay limited attention to whether there are enough jobs in certain regions and the type of jobs being created. There is convincing evidence that

a lack of demand for labour in the older industrial regions (OIRs) lies behind the high rates of economic inactivity and 'worklessness' (Webster, 2000, 2006).

There is, however, evidence of regional differences in regional strategies and of changing priorities over time. Regionally, the London Economic Development Strategy (EDS), informed by the wider Spatial Development Strategy for London, has in successive versions seen the need to address economic and social exclusion as a major priority. It has identified priority areas of regeneration (covering the 20 per cent most deprived wards) and 28 'opportunity areas' capable of accommodating substantial numbers of job and/or homes (LDA, 2001, 2004; Mayor of London, 2003). This greater orientation towards issues of social and spatial deprivation reflects the particularly strong disjuncture between economic growth and intense deprivation evident in London, as well as the political priorities of the elected Mayor.

In fact, a much greater attention to deprived areas and the need to reduce intra-regional inequalities is apparent in all of the most recently revised RESs for the English regions (e.g. East Midlands, North East and South West) (see Box 2). In part, this reflects the increased pressure on RDAs that is coming from central government to refocus their role in relation to deprived areas (PMSU, 2005, p. 84). Government guidance relating to the latest revisions to RESs states that, as a framework for the spatial targeting of public investment, the RES:

... should identify areas or communities with significant problems such as deprivation, inequalities and social exclusion and identify the main social, environmental and economic factors which underlie these issues.

(DTI, 2005, section 29)

Such guidance reflects the Government's renewed emphasis on increasing levels of economic and employment participation, driven particularly by the objective of achieving an 80 per cent employment rate nationally, which has refocused attention on localised concentrations of people of working age who are out of work.

Box 2 Regional economic strategies and deprived areas

South West

In all three iterations of the South West regional economic strategy, tackling social exclusion has been one of three strategic objectives entitled 'strong and inclusive communities'. However, by the RDA's own admission, very little has been achieved, as in the latest revised strategy there is a candid appraisal of the lack of success in terms of reducing spatial and social inequalities:

Continued

Despite considerable investment, we have had little impact in addressing the fundamental issues that affect the region's deprived communities. We need to develop innovative and effective solutions that tackle their structural weaknesses and link these communities with more successful areas.

(SWRDA, 2006, p. 30)

In the revised RES, added emphasis has been given to the achievement of strong and inclusive communities, particularly through improving economic participation and reducing the level of economic inactivity, and focusing on the regeneration of the most disadvantaged areas.

North East

In the previous versions of the RES, the main focus was not on deprived areas in the region but more about 'opportunity' areas where growth potential could be exploited; to quote from an interviewed officer within One NorthEast:

In the past the RDA essentially said that the thing we can do for the people of the North East is to improve their economic opportunities and to grow the economy – as we have limited resources the priority is to get more jobs and businesses and more economic activity and let somebody else worry about who benefits from that and all the social issues.

However, there now appears to be a greater focus on deprived areas in the revised RES entitled *Leading the Way*:

In focusing on strategic activity to drive up economic participation rates in the region, we must not rely on 'trickle down' economics. Rather concerted efforts will be made to link areas of opportunity with areas of disadvantage, and to work with communities to overcome the barriers they face in economic engagement.

(One NorthEast, 2006, p. 16)

The renewed emphasis being given to increasing levels of economic and employment participation has led to recognition of the need for better co-ordinated labour market responses related to supply- and demand-side issues. Whereas the regional co-ordination of economic development, employment, and skills and training agendas has to date been weak, there is evidence of emerging improved strategic co-ordination. This includes the recent production of Regional Employability Frameworks (REFs) in several English regions (and Scotland) and, in London, through the newly created London Skills and Employment Board chaired by the Mayor. The REFs aim to achieve a more co-ordinated approach to employment services and a better alignment of funding in efforts to reduce barriers to employment and increase employability. In the North East region, the REF focuses on a number of clusters of the most deprived Super Output Areas with the highest levels of economic inactivity. Further evidence is provided by the launch of the DWP's City Strategies in 2006, in some cases aligned to REFs, which aim to better integrate the provision of employment and skills in a manner that is flexible and responsive to the needs of deprived areas.

More widely, there is increasing recognition from a range of actors within all regions that RESs cannot rely merely on 'trickle-down' economics, and that more concerted efforts are needed if economic growth is to benefit areas of disadvantage. Yet, given performance to date, there remain significant doubts among many stakeholders as to how deep this commitment runs. As one respondent from the East Midlands noted:

If you look at the RES there are lots of good words about social equity, sustainability and communities, but a lot of this is lip service to be honest – the main thrust of emda [*East Midlands Development Agency*] is economic development.

Economic and social strategies in Scotland and Wales

In the devolved administrations of Wales and Scotland, there is also evidence of tension with regard to how best to integrate economic development and social inclusion agendas in terms of both strategies and institutional arrangements. Notably, in both countries, concerns have been voiced by those with a focus on developing competitive national economies that increased public sector spending and employment in the post-devolution period has acted to crowd out economic growth.

In the case of Wales, the winding up of the economic development quangos (see Chapter 3) and preoccupation with reorganising the administrative apparatus has limited the development of a forward-looking economic strategy (Cooke and Clifton,

2005). WAG produced its original economic development strategy *A Winning Wales* in 2001, but subsequently has produced only a consultation document on *A Strategic Framework for Economic Development* (WAG, 2005). Economic strategy has undergone a major change of direction from the inward investment oriented activity of the WDA in the pre-devolution era towards a broader focus on business support measures, as well as support for job creation, investment to regenerate communities and ensuring that economic programmes and policies support sustainable development. While the Framework recognises the need to address local priorities, with particular mention being made of the concentrations of economic inactivity in the 'Heads of the Valley' area in South Wales and the difficulties of accessing employment in the rural areas of West Wales, there remains weak strategic co-ordination with WAG's higher-profile strategy for tackling poverty and deprivation within localities, 'Communities First' (CF), which has focused on identifying and addressing the needs of communities within the most deprived areas of Wales since 2001.

The economic strategy of the Scottish Executive, 'Smart, Successful Scotland', confirms the Executive's commitment to 'closing the gap in opportunities and quality of life between different groups and areas within Scotland, strengthen communities and promote equality of opportunities' (Scottish Executive, 2004, p. 6). However, 'closing the opportunity gap' does not feature strongly in the latest operating plan of Scottish Enterprise (SEn) (Scottish Enterprise, 2005). Instead, it is almost entirely focused on transforming Scotland's economic prospects as a whole and on the need to bridge the gap with other OECD countries, with relatively little consideration to how the distribution of jobs and investment will benefit the most deprived and excluded. It is only in relation to closing the gap in employment that SEn's strategy refers to those at the margins of the labour market, proposing to launch an investigation into how the opportunities created by major investment projects can provide opportunities to disadvantaged individuals and groups. In the case of the 'refreshed strategy' of Highlands and Islands Enterprise (2004), there is a much stronger focus on reducing the gaps in employment and economic inactivity in this remote part of Scotland, as well as on strengthening the links between economic and social development.

The main emphasis on tackling poverty and social disadvantage in Scotland since 1999 has been the Scottish Executive's Social Justice Strategy (Scottish Executive, 1999). Six 'closing the opportunity gap' objectives were launched in 2004 including: 'to regenerate the most disadvantaged neighbourhoods – in order that people there can take advantage of job opportunities and improve the quality of life'. Other objectives relate to employment, skills, health, service delivery and financial inclusion, which have implications for both deprived areas and communities. Scotland has also recently produced an Employability Framework, 'Workforce Plus' (WP),

which has the primary objective to improve performance of services and policies in the movement of people from welfare to work. A core element of WP is spatial targeting in relation to areas with the highest concentration of workless people, working through Local Employment Partnerships.

Strategy delivery and local actions

Despite the recent moves towards a greater national and regional/sub-regional strategic focus on concentrated worklessness, to date the delivery of effective initiatives has been limited and sporadic. National policies in relation to employment and skills have struggled to reach the most marginalised populations and places, while neighbourhood initiatives, better placed to reach marginalised groups, have largely remained poorly integrated with mainstream provision. At the same time, the delivery of related policy areas – housing, transport, childcare – routinely demonstrate little or no integration with the employment agenda.

With regard to what works in tackling concentrated worklessness, there is now a well established range of active labour market policies (e.g. LDA, 2006) and considerable local experience relating to their delivery. Recent initiatives have focused predominantly on supply-side labour market interventions, which typically comprise training and pre-employment preparation to ensure residents of deprived areas are ‘job-ready’, job brokerage to help link them to available jobs, and support for overcoming common obstacles to labour market participation (e.g. support for childcare, transport costs, language capabilities).

Initiatives promoting enterprise in deprived areas, through either inward investment or indigenous growth, have been somewhat more sporadic. Initiatives pursued locally have predominantly emphasised support for business start-ups and self-employment, occasionally in the form of social and community enterprises, as well as initiatives to develop supply chains and support procurement from local business, and intermittent attempts to develop a more entrepreneurial culture among young people of school age. The recent introduction of the LEGI national policy has acted to generate greater interest in enterprise-oriented activity related to deprived areas.

The difficulties in joining up top-down national policies with localised initiatives sponsored by programmes such as NR or the NDCs are apparent in all the study areas. The majority of examples of recent regeneration projects fail to include any meaningful attempt to link to the needs of deprived areas and this is particularly evident of major physical regeneration projects. Where there is attention to issues of deprived areas and populations, the policy focus is largely on employability and

supply-side interventions, with limited emphasis on demand-side issues related to the amount and types of jobs being created.

However, there is evidence that an increasing number of local and sub-regional initiatives are seeking to put in place concrete mechanisms to link residents and businesses in deprived areas to new development opportunities (see Box 3). Examples of policy initiatives that seek to directly link the needs of deprived localities into the economic development and physical regeneration process are evident across all study areas. Chapter 5 provides a fuller discussion of selected examples of these types of initiatives.

Box 3 Policy initiatives linking deprived places and people to economic development and regeneration

Linking Opportunity and Need (LOAN) (Fife, Scotland)

This programme aims to better connect the employment opportunities created by Scottish Enterprise (SEn) Fife's Strategic Investment Plan projects and other major economic regeneration projects with unemployed people in local communities. Two construction contractors involved in SE Fife's regeneration projects have signed up to offer training places for job-seekers interested in pursuing a career in the construction sector. Participants who complete the training activity for the agreed period are then guaranteed interviews with a view to securing employment.

Routes to Work (West London)

A package of training and other support helps residents in West London (Hillingdon, Hounslow and Ealing) to access job opportunities in and around Heathrow Airport. It developed out of an SRB-funded programme run by the former Southall Regeneration Partnership, and centres on the provision of job-focused, basic skills training informed by the needs of local employers, as well as advice and guidance, job brokerage, and support for travel and childcare, to overcome barriers to work. The programme, run by the sub-regional Heathrow City Partnership, involves partnership working between local employers – particularly BAA, which has its own long-term local labour strategy – the Learning and Skills Council (LSC), Jobcentre Plus (JCP) and local community groups.

Spatial levels of intervention and their integration

Understanding of the impact of new and variable governance structures on deprived areas across the study regions requires analysis of the nature and extent of intervention at different spatial levels and the degree of co-ordination within and across these levels.

The regional level

Despite administrative decentralisation, regional structures remain relatively powerless in relation to the size of the issues they are dealing with. Although these structures have gained some significant powers, they remain largely powerless in relation to the wider global economic forces driving processes of regional change and marginal to the powers of the central state. The bulk of public spending (both mainstream and area-based) in deprived areas comes from central government programmes (e.g. DCLG, DfES, DWP, DoT), only some of which is channelled through the regional government offices.

Regional Development Agencies

The RDAs in England have to date had limited impact relating to the needs of deprived areas because of a lack of control and co-ordination with key agencies and issues (e.g. employment and training, education, housing, planning and transport), restricted resources and their primary focus on promoting regional economic competitiveness. At base, the budgets of the RDAs remain very small compared to public spending as a whole and flows of private sector investment. For example, the LDA's current budget is estimated at around 4 per cent of total public investment in economic development and regeneration-related activity within London.

A lack of clarity over the role of RDAs plus problems of dealing with issues of public accountability have weakened the legitimacy of RDAs with regard to other stakeholders, particularly at the local level (Audit Commission, 2007). In Wales and Scotland, where RDAs were well established and predated those in England, they have struggled to develop a clear role within the newly devolved governments. This resulted in the disbandment of the WDA and its functions being taken under direct control of the WAG, and an increased political questioning of the role of Scottish Enterprise as the champion of national economic competitiveness.

RDAs are faced with a challenging environment given the highly diverse nature of the regions they serve and the limited relation of their boundaries to the operation of labour markets and local/regional economies. Local/city economies frequently cut across current regional boundaries and internal variation creates major sub-regional differences within regions (see Box 4). As a result, RDAs often struggle to operate effectively and retain credibility given their limited direct engagement with local and neighbourhood bodies. There are, for example, concerns over a lack of attention to the employment needs of deprived areas in the North East (NEA, 2002), and on the role of sub-regional partnerships and the linking up of activity across spatial levels in the East Midlands (EMRA, 2004, 2006).

Box 4 Sub-regional differences in economic development

The *South West* region, spanning seven counties and 51 district authorities, has been performing well above the national average on several economic indicators. However, there are marked disparities throughout the region: for example, GVA per head ranges from 151 per cent of the national average in Swindon to 64 per cent in Cornwall, this being reflected in the steep east-west gradient in wage levels throughout the region, with average household income in Cornwall being 91 per cent of the regional average.

The *East Midlands* lacks cohesion as a region in terms of both its geography and its absence of any clear sense of identity. It ranges from its southern part, which is heavily linked into the wider South East labour market, through to the quite different challenges presented by the former coalfield areas in the north, the three major cities of the centre and the rural coast of Lincolnshire. Despite the region's improved economic performance, there remain many places with high levels of deprivation and low economic activity, especially in the main urban centres.

