# Sheffield Hallam University

## A Sheffield Hallam University thesis

A Thesis Submitted in Partial Fulfilment
of the Requirements of Sheffield Hallam University
for the Degree of a Master of Philosophy

An Analysis of the City
Challenge Decision-Making
Process: The Dearne Valley
Partnership and Sheffield

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# Acknowledgements

This study is dedicated to the memory of Louise Leeman who died tragically in April 1995 in a car accident aged twenty four.

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## Abstract

This study aims to explore the decision-making processes affecting urban change. It uses the City Challenge initiative to help illuminate the changing nature of Urban Policy in Britain and explores the decision-making process in some depth. City Challenge is an urban regeneration initiative introduced in 1991 by the Department of the Environment to improve selected areas of social, economic and environmental deprivation.

It is an empirical study based upon thirty four face-to-face interviews with key actors in two case study areas in South Yorkshire - Sheffield and the Dearne Valley. Initially the study contextualises the City Challenge initiative within British Urban Policy. The thesis draws upon three themes that emerge from an examination of the processes of decision-making in the urban environment. Firstly aspects of partnerships are considered applying a series of partnership models to the City Challenge decision-making process. Secondly relations between central and local government and the changing role of local government are explored using a series of appropriate models. Finally two American theories, growth coalition theory and regime theory, are applied to the City Challenge decision-making process to explore public/private alliances. The study concludes with some observations about the research findings and suggestions for further study.

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# Preface

This study emerged from a general interest in urban regeneration. Having grown up in London, studied in Birmingham and worked in Sheffield I have had first hand experience of life in big cities. Studying town planning in Birmingham introduced me to aspects of urban change that I had not really considered before. Birmingham during the late 1980's and early 1990's was one of the cities in the UK undergoing rapid urban changes. I wanted in some way to be involved in the transformation process of cities and subsequently came to work as a research associate at the Centre for Regional, Economic and Social Research (CRESR) in the Urban and Regional Studies Department at Sheffield Hallam University (SHU) in 1991. My work at CRESR was centred broadly around the field of Urban Regeneration.

That same year at a conference in the School of Advanced Urban Studies in Bristol I learnt about the launch of a new urban initiative City Challenge. It seemed to me that much excitement and interest was being created by this relatively small and controversial programme and it might be worth further exploration. It appealed to me as the timing was just right and it focused upon areas in need of regeneration in cities which either I was familiar with, or would be interested in visiting. Rather than concentrate on an evaluation of the impact of urban regeneration in terms of the number of jobs etc. I thought I would look at the decision-making process. It occurred to me that studies in the urban regenerative field concentrate almost exclusively on 'outputs' or 'outcomes' rather than looking backwards at the process in terms of who made the decisions and why. The recently published Department of the Environment (1994b) study "Assessing the Impact of Urban Policy" confirmed this belief. This study therefore I hoped would offer a further contribution to understanding the process of Urban Regeneration.

City Challenge represented a turning point in the government's attitude to Urban Policy in a number of respects: it promised a genuine multi-agency partnership; it claimed to be benefiting inner city residents; it offered local government a key enabling role; and it claimed to still involve and stimulate private sector activity. These aspects of City Challenge came to be my starting point and offered me a broad framework for a further exploration of the decision-making process. The three themes of partnership, central/local relations and public/private alliances formed the basis for the study. As the study progressed it emerged that these themes followed each other quite coherently. For instance each theme focuses primarily upon a different sector; Chapter 4 (aspects of partnership) explores community consultation, Chapter 5 (central/local government relations) examines the role of local government and Chapter 6 (power relations theory)

scrutinises the involvement of the private sector. Having established the principles and key aspects of partnerships it was not difficult to pursue aspects of central/local government relations. Similarly the central/local debate illuminated discussions around the changing role of local government which in turn led to discussion around the nature of public/private liaisons.

I decided that speaking to key actors would probably be the best way of eliciting opinions about decision-making. On reflection in-depth participant observation at meetings and the workplace might have yielded even more useful results but due to time and resource constraints I chose to use the case study method. Chapter 2 describes the methodological approach in more detail.

The University in 1992 was commissioned to examine the Consultation process for Sheffield's Second Bid (there were Two Rounds of City Challenge). This seemed an ideal opportunity to use Sheffield as a case study as researchers at SHU were immersed in the decision-making process, undertaking interviews with key actors and scrutinising decision-making. I had some doubts when it was announced that Sheffield's bid was unsuccessful, though as there were more 'winners' than 'losers' it seemed appropriate to examine an unsuccessful bid. I selected the Dearne Valley for my 'successful' bid at the time as it covered parts of Barnsley, Rotherham and Doncaster giving me access to each authority in South Yorkshire (whilst being relatively cost effective in terms of fieldwork). The Dearne Valley bid was also a Round One City Challenge 'pace-maker' authority so I could cover both phases of the initiative. Due to close proximity of the two case studies I was able undertake some 34 face-to-face interviews which was perhaps more than would have been feasible were the case studies further afield. Chapter Three offers a synopsis of the case study areas.

Before scrutinising the decision-making process I attempt to contextualise City Challenge within UK Urban Policy so that shifts in political thinking over the last few decades can be traced (Chapter 1). The literature review for this study is interspersed with the findings (Chapters 4 to 6). I thought that this would make a more interesting read and, in terms of the three key themes outlined above, it seemed a more logical approach. In Chapter 4 I consider aspects of partnerships in general and went on to apply them directly to the case studies. I hoped to explore whether the experiences of partnerships elsewhere were common to the City Challenge process. For instance I examine processes of consultation, conflict and communication and reflected upon observations in the field.

In Chapter 5 I review the literature concerning the centre/local relations and the changing role of local government and then look at the experience in Sheffield and the Dearne Valley. I wanted to explore the applicability of these models to the real world; for instance, was local government really being given a new role in terms of co-ordinating decision-making in Urban Policy?

Chapter 6 draws upon two theoretical debates about power from the United States. I was curious of these grand theories about growth coalitions and urban regimes and wondered if these phenomena could really be transferred to the UK context. In the concluding chapter I reflect on the research methods I chose to adopt, consider some policy implications and several ideas for future research. This Chapter also highlights some of the questions that remain unanswered and traces some areas for future research.

# Chapter 1 City Challenge: A Context within UK Urban Policy And The Progression Of Partnerships

## 1.1 Introduction

This study attempts to illustrate the changing nature of decision-making within the urban environment in Britain. Just when Urban Policy seemed to be heading in a particular direction another initiative appeared or died away, or an election changed the course of events. The following comments illustrate how Urban Policy has been constantly reformulated over a number of decades. During the late 1970's the Department of the Environment assumed that "local authorities are the natural agencies to tackle inner area problems. They have wide powers and substantial resources. They are democratically accountable bodies; they have long experience of running local services, most of which no other body could provide as effectively or as sensitively to local needs; and they have the working links with other bodies concerned" (1977, p8). In 1980 the newly elected Conservative administration were suggesting that "we must encourage and enlist the flair, drive and initiative of the private sector as the only possible way of restoring lasting prosperity to the decaying areas of some of our towns and cities" (King, 1980, p3121). By the early 1990's the Urban Policy was changing direction again. "John Gummer, Environment Secretary, today announced on behalf of six government Departments, sweeping measures to shift power from Whitehall to local communities and make Government more responsive to local priorities" (Department of the Environment, 1993, p1).

The thesis uses the City Challenge initiative to illustrate how the decision-making process affects local partnerships. Initially this Chapter outlines the transformation of partnerships in British Urban Policy before contextualising the City Challenge initiative. The progression of partnerships (post 1970) in the UK is traced in sections 1.2-1.5. The chapter continues to outline the origin and timing of the City Challenge initiative before describing some of its more innovative aspects (Sections 1.6 and 1.7).

The subsequent section traces partnerships in the post 1970 era using two main categories: first, 1970's partnership models (up to and including early 1980's "Local Socialism") and second, 1980's entrepreneurialism (including business development and enterprise type partnerships, and the wider property based schemes).

## 1.2 From 1970's Partnerships to Early 1980's "Local Socialism"

In the 1977 Inner Cities White Paper and subsequent 1978 Act, local authorities were seen as the catalysts of urban renewal. The concept of partnerships was officially endorsed and the Urban Programme (see below) was transferred from the Home Office to the Department of the Environment, changing the emphasis from a 'pathological' to a more socio-economic approach. Partnerships involved various public sector bodies, the Departments of Industry and Employment, the then Manpower Services Commission, the Police, local health authorities, and voluntary organisations, in a determined attack on inner city problems. It should be noted that the concept of partnerships in the UK was not new, for over 50 years there have been regional development agencies with backing from local authorities and the private interests. For example Birmingham City Council initiated a strategy with the Chamber of Commerce and Industry to develop the NEC in the late 1960's.

The in-coming 1979 Conservative government kept the partnerships already established in Britain's major cities and announced that greater significance would be given to the private sector. They altered the structure of partnerships; "local authorities (should) bring about....the conditions which will encourage the private sector" (DoE press release, 1979, 390). However, to a certain degree, this had already happened with the establishment of Industrial Improvement Areas under the 1978 Inner Urban Areas Act. Partnership and Programme authorities were able to delineate industrial improvement areas in which loans and grants were available to firms for alterations and improvements (Lawless and Brown, 1986).

