84

The role of community-based organisations in sustaining community regeneration

An evaluation of the development and contribution of Castle Vale Community Regeneration Services (CVCRS)

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Abstract

Purpose – The purpose of this paper is to reflect upon the development of the third sector and its relationship with social inclusion by reference to a specific case study – the Castle Vale Community Regeneration Services (CVCRS). By drawing upon an informed understanding of CVCRS the authors examine the ways in which the discourse of "regeneration" and the "third sector" is played out.

Design/methodology/approach – The paper uses a case study approach as the basis for framing the debate and analysis.

Findings – The paper concludes that the capacity of third sector organisations to meet the expectations of local residents and local agencies and professionals represent real challenges. The case study also illustrates the way in which such organisations share the characteristics of small businesses and this raises important questions over the skills and capacities of those managing such projects.

Research limitations/implications – Implications for third sector organisations can be generalised from this paper.

Practical implications – The paper identifies the ways in which the medium to long-term sustainability of such projects is contingent upon enhancing both the management/governance of such projects and also the mainstream funding of projects.

Originality/value – Case study material provides a richness in description and adds to understanding of the topic.

Keywords Regeneration, Community planning, Social inclusion, United Kingdom

Paper type Research paper

The third sector; an overview

The role of the voluntary, not-for-profit or third sector in the UK social policy is premised upon the view that they bring an inherent capacity to innovate to public services (Osborne and Flynn, 1997; Ross and Osborne, 1999), especially with respect to challenging conventional orthodoxies and "doing things differently", which may ultimately lead to transformation in how mainstream services are delivered to local communities and neighbourhoods. Government policy over the last 20 years or so has moved the third sector from the margins to the mainstream of delivering public services, such as housing, community and economic regeneration, to develop strong resilient and empowered local communities receiving better, more effective and responsive services (Osborne and McLaughlin, 2002; Paxton *et al.*, 2005). This shift has had a profound impact on the relationship between local government and the voluntary and community

sectors, how they engage with each other and how services are delivered; these accord with current government agenda of modernising and reforming public services.

By their very nature third sector organisations are diverse in composition, operate at different levels and are part of wider networks; they cannot operate in isolation (Paxton *et al.*, 2005). Their ability to innovate can also depend upon a number of factors including their organisational attributes, internal cultures, external influences and the institutional framework within which they operate. The type of innovation will also vary, for example, Osborne (1998) indicates that younger organisations, i.e. under five years old, tend to be more innovative, are more dependent on government funding and have at least one member of staff, whilst the opposite tends to be true of more traditional organisations who are more reliant on volunteers and fee income. Innovative organisations are also more likely to operate within complex and networked environments, which rely on building relationships through partnerships, such as with regional and local government, to achieve organisational objectives. In return they can provide local government with information and views about local needs and access to genuine local and community experiences (Paxton *et al.*, 2005); offer new approaches to service delivery in a local context and arguably provide government with a legitimate route through which to implement or sustain innovation. The benefits for the community are the opportunity to influence and shape local initiatives and for local organisations to access sources of revenue funding.

The influence of national, regional and local government in enabling the third sector to flourish has been well argued (Osborne, 1998). A positive enabling encouraging approach can predispose a third sector organisation to innovate whereas an opposite approach may constrain or limit organisational efforts. Whereas the pre-1997 conservative government saw the third sector as providing cheaper and more effective services than the public sector, the post-1997 labour governments have viewed the sector as making valuable contributions to creating and supporting local communities, promoting social inclusion, engendering community cohesion and developing bottom-up policies reflecting national policy objectives. This has especially been the case where the public sector has been perceived to be a cause of the decline through delivering poor mainstream services (Ross and Osborne, 1999; Johnson and Osborne, 2003). Moreover community engagement is viewed by the government as the bedrock for improving public services and restructuring local politics with the aim of improving local outcomes in order to rebuild public trust in local government (Etzione, 1995).

The innovative capacity and sustainability of a community based third sector organisation may be based upon the strength of the relationships between internal staff and the local government officers, and the levels of trust that exist between them (Davis and Walker, 1997). Moreover Liddle (2001) coins the phrase "relationship managers" to describe those third sector staff who operate in an interactive and highly networked environment, whose role is to mediate and manage relationships between different agencies and stakeholders. The evidence suggests that where there is a healthy and open relationship between local partners, the more likely it is that social capital initiatives will flourish both through formal activities and direct political participation (Paxton *et al.*, 2005). However to achieve this new level of partnership there needs to be cultural change in the way that local government operates supported by resources and shared goal setting, which may involve a reconfiguration of relationships and extensive restructuring of agencies (Deakin, 2002). Thus, there is a requirement that third sector staff and local government officers involved in managing and coordinating networks develop many skills including, political awareness,

diplomacy, facilitation and negotiation skills; in many respects they need "to be tolerant of ambiguity and mess" (Diamond and Liddle, 2005, p. 36).

