

BRIEFING PAPER 1

PROGRESS IN PARTNERSHIP: THE FUTURE OF URBAN REGENERATION IN SCOTLAND

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Introduction

In 1988 The Scottish Office published "New Life for Urban Scotland" (The Scottish Office, 1988). This marked a change in the rhetoric surrounding central government's Scottish urban policy, in particular a move from an emphasis upon the regeneration of the inner cities to a greater focus upon the peripheral or outer housing estates. The cornerstone of this change was the setting up of four Scottish Office-directed regeneration Partnerships in outer estates in Dundee (Whitfield), Edinburgh (Wester Hailes), Glasgow (Castlemilk) and Paisley (Ferguslie Park). Five years later The Scottish Office has published a consultation paper "Progress in Partnership" (The Scottish Office, 1993) which, as well as reviewing the progress of the "partnership" approach, seeks views on the future direction of Scottish urban policy.

The purpose of this article is to give a critical review of the approach to urban regeneration that The Scottish Office has been promoting since 1988 and which, given the tone of the Consultation Paper, seems likely to be continued throughout the 1990s. The starting point for this is to consider the principles underlying "New Life".

The "Partnership" Principles

The four estates selected for the first four Partnerships were characterised by high levels of unemployment, dependency upon state welfare benefits, low educational achievement, poor health and a variety of housing and environmental problems. A range of objectives were formulated to tackle these: for example to improve the ability of residents to compete for jobs by setting up education and training projects. The objectives were unoriginal, the type of things that had tended to characterise the many regeneration initiatives set up in the late 1970s and 1980s in both the inner and outer city. Indeed most of the "New Life"

estates had seen a number of "regeneration" initiatives over this period which had had limited impacts upon the problems that they claimed to be solving. However underpinning the Partnerships' objectives were three "principles":-

- a) partnership between the public and private sectors and the community;
- b) a central role for the private sector in regeneration; and
- c) the active involvement of the community.

Undoubtedly these "principles" had featured in other initiatives. What distinguished the "partnership approach" was that all three were to be pulled together under the direction of Scottish Office-led implementation teams which were to draw up regeneration strategies. Whilst working within the "principles" the strategies recognised that, if they were to be effective, there was a need for:-

- a) an integrated and strategic approach to regeneration, an approach that would make the linkages between economic, social and environmental issues which had often been treated in isolation in previous regeneration projects;
- b) action to be taken over a long period of time, with the various Partnership strategies being implemented over a ten year period; and
- c) recognition that the key problem facing the estates was economic and that unless action was taken to improve the economic circumstances of the residents then it was unlikely that other improvements could be sustained.

Once the strategies had been drawn up then they

were implemented by teams formed from a mixture of secondees from local and central government and the private sector and a number of permanent staff. The teams have initiated action across a wide range of areas. As yet no detailed evaluation of their activities has been carried out, although the Consultation Paper claims that they have had some beneficial impacts.

Partnership Achievements

The main areas where the Partnerships are said to have achieved some success are in employment and housing. It is claimed that unemployment has fallen faster than in Scotland generally, albeit that it is accepted that population changes may have had an impact upon these statistics. In housing a large number of homes have been improved and over one thousand constructed. This has occurred in parallel with major changes in tenure, with home ownership now standing at 10% and community ownership accounting for a further 12%.

In the absence of external evaluation these changes must be accepted at face value and are undoubtedly impressive. Equally impressive is the way that the Partnerships' implementation teams have responded to new problems. Two things in particular stand out:-

- a) education, which initially was given a relatively low priority in the various strategies. This is now no longer the case. It has been recognised that there is little point spending resources upon training school leavers unless action is also taken to improve the performance of those who are already in the system. Some of the education strategies that are being adopted are very ambitious. For example in Ferguslie, with Urban Programme support, a Home School Employment Partnership scheme has been set up to develop links between schools and the pupils' home environment, thereby involving parents in their children's education in a very direct way; and
- b) employment and training, where it was initially thought that all that was needed was to provide the unemployed with training and they would then be able to obtain jobs. Experience showed that this was not the case. What was needed, and has been offered, was pre-vocational training covering a range of basic skills

many of which were not directly job related, for example motivation, literacy and the development of self confidence.

