



CLES briefing paper for the All Party Parliamentary Group for Regeneration

'Recession to Regeneration': The importance of community renewal in current economic circumstances

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INTRODUCTION

In this period of economic downturn and rapidly evolving government policy the regeneration challenge has changed in our regions, localities and neighbourhoods.

Responding to these changes, the All Party Parliamentary Group for Regeneration is being re-launched for the forthcoming year with an emphasis on the contribution that can be made by community led regeneration and neighbourhood level initiatives.

The Centre for Local Economic Strategies (CLEES) is supporting Groundwork's secretariat function to the Group by providing policy support including regular briefings.

This first paper argues that community based and community led renewal will be a vital aspect of regeneration during this challenging period, and makes recommendations for improving the extent and impact of community development in local areas.

Changing contexts of regeneration

Reforms and new policies and strategies have been developed over the last two years in the fields of economic development, regeneration, welfare, education and skills, housing, community empowerment and cohesion, assessment, business support and enterprise, neighbourhood renewal and more. In summary, the evolving policy context now includes a much greater emphasis than previously on:

- the centrality of the economy for development and regeneration;
- regional and even more so, sub-regional scales of governance;
- the importance of assessment and robust understanding of data;
- community empowerment and transparency; and
- the importance of tackling climate change.

In addition, the economic context in which these agencies operate has changed dramatically. This is not only due to the deep external shock of recession and the associated economic difficulties, lack of private investment and social problems, but also the reduction in local

authority grant funding following the Comprehensive Spending Review 2007 and the drive for efficiency savings. Overall therefore, agencies working at local level find themselves in a position where new challenges are faced and yet reduced resources are available to meet them. Hence, innovation and new approaches are needed for the new era.

Community led regeneration should be an important part of this as it has the potential to provide valuable additional capacity in times of squeeze and provide local grassroots knowledge and innovation where traditional approaches to economic development have failed.

The Community Development Challenge report¹ was produced for CLG by the Community Development Foundation and published in December 2006. The report was an appraisal of the current role of community development in Britain and made recommendations about how to raise the profile and effectiveness of community development in the future. This was an important first step towards maximising the contribution of community led renewal as a driver of local regeneration, and should be consulted for further information on community development in the UK today. However, there is a long way to go to maximise the potential of community development and adapt successfully to the new and old challenges faced by regeneration practitioners and agencies today.

CASE STUDIES

The following community development case studies highlight exemplary action towards tackling a range of issues and contributing to economic, social and physical regeneration in their local areas.

Skills and employment case study: Building Futures East, Newcastle

Building Futures East (BFE) is an independent development trust in Newcastle that aims to provide a route to employment for residents of the East of Newcastle. Through tackling the low skills base and working directly with local employers, the trust aims to increase local employment rates and contribute to the social economy of the area.

BFE offers a range of vocational and personal development training and work experience opportunities. To move away from grant culture and become sustainable whilst serving the needs of the most vulnerable, BFE is exploring other areas of intervention, including mentoring and environmental maintenance schemes. This reflects changes in the role of the third sector over the last five years from grant recipients specializing almost exclusively in community development, to an increasingly professional, diversified and entrepreneurial sector with growing involvement and influence in local governance and local public service delivery.

Ways in which Building Futures East contribute to the local social economy include:

- Providing a local service
- Getting local people into local jobs
- Providing facilities to local people
- Embracing third sector entrepreneurship
- Adding value by reducing costs, e.g. Benefits
- Up-skilling residents
- Empowering the community
- Looking after the most vulnerable
- Place-shaping
- Improving local health and well-being

¹ CLG (2006) *The community development challenge*. Available at <http://www.communities.gov.uk/documents/communities/pdf/153241.pdf>

Further information is available at:

<http://www.cles.org.uk/files/101277/FileName/Building%20Futures%20East%20pdf.pdf>

Boosting enterprise case study: BizFizz (web-based)

Jointly developed by nef (the new economics foundation) and The Civic Trust, BizFizz is an innovative programme for entrepreneurs focusing on start-ups of micro and small enterprises in areas experiencing economic disadvantage. Aiming to promote and support local enterprise as part of a wider strategy for economic regeneration, BizFizz harnesses the skills, ideas and hobbies of individuals in a community and uses them as a driving force for local economic renewal.

BizFizz is based on the belief that *"promoting enterprise is a good way to regenerate communities because local businesses are more likely to employ local people, provide services to improve the local quality of life, spend money locally and so circulate wealth in the community, help people to achieve their dreams, and become skilled and confident, and promote community cohesion"*.² This is an example of how community development activity and social enterprise can contribute to local economic development, using the skills and enthusiasm of local people for their own direct benefit.