The third sector and regeneration

Commentators such as Mawson and Hall (2000) have asserted that the regeneration programmes of the 1990s such as City Challenge were not successful in involving local communities and in effect, they became marginalised thus limiting the overall effectiveness of programme outcomes. The conservative government of the 1990s has been credited with introducing a range of market and contractual mechanisms to govern the relationships between local government and its third sector partners in keeping with the New Public Management Model (Walsh, 1995). In this model local government retains the policy making agenda and the third sector becomes its service agent (Osborne and McLaughlin, 2002). Successive labour governments have sought to change this orientation through its approach to "joined up" policy making that crosses departmental boundaries. Indeed in its Labour Party manifesto of 1997, the government said that the relationship between the two sectors should be complementary and encouraged the sectors to work in partnership to promote social inclusion and deliver improved public services. In this more contemporary model partnership through participation is linked to community governance where partnership is seen as the pre-requisite for the modernisation of local government and the development of local services especially where areas suffer from complex local social and economic issues (Clarke and Stewart, 1998).

However, there is also a recognition that co-ordination needs to be improved between different tiers of government to ensure that the new structures are able to deliver what cities and neighbourhoods need. In its new commitment to regeneration through the Neighbourhood Renewal Unit (Cabinet Office, 2001) the government identified the potential of the third sector to combat deprivation and committed itself to building the sector's capacity, to involve it in local policy formulation and to provide it and the local communities it represents with the opportunity to influence the content of locally devised services through the establishment of local strategic partnerships (LSPs). LSPs are designed to provide a strategic framework for multi-sector multi-agency partnerships covering the local business community and third sector organisations to participate in the development of community strategies to address deprivation and social exclusion and promote well-being within a spatial context (Johnson and Osborne, 2003; Pearce and Mawson, 2003); as part of their remit LSPs are expected to consult widely with local communities and be locally accountable. Neighbourhood management boards (NMBs), on the other hand, are bodies comprising a range of stakeholders, including local residents and community groups, whose aim is to implement some or all elements of the strategy developed by the LSP in a coordinated and strategic approach using mainstream funding in small geographical areas suffering from extensive deprivation. Their objectives are to improve relationships between service providers, improve local responsiveness and engender a spirit of shared responsibility at neighbourhood level.

Research carried out by the JRF (2000, 2001) argued that LSPs are useful mechanisms for promoting democratic accountability, engaging local stakeholders and implementing a range of initiatives at neighbourhood level, for example, through NMBs, aiming at improving outcomes relating to worklessness, health and educational qualifications. However, whilst area based approaches can bring benefits it still means areas and groups have to compete for statutory resources. If resources are not made

available to build capacities and improve services, then Pearce and Mawson (2003) argue benefits will be illusory.

Moreover Carly *et al.* (2000) argues that having robust and innovative relationships at a local level together with effective community involvement in regeneration and strategic partnerships can help underpin successful and enduring neighbourhood governance structures, and offers local people the potential for lifelong involvement in their local community, through volunteering and more formal management so promoting social capital. Indeed, volunteers, Coleman (1988) notes, can provide the "social glue" to communities. Pearce and Mawson (2003) also comment on how the labour government has been influenced by the ideas of Putnam *et al.* (1993) in that developing social capital can reinforce social cohesion, through the creation of tangible and intangible community assets including social entrepreneurship, participation in networks, helping local leadership and rebuilding trust and a sense of belonging through neighbourhood approaches to policy formulation and implementation.

However this commitment to involve the third sector in the policy paradigm of co-governance has proved to more than one of LSPs gaining the commitment of different stakeholders to the co-production of services, with the third sector being seen as a service agent, rather than equal partners in local policy making processes (Osborne and McLaughlin, 2004). Indeed this position was recognised in the Cross Cutting Review (CCR) of the Voluntary and Community Sector (HM Treasury, 2002) where emphasis was given to co-ordination and co-operation rather than community governance and co-governance. In this review the advantages that the third sector brought to local service delivery were highlighted as:

- specialist skills and knowledge,
- independence,
- ability to innovate,
- lack of institutional baggage,
- flexibility,
- responsiveness.

(Osborne and McLaughlin, 2004).

An independent study of the sector by Paxton *et al.* for the Joseph Rowntree Foundation (JRF) (2005) cited additional strengths the sector offered – its specific sense of mission, its greater proximity to users and the likelihood that the sector is more trusted as it is felt to be better at consulting and engaging local people than local government. The added value offered by the sector to driving up standards and increasing choice at a local level is very appealing to the labour government in its drive for looking for "what works".

It was in the CCR that the notion of entrepreneurship and the flexibly it offers was first explored by the government and the role that social enterprises might play locally to transforming service delivery. Social enterprises can be described as "new organisations, driven by an entrepreneurial sprit but focused on social aims" (Nyssens, 2006, p. 1), commenting that after emerging in mainland Europe in the 1990s, they were adopted by the Labour government in 2002 with the launch of the Social Enterprise Unit. The new legal form promoted by the Department of Trade and Industry (DTI) is a community interest company. As social enterprises are mainly driven by social objectives and the need to achieve sustainability through trading, their usefulness to

the third sector is particularly relevant especially where a local community has been involved with setting them up with the declared aim of responding to local needs.

