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Regenerating local communities: the role and impact of voluntary and non-profit organizations in public - private partnerships.¹

Introduction

This chapter explores the role of voluntary and non-profit organizations (VNPOs) in area regeneration in the UK. It has three distinctive features. First, it argues that, over the last decade, such regeneration policies have shifted from being economic concerns alone toward being concerned with the holistic regeneration of local communities. That is, they have been concerned to integrate the needs for social, economic and community regeneration. In this respect, social and economic policy have become increasingly integrated (Hall & Mason 1999).

Second, it emphasizes the importance that public - private partnerships (PPPs) have come to have in such initiatives, both as a tool of policy implementation and as a means to promote social inclusion (Peck & Tickell 1994; Jones 1998; McQuaid 1998). This theme is explored in more depth elsewhere in Osborne & Ross (1999).

Finally, this chapter focuses in particular upon the role of Local Development Agencies (LDAs). These are VNPOs whose role is to support and foster voluntary and community action in their own communities and who operate at the interface between the voluntary sector and government (Osborne 1999). The nature and work of these bodies is discussed further below.

The chapter begins by outlining the changing policy context for area regeneration in the UK. It then explores the challenges that face VNPOs, and LDAs in particular, from involvement in such policies. It concludes by highlighting the key issues for LDAs in promoting area regeneration in local communities.

The central empirical component of this chapter is based upon the findings of research conducted by the authors and their colleagues. This includes research about both the role of LDAs in promoting voluntary action in local communities (Osborne 1999) and about area regeneration programmes, particularly in rural areas (PSMRC 1991; Millward & Tricker 1995; Hall & Mawson 1999).

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The evolving policy context of area regeneration in the UK

A key feature of area regeneration initiatives over the last decade has been the centrality of PPPs within them. Diverse regeneration programmes in the UK, such as the Single Regeneration Budget (SRB) in urban areas and the Priority 5(b) Programme of the European Community in rural areas, are predicated upon belief in the significance of partnership with the voluntary sector for both local government and the business community. Indeed, partnership has fast become the 'buzz word' to sprinkle liberally through any funding application in order to improve its chances of success. Such applications can cover projects as diverse as local training initiatives, the redevelopment and utilisation of abandoned buildings, and the use of projects with their own distinctive ends in order to further social inclusion.

An important point in this context is the extent to which regeneration has become a key component of social, and not just economic, policy. As is argued below, it is the case in the early 1980s that area regeneration was approached in primarily economic terms. However, the thrust of developments since then has emphasized the need for regeneration to be seen in a social as well as an economic context. Whilst this debate may have been stimulated by the European emphasis on social inclusion (Deakin et al 1995), it has now become a central component of the concern of the present Labour government in the UK to create what has been termed 'joined up' government. This recognises the extent of the interrelationship, and interaction, of social, economic and community based issues (Labour Party 1997)

Within this broad emphasis upon partnerships for regeneration there has been an especial interest in partnerships with the voluntary and community sectors. They are perceived to offer benefits to all parties. For local government, they can offer a seductively easy route into genuine local and community experience and views (and particularly of disadvantaged sections of the community). At their best, they can offer an independent voice not linked to political or commercial ends and they can provide specialist expertise in areas ranging from community care through to conservation and the environment. For the local voluntary and community groups themselves, they can offer a valuable source of funding for them, and particularly of revenue costs and of a longer term than has been traditionally available through the previous urban and rural programmes of central government. Finally, for local communities they can offer a chance to influence the shape of initiatives aimed at their local communities (Osborne 1998).

The extent to which these aspirations can be achieved is dependent upon the interaction between the overarching national policy framework for regeneration and its actual implementation at the local level. It is this dynamic interaction that the remainder of this chapter seeks to explore.

The approach to area regeneration of the 1979 - 1997 Conservative government in the UK was strongly influenced by what has become known in recent years as the *new public management* agenda (Hood 1991, Ferlie et al 1996). In the early years, it introduced a complex armoury of market mechanisms and contracts to govern relationships between government and its various constituent partners in service provision (Stewart 1996). Central to such partnerships was the role of the contract as the core governance mechanism.