Further information and the website itself can be found at: <http://www.bizfizz.org.uk/index.htm>

Social renewal case study: St Peter's Community Partnership and Tameside Council

Council community development workers brought tenants in the Ashton-under-Lyne regeneration area together to look for solutions to the degradation, vandalism and safety risks in local housing. Engagement led to a widespread demand for 'alley-gating' at a time when this was a new and little known option. This would need the consent of every resident in the relevant block. The CD workers located enthusiasts in each block and supported them in mobilising their neighbours and negotiating with the council and police for the installation of gates and the reclamation and improvement of the common areas. By giving residents a new feeling of control over their territory, there was a dramatic reduction of crime in these formerly vulnerable areas, and the newly protected spaces were turned into safe areas for play and leisure. Residents volunteered to take their turn in keeping watch on the areas, and there was a huge increase in resident interaction and volunteering.

Within a short time there were five residents' associations where there had been none before. These groups aimed to tackle the main issues of concern for residents in each of the five different communities and to start the process of building a series of community networks and a community infrastructure that would eventually be self sufficient and self-sustaining. The most common issues identified were community safety, housing, litter and fly tipping, and anti social behaviour. A cross-Association meeting began to take place on a monthly basis with increasing numbers of attendees coming together to share information and conduct joint initiatives. This became known as the St Peter's Community Partnership, and now employs 19 people, many of whom live in the St Peter's ward area.

In line with its social welfare objectives the charity operates a number of different community activities in the area, and these include:

- A One Stop Shop designed to reduce the barriers to employment and taking part in training
- A social employment scheme that gives valuable work experience to local residents
- A Home watch scheme that promotes community safety and supports a large network of active volunteers
- A Community Fund that distributes grants (up to £5,000) to local community groups
- An IT project that operates two IT training centres

² From <http://www.bizfizz.org.uk/different.htm>

- A community initiative entitled 'Community Routes' that employs two Community Development workers to encourage volunteering and support the existing community infrastructure

Further information is available at:

<http://www.tameside.gov.uk/beacon/community/casestudies/stpeters>

Skills and employment case study: Acumen Enterprise Development Trust, North East

Acumen is a successful Community Development Trust with a vision to “*achieve social and economic regeneration through learning, employment and enterprise*”. Working in partnership with numerous regional organisations and coordinating several networks, Acumen aims to make a difference to local communities by helping working age people (16-65 years) in the North East of England the opportunity to undertake learning, training, employment and enterprise. Currently with over 70 employees, Acumen are recognised at regional and national level as an excellent provider of services with a reputation for innovative work which is making real progress in helping people into study, work and business. They also support social enterprises in the area.

Services and activities to date have included:

- educational visits for unemployed parents and their children, including family fun days;
- literacy and numeracy support;
- information about local job vacancies, training opportunities and college courses;
- confidence building;
- advice about returning to work after an illness and about permitted work;
- help to put together CVs and speculative letters;
- information about registered childcare in the local area;
- telephone facilities to contact employers; and
- information, advice and guidance about all areas of business start-up.

Further information is available at: <http://www.acumentrust.org.uk/>

RE-THINKING THE FUTURE OF REGENERATION

Changing economic and policy contexts have stimulated a re-think of the way we do regeneration in Britain. New approaches and good practice will need to be developed and strengthened as we can no longer rely on high levels of private sector investment and yet have limited public resources to deal with the multitude of problems faced in our localities and neighbourhoods.

The resources available from Government, central and local, need to be used **smartly** to maximise positive outcomes for local people and create virtuous cycles of education, employment, equity, civic pride and community cohesion.

Third sector community and voluntary organisations are a valuable additional resource to public and private money and are often a mine of knowledge and increased capacity at local level with successful track records of fruitful engagement and actions that make real differences to local communities. The potential for community development to fill the resource deficit and offer locally appropriate and sustainable solutions in a new era of local regeneration is hence extensive and exciting. This is set to become a growing field not only because it can aid recovery from recession and keep regeneration going through difficult times, but also as community development can contribute to the long term aims of achieving sustainable communities delivered through multi-sector, locally tailored action.

Progress to date

There are numerous examples of the successes of community development and CVS organisations working to tangibly improve local outcomes, some of which have been highlighted in this briefing. The Government is increasingly realising the role and potential of community development, be this

economic, social, environmental or asset-based in nature; for example, £19 million of funding has been allocated through the Big Lottery Fund to refurbish 55 village halls and community centres. Part of the Fund's Community Buildings programme, the biggest of these allocations is £475,000 to build a new community centre and 400-seat auditorium in Small Heath, Birmingham. Similarly, the Big Lottery Fund also recently announced allocation of £13 million from the £30 Community Assets Fund to 17 projects in England that will refurbish under-used local authority buildings prior to transfer to the third sector. The programme aims to strengthen third sector organisations and benefit local people.