The final section of the CCR opened up the possibility of the third sector recovering the full cost for the quality delivery of public services from local government. Osborne and McLaughlin (2004) note a shift in government thinking away from universal holistic engagement to one which focuses more on specialisms with service delivery concentrated on a smaller number of selected preferred third sector agencies, who will become preferred suppliers, or co-producers, of local services. However in the case of area regeneration they observed smaller agencies with different more community focused agendas were the preferred delivery agents and this seems to continue to be the case.

But concerns about the capacity of the sector to deliver were also raised in the review, and its ability to adopt New Public Management principles of audit and performance management were questioned (McLaughlin, 2004). Taylor (2003) has also commentated that the shift from grants to contracts in a climate of economic restraint has led to great uncertainty in the sector and arguably favoured those who are prepared to follow the government agenda and have strong financial management structures. Ultimately smaller third sector organisations may lose out to larger third sector agencies, who have the capacity to modernise their internal management practices. The danger is, however, that these organisations may increasingly find themselves dependent upon government funding for their continued existence, which potentially places the sector on a trajectory of incorporation into the state. As a result McLaughlin (2004) and Lewis (2005) note there may be some strategic repositioning in the sector with some organisations deciding to dis-engage from statutory service provision altogether to retain their independence and prevent a dilution of mission, or deciding they do not want to be subsumed by the bureaucracy associated with public sector delivery in a very top-down regulatory system. Indeed some smaller organisations may simply not have the time and resources to be actively involved. On the other hand more strategically focused organisations may make a decision to work more closely with government and run public services if it fits with their mission and operating ethos, helps beneficiaries and is funded in a sustainable manner. Where this is the case we may see emerge community based organisations where there are elements of co-governance, co-management and co-production combined (Paxton *et al.*, 2005; Brandsen and Pestoff, 2006). Fundamentally the new arrangements proposed by the government raises questions over whether third sector agencies can sustain their independence and charitable ethos in the foreseeable future faced with the prospect of becoming deliverers of public services, and carrying out the work of traditional public sector agencies.

The regeneration sector can provide a useful model for examining the issues and constraints in establishing cross sector partnerships (Carly *et al.*, 2000).The effectiveness of these partnerships will be judged on their ability to attract and retain key partners and the extent to which they are able to remold various mainstream budgets to deliver better, more effective and responsive services (JRF, 2000) and on the reliance of the partners long term (Paxton *et al.*, 2005). However, Burgess *et al.* (2001) argue that encouraging innovation through partnership working in complex area based projects and adopting a cross cutting thematic approach is hard to achieve and to some extent it has been replaced by using measurable outputs relating to objectives and required outcomes, which people find easier to understand. This will require third sector community based organisations to engage more with New Public Sector Management principles. But Diamond (2008) offers a note of caution; he observed conflict can arise where the views of local residents and stakeholders representing public sector agencies, who have invested

in an area, differ and raises questions about the independence of the sector. Notwithstanding this, he argues that community based approaches to decision-making and the sharing of power can present a model for promoting third sector led local social enterprises and local accountability; acknowledging that many local services are now contracted out to community based regeneration organisations managed by a range of local stakeholders, including residents and representatives of statutory bodies.

Area-based regeneration initiatives

Recent years have witnessed major changes in the social and economic profile of residential neighbourhoods, significantly on former council built estates built during the 1960s such as Castle Vale, as a result of changing patterns of migration, household formation and tenure change. The resulting differences and contrasts in outcome on estates throughout the UK have posed challenges for managers of regeneration programmes requiring a range of flexible responses including community development programmes and partnership working to ensure enduring sustainability (Hickman and Robinson, 2006). Whilst economic, social and physical regeneration are all key to the success of certain neighbourhoods, consideration also needs to be given to population, lifestyle and the social mix of residents in terms of the future sustainability of neighbourhoods (Atkinson and Moon, 1994). Multiple problems require multiple solutions and the resources available to the Housing Action Trusts (designated by the conservative government of the early 1990s), such as on Castle Vale, and the accompanying flexible framework within which they were allowed to operate enabled an integrated and cross cutting approach to estate regeneration from the start. The Trust recognised that a succession strategy should be put in place post regeneration in order to sustain the community once its programme of activities had ended and in the Trust's case this process was started in 1995, a mere two years after it had been established. It was as part of this process that Castle Vale Community Housing Association (CVCHA) was launched. The on-going nature of the need to sustain regenerated neighbourhoods is recognised in the government's National Strategy for Neighbourhood Renewal (Social Exclusion Unit, 2000) and the Sustainable Communities Plan (ODPM, 2003). The focus is to deliver a strategic and comprehensive approach to urban policy through partnership working and involving local communities to enable regeneration problems to be tackled in a cross cutting way and to ensure sustainability in the longer term.

