

sustainable placemaking *forum*

A seminar series linked to www.sustainable-placemaking.org

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The Regeneration Logjam

A consideration of the issues that currently impede the effective delivery of major regeneration programmes.

A recent seminar organised and sponsored by HTA Architects Ltd and Pinnacle PSG and hosted by Lord Best at the House of Lords brought together top people in the field of housing and regeneration to share their experiences and thoughts on the issues that are currently impeding the effective delivery of regeneration programmes. The objective, to consider ways in which the regeneration logjam can be addressed to best ensure that sustained improvement is achieved.

Typically, regeneration is a word that encompasses everything. It has a variety of meanings from the refurbishment or development of physical structures, energising economic growth and providing local job opportunities and creating and sustaining community involvement and empowerment. More often than not, true regeneration incorporates all these elements making programmes of regeneration complex, involved, hard work and in constant danger of losing direction and general unwieldiness.

Economic growth is a vital component. Jobs provide an opportunity for local people to support themselves and make choices about where and how they live. It raises aspirations and commits individuals to particular areas but not necessarily to particular streets. Successful regeneration creates an environment and place where people want and choose to live. It is an area that does provide an opportunity for jobs but it is also one in which people feel safe and proud to live, have access to good quality services and an area where the prospects for investment are good.

Improved analysis at the outset to better assess and challenge programmes of regeneration is important. Improved understanding and speculation on the economic, physical and social impact of any programme of expenditure should be introduced to ensure the most appropriate distribution and investment of regeneration funds. This may mean a change in mindset from the existing tendency to concentrate investment on the most deprived neighbourhoods to concentrating on those neighbourhoods where most good could be achieved. In areas that have almost irreversibly degenerated and suffering from severe problems of stigma and reputation then it may be in the best interests to not regenerate the area but to allow a gradual and sustained drift and run-down of the area. In these specific cases then a regional approach would be required and welcome.

Certain qualities are required of the agents of change including vision, leadership, focus, enthusiasm, commitment and a willingness to be brave and do things differently challenging deep-rooted cultures, beliefs and traditional processes. Existing agencies are often criticised for being too concerned with preserving the status quo rather than establishing a shared vision and collective aims for particular neighbourhoods and communities. Uncomfortable with the loss of power, influence and control, individuals and organisations hinder regeneration processes and can stifle outcomes.

The diversity of agencies and organisations involved and the resultant stringent and over zealous accountability arrangements has created a complex and confused spectrum of activity and overwhelming bureaucracy that, paradoxically, facilitates a culture of blame and lack of individual accountability.

There is much emphasis on expenditure in the early years of regeneration programmes when it is more appropriate to allow the freedom of agencies to establish the longer-term vision and detailed planning of development over a realistic time period. Greater flexibility in the spending requirements of regeneration funds is perceived to facilitate more successful programmes of development.

The need to involve the communities themselves, including those members that do not have a long-term commitment to the area, means that too much effort is concentrated on early and quick wins to satisfy rising expectations of existing communities. This raises questions about the appropriateness of involvement and influence of community members that are not committed to an area for the longer term in influencing expenditure and development for future communities.

One size does not fit all. There are good practice lessons that need to be shared but it is vital that agencies have the freedoms to operate and influence without the constraints that currently exist to conform to a norm.

The specific contributions to the debate fell within four areas:

- The need for greater honesty and realism about what regeneration could achieve over what periods of time;
- The need for higher levels of investment but not necessarily from the public sector;
- The need to review the complexity of regeneration governance and the centralisation of related performance management; and
- The need to create a climate in which real partnerships, both within the public sectors and between public, private and non-statutory sectors are more likely to flourish and which recognise the legitimacy of a range of stakeholders.