However, the influence and leadership role of the regional assemblies in all regions has weakened considerably since the proposal for an elected assembly in the North East was rejected in 2004. In contrast, in London, the Mayor does have significant agenda-setting powers, and has used his position to campaign successfully to increase these in relation to key elements of the regeneration agenda (e.g. housing, skills and planning) and with some impact (e.g. in relation to affordable and social housing). The 2007 Treasury sub-national review of economic development has proposed changes to regional structures, which could bring more regional activity together (for example, for regional spatial and economic strategies to be combined

and brought under more accountable RDAs) and which could affect the co-ordination of different agendas at this tier and also lead to the phasing out of regional assemblies (HM Treasury *et al.*, 2007).

Government Offices

In England, the GOs have a key role in terms of the regional administration of the regeneration agenda and ensuring the interests of deprived areas are taken account of in various regional strategies, including the RESs. Since the creation of the RDAs, there has been a clear tension resulting from the GOs' retention of regional control of important elements of the regeneration agenda, despite the fact that the RDAs were given a lead role on economic development and control over the administration of the Single Regeneration Budget. This tension surfaced once again when the regional co-ordination of the LEGI was put under GO control, despite the fact that the RDAs have responsibility for small business support through Business Link.

However, in all regions, a *modus vivendi* has developed between the RDAs and GOs, given the necessity for them to work together in a number of areas. This has been most notable in the form of working relationships established by officers. In the case of the East Midlands, the development of a more strategically focused role for the GO has also resulted in it taking a lead role in improving regional co-operation through promoting wider stakeholder engagement and ownership of the RES and stronger regional leadership via closer working of the Assembly, emda, Government Office for the East Midlands (GOEM), and the leading cities, local authorities and politicians in the region. In London, the political leadership of the Mayor has seen him campaign for his office to take greater control away from GOL, and with some success with regard to taking over the leadership of London's housing strategy. The Mayor, as an elected office with a clear leadership role, has created a different power relationship in London, which has required GOL to take account of the political legitimacy of the Mayor in its dealings with him and his agencies (including the LDA).

Other stakeholder bodies

For other stakeholder bodies, such as the private sector, VCS and trades unions, organising at the regional level in order to engage with regional level organisation is challenging. There are examples of where these groups have organised to interact with the regional tier, for example the development of regional VCS bodies such as Voluntary Organisations' Network North East (VONNE) in the North East or the SW Forum in the South West. However the sheer diversity of the VCS and private sectors makes the creation of any such regional-level representative bodies problematic.

Sub-regional level

In Scotland, Wales and all the English RDAs, a variety of forms of sub-regional/city economic governance structures have developed, even though not formally required, as this is the only practical means of linking wider regional strategies, which cover disparate areas, with smaller-scale local authority areas. Generally, these sub-regional economic development structures are weak in terms of resources, staff and decision-making powers given their reliance on local/regional stakeholder co-operation, and this fundamentally limits their role and effectiveness.

Different areas have pursued quite different strategies with regard to formal SRPs and these have moved in different trajectories (see Chapter 3). Interestingly, in the cases within England where sub-regional strategies and structures were initially pursued most strongly (the North East and the East Midlands), the respective RDAs have subsequently drawn power back from the SRPs, reducing the amount of funding that is spent by these bodies.

In the implementation of regional/sub-regional economic initiatives that regenerate deprived areas, the sub-regional level is clearly of critical importance, as it is this level that relates most meaningfully to travel to work areas (TTWAs) and economically functional areas. However, the performance of SRPs remains strongly variable, ranging from an ineffective and unnecessary level of bureaucracy, through to being a significant actor linking economic and social agendas. This variability reflects the ability of SRPs to operate effectively, their credibility with local stakeholders and the degree of clarity over their role and purpose vis-à-vis other local, sub-regional and regional bodies.

In general there remain problems related to SRPs linking up with local LSCs and JCPs, partly because of a lack of coterminosity of boundaries. The recent reorganisation of the LSCs and JCPs towards a regional scale of operation has further constrained the development of sub-regional collaboration. Locally, the business-led nature of some SRPs has at times acted as a barrier to wider inclusion and stakeholder buy-in to their strategies, especially from the VCS and certain public bodies that question their transparency and legitimacy.

Local authorities and LSPs

At the local level in England, a relative weakness in the economic dimension of many LSPs' activities has been evident and there is limited capacity for action in many local authorities. There is considerable variety between LSPs and local authorities in their relative engagement with local economic activity. The limited power, funds and

statutory functions related to economic intervention have given such activities a low priority within local authorities, and their ability to link into and inform regional and sub-regional strategies remains limited. Yet they remain key actors not only through their role in delivery of neighbourhood renewal, but also because of their power and legitimacy, derived from being elected bodies, relative to other sub-national organisations. In London, for example, the key relationship remains between the London boroughs and the Mayor and GLA, as it has done historically, with sub-regional groupings of minor significance politically. In other regions, certain principal local authorities associated with the major cities remain powerful political actors in the absence of strong regional-level leadership.

Although the longer-term trend has been towards a decline in their economic development functions, the introduction of the LAAs and the rolling out of LEGI has provided a renewed incentive for local authorities to give greater priority to issues of employment and enterprise, and the potential for strengthening policy co-ordination locally and within the region. Yet, to date, there is limited evidence of stronger vertical integration with the RESs, RDAs and sub-regional bodies. A scrutiny review in the East Midlands by the Regional Assembly (EMRA, 2006), for example, noted that the RES did not substantially recognise LAAs and that their link with RES objectives needed to be more apparent in a formal sense. This illustrates that there remains some way to go before LAAs and RDA policies are integrated in any meaningful way and reinforces the importance of the sub-regional level as a key means of integrating and co-ordinating LAAs in practice (see Box 5).

Box 5 Local authority joint working and Multi-area Agreements

Examples of local authorities working co-operatively on economic issues remain sporadic and limited in extent. Where it does occur it reflects particular local needs, shared problems or past histories of joint working. The Greater Nottingham Partnership (GNP) was created in 1994 to improve partnership working across the Greater Nottingham conurbation. From 2002 it became the Sub-regional Strategic Partnership for Greater Nottingham, comprising the City of Nottingham plus the surrounding districts of Broxtowe, Gedling and Rushcliffe, and the Hucknall electoral wards of Ashfield, and is set to evolve further into some form of Multi-area Agreement. The GNP is a strategic body with a series of action teams related to: learning, skills and employability; transport; business innovation and growth; physical regeneration; tourism, leisure and culture; and information and communication technologies. The creation and

Continued

subsequent development of the GNP reflects the ongoing problem that the City of Nottingham has with its narrowly defined city boundaries and the consequent need to develop a broader partnership with adjoining local authorities, which better reflects the workings of the city economy, its labour market and transport networks.

In the case of Scotland, there are examples of a stronger linkage between the economic development and social inclusion agenda at the local authority scale, particularly in the large cities, and close co-operation between local authorities and the Local Enterprise Companies (LECs). For example, since 1997, Glasgow City Council has had a joint economic strategy with Scottish Enterprise Glasgow (the LEC), which aims to bring together the competitiveness and cohesion agendas, including focusing on the employment needs of marginalised groups. This has led to a deliberate focus on employment-intensive sectors, with 53,000 additional jobs being created since 1995, rather than the higher value added, high skill sectors prioritised nationally by Scottish Enterprise.

As part of their integrated approach to tackling neighbourhood disadvantage, both NDCs and NR are expected to include actions related to issues of employment and economic development; however, in practice, this dimension has remained relatively weak (ODPM, 2004; CRESR, 2005). In part, this reflects that local residents and agencies have often prioritised 'crime and grime' initiatives, but, more broadly, it reflects recognition of the limited ability to intervene meaningfully at this level given the wider constitution of labour markets and local economies. Consequently, much of the neighbourhood renewal agenda has been weakly integrated into wider local economic development agendas with greater emphasis on public service delivery.

Neighbourhood level

Actions have focused predominantly on supply-side labour market actions (e.g. helping people with basic skills, preparation for employment, etc.) and operation at the neighbourhood scale has enabled better access to 'hard to reach groups' via delivery from trusted local community and voluntary groups. However, such 'one-off' initiatives have been frequently criticised in relation to their quality, longer-term impacts and lack of co-ordination with mainstream provision. Yet attempts to develop such co-ordination have been frequently frustrated by the lack of flexibility evident in key agencies, most notably Job Centre Plus and LSCs, to respond to their specific neighbourhood agendas and short-term funding, which hinders continuity.

Identifying barriers to compatibility and co-ordination

The need to integrate economic development and social inclusion agendas and operate across spatial levels in tackling area-based deprivation provides a challenging agenda for governance systems. The evident lack of compatibility and co-ordination between regional economic strategies and local regeneration agendas results from a number of barriers.

Highly complex and fragmented system

It is widely accepted that economic development and regeneration activity is characterised by a system of great complexity throughout the UK, with numerous agencies operating at a variety of scales. There is often considerable overlap and duplication in functions, and little clarity over respective roles and responsibilities and appropriate scales for intervention, all of which mitigate against good quality co-ordination and communication. This is a well established feature of the sector, which devolution and the development of the regional tier have, to date, reinforced.

Lack of co-ordination between central government departments

A recurrent complaint heard from those working sub-nationally is: ‘how are we expected to join activities up at the local level when this is not being done at the level of central government departments?’. In England, activity in the area of economic development and regeneration has cut across a number of major central government departments (i.e. Communities and Local Government, Trade and Industry, Work and Pensions, Education and Skills, Treasury, Department of Transport, etc.), which often pursue distinctive priorities that limit the extent of their co-ordination and communication in practice despite the presence of common-floor targets. The ongoing tension evident between the regional economic development agenda promoted by the DTI (now DBERR) (and Treasury) and the neighbourhood renewal agenda promoted by the CLG (and Cabinet Office) directly relates to the organisation and administration of such activities within different government departments, while the stand-alone Department of Transport is frequently isolated from the regeneration agenda, in spite of the importance of transport in connecting people to jobs.

The inability to get the critical factors of employment, education and skills more central to the regeneration agenda reflects their control by separate government departments (DfES [now DIUS]/DWP), which have traditionally demonstrated a limited interest in regional and local development agendas. As a result, school-age

education remains largely outside of the regeneration agenda in terms of economic inclusion and enterprise, and the post-16 training and education agenda has largely been set centrally by the DfES and dominated by a target-driven performance culture that makes it difficult to adjust to regional and local conditions. Similarly, the lack of a strong regional dimension within the DWP limits integration at this level and, more locally, Jobcentre Plus has limited scope to adapt nationally set policies and targets to local conditions. The current DWP 'City Strategies' demonstrate clear recognition of these constraints and seek to address this problem by providing greater flexibility to adapt to the specificities of local labour markets.

Government Offices do provide an important, and generally well appreciated, function in attempting to join up these activities administratively within regions (Audit Commission, 2007). However, their impact is limited by their facilitating role and their lack of power in regard to central government departments (Musson *et al.*, 2005) and to their relationship with other regional bodies.

In the case of Scotland and Wales, it is notable that, despite devolution, both nations have struggled to develop appropriate governance arrangements for dealing with the relationship between the economic development and social exclusion agendas. Again, differing agendas and attitudes are evident between the different responsible departments. In Wales, responsibility has been divided between DEIN, responsible for economic development, and the Department of Social Justice and Regeneration leading on poverty and deprivation. In Scotland, Scottish Enterprise has taken the lead on economic development while the Scottish Executive's agency Communities Scotland has led on regeneration and 'closing the opportunity gap'.

Power inequalities in partnership working

The emphasis on partnership working often fails to acknowledge the power inequalities and differing agendas of actors. Despite the move towards greater community involvement, many local actors demonstrate limited trust in a system that often lacks transparency and accountability, and remains dominated by central government targets and agencies, and, locally, by the interests of local government. This is strongly evident within representatives from the community and voluntary sector and neighbourhood-level organisations who often feel undervalued, particularly at a time when there is considerable uncertainty over future funding of this sector, but it is also apparent in the private sector where the benefits of engagement remain unclear. Within partnerships (such as LSPs and SRPs) partners often pursue their own objectives to the detriment of the wider partnership objectives, although the introduction of LAAs is intended to ameliorate this situation.

Rapidly changing systems and short-term funding

The high level of change in institutions and policies over the past decade in economic development and regeneration has produced an environment in which the settled, long-term working relationships that are necessary for effective co-ordination are difficult to develop and maintain. The continued short-term funding of many projects and bodies similarly militates against the development of long-term objectives and relationships. This problem is exacerbated further in some areas by a very high level of staff turnover.

Factors influencing levels of compatibility and co-ordination

The extent of integration between strategies and policies and co-ordination across spatial scales demonstrates considerable local and regional variability. In seeking to explain this variability, a number of factors are clearly influential.

Local/regional traditions of partnership working

Where sub-national integration and co-operation exists, this normally has its roots within a history of partnership working between certain agencies built up over a number of years, often via involvement in past initiatives (e.g. EU Objective One and Two Regions; SRB, etc.). Such institutional evolution can lead to greater clarity over the roles and responsibilities for differing organisations through practical experience and results in differentiated capacity at the local/regional level (see Box 6). However, many areas lack a history of co-operation at regional, sub-regional and city level – indeed the history may be one of conflict and active competition – which provides a difficult context for any current attempts at more integrated activity.

Box 6 Evolution of sub-regional partnership working

Edinburgh's Capital City Partnership has led to a number of innovations in local policy development (e.g. the development of a childcare strategy to tackle social exclusion) as a result of long-established co-operation between public, private and voluntary/community sectors.

Continued

West London: the sub-regional level is poorly developed institutionally within London, but greater cross-local-authority working and private sector engagement has led to the development of better established sub-regional bodies in this part of London, including the West London Partnership, the Park Royal Partnership (representing employers in this major employment area) and the Heathrow City Partnership.