Once the strategies had been formulated it could have been all too easy to treat them as blue print plans which were not to be deviated from. This has not happened. The teams have been sufficiently flexible in their approach to respond to new problems as they were identified. Whilst it is probably too early to evaluate the impact of these new initiatives the fact that they have been set up is laudable.

Progress in Partnership

The apparent success of the "partnership" approach has been responsible for the publication of the recent Consultation Paper. This has two aims:-

- a) to publicise the achievements of the approach and the principles upon which this is based so that practitioners elsewhere can learn from Scotland's experiences. However as there has been, as yet, no detailed evaluation of the Partnerships, the dissemination of their "achievements" may be rather premature; and
- b) to seek views from the consultees on a number of issues. These fall into two categories:-
 - i) general issues where The Scottish Office has already taken a decision in principle and is now seeking views on how to improve the effectiveness of the implementation of these. There are two such issues: private sector involvement and investment in regeneration and community involvement. As it has already been decided that these are "good things" this would seem to be "consultation" on the Government's own terms, which severely restricts the ability of consultees to disagree with the Government's ideology. There are close parallels here with the October 1992 Consultation Paper on Scottish Local Government reform where consultation was not on the principle of having a unitary system of local

government but upon how such a system should operate (Hayton, 1993); and

- ii) a number of specific issues the chief of which is the probability of a greater degree of targeting in Scottish urban policy.

The objectives of the Paper are therefore very diverse, ranging from providing information on good practice in urban regeneration to seeking views upon a range of regeneration related issues. This diversity may result in the Paper's impact being lessened as it is not always immediately apparent which are the key issues. Clarity is also not helped by similar issues being dealt with in different chapters in a way that is not conducive to easy understanding.

The Partnership Lessons

The main message of the Paper is that the "partnership" approach has and is working, and that involving the private sector and the community in a "co-ordinated, comprehensive, strategic approach is the best way to revitalise large, multiply-deprived urban areas and their communities", (The Scottish Office, 1993, p. 9).

One can question this. In particular the role of the private sector, whilst undoubtedly important, seems to have been more limited than the impression the Paper gives. For example in housing it is claimed that the private sector has invested £28 million in the Partnerships. Whilst a large sum it is relatively insignificant alongside of the public sector's £140 million. If, as the Paper states, housing investment is increasingly to come from the private sector one must ask how realistic this is, particularly as much of the investment to date has only taken place following public sector "pump priming". If this decreases, as seems to be the intention, will the private sector continue to invest in these areas?

Community involvement is also not without its risks. Involving the community in decisions is undoubtedly better than ignoring it. However the danger is that community involvement comes to be used by the state, in particular Central Government, as an excuse for it to avoid its responsibilities. Thus the "blame" for a wide range of economic, housing and environmental issues could easily be laid upon individuals and the communities in which they live. It is a short step from community responsibility to "blaming the victim" something

that Central Government has had an increasing tendency to do.

The Paper goes on to outline a number of lessons that it is felt are transferable to other regeneration projects. Whilst many of these are specific to particular topic areas a number of general themes are identified. These are:-

- a) the need for voluntary commitment by the partners using their existing powers. This obviates the need for any new legislation, undoubtedly an attraction for Central Government;
- b) the fact that public sector funding has generally not been additional but has come from the partners' willingness to target their mainstream budgets on the partnership areas. Undoubtedly this is very appealing at a time when public sector finance is under close scrutiny as it seems to show that targeting is a way of making urban regeneration more effective without incurring additional expenditure;
- c) the presence of a locally based implementation team dedicated to the area's regeneration; and
- d) recognition of the linkages between the various aspects of regeneration so that actions can be taken that will reinforce one another. Of particular relevance here is the central importance given to local economic development, with the Paper stating that, "increased employment and income levels are the key to the sustainability of other physical and social improvements" (The Scottish Office, 1993, p. 1). This is an interesting acknowledgement coming from a Government many of whose policies have increased unemployment and poverty in the areas that are now being explicitly targeted for regeneration.