This approach to area regeneration was maintained over the life of that Conservative government, despite shifts in emphasis. The top-down model of area regeneration promoted during the 1980s had a focus upon primarily economic regeneration, such as upon property and physical regeneration (Colenutt and Cutten, 1994). However, it failed to produce the hoped-for 'cascade' impact (whereby economic benefits at the macro level cascaded down to the local community) on local communities (Audit Commission, 1989). This ultimately led in the 1990s to a greater emphasis upon 'community empowerment' as an essential tool of area regeneration - as in the City Challenge and SRB schemes, for example. These placed more emphasis both upon local community initiatives and upon VNPOs as key actors in them. Despite this shift of emphasis, however, the hegemony of government within these schemes remained. Colenutt and Cutten (1994) commented at the time that

'...community involvement in these initiatives is thus carefully circumscribed. Neither City Challenge nor SRB are designed to empower local communities to any significant extent but to keep local communities 'on side' as far as possible. Most community organisations take the pragmatic view that if they do not co-operate they will not get the money.' (p. 138)

Other analysts have also questioned the degree to which the SRB actually enhanced voluntary and community participation to the extent that it claimed it would. Instead it has been argued that the competitive bidding arrangements with which SRB has been characterised were 'constructed with a view to getting one over the competition and, above all, getting the money' (Peck & Tickell, 1994, p.253). Mawson (1995), NCVO (1995) and Tilson et al (1997) have all highlighted the low level of success of voluntary and community sector bids

in the first round of the SRB Challenge Fund and the low level of participation in other bids compared to private and public sector partners.

Under Conservative leadership, therefore, area regeneration in the UK was associated with an inherently centralist agenda. Such a model both emphasised the role of VNPOs in delivering government policies (policy agency) and allowed the separation of the policy making process from the management of regeneration policies. The most negative view of this model of regeneration has argued both that it was concerned more with introducing market disciplines to the VNPO sector than with regeneration (Mackintosh 1992) and that it conveniently deflected attention away from government under-funding of regeneration policies and de-politicised the issue of area regeneration by requiring partners to demonstrate external compliance with 'effective partnership' as a condition of funding, thus engendering an uncritical consensus perspective on local problems. (De Groot, 1992).

The election of the Labour government in 1997 undoubtedly led to a change of emphasis in the approach to area regeneration. A key theme in the early years of this government has been the pursuit of 'joined-up' government, of the integration of social and economic priorities and agencies, as a response to complex social and economic problems. VNPOs have been identified as by this government as having an important contribution to make to this initiative, because of their potential to focus on identifying unmet needs in a way which transcends the traditional departmental boundaries and professional specialisms of local and central government (Labour Party 1997; DETR 1998). The input of VNPOs is therefore being increasingly sought by central government to promote its agenda of cross-sectoral policy making and implementation in response to social and economic issues and problems. Crucially, and in contrast to the previous administration, it emphasizes their potential formative role in regeneration policy, rather than seeing them solely as agents of implementation. Within such a role, emphasis is placed upon the contribution that the voluntary and community sector can make in mobilising communities and in giving voice to minority views (Labour Party 1997, Working Group on Government Relations 1998). This raises core questions about the role of VNPOs in the local implementation of such regeneration strategies. These questions are considered in the next part of this chapter.

Managing the challenge of regeneration partnerships in local communities

As has been argued at several points above, the involvement of local voluntary and community groups has many advantages to offer to the process of area regeneration. Despite such advantages, however, the regeneration partnership process is also one fraught with

challenges for all parties. One especial issue which can make PPPs difficult to achieve for local government is the sheer diversity of the voluntary and community sector. Because of this, the role of local intermediary bodies in the voluntary and community sector, or Local Development Agencies (LDAs) has become particularly important in area regeneration initiatives in the UK. These are bodies whose mission is to serve the local voluntary and community sector within a defined geographic community. LDAs can be one of three types (Burrige 1990). They can be generic ones, providing a range of services to the full range of voluntary and community groups in their locality (such as Councils for Voluntary Service (CVSs) and Rural Community Council (RCCs)); they can be functional ones, providing a specific service to the full range of local groups (such as Volunteer Bureaux (VBx)); and they can be specialist ones, providing a full range of services to a specially identified subgroup of organizations (such as Play Associations). Dependent upon the nature of the local voluntary community, any particular locality might just possess a single, usually generic, LDA or a number of differing LDAs, possibly overlapping with each other in terms of their remits.

Their core mission, of supporting the voluntary and community sector in developing their role in local communities and of providing an interface with local government (Wolfenden Committee 1978, Osborne & Tricker 1994, Commission on the Future of the Voluntary Sector 1996) inevitably places LDAs at the cusp between the local community, local government and the local voluntary and community sector. Because of this, they have been identified by many as key players in the development of the local regeneration strategies. In the right circumstances, LDAs can both link voluntary and community groups into regeneration partnerships and play a core role themselves.