Socio-economic context

The particularities of any given socio-economic context play into the extent of and drivers for integration in different ways. In areas where there is strong economic growth, market conditions provide greater scope for policy interventions that seek to link areas of growth to deprived areas (e.g. via employability and job brokerage programmes or procurement practices). This is perhaps most notable when economic growth is producing labour market shortages that may impede future growth and hence there is a strong rationale for interventions aimed at improving employment rates and workforce skill levels (e.g. in London and the South East). Yet, even in these areas, the desire to retain competitive advantage means there can be considerable opposition from private and public sector stakeholders to any interventions that could be seen to reduce market flexibilities and damage the ‘pro-business’ climate. In areas where there is weak labour demand, the policy focus is often primarily on attracting investment and stimulating economic development, with the issue of who benefits from these jobs seen as a lesser priority.

Large projects

Large regeneration/development projects that have a sub-regional, regional or even national-level significance (e.g. Terminal 5 at Heathrow, the Eden Project in Cornwall, and Glasgow’s Waterfront Development) can provide a strong basis around which to mobilise and co-ordinate activity. Co-operation across spatial levels is often a basic requirement for the successful realisation of such projects and their high profile provides a strong political imperative for success. Certainly, RDAs have a tendency to focus their efforts and resources on a limited number of large capital/property investment ‘flagship’ projects. While these have traditionally been weak in linking the needs of residents of deprived areas into their strategies, there is evidence of growing recognition of the need to build in social inclusion objectives from the outset. Yet this is by no means unproblematic. The high profile of such projects creates an imperative to deliver on time and sometimes at the expense of social benefits that are still viewed as ‘add-ons’ by certain partners. Furthermore, the realisation of large projects inevitably produces a high level of controversy, which can result in such projects becoming mired within political battles.

Leadership

The presence of an individual or group of individuals who provide strong leadership, energy and commitment and ‘make things happen’ is often an important factor in overcoming the constraints inherent in a highly complex and fragmented governance system. Leaders, based at a variety of spatial levels, but effective at operating across them, can play a key role in exploiting the spaces for action inherent in such a system, including identifying opportunities and tapping into various funding streams.

Political context

The extent to which a high political priority is given to issues of economic development and deprivation reflects the particularities of local and regional political contexts and changes in political control. Devolution has certainly had an impact here (see next section) and, locally, certain local authorities have stronger traditions of activity. This might relate to the promotion of social solidarity (e.g. Sunderland) or local economic development (e.g. Croydon) and feeds into the setting of local political priorities.

Impacts from devolution

A fundamental question relates to whether greater devolution of power has made any substantial difference to the operation of economic governance arrangements in relation to deprived areas and populations. Certainly, the political process in devolved areas and its link to the electoral process has impacted to provide leadership, agenda-setting capacity and legitimacy for action with regards to issues of economic development and social justice in Scotland, Wales and London. In all cases, there is a high political priority afforded to issues of social justice and deprivation, reflecting the nature of the left of centre political control that has existed in all these areas since devolution, the existence of deep-seated social problems and that disadvantaged groups represent an important section of the electorate. This is reflected in Scotland’s ‘Social Justice’ and Wales’s ‘Communities First’ strategies, and London’s Economic Development Strategy. In contrast to other English regions, the Mayor in London has used his elected position to argue for, and gain, more powers in the economic development and regeneration fields. Despite limited resources, he has used his strong agenda-setting powers to take the lead in social areas related to economic development (e.g. equality, social housing, childcare, the ‘living wage’ campaign) and to take potentially controversial decisions (e.g. precept for Olympics and Congestion Charging).

Despite this strong political and policy commitment to issues of deprivation, there remain problems with regard to the extent and nature of the integration of this agenda with that of economic development policy. Clear tensions exist between an emphasis on the economic promotion of the wider nation/city and the extent of a strong spatial strategy influenced by concentrated deprivation. Furthermore, the nature of the particular devolution settlement in each area continues to limit the scope for action. This is perhaps most notable in the areas of employment and labour market policy, an issue central to addressing the economic needs of deprived areas. In the case of Scotland and Wales, there is the anomaly that employment and labour market policy is not a devolved responsibility. In London, the lack of influence in this area was the basis for the Mayor's successful lobbying for a greater strategic role in employment and training.

In Scotland, Wales and London, there is evidence that strategies and governance arrangements are still actively being worked through to better cope with the interface between economic, social and spatial policies. This reflects not only the problems of integrating policy in these areas, but also the nature of the political process, with the governing parties/Mayor needing to respond to lobbying from different interests in order to gain re-election.

To date, there is little evidence to suggest that increased strategic focus has been translated into significant impacts in terms of delivery. This reflects not only that responsibility for delivery is dispersed and fragmented between organisations, but also that many of the bodies and policies have not been functioning over a long period of time. The initial preoccupation with strategy development in the early years has, however, given way more recently to a greater emphasis on policy delivery and there is evidence of more effective co-ordination and joint working between key stakeholders, especially in relation to tackling employment and worklessness (e.g. the Scottish Executive's Employability Framework for Scotland and the Want2Work initiative in Wales – see Chapter 5).

Conclusions

The findings presented in this chapter demonstrate that the split between the regional economic development agenda and the local inclusion agenda remains strongly ingrained within present governance arrangements. To date, there is only limited evidence that the development of regional/sub-regional structures within England, and devolution of power to Scotland and Wales, has acted either to improve significantly the priority afforded to deprived areas and their needs for jobs and investment, or the delivery of policy responses to such issues.

There are significant and long-standing barriers that account for the current limited extent of policy integration and spatially co-ordinated activity in tackling problems of deprived areas. These relate to the complex, fragmented and often unaccountable governance system that has developed over many years and a rapidly changing policy environment dominated by short-term initiatives. This, combined with the fundamental tensions between different policy agendas of national government departments, often militates against the maturing and realisation of more effective working relationships at the sub-national level across and between local, sub-regional and regional levels.

Given current levels of powers and resources, sub-national bodies are only ever likely to have a modest impact on the problems of widespread and long-standing localised concentrations of deprivation and their relationship to wider regional development dynamics. Regional-level governance arrangements in England have, to date, played only a marginal role in terms of tackling the economic needs of deprived localities and the weakness of sub-regional governance limits actions at the level at which economic units and travel to work areas function. However, there is significant regional and local and temporal variation in the extent to which compatibility and co-ordination exists in practice, reflecting how constraints and opportunities for co-ordination are realised within specific contexts and develop over time. Where power has been devolved in Scotland, Wales and London, a greater strategic focus on issues of social justice and spatial concentrations of deprivation is apparent. However, there is less evidence that, as yet, these strategies and developing governance arrangements have been able to deliver significant concrete benefits.

In all areas, economic governance arrangements operating within spatial levels (horizontally) and across them (vertically) are still actively evolving. In some cases, this is leading to more effective working relationships as roles and responsibilities of different agencies are clarified. There are examples of initiatives from all the study areas where integration of economic development and social inclusion agendas, and greater co-ordination within and between spatial levels is being developed both strategically and in the delivery of concrete interventions. Some examples of these are examined in greater detail in the next chapter.

5 Case study analysis: overview and lessons

The evidence presented so far has demonstrated the considerable challenges that exist in integrating the economic development and inclusion agendas within and across different spatial scales under current national and sub-national governance arrangements. However, this analysis also emphasised the importance of local, sub-regional and regional variations in practice, and the existence of a variety of initiatives that have demonstrated some success in addressing the economic needs of deprived localities.

This chapter presents an overview analysis of six case studies, one drawn from each of the six study regions/nations, which provide examples of good and innovative practice within current governance arrangements. Each of the case study initiatives was researched using a combination of secondary reports and primary data derived from interviews with key stakeholders and selected beneficiaries (see section on 'Research approach and methodology' in Chapter 1). The case studies were selected on the basis that they demonstrated a degree of partnership working between different levels of governance, attempted to link and integrate economic growth/development with tackling social exclusion, and exhibited some degree of community engagement and participation. (The case studies are presented in full in Volume 3.)

Following a description of the characteristics of the selected initiatives and their economic contexts (Table 3), this chapter analyses their operations with regard to how the economic development and social inclusion agendas have been linked and the nature of the governance relationships involved. The analysis identifies elements of good practice and challenges, as well as similarities and differences between the case studies in order to identify more general lessons.

Characteristics of case studies

The six case studies are as follows.

- *North East: Acumen Community Enterprise Development Trust, Easington*: set up in 2003, Acumen is a social enterprise that supports social and economic regeneration in the former coalfield community of Easington, in East Durham, through engagement in a range of learning, employment and enterprise initiatives targeted at those who are furthest from entering the labour market. It aims to act as a bridge between the community and mainstream agencies.

- *South West: Camborne, Pool, Redruth (CPR) Works, West Cornwall:* CPR Regeneration is an Urban Regeneration Company, formed in 2001, to regenerate a former tin mining and industrial area in West Cornwall. While there is a strong emphasis on physical regeneration, concentrated on a number of brownfield sites, the aim has been to adopt a more 'people-based' approach, linking opportunities to local community needs. 'CPR Works' is an employment project that aims to ensure those who are out of work benefit from the new jobs created from the activities of CPR Regeneration.
- *East Midlands: Local Alchemy (various locations):* Local Alchemy is an innovative initiative, jointly developed by the New Economics Foundation and the East Midlands Development Agency (emda). It aims to support individuals and groups in local communities to 'reinvent their local economies' and to deliver solutions that address their needs in ways that are environmentally sustainable and socially useful. It also challenges institutions and agencies to think differently about communities experiencing economic disadvantage and not to rely on mainstream 'top-down' solutions.
- *London: Brent into Work (Brent in2 Work), London Borough of Brent:* set up by Brent Council in 2002 with the aims of reducing unemployment, inactivity and deprivation within the Borough, Brent in2 Work takes a strategic overview of employment needs and co-ordinates a wide range of employment and training organisations and providers across the public, private, and voluntary sectors. It aims to be a client-driven service, responding to the needs of unemployed individuals and employers.
- *Scotland: Routes to Inclusion (RTI) – South Lanarkshire:* this is a local-authority-led partnership, which was originally established in 1997 in response to large-scale redundancies in manufacturing and the closure of the Ravenscraig steel works. Its main focus is on employability interventions, aiming to deliver a client-focused job access service that offers excluded people a route back to work, which also meets the current and future needs of local employers.
- *Wales: Want2Work pilot, Merthyr Tydfil:* initiated and designed in 2005 by the Welsh Assembly in partnership with Jobcentre Plus Wales, Want2Work is aimed at delivering intensive assistance to help long-term benefit claimants in the most deprived localities in Wales who want to find and stay in a job. Merthyr Tydfil is one of four pilot areas.

Table 3 Characteristics of case studies

Project (period of operation)	Description	Funding sources	Economic context	Key features	Claimed outputs
Acumen Trust (2003 to present)	Umbrella organisation for community groups in East Durham and operates as a social enterprise. Main role is to promote employment, training and enterprise for long-term unemployed and economically inactive.	European Social Fund (ESF), LSC, Easington Pathfinder, Test Bed Learning Community, £750,000 from Northern Rock Foundation.	Long-term deindustrialisation and closure of coal industry in Durham. Spatial concentration of deprivation of economic inactivity. Low employment rate, high levels of inactivity and large numbers claiming health benefits and Income Support. Low levels of self-employment.	Focus on Enterprise; Learning; and Employment in relation to disadvantaged groups. Outreach approach through the Aim High Network. Important emphasis on developing social enterprise and small businesses.	For 2005–06: 225 involved in developing literacy skills, three social enterprises, 470 people setting up businesses. 250 involved in Routeback initiative.
CPR Works Camborne, Pool, Redruth Regeneration (2006 to present)	Initiative linked to CPR Regeneration (an Urban Regeneration Company [URC]), which aims to ensure that the benefits of the physical and economic regeneration are used to tackle problems of economic and social exclusion. Focuses on assisting jobless people in most deprived wards to enter the labour market.	ESF (co-financing with JCP). Budget £264k + £89k 'Back to Work' fund.	Focused on the most deprived districts within Cornwall (Kerrier and Penwith): low income and high levels of economic inactivity. Growing mismatch between labour supply and labour demand, with high proportion of residents in occupations that are in decline.	Origins of establishing CPR Regeneration lie in growing local concerns about industrial closures and the lack of replacement jobs. CPRW aims to build a bridge between employers and workless people through	During first eight months, 70 people started on the programme, of whom eight have gone on to start work (by November 2006).

Continued

Table 3 Characteristics of case studies – *Continued*

Project (period of operation)	Description	Funding sources	Economic context	Key features	Claimed outputs
'Local Alchemy' New Economics Foundation/ East Midlands Development Agency (2003–08)	A practical framework for analysing and encouraging the recirculation of local spending within local economies and for promoting enterprise and community-led economic development that is also socially and environmentally sustainable.	emda c.£8 million. Individuals/ organisation also signposted to other sources (e.g. Coalfields Regeneration Trust; National Lottery).	Largest employers are public sector organisations, with private sector bias towards very small businesses. Pilot projects implemented in 13 deprived localities in the East Midlands, representing different types of community. Local Alchemy philosophy/framework aims to be adaptable to varied contexts.	(i) provision of training and support to overcome basic skill deficiencies and (ii) engagement with employers to address skills needs and recruitment difficulties. Client-focused approach that is sensitive to the needs of each client. Focus on encouraging individuals and groups in local communities to challenge the economic 'status quo' and to 'reinvent their local economies' to deliver solutions that address their needs in ways that are environmentally sustainable and socially useful. Also aims to challenge existing institutions and agencies to think differently about communities experiencing economic disadvantage.	Numerous projects supported in 13 areas (e.g. in Sneinton over 100 start-ups + existing enterprises supported). But likely to be some variation between pilot areas (data for all not available).