The establishment of a neighbourhood partnership board (NPB) following the demise of Castle Vale Housing Action Trust (and also meeting the devolution agenda of Birmingham City Council) was set up with these objectives in mind: services delivered on the estate are now assessed though local outcomes by the Board. The Board offers an example of a new structure which through partners (some of whom, including estate residents, are represented on the Board) develops, delivers and monitors activities in response to local community needs as well as meeting national, regional and local area priorities. Significantly it also seeks to coordinate the ten successor organisations established by the housing action trust (HAT), covering themes such as environment, health, housing, community safety, and training and education. This reflects the network approach to partnership working, which is characterised by representation, political control and successful delivery at a local community level (Davies, 2006). Even the Audit Commission (2006) recognises that through joining forces the private, public, voluntary and community sectors are more likely to respond to complex issues faced by society rather than one agency working alone. Innovative responses are more likely to emerge and additional resources and finance levered in.

Whilst the NPB is able to influence the strategic direction for the estate and determines priorities for the estate through the neighbourhood plan, Castle Vale Community Regeneration Services (CVCRS) is seen as just one of the delivery vehicles for improving access to local services and providing new services in response to local needs. In terms of themes CVCRS is seen as the main delivery vehicle for projects relating to health, and is also one of the key partners regarding services to children and young people, support/welfare services and capacity building. CVCRS contributes to the Health Improvement and Community Safety Forums and also supports the youth council in promoting the youth agenda and youth programme for the estate; it also plays an active role in the extended schools provision and development. Other local organisations are also tasked with delivering the remaining themes identified by the NPB, including the community housing association, CVCHA, under whose umbrella CVCRS operates. Roles and responsibilities of delivery agencies are thus, in the main, clear enabling links to be made to a range of initiatives focusing on reducing deprivation and championing localness (Mawson and Hall, 2000; Social Exclusion Unit, 2000).

The impact of current government policy on the third sector

In its last of a series of reports into the future of the third sector in social and economic regeneration, the government provides recognition to the third sector as "a vital component of a fair and enterprising society, where individuals and communities feel empowered and enabled to achieve change and to meet social and environmental needs" (HM Treasury & Cabinet Office, 2007, p. 5). It reinforces this view by stating that the diverse range of organisations in the sector provides a "voice for underrepresented groups, in campaigning for change, in creating strong, active and connected communities, in promoting enterprising solutions to social and environmental challenges and in transforming the delivery and design of public services" (HM Treasury & Cabinet Office, 2007). The final report goes on to identify four major areas of interest between the sector and the government:

(1) Enabling greater voice and campaigning.

(2) Strengthening communities.

(3) Transforming public services.

(4) Encouraging social enterprise.

This report therefore takes forward government ambitions, outlined in a White Paper, of creating "Strong and prosperous communities" (DCLG, 2006) where it is identified that local government will need to work more in partnership with other bodies, including the third sector. The White Paper goes on to state that it wanted partnership working between local government and the third sector to be the norm and for it to be placed on a level playing field with mainstream providers when it comes to local service provision. In many respects this fulfills the prediction made by Diamond and Liddle (2005) and others such as McLaughlin (2004) and Lewis (2005), in that the voluntary sector is likely to increase and expand in the medium term, replacing some of the functions of local government and other statutory sector organisations. However with this trend comes a warning that decision-making, governance and accountability processes need to be addressed as part of this process.

The third sector has been persistently affected by short-term funding problems, which has made it very difficult to develop sustainable business plans as well as ensure a

continuity of service to beneficiaries. This seems at odds with government policy, which seeks to ensure the sustainability of the sector's work, through encouraging more longer term partnerships and making more resources available to invest in the sector, for example, promoting asset development and ensuring that three year funding relationships between government (at all levels) and the third sector become the norm. Alongside this the Cabinet Office (2008) has also identified that the third sector has a crucial role in supporting LSPs; it argues that the sector can help local statutory agencies address a wide range of community concerns such as environmental sustainability and tackle many of the cause and consequences of social and economic disadvantage. It has therefore developed a new national indicator, NI 7 (Cabinet Office, 2008), to measure the contribution that local government and its partners can make to the environment in which an independent third sector organisation can successfully operate.

Another theme proposed in the 2006 White Paper was that of local communities taking over the management or ownership of public assets to ensure that they best serve local needs and interests. In 2007 the Quirk Review was set up to develop these ideas; fundamentally the report advocates that local communities should be able to manage and own public assets "it is our considered view that increasing a community organisation's stake in an asset in a careful way and with support can in many cases bring extra benefits for the community, the relevant public bodies, and for the organisation itself" (Cabinet Office, 2008, p. 9). A number of indirect and direct benefits are identified for communities in which an asset is situated ranging from facilitating better future planning and providing jobs for local people, to building community confidence and a sense of worth. For local service providers having an asset owning partner based in the community may enable different funding sources to be tapped, ensure services provided are more community-responsive and neighbourhood based. Finally, for the organisation itself, asset ownership brings greater security for future planning, status and power, but may also require a change in culture "in terms of management capacity and organisational development" (Cabinet Office, 2008, p. 17). In the introduction to the report, a vision is set of a more socially responsible corporate business sector encouraged by the growth of social entrepreneurship and a shift in expectations of society. At a local level it sees social enterprise "driven by community-based organizations and enabled by progressive councils" (DCLG, 2007, p. 3).

