

The New Localism: Evaluating the importance of Neighbourhood Governance in delivering Regeneration Strategies

Nick Bailey
School of Architecture & the Built Environment
University of Westminster
baileyn@westminster.ac.uk

Key words: neighbourhood governance; public services; central – local relations; community involvement; regeneration

ABSTRACT

Neighbourhood governance is a particular institutional response designed to achieve a variety of civic, social, political and management objectives. Although it takes different forms, the core aims are: to engage residents, create partnerships, enhance representation and improve service delivery. It also reflects broader changes in the way an increasingly globalised society is regulated including the changing role of the state; the growth of partnership, the shift from government to governance and the increased focus on citizen-centred or network governance. This paper reviews the rationale and forms of neighbourhood governance which have been applied to a number of recent policy initiatives. It evaluates the lessons learnt from two recent government-funded programmes in England: the Neighbourhood Management Pathfinders and the New Deal for Communities programme. In addition, a detailed evaluation of one of the Pathfinders in the City of Westminster is drawn on. The paper concludes that neighbourhood governance has a number of different rationales but all have a common focus on the delivery of services and community engagement at the local level. A key finding is that it is a particularly important strategy for urban regeneration because of its holistic approach and commitment to community involvement. But there is no ‘best fit’ in terms of a model which can be applied uniformly in all contexts.

Neighbourhood management is both the nagging thorn that prompts action and the facilitator that enables it. (Basildon evaluator, quoted in SQW Consulting, 2008a: 89)

Introduction

The neighbourhood has taken on increased significance since the 1990s as a focus for policy making, the primary building block for democracy and the arena for encouraging greater community participation in the planning and delivery of services. In Britain special teams, initiated by central and local government, have been established in areas of deprivation in order to develop generic strategies to address a wide variety of social, economic and environmental problems. Similar trends have been observed in European states such as France and Denmark (Smith *et al.* 2007, SQW Consulting 2008b). As will be discussed later, this focus on 'localism' brought together several sets of policies aimed at very different aspects of 'neighbourhood'. For instance, these include neighbourhood as local community, as a locus for service delivery and as a focus for civic engagement and democratic renewal. In England, various approaches to neighbourhood governance have been adopted. While the common characteristics are a focus on deprived areas, co-ordinating service delivery, leveraging resources and engaging residents, different initiatives have adopted a variety of rationales. Two different forms of neighbourhood governance to be discussed here are the New Deal for Communities (NDC) and the Neighbourhood Management Pathfinders.

More broadly, the neighbourhood has been drawn into the much wider debates about the changing role of the state: the growth of partnership, the shift from government to governance and the increased focus on citizen-centred or network governance (Klijn and Skelcher, 2007).

Yet as residents become increasingly drawn into the process of policy making and delivery, questions remain about accountability and transparency.

As some of these large programmes began to be evaluated it soon became evident that, while real benefits were being achieved in responsiveness and the quality of services, there are also significant barriers and limitations to working at this level. Furthermore, the neighbourhood was becoming a congested policy space where a multitude of different strategies were being applied. Much depended on the negotiation strategies of different professional and community interest groups.

This paper sets out to explore the centrality of neighbourhood in recent policy initiatives and will examine both the opportunities which arise for improving service delivery through community involvement and the barriers which this approach to regeneration creates. The paper will draw on the findings of two national evaluations of neighbourhood governance¹ (SQW Consulting, 2008a) and the New Deal for Communities (CLG 2010a, 2010b, 2010c). In addition, an evaluation of neighbourhood management in the City of

¹ Neighbourhood governance is used here as a generic term that includes a variety of different approaches which: focus on localities of up to 15,000 residents; apply different forms of local representation; co-ordinate the delivery of services through partnership arrangements; and actively engage local communities.

Westminster (London) will also be referred to (Pill and Bailey 2010)². The first section will include a brief description of neighbourhood governance and discuss the broader policy context. The second section will describe the rationale for the neighbourhood focus and the forms of neighbourhood governance. The third will illustrate the strengths and weaknesses while the conclusions will set out the dilemmas for the future.