Continued

Table 3 Characteristics of case studies – *Continued*

Project (period of operation)	Description	Funding sources	Economic context	Key features	Claimed outputs
Brent in2 Work (2002 to present)	Partnership to encourage strategic co-ordination across a range of employment and training organisations and providers to help residents make the transition from welfare to work. Series of projects (seven) focused on local labour market challenge/opportunities (e.g. language training, refugees, construction).	For 2005–06: Single Programme/LDA, SRB, LB Brent, ESF/LSC, JCP, College of North West London, section 106, Home Office, Treasury.	Concentrated disadvantage in five wards in LB of Brent: low economic activity rates. Highly diverse and mobile population. Particular needs related to basic skills education, English language teaching and childcare. Employment growth in finance, hotels and catering, transport and communication, real estate and construction.	Components/tools include: an 'Enterprising Communities Framework'; an 'Economic Literacy' process; Local Alchemy coaches (adopting a person-centred approach); provision of seedcorn funding. Emphasis on getting people into employment: focus on hard to reach groups and hard to fill jobs; maximise local jobs for local people. Client-driven service responding to needs of unemployed individuals and employers. Local strategy draws together funding streams seeking to rationalise and integrate employment and training provision between local providers (over 40).	Total programme (2005–06). Supported 944 clients into employment at an average cost per client of £4,268.

Continued

Table 3 Characteristics of case studies – *Continued*

Project (period of operation)	Description	Funding sources	Economic context	Key features	Claimed outputs
Routes to Inclusion (RTI) South Lanarkshire (1997 to present)	Partnership designed to encourage strategic co-ordination of different labour market programmes. Priority Local 'Workforce Plus Partnerships' since June 2006.	Lanarkshire Council, CRF, ESF/Equal, Jobcentre Plus, Scottish Enterprise, Caledonia University, Scottish Executive Workforce Plus. Total £3.8 million 2006–07.	Decline in manufacturing employment. Major employment sites at Park Royal estate and Wembley National Stadium and surrounding development. Long-term deindustrialisation and closure of Ravenscraig Steel Works. Spatial concentration of deprivation in Hamilton and Rutherglen/Cumberslang. Low employment rate and 50,000 claiming health benefits and Income Support. Public sector employment growing faster than other sectors. Estimated jobs gap of 6,000 jobs.	Approach of projects: client-centred; outreach/engagement (unemployed and employers); personal advisers. Focus on employability in relation to disadvantaged groups. Client-driven service responding to needs of unemployed and people on Incapacity Benefit (IB). Outreach approach through Routes to Work South – community-based organisation. Employer engagement (via intermediaries).	2005–06 programme: 838 into employment, 625 into FE/training. Total clients engaged: 2,347.

Continued

Table 3 Characteristics of case studies

Project (period of operation)	Description	Funding sources	Economic context	Key features	Claimed outputs
Want2Work pilot, Merthyr Tydfil (Welsh Assembly Government and Jobcentre Plus Wales)	Co-ordinated approach in relation to employment and health service for targeting long-term unemployed and those on health-related benefits to assist into work. Relies on people volunteering to join the programme and community outreach delivery.	ESF Welsh Assembly Government (£21 million for four pilot areas: Merthyr Tydfil, Neath Port Talbot, Cardiff and North Wales) plus £2 million for training from Department of Education, Lifelong Learning and Skills.	Long-term deindustrialisation and closure of coal industry in Valleys. Spatial concentration of deprivation of economic inactivity. Low employment rate and large numbers claiming health benefits and Income Support, 160,000 people receiving out- of-work benefits.	Focus on employability in relation to disadvantaged groups, especially benefit claimants. Client-driven service responding to needs of unemployed and people on IB. Involvement of Communities First is an important element of delivery.	Total programme for Merthyr 2005–06: 702 people participating in the programme, 100 obtained employment.

Funding sources

The capacity to access and maximise different funding streams is an ingredient of success for all the case studies. For example, Brent in2 Work has successfully drawn down funding from a wide range of sources, including the London Development Agency's Single Programme and the European Social Fund (ESF), combined with money from local authority section 106 planning agreements. This has provided sufficient funds to develop a diverse, coherent and extensive range of provision to complement that from mainstream funders. The ESF has also been the main source of funding for Want2Work, with matching funds from the Welsh Assembly Government and Jobcentre Plus. Routes to Inclusion has been able to bend South Lanarkshire Council's mainstream budgets to fund its projects, with the Council contributing around £750,000 towards a total budget of £3.8 million in 2006–07. The Acumen Trust has been particularly successful in accessing a wide range of funding sources, including from the private sector, in order to establish the organisation and to help fund the range of enterprise, learning, and employment services it provides for disadvantaged communities.

Economic contexts

All six case studies display a strong place-based focus, being targeted at the people living in the most deprived neighbourhoods within one or more local authority areas. However, they differ in terms of how wide their geographical coverage is, largely reflecting their origin within spatial levels of governance. As a programme developed at the national level, Want2Work focuses on four different pilot local authority areas within Wales, of which Merthyr Tydfil (the case study used here) is one. Similarly, Local Alchemy, having been adopted and funded by the East Midlands Development Agency, has been implemented at ten locations within the East Midlands with a view to testing and refining the approach and its applicability in different local contexts. Some of the other case studies are confined to the most deprived areas within a single local authority. Thus Brent in2 Work, for example, is targeted at concentrated disadvantage in five wards within the Borough of Brent and CPR Works focuses on those living in the seven most deprived wards in north Kerrier.

Within their regional contexts, all the case studies are to be found in areas experiencing low employment rates, above average unemployment and particularly high levels of economic inactivity, with a high proportion of the population being on health and incapacity benefits. For example, the wards targeted by Brent in2 Work have employment rates of 54 per cent and 50 per cent, against a West London average of 66 per cent; similarly, the Acumen Trust focuses on the Easington District of Durham, which has an employment rate of 57 per cent compared to 68 per cent within the North East region as a whole.

While there are obviously differences between the case studies in the underlying causes of the high levels of economic deprivation, reflecting their historic circumstances, in most instances there is a legacy of deindustrialisation and economic restructuring over the past three decades, which has had a severe impact on employment opportunities, particularly for men. Thus the problems that the Routes to Inclusion initiative is tackling stem from the closure of the Ravenscraig Steelworks and the associated job losses. Similarly, the Want2Work, the Acumen Trust and to some extent the Local Alchemy case studies are all dealing with the consequences of employment decline in former coalfield areas. And CPR Regeneration aims to regenerate the economy of a part of West Cornwall historically dependent on tin mining and the engineering industry, being a response to local concerns about closures and the lack of replacement jobs. In contrast, the Brent in2 Work case study is located in the more buoyant and fast-growing economy of West London, where significant employment growth has been experienced in a number of service sectors. Here, economic deprivation is more closely associated with the ethnically diverse and mobile population, including issues to do with language, low level of skills and qualifications, and a lack of work experience.

Key features

Most of the case study initiatives address in various ways the question of the employability of disadvantaged groups, with several of them targeting those who are hardest to reach and least likely to benefit from more mainstream welfare to work programmes. As such, they are concerned with helping those who are jobless but want to work to overcome the multiple barriers (personal and institutional) that prevent them entering the labour market. In this sense, they are essentially concerned with supply-side issues, with less emphasis being given to demand-side considerations such as the recruitment practices of employers.

Two of the case studies, Acumen Trust and Local Alchemy, include supporting people to set up enterprises as part of their activities, whether in the form of going into self-employment, starting a private business or establishing a social enterprise. Local Alchemy stands out in other respects too in that it is a particularly innovative response to the economic needs of deprived areas, involving engagement with local people and relevant agencies to stimulate bottom-up development and the 'reinvention' of their local economies.

In several of the case studies, notably Routes to Inclusion, Want2Work and Brent in2 Work, there is an explicit recognition that the transition from being out of work to being in sustained employment is a staged process, involving different

kinds of support activities at each stage and drawing on the particular roles and responsibilities of agencies in delivering the relevant services.

Another common feature is the emphasis that has been given to outreach activities. For example, outreach work is integrated within Routes to Inclusion in South Lanarkshire through a community intermediary organisation (Routes to Work South), which concentrates its activities and services in the most deprived areas and uses existing community facilities, organisations and networks to deliver a varied range of projects. Brent in2 Work has used outreach to implement one of its flagship projects, 'Households into Employment', working through a team of community-based advisers who provide one-to-one support, advice and guidance. Clients are recruited through door knocking, advisers at community events, visits to local schools, referrals from other agencies and word of mouth through family and friends.

Linking economic development and inclusion

Rationale for economic/social linkage

The case studies provide three different, but strongly interrelated, rationales for linking the economic and social agendas.

Economic inclusion: supporting individuals into employment

The emphasis here is on working with individual residents in deprived areas to get them into work, as this is seen as the most effective route out of poverty. However, the starting point is recognition that those most disadvantaged in the labour market require additional support to that provided by mainstream services. This approach strongly reflects the focus of current government policy on promoting economic inclusion via higher employment rates and, as a result, a variety of funding streams are available to promote such supply-side initiatives. The Brent in2 Work initiative is perhaps the most clearly oriented towards a 'work first' agenda, with an overriding emphasis on getting residents into employment and with training initiatives similarly clearly focused around this objective. However the Want2Work and Routes to Inclusion schemes are similarly informed by this agenda, and all initiatives have some degree of focus on improving the employability of local residents.

Economic linkage: linking areas of need with areas of opportunity

The guiding rationale here is that deprived localities and their populations are failing to benefit from the 'trickle down' of economic and employment growth within the wider economy. Hence initiatives seek to link actively the people and businesses present within deprived areas with these opportunities. The focus here is particularly on linking the supply and demand sides of the labour market. This can be clearly seen in the reasoning behind the CPR Works initiative, which was started as a way of trying to ensure that the opportunities created by the physical and economic regeneration of this area of Cornwall were used to tackle the problems of economic and social exclusion. This focus is also central to the Routes to Inclusion programme through 'job matching', which seeks to ensure that the jobs created via inward investment and major capital programmes can be linked to employment schemes through working with both those not in employment and local employers who are seeking staff. In the case of Brent, the building of the Wembley National Stadium and the related regeneration of the surrounding area provided a unique opportunity for new employment opportunities for those experiencing labour market disadvantage, this being one of the principal factors that stimulated the Brent in2 Work initiative.

Integrated, community-led development

This rationale emphasises the promotion of wider place-based 'community' interests and assets in a manner that links economic imperatives with social and environmental ones in order to create places that individuals want to live and work in. This rationale is less prevalent in the case studies, not least as it questions the narrow concern of current government policy on getting people into jobs and emphasises meeting the needs of communities rather than just those of individuals. The clearest example of this is the Local Alchemy project, which seeks to promote a different model of local economic development, which questions the 'economic status quo' and the very nature of much of the economic development and investment occurring in deprived localities. Instead, it aims to shift the emphasis towards more locally determined initiatives that can demonstrate clear social and environmental as well as economic benefits, and to involve people from deprived communities in 'reinventing' their local economies. However, there are also varying degrees of concern about the wider local community and locality in other case studies, whether this is in terms of the development of social and physical infrastructures, social capital, community assets or the wider quality of life.

The case studies demonstrate the mutually reinforcing nature of these rationales (Table 4). This is particularly evident with respect to initiatives working to develop both the employability of local residents and wider economic and employment

linkages. In fact that wider economic interests of local communities are relatively neglected by the case study initiatives, in a manner reflective of wider government policy, reveals an important weakness in current policy approaches. A focus only on getting individuals into work often leads to these very people moving away, which does nothing to help the longer-term development of viable communities in deprived areas or overcoming various barriers to work, such as lack of public transport.

In this respect, the case examples demonstrate how, in seeking to tackle the economic needs of deprived areas and their residents, people and place are interrelated in multiple and different ways. For employment-focused initiatives, place matters in terms of both the precise nature of the relationship between supply (e.g. whether the issues are of ill health, language, culture, etc.) and demand (e.g. relatively strong demand in Brent or much weaker demand in Easington, Merthyr Tydfil and South Lanarkshire), and the localised delivery of services in a manner that is sensitive to local need and engages marginalised groups. For approaches that seek to emphasise the economic vitality of the local community, place-based issues are centre stage in efforts to develop community assets and capacity as well as physical infrastructures. These findings suggest that current debates towards tackling deprivation that seek to oppose people- versus place-based approaches not only are guilty of creating an oversimplified dichotomy, but also represent a barrier to tackling the problems of deprived areas and their residents.

Table 4 Case studies: linking economic development and inclusion

Project	Rationale for economic/social linkage	Good practice elements	Challenges
Acumen Trust	Engages 'hard to reach' groups in labour market through community development approach and focus on overcoming limits of mainstream approaches.	Engages hard to reach groups in labour market through community development approach and facilitates new enterprise development. Integrates existing outreach approaches.	Weaknesses of demand-side interventions and public sector employer engagement with deprived groups. Significant numbers experiencing financial poverty and debt. Reliance on other services to support Acumen activities – e.g. need to improve public transport to increase mobility. Negative attitudes of employers towards people with disabilities and health problems.
CPR Works	Recognition that cannot rely on benefits of new investment 'trickling down' to the most disadvantaged. Concern that new jobs do not 'leak out' of area.	Engagement with employers via targeting growing sectors experiencing recruitment difficulties but likely to provide suitable jobs (e.g. the care industry, construction, retail). Recognition of the role that the VCS can play in providing a first step back into the workplace.	Lack of affordable public transport. The peripherality of West Cornwall is making it difficult to attract investment and additional employment to the area. CRPW is having to work mainly with the job vacancies of existing employers rather than those generated by incoming employers. Difficulties in engaging small businesses and persuading them to recruit those who have been out of work for a long period. Increasing competition for jobs from in-migrants including EU accession countries.