Based on a major study of the work of LDAs by one of these authors (Osborne 1999), we would highlight a number of challenges to be met if this potential is to be fulfilled. For **the local community**, a key challenge is that the continued organizational focus of many regeneration programmes may lead to the substitution of voluntary organizations for local community activity. Whilst such effort may feed into the goals of these organizations themselves, there is a real concern that it will do so at the expense of local community activity and neighbourhood helping. Chanan (1991, 1996) has been particularly vociferous in raising this spectre of national voluntary organizations colonising local communities for their own ends and redirecting development funding away from community groups and towards themselves. This research revealed similar concerns amongst local community groups. It is important therefore that the voluntary sector, and LDAs in particular, engage in work which

enhances the involvement of local communities rather than delimits it. Examples of such approaches in rural areas include the 'village appraisal' model (Osborne & Tricker 1999) and the network based approach of the Rural Action initiative (Tricker & Osborne 1999). Both emphasize the significance of supporting local community action, rather than replacing it, for successful area regeneration (see also Oakley 1991).

For **the local VNPO sector**, we would highlight four concerns that offer challenges about the role of LDAs, in particular, in regeneration policies. These are

- Ø that local authorities can use LDAs as a substitute for the wider involvement of VNPOs;
- Ø that the LDAs can themselves become the puppets of the local authority and their area regeneration strategies, rather than the supporters of the local voluntary and community sector;
- Ø that LDAs can abuse their privileged access to local government to ensure a greater proportion of regeneration resources are directed to themselves, rather than the broader voluntary and community sector; and
- Ø that, even in ideal circumstances, LDAs cannot represent fully the diverse and pluralistic nature of local voluntary and community sectors (see also Lansley 1997).

It has to be said that many LDAs themselves also identified similar pressures from local authorities - whilst stressing that they themselves had resisted them strenuously! Indeed such a route must seem attractive to hard-pressed and overworked local government officers. Here, apparently, are bodies that they can access easily, which understand the way in which such regeneration programmes work, and which will undoubtedly enhance their legitimate claims to 'local partnership' with the national and European funders of their own programmes. Whilst attractive, however, such an approach risked both the alienating of local communities from regeneration programmes and the discrediting of the LDAs with their own constituencies - neither of which is desirable.

For **Local Development Agencies** three challenges emerged from this research for their successful involvement in regeneration partnerships. The first is the lack of understanding, by many of the governmental agencies involved in area regeneration, about the core activity of LDAs in their local communities. There persists an understandable, if incorrect, perception within local authorities that such regeneration partnership-oriented work was the sole purpose of LDAs.

A second, related, challenge for LDAs is to recognise that involvement in regeneration partnerships may further 'crowd out' or distort their work away from their mission critical

activity, of supporting the local voluntary and community sector. A good example of this latter pressure was one Volunteer Bureau in our study that had become embroiled in an employment initiative, for good initial reasons, with the local TEC. This had ended up with it spending more time upon the administrative requirements of this scheme (such as achieving ISO recognition for its quality assurance system) than upon recruiting volunteers - and nearly lead to its demise. This can happen as a result both of the sheer volume of potential regeneration projects that LDAs can become involved in and of the skewing effect that such funding can have, diverting LDAs away from their core objectives and toward those of the regeneration initiative itself (Pifer 1967; Blackmore et al 1997).

Finally, there is the overriding challenge for LDAs of avoiding two twin dangers. These are

- Ø *incorporatism*, whereby they become perceived, rightly or wrongly, as just another arm of the local state (Wilson & Butler 1985), perhaps as a funding filter and conduit; and
- Ø *isomorphism*, where they lose their distinctiveness and come to mirror the characteristics of the other organizations that they are working with (DiMaggio & Powell 1988).

Both these dangers would spell disaster for the role of LDAs in their local communities and undermine fatally their distinctive contribution to local economic development programmes. One CVS in this study became so much a part of the local government funding regime that it lost all credibility with its VNPO constituency and eventually collapsed. Such an end served the needs neither of the local voluntary and community groups nor of the local authority.

None of these dangers are inevitable for a LDA involved in regeneration partnerships, but they are real. In particular the, often attractive, pursuit of short term tactical and/or financial advantage, both by local authorities and by LDAs, can lead to the undermining of the wider role of LDAs in the local voluntary and community sector in the medium term.