The Time Factor

Regeneration programmes cannot be hurried. Experience shows that successful programmes of regeneration and development take many years. Physical structures can be developed and refurbished relatively easily and quickly. Repair to the community fabric of an area, however, takes much longer and requires subtlety and a profound understanding of the views, perceptions and fears of all the different fractions and groups that comprise a neighbourhood. Time needs to be given to fully researching community views, being careful to manage expectations and being certain of how much of an influence the current community can be without skewing the overall development plan for the area.

An overall strategy needs to drive development within which there will be a number of distinct projects of varying size that addresses particularly problems and issues within the neighbourhood in a way that balances a pragmatic and sustained improvement over time, combining some quick wins with a gradual and well informed plan for the entire area. Smaller initiatives and solutions are important in changing perceptions and to ensure a growing interest, involvement and ownership over time. A concentration on big, high profile projects were reported to divert efforts from smaller schemes that could achieve much in a shorter period of time.

There exists, however, a fear of the big projects that require significant investment and that are likely to take significantly more time to achieve than the terms of the political masters. There is a reluctance to sign up to the real investment cost of regeneration with the likelihood that the real benefits will not be demonstrated until subsequent terms in office. The importance, therefore, of an overarching strategy supported by phases of development that can be successfully delivered, reported and celebrated in the short to medium term becomes ever more stark.

The processes that currently exist are complicated and bureaucratic making it increasingly difficult to deliver timely outputs and subsequent improvements. Subject to many different influences that are, irrespective of good intentions, not joined-up processes such as options appraisal, consultation, scrutiny

and competition elongate and frustrate the different partners involved and the stakeholders that are consulted. The requirements of the Private Finance Initiative (PFI) are evidence.

The cost of preparing for PFI and putting PFI bids together is significant and borne by the local authority and bidding organisations respectively. Potential changes and simplification of the process by revising the requirements at particular stages and a greater concentration on selecting a partner organisation without over specification of project too early on is a developing good practice approach. Devolvement of decision-making powers and a willingness to let partnership vehicles operate and manage programmes is viewed as a mechanism to facilitate a sharpening of processes. Assigning appropriate leaders and keeping it simple is also viewed as essential ingredients.

Local authorities have significant control over many of the services and infrastructure that affects the local street scene and the factors defining the prosperity of different areas. Local authorities are freer to do more and within the current powers of well being, with the right partners, appropriate levels of funding and willingness and desire to succeed can really make a difference.

Investment in Regeneration

The options available for investing in regeneration and, particularly, the refurbishment of housing are limited although now governing some creative thinking due to the more recent experiences such as those in Birmingham. Both Large Scale Voluntary Transfer (LSVT) and Arms Length Management Organisations (ALMOs) are two alternatives but offer only a partial answer in terms of quantum and relevance. Not every council or every tenant wants LSVT and not every council that needs major refurbishment can qualify for an ALMO.

There is an urgent need to widen the basis of choices open to councils. There are workable ways of funding massive regeneration of housing stock through PPP and support for their development is urgently required. In housing refurbishment both Large Scale Voluntary Transfer (LSVT) and Arms Length Management Organisations (ALMOs) are two more alternatives but offer only a partial answer in terms of quantum and relevance. Not every council or every tenant wants LSVT and not every council that needs major refurbishment can qualify for an ALMO. There is an urgent need to widen the basis of choices open to councils. There are workable ways of funding massive regeneration of housing stock through PPP and support for their development is urgently required.

PFI is one such option to generate additional investment but is widely regarded as overly complex and costly. It is further confused by complex, all embracing projects that are difficult to manage and difficult to secure funding due to their complexity. The bidding risks to the private sector are significant and often discourage bidders particularly in high profile large projects where there is increased risk of failure and where bureaucracy is overly complex and sustained commitment fragile.

The private sector is willing to invest and lead initiatives although currently this enthusiasm is not being best levered. More joined-up thinking, standardisation of planning rules and more flexible management arrangements that simplify the current bureaucracy that exists would assist. The process for competing for and evaluating and appointing partners also needs to better reflect the type and nature of partner that is sought.