It is pleasing to see that such funds are investing into local community development and regeneration, but further provision is needed in terms of funding, policy and legislative support, and crucially, culture change. The way we do regeneration at all spatial levels needs to be re-thought, moving away from traditional approaches that focus on physical renewal, towards economic and social approaches that include a strong focus on community led regeneration and enable the third sector to play an equal and powerful role in achieving sustainable communities.

Where to go from here...

To maximise the contribution made by community based schemes and organisations, we recommend the following measures as important early steps towards successful community led regeneration:

- Improving awareness and perceptions. Awareness of the importance of community led regeneration needs to be increased in local authorities and other regeneration delivery agencies. As an incentive and to measure this, indicators around community level engagement and collaboration, and partnership with the third sector should be mandatorily incorporated into Local Area Agreements
- Incorporation into local strategies. Similarly, community level regeneration and third sector partnership and support need to be reflected in local strategies, including a strong presence in local authorities' Sustainable Communities Strategies and local economic strategies. Recent research by CLES found that only 30% of the sample of local economic strategies that we analysed mentioned the third sector – very disappointing as this considerable potential resource is not being widely utilised by many local authorities
- Use of legislative enablers. Many local authorities are also not using legislative tools such as the 'power to promote well-being', as provided for in the Local Government Act 2000 (taken up by only 8% of local authorities to date), or the invitation to submit proposals to Government for projects that will increase the sustainability of local communities, as provided for in the Sustainable Communities Act 2007. These pieces of legislation are opportunities to act innovatively, centred on robust public engagement and empowerment of local communities, and hence should be utilised to a greater extent by local government. Central government can assist this by promoting uptake through highlighting the potential benefits and making the process simpler; and the third sector and other agencies can assist this by working collaboratively with local authorities to increase their capacity and foster the motivation to act.

Useful website links

Community Development Exchange (CDX) – <http://www.cdx.org.uk/>

Community Development Network – <http://www.communityfoundations.org.uk/>

National Council for Voluntary Organisations (NCVO) – <http://www.ncvo-vol.org.uk/>

National Association for Voluntary and Community Action (NAVCA) – <http://www.navca.org.uk/>

This briefing has been produced by the Centre for Local Economic Strategies (CLES). CLES is a not-for-profit, thinking-doing organisation, consultancy and network of subscribing organisations specialising in regeneration, economic development and local governance. CLES also publishes Local Work, Rapid Research, Bulletin and bespoke briefings on a range of issues.

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Appendix A: Community development definitions and techniques

Defining community development

Community development aims to take the knowledge, experience and capacity held within local communities and use this creatively to implement successful, sustainable solutions to local problems. It takes a bottom-up approach, engaging with local people, community groups, businesses and Community and Voluntary Sector (CVS) organisations, thus stimulating participation and collective action towards achieving locally desirable outcomes. Primary aims of community development are to increase social justice and quality of life by overcoming poverty and disadvantage in the neediest neighbourhoods, deepening engagement and democracy, and producing more inclusive, equitable and sustainable local areas.

Adhering to a set of core values that include social justice, self-determination, working and learning together, producing sustainable communities, and increasing participation,³ community development organisations assist people in communities to identify and implement local solutions. They do this by:

- building key relationships and networks across local areas;
- increasing capacity by providing opportunities for learning, upskilling and raising aspirations;
- promoting engagement and dialogue between communities and the agencies that affect their lives; and
- helping to form autonomous groups of common interest where needed to take joint action.

These aims are manifested into a plethora of different community development programmes, projects, investments, asset uses and the like. These may focus on for example, improving local economies and enterprise to increase prosperity; conservation of the local environment to make an area a cleaner, greener place to live; strengthening local democracy and voter turnout; working to increase local skill levels amongst say, young people and the long term unemployed; and many other initiatives.

Community economic development and social enterprises

Community economic development (CED) as delivered by third sector organisations has made a growing contribution to local economic development over recent years, both in terms of the number of organisations involved and the scope and scale in which they operate. Contrary to conventional approaches to economic development, CED is based on the principle that 'problems facing communities – unemployment, poverty, job loss, environmental degradation and loss of community control – need to be addressed in a holistic and participatory way'. The only sustainable economic solutions are therefore considered to be local solutions owned by the communities that they aim to help.

Central to CED is the concept of capacity building; building the capacity of individuals and communities to provide economic solutions for themselves. The formation and strengthening of social enterprise has been an important part of this. Social enterprises are organisations that trade goods and services for a wider social aim, often referred to as having a triple bottom line as they focus on social, environmental and financial outcomes. They include:

³ More detail of the underlying principles of each of these values can be found on the CDX website. See <http://www.cdx.org.uk/values-and-practice-principles>

- community enterprises
- credit unions
- trading arms of charities
- employee-owned businesses / co-operatives
- development trusts
- housing associations
- social firms
- leisure trusts

Social enterprises are generally viewed as more business like than many other third sector organisations, focusing primarily on trading. They include some of the UK's most recognisable brands, such as the Co-operative, John Lewis, The Big Issue and CaféDirect, together with a plethora of much smaller enterprises operating at all scales down to individual neighbourhood level.