In sum, the paper will be investigating the following questions: why has neighbourhood governance featured so heavily in British urban policy? What is the rationale for it and what combination of objectives are being addressed? Which aspects have proved most successful and which issues are less susceptible to change at the local level? The paper concludes by arguing that there is no standard unit for local administration and that 'best fit' emerges over time through the interplay and interactions of key stakeholders in neighbourhood governance.

What is Neighbourhood Governance?

Although there had been earlier experiments carried out by local government, neighbourhood governance emerged as a new strategy in the UK with the election of the Labour government in 1997. The establishment of the Social Exclusion Unit and the publication of a National Strategy for Neighbourhood Renewal (SEU, 1998) heralded a strong commitment to 'bridging the gap between deprived areas and the national average' (SEU, 2000: 7) and addressing four key targets: worklessness, crime, health and better qualifications. Linked to this strategy, was the creation of a number of cross-departmental Policy Action Teams (PATs) to review the evidence and put forward recommendations. PAT 4 (SEU 2000) was set up to consider neighbourhood management.

Neighbourhood governance was seen as a priority at the time because it involved addressing issues of deprivation at the local level by working through local authorities and other service providers. It could also be linked closely with other initiatives such as the modernisation of institutions, the achievement of 'best value' in delivering services and the active engagement of residents over and above traditional democratic processes. This convergence of attention towards the neighbourhood level is reflected in wider trends in society. Widening differentials in income and local housing allocation policies were tending to aggregate the most disadvantaged populations in particular localities. Meanwhile, engagement with local democratic processes was in decline and there was a feeling that local government was becoming remote and failing to address local needs. The loss of a sense of 'community' stimulated a revival in the debate about building capacity and social capital in deprived areas (see Taylor 2007).

² The author was involved in an evaluation of three Local Area Renewal Partnerships in the City of Westminster, one of which was also a central government funded Neighbourhood Management Pathfinder. See Pill and Bailey, 2010.

Above all, neighbourhood governance was seen as a way of recreating responsive and effective service delivery at the local level. ‘Its role should be to help deprived communities and local services improve local outcomes, by improving and joining up local services, and making them more responsive to local needs’ (SEU 2000: 7). The PAT 4 report goes on to define five principles:

- Someone with overall responsibility at the neighbourhood level;
- Community involvement and leadership;
- The tools to get things done;
- A systematic, planned approach to tackling local problems;
- Effective delivery mechanisms. (SEU 2000: 8-9)

The report also recommended setting up a series of neighbourhood management partnerships in deprived areas in order to test these ideas and identify best practice. In 2001 the Government funded 35 pathfinder partnerships in two rounds from 2001 for seven years each at a total cost of approximately £100m. The areas selected were both urban and rural and were chosen from proposals submitted by local authorities. Each area was awarded £3.5m over seven years to cover core management, running costs and to leverage projects. Each had an accountable body to manage the financial arrangements and while most were local authorities, a few were third sector organisations or registered social landlords. From April 2007 all pathfinder funding is delivered through Local Area Agreements, overseen by the Local Strategic Partnership in each local authority. Thus funding was fully integrated into mainstream central and local funding streams for the lifetime of the pathfinders. Projects were managed by boards made up of local authority officers and elected members, representatives of service-providers and local residents.

A parallel experiment in neighbourhood management was launched in 1999. The New Deal for Communities (NDC) involved transforming 39 of the most deprived areas of England over a 10 year period. The areas selected, with populations averaging about 10,000 each, received approximately £50m to address place-related outcomes: crime, community, housing and the physical environment; and people-related outcomes: education, health and employment. Partnership boards were set up in each area with members drawn from the local authority, service-providers and in most cases, local residents in the majority.

The neighbourhood management pathfinders and NDC projects were very similar in many ways in that they both addressed deprivation at the local level and developed innovative approaches to increasing the responsiveness of local service delivery. Both were staffed by officers who in many cases were seconded or

transferred from the local authority or RSLs and who reported to local boards. Since the NDCs were based in areas which fell within the 10 percent most deprived wards in the country, funding levels were higher and ran for a longer period of time. Another main difference was that NDC boards often had a majority of local residents and the scrutiny of funded projects was significantly greater. Because of the extent of central government funding, scrutiny of the NDCs was provided by the regional Government Offices and ultimately the Department of Communities and Local Government.