The Urban Programme had the greatest lifespan of all urban regenerative schemes. Set up in the late 1960's it changed its focus from social projects to economic development schemes. Table 1 shows that expenditure patterns for the Urban Programme increased from £154.5 million in 1979-80 to £254.8 in 1983/4. The table also illustrates how the gap between social and economic expenditure narrowed with increasing emphasis on economic objectives, whilst funding for environmental projects remained relatively static. Table 2 indicates that a considerable amount of Urban Programme funding went to Partnership Authorities between 1979 and 1982, some £225 million out of a total allocation of £567 million (around 40 percent). However the government announced that the programme was to be phased out from 1992 after thirty years of voluntary sector and local authority project support. The Autumn Statement in 1992 declared the phasing out of the Urban Programme (UP) and was received angrily by a number of commentators (see Nevin and Shiner, 1993). Gosling (1993) warned that the UP's

demise would have severe consequences for voluntary and community groups and hence, thousands of inner city residents.

Table 1 Expenditure Patterns Under the Urban Programme

|  | 79-80 | | 80-81 | | 81-82 | | 82/83 | | 83/84 | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | £m | % | £m | % | £m | % | £m | % | £m | % |
| Economic | 38.6 | 25 | 55.2 | 28 | 59.8 | 28 | 84.6 | 34 | 83.1 | 33 |
| Environ-mental | 23.3 | 15 | 29.8 | 15 | 42.4 | 20 | 54.1 | 21 | 50.7 | 20 |
| Social | 92.6 | 60 | 113.6 | 57 | 111.4 | 52 | 112.1 | 45 | 121.0 | 47 |
| Total | 154.5 | 100 | 198.6 | 100 | 213.6 | 100 | 250.8 | 100 | 254.8 | 100 |

**Source:** DoE, (1985), p16

Table 2 Urban Programme Allocations by Partnership Authority, 1979-1982

| Docklands | Hackney/ Islington | Lambeth | B'ham | L'pool | M'chester /Salford | Newcastle/ Gateshead | Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
| £56.6m | £33.1m | £17.4m | £26.5m | £43.8m | £43.1m | £7.8m | £225m |

**Source:** Nabarro, (1980), p29

By the early 1980's there were 23 Programme authorities and, under the 1978 Inner Urban Areas Act, seven Inner City Partnerships (London's Dockland authorities, Lambeth, Islington and Hackney, Birmingham, Manchester and Salford, Liverpool, and Newcastle and Gateshead) were created. The Partnerships could make loans for land acquisition and site preparation, and provide grants to co-operatives and common-ownership enterprises. Nabarro noted that "this money is intended mainly for pump-priming projects for stimulating community involvement, for undertaking projects which fall outside the main programmes of central and local government, or for topping up what has been done in other ways" (1980, p25). Towards the beginning of the 1980's there was a shift in policy direction towards a philosophy based on market principles: "cities grew and flourished because of private enterprise. It is private enterprise backed by well-directed government action, that will renew them" (DoE/DE, 1987).

By contrast many authorities in the early 1980's were Labour controlled with, in many cases, a significant representation of Trade Union members. In some there was the emergence of what has been called "Local Socialism". "Local Socialism" could be regarded as the response of the new left to inner cities problems, friction within local government or changes within the Labour party itself (Gyford, 1985). The general principle was to further public sector involvement in the local economy and "contest traditional assumptions about workplace organisations and decision-making in the local economy" (p46). During this era Enterprise Boards were used as a mechanism to invest in the local economy. Established by local authorities as economic development companies, Enterprise Boards, were "directly involved in investment or other joint activities with the private sector" (Cambell, 1990, p128). The Boards exercised social control over capital investment, working conditions, products, and gave priority to industries and individuals marginalised by industrial decline. The aspirations of the Enterprise Boards were difficult to achieve in "a climate hostile to interventionist policies" (p152).

However following the abolition of the Metropolitan Councils in 1986, rate-capping and various other attempts at marginalising power at the local level, many authorities were forced to accept the increasing role of the private sector. As Haughton and Whitney observed "there has been a marked shift from a position as statutory regulator of development to promoter of development" (1989, p10).

During this era of rapid change some commentators suggested that local authorities needed considerable creativity to retain some of their service provision and that one way to do this was through partnership. Askew asserted that "since 1985, there has been a shift in attitude among Urban Left authorities away from a confrontational approach to one more prepared to work with capital" (1991, p16).

In the early 1980's attempts to achieve equitable local economic development strategies emerged, the pioneers of which were the more radical authorities like Sheffield (Harding, 1991; Lawless, 1990a and 1990b). However central government was opposed to radical local government-led regeneration. Furthermore local government lacked the resources and powers to have any major impact politically. As Harding claimed "equitable growth strategies (were) supported in principle, but if supported by local government alone, could have little overall effect" (1991, p302). Despite efforts at "Local Socialism" the growth of entrepreneurial urban initiatives during the 1980's was considerable.

## 1.3 1980's Entrepreneurialism

During the 1980's a number of initiatives were created to stimulate private sector activity in inner city areas (see Table 3). These included: Enterprise Agencies (EA's) and Enterprise Trusts (ET's); Business in the Community (BiC); Task Forces; City Teams (CAT's); Enterprise Zones (EZ's); Simplified Planning Zones and Free Ports; Urban Development Corporations (UDC's); City Grants and Derelict Land Grants (DLG); Garden Festivals; Financial Institutions Group (FIG); the Phoenix Initiative; and the British Urban Development (BUD) consortium. These initiatives needed to be viewed within the context of the changing role of local government (see Chapter 5). For instance it is no co-incidence that the intensity of entrepreneurialism increased against a steady decline in public expenditure.

### Table 3 Expenditure on Inner Cities

|              | '86-7 | '87-8 | '88-9 | '89-90 | '90-1 | '91-2 |
|--------------|-------|-------|-------|--------|-------|-------|
| **Urban Prog** | 236.8 | 245.6 | 224.3 | 222.7 | 225.8 | 242.4 |
| **City Grants** | 23.9 | 26.8 | 27.8 | 39.1 | 45.4 | 55.5 |
| **DLG**      | 78.1 | 76.5 | 67.8 | 54.0 | 61.7 | 75.6 |
| **UDC's**    | 89.3 | 133.5 | 234.4 | 436.0 | 553.6 | 501.5 |
| **CAT's**    | - | - | - | 4.0 | 7.7 | 8.1 |
| **Research** | 0.7 | 0.4 | 0.4 | 0.6 | 0.5 | 0.8 |
| **Transitional** | 13.7 | 7.6 | 7.9 | 6.4 | 0.5 | - |
| **Total**    | 442.4 | 490.3 | 562.6 | 762.8 | 892.2 | 883.8 |

**Source:** DoE, (1992b), p59

UK urban regenerative initiatives in the 1980's can be roughly divided into two phases: the business development and enterprise type partnerships, and the wider property based schemes. In an attempt to contextualise City Challenge a description of each follows.

## 1.4 Business Development and 'Enterprise' Partnerships

The first phase of initiatives was set up to support businesses and encourage the private sector to invest. Enterprise Agencies (EA's) and Enterprise Trusts (ET's) were established, based on the 'St. Helen's model', to give support to small firms. The St Helen's Trust was set up in 1978 by Pilkingtons and other local firms, trade unions and the council. The Trust offered services including business consultancy, premises and

grants. By the end of the 1980's there were 300 EA's and ET's receiving £300 million, divided equally between the public and private sector (Harding, 1990). Michael Heseltine tried to mirror the 'St. Helens model' with an attempt at the private regeneration of an estate in Knowsley, Merseyside. The so-called Stockbridge Village Trust collapsed following the withdrawal of funds from property developers Barratts. Despite initial claims of corporate philanthropy it became clear that "when the financial going gets tough, the tough get going - out of the project" (Deakin and Edwards, 1993, p225).

A similar business support initiative, Business in the Community (BiC), was launched following an Anglo-American conference after the 1981 riots. BiC, like City Challenge, was an initiative based on alliances between businesses, government and voluntary and community groups. BiC claimed to be "the leading authority on the promotion of corporate community involvement" (1992, p6). It was a non-political organisation funded by members' contributions and 'project' finance. In some cases BiC interacted with City Challenge bids. For example a Leeds based BiC helped to promote private sector involvement for the Leeds bid. BiC could be regarded as more socially responsible than the wider property based schemes which focused almost exclusively on private sector investment. For instance, 'The Newcastle Initiative' had social housing as a key element of its strategy (Confederation of British Industry, 1988).

Two initiatives, Task Forces and City Action Teams were launched specifically to enhance the co-ordination of urban policy. City Action Teams (CAT's) originated in 1985 within the Department of the Environment. Task Forces, initiated by the DTI under the 1988 Enterprise White Paper, were started to "work at the local level, build up links between local authorities, voluntary organisations, local communities and the private sector and, where necessary, overcome inter-and intra-authority conflicts" (Atkinson and Moon, 1994b, p118). An evaluation of the Task Force initiative concluded that "although task forces are judged to be cost-effective in the work they do, the fact is that small budgets are being applied to obtain small outputs, when the scale of the problem is huge" (DoE/DTI, 1992, p86). The report also estimated that the private sector only contributed an average of 40 pence per pound of task force expenditure (DoE, 1992). Despite low leverage levels the government announced (on July 17th 1992) that four more task forces would be set up in Birmingham, Haringey, Plymouth and Stockton. A small team of civil servants was to be activated in each area to bring residents back into employment.