Continued

Table 4 Case studies: linking economic development and inclusion – *Continued*

Project	Rationale for economic/social linkage	Good practice elements	Challenges
Local Alchemy	<p>Focus on maximising benefit to communities of money flows, resources and assets that are local.</p> <p>Explicitly seeks to apply integrated 'triple bottom line' (i.e. environmental and social as well as economic) to projects supported.</p> <p>View that local people themselves are best positioned to diagnose and 'reinvent' their local economies.</p>	<p>Ambitious and multidimensional approach aimed at addressing weaknesses of pre-existing approaches.</p> <p>Catalytic role of person-centred coaching – stimulating 'visions' and 'passions' through internalised learning.</p> <p>Enables a collective voice for local people and their concerns.</p> <p>Focus on local assets and resources, which may be undervalued/recognised.</p> <p>Aim to apply triple bottom line assessment criteria – social and environmental, as well as economic.</p> <p>Adaptive learning applied to refine process and use of various tools over time.</p>	<p>How to sustain the momentum of bottom-up reinvention/regeneration and related uncertainties as to how long Local Alchemy and related interventions will be needed before the process becomes self-sustaining.</p> <p>How to balance 'vision and passion' with 'realism and focus', building on previous local experiences (including failures) of regeneration initiatives.</p> <p>Difficulties in engaging with local people beyond core activists/entrepreneurs and including/reconciling potential differences between different groups/interests.</p> <p>Success particularly dependent on skilled coaches capable of engaging with local people and other agencies/practitioners through intensive outreach work. Local knowledge gained through prior involvement in areas also a great advantage.</p> <p>The appraisal and selection of projects for support, including how triple bottom line criteria are integrated in practice.</p> <p>The extent to which the problems of many disadvantaged areas can be fully addressed at the local/regional level given structural barriers to enterprise and localisation/sustainability, which may require further enabling and redistributive measures by government.</p>

Continued

Table 4 Case studies: linking economic development and inclusion – *Continued*

Project	Rationale for economic/social linkage	Good practice elements	Challenges
Brent in2 Work	Getting people into work and, once they are into a job, to help them progress provides the best means of taking people out of poverty and revitalising the LB of Brent's poorest neighbourhoods.	<p>Clear focus on employment: needs of individuals and of employers.</p> <p>Combination of wider local strategy and emphasis on effective delivery via specific local projects clearly oriented to identified need.</p> <p>Proactive engagement of hard to reach groups; use of high-quality/motivated advisers to provide holistic approach to client needs.</p>	<p>Employment focus sometimes at the expense of developing training and neglect of enterprise dimension.</p> <p>Lack of progress in promoting workforce development and supporting individuals once in employment.</p> <p>Despite job growth, in-migration provides strong competition for entry-level jobs and most disadvantaged struggle to compete.</p> <p>Gaps in provision related to pre-employment training: basic skills and language.</p> <p>Problems of engaging certain groups lacking in aspiration and motivation to enter employment.</p>
RTI South Lanarkshire	Attempt to develop a focus on job matching in order that inward investment/capital programmes can be linked to employment schemes.	<p>Construction Skills Action Plan as a mechanism to tackle skills shortages.</p> <p>Job rotation supporting skills and training needs of SMEs and increasing opportunities for employment training for unemployed.</p>	<p>In-migration from Eastern Europe creating a further competitive labour market, which can present difficulties for employment opportunities for people on IB.</p> <p>Weaknesses of demand-side interventions and public sector employer engagement.</p> <p>Significant numbers experiencing financial poverty and debt.</p> <p>Many new jobs are low paid and sustainability of employment is a key issue.</p>

Continued

Table 4 Case studies: linking economic development and inclusion

Project	Rationale for economic/social linkage	Good practice elements	Challenges
Want 2 Work (Merthyr Tydfil)	Engage 'hard to reach' groups in labour market through community development approach as well as ensure that health needs are linked to employability programmes.	Use of Community Intermediaries to engage hard to reach groups. Using existing community networks to develop employment inclusion and promote Want2Work. Voluntary programme and does not involve threat of sanctions.	Weaknesses of demand-side interventions and public sector employer engagement with employing deprived groups. Significant numbers experiencing financial poverty and debt. Low pay and employer discrimination regarding people with disabilities are barriers to employment. Question about people being able to sustain employment. Difficulties of building relationships with existing and incoming employers.

Good-practice elements

There are a number of ways in which the case studies appear to exhibit elements of good practice in terms of linking the economic development and social exclusion agendas.

Employer engagement

First, there is the issue of taking steps to engage with employers, as it cannot be assumed that employers will show any interest in recruiting the kinds of people the initiative is designed to help. For this reason, the staffing of CPR Works includes an Employment Engagement Co-ordinator who has been able to draw on her previous experience at Jobcentre Plus in working with employers in particular sectors. This involves forming links with employers, exploring where skills gaps exist and seeing how CPR Works can overcome local skill shortages and recruitment difficulties while at the same time assisting its clients into work locally. The approach adopted is one of targeting employers within particular sectors that are experiencing recruitment difficulties on the one hand and providing suitable employment for those experiencing long-term unemployment and economic exclusion on the other. The sectors that have been identified so far are the care industry, construction, and retailing.

Turning to a much larger programme, the various partners that comprise the Roots to Inclusion programme in South Lanarkshire have developed a network of sector-focused 'employment intermediaries' to ensure that effective connections are made between client engagement and employer requirements. So far, four sectors have been identified where significant benefits are likely for employers and clients, these being construction, care, hospitality and the public sector.

Identifying entry-level jobs

Second, is the issue of identifying suitable entry-level jobs for people who have never worked or have been out of work for many years. In the case of Brent's Language 2 Work project, the vast majority of case jobs are at entry level, with a focus on five main sectors – warehousing, cleaning, driving, food processing, and retail. In the cases of CPR Works and Want2Work, paid or even unpaid employment in the voluntary and community sector is looked upon as a good first step for someone lacking in basic and work-related skills. Other case studies, notably the Acumen Trust, put the emphasis on the provision of pre-employment training for those who are furthest from entering the labour market because of their need to acquire a range of life and social skills before they are ready to enter a job.

Personalised approaches

Third, in terms of engaging with hard to reach groups, a common element of several of the case studies is the use of person-/client-centred methods. This more personalised and holistic approach recognises that there are a range of needs that have to be met if those who are currently highly marginalised from the world of formal work are to enter sustainable employment. Thus, for unemployed people within Brent in2 Work, a significant amount of work is done in the form of one-to-one advice and support to build up the kind of trust-based relationships that are not possible under schemes where there is little or minimal client contact. Brent in2 Work attempts to provide a system where clients can be referred to a wide variety of employment and non-employment services according to how their needs develop over time, yet keeps them engaged and moving forward. This 'personalised' approach to tackling worklessness is central to current debates about reform of employment, training and benefits policy, and the case studies demonstrate the importance of localising such an approach if it is to be delivered effectively, as is recognised by the current DWP City Strategy policy.

A person-centred philosophy has also led to the coaching role that underpins Local Alchemy's approach to engaging with individuals and communities. This is concerned with encouraging and enabling by indirect means rather than advising and directly prescribing according to a 'set agenda'. It has entailed an emphasis on stimulating individual (and also collective) 'passions' and 'visions' through listening, questioning and empathising, rather than 'telling' and 'pushing'. This is consistent with a positive view that all individuals, in all social classes and walks of life, are creative and have entrepreneurial potential, but that people from more disadvantaged situations lack confidence and are often deterred, initially at least, by the more 'business-like' and 'systematic' approaches to support offered by mainstream providers.

Strong leadership and a skilled and committed staff team

And, fourth, several of the case studies demonstrate how important the role of a dedicated and committed team of staff is to the chances of the project succeeding. Thus Want2Work in Merthyr Tydfil was established through secondment of staff from stakeholder organisations such as Jobcentre Plus who volunteered to be seconded because of their commitment to the principles of outreach and a programme that did not involve any element of compulsion. Similarly, Roots to Inclusion in South Lanarkshire is managed by the local authority with a dedicated staff and a steering group of the relevant partners. Those on the steering group have been involved with the initiative for a considerable amount of time, so longevity is an important ingredient for success. The driving force behind Acumen Trust is the co-founder and current

chief executive who brought into the project a commitment and experience obtained from her time as manager of the Easington Action Team for Jobs.

Challenges

The following challenges in terms of linking economic development and social inclusion are common to most of the case studies.

Difficult local labour market conditions

Although there is evidence of employment growth in all the case study areas, labour market conditions are such that there are not enough entry-level jobs of sufficient quality to 'make work pay' in some localities. Many jobs are low paid and moving off benefits (which guarantees some form of income) into potentially precarious employment conditions is not seen as a viable or sustainable option by many of the jobless. For example, interviewed beneficiaries of Want2Work in Merthyr Tydfil cited the poor quality of jobs being made available in terms of pay and conditions and the lack of potential career prospects as a barrier to re-engaging with the labour market. One of the dilemmas here is that some economic development agencies concentrate almost entirely on attracting high-skilled jobs as part of their vision to build 'a knowledge economy', thereby neglecting the kinds of jobs that are more suited to those living in deprived communities.

Some local labour markets are also very competitive, even for low-paid employment, and several of the case study areas (notably Brent, South Lanarkshire and West Cornwall) are experiencing large influxes of relatively skilled workers from EU accession countries who are willing to work for low rates of pay. It is also apparent that many employers remain wary about taking on those who have poor English skills, have been unemployed for long periods, have mental health problems, or are ex-offenders. As a result, even when relatively good jobs are offered, as for example under the 'Fair Cities' programme (a DWP programme focused on getting black and minority ethnic [BME] groups into employment), they can remain out of reach for many in the target groups living in deprived areas.

Problems with engaging employers

While it has been possible to involve a number of large employers in several of the case study projects, it has proved much more difficult to engage with small and

medium-sized enterprises (SMEs), despite their numerical dominance in most local economies. For example, the CPR Works Employment Engagement Co-ordinator has found that small business owner-managers (typically those running businesses with fewer than ten employees) are the most reluctant to recruit those with a poor work history, given their understandable concerns about the impact it could have on the rest of the workforce if it didn't work out. Similarly, those running Brent in2 Work have had limited contact with SMEs, finding that the majority of them continue to recruit informally and by word of mouth.

Even in those case studies where regeneration schemes promised significant employment opportunities, there have been fewer jobs going to the more disadvantaged than had been expected. Thus, in Brent, the construction of the Wembley National Stadium has produced very little employment for local workers despite the section 106 agreement that promoted the use of local labour. Subcontractors have preferred to use known specialist workers, often brought in internationally. And, in West Cornwall, there is little sign yet of the thousands of new jobs predicted to be attracted to the CPR Regeneration area, which means that CPR Works is having to work mainly with existing, rather than incoming, employers. There is a sense in which the expectations of local people have been raised, but it is proving difficult to realise them at present.

Governance arrangements

Key governance relationships

A striking feature of all six case studies is that they involve partnership working between several organisations representing different levels of governance, as well as involving co-operative working between government and non-government organisations (Table 5). However, the form of the relationship depends on the origins of the initiative and the type of lead organisation. For a voluntary and community sector organisation involved in the provision of employment and training services, such as the Acumen Trust, there is a need to negotiate across different levels of governance in order to take advantage of different policies and programmes. This is closely associated with the need to attract funding and win contracts from public sector organisations. Thus the Acumen Trust has developed strong connections with a range of organisations in the North East region, including the RDA, One NorthEast, Jobcentre Plus, the county and district councils, and the Local Strategic Partnership. In the case of Local Alchemy, there is a close partnership between the New Economics Foundation, which developed the idea of this alternative approach

to local economic development, and the East Midlands Development Agency, which agreed to test it out by providing the funding for it to be implemented in a number of pilot areas within its region.

Where initiatives have been given a high profile at the regional/national level, they generally involve close working between two or more organisations at this level. This is the case with Want2Work, which is a flagship initiative of the Welsh Assembly Government and involves joint working with Jobcentre Plus in Wales. The involvement of local organisations including local authorities and regeneration partnerships is then needed to help implement the policy in the various pilot areas.

The breadth of the partnerships that have developed in several instances reflects not only the complexity of the problems being tackled and a recognition of the multiple influences on deprivation, but also the complex set of agencies operating in these areas. Thus, although it is only a small-scale initiative compared to the other case studies, CPR Works involves partnership working between its parent body CPR Regeneration (the Urban Regeneration Company), Jobcentre Plus (the principal funder), the South West Regional Development Agency (principally concerned with business development) and West Cornwall Together (the LSP responsible for neighbourhood renewal on the most deprived housing estates).

Table 5 Case studies: governance arrangements

Project	Key governance relationships	Good practice elements	Challenges
Acumen Trust	<p>Strong connection with key economic partnerships within NE region including Durham Economic partnership and East Durham LSP.</p> <p>Has developed a national and regional profile and Chief Executive appointed to board of One NorthEast as VCS representative.</p> <p>As a VCS organisation dependent on winning contracts for delivery of government programmes, particularly from Jobcentre Plus.</p>	<p>Capacity building and linking this with different partnerships seen as important.</p> <p>Strong links with various regional, sub-regional and local strategies, including DWP City Strategy, East Durham LEGL and Neighbourhood Pathfinder.</p>	<p>Complexity in partnerships and many funding regimes leads to problems with co-ordination.</p> <p>New competitive arrangements and privatisation of welfare to work delivery can undermine Acumen's future existence and continuity of its work.</p> <p>Employer engagement weak and difficulties of involving the private sector.</p> <p>Need better inter-agency working, including close involvement of the LSP.</p>
CPR Works	<p>CPR Regeneration, JCP, West Cornwall Together (WCT) (LSP) and Kerrier District Council.</p>	<p>Good relationship between CPRW and JCP Cornwall as the principal funder.</p> <p>CPRW considered to add value to the work of WCT in the most deprived areas through its in-depth and flexible approach.</p> <p>Effective referral arrangements with other organisations working with the disadvantaged (e.g. organisations providing support for those recovering from drug abuse and ex-offenders).</p> <p>Experience of CPRW has informed the development of a new LAA/JCP Cornwall-wide initiative called 'Cornwall Works'.</p>	<p>Difficulties in joining up effectively with other initiatives in addressing the multiple causes of deprivation because of the constraints that funding schemes impose on crossover of clients between organisations.</p> <p>Despite strong association between worklessness and health-related problems, little connection between CPR Works, the PCT and health professionals.</p> <p>Uncertainty resulting from the short timescale (20 months) of the CPRW 'pilot' initiative.</p>
Local Alchemy	<p>emda and New Economics Foundation.</p> <p>Community Foundation (managed Alchemist Fund application process).</p>	<p>Attempts to engagement with a wide range of relevant agencies to challenge them to 'think differently' and to maximise 'joined-up' thinking and working.</p>	<p>Some difficulties experienced in engaging local agencies – how to build constructive linkages with the LSP process of engagement.</p>

Continued

Table 5 Case studies: governance arrangements – *Continued*

Project	Key governance relationships	Good practice elements	Challenges
Brent in2 Work	Seeks to engage with a variety of relevant agencies within areas (including LSPs).	Effective signposting to other sources of support/funding (e.g. Coalfields Regeneration Trust, National Lottery). Effective collaboration between Local Alchemy coaches and existing business support services.	Full realisation of ambitious aims requires long-term commitment, including from other agencies + supportive changes in government policy (fiscal/regulatory/infrastructure). To what extent can Local Alchemy be mainstreamed to other regions? Depends in part on the extent to which other RDAs attached priority to promoting sustainable development over economic development objectives defined more narrowly.
	LB Brent (lead body) and key local employment and training providers: JCP, College of North West London and LDA.	Complementary approach: add value to mandatory provision (e.g. of JCP). Relationship management: open and co-operative culture with strong working relationships. Ability to draw down funding to create space for autonomous action: credibility with funders due to success in delivering employment outputs. Commitment to developing relationships with private sector.	Complexity of provision: continued problems to provide integrated and rational provision; problems of tracking individuals through system. Lack of good relationships with certain key agencies/initiatives (e.g. LSC, Fair Cities) and sectors (e.g. VSC). Funding: results-driven funding related to employment outputs has produced focus on those easier to get into the labour market. Ongoing difficulties in developing employer engagement, particularly among smaller firms; need to ensure local people benefit from major investments (e.g. surrounding Wembley National Stadium).