The final government initiative that has relevance to this paper is "Unlocking the talent of our communities" (DCLG, 2008), which is concerned with maintaining the momentum in providing opportunities for people to have the right opportunities; skills and support, especially those located within disadvantaged communities. This report also launched the Working Neighbourhoods Fund, designed "to tackle worklessness in [their] deprived communities in new and innovative ways" (DCLG, 2008, p. 5).

The development of CVCRS

Developed as a contemporary housing estate in East Birmingham, during 1964-1969, and with a population of over 11,000 residents, Castle Vale soon encountered a number of issues which were reflective of a high-density deprived area. Issues became apparent relating to high unemployment, low educational achievement, poor health, poor housing, lack of facilities, high crime and a negative perception by residents and other communities. There was an identified need to develop a long-term strategy for Castle Vale encompassing the key priorities of a regeneration initiative. Following a ballot in 1993 Castle Vale Housing Action Trust was formed. Over the life of the HAT £270 million was invested into Castle Vale tackling the above issues, and more,

through partnership working and community engagement. The Trust was clear from the start that it needed to develop a holistic regeneration programme that connected physical regeneration activities, especially in terms of housing, to wider issues such as crime, employment and health. The needs of the local community were also responded to and facilities provided such as community centres, child and youth activities and public space projects including sports, arts and leisure. The Trust adopted a coordinating role to engaging with local stakeholders and residents and set out to nurture local community led organisations so that when the Trust had ceased its work, they were well enough established to be able to generate external funding and continue the pioneering work of the Trust. Importantly, the Trust set up an Endowment Trust Fund to provide financial support to successor bodies. Funded by the housing stock transfer, over £5 million pounds was made available.

In 1996 CVCHA was formed as a community-led housing association with the long-term remit of providing sustainability for good quality housing, estate services, community involvement, empowerment, and community safety. In 2004 when the HAT had completed its work, a successful stock transfer took place to the association leading to the management of approximately 2,500 homes all falling within the neighbourhood known as Castle Vale. Prior to this a decision had already been made by CVCHA during 2003 to establish a Community Development Unit (CDU) as a succession vehicle for community initiatives, adding "community value" (Duncan and Thomas, 2007) and as a tool to supporting the broader sustainability of Castle Vale, something which the housing association was potentially restricted in undertaking. This was identified as a way forward considering the imminent departure of the HAT to ensure that projects continued to be developed, funding obtained and a range of non-housing projects delivered. Financially, the unit was to have a minimal impact.

The CDU not only developed and delivered a range of projects but also supported a variety of other local community and voluntary organisations. This has enabled smaller organisations to focus upon delivery of local services with administration/governance support provided via CVCHA. Although this has been to the benefit of smaller organisations and assisted with the development of the CDU, this broad agenda has also required officers to operate within a myriad of estate, local and regional relationships requiring tact, diplomacy and skill.

One clear benefit for the CDU at the early stages of its development was its involvement in the management of The Sanctuary. CVCHA had identified this as a potential problem and in order to ensure the on-going sustainability of the facility management support was provided by CVCHA through the CDU. The Sanctuary is regarded as a resource for community activity and also as a means of generating an independent funding stream. It provides a base for social and community activities; it offers office space and meeting rooms for local voluntary organisations and (through CVCHA) provides administration and/or management support. Partnerships and long lasting relationships have been established which have enabled other estate based third sector agencies to develop their capacity and focus upon their own core activities. Thus, the Sanctuary has emerged as a community hub and now offers a range of services and activities.

The 12-month period from 2004 to 2005 saw the emergence of the CDU from a concept to a tangible delivery agent that progressed partnership working, accessed a range of funding, involved the local community and had clear objectives which were developed in consultation with partners, service users and community representatives. The objectives, as set out in the 2005 strategy, were to:

- encourage community engagement/cohesion;
- maximise funding opportunities;
- seek to fill gaps in service delivery/initiatives;
- signpost residents to appropriate agencies;
- work with partners to identify and deliver projects;
- host events to promote, publicise agencies/services and raise awareness for the local community;
- meet the needs of the community;
- promote good practice, internally, estate-wide, regionally and nationally;
- develop capacity building within Castle Vale and within other communities;
- consult, information share, engage with residents;
- forge closer links with neighbouring communities;
- work closely with the NPB;
- undertake a range of health, youth, and environment related activities; and
- develop services that would lead to self-sufficiency and financial viability.