Targeting

The key consultation issue in the Paper is the possibility of greater targeting in the distribution of Scottish Office resources for urban regeneration. The intention is that areas so targeted should be regenerated using the "partnership" approach. However the question is how such areas should be

identified. Two options are outlined:-

- a) the local authorities target areas and the Scottish Office supports these locally determined priorities through the Urban Programme; or
- b) targeting becomes a Scottish Office responsibility, as it was in the declaration of the "New Life" Partnerships. This would involve The Scottish Office identifying Priority Partnership Areas (PPAs). Funding would be given to devise regeneration strategies in the PPAs and then to pay staff to implement these. It is claimed that if the PPAs were funded at the same level as the Partnerships, and received between 66% and 75% of total Scottish Urban Programme spending, then it would be possible to support between twelve and twenty. Effectively they would become the main channel for distributing Urban Programme resources.

Given the amount of political capital that The Scottish Office ministers have invested in the Partnerships it seems very unlikely that there would be much interest in letting local government take over the idea. If this is the case then the second option seems, regardless of the consultation responses, to be the eventual outcome. Indeed the detail given as to how the PPAs should be identified seems to show that this is the preferred option. Three methods of identifying target areas are outlined:-

- a) The Scottish Office selects PPAs after evaluating the regeneration needs and opportunities of various areas;
- b) the City Challenge model is applied to Scotland where authorities submit bids which are determined on the basis of relative need, the quality of the strategy, potential leverage and the likely speed of regeneration; or
- c) a variant of b) where initial discussions are held to determine a list of PPAs all of which are guaranteed some baseline support. This would seem to have the great merit of avoiding unnecessary work in the preparation of unsuccessful bids.

The Urban Programme

Clearly decisions on targeting have major implications for the Urban Programme. Greater targeting will result in the Programme becoming far more strategy than project based. This would, however, be merely a continuation of the trend that started in 1992 following a review of the Programme. Targeting would also imply an extension of the present arrangements under which three of the four Partnerships have dedicated Urban Programme budgets with a local panel responsible for making decisions on project funding working within the national Programme guidelines. The Paper outlines four options for the Programme:-

- a) a continuation of the present arrangements, with modifications to allow bodies such as the Local Enterprise Companies and the enterprise trusts to sponsor projects;
- b) the allocation of Programme funds to support local authorities' area regeneration strategies, with funding being allocated on a competitive basis;
- c) an extension of the Partnership approach, with dedicated budgets being allocated to additional "partnership" areas based upon the "New Life" model; or
- d) a strategy based approach where the Programme would be used to pay all or some of the costs of establishing an initiative, a locally based implementation team and funding regeneration projects.

Given that the strategic based approach is already being implemented through the Programme, the existence of dedicated budgets in some areas and the strong emphasis in the Paper upon targeting, then options c) and d) look most likely. However the desire to maintain the involvement of the private sector in the Partnerships means that the Programme is also likely to be opened up to other bodies such as the LECs, with a parallel decrease in the influence of local authorities.

The Problems of Targeting

The dilemma for policy makers is what to do with those areas that have resources withdrawn from them. Whilst there is some indication that a "traditional" Urban Programme may continue there is likely to be great competition for its limited resources. This may mean that many worthwhile

projects and areas may be denied support. The move towards a greater emphasis upon strategic approaches to regeneration may mean also that many small areas, whose relative problems are just as severe, fail to obtain Programme support. They may then have to rely upon local government at a time when its budgets are being squeezed, both as a consequence of local government reorganisation and pressure from The Scottish Office to support its new partnerships.

As targeting increasingly comes to be seen as a response to a scarcity of resources and to Scottish Office pressure then more agencies involved in urban regeneration are likely to focus their efforts upon particular areas. There may then be no coincidence between the areas that are targeted. There are already signs that this is happening. For example Strathclyde Region's recently published draft Economic Strategy (Strathclyde Regional Council, 1993), identifies, using unemployment statistics, twenty Economic Strategy Priority Areas (ESPAs). The Council is to give priority to projects which will support development in the ESPAs as well as attempting to involve other agencies in co-ordinated action within them. Rather surprisingly the ESPAs do not cover Ferguslie Park, the site of one of the "New Life" Partnerships. Even more surprising is that they do not cover some of the areas in which the Region already has a commitment to supporting joint venture regeneration initiatives, for example the Dunterlie Initiative in Barrhead, which has a significant economic development element.