Continued

Table 5 Case studies: governance arrangements

Project	Key governance relationships	Good practice elements	Challenges
Routes to Inclusion (RTI) South Lanarkshire	Strong connection with national Employability Framework (Workforce Plus). South Lanarkshire Council plays a key role in servicing RTI.	RTI Partnership designed as a process that clarifies steps in transition from welfare to work. Attempt at transparency and minimal duplication of activities. Longevity and strong buy-in by all partners. Strong commitment by JCP to RTI. Involvement of VCS ensures a more socially inclusive labour market service.	Complexity in partnerships and many funding regimes leads to problems with co-ordination. New competitive arrangements and privatisation of welfare to work delivery can undermine RTI model and continuity. Employer engagement with RTI relatively weak.
Want2Work	Co-ordinated by WAG national steering group and local steering group. Linked to regeneration partnerships in Merthyr Tydfil. Part of South East Wales DWP City Strategy in relation to tackling economic inactivity.	Outreach and promoting the initiative within the community important. Informal atmosphere and supportive mode of service delivery. Signposting and referrals crucial – offering a wider range of opportunities for people to develop confidence and skill. ‘Soft’ outcomes such as undertaking voluntary work seen as important in accessing employment.	Want2Work one of many welfare to work programmes operating in Merthyr Tydfil – danger of complexity and confusion. Lack of a community development perspective a missed opportunity – lack of alignment with Communities First. Question about relevance of existing vocational training to deprived groups. Difficulties in obtaining engagement of GPs.

Good-practice elements

Developing an integrated and co-ordinated approach

An important element to the efficiency and effectiveness of some of the case studies is that the partnership runs in an integrated and co-ordinated way that reduces duplication and competition between different agencies. For example, the key to successful partnership working in the case of Routes to Inclusion has been that the role of different partners has been organised around the model of a staged approach to moving jobless people into employment. This has the advantage of achieving a much greater transparency about ‘who does what’.

Brent in2 Work has also deliberately encouraged an open and co-operative culture between partners. With regard to major agencies, there are strong working relationships with the principal partners – London Borough of Brent, Jobcentre Plus, College of North West London and the London Development Agency – that have developed over time and generated a degree of trust. Importantly, these organisations were involved in the original strategy formulation, which has ensured a degree of genuine partnership commitment.

CPR Works provides an example of the way an organisation can add value to and complement the work of an existing partnership, in this case the Local Strategic Partnership West Cornwall Together (WCT). WCT sees CPR Works as offering an extra level of focus and support in the most deprived neighbourhoods, providing a more in-depth and flexible approach to engaging with individual workless people than that of mainstream agencies. Joint working between WCT and CPR Works has also been made easier by the co-location of the two organisations in the same building.

In the case of Local Alchemy, various good-practice elements are in evidence, including the commitment to engage a wide range of relevant agencies, such as local authorities and the police, to maximise ‘joined-up’ thinking and working, effective signposting to other sources of support and funding (e.g. the Coalfields Regeneration Trust, the National Lottery), and effective collaboration between Local Alchemy coaches and co-ordinators and existing business support services within areas.

Strong commitment from Jobcentre Plus

Although all the case studies are dependent on strong buy-in from several key players, it is noticeable that a strong commitment from Jobcentre Plus has been crucial to the success of several case studies, including those run by devolved administrations. Thus, in the case of Want2Work, the flexible approach taken by

Jobcentre Plus Wales in working alongside the Welsh Assembly Government is proving vital to the delivery of what is the only major welfare to work programme to be produced and steered by an organisation other than the Department of Work and Pensions. On a much smaller scale, the CPR Works project manager describes Jobcentre Plus Cornwall as being ‘forward looking’ in providing Objective One ESF monies and its own discretionary funds to support the project as well as seconding one of its own Action Team for Jobs managers to help set up CPR Works. JCP is now involved in launching a similar Cornwall-wide initiative, Cornwall Works, drawing on the experience of CPR Works in Camborne, Pool and Redruth.

Involvement of VCS organisations

Several of the case studies demonstrate the importance of developing strong partnerships with VCS organisations when it comes to winning the trust and confidence of disadvantaged individuals and deprived communities. At one level, the Acumen Trust is itself a community development trust, run as a social enterprise, which has acted as an umbrella for a range of community organisations and community capacity-building initiatives, such as a community gardening initiative aimed at engaging the local community. Other case studies show that a particular role has been given to VCS organisations in those partnerships led by public sector organisations. For example, in the case of Routes to Inclusion, the establishment of community intermediary organisations working within the deprived communities themselves has ensured that the VCS helps to shape the RTI agendas and that a more socially inclusive labour market service is provided, through outreach work and the targeting of ‘hard to reach’ groups.

Challenges

More effective joining up between programmes and initiatives

Although, in the most part, the case studies stand out as viable and successful partnerships, with histories of joint working between key stakeholders, some of them also illustrate the lack of integration and co-ordination that can exist between programmes. A relevant example here is the opportunity for closer integration between the delivery of Want2Work, which is focused on Incapacity Benefit claimants, and the Communities First programme tackling poverty and community development in deprived communities in Wales.

Similarly, the CPR Works case study reveals the problems of effectively joining up with other initiatives concerned with addressing other aspects of deprivation, notably those responsible for health care and housing. Despite the strong association between worklessness and health-related problems, there has as yet been relatively little connection with the Primary Care Trust and local general practitioners. Similar difficulties have been experienced with the Want2Work programme. Recognition of the need for closer integration between health care services and access to employment has led to a new pilot initiative called 'Aim High Routeback' between the Acumen Trust and Durham Primary Care Trust. It differs from other Incapacity Benefit pilot projects such as Pathways to Work in that it is intended that referrals will come primarily from health professionals, including GPs. Significantly, this pilot project is being funded by the Regional Development Agency, One NorthEast, and is being promoted as a Northern Way flagship project.

Perhaps not surprisingly, given its aims of challenging the 'economic status quo' and to stimulate 'passion' and 'vision', the Local Alchemy process in practice has given rise to some tensions between different groups and agencies in relation to deciding which projects to support and delivery roles and responsibilities. Thus, in some localities at least, it has not always been possible to build 'joined-up' and constructive relationships, and the New Economics Foundation, as the delivery organisation, has chosen not to work through steering groups involving local agencies (e.g. the Local Strategic Partnership in one instance) where they have been perceived to be acting to block the efforts of local people and obstructing bottom-up development.

Funding cuts and uncertainties

Concerns over the sustainability of funding and the budget cuts affecting associated services are commonplace in the case studies. In the case of Routes to Inclusion, the closure of some Jobcentres in South Lanarkshire and the increasing use of call centres to provide advice to people making initial contact with employment services is seen as counterproductive to building closer client engagement. Reductions in the discretionary funding budgets of Jobcentre Plus and Learning and Skills Council were adversely affecting several of the case studies. Also many VCS bodies were facing uncertain financial futures due to funding changes. Stability of funding is important to retaining the staff base and ensuring continuity of relationships between clients and providers.

A strong reliance on one major funder (e.g. the LDA in Brent in2 Work or emda in Local Alchemy) raised concerns of 'sustainability' when such funding comes to an end.

In the case of Local Alchemy, now that the programme has formally ended in the East Midlands, there were concerns in terms of both individual projects/enterprises that had been supported by the programme and maintaining and extending the engagement of local people in the overall process initiated by Local Alchemy.

Privatisation and contracting out of employment services

At the time this study is being undertaken, the Government has announced the contracting out of all services to the unemployed, claiming that this was necessary in order to achieve efficiency savings. This adopts the Freud Report's recommendation that employment-related services should be delivered by large private providers (DWP, 2007). In South Lanarkshire, the community intermediary organisation Routes to Work has seen this as a threat when it states that more of the services that it procures from the local authority will be put out to tender. Jobcentre Plus is facing similar competitive pressures and the outcome could be to lose those smaller community-based providers with their track record of performance and partnership working if they cannot compete with the larger organisations. This is also a challenge for Acumen Trust where, under the North East's Employability Framework, its role in delivering welfare to work programmes may become limited more to outreach and community-based activities; to quote from the Voluntary Organisations Network North East:

... we fear that fewer, larger contracts will 'squeeze out' many smaller community active labour market schemes.

Conclusions

Analysis of the case study initiatives in this chapter has demonstrated that effective co-ordinated action is possible, although often in spite of complex governance arrangements rather than because of them. In this respect, the role of committed teams and individuals who are able to mobilise resources and high-quality, outward-looking, project teams is crucial in overcoming the constraints, and indeed exploiting the spaces, within a highly complex governance system.

The initiatives analysed have responded to the manifestation of wider economic processes within particular areas through locally based and designed interventions that are sensitive to local particularities, although their orientation is strongly structured by the objectives and funding of central government policies. To the extent that they have achieved some success, this is largely down to two factors. First, this

relates to their ability to integrate economic and social objectives, primarily through promoting employment as a route out of poverty and linking the economic needs of deprived areas and populations with employment opportunities in the wider local/regional economy, and, less prominently, in terms of the development of wider place-based community interests and assets. Second, they have shown an ability to get key agencies to work effectively together to deliver common objectives and outputs, and complement other mainstream provision. In relation to both of these factors, the place-based nature of these interventions is important in diverse ways – whether in terms of the delivery of personalised support to residents of deprived areas, the challenge of linking deprived areas into wider labour markets, or in the broader sense of strengthening place-based communities to make them desirable places in which to live and work.

6 Conclusions and policy recommendations

This report has examined the impacts of the development of regional governance in England and the devolution of power to Scotland and Wales on strategies and policy initiatives that seek to tackle the economic problems of deprived localities. The economic problems of deprived localities are varied, but they are rooted within the wider local and regional economies in which they are embedded. Tackling the economic problems of these areas requires the close interaction of policy agendas related to economic development and social regeneration, and action co-ordinated within and across spatial levels.

This chapter presents the major conclusions and recommendations that emerge from this study with regard to national and sub-national governance in relation to deprived localities.

Limits to governance: the evolving context

The scale of the problem

The extent and intensity of economic restructuring and deindustrialisation that has impacted on major conurbations and older industrial regions, combined with the strong flow of resources to more globally competitive regions such as London and the wider South East, sets the broad context of uneven regional development of which deprived areas form a part. In the face of these major wider processes of economic restructuring and labour market change, sub-national agencies within England, Scotland and Wales remain relatively powerless given the limitations of their powers, budgets and capacities. There is little longer-term evidence to date that the emphasis on promoting regional economic competitiveness via regional economic strategies within England has had any impact on reducing long-standing patterns of uneven regional development (Harding *et al.*, 2006, p. 54). Meanwhile, key national investment decisions (the Sustainable Communities Plan, the Thames Gateway initiative, the 2012 Olympics) will ensure further substantial investment and regeneration in the already prosperous South East region of the UK.

Changing structures, strategies and delivery

Many of the problems that beset the current governance system of economic development and regeneration within the UK are well recognised and long-standing. The constraints that emerge from an ever-changing, highly complex, fragmented and often unaccountable system have been recognised by successive reports and have produced multiple responses. In this respect, the introduction in England of LAAs, MAAs (Multi-area Agreements), City Strategies, LEGI and the major Treasury-led review (2006–07) of sub-national governance for economic development and regeneration (HM Treasury *et al.*, 2007) – all during the period of research – demonstrates the sheer array of responses that are evolving in an attempt to improve co-ordination, integration and legitimacy. Similarly, there have been ongoing attempts towards a rationalisation and reduction in the plethora of area-based initiatives (ABIs), with the intention of reducing the complexity resulting from multiple funding streams.

However, despite the implementation of this array of incremental actions, there remains little systematic evidence to suggest a less complex and more integrated governance system is emerging. Certainly, in England, the development of policies and institutions at the regional and neighbourhood level has arguably contributed towards greater complexity. The lack of a clear direction in UK central government policy has seen significant shifts in position in relation to key issues such as the devolution of power to local government, the role of city regions and the Northern Way. These reflect an ongoing changing balance of priorities related to economic competitiveness, social inclusion and community cohesion, as well as the absence of clear thinking over the most appropriate local and regional arrangements for delivering improved economic performance in more deprived areas. The publication of the sub-national review (SNR) of economic development and regeneration (HM Treasury *et al.*, 2007) reflects the most recent attempt by central government to provide a more coherent position on issues of devolving power, encouraging economic growth and tackling deprivation for England. Interestingly, in Scotland, Wales and London, although devolution has placed issues of economic development and social cohesion firmly on the political agenda, in all cases there is still an active search for effective working arrangements to deliver a more integrated agenda. In Scotland, there are examples of effective joint working between the Local Enterprise Companies and local authorities, but in several cases these are long-standing and pre-date devolution.