However at the time CVCHA also had ambitions for the CDU to operate as a separate entity so it could:

- increase opportunities for external funding;
- secure charitable status;
- support other neighbourhoods and generate an income through a training service; and
- develop as a third sector provider.

This ambition came to fruition and CVCRS was established on 1 June 2007; formed through a merger of CDU and Castle Vale Community Care Partnerships, another successor, but failing organisation whom CVCHA has supported in recent years. It sees itself as a charitable social enterprise with a primary focus upon Castle Vale providing services to enable the community to develop and flourish. It also works to support and develop communities outside Castle Vale in order to share experiences, sustain its community regeneration services and re-invest in Castle Vale. It has four key aims:

(1) to deliver high quality services that are needs-led and enhance well-being through education and promotion;

(2) to work in partnership with others both inside and outside Castle Vale;

(3) to be financially viable; and

(4) to build a business-like and competent organisation, with a mutually beneficial relationship with our parent organisation.

And has established seven core values:

(1) We will prioritise the needs of Castle Vale.

(2) Our surpluses will be re-invested into community provision.

(3) We are a learning organisation.

(4) We are innovative and outward-looking.

(5) We value our staff.

(6) Our services take account of and respect individual differences.

(7) We involve, and are accountable to, the local community. We listen to them and respond to their needs.

Themed programmes currently offered by CVCRS include:

- engage young people in positive activities to encourage ownership, increase inclusion and reduce anti-social behaviour (Children and Young People);

- increase and raise awareness of healthy lifestyles to benefit residents health, physically, mentally and emotionally (Health and Well-being);

- engage residents in community environmental projects to encourage a clean, safe, and pleasant estate (Environment);

- to provide a local community resource for residents of Castle Vale and surrounding estates to access services and activities (The Sanctuary Building);

- to share good practice (Training and Consultancy);

- to provide tenancy support to vulnerable tenants (Resident Support Service); and

- to encourage capacity building amongst residents (Worklessness).

All services are open and accessible to residents of Castle Vale; however, the Resident Support Service prioritises CVCHA tenants to ensure tenancies are sustained. CVCRS currently employs 16 members of staff and is developing a healthy pool of volunteers and associates. All staff and services are based at The Sanctuary. It has its own Board of Management of six members comprising representatives of a range of local stakeholders and residents and it is funded from a range of external grants and income generation activities.

The significant contribution made by CVCHA to ensuring the successful development of CVCRS cannot be underestimated. As one of the main successor organisations to the HAT, CVCHA has a long-term responsibility of providing good quality housing, estate services, community involvement, empowerment and community safety. As a community based housing organisation CVCHA is genuinely committed to community involvement and recognises the intrinsic links between housing and community regeneration. Thus the development of CVCRS has been actively supported by CVCHA as CVCRS complements its strategic aims and enables its wider goals to be achieved through the unique model created. This active support extends to CVCHA providing funding to CVCRS to enable core activities to be undertaken. Infra-structure support is also provided such as human resources, information technology and financial services. In return CVCRS is accountable to CVCHA as the parent company and feeds into CVCHA's governance structures.

Thus CVCRS can be classified as a third sector organisation as it is primarily "value-driven" having been set up to deliver social and community based projects on Castle Vale; its surpluses (and those of the host housing association) are ploughed back into the estate for the benefit of the local community. However it can also be classified as a social enterprise as it is active in a range of sectors including social care, health and youth work. And it has latent ambitions to gain development trust status. In common with other social enterprises over the last few years it has been seeking new

ways to deliver social and environmental outcomes through business approaches. Moreover CVCRS has a reasonably strong financial base from which to grow and has had a range of funding applications approved by both local and national funding streams and generates income to support its long-term sustainability.

Delivering national, regional and local objectives

CVCRS's newly developed strategy (2009-2012) reflects the current neighbourhood plan for 2006-2010 as developed by the NPB, which outlines targets for five thematic groups – health, community safety, environment, housing and jobs, training and education. These reflect government priorities relating to environment, health, youth and capacity building. The strategy also has strong links to Birmingham City Council's Local Area Agreement, the Erdington Constituency Plan in which Castle Vale sits and the Birmingham East and North PCT strategic plans. Consideration has also been given to a range of service specific strategies.

For example with respect to health, the government's "National Service Framework" of 2004 highlights priorities relating to coronary heart disease, diabetes, mental health, cancer and older people and identifies a number of national targets for delivery at a local level. With respect to youth, the government's report "Every child matters: change for children" (DfES, 2003) sets out a national framework for 150 local programmes of change to be led by local authorities and their partners. The DOH and DfES (2004) cites that their strategy is to "work with voluntary and community organisations to deliver change for children and young people" in delivering actions relating to physical and mental health, protection from harm and neglect, education and training contribution to society, and social and economic well-being. A follow up report called "Youth matters" (2005) focuses upon three main areas:

(1) Places to go, things to do.