Another common characteristic of organisations engaged in neighbourhood governance is that they deploy what Johnstone (2008) calls ‘strategic added value’, where the focus is on targeting resources, engaging partners, identifying synergies and leveraging additional resources. The key dimensions are summarised in Table 1.

Table 1: Neighbourhood Management: Forms of Strategic Added Value

<p>Strategic leadership and catalyst:</p> <ul style="list-style-type: none">• Making things happen that would not otherwise happen• Acting as a spur to local partners to give higher priority to improve neighbourhood services and outcomes• Stimulating innovation• Initiating research/improving the evidence base on effective means of neighbourhood services and outcomes <p>Strategic influence:</p> <ul style="list-style-type: none">• Encouraging local partners to think differently about resource allocation and multi-agency working• Prioritising action to tackle worklessness in theme partnership and locality plans• Mainstreaming neighbourhood renewal and community engagement in partner organisation policies and practices <p>Leverage:</p> <ul style="list-style-type: none">• Leverage of resources for action to improve neighbourhood services and outcomes• Developing shared priorities with the local authority and partner agencies• Leverage of knowledge: sharing and developing knowledge in neighbourhood renewal and community engagement across partner organisations, including front line staff in agencies and the third sector <p>Engagement:</p> <ul style="list-style-type: none">• Ability to engage communities (neighbourhoods and communities of interest) in recognising the need for action and mobilising resident effort to make a difference <p>Synergy:</p> <ul style="list-style-type: none">• Helping partners manage resources at neighbourhood level in ways that generate value for money gains• Using neighbourhood level budgets as a means of making collaborative action happen• Enabling partner organisations achieve and exceed their own targets

Source: Johnstone, 2008: 6

The Rationale for the Neighbourhood Focus

The neighbourhood has particular attractions to policy-makers because it is manageable in size and has many 'taken for granted' attributes of sociability, familiarity and convenience in providing services and generating data. Assumptions are made about the interactions between residents and the extent to which they depend on local services in the immediate vicinity. Wider discussions about the impact of globalisation and the rise of the knowledge economy have hardly dented the commitment to this basic unit of democracy and community. The debates about the social construction of 'neighbourhood' (Jacobs 1994) and the complex interplay of the global and local (Brenner 2004) have still had relatively little impact. On the other hand, large amounts of policy-related research, such as by Burgess *et al.* (2001), have been putting the case for devolved approaches to local governance as part of a broader modernisation strategy. As Wallace (2010) argues, one of the major criticisms of New Labour's turn to community is that there has been insufficient research into how best to address neighbourhoods which are dysfunctional and discriminatory (Cantle 2005).

Despite the diversity of neighbourhoods, reflecting broader national and global social and economic trends, there remains a strong commitment to the concept. It will be argued here that this is because of arguments relating to convenience, familiarity, representation and efficiency.

Convenience

Fundamentally, the neighbourhood has the advantage of convenience in that it is a readily understood unit of social life and (sometimes) of administration which has immediate relevance to those living within its boundaries. It is easily accessible to citizens and it is convenient for those administering it to consult with interested parties. It is also likely that residents will feel most strongly about the quality of the environment and provision of services and will be able to contribute tacit knowledge to planning and service provision. Neighbourhoods are more likely to have a homogenous community which can express collective interests and locally elected representatives can get to know institutions and individuals identified as representing the community. The residual commitment to the neighbourhood may well reflect former eras where populations were less mobile and more homogenous than in many towns and cities today.

Familiarity

The rationale relating to familiarity is that the neighbourhood is perceived as the fundamental geographically defined social unit in towns and cities and is therefore the most important arena where social interaction takes place. It is argued that not only do residents know each other but are willing to interact in order to achieve public goods such as an improved environment and better quality services. The concept of social capital assumes that reciprocity and trust between citizens creates a resource which can be used to achieve wider societal goals such as regeneration. Where both bonding and bridging social capital exists, neighbourhoods may prosper but one or both are often largely absent in areas of greatest deprivation. The

existence of strong social ties (and bridging social capital) means that local governance is likely to be more effective and that new ‘governance spaces’ (Gaventa 2004) can be created which enhance the quality of life in the area. Experiments in different forms of neighbourhood governance are much easier to establish where strong social ties exist between residents and where service providers are already familiar with the needs and issues in the area.