In conclusion, it is apparent that area regeneration partnerships at the local level offer important challenges for the voluntary and community sector in general and for LDAs in particular. Notwithstanding these, however, they do have significant benefits to offer to the regeneration process. In order to achieve these benefits, it is necessary for all the parties at the local level to be aware of these dangers and to work together to resolve, if not solve, these issues. In this context both Huxham & Vangen (1996) and Jones (1998) have offered invaluable guidance to all parties involved in such local regeneration partnerships (see also Kickert et al 1997). The concluding section of this chapter, based upon empirical research, will suggest the optimal ways in which LDAs can support both local VNPOs and the local community in engaging with the challenges of integrated area regeneration strategies.

The role of LDAs in supporting voluntary and community involvement in area regeneration

As has been suggested earlier in this paper, LDAs have a potential to support the involvement of voluntary and community organizations in area regeneration initiatives. At its best these can both promote the economic regeneration of local communities and build social inclusion within these communities. We would conclude by highlighting six linked key lessons for LDAs if this potential is to be maximised.

First, LDAs need to adopt an orientation which is focused upon the needs of the community rather than upon those of the local authority. This may seem self-apparent but has not always been the case in the past. As has been suggested earlier, regeneration programmes have been dogged by 'top - down' approaches to their work, which have minimised the opportunities for building sustainable development in local communities. This requires LDAs to be proactive in linking social and economic needs in their communities and to use approaches which help build the capacity of local communities to respond themselves to emerging needs. Capacity building can often be a vague 'buzz word' In our research (Osborne 1999) it was best defined by one respondent as

'...skilling individuals to deliver services, to influence policy and to work inside organizations to meet the needs of their [communities].'

Such 'capacity building' is most effective when it combines the development of a specific service with work to develop skills within the community - sometimes called a *catalytic approach* (PSMRC 1991; Osborne & Tricker 1994). Again one respondent in the above research gave a good summary of this approach:

'We learned a lot from [the RCC]. Before we had a private consultancy helping us. They did it for us and we learned nothing. With [the RCC] they helped us but we did it and we've learned. We now have the skills to do it ourselves, so we've started other projects... We've learned ever such a lot of things. We're afraid of no one now. It's brilliant!'

An useful model of a participatory approach to area regeneration, which both combines the development of direct services with capacity building in the local community is the *village appraisals* approach. This has been used to good effect by many RCCs across the UK (Osborne & Tricker 1999).

Second, whilst this catalytic approach requires the active engagement with local voluntary and community groups, it is important also to recognise that many local communities rely upon a relatively small number of key activists. The challenge is therefore to support the work of these activists whilst also drawing other community members into the process. In this context the model of supporting local 'animateurs' in regeneration initiatives is important. These are individuals both who are able to take a lead role in leading inclusive regeneration initiatives in local communities and who are conscious of their role and can use it to develop social capacity and inclusion in local communities (Oakley 1991; Bryden et al 1994).

Third, in promoting area regeneration, it is important that LDAs work through existing networks rather than replace or duplicate them. The latter is often more efficient in achieving concrete services but is highly counterproductive in terms of building sustainable social capacity in local communities (Osborne 1999). In this context the model of network support and network working offered by the Rural Action initiative is highly pertinent (Tricker & Osborne 1999). This model both offers a framework for such network support and highlights some of the challenges that it poses for LDAs - and for local government.

Fourth, at an organizational level, it is important that LDAs remain focused upon their core mission of supporting and promoting local voluntary and community action, by providing the infrastructure that local groups need to achieve their own ends. This 'infrastructure' work includes the provision of training opportunities in organizational management and survival, facilitating communication within and across the voluntary and community sector and the facilitation of the representation of the views of local groups to the local authority. This role is explored in depth in Osborne (1999).

Fifth, it is important that that VNPOs recognise that partnership is not about formal relationships. Rather, as a range of studies have illustrated, it is a *process* of negotiation and of the building of trust between the various actors in any partnership (Davis & Walker 1997, Falconer & Ross 1998, Osborne & Murray 1998, Craig et al 1999).

Finally, LDAs, and the broader voluntary and community sector, need to engage with local government (and other significant local actors) in establishing a role for the sector in policy formulation as well as implementation. Such an approach will best harness the local strengths and knowledge of the sector and move it away from being simply a tool for government derived policy toward being a vehicle for genuinely inclusive policy making both across the social and economic fields and within local communities. This is an especially challenging role for LDAs. It requires them to see regeneration partnerships not as an outcome of their

work but rather as part of a process of engagement with local government in the social and economic regeneration of their local communities.

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