(2) Targeted support for young people "at risk".

(3) Careers advice and guidance.

And finally concerning national environmental and regeneration priorities, as highlighted within the report "Living places" (2003) which are to

· Get the basics right.

· Tackle particular problems of the poorest communities.

· Tackle the needs of urban parks and green spaces.

· Communicate ideas and promote best practice.

At estate level, CVCRS is tasked with responding to the issues raised by residents. Information on resident priorities had been obtained through two surveys – a MORI survey carried out in 2004 and also through local research undertaken by CVCRS and other agencies. The results of these surveys also reflect those of another survey undertaken by the Tenants and Residents Alliance on an annual basis. Key issues for action related to health, worklessness, youth, support services and the supporting local communities. Taken together the findings have helped with work planning and supported and identified the need for developing a range of projects which have formed the basis of a three-year action plan in line with CVCRS's strategic development (see Table I).

The challenge for CVCRS has been and is to ensure that national, local and estate priorities are reflected locally. All the data collected has had to be analysed in order to

Projects	Funding source
Health	
Walk 2K	Neighbourhood Renewal
Exercise On prescription Extend	Funding
Smoking Cessation	Endowment Trust Fund
"Here for You"	Primary Care Trust
Teenage Pregnancy	Castle Vale Community
Health roadshows	Housing Association
Healthy Schools	Big Lottery Fund
Substance misuse	Terence Higgins Trust
Community garden	Neighbourhood Area
Outreach services	Agreement
Sexual health and relationship programme	
Men's health	
Mental health support	
Alcohol and young people	
Older people	
Youth	
Youth club	Neighbourhood Renewal
Dance club	Funding
Holiday and term-time activities	West Midlands Police
The Database – IT facility for young people	Endowment Trust Fund
Outreach – work	Castle Vale Community
Youth Council	Housing Association
Activity residentials	Connexions
Football	
Inter-generational project Training for volunteers	
NEET provision	
Environment	
Climate Change	DEFRA
Renewable energy	
Resident Support Services	
Information, advice and guidance	Castle Vale Community
Tenancy support	Housing Association
Worklessness – employment support	Big Lottery Fund

Table I.
CVCRS current projects
and funding sources

determine priorities for development and if there is a market, for the portfolio of projects offered by CVCRS; but more importantly if there is a funding stream for the activity that can be plugged into. As a result of this "market scanning" CVCRS has been able to continue to develop and offer with confidence initiatives relating to youth, older people and family units that will encompass environmental, health and community issues. Consideration is also being given to securing funding from the Working Neighbourhoods Fund to combat worklessness on the estate. Taken together these activities also provide a steer with respect to how the Sanctuary community building links with the estate as a whole.

Challenges and opportunities

It is recognised that the new commissioning arrangements being proposed by the government for third sector deliverers may present opportunities for future funding streams. However, this is a relatively new process and both local authorities and third

sector providers are still negotiating their way through the new arrangements. There is also some debate, in the sector, about how open and accountable the new arrangements are as it is envisaged that some local authorities will merely re-commission previous fundees to deliver the same programmes rather than commission new ones. In addition concerns are being raised over the nature of organisations likely to receive funding due to the criteria agencies have to meet before applying; it seems that more established organisations are likely to be successful. However there is no doubt that the modernisation agenda of the government is beginning to impact on the third sector. Underpinning this trend is the view that generally the quality of services provided by, the reputations and perceptions of third sector providers are positive. They are often perceived as doing something "worthwhile" but in reality have probably already become businesses or "social enterprises", and contributing and supporting a range of statutory provision.

The new arrangements also potentially have an impact on partnership working and bring local providers into competition with each other. There are over 800 third sector and community organisations in Birmingham and, CVCRS alongside others, may find itself in a position whereby it is competing for work with other similar agencies and also with those that have previously been partners. This may lead to the third sector developing partnerships with each other to secure funding for contracts, especially if resources and grant opportunities become restricted. The diversity and range of the third sector comes to the fore here – not all partners may be able to deliver, have the same level of quality control mechanisms built into project outputs and outcomes and different organisational values may conflict. Already the third sector is witnessing mergers where some smaller agencies are having to join other larger ones to survive and/or are developing partnerships to secure a contract which they hope will assist their own sustainability but may actually be to their detriment in the future.

Notwithstanding these issues emerging from new government policy directions at an estate level CVCRS faces other challenges. Critical to the ongoing sustainability of CVCRS is its relationship with CVCHA and the NPB. CVCHA currently is one of the main funders of the projects run by CVCRS and provides infrastructure support. The additional funding, experience, skills and knowledge CVCHA brings to CVCRS is crucial to the continued existence of CVCRS. Without these resources it is unlikely CVCRS would survive. Currently CVCHA see CVCRS as helping it to achieve its aims and objectives for the estate. However these expectations may change and CVCHA may seek to work in partnership with other agencies who may not require the same level of financial and administrative support. Questions remain over the time period in and the extent to which CVCHA will support CVCRS into the future.