## 1.5 Property Based Initiatives

The second phase of 1980's entrepreneurial schemes focused upon property based initiatives. The Conservative government of the early 1980's seemed suspicious of partnerships set up under the 1977 Act by Labour, in addition "by the early 1980's it was becoming clear, however, that Partnerships were encountering problems" (Lawless and Brown, 1986, p227). As Lawless emphasised not every partner, like the Department of Industry for instance, was satisfied with the inner city focus.

A key element of Conservative strategy was to encourage market forces and to fragment the command of monopoly public sector suppliers at the local level (Parkinson, 1989). The belief in 'privatism' indicated an "underlying confidence in the capacity of the private sector to create the conditions for personal and community prosperity. It also indicates a belief in the legitimacy of market values as the appropriate standard for community choice" (Barnekov, Boyle and Rich, 1989, p89).

Following this change in philosophy a number of new urban policy tools were introduced. Enterprise Zones (EZ's) and Urban Development Corporations (UDC's) marked the start of the drive to the free-market approach to inner city regeneration. Under the 1980 Local Planning and Land Act, Enterprise Zones were introduced offering simplified planning, development land tax and local rates exemptions and 100% capital allowances for industrial and commercial buildings. Evaluations of the EZ experiment (the National Audit Office 1990 and PA Cambridge 1987) stressed concerns about the high cost of job creation and difficulties imposed by additionality (the extent to which employment creation is wholly attributable to EZ status). PA Cambridge claimed that by 1986 only 35,000 jobs out of the 63,000 jobs located on the 23 British zones were "as a direct consequence of the EZ policy" (1987, Executive Summary, p2). Simplified Planning Zone's (SPZ's) were introduced to diminish public sector procedures endured by the private sector without the financial incentives available within Enterprise Zones. SPZ's experienced problems of adoption and designation and proved relatively unpopular: "the concept has failed to excite the interest of most local planning authorities and developers alike" (Blackhall, 1993, p26). Equal enthusiasm was raised by the government's Free Port initiative, described in Atkinson and Moon as "an almost unrelieved failure" (1994b, p154). Despite exemptions from customs duty and other import charges the Free Ports, set up in six ports and airports, lacked the financial incentives of EZ's and UDC's and were located almost exclusively in declining areas.

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The "free-market" approach was further exemplified by the establishment of Urban Development Corporations (UDC) in several cities: Liverpool and London (first generation), Trafford Park, the Black Country, Teesside and Tyne and Wear (second generation), Bristol, Manchester, Leeds, and Sheffield (third generation), and more recently in Birmingham Heartlands (formerly an Urban Regeneration Agency), Cardiff Bay and Plymouth, where locally forged partnerships were already in operation. Launched under Part XI of the 1980 Local Government, Planning and Land Act, UDC's aimed to "bring land and buildings into effective use, encouraging the development of existing and new industry and commerce, creating an attractive environment and ensuring that housing and social facilities are available to encourage people to live and work in the area" (S.136). The UDC's increased the role of the private sector with the public sector providing the 'gap-finance' and helping to ease the regulatory environment (through simplified planning for example). Early UDC's in particular have been criticised (Atkinson and Moon 1994b; Imrie and Thomas 1993b; and Lawless 1988) for their focus, almost exclusively, on physical development: "so long as UDC's prioritise on narrow physical regeneration strategies revolving around flagship schemes, they will not contain mechanisms for ensuring that local people benefit, and their appropriateness will be questionable" (Atkinson and Moon, 1994b, p153).

Since 1980 a number of grants have also been introduced to encourage private sector developers to invest in various development schemes. City Grant, a combination of the former Urban Development Grant (UDG) and Urban Regeneration Grant (URG), allowed private companies to seek direct assistance from the DoE. UDG's were offered for joint local authority/private sector capital projects, although funding applications were made by the local authorities. The URG (1986) however did not require local authority authorisation and was paid directly to the developer. In 1988 the City Grant was introduced to stimulate development which could not otherwise proceed without government assistance. The significance of City Grant was that it further marginalised the role of local government in favour of the private sector: "the government was quickly able to extend the role of the private sector and to exclude local government from participating in another component of inner city politics" (Deakin and Edwards, 1993, p38).

Derelict Land Grant (DLG) "enables derelict, neglected or unsightly land to be reclaimed and brought back into beneficial use" (DoE, 1994a, p1) where reclamation costs would otherwise have been inhibitive to development. DLG's and City Grants form an integral part of City Challenge programmes and may have proven crucial in attracting development to their areas.

Three other programmes were introduced reinforcing this change towards property-based policies, the Financial Institutions Group (FIG), the Phoenix Initiative, and British Urban Development. The Financial Institutions Group (FIG), set-up by Heseltine in 1981, involved financiers and senior civil servants attracting private funding for urban regeneration. Although it was discontinued after only one year FIG developed the notion of pump-priming based on the US Urban Development Action Grant (UDAG). The fact that FIG collapsed in 1982 illustrated that the private sector could also not respond successfully to the inner city problems. In 1985 the Department of the Environment introduced the Phoenix Initiative. The members were drawn from the property development sector: the Building Employers Confederation; the British Property Federation; Business in the Community; the Urban Investment Review Group; the Association of British Insurers; and the Building Societies Association. The initiative saw the public-private role reversed. As Boyle reiterated "instead of exploring ways in which the private sector could assist the public process of urban regeneration, the Phoenix Initiative sought the modification of policy - national and local - to subsidise private development" (1989, p18). British Urban Development (BUD), another property and construction related consortium, was initiated, to co-operate with local authorities in the disposal of land, commercial property and housing form public to private ownership. It is interesting to note that the first chief executive was appointed from central government.

These initiatives further reinforced the role of the private sector in urban development, re-orientating the role of the public sector. As Harding reaffirmed: "the logic underlying all these developments appears to be that private sector participation is seen as critical to the process of urban regeneration and that local authorities involvement is desirable but ultimately optional, depending on time and place" (1990, p114).

The aforementioned property-based schemes have been criticised for profiteering from public subsidies, justifying their actions as "pseudophilanthropic urban regeneration, given its political salience" (p305). However, Thatcherism succeeded in its objective of transforming the role of the private sector (see Thornley, 1991) from "client to policy partner and project manager" (Moore, 1988, p21).

The next sections explore the origin of City Challenge highlighting how it differs from the Urban Policy initiatives of the last twenty years or so (Section 1.7) before describing several innovative aspects of the initiative (Section 1.8).

## 1.6 Origin: City Challenge Rounds One and Two

Michael Heseltine was instrumental in the creation of City Challenge (Heseltine, 1991). Having studied various approaches to urban regeneration world-wide, including the United States and the Far East, Secretary of State Michael Heseltine made a number of suggestions concerning urban policy. A recognition of the need to tackle the cause of deprivation was again emerging, "people have put up with these conditions too long. We are determined to help them find a better way. City Challenge will do just that" (Heseltine, 1991, p1). Heseltine thought it would offer an innovative alternative to the Urban Programme which the government claimed was rolling forward in a bureaucratic way with a lack of focus (Audit Commission, 1989). In an attempt to 'improve' the effectiveness and efficiency of urban funding programmes a competitive element was introduced. Michael Gahagan (1992), Head of the Inner Cities Directorate, suggested the Urban Programme had become 'moribund and diffuse' and a new philosophy should have local authorities acting as a broker. He claimed that City Challenge progressed the direction of Urban Policy using the experience gained from initiatives of the last twenty years (Gahagan, 1992). City Challenge returned to an area-based, bottom-up rather than a trickle-down approach to urban regeneration (see McConnell 1993).

City Challenge was clearly a continuation of post 1970's partnerships (Section 1.2) with concepts like 'opportunity' and 'delivery mechanisms' replacing themes like 'poverty' and 'partnership authority'. It may also be argued that the City Challenge decision-making process was a progression from the 'entrepreneurial' partnerships of the 1980's. Parkinson (1991) offered a succinct summary of how City Challenge capitalised on previous partnership initiatives. He suggested the City Challenge decision-making process differed from 1977 partnerships (introduced in the 1977 Inner Cities White Paper) in 5 main ways: ostensibly less bureaucracy; more private sector involvement; specific commitments; clearer estimates of impact; and better delivery mechanisms. City Challenge also allowed a degree of flexibility with greater potential autonomy for the partners, it appeared more accountable with on-going monitoring and evaluation. Like Task Forces and City Action Teams, City Challenge sought to enhance the co-ordination of urban regeneration. It provided a more holistic approach to regeneration with a combination of housing renewal, land reclamation, and business development grants etc.

The City Challenge decision-making process differed from 1980's entrepreneurialism (Sections 1.3-1.5) in a number of ways. Unlike EZ's and UDC's the community was made a major partner in the process and human as well as physical capital was targeted. As some commentators have observed it represented a change in the philosophy of

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central government by attempting to address the failure of the property-led trickle-down approach of Urban Development Corporations, to benefit local communities, particularly those disadvantaged in housing and labour markets. The City Challenge strategy was more comprehensive incorporating social, economic and physical regeneration. The City Challenge decision-making process directly engaged government departments, involved bending the priorities of main programmes and made partnership more of a reality.