Representation and Accountability

There are three key propositions here regarding local representation and accountability (Lowndes and Sullivan 2008). First, local residents are aware of the issues which affect them and can access the governance system more easily. Second, elected representatives are more accessible and therefore more likely to be responsive to local opinion. Third, local democratic processes are likely to be more transparent, the consequences of different actions at the local level are likely to be more visible and therefore it is easier to hold representatives to account. Again, these are very much suppositions which do not hold true in all areas. The debate about the ‘democratic deficit’, the new localism and the need to empower citizens reflect a range of responses to contrary evidence.

Efficiency

Arguments about subsidiarity often include assumptions about greater efficiency and effectiveness in the delivery of services. It is argued that at the local level services can be targeted towards specific groups and policy objectives, thus reducing waste. At the same time, governance institutions can be designed to reflect local interests and to engage those stakeholders or interests that might be excluded if services were provided at a higher level. The use of information technology means that data can be collected more readily and processed more effectively to support local policies. Building on this base, it is argued that the quality of services can be enhanced by moving towards co-production (Boyle and Harris 2008) and citizen-centred governance (Barnes et al. 2008). While financial evidence on the impact of different forms of governance is hard to come by, there is substantial evidence that increased expenditure through various forms of neighbourhood management can lead to higher levels of resident satisfaction and reduced expenditure at a later date (for example through crime reduction, improved health and life expectancy and savings on financial transfers such as unemployment benefit and tax credits).

It has already been established that neighbourhoods are socially constructed by those attempting to promote change in governance arrangements or quality of life. Although boundaries tend to be arbitrary, the assumption is often made that they contain between 1000 and 10,000 residents. Once defined, they then become a basic unit of administration. Lowndes and Sullivan (2007) identify four forms of neighbourhood governance, each accentuating different priorities for change. These are summarised in Table 2.

This table represents four ‘ideal types’ which help clarify the objectives of neighbourhood governance initiatives. In reality, they reflect the complex and frequently contested local policy environment where different stakeholders are operating and where outcomes reflect their institutional priorities and views of the world: A balance of power is struck between the competing interests. The two national neighbourhood governance programmes under consideration here (Pathfinders and NDC) are atypical in that rules of engagement and priorities are largely determined at a higher level of governance and then ‘imposed’ with additional funding offered as an inducement.

Table 2: Forms of Neighbourhood Governance

	Neighbourhood empowerment	Neighbourhood partnership	Neighbourhood Government	Neighbourhood management
Primary rationale	Civic	Social	Political	Economic
Key objectives	Active citizens and cohesive communities	Citizen wellbeing and regeneration	Responsive and accountable decision-making	More effective local service delivery
Democratic device	Participatory democracy	Stakeholder democracy	Representative democracy	Market democracy
Citizen role	Citizen: voice	Partner: loyalty	Elector: vote	Consumer: choice
Leadership role	Animateur, enabler	Broker, chair	Councillor, mini-town halls	Entrepreneur, director
Institutional forms	Forums, co-production, third sector asset transfer	Partnership, management board	Town councils, area committees	Contracts, charters, action plans

Source: adapted from Lowndes and Sullivan 2008: 62

Neighbourhood empowerment seeks to promote active citizens who willingly participate in community affairs and local decision-making and to shift the balance of power in favour local communities (Bailey 2010). The key leadership role is one of community development where groups are encouraged to work together to attain an improved quality of life in the area. An important objective is social cohesion where priorities include creating bridges between different sections of the community and engaging hard to reach or seldom heard minorities. From this form of governance new initiatives of co-production emerge and in some cases community-based organisations take over assets from public bodies which are then managed in the interests of the local community.