By encouraging and supporting local social enterprises, economic development officers can provide a successful means of building local capacity to contribute positively to the workforce and enterprise base of a locality. This will have both direct benefits to the economy itself, i.e. the enterprise itself, and indirect benefits through improving the skills, work experience, aspirations and motivations of local people who have been involved with activity carried out in the area.

Community empowerment and participation

Like the Government and public sector bodies, there is a strong impetus in the third sector to undertake community empowerment projects that engage openly with local people to identify local issues and generate / implement local solutions together. This is likely to have better outcomes as the issues and options identified will be more accurate and feasible, and communities will feel ownership over projects, hence boosting the chances of successful long term outcomes.

Community empowerment may take many forms such as discussion workshops, participatory planning, participatory budgeting and participatory research. To explore these last two further, participatory budgeting is at the heart of the Government's drive to empower communities and reinvigorate local democracy. It *"directly involves local people in making decisions on the spending priorities for a defined public budget. This means engaging residents and community groups representative of all parts of the community to discuss spending priorities, making spending proposals and vote on them, as well as giving local people a role in the scrutiny and monitoring of the process"*.⁴ The Participatory Budgeting Unit, established as a project of the charity 'Church Action on Poverty', is promoting and coordinating the delivery of participatory budgeting. Also, the growing field of community-based participatory research is helping to assist the empowerment of communities. This involves research being carried out as an equal partnership between 'experts' and members of the local community, using equitable sharing of power, resources, credit, results, and knowledge to enable a better understanding of local problems and priorities.⁵

Empowerment is useful to economic development and regeneration as it leads to a clearer identification of local problems, that will lead to better outcomes through:

- creating a more productive environment in which the economy can thrive;
- enthusing the community to be active in addressing problems;
- increasing local skills through partnership working and decision-making;
- improving labour market outcomes through personal empowerment and re-enfranchisement; and
- possibly directly including economic-focused projects or outcomes where mutually beneficial partnership with the local authority may be coordinated.

Strong links can therefore be forged that fulfil public sector obligations to consult the public, with the added support of the third sector, taking this a step further to engage local people from day one and get economic priorities onto the agenda together with social and environmental objectives.

Asset-based community development

Asset-based community development advocates the use of the human and physical assets of a community, such as local skills, strengths, amenities and buildings, to improve the aspects of life that

⁴ From *Giving more people a say in local spending - Participatory Budgeting: a national strategy*, September 2008

⁵ Further information about the benefits and methods of empowerment can be found in the Community Empowerment White Paper, July 2008. Available at <http://www.communities.gov.uk/documents/communities/pdf/886045.pdf>

are important to those communities. This is a capacity-driven approach that encourages community members to make progress for themselves rather than rely upon outside support from public sector services. One suggested approach is to carry out a local asset or capacity inventory, followed by consultation to identify local improvement priorities, then matching of local assets to projects that may achieve these improvements.

The potential of an asset-based approach to community development for achieving local economic development targets are multiple. Firstly, local skills and human capacity may be grown by taking this approach as it focuses on resources and targeted actions, building a capacity in the area that can be translated to better business, enterprise and labour market outcomes. There is hence an opportunity to use available assets to upskill local people and raise their aspirations and motivation for the good of the local economy.

Secondly, the identification of local assets can be a useful tool for economic development officers who hope to carry out work themselves in the area and may wish to utilise these, particularly local buildings that may be important local hubs. Similarly, engagement efforts and consultation by the public and third sectors may focus around community spaces and buildings.

Thirdly, where community assets exist and are available to use, the opportunity may arise for local authority asset, estate and procurement departments to get involved and provide support to community development.

Environmental-based community development

Many organisations, such as Groundwork UK, have a strong underpinning objective of improving local environments and ensuring environmental sustainability while undertaking community development projects. One of Groundwork's primary aims is to aid poorer neighbourhoods that have fewer resources to cope with negative environmental outcomes, 'working with partners and communities to develop practical solutions to the consequences of climate change'.

The environmental focus of third sector projects may be to a greater or lesser extent, but can have important implications for local economic development. As with the asset-based approach, community projects of any kind may actively grow the skills and motivations of local people, developing a stronger workforce and encouraging business start-up. Also, the environment argument is such that by looking after the local environment, we are creating better places to live, work, study, do business and invest in, with fewer negative externalities and better economic and social outcomes. Hence this will be an indirect but important benefit to the health of local economies.