In summary therefore, like the initiatives of the 1970's and 1980's City Challenge still offered an area-based response to regeneration, although with a competitive element. Some observers (Beecham 1993, Deakin and Edwards 1993 and Gosling 1993) were sceptical about the use of a competitive strategy as a policy for inner city regeneration: "opportunities for more strategic, wide-ranging and geographically spread schemes may be lost. Competitive bidding may result in areas with the greatest need going unassisted" (Gosling, 1993, p20).

City Challenge seemed to embrace a combination of both social regeneration (1970's) and economic-led regeneration (1980's). Similarly the role of local government appeared to be one of an enabler rather than a provider (1970's) or a peripheral player (1980's). The City Challenge initiative also focused upon bottom-up community-led regeneration unlike the 1970's when top-down local authority responses dominated or the 1980's when community participation in main stream regeneration was minimal. The announcement represented a considerable transition in the government's attitude to urban regeneration, "it signalled a change from a commitment to top-down initiatives to a greater emphasis on partnership, community participation and building from below" (Bailey, 1993a, p1).

The next section describes the timing for the two rounds of City Challenge.

On the 23rd of May 1991 the then Secretary of State for the Environment, Michael Heseltine, announced a new urban policy initiative: City Challenge. It formed part of the "Action for Cities" programme and was integrated into the Citizen's Charter White Paper.

Fifteen local authorities, all Labour controlled, were given the opportunity to compete for a share of £75 million per annum over a five year period. Significantly these only accounted for around one quarter of all Urban Programme authorities. Six unsolicited bids were also received. These were also considered. Eleven "pacemaker" authorities were selected for the pilot project. They were invited by the Department of Environment

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(DoE) to identify one area under their auspices requiring special attention. Typically these areas included some of the worst examples of economic, social and environmental deprivation. All the authorities had to give a presentation to the DoE justifying their proposals. Each document incorporated a variety of bids for a range of projects. For example a typical bid document included individual proposals for housing renewal, transportation improvements, training initiatives, business schemes or voluntary initiatives. Some commentators (see Atkinson and Moon 1994a) demonstrated the apparent mismatch between the need for resources and the ability to secure funding: "oddly, there is no apparent relationship between the success of a bid and a bidder's place in the DoE's own ranking of multiple deprivation" (p124).

The winning bids were announced in Manchester on the 31st July 1991 (see Appendix 1) and the "pacemakers" had to produce a detailed action plan to be approved by the DoE by January 1992. The action plan was to incorporate four key themes: vision, solutions, outputs and delivery. Local authorities were given fairly detailed guidelines to enable them to prepare a "model action plan" (see City Challenge Model Action Plan, parts A and B, prepared by Victor Hausner and Associates for the DoE, November 1991) Hausner, a private consultant who had advised Jimmy Carter, appeared to have had considerable input into the development of the City Challenge programme. However these guidelines were only available some four months after the pacemaker approval decision. The DoE authorised and signed the action plans which met their criteria for approval. Once the agreement was signed City Challenge teams had 'delegated authority' for projects under £0.5 million, allowing considerable operational autonomy on small to medium sized schemes. Individual projects with a total cost of over £0.5 million required departmental approval.

Michael Heseltine, announced a Second Round of City Challenge on the 18 February 1992 and invited all 57 urban programme authorities to submit bids. Two authorities decided not to submit bids, Lewisham and Wirral (existing pacemakers) and the government negotiated an alternative package for Manchester concerning its Olympic Bid. Twenty programmes (see Appendix II) were selected in the Second Round (£7.5 million each per annum for 5 years). These accounted for around two fifths of Urban Programme authorities. Bids had to be submitted by 22 April 1992 and results were announced towards the end of July.

After two rounds of City Challenge Heseltine's flagship project committed over £1 billion to 31 of England's urban priority areas. Despite speculation that there might be a third round of City Challenge in 1994-1995, the idea was quashed following the

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introduction of the Single Regeneration Budget. The following section provides a detailed account of the City Challenge bidding process with particular reference to the innovative aspects of initiative.

## 1.7 Innovative Aspects of the City Challenge Process

"City Challenge marks a revolution in urban policy. The stimulus of competition has transformed the way in which local authorities and their partners have approached the task of urban regeneration" (DoE, 1992a).

The DoE identified three key elements of the City Challenge initiatives (the "three C's"): co-operation; concentration; and competition. City Challenge was fundamentally an area-based partnership aimed at directing resources in target areas, "putting resources where they were most effective" (DoE, 1992). Competition for resources would, the government hoped, encourage an "imaginative and innovative approach to tackling inner city problems" (1992). As this study focuses upon decision-making in the City Challenge process the next section reviews the innovative elements of City Challenge. These aspects can be summarised under five key areas: the strategic objectives; partnership; programmes and outputs; management and organisation; and finance and resources.

First, the **strategic objectives** outlined in bids varied from area to area according to specific needs and priorities. The DoE indicated a range of objectives that authorities may have wished to pursue. They included policies to: improve skill levels; encourage private investment; reduce crime; diversify tenure; promote education; and improve health facilities. Strategic advice in the bidding guidelines suggested that objectives were subject to time and resource constraints and should be capable of long-term monitoring. They should also be linked to the opportunities of the target area and to a population and a 'shared vision' for the area as a whole. The references to vision and opportunity suggested that teams needed to be able to put ideas into practice and thus achieving 'end-state objectives'. The guidelines indicated the need for a "multi-disciplinary and co-ordinated approach involving a range of agencies and programmes" (DoE, 1992, p6). The management of the initiative therefore was vital to the success of the policies and programmes.

The strategic bidding guidance emphasised that not all objectives were be funded solely by City Challenge monies. Indeed alternative sources were actively encouraged. For example a major housing project could involve the diversion of some funding from housing programmes or could lever additional sums from the private sector. Authorities

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were also required to devise an exit strategy whereby they had to stipulate how programmes would be sustained beyond the five year funding period.

Second, the forging of effective **partnerships** was crucial to the success of City Challenge (DoE, 1992). The inability to demonstrate that effective local partnerships had been forged was seen as one of the key reasons for failure in Round One of City Challenge (Dalgleish, Gordon, Osborne and Priddle, 1991). Each bid was strongly advised to involve a broad range of partners (see Table 4). City Challenge required that local interests participated in the preparation and implementation stage. In most cases this would have involved a number of meetings of core groups and sub-groups. Bids were also required to state a declaration of interest for the partners.

Table 4 Suggested Partners for the Preparation of a City Challenge Bid

| |
| --- |
| - the private sector (including companies and chambers of commerce)<br>- the local community<br>- the local authority's own service departments<br>- central government departments and agencies, including the local City Action Team (CAT) and Task Force where appropriate<br>- other local organisations eg TECs, Urban Development Corporations, health, social services and educational agencies and the Housing Corporation and Associations)<br>- the police<br>- voluntary agencies and groups<br>- the academic community<br>- religious communities of all faiths |

**Source:** DoE City Challenge Bidding Guidance 1992-1993, p7

Third, the bids were to include an indication of the **programmes and outputs** to be undertaken in the area. Projects could be wide-ranging, indeed City Challenge offered the opportunity for partners to be as imaginative as possible. For instance they might have involved: developing the local economy; increasing the housing stock; improving skills; or improving the physical environment. Victor Hausner and Associates prepared a detailed Model Action Plan (part A) entitled "An example of a completed Action Plan for the guidance of Pacemaker authorities". Thus whilst City Challenge aimed to stimulate innovative projects, the format in which they were presented was prescribed precisely to ensure a degree of bid uniformity.

The guidelines stressed that City Challenge was an **output** geared initiative. Funding over the five year period was subject to an annual review whereby 'outputs' stated in the action plan were scrutinised. This caused problems for some authorities as tangible results were difficult to demonstrate in the early stages of the initiative. Indeed, an initial concern was the ability to spend large sums of money within a relatively short time scale. As the National Audit office was monitoring the funding, central government emphasised the importance of local authorities to supply quantified performance related outputs with estimated 'milestones'. Annual reviews allowed the DoE to ensure that authorities were delivering the stipulated outputs, failure to do so would starve DoE funding. Furthermore where the achievement of strategic objectives was heavily dependent on one or more 'flagship projects', alternative options needed be considered should problems have arisen.

Fourth, "the **management and organisation** arrangements outlined in the bid must reflect the partnership and action-oriented nature of City Challenge" (DoE, 1992, p7). The guidelines stipulated the importance of building on existing partnerships. Bids with local delivery mechanisms were favoured by the DoE although the partners needed to be 'discrete' from the local authority. This implied that although local authorities were in the front line of City Challenge, they needed to provide a co-ordinating rather than a dominating role. Furthermore the private sector needed to be involved to the 'maximum degree possible'. Bentley stressed that winning bids were likely to be those which incorporated "local delivery mechanisms with devolved responsibility" and those where participants were "given a clear and influential role, discrete from the local authority" (1992, p4).

The City Challenge "Bidding Guidance 1993-1994" document asserted that each bid should consist of a maximum of 5000 words excluding maps and appendices. Local authorities were offered no extra funding for bid preparation which in most cases amounted to several thousands of pounds. They were expected however, to adopt a new approach to management by consulting interested parties. Authorities were required to stipulate what new opportunities the local people, agencies and institutions would be offered over and above what would have happened anyway via other initiatives. The government referred to this as 'added value'. Each bid had to cover a number of key areas (see Table 5).