Many elements of current economic governance structures have not been in place for long and are still actively evolving. Over the last decade, governance bodies and structures have spent more time on strategy development and less on delivery. Although initially often locked into past policy commitments, many new bodies

have developed greater scope to set their own agendas. At the same time, the shift towards greater focus on delivery is producing different pressures on existing arrangements. Given the complexity of current arrangements, time is an essential component for the development of the necessary trust and shared agendas that underwrite effective partnership arrangements. There is evidence that this is evolving in all study areas. Where there has been some stability in the role of agencies over a period of time, greater clarity over roles and responsibilities has begun to emerge and this has enabled improved co-ordination (e.g. between local authorities, sub-regional and regional agencies) in strategy formulation and policy delivery. Yet an environment of constant change and uncertainty generally militates against the maturing of the longer-term working relations between agencies and individuals.

The limitations of current governance arrangements and the scale of the problems under consideration suggest the ability of regional and local-level governance arrangements to make a significant difference is constrained. Furthermore, the preoccupation with structures and strategies rather than effective delivery means that, in practice, there is often a disjuncture between the pursuit of localised 'on the ground' actions and the wider structural and strategic environment. Yet, as the case studies presented here demonstrate, there are concrete actions at these levels that can be taken to ensure that the economic benefits of growth do not pass by deprived localities. The future challenge is whether existing governance structures can routinely provide more effective responses across a whole range of initiatives, from the major flagship projects to smaller-scale local regeneration projects, to ensure deprived localities and their residents benefit from the physical and economic development process.

Linking economic development and inclusion within and between governance levels

The need to better integrate the economic and social agenda both within and across different spatial levels is central to effective governance arrangements related to the economic needs of deprived areas, yet the findings presented here demonstrate considerable difficulties in achieving this.

Economic development and social inclusion remain difficult to integrate at all spatial levels given that governance and policy arrangements consistently split these into different policy agendas under the responsibility of different departments. In this respect, the devolved governments of Scotland and Wales show little divergence from that of the English government. One feature of successful initiatives related to deprived localities is the lack of separation of these issues, informed instead

by a conception of economic development and social inclusion as part of one development process. Within current policy agendas, tackling worklessness provides the strongest rationale for the integration of the economic and social agendas. Yet the needs of the residents and communities of deprived areas are wider than merely that of being placed into formal employment. These relate not only to the pay, conditions and prospects of formal employment, but also to their engagement in self-employment, other forms of unpaid (domestic, voluntary) and paid informal work, as well as their wider material circumstances and quality of life.

National

Within England, there is a continued lack of co-ordination between central government departments and ongoing tension between the regional economic development agenda and the neighbourhood renewal and social inclusion agendas. Despite some decentralisation to GOs and RDAs, national state systems remain highly centralised. The majority of funding related to the economic development and social regeneration of deprived areas is controlled by central government departments, which assign different priorities and rationales to this issue. This produces an array of different strategies, policies and targets, despite the existence of common PSA targets.

The lack of integration between departments in tackling the economic problems of deprived localities is particularly acute in the area of employment, education and skills where agencies, such as Jobcentre Plus and the LSCs, need to be centrally involved in the design and delivery of strategy for deprived areas and operating to common targets. However, there are also other key areas – most notably housing, transport and planning – that are integral to the regeneration agenda but routinely remain only marginally integrated into economic and social strategies related to deprived areas. Recognition of the need for improved integration is evident within the conclusions of the sub-national review (SNR) for England, which proposes the production of one integrated regional strategy incorporating economic, social and environmental objectives and a new responsibility for government agencies (e.g. Highways Agency, LSC, new homes agency) to co-operate with such strategies (HM Treasury *et al.*, 2007). Yet the primary concern as presented within the SNR is the pursuit of economic development, rather than social equity, through a single overarching growth objective to increase regional gross value added per head. Furthermore, problems of integration remain under a proposed division that sees the Department for Business, Enterprise and Regulatory Reform (DBERR, formerly the DTI) responsible for regional economic development and the Department for Communities and Local Government (CLG) with responsibility for neighbourhood renewal.

The separation between the economic development and social inclusion agendas is also apparent within Scotland. Despite the importance that the Scottish Executive gives to 'closing the opportunity gap', this appears to have been given only token recognition by Scottish Enterprise, which in recent years has been focused almost entirely on the economic competitiveness and growth agenda. It has been left to Communities Scotland, the Executive's agency with responsibility for housing and regeneration, to concentrate on distributional questions and disadvantaged communities, but without much influence over the economic and employment aspects.

In the case of Wales, it is too early to tell whether the transfer of various economic development, education and learning policy functions from various quangos into the Welsh Assembly Government will improve the integration between the economic development, regeneration and social inclusion agendas. While employment and welfare to work is not a devolved responsibility, this has not prevented WAG establishing a unique partnership with Jobcentre Plus Wales to introduce the Want2Work programme, targeted at those on incapacity benefits in the most deprived areas.

Regional

Within England, the regional tier has been seen as the principal sub-national level for the promotion of economic competitiveness, principally through the regional economic strategies (RESs). While, in the past, RESs have paid little attention to the needs of deprived areas, more recently there has been a greater emphasis on the economic inclusion agenda and the problems of concentrated deprivation, largely in response to central government's targets for raising employment rates. This trend is likely to be supported by the proposed move to the production of one integrated economic and spatial regional strategy that would be agreed by local authorities.

To date, the effectiveness of the regional tier has been limited by its lack of strong leadership and agenda-setting powers, and of its legitimacy with other actors. There remain difficulties of co-ordination between the RDAs, GOs, Regional Assemblies and the regional tier of other government departments, such as the DWP, which have inhibited effective leadership. In response, the Treasury Review (HM Treasury *et al.*, 2007) proposes to strengthen the RDAs' strategic role through increased powers in relation to planning and business growth, and a wider funding base connected to a range of activity related to economic growth (e.g. housing, transport, European Regional Development Fund [ERDF] funds). The lack of legitimacy of regional bodies in the eyes of many key stakeholders (e.g. local government and the voluntary

and community and private sectors) is rooted in a perceived lack of accountability, transparency and ability to deliver an effective and inclusive agenda in relation to deprived populations and areas. The abolition of the Regional Assemblies and the pursuit of greater regional-level accountability through closer involvement of local authorities in agreeing regional strategies and stronger national parliamentary scrutiny, as proposed in the Treasury Review, is unlikely to allay fears over the unaccountability of non-elected RDAs, especially given the lack of detail as to how this will work in practice (see also the section on ‘Devolution of Power’ later in this chapter).

Sub-regional

The sub-regional level is particularly important in relation to the needs of deprived areas, as it is at this level that travel to work areas can be identified and the interaction of supply and demand for labour generally occurs. Yet governance structures at the sub-regional level are weak and highly variable in their development and effectiveness. In Wales, for example, the four regional economic forums that exist with the aim of developing a consensus around ‘sub-regional’ issues, as well as competing for funding and promoting the sub-region, are voluntary partnerships that pre-date devolution. Existing sub-regional governance arrangements are generally poorly positioned to take a lead in developing strategies and delivery in relation to issues of employment, skills, transport and housing. As a result, many regeneration projects have regularly failed to integrate these issues in a manner responsive to the needs of deprived areas and populations.

Sub-regional partnerships in England appear set to become relatively more important and sophisticated as a result of the Regional Spatial Strategy statutory planning framework, regional funding agreements and the development of city regions and MAAs. City regions offer attractions to certain regions in terms of providing areas that respond to economically functional regions and, in some areas, this agenda is relatively well advanced (e.g. Scotland, North East), although, for areas that lack one or two dominant urban areas, city regions remain problematic. This movement towards the stronger development of the sub-regional level is supported by the Treasury Review, which proposes the creation of both flexible, voluntary and time-limited, sub-regional arrangements (e.g. MAAs), as well as in certain cases more permanent statutory ones. Yet evidence of the downgrading of the importance of sub-regional partnerships in the North East and East Midlands reflects that this level can be seen as an unnecessary layer of bureaucracy, only marginally important compared to the workings of the local authority and RDA levels. Furthermore, the competing interest of towns and cities in attracting public and

private investment remains a basic constraint on city and local authorities and other stakeholders working together effectively.

Local and neighbourhood

The long-term trend has been towards local authorities reducing their level of activity in relation to economic development and employment issues, with a resulting loss of strategy and delivery capacity. LSPs' work in this area also remains underdeveloped, as has that of their Scottish equivalents, the Community Planning Partnerships. Despite this, local authorities as elected bodies retain a legitimacy for action in this sphere, which other agencies lack.

Local authorities in England, Scotland and Wales have been required to focus their regeneration activity on the most deprived neighbourhoods through national policies of Neighbourhood Renewal, the Community Regeneration Fund and Communities First. Neighbourhood-level initiatives have demonstrated some success in terms of engaging with workless groups and personalising employment and training-related services, often with the key involvement of locally based voluntary and community-based organisations. However, in general, the employment and economic development activity of these and other neighbourhood renewal schemes (e.g. NDCs) has been only weakly developed relative to other areas of activity (e.g. crime and the environment) and is often poorly linked into the wider local economic development process.

In England, current initiatives such as the LAAs and LEGI provide the prospect of greater co-ordination and mainstreaming of economic development working at the local level than has been evident in the recent past. However, there remain doubts as to whether LAAs will in practice permit the pursuit of local economic and employment needs rather than more generalised national targets. To date, the economic development 'fourth block' element of LAAs remains only weakly developed and, after two rounds of funding under LEGI, beneficiaries are restricted to 29 of the 70 most deprived local authorities eligible for funding. The Local Government White Paper (2006) provides a basis for the further development of local authorities' economic development role, a position further extended by the central role afforded to local authorities within the proposals of the Treasury Review. Yet a shift towards an expanded economic development and regeneration role for local authorities raises questions as to their capacities to undertake it and, more widely, the political priority that would be afforded to such activity and their ability to fund it in the absence of any larger-scale reform of local government finance.

Devolution of power

Political devolution in Scotland, Wales and London has produced greater strategic attention to the needs of deprived areas and populations as a result of the need to be electorally responsive, the political orientation of devolved governments and the greater capacity for leadership and agenda setting. However, limited powers, resources and capacities continue to constrain the ability to transform priorities and strategies into effective practice.

Where devolution has taken place, different development trajectories have already been established and, with them, arguments for further devolution of power. As has been observed, there are notable differences between Wales and Scotland – for example, in the manner in which WAG has taken control of economic development and education and learning as a means to reduce the extent of ‘quango’ government and improve co-ordination. The change in political control in Scotland in May 2007 creates the potential for a significant shift in the Scottish agenda as the minority government led by the Scottish National Party (SNP) seeks to break from the New Labour agenda that has dominated in Scotland in the post-devolution period.

In London, following an active campaign by the Mayor, the review of the powers of the Mayor and Assembly in 2006 has provided the Mayor with increased powers in the areas of learning and skills, housing and planning. Interestingly, while increased mayoral powers may permit greater strategic integration at the London level, they may also lead to greater tensions with local and central government, which could hamper partnership working and effective delivery. Although it is too early to assess the extent of the impact of such changes, they do indicate a conscious attempt to create a different style of city governance and the experience of London has been influential in proposals to extend the strategic co-ordination of economic development with planning, transport, housing and skills within other English regions, albeit notably in the absence of any elected Mayor and assembly.

The relative lack of direct public accountability of RDAs in England (with the exception of London) and the weakness of regional assemblies has ensured that regional economic development activity in England is characterised by an absence of clear accountability and legitimacy in the eyes of many agencies involved in economic development and regeneration (see under the heading ‘Regional’ earlier in this chapter). The abandonment of the move towards elected Regional Assemblies following the referendum result in the North East and the intention to disband the existing Regional Assemblies has focused attention on deriving legitimacy through existing elected bodies, primarily at the local but also at the national level, requiring RDAs to devolve a proportion of their budgets to local authorities. However, given

divergent trends within current national policy towards promoting greater local flexibility on the one hand, and concentrating certain services (e.g. business support and some employment and training provision) at the regional level on the other, developing credible arrangements that will promote greater legitimacy and accountability in the absence of any directly elected regional body is problematic.

Linking it up in practice

Despite the limitations of current governance arrangements, the case studies demonstrate that effective integrated and co-ordinated interventions to link deprived areas to wider economic development processes are possible – even though the relative success of these initiatives appears often to occur despite current governance arrangements rather than because of them.

There are a number of common factors identifiable across the case studies that have been important to their success. These include: the role of particular individuals/agents capable of mobilising resources within a complex system; effective partnership working around shared targets/outputs among certain key agencies; stakeholder engagement from the private and/or voluntary and community sectors; and strong client orientation, whether towards disadvantaged individuals, employers or the wider local community via active engagement activities and a client-centred approach in some cases.

The case examples also demonstrate the multiple ways in which people and place are interrelated in tackling concentrated deprivation, as opposed to simplistic policy debates that can oppose people- *versus* place-based interventions. In practice, interventions combine people *and* place in a variety of forms, from those that give a primary focus to the ‘individual’ to those that put the local ‘community’ centre stage.

Policy implications

The findings presented here have a number of implications for the development of governance arrangements and policy delivery in relation to the economic needs of deprived areas, both at the level of certain general principles and in terms of more specific actions related to different levels of spatial intervention. A number of these points have been taken up by the Treasury Review (HM Treasury *et al.*, 2007), particularly with regard to the importance of recognising the need to develop activity at different spatial levels and to clarify roles and responsibilities of different agencies. However, central to the policy implications presented here is an emphasis on actions

that will close the gap between delivery and strategy evident from the research findings; and seeking to enable effective on-the-ground action that bridges the divide between economic and social agendas, rather than merely producing further strategy documents and structural reorganisations.

General principles

Clarity over roles and responsibilities across different spatial levels

There is a clear need for greater clarity over roles and responsibilities of bodies and the appropriate scale of intervention for different forms of economic and employment strategies and policies. Interventions at different levels need to be able to respond to the operation of functional economic areas at whatever level this is constituted within a particular sub-national context. This is *not* about the imposition of a rigid hierarchy of roles, or the incessant creation of new structures, but about encouraging existing bodies to establish effective, long-term working relationships and leadership roles as appropriate to local/regional contexts.