Neighbourhood partnership expresses the intention of bringing together disparate interests in an area in order to 'join-up' services and address those issues which in the past have proved too difficult or fallen outside the remit of any one organisation. By brokering between competing and possibly factional interests, stakeholders can be persuaded to work together towards collective goals and in order to maximise the use of existing resources. Key attributes are trust and consensus building between stakeholders and these qualities may well emerge through social interaction between individuals who agree to work in partnership. If boards or other institutional arrangements are set up, much depends on the leadership and brokerage skills of key players such as the Chair.

Neighbourhood government reflects the political priorities of working at the local level. An important corrective to the perceived failings of democratic accountability is to establish smaller, local forums or area committees which to some extent recreate the transparency and accountability of local government. Earlier attempts at decentralisation achieved limited success and proved unduly expensive (Burns et al. 1994).

Neighbourhood management stresses the importance of re-ordering and combining local services in accordance with an agreed strategy to meet the needs of a particular locality. It 'empowers front-line managers, enabling them to respond to citizens' needs and so improve allocative efficiency by 'joining-up' separate services, developing new services and even abolishing outmoded modes of delivery' (Lowndes and Sullivan 2008: 66). A high level of community involvement is essential to inform policy-making. Local strategies often stress consumer choice and a greater emphasis on prevention and reducing higher levels of expenditure at a later date (for example through crime prevention, reducing drug dependency and teenage pregnancy, healthy living and measures to increase access to employment). Effective management also depends on having a committed, inter-disciplinary staff team based in the area. Research carried out as part of the national evaluation of the Pathfinders suggests that neighbourhood management is now operating in 27% of local authorities in England, covering an estimated population of 4.2 million people in nearly 500 neighbourhoods (SQW Consulting 2008a: 79).

Assessing the Strengths and Limitations of Neighbourhood Governance

This section discusses the key findings from recent national evaluations of neighbourhood management pathfinders (SQW Consulting 2008a), the NDC programme (CLG 2010a, 2010b, 2010c), and a local evaluation of neighbourhood management in the City of Westminster (Pill and Bailey 2010).

Tables 3 and 4 below summarise the key findings from these three studies.

Table 3: Research Findings identifying the Strengths of Neighbourhood Governance

	Neighbourhood management pathfinders	NDC programme	NM in Westminster
Organisation	Works best in areas of 5-15,000 people	Natural boundaries hard to identify	4 most deprived wards selected as LARPs with max. of 12,000 population
A local area team	A good calibre team is essential.	Having a strong local presence is important; effective leadership skills essential	Very committed and mainly seconded from LA and RSLs, sub-contracted to Paddington Development Trust
Partnership working	Police, LA services, PCT active partners. Evidence of joining up and holistic approach	Partners with a local area focus tend to be more engaged Evidence of joining up and holistic approach	Good but varying inputs from national agencies. Evidence of joining up and holistic approach
Community involvement	A strong commitment, average of 37% residents on boards	A strong commitment, residents in the majority	A strong commitment. 6 residents out of 22 on Church St board
Policy issues best addressed through NM	Police, community safety, environmental services and private rented housing show most improvement	Different policies require different time scales. Most impact on place-related issues. Mental health improved	Works well where links are through the council or where individuals are particularly committed
Action plans and targeting resources	Systematic programme with a limited range of priorities	Annual delivery plans prepared	Neighbourhood plan agreed by the LSP
Links with local government	Must be good but additional costs often hard to justify	The most important relationship	Well established through personal contacts and seconded staff
Links with central government and agencies	A source of additional funding subject to central government requirements and evaluation	a source of additional funding	Only through centrally funded agencies, eg NHS
Accountability and transparency			

Role of elected members		Represented on board	Strong support from MP and some councillors. 3 ward councillors on Church St board
Funding period	7 year funding period	10 years but continuation strategies being prepared	From 2003 to present
Monitoring and appraisal	National evaluation – lessons learnt across 35 areas	National evaluation – lessons learnt across 39 areas	

The strengths of neighbourhood governance relate to the allocation of staff and resources to specific locations with populations of less than 15,000 residents, whose role is to develop a strategy to reduce deprivation and improve service delivery. Key stakeholders and residents are represented on a board which oversees strategy and implementation. Community involvement is a major aspect of neighbourhood management in order to respond more effectively to local needs. Adopting a holistic approach is a major strength yet evidence suggests that place-related issues are easier to address at the local level. Also different policy objectives may require differing time periods to achieve the required outcomes. Good organisational links with the local authority and other agencies are vital for the success of the programme (preferably on a one-to-one basis). However, the presence of new forms of governance may require elected members to adjust to new circumstances and act more as facilitators than as representatives of the community. Continuity of funding is obviously an advantage but evidence suggests that fixed term programmes require careful thought about continuation strategies.