The delivery structure needed to be clearly and diagrammatically presented. Table 6 highlights some of the statutory guidelines offered to the local authorities concerning elements of the delivery structure. Victor Hausner and Associates' "City Challenge

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Model Action Plan" reinforced many of the above guidelines. For example it emphasised the importance of independence from the local authority and the need for rapid and effective decision-making.

Table 5 Content of the Bids

Although the bids vary they had to cover a number of topics:

- the end-state vision for the area
- a definition of the area: its problems and opportunities
- strategic objectives
- partnerships arrangements (including consultations with interested groups)
- programmes and outputs for achieving the objectives
- management and organisation
- financial and other resources required

**Source:** DoE, (1992b), p8

Table 6 Elements of the Delivery Structure

(1) Its size and management structure

(2) The functions and responsibilities of participants

(3) How separate elements relate to each other and to the local authority

(4) Who is in charge

(5) The decision making process and the arrangements for appraising and monitoring

(6) Major costs and the level of support, in cash or kind, expected from the local authority, private sector, community, government and other agencies

(7) The lead authority and arrangements where local authorities are working together

**Source:** DoE (1992b), p8.

Finally, each bidding authority needed to estimate the amount of City Challenge **funding** they would be likely to need over the 5 year period (with a maximum of £37.5 million available per authority). Bids also needed to include details of private sector leverage and resulting local authority funding commitment. To give some indication as to what was expected from local authorities and perhaps to provide some degree of uniformity the statutory bidding guidance offered pro forma tables in Annexes A and B (pp 11 and

13). City Challenge offered some flexibility in funding terms. For instance resources could come from other government programmes encouraging joint ventures.

The government had set aside more than £400m for Phase One of the City Challenge initiative between 1991 and 1996. As resources were not limitless the philosophy was that competition would encourage motivation and tight spatial targeting would have the maximum impact. This was to be done by pulling together a variety of funding mechanisms and encouraging a partnership to devise a common vision. The local authority's role was to cajole interested parties and lever public and private investment.

Funding was 'top-sliced' from 7 existing programmes operating in inner cities (see Table 7).

Table 7 Funding for Year One of City Challenge

|  | £m | (%) |
| --- | --- | --- |
| Estate Action | 24.5 | 29.7 |
| Urban Programme | 14.3 | 17.3 |
| City Action Teams | 4.0 | 4.84 |
| City Grant | 13.0 | 15.8 |
| Derelict Land Grant | 2.7 | 3.27 |
| Private Sector Housing Renewal | 5.0 | 6.06 |
| Housing Corporation | 19.0 | 23.0 |
| Total | 82.5 | 100.00 |

Source: DoE, (1992b)

City Challenge therefore offered no *new* funds for regeneration but diverted monies from existing initiatives (see Table 7). City Challenge was intended to be output driven. These expected outputs were ambitious: £3 billion worth of private sector investment; 80,000 new jobs; 6,500 new businesses; and 55,000 new or improved houses (Morrison, 1993).

The final section in this chapter highlights some issues to be explored in the study.

## 1.8 Issues for Further Study

This chapter has attempted to contextualise the City Challenge initiative within British Urban Policy (Sections 1.2-1.5) before outlining some of the operational aspects of the City Challenge process (Sections 1.6-1.7). A number of significant implications can be drawn from the introduction of City Challenge. The process had a limited planning period and a high political profile. City Challenge offered no new funds, it was competitive by nature and introduced strict monitoring mechanisms. Finally it offered a move away from property based initiatives and emphasised an approach based on partnership with the local authority in the lead.

This study is structured around aspects of City Challenge decision-making process which signify three key changes in central government's attitude to urban policy.

First, it attempted to steer the benefits of regeneration towards those who needed them most: inner city residents. This signified a change from top-down initiatives to a greater emphasis on partnership and community participation. Chapter 4 offers a review of aspects of partnership formation in the UK and assesses the City Challenge decision-making process experience in Sheffield and the Dearne Valley.

Second, it intended local authorities to lead the City Challenge decision-making process by acting as an 'enabler' and not assuming the sole responsibility for regeneration. Central government by changing the rules on decision-making for Urban Policy affected the way in which decision-making was undertaken in local authority areas. Chapter 5 considers how the City Challenge decision-making process relates to debates surrounding the changing role and function of local government.

Third, the City Challenge initiative required that a variety of local interests were involved in the preparation and implementation stage. Chapter 6 evaluates two public/private sector theories and applies them to the City Challenge decision-making process.

The above three aspects of decision-making in the City Challenge bidding process form the framework for this research agenda. I will now describe and account for this research agenda before introducing the case study areas (Chapter 3) and exploring aspects of decision-making in more depth (Chapters 4-6).

# Chapter 2 Research Methodology

## 2.1 Introduction

This chapter describes the methodological framework for an empirical study of the City Challenge decision-making process. It also provides an overview of the data collected from 34 face-to-face interviews and methods of analysis. Section 2.3 discusses the merits of selecting a case study approach. An outline of the application of theoretical concepts is given in Section 2.4 and questionnaire design issues for face-to-face interviews are identified in Section 2.5. Data analysis methods are also discussed as well as the importance of maintaining quality and validity in qualitative research. Section 2.2 introduces various approaches adopted for the study.

## 2.2 Research Methodology - A 'Naturalistic' Qualitative Study

This study involved an evaluation of inter-relationships that were generally too complex for quantitative surveys. Thus, in addition to an analysis of secondary material, the study was supplemented by information from qualitative face-to-face interviews in two case study areas in South Yorkshire: the Dearne Valley and Sheffield (see interview schedule Appendix IV). Unlike quantitative data focusing upon analytical measures prone to statistical manipulation, qualitative data concentrates on the behavioural aspect of individuals, or groups and/or processes within organisations: "qualitative data are attractive. They are a source of well grounded, rich descriptions and explanations of processes occurring in local contexts." (Miles and Huberman, 1984 p15).

It was thought that rather than relying on a purely descriptive method based on secondary data, a more theoretically guided approach would be suitable (see Section 2.3). A summary of the diversity of research paradigms was offered by Rudestorm and Newton: "on the more inductive end of the continuum, the researcher develops theory out of the descriptive and interpretative process; on the deductive end-of the continuum, the researcher builds a study out of an established theoretical framework" (1992, p36).

Authors (see for instance Bryman, 1992; Denzim and Lincolm, 1994; Kirk, 1986; Lincoln and Guba 1985; and Silverman 1985) have frequently compared and contrasted two paradigms of thought - naturalism and positivism. A paradigm was described as "a systematic set of beliefs, together with their accompanying methods" (Lincoln and Guba, 1985, p15). Methods of data interpretation or level of naturalistic inquiry needed to be established at an early stage (Lincoln and Guba 1985).

Positivism is essentially hypothesis driven: "a family of philosophies characterised by an extremely positive evaluation of science and the scientific method" (Reese, 1980, p450 cited in Lincoln and Guba, p19). Positivist paradigms could be viewed in isolation from reality and considered a more 'removed' form of research. The naturalistic method of inquiry however is value-influenced: the aim of the inquiry is to develop an informed body of knowledge which describes the case(s) in question. Byrman (1992) suggested that naturalists can get close to their subjects without the constraints of an artificial structure. Typically positivists favoured quantitative hypothesis testing, whereas naturalists preferred the qualitative approach. In summary Byrman claimed that the descriptive naturalistic or 'phenomenological' approach was more suited to describing the 'real' world.

As 'naturalistic' qualitative research was more adept at studying specific phenomena at a given time, this approach was adopted here. The following section offers some comments about the merits of selecting a case study approach.

## 2.3 The Case Study Approach

"The essence of a case study...is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result" (Schramm, 1971).

As such the case study approach could be applied to highlight the characteristics of an organisation like a City Challenge team. As Yin stated, a case study was an empirical inquiry that "investigates a contemporary phenomenon within its real life context" (1989, p23). Case studies could help illuminate previously unknown aspects of the processes involved in such initiatives.

Hakim (1987) noted that the case study approach could provide 'experimental isolation' with which to study a selected process *against* theoretical ideas or models. Case studies also allowed the researcher flexibility in the chosen mode of data collection. This was especially useful in cases where the consequences of an initiative like City Challenge were unclear. Cochrane continued to suggest that the case study approach could be used for the *development* of theoretical ideas: "the case study method makes it possible to focus more narrowly on the processes of political change, which can be linked to broader theoretical debates" (1994, p22). In this sense the case studies in this thesis followed Hakim's model and were analysed *against* theoretical ideas and models.

Yin (1993) went further than Hakim by categorising different types of case study research. This thesis displayed elements of two of these - exploratory case studies and descriptive case studies. Exploratory case studies, where the results during the pilot phase were used in the final study, were useful for undertaking fieldwork of this nature as data was collected prior to defining the precise boundaries of the research. Clearly whilst there was still a need to create an framework for the study, this method offered the researcher flexibility in terms of the avenues explored. So-called 'descriptive case studies' Yin (1993) suggested, allowed the researcher some scope and depth for the study. They provided some boundaries for analysis.

Two case study areas in South Yorkshire were chosen to study the City Challenge decision-making process, Sheffield and the Dearne Valley (refer to Table 8). More than one case study, Yin (1993) suggested, increases the chances of achieving similar results: "if such replications are indeed found for several cases, you can have more confidence in the overall results. The development of consistent findings, over multiple cases and even multiple studies, can then be considered a very robust finding" (p34). A small number of case studies allowed the researcher to probe deeply and undertake extensive interviews in each area. The level of sophistication and detail required to explore such aspects of decision-making would have been difficult should the number of case studies have been increased.