Empowerment of sub-national bodies: local flexibility and sensitivity

Further devolution of central government powers and resources to local and regional bodies is required if sub-national bodies are to deliver effectively in response to local/regional economic needs and priorities, rather than merely delivering central government set targets and the still predominant ‘one size fits all’ policy framework. Major differences in socio-economic contexts between and within regions/sub-regions means that institutional arrangements must have the ability to develop structures, processes and outputs that are locally appropriate and not centrally imposed if economic development and regeneration is to have an impact within deprived neighbourhoods.

Engagement of stakeholders: the private and voluntary and community sectors

Although successful initiatives display an ability to engage a range of key local and regional stakeholders, more generally such engagement remains limited. The ongoing lack of engagement of employers, other than a restricted group of larger companies, reflects a lack of perceived benefit from engagement, particularly from small and medium-sized enterprises. This suggests the need to develop programmes that relate directly to employers’ needs and aspirations rather than merely their goodwill. The VCS plays a key role in delivering services to deprived localities,

but often feels marginalised and undervalued within the wider strategy and policy development process, particularly at a time of considerable uncertainty over funding and an emphasis on being ‘fit for purpose’. In consequence, the institutional capacity of the VCS needs to be retained, improved and promoted.

Legitimacy, accountability and trust

Fundamental to promoting greater co-ordination of activity and the engagement of a wide range of localised stakeholders are governance arrangements that are transparent, open to a range of interests and have legitimacy rooted within the wider democratic process. The current complex governance system dominated by a range of quangos and partnerships, and a reduced role for elected local government lacks these characteristics. The failure to develop elected regional assemblies in England has limited linkages at this level. The one exception, the Mayor and Assembly in London, has been able to utilise its electoral legitimacy to develop political agendas and strategies that have clearly recognised the needs of deprived areas and populations. Within current governance arrangements, local authorities retain the strongest legitimacy for local economic action of sub-national bodies. Yet effective delivery within deprived areas also requires the participation of a range of stakeholders, particularly community-led organisations that can engage with local populations that often actively distrust state agencies. Consequently, community and voluntary sector bodies often have a crucial role to play in engagement and service delivery.

Specific actions at spatial levels

National

- Greater sensitivity to spatial development and concentrated deprivation across a range of policy areas, particularly employment, skills, education, transport, housing and childcare.
- Simplification of sub-national governance and delivery arrangements through rationalising and co-ordinating initiatives emanating from different government departments. This requires consolidating funding into a smaller number of stable and longer-term funding streams related to promoting the economic needs of deprived areas (e.g. worklessness, education and training, transport, housing).

- Better integration of employment and skills provision and delivery as proposed in the Leitch Review (HM Treasury, 2006).

Regional

- Fundamental commitment to issues of deprived areas and populations within Regional Economic Strategies, specifically to include strategies that address the supply, demand and career progression issues relating to lower-wage and lower-skill jobs, and to integrate issues of transport and housing provision.
- Clearer articulation of RDAs' roles and responsibilities with regard to issues of deprivation, economic inclusion and the wider social economy approach.
- Measures to ensure greater legitimacy and accountability for the regional level through devolution and increased integration with sub-region/city-region bodies, local authorities and LSPs.
- Strengthen regional leadership through clarity over roles and responsibilities of regional bodies (RDAs, Government Offices and any replacement bodies for the Regional Assemblies) and ensure greater legitimacy via broad stakeholder engagement, including business, the VCS and trade unions.
- Promotion within major regeneration schemes of a fundamental commitment to consider the needs of deprived populations and areas within their strategic vision, and subsequently to develop mechanisms to translate this into concrete action.

Sub-region/city region

- Strengthening of sub-regional/city-level governance structures in a manner that is responsive and flexible to the operation of sub-regional economies and labour markets and related housing, transport and planning issues. MAAs could provide one means of taking this forward for some areas if they were clearly focused on shared economic and regeneration agendas.
- Focus on the delivery of limited strategic objectives, such as tackling worklessness, around which respective agencies can operate to common targets.

- Provision of incentives to local authorities and other local agencies to encourage co-operation over the pursuit of narrow, localised interests in the form of greater operational flexibilities, increased powers and additional resources through retaining either locally raised revenues or additional funding sources.
- Ensure legitimacy of variably developed sub-regional/city-regional bodies via the electoral process (e.g. accountability to local authorities, election of city mayors) and through board membership relating to a wider stakeholder interest.

Local and neighbourhood

- Stronger requirement for LAs and LSPs to respond to the enterprise and employment needs of deprived populations and areas within wider regeneration activity.
- The above reflected in a restricted number of locally determined LAA targets and outcomes aligned not only with other key local agencies, but also vertically with neighbourhood, sub-regional and regional level activity.
- Develop greater local accountability of key local agencies (e.g. Jobcentre Plus) to local authorities, LSPs and other local stakeholders.
- Strengthening of local authorities' variable capacities in relation to local economic development and regeneration activity to include greater ability to raise and retain locally generated revenue.
- Greater local and neighbourhood intelligence routinely available for effective development and evaluation of strategies and interventions at local and neighbourhood levels.
- Mechanisms to ensure the routine upward communication of neighbourhood understanding of issues to other spatial levels and into strategy development through neighbourhood management and renewal schemes.

Notes

Chapter 1

- 1 A study of 'The Dynamics and Governance of Local Economies' was undertaken as part of a series of 'Systematic Reviews for Policy Development: Local Economic Development' by CEEDR for the Neighbourhood Renewal Unit, Office of the Deputy Prime Minister, between 2003 and 2005 and published by the Department for Communities and Local Government (North and Syrett, 2006).

Chapter 2

- 1 Super Output Areas (SOAs) were created as a new means for reporting small area statistics in England and Wales to overcome the problems of using ward-level data. SOAs are delimited in three layers: lower (average population size 1,800), middle (average population size 7,200) and upper. A similar process also took place within Scotland and Northern Ireland but with different delimitations in terms of population size.

Chapter 3

- 1 Following the change from the Blair to the Brown Government in July 2007, the Department of Trade and Industry was renamed the Department for Business Enterprise and Regulatory Reform. Throughout the report we will use the title that applied at the time the research was undertaken.

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Appendix 1: Organisations interviewed in four English regions, Scotland and Wales

North East region

One NorthEast – Economic Inclusion Team Leader
North East Regional Assembly – Assistant Director
North East Government Office – Communities Department Senior Manager
North East Regional Skills Partnership – Co-ordinator
North East Regional Housing Board – Head of Housing Board Unit
Voluntary Organisations' Network North East (VONNE) – Director
Northern Region TUC – Regional Policy Officer
Northumberland Strategic Partnership – Executive Director
Tyne and Wear Partnership – Assistant Director + Policy Officer
Newcastle Local Strategic Partnership – Co-ordinator
Quays to Employment Project, Gateshead – Economic Development Team Leader
Newcastle New Deal for Communities – Director
South Tyneside Action Team for Jobs – Project Manager
Acumen Trust (Easington) – Chief Executive
South East Northumberland and North East Tyneside Regeneration Initiative (SENNTRI) – Director

South West region

South West of England Regional Development Agency – Partnership Manager
South West Regional Assembly – Assistant Director + Policy Adviser
Government Office for the South West – Regional Strategies Directorate
South West TUC – Regional Secretary
South West Forum – Chief Executive
Market and Coastal Towns Association – Chief Executive
Government Office for the South West (Devon and Cornwall) – Assistant Director, Neighbourhood Renewal Unit
Cornwall Enterprise – Chief Executive + Partnership Fund Manager
Devon and Cornwall Learning and Skills Council – Manager for Cornwall
West Cornwall Strategic Partnership – LSP Co-ordinator
Cornwall Neighbourhoods for Change – Chief Executive

West Cornwall VCS Network – Community Development Worker
Cornwall Rural Communities Council – Chief Executive + Community Development Officer
Jobcentre Plus (Cornwall) – European Funding Manager for Devon and Cornwall
Camborne Pool Redruth Urban Regeneration Company – Research Manager

East Midlands region

East Midlands Development Agency – Head of Sustainable Communities
East Midlands Development Agency – Board member
East Midlands Development Agency – Regional Women's Enterprise Co-ordinator
Government Office for the East Midlands – Director of Regional Policy
Regeneration East Midlands – Chief Executive
GMB Union – Full-time officer
Local Alchemy – Project Manager
Derby and Derbyshire Economic Partnership – Executive Director
Derbyshire Unemployed Workers Centre – Manager
Greater Nottingham Partnership – Chief Executive
One Nottingham Local Strategic Partnership – Chief Executive
Ashfield District Council – Head of Community and Economic Promotion
Nottingham New Deal for Communities, Radford and Hyson Green – Head of Operations
Mansfield Community and Voluntary Sector – Director

London

Greater London Authority – Head of Economic Development
London Development Agency – Regeneration Project Manager
London Development Agency – Head of Skills and Employment
London Development Agency – Head of North and West London Regeneration
Government Office for London – Head of Neighbourhood Renewal
Southern and Eastern TUC – London Project Officer
Association of London Government (ALG) – Head of Policy and Grants
London Citizens – Organiser
West London Business – Chief Executive
West London Alliance – Director
London West Learning and Skills Council – Executive Director
Park Royal Partnership (PRP) – Director of Project Delivery
Southall Regeneration Partnership – Chief Executive

London Borough of Brent – Assistant Director for Regeneration
Brent Employer Partnership – Chair and Project Manager
South Kilburn New Deal for Communities – Chief Executive
Brent Association for Voluntary Action (BRAVA) – Training and Development Officer
Community Recruitment Programme (Hammersmith and Fulham) – Project Manager

Scotland

Scottish Enterprise National – Senior Policy Officer
Scottish Enterprise Glasgow – Senior Manager
Scottish Executive, Communities Scotland, National – Senior Manager
Scottish Executive, Communities Scotland, Glasgow – Social Justice Manager
Scottish Executive National – Head of Regeneration
Edinburgh City Council – Policy Officer
Glasgow City Council – Researcher Regeneration
Highland Wellbeing Alliance – Programme Manager
Highlands and Islands Enterprise – Director of Social Development
Highlands and Islands Enterprise – Head of Culture Team
West Edinburgh Community Planning Partnership – Co-ordinator
West Edinburgh Community Planning Partnership – Councillor representative
Jobcentre Plus Scotland – External Relations Manager
The Wise Group – Head of Policy and Research
Scottish TUC – Assistant Secretary
Anti Poverty Alliance – Director
Scarman Trust (Scotland) – Director

Wales

Welsh Development Agency – Head of Economics Team
Welsh Assembly Government Social Justice and Regeneration – Head of Research and Information
Welsh Assembly Government – Head of Economic Research
Welsh Assembly Government – Head of Communities First Programme
Welsh Assembly Government – Education and Training Division
Cardiff County Council – Head of European Unit
South East Wales Economic Forum – Co-ordinator
North Wales Economic Forum – Co-ordinator
Wales Anti Poverty Alliance
Wales TUC – Research Officer

Wales Council for Voluntary Action – Communities Co-ordinator
Heads of the Valley Initiative – Director
Community First Dowlais – Co-ordinator
Bridgend Pathways to Work – Education and Training Division

Appendix 2: Organisations interviewed for each of the six case studies

Acumen Trust, Easington, County Durham

Acumen Trust
Jobcentre Plus North East Region
Durham Learning and Skills Council
Easington and Horden Neighbourhood Pathfinder
Easington District Council
One NorthEast Regional Development Agency
East Durham Local Strategic Partnership
Durham Primary Care Trust

CPR Works, Camborne, Pool, Redruth Regeneration, West Cornwall

CPR Works – Project Manager and Employer Engagement Co-ordinator
CPR Regeneration
South West of England Regional Development Agency
Jobcentre Plus Devon and Cornwall Office
Jobcentre Plus Redruth Office
West Cornwall Together
Kerrier District Council Community Regeneration Team
Progress2work, Gwellheans
The New Connection
Anson Care Services (on CPR Works Steering Group)
Arts and Graphics (on CPR Regeneration Board)
Three participants in CPR Works programme

Local Alchemy in the East Midlands

Local Alchemy Programme Manager, New Economics Foundation

Sneinton

Local Alchemy Co-ordinator/Renewal Trust Business Adviser
Local Alchemy Coach
Sneinton Business Forum
Sneinton Business Forum/NECTA
Sneinton Credit Union
Community Consultant
Main Ingredients (food business)
Catering Training business
Area Learning Partnership Facilitator

Cotmanhay and Somercotes

Local Alchemy Coach/Co-ordinator
Manager of Cotmanhay Enterprise Centre
Enterprise Development Officer, Ripley Council/Erewash Partnership
Cotmanhay Gold Magazine
Leabrooks Gallery, Somercotes
Somercotes Leisure Development Group
Ironville food co-op

Two 'Look Back Move Forward' events organised by NEF and held in Sneinton (26 February) and Cotmanhay (8 March) were also attended by the researcher.

Brent in2 Work

Brent in2 Work
New Challenge (provider)
Households in2 Employment
Clients/students, Households in2 Employment
West London Development Team, LDA
Language 2 Work
Clients/students, Language 2 Work
College of North West London
Working Links
Jobcentre Plus
London Borough of Brent
Employer Partnership
BRAVA

South Lanarkshire Routes to Inclusion Partnership

South Lanarkshire Council Routes to Inclusion
Scottish Enterprise South Lanarkshire
Jobcentre Plus Lanarkshire and East Dunbartonshire
Routes to Work South
Scottish Enterprise (National)
South Lanarkshire Community Planning Partnership
South Lanarkshire Job Rotation

Want2Work pilot, Merthyr Tydfil

Want2Work team, managers and advisers, Merthyr Tydfil
Communities First Gurnos, Merthyr Tydfil
Beneficiaries of Want2Work
Employment Division, Welsh Assembly Government
Department of Education, Lifelong Learning and Skills, Welsh Assembly Government
Primary Care Trust, Merthyr Tydfil
Regeneration Department, Merthyr Tydfil Council

The researcher also conducted a focus groups with participants.