The partnership and governance arrangements are still new and further discussions may be needed between the officers and board members of both organisations. A similar question also emerges with respect to the NPB, CVCRS is seen as one of the key delivery agencies for the estate but will this continue into the future. Moreover there is also some uncertainty over whether the local authority will go any further down the devolution agenda to extend patterns of local neighbourhood working, which could be delivered by third sector partner agencies.

Amidst all these uncertainties CVCRS has established itself as a reputable delivery agent for a range of projects evidence by the range of grants it has received and partnerships it has forged. Its staff has grown in numbers and experience; it has an office base and is well connected in the area. Castle Vale is a strong brand with a reputation for the successful physical, economic and social regeneration of a rundown

estate through an effective blend of partnership working and resident led regeneration. It has achieved the status of a Guide Neighbourhood, providing an exemplar to other neighbourhoods seeking to achieve something similar to the outcomes of Castle Vale. CVCRS is able to draw from all of these benefits to develop new opportunities for the future.

Relatively recent JRF studies (2001, 2007) have found that those regeneration organisations, such as those on Castle Vale, which have succeeded are those that have the greatest potential for making a sustainable contribution and are engaged not just with the local community but also with the wider economy and have some degree of financial independence. The studies suggest that more intensive support is needed where there has been a long history of disadvantage and a fragmented community and a significant intervention affecting the community, such as a large regeneration programme. At the heart of these organisations are new types of professionals or "social entrepreneurs" operating within flexible management structures and wider networks through which further coalitions and alliances can be built with the added benefit of helping residents engage with mainstream social and economic activity.

In most cases community regeneration organisations are short-lived set-up to manage time limited projects, as was the organisational predecessor of CVCHA and CVCRS. But as both of the latter organisations now have a strong permanent presence in the area, they can be judged not on the ability to generate and deliver new projects but rather on the range of sustainable programmes and activities created and the extent to which other public sector agencies invest resources in the neighbourhood. They can also provide local leadership and together have established an extensive body of expertise; are well networked and have earned the support of and developed strong relationships with both the NPB and LSP. Moreover they are established organisations, with a local estate presence (significantly CVCHA is the major landlord on the estate and CVCRS manages The Sanctuary community building), and have effective management and financial systems in place together with the administrative expertise to manage projects with multiple outputs and specific audit trails. Opportunities also exist for the personal development of staff in gaining experience of outreach work, and building relationships of trust with partner agencies and residents. Both organisations' mission is to benefit the local neighbourhood of Castle Vale, with CVCRS being tasked to do this through providing skills development programmes aimed at getting people back into work or involved in civic life, running projects which promote health and well-being, and establishing and supporting fledgling local social enterprises. Their legitimacy is derived from their presence on the estate, acting as champions for Castle Vale and having residents of castle vale on their governing boards. Collectively these attributes anchor both CVCHA and CVCRS within the estate and enable them to support other smaller community based organisations. The experience of the JRF Neighbourhood Programme (2007) shows that engaging communities fully in services and decisions that affects their lives requires:

- a strong base for participation;
- the capacity to engage with the diversity of local communities;
- effective leadership and accountability;
- a strategic plan with effective management systems; and
- sustainable funding.

which arguably the governance and organisational structures on Castle Vale facilitate.

However on-going income generation and funding remains the key priority for CVCRS. Of concern is whether CVCRS will be able to sustain itself in five or ten years time due to the growth in voluntary sector provision generally, and the competition that will generate, and the increasingly demanding criteria that an organisation has to meet to secure external funding. There is a recognition that core programmes, such as health and youth, will never be financially sustainable unless mainstreamed funded or commissioned by statutory providers. Because of all these uncertainties CVCRS is beginning to look outwards from Castle Vale into Birmingham to forge relationships with third sector networks, such as Birmingham Voluntary Services Council and the Third Sector Assembly in order to help secure funding opportunities from the local authority, but that in itself brings further challenges of breaking into already established networks.

Conclusion
CVCRS is an example of how a small community organisation can successfully develop in just four years from zero to a turnover of just under half a million pounds. It can be classified as a young innovative organisation as it reflects many of the associated attributes developed by Osborne (1998). However, it could not operate without the support of CVCHA, the NPB and the ability to fall back on the financial resources provided by the Endowment Trust Fund originally set up by CVHAT to sustain the extensive regeneration programme previously undertaken. Increasingly CVCRS is becoming more successful at securing external funding and generating income but the key challenge remains as to whether CVCRS will ever be totally financially independent from CVCHA and the NPB and become self supporting. As a relatively small and unknown organisation outside of Castle Vale and the immediate locality it is also finding difficulties in securing work beyond the estate. This is a strategic matter for the Board to consider. However notwithstanding these difficulties CVCRS presents a model which other regeneration agencies might consider for sustaining the ongoing sustainability of an area which has undergone substantial regeneration.

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