Sheffield and the Dearne Valley were selected for a number of reasons. The former failed to secure funding in Rounds One and Two of City Challenge. This study focused on the decision-making processes adopted during Sheffield's second attempt to secure funding in 1992. As the study in Sheffield was based on a 'losing authority' it focused almost entirely on the decision-making during the bidding process as well as some 'post-mortem' reflections.

The other area selected for analysis was the Dearne Valley which secured funding in Round One (so-called 'pacemakers') of City Challenge in 1991. This area was particularly interesting in that it was a joint bid from Barnsley, Rotherham and Doncaster. This 'pacemaker authority' should not be confused with Barnsley City Challenge (Barnsley MBC, 1992) which was successful in Round Two of City Challenge in 1992 (Table 8). As the Dearne Valley secured City Challenge funding the empirical research focused upon the decision-making process in both the bidding and implementation stage. By examining the decision-making process in one area which was successful and one which was not it was anticipated that aspects of partnership formation could be explored in diverse surroundings.

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Table 8 Results of City Challenge Rounds I and II in South Yorkshire

|  | Winners | Losers |
|---|---|---|
| **Round I (1991)** | The Dearne Valley | Sheffield |
| **Round II (1992)** | Barnsley | Sheffield |
|  |  | Rotherham |
|  |  | Doncaster |

The two case studies allowed the same process to be studied in different settings with contrasting geographical areas and at varying time periods. Both areas also allowed the decision-making process to be assessed in differing economic conditions (see Chapter 3).

The application of a theoretical framework was crucial to the design of the questionnaire. The subsequent section attempts to explain why this structure is so important.

## 2.4 Applying Theoretical Frameworks

A framework for the discussion around decision-making needed to be constructed as well as clarifying how this material could be structured into the questionnaire. The interaction of descriptive models and theoretical ideas with the research findings was crucial to the study. "They (*theoretical ideas*) are general ideas, they make claims about how one type of phenomenon produces another" (Hammersley, 1993, p246).

Commentators (see for instance Bryman 1992; Hammersley 1990, 1993; Layder 1993; Strauss and Corbin 1990; Vaus 1991 and Yin 1984, 1993) agreed that theory based on observations was often an essential element of academic social research: "there is a growing view that qualitative research ought to be more consciously driven by theoretical concerns" (Bryman 1992, p91). Theoretical debates and descriptive models were integrated into this thesis in two ways.

First, theories and models were used to "predict how things will be in the 'real' world" (Vaus 1991, p12). Using existing theories and models to help explain findings was commonly accepted practice. Inevitably key themes emerged that could have been related to relevant theoretical concepts: "theories provide guides for analysis: propositions form a key focus around which data are analysed" (p25).

Second, theoretical concepts and descriptive models provided an "organising framework" (Layder, 1993, p43) for a thesis. Yin (1984) described theories as a 'template' against which results could be measured. The template could be used to help derive causal relationships between the data. Whilst theories were useful in the progression of the research it was important that they were flexible enough to help evaluate and appraise the City Challenge decision-making process. Thus although theories were not transferred per se, they could "depict explanatory models of the settings and contexts in which activity takes place" (Layder, 1993, p70).

Parts of theories could be extracted to help contextualise transcribed interviews and assess their relevance: "the enthnographer need not limit him or herself to a single theory as a framework within which to analysis data" (Hammersley and Atkinson 1983, p181). As it was decided to incorporate several interrelated theories and descriptive models (Chapters 4-6) the next task was to decide how to 'use' them constructively. A questionnaire (Section 2.5) seemed the most appropriate method of interrogation. The theoretical framework used to inform the questionnaire was as follows:

First, partnership models related mainly to sections (iv) and (v) of the questionnaire (Appendix V). Several issues were explored including the evaluation of the consultation process and the characteristics of partnerships.

Second, central/local government relations and the changing role of local government were analysed applying various sections of the questionnaire. For instance questions concerning the general bidding process of City Challenge (Section iii of the questionnaire) were viewed within the context of the government's overall urban policy. Similarly questions concerning the role of key players (Section v of the questionnaire) helped to evaluate their inter-relationships as did questions relating to consultation and partnership (Section iv of the questionnaire).

Finally, certain aspects of US theory were applied to sections of the questionnaire. As growth coalition theory was based on economic growth via a public/private alliance and regime theory focuses upon the relationship between private and public sector some questions addressed issues around consultation and partnership.

Having established the importance of the application of descriptive models and theory to the study the following section outlines some guidelines for questionnaire design.

## 2.5 Questionnaire Design for Face-to-Face 'Semi-Structured' Interviews

The questionnaire was strongly influenced by themes relating to the theoretical concepts outlined above. Some care was also given to the wording of the questions in an attempt to make them clear and understandable. Gilbert (1993, p138) claimed that "questioning should be as open-ended as possible" to allow unprompted responses. Moreover, he declared questioning methods should aim at extracting "underlying attitudes, beliefs and values" (p138) rather than standard or simplistic responses.

Rather than conducting a 'pilot' questionnaire modifications to the questions were made as the study progressed. This practice follows Yin's (1993) 'exploratory case study' model outlined in Section 2.3. During the initial stages of interviewing some questions were omitted and some were altered in an attempt to ensure that only relevant information was collected.

Perceptions of actors' roles within City Challenge, and their involvement in the decision-making process, was crucial to the analysis. It was for this reason that semi-structured interviews were chosen as the key method of data collection. The face-to-face approach was preferable to participant observation which was considered unrealistic for a number of reasons. First, it is likely that there would have been a number of refusals on confidentiality grounds. Second, participant observation might have proved highly impractical. For example the Dearne Valley extends over three different local authorities. This raised several complexities. For instance it would have been complicated to select a sample of key actors involved in the City Challenge decision-making process to ensure an adequate level of participation. Finally participant observation, unlike interviewing, failed to allow for communication with the selected interviewees.

However it was felt that work in the field would be necessary due to the variety of players involved and the nature and structure of the process under examination. City Challenge being relatively new required some primary data collection as, at the time of writing, there was little published secondary information. The initiative also involved some fairly innovative and complex practices and procedures, an appreciation of which, was best observed at interview level.

In order to develop a comprehensive sample frame a variety of key players from the public, private and voluntary sectors were interviewed in the two areas. In a few cases some of those selected for interview failed to be included in the sample frame. For

example they were uncontactable, had changed jobs or in a couple of instances refused. A 'semi-structured' qualitative interview allowed flexibility for both the researcher and the respondent and could be of varying length. Whilst the structure provided a direction for the interview, a less formal questionnaire allowed the interviewees to contribute constructively to the discussion. Oppenheim referred to this technique as the "non-directive approach" (1992, p74).

In each case study area key players involved in the City Challenge decision-making process were interviewed. To encourage maximum participation the respondents were assured anonymity. Each interview was tape-recorded and transcribed to ensure that no key points were omitted and a hard copy of the data was available for analysis. Gilbert affirmed that, "recorded materials prove critical in generating a detailed analysis of the interactional organisation of social actions and activities which is sensitive to orientation and procedures utilised by the participants themselves" (1993, p309).

Overall, thirty-four in-depth 'semi-structured' interviews were completed in the two case study areas, thirteen in Sheffield and twenty one in the Dearne Valley. A full interview schedule appears in Appendix (IV). It was necessary to interview more players in the Dearne Valley than in Sheffield, due to the fact that it comprises three local authorities. The sample provided a sufficiently detailed insight into the City Challenge decision-making process without getting too much superfluous information; "it generally becomes obvious when the series has reached the point where no new ideas are emerging." (Openheim, 1992, p68).

There were several advantages to interviewing key players. They were relatively easy to contact and only a couple of people had moved out of the area for one reason or another. One key player for instance had emigrated to South Africa to join the newly elected ANC! Second, key players generally had something useful and relevant to say. Finally as most of these players were immersed in the City Challenge process, it was reasonable to assume that they would be able to make some valued and informed judgements about the decision-making process. On the downside, the impression was gleaned that sometimes people were feeding verbatim responses rather that true personal opinions. One other criticism which could be levied at the selection of key players in Sheffield was that a degree of scepticism would be encountered so soon after losing two attempts at City Challenge funding. Comments like "I think its (City Challenge) just crap basically" tended to confirm this assumption! On the whole however this was not generally the case and most people reflected positively on the process. With hindsight some Sheffield players might have reacted differently if they had realised that the partnerships formed

during the City Challenge process were successful in securing two significant SRB bids a few years later in 1995/6 (Round 1) and 1996/7 (Round 2 announced December 1995).

In an attempt to reduce the possibility of bias, the respondents came from a diversity of backgrounds (see Appendix IV for an interview schedule). Overall 18 (53%) of respondents came from the quasi-public sector including the police, academics, councillors, local authority officers and central government officers. A relatively large number of public sector bodies were interviewed reflecting the make-up of the City Challenge teams (see Appendix III). Seven (22%) voluntary sector representatives were questioned including a selection of local bodies (Dearne Valley Venture for instance), large umbrella (like Sheffield Voluntary Action) and local representatives (City Challenge community forum representatives for example). One quarter of those interviewed came from the private sector including organisations like Dearne Valley Business Advice and representatives from key local employers like Keepmoat Holdings Ltd and Sheffield Insulations.