The clear danger is that different agencies, all working towards similar objectives, use different criteria and produce priority areas that bear little relationship to one another. The outcome is likely to be a chaotic situation with large areas of Scotland covered by regeneration initiatives promoted by different agencies. All of these initiatives may have different priorities and will have a very limited impact upon the problems they purport to be solving as the available resources are dissipated across too wide a spatial area.

Conclusions

From the limited evidence to date it seems that the Urban Partnerships are having success in certain areas. However in those that can be quantified with some confidence, for example housing investment and tenure diversification, this is success that is relatively easy to achieve relying, as it does, upon capital spending. Only time will tell if such

"success" has any lasting value. In the absence of progress in alleviating other problems, particularly poverty, then the progress in areas such as housing may prove to have little lasting impact. Indeed many of the targeted estates have seen previous housing investment programmes, albeit on a smaller scale, that have achieved little of lasting benefit.

Given that for a large proportion of the estates' populations poverty is intrinsically linked to reliance upon centrally determined welfare benefits then the main action that is open to influence at the local level is employment. To isolate the impact the Partnerships are having here may be very difficult, if not impossible, to do with any reliability given the inadequate record keeping that characterised some of the Partnerships in their early days. There is however concern in some Partnerships about the quality of some of the jobs that residents have obtained. Many of these are low skilled and temporary. Whilst such jobs are a reflection of the labour market in the 1990s this is no doubt of little consolation to the Partnerships when attempting to achieve their ambitious goals. This implies that more attention needs to be paid to training aimed at higher skilled jobs, no doubt for longer periods than has been possible so far.

However there is a more fundamental problem underlying the Partnerships' employment activities. These have, perhaps understandably, been supply side dominated: training residents for identified opportunities in the wider labour market. Indeed it is heartening in the Paper to see an acknowledgement that self employment is of limited relevance to these areas, having "only modest success" (The Scottish Office, 1993, p. 20). This is more realistic than "New Life" where self employment was seen as playing a more significant role. However in the absence of a series of measures to stimulate labour demand, which is linked to the Partnerships' training activities, then the fear must be that the Partnerships are involved in displacement: that is placing people from the targeted estates into work at the expense of residents from other areas. Only a detailed evaluation will show if this is occurring. However anecdotal evidence and the feeling of some professionals involved in such areas is that this is indeed what is happening.

If this is what the Partnerships are doing then there must be a serious question over the extent to which it is possible to replicate the partnership model. Whilst in administrative terms the model might be transferrable the prospect of a further twenty

partnerships in Scotland, all of which are targeting similar jobs many of which will be in the same employment centres, seems likely to do little for the eradication of poverty. Indeed the replication of the partnership model may, perversely, result in poverty increasing. As the partnerships, and the many other initiatives set up by local authorities with similar aims, provide similar training aimed at the same jobs then the outcome may be increased competition for these jobs. This could result in already low wage rates falling even further, a trend accelerated by the abolition of the wages councils. The replication of these training initiatives may therefore be simply exacerbating the problem that they were set up to solve by trapping residents into low skilled, low paid employment.

In the longer term the new emphasis that Scottish Enterprise and the Local Enterprise Companies are placing upon increasing the firm formation rate may stimulate labour demand. Yet the problem is that initiatives to do this will only show results over a long time period. In the short to medium term there may be a glut of labour competing for low skilled employment. Whilst there will be no easy solutions to this imbalance there is clearly a need for the partnerships, and any initiatives based upon this model, to develop more sophisticated ways of linking labour market supply and demand, possibly by ensuring that new start companies can have access to the skilled labour they need. This will require closer demand and supply side targeting and the funding of training aimed at higher skilled jobs. This may imply greater per capita costs and far lengthier periods of training. In its turn this would require a change in attitudes, in particular a gradual move away from the "quick fix" labour market solutions that, perhaps inevitably, have tended to characterise many of the Partnerships' early initiatives. It remains to be seen if the Partnerships are allowed to respond to these challenges.

References

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