Table 4: Research Findings identifying the Limitations of Neighbourhood Governance

	Neighbourhood management pathfinders	NDC programme	NM in Westminster
Organisation	Limited funding period	Limited funding period	Limited funding period
A local area team			
Partnership working			
Community involvement		Difficult to assess the impact. Some confusion about aims and objectives	Recreated very positive attitude towards council and service providers
Policy issues best addressed through NM		Limited impact on worklessness and education	
Action plans and targeting resources			Produced but not distributed widely; many policy objectives

Links with local government	Uncertainties about how improved services will be maintained	Uncertainties about how improved services will be maintained	Uncertainties about how improved services will be maintained
Links with central government		Changing policy context; increasing importance of national targets	Only through public agencies, eg NHS
Accountability and transparency	Mainly good for those in relevant networks	Mainly good for those in relevant networks	Mainly good for those in relevant networks.
Role of elected members			Often uncertain of NM and how to relate to it
Funding period	Central funding for 7 years – future uncertain	Funding expires after 10 years	Uncertain future
Monitoring and appraisal	Most partnerships lack skills for this task and should seek help from larger organisations	These should be introduced from the beginning	Little monitoring of impact or outcomes. Lack of data to provide evidence of impact. Internal and through LSP

The initiatives discussed here have all the limitations of time-constrained area-based initiatives. Teams and representative boards are established and additional funding is available for a fixed period. Resources can thus be targeted effectively but in the longer term, questions arise about whether the higher level of resource input can be justified and where revenue funding will be found for the future.

Other limitations of neighbourhood management relate to the difficulties of collecting measurable data, for example on the impact of community involvement strategies. The NDC national evaluation found that some policy areas were difficult to address effectively at the local level and they highlighted education and employment. In the Westminster case, the annual action plan contained a large number of objectives with low levels of resources attached and the plan was used mainly for internal purposes and not widely publicised. The NDC evaluation also identified the changing central government policy context as a major constraint. In all three cases, transparency and accountability were significant issues since only those with direct contact were aware of the projects. In all cases researchers identified weaknesses in procedures of monitoring and evaluation so that evidence of outcomes was not always collected on a regular basis. In Westminster, there was evidence that local councillors were not always aware of the benefits of what neighbourhood management was and how it was integrated into the administration of the City Council. As with all fixed-term funded projects, how the momentum is maintained becomes an important political issue.

Conclusions

In this concluding section four major themes relating to neighbourhood management are discussed. These both reflect on the research reviewed earlier and suggest possible directions for the future.

The first theme relates to the multiple objectives of neighbourhood governance which often are overlaid and may become confused in the same project. As Lowndes and Sullivan (2008) note, the focus on the neighbourhood can take four forms: Empowerment, partnership, government and management, but the majority of examples include more than one of these. The Pathfinders and NDC are in some ways exceptions because of their origins as central government policies with a particular set of rules and funding procedures 'imposed' on designated areas from above. Yet even these two initiatives combined improvements to services with empowerment of local communities and better working relationships between stakeholders.

A second theme concerns what Pierre (2009) calls network governance. He asks 'is network governance compatible with traditional democratic government?' (p.600) It can be argued that the trend towards new forms of governance and 'stakeholderism' has accentuated consumer choice and service quality at the cost of democratic accountability. Pierre argues that there has been a shift in the role of the state leading to the intrusion of a variety of informal, intermediary organisations between the state and citizen:

Whether inclusive or exclusive, networks cater only to the interests of their members and not those of the larger polity. An additional problem is the transparency of networks. These organisations may be internally open but offer little transparency to those outside the network'. (Pierre 2009: 600)

Thus while these new forms of governance may bring real benefits to the areas they cover, they may well lack the formal mechanisms for ensuring democratic accountability and conflict resolution for the wider polity. What has been called 'New public Management' has been with us for almost three decades but the wider implications for central-local relations has received relatively little attention (Laffin 2010). Neighbourhood management can be seen as both a response to shifts in national policy and the failure of central government to deliver joined-up policy at the local level.