One third of the Sheffield City Challenge Team members were interviewed and several board and steering group members. Over half the Dearne Valley Partnership Team Members (1994) were interviewed and almost one third of the board members. In addition several individuals 'outside' official organisational structures in both areas were interviewed such as academics.

## 2.6 Analysing Qualitative Data

Whilst there were no clear-cut procedures for the analysis of the qualitative information, guidelines were available (see for instance Dey, 1993; Pattern, 1990; Silverman, 1993; and Strauss and Corbin, 1990): "interpretation involves explaining the findings, answering 'why' questions, attaching significance to particular results, and putting patterns into an analytic framework" (Pattern, 1990, p374).

Several authors (Burgess, 1993; Dey, 1993; Fielding and Fielding, 1986; Hakim, 1982; Rudestam and Newton, 1992; Strauss and Corbin, 1990) recommended that qualitative data could be abstracted by creating categories so that comparisons can be made. This process of data codification was referred to by Pattern as 'content analysis'. "This means analysing the content of interviews and observations" (1990, p381). So-called "cross-case analysis" (p376) or "indexing" (Burgess, 1993, p174) could be undertaken by assigning 'like' themes for data. Dey noted that this process of "creating categories is both a conceptual and empirical challenge; categories must be 'grounded' conceptually

and empirically" (Dey, 1993, p96). The selection process for categorising data developed gradually from theoretical issues, initial presumptions and inferences from the interviews.

To aid categorisation the questionnaire was deliberately structured into key themes (See Section 2.4). Codes could then be applied to the text, a process favoured by Dey (1993) and Strauss and Corbin (1990). "Open coding is the part of the analysis that pertains specifically to the naming and categorising of phenomena through close examination of the data." (Strauss and Corbin, 1990, p62).

This method was used for the analysis of the City Challenge interview transcripts. The transcripts were all held on computer. Sub-categories were coded and files created for different themes. For example, one file contained text relating to conflicts within partnership. Some extracted data was applicable to more than one category and cross-syntheses was essential. In other cases assigning categories was more straight forward for example in the case of bid preparation. Dey (1993) indicated that categories needed to be flexible and subject to a process of 'continual refinement' to ensure that the quality of analysis could be sustained.

## 2.7 Reliability and Validity in Qualitative Research

A selection of commentators focused upon the need for reliability and validity in qualitative research (see for instance Allan 1991; Henerson *et al*, 1987; Kirk, 1986; Marshall and Rossman, 1989; Miles and Huberman, 1984; Kalton, 1977; Patton, 1990; Strauss and Corbin, 1990). Reliability implies a level of coherence, quality and consistency that varies with time. The fieldwork for this study was undertaken by one researcher in May 1993 (Sheffield) and January to April 1994 (Dearne Valley) and sought to elicit the opinions of thirty four key players about the City Challenge decision-making process. As an empirical study based on a large number of interviews in four local authorities it could be argued therefore the study possessed the qualities of reliability. Section 2.3 also outlined that multiple case studies could also increase confidence and consistency in terms of the 'robustness' of the findings (Yin, 1993).

Validity referred to the suitability of the method employed; "(it) indicates how worthwhile a measure is likely to be, in a given situation, for telling you what you need to know" (Henerson *et al* 1987, p133). The extent to which both reliability and validity were achieved could be referred to as objectivity. There were numerous statistical procedures to measure the reliability of data. For example coefficients of correlation

could have been used to assess consistency over time (Mossier and Kalton, 1977) or complex matrices could have been constructed for analytical purposes (Miles and Huberman, 1984). Such rigorous testing was not possible for the 'one-off' qualitative type questionnaire discussed above as the case studies were specific to the opinions of particular set of key players at a given time. Whilst this study could be criticised for not having a pilot, several alterations were made to the questionnaire during the course of the interviews.

Validity can be used as a measure of the relevance of data to theoretical concepts. As Kirk further clarifies; "measurement procedures are seen to exhibit theoretical validity ('construct validity') if there is substantial evidence that the theoretical paradigm rightly corresponds to observations" (1986, p22). As this study was based on several descriptive models and two key theoretical concepts it could be regarded as credible, transferable, dependable and confirmable (Lincoln and Guba 1985).

## 2.8 Conclusion

This chapter has sought to outline how the analysis of partnership within the City Challenge decision-making process was undertaken. It also justified the methodological approach chosen, namely an empirical study which used face-to-face interviews with key players in two case study areas. Section 2.3 attempted to justify the use of the case study method and drew upon Yin's (1993) thoughts for the application of case study research. This study displays elements of exploratory case studies and descriptive case studies (Yin, 1993). In addition the thesis used a series of models and theories to help explain the City Challenge decision-making process. The next chapter provides some background to the two case study areas.

# Chapter 3 Case Study Background

## 3.1 Introduction

This section offers some background to Sheffield and the Dearne Valley, the two case study areas. The chapter sets the context for the research by outlining some of the activities of South Yorkshire County Council. It provides some background to the case study areas tracing the causes and impact of de-industrialisation and reviewing some recent political events. It concludes with a review of urban regeneration activities within both areas.

## 3.2 Political Context: South Yorkshire County Council, 'The Socialist Republic'

Before considering the two case study areas in some detail this section outlines some political background to the South Yorkshire County. Aspects of the activities of the County Council between 1974 when it was established and 1986, when it was abolished, provided a useful picture of the transformation of local government in Barnsley, Doncaster, Rotherham and Sheffield. The first policy statement of the County Council included proposals for industrial development, traffic and transportation planning, pollution and dereliction, and strategic planning. In addition South Yorkshire County Council undertook a large public participation exercises for the formulation of their structure plan in 1974 and became known as the 'Socialist Republic' following programmes such as the cheap fares on buses policy.

The County Council played a key role during the miners strike of 1984. As Clarke noted the County Council, based in Barnsley, had well-established links with the NUM: "mining was a major industry in much of the County and several members were miners. The Council's attitude was protective of both jobs and the environment" (1987, p27). The County Council held strong support for the striking miners and many members and officers had family members in the mining industry. This posed a dilemma for the County which was responsible for policing a strike towards which, they were sympathetic. Indeed Clarke even suggested that "for many of the councillors, as with much of the Labour movement, the miners strike became the dominant political issue and took priority over the concerns of the abolition fight, although some of the statements...were cited by the Conservatives as examples of the extremism of the Labour controlled authorities" (p109). The brief and sometimes stormy history of the South Yorkshire County Council was coupled with periods of industrial decline in both Sheffield and the Dearne Valley.

## 3.3 Economic Decline and the Impact of the Recession in Sheffield

Sheffield has a tradition of heavy steel manufacture, cutlery making and more recently 'special' steels production. Lawless and Ramsden (1989) have outlined causes for decline of the Sheffield steel industry. First, Britain faced competition from newly industrialised countries producing raw steel and from developed countries producing special steels. Second, production quotas imposed by the European Commission (EC) dealt a fatal blow Sheffield's steel industry "it has imposed reductions in output which have inevitably culminated in job losses; it has encouraged the reduction in state aid to steel producers: and in the context of Sheffield, the regime has proved especially unfortunate" (Lawless and Ramsden, 1989, p7). Third, Sheffield City Council (1984) noted that the British Steel Corporation (BSC) suffered from the structure imposed by nationalisation, ill-founded and costly investment by BSC management, and government decisions cutting the demand for steel and making their own guidelines difficult to achieve. Fourth, private sector companies experienced difficulties in raising finance in 1970's and job losses followed the Pheonix public-private sector mergers of the 1980's. Finally, a number of domestic trends influenced steel production: the replacement of steel by other materials; rationalisation in the components sector; trends to decreasing vehicle weight and size; and the internationalisation of production patterns (Sheffield City Council, 1987).

## Table 9  Percentage Change in Persons Employed 1981-1991 in Sheffield

| Division | Male | Female | FT[1] | PT[2] | TOTW[3] |
|---|---|---|---|---|---|
| Agric, Forestry & Fishing | -21.4 | 16.9 | -24.1 | 21.7 | -15 |
| Energy/Water Supply Ind | -58.3 | -19.3 | -55.0 | 107.6 | -50.5 |
| Extraction/Manufact:Mineral/Metals | -73.4 | -69.7 | -73.1 | -70.5 | -73.0 |
| Metal Goods/Vehicle Industries,etc | -28.1 | -45.6 | -31.4 | -46.0 | -32.3 |
| Other Manufacturing Industries | -21.5 | -16.3 | -18.5 | -21.3 | -19.1 |
| Construction | -15.7 | 8.6 | -13.6 | -7.7 | -13.3 |
| Distribution,Hotels/Catering:Repairs | -4.5 | 3.3 | -14.6 | 24.1 | -0.1 |
| Transport/Communication | -19.4 | 58.7 | -10.2 | 91.4 | -4.9 |
| Banking,Finance,Insurance,Leasing | 29.1 | 49.7 | 34.1 | 69.6 | 39.1 |
| Other Services | 12.4 | 7.1 | 18.0 | -7.7 | 8.9 |
| **Column Totals** | -22.0 | 0.9 | -16.8 | 4.5 | -12.4 |

**Source:** Census of Employment 1981 and 1991

[1]Percentage change in Full-Time (Male and Female) workforce Sept 1981-Sept 1991
[2]Percentage change in Part-Time (Male and Female) workforce Sept 1981-Sept 1991
[3]Percentage change in Total (Full and Part-Time) workforce (Male and Female) Sept 1981-Sept 1991

Table 9 indicates the impact of the recession during the decade from 1981-1991. The male workforce suffered greatest losses during this period. For instance the number of part-time and full-time males employed in the Extraction/Manufacture (Minerals and Metals) sector fell by almost three quarters. The female full-time and part-time workforces and the financial and service sectors experienced slight growth over the ten year period. However increased service sector employment levels failed to compensate for decline in manufacturing as the city was over-represented by sectors that have experienced national decline.