Funding is available if agencies were willing to take the risk in securing funding with new and different partners. This requires a willingness to explore alliances with new organisations and explore different profiles of funding that may concentrate Government subsidy for the early part of regeneration projects where development is more risky and subject to political influence; bringing in commercial funding in the later years when planning consent is achieved and the overall programme of development is agreed. We need to be more sophisticated in identifying and separating the political and financial risks. Trust does not exist and there is much work to be done to continually address the thawing of relations between the public and private sectors.

Frequently, investment is concentrated on those most deprived areas rather than on the areas where most good can be achieved. Similarly, agencies tend to concentrate on the big projects diverting efforts from

smaller schemes that could achieve considerable impact in much shorter time scales. Better assessment and challenge at the project proposal stage would ensure the best diversity of short, medium and long-term projects.

More freedoms are required with the allocation of regeneration investment funds, particularly in the early stages. In too many of the programmes, concentration of expenditure is required in the early years when it is more difficult to spend. Not all expenditure can be planned at the beginning of the process since factors and expenditure brings about unforeseen change that can be enhanced by alternative spending plans. Spending agencies need to be empowered with increased freedoms so that unexpected benefits and outcomes can be utilised.

Complex Arrangements

The complexity and muddle of existing regeneration schemes caused by many different interested parties, political influences, funding streams and overly complex accountability arrangements, elongate decision making processes and frustrate progress and development. Coordination and management becomes more difficult, yet more vital, and there is a danger of programmes losing control and focus with so many different influences. There is an urgent need to sort out and simplify the governance of regeneration that includes a rationalisation and simplification that gives a sharper focus to the planning and management of regeneration projects and the assessment of their performance. The key issue here is empowerment and a willingness to relinquish control.

Micro-management of the various processes is significant and has resulted from a need to over-govern and control arrangements. This is further complicated by a growing scrutiny and inspection regime from outside agencies. Processes and procedures need to be demystified including various planning powers of the different agencies. Utilising and expanding the role and powers of existing agencies is preferable to inventing new agencies being sure to sustain a local focus. New delivery mechanisms need to be explored that better integrate the strategies and activities of all the different local partners and agencies. Improved willingness and ability to work in partnership is very important as is the confidence of existing agencies to challenge the view that new agencies are required.

The ability to think strategically and to visualise what is to be achieved is important and should involve all key stakeholders. There needs, however, to be clear leadership, focus and concentration to ensure progress is achieved and within an acceptable timeframe. The delivery organisation has to be empowered to make it happen, however, and have the confidence and ability to convince all those involved of the long-term vision and to deliver the individual projects and phases of the plan. Individuals need to be prepared to work 'outside of the box', fears and apprehensions need to be addressed and skills such as marketing and communication need to be developed.

Developing Real Partnerships

Regeneration calls for the enthusiastic embrace of strategic partnerships that bring together all the necessary public and private sector players. Whilst organisations are starting to get the hang of partnering there are still significant numbers of examples where culture, procurement rules, legalistic frameworks and over zealous approaches to accountability stultify the development and delivery of regeneration policies and plans.

Further thawing of relationships is required between the public and private sectors for the purposes of regeneration as is the continued involvement and influence of the voluntary sector. Regeneration requires the development of a culture of partnership and a wider range of more sophisticated partnership models. It also requires the continued development of partnering and consultation skills within each of the participating organisations.

Empowering those individuals and organisations that are best placed to contribute to local regeneration schemes is vital including the possible involvement of head teachers, GPs and the police. Depending on

the scope and nature of the scheme, the involvement of partners will vary. Good practice lessons concerning the approach to developing and implementing regeneration partnerships, including community participation, will be very similar irrespective of the partners involved. Successful regeneration partnerships will require characteristics described by words such as trust, honesty, commitment, enthusiasm, leadership, coordination and fluidity. Collaborative working between different Government Departments and agencies are also required.

There is a need to develop and support some good practice models of partnerships that are focussed on the quality of local service improvement and delivery.