Third, neighbourhood governance is a particularly appropriate organisational framework for delivering urban regeneration policies. It encourages innovation and holistic approaches to service delivery; it engages partners in devising strategies to achieve collaborative advantage; and it emphasises the importance of the role of communities in planning and implementing area-based regeneration.

The importance of establishing a local base and engaging the local community is the fourth theme. All the examples discussed above have developed very good working relationships with particular localities and applied effective, face-to-face social skills in encouraging effective partnership-working. Understanding the area and its needs, exploiting the tacit knowledge of residents, engaging local voluntary and community

organisations in a single strategy are all important parts of neighbourhood management. Indeed, these are probably the crucial factors in achieving successful outcomes.

Finally, where does neighbourhood governance go from here? The first point to note is that local government needs to appreciate the benefits of neighbourhood governance and to be aware of the whole-life savings resulting from preventative interventions. Thus although the staff costs and overheads may appear greater than with the remote, centralised provision of services, the wider benefits of responsive services based on community consultation need to be taken into account. Second, community organisations, such as social enterprises and development trusts, should be encouraged to play a much bigger role in the management of assets and the provision of services. Many of the NDC projects are converting into these kinds of third sector organisations as part of their continuation strategies. Some have acquired assets, such as land and office space, which will part-fund them as independent organisations.

As part of much larger, longer-term structural changes between the citizen and the state, the consumer and service provider, and central and local government, two recent developments are worth noting. The first is Total Place (HM Treasury and CLG 2010) where a number of local authorities are reviewing the way different sources of public funding impact on their areas. The second is co-production (Boyle and Harris 2009) where the normally unequal relationship between service provider and consumer is equalised so that both roles change. Thus:

No longer obsessively looking inwards to targets and procedures, but increasingly looking outwards to local neighbourhoods, to create supportive social networks, seeking out local energy where it exists to help deliver and broaden services, and seeing clients for what they can do, not just what they need. The idea is that by working alongside the people they are supporting, public services can dramatically increase their resources, extend their reach, radically transform the way they operate, and be much more effective. Co-production makes strengthening the core economy of neighbourhood and family the central task of all public services. (Boyle and Harris 2009:14).

The real challenge will be to see if this can be achieved in a period of severe restraint on public sector expenditure. The prospects of further central, top-down projects, such as those discussed here, are very unlikely. Yet early indications after the May 2010 General Election suggest that, with national deficit reduction being the key policy driver, a new debate will ensue about centralisation versus localism. The previous government was advocating 'double devolution' which is the transfer of power 'not just to the town hall, but beyond, to neighbourhoods and individual citizens' (ODPM 2006:8). More recently the Conservative party has argued for varying degrees of localism with a greater emphasis on community self-help (The Conservative Party 2009). However, three influential local authority leaders have recently advocated the transfer of responsibilities for unemployment benefits, community care and crime prevention

from central to local government but with no reference to neighbourhood governance (Barrow *et al.* 2010). No doubt this debate will continue within the new coalition government.

All the evidence indicates there is no best fit solution and that the debate will continue in the UK and elsewhere as to the level at which particular services can most effectively be delivered. Context is all and each locality needs to work out for itself how best to balance the competing demands of efficiency, effectiveness, responsiveness and accountability. But political philosophy, expenditure reduction and value for money will be the primary considerations.

Bibliography

Bailey, N. 2010. Understanding community empowerment in urban regeneration and planning in England: Putting policy and practice in context. *Planning Practice and Research*, 25(3).

Barnes, M, Skelcher, C, Beirens, H, Dalziel, R, Jeffares, S, and Wilson, L. (2008) *Designing citizen-centred governance*. York, Joseph Rowntree Foundation.

Barrow, C, Greenhalgh, S and Lister, E. 2010. *A Magna Carta for localism*. London: Centre for Policy Studies.

Beatty, C, Foden, M, Lawless, P and Wilson, I. 2010. Area-based regeneration partnerships and the role of central government: the New Deal for Communities programme in England. *Policy & politics*, 38(2), 235-251.

Boyle, D and Harris, M. 2009. *The challenge of co-production*. London, New Economics Foundation.

Brenner, N 2004. *New state spaces: Urban governance and the rescaling of statehood*. Oxford: Oxford University Press.

Burgess, P, Hall, S, Mawson, J, and Pearce, G. 2001. *Devolved approaches to local governance: Policy and practice in neighbourhood management*. York: JRF.

Burns, D., Hambleton, R. and Hoggett, P. 1994. *The politics of decentralisation*. London: Macmillan.

Cantle, T. 2005. *Community cohesion: A new framework for race and diversity*. Basingstoke: Palgrave.

Communities and Local Government (CLG). 2010a. *The New Deal for Communities programme: Achieving a neighbourhood focus for regeneration. The NDC National Evaluation: Final report volume 1*. London: CLG.

Communities and Local Government (CLG). 2010b. *Making deprived areas better places to live: Evidence from the NDC programme. The NDC National Evaluation: Final report volume 3*. London: CLG.

Communities and Local Government (CLG). 2010c. *The NDC experience: A final assessment. The NDC National Evaluation: Final report volume 7*. London: CLG.

The Conservative Party. 2009. *Control shift: Returning power to local communities. Responsibility agenda policy green paper no.9*. London: The Conservative Party.

Gaventa, J. 2004. Towards participatory governance: assessing the transformative possibilities. In Hickey, S & Mohan, G (eds.) *Participation: From tyranny to transformation*. London, Zed Books, pp.25-41.

HM Treasury and CLG. 2010. *Total place: A whole area approach to public services*. London: HM Treasury.

Jacobs, J. 1994. *The death and life of great American cities*. Harmondsworth: Penguin.

Klijn, E and Skelcher, C. 2007. Democracy and governance networks: compatible or not? *Public Administration*, 85, 587-608.

Johnstone, D. 2008. *Neighbourhood management: Financial costs, benefits and value for money*. Cambridge: Educe Ltd. www.educe.co.uk (accessed 10.06.10)

Laffin, M. 2009. Central-local relations in an era of governance: Towards a new research agenda. *Local Government Studies*, 35(1), 21-37.

Lowndes, V and Sullivan, H. 2008. How low can you go? Rationales and challenges for neighbourhood governance. *Public Administration*, 86(1), 53-74.

Office for the Deputy Prime Minister (ODPM). 2006. *Empowerment and the deal for devolution*. Speech by the Rt. Hon. David Miliband, MP, Minister for Communities and Local Government. London: ODPM.

Pierre, J. 2009. Reinventing governance, reinventing democracy? *Policy & Politics*, 37(4), 591-609.

Pill, M. and Bailey, N. 2010 *Neighbourhood management in Westminster*. London: University of Westminster (unpublished)

Smith, I, Lepine, E., and Taylor. M. 2007. *Disadvantaged by where you live? Neighbourhood governance in contemporary urban policy*. Bristol: The policy Press.

Social Exclusion Unit (SEU) 1998. *Bringing Britain together – A Strategy for Neighbourhood Renewal*. London: HMSO.

Social Exclusion Unit (SEU) 2000. *National Strategy for Neighbourhood Renewal - Policy Action Team 4: Neighbourhood management*. London: The Stationery Office.

Social Exclusion Unit (SEU) 2001. *A New Commitment to Neighbourhood Renewal, National Strategy Action Plan*. London: The Stationery Office.

SQW Consulting. 2008a. *Neighbourhood Management Pathfinders: Final Evaluation Report*. London: CLG.

SQW Consulting 2008b. *Neighbourhood Management – Beyond the pathfinders: A national overview*. London: CLG.

Taylor, M. 2007. *Neighbourhood management and social capital*. London: CLG.

Wallace, A. (2010). New neighbourhoods, new citizens? Challenging ‘community’ as a framework for social and moral regeneration under New Labour in the UK. *International Journal of Urban and Regional Research*, online.