## 3.4 Sheffield's Political History Post 1979

Sheffield has been a Labour strong-hold for many decades. Lawless (1990b) noted that Labour has held control of the city in all but two years since 1926. The traditional industries within the city, steel and metals, encouraged the development of unions which in turn strengthened Labour's power base within the city. Trade union representatives were elected into the District Labour Party which sought to increase public sector involvement in the local economy. Following more recent steel closures, the council developed what came to be described as a "Local Socialist" stance and between 1980 and 1985 Sheffield local authority became dominated by so-called radical elements: "by the mid-1980's the Thatcher government was intent on bringing this recalcitrant local authority, and others like it, to heel while the city council was intent on forcing the government to capitulate and perhaps be driven from office". (Binfield et al, 1993, p151)

The 'radical' era had two main strands: opposition to steel closures, and the encouragement of employment initiatives. The council's opposition to the steel closures manifested itself in a series of studies assessing the decline of the South Yorkshire steel industry. In 1984 the City Council published "Steel in Crisis" which was highly critical of the Government's industrial and economic strategy and encouraged campaigns against closures and redundancies. The study also indicated the need for alternative employment strategies. The 'Triple Alliance' campaigned for rail electrification and 'Combined Heat and Power' in response to job losses in the steel industry. Similarly 'The Uncertain Future of Special Steels' expressed "concern about the destruction of the steel industry in South Yorkshire, and provided support for initiatives to prevent loss of jobs and capacity" (Sheffield City Council, 1987, p1).

The encouragement of alternative initiatives by the council was reflected in the creation of the Employment Department in 1981. The Department had a broad range of

objectives: to curtail further job loss; to relieve the worst effects of unemployment; to encourage new investment; to create employment opportunities by diversifying the local economy; and to examine innovative types of industrial democracy. The Department focused many of its activities in the Lower Don Valley which was perceived as the industrial heartland of the city. Dabinett noted that intervention by the Department "was based on campaigning, municipal enterprise to protect public service employment and to improve the quality of jobs in the private sector, and exemplary economic development projects" (1995, p13). Whist some successes such as the formation of co-operatives were apparent, a number of conflicts and tensions arose. Furthermore with limited resources the impact of the Employment Department's activities was relatively marginal. "Sheffield's Department of Employment's experiment in radical local intervention in the early 1980's attracted remarkable academic and institutional interest; the beneficial affects for communities and individuals are harder to identify" (Lawless, 1990b, p12).

However towards the late 1980's Sheffield came to embrace the concept of 'partnership' (Binfield et al, 1993; Cochrane, 1994; Dabinett 1995; Lawless, 1990a, 1990b; Lawless and Ramsden 1990). The changing political stance within the city was described as a "shift from new socialism to new realism" (Binfield et al, 1993, p168). Following the rate capping difficulties (1985-6), the re-election of a national Conservative government in 1987 and moves to rid the national Labour party of 'radicalism', it became clear that Sheffield would become increasingly isolated if it were to continue its policies of the early eighties. Lawless and Ramsden (1989) noted that the council conceded that new alliances were needed to replace traditional corporatism and to achieve wider urban regeneration objectives. Initially, the Employment Department was renamed the Department of Employment and Economic Development and in 1986 the Sheffield Development Office was launched to market development opportunities within the city. The gradual integration of the public and private sectors in the city culminated in the creation of the Sheffield Economic Regeneration Committee (SERC) in 1987. The following section describes some of the activities of SERC and other regeneration activities within the city.

## 3.5 Urban Regeneration in Sheffield

SERC was comprised of representatives from the council, the private sector, the church, higher education, trade unions, community groups and the Sheffield Development Corporation. SERC activities focused around a number of issues including: marketing the city; tourism, sport and leisure; education and training; infrastructural development; and retail and commercial development. The development of Meadowhall shopping

centre and 1991 World Student Games in Sheffield were the best-known examples of SERC's activities. Cochrane (1994, p17) noted that "it was SERC which commissioned the consultancy report which seems to have led to the approval of an Urban Development Corporation for the Lower Don Valley". In the late 1980's SERC published "Sheffield 2000" (1989) offering a strategic overview of plans and initiatives for the year 2000. Two organisations, the SDC and the Training and Enterprise Council (TEC), both set up by central government in 1990, moved to the forefront of partnership activity in the city (Dabinett, 1995).

The partnership forged by SERC almost 10 years ago, evolved into the City Liaison Group by late 1992. "The role of the City Liaison Group is to provide leadership and to set the framework within which regeneration can accelerate" (Sheffield City Liaison Group, 1994, p4). The formation of the City Liaison Group followed two unsuccessful attempts at securing City Challenge funding in 1991 and 1992. 'Riverside', the area chosen for Sheffield's Round Two bid was located to the North West of the city and incorporated Sheffield's historic core known as the Wicker and Kelham Island (see Appendix vi). This core area with high unemployment (27%) and low skills attainment is surrounded by the communities of Netherthorpe, Upperthorpe, Kelvin, Woodside, Burngreave and Park Hill. These communities "form a crescent of housing estates around the commercial and industrial area at the core" ("Sheffield Riverside" 1992, p4).

Undeterred by failure, partnerships within the city have continued to operate. More recently the City Liaison Group published plans for the social regeneration of Sheffield ("Shaping the Future", January 1995) to complement its earlier plans for economic regeneration in April 1994 ("Sheffield - the Way Ahead", April 1994). The City Liaison Group's economic objectives included: business development; educational improvements; transport and infrastructure proposals; and the regeneration of the city centre. Social objectives outlined by the group include initiatives targeted at private sector involvement and community empowerment. In addition several initiatives focused upon community safety, health, housing, education, and employment.

The activities of the City Liaison Group culminated in January 1995 with a successful Single Regeneration Budget bid for £38 million over 7 years, building upon many of initiatives outlined in the City Liaison Group's document "The Way Ahead". The bid concentrated on three integrated elements: economic development, community development and infrastructure development in the city centre and the North West of the City (a very similar area to the failed Round Two City Challenge bid). In July the Group published a plan for the regeneration of Sheffield, "Sheffield Growing Together", which

aimed to "increase well-being through wealth creation, jobs and lessening geographical and social divisions" (1995a, p10).

Table 10  Percentage Change in Persons Employed 1981-1991 in Barnsley, Doncaster and Rotherham Local Authority Districts

| Division | Barnsley | | | Doncaster | | | Rotherham | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | TOT | Male | Female | TOT | Male | Female | TOT |
| Agric, Forestry & Fishing | -14.9 | -34.2 | -19.2 | -26.7 | -12.4 | -22.2 | -37.0 | -35.7 | -36.4 |
| Energy/Water Supply Ind | -80.3 | -78.7 | -80.2 | -73.1 | -58.7 | -72.2 | -50.0 | -34.3 | -49.4 |
| Extraction/Manufact:Mineral/Metals | -12.2 | -20.3 | -13.2 | -12.0 | 19.8 | -7.6 | -39.9 | -43.9 | -40.4 |
| Metal Goods/Vehicle Industries,etc | -9.4 | -43.4 | -19.5 | -49.3 | -46.8 | -48.9 | -9.3 | 5.1 | -6.3 |
| Other Manufacturing Industries | 24.9 | -28.7 | -12.4 | 6.5 | 3.4 | 4.9 | 39.9 | 18.3 | -6.3 |
| Construction | -28.2 | 0.7 | -25.9 | 94.1 | 38.5 | 87.5 | 18.6 | 63.3 | 27.1 |
| Distribution,Hotels/Catering:Repairs | 31.4 | 13.3 | 20.2 | 28.6 | 13.9 | 19.1 | 34.7 | 22.7 | 21.8 |
| Transport/Communication | 7.7 | -10.8 | 3.9 | -24.9 | 36.3 | -16.2 | 0.2 | 12.1 | 27.3 |
| Banking,Finance,Insurance,Leasing | 39.4 | 117.4 | 80.0 | 89.5 | 90.5 | 90.0 | 39.4 | 41.5 | 2.3 |
| Other Services | -10.9 | 10.0 | 3.4 | 7.2 | 17.2 | 14.1 | 16.0 | 27.3 | 24.2 |
| Column Totals | -31.7 | 0 | -19.2 | -25.4 | 12.1 | -11.5 | -11.8 | 20.0 | 0.4 |

Source: NOMIS, Census of Employment 1981 and 1991

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## 3.6 The Decline of Coal Mining in the Dearne Valley

The Dearne Valley in South Yorkshire is situated within the Metropolitan Borough Councils of Barnsley, Rotherham and Doncaster and includes part of the famous 'central coalfield' spanning Yorkshire, Nottinghamshire and North Derbyshire (see Appendix viii). Formerly one of the industry's most important mining areas, the Dearne Valley, has suffered a significant contraction in coal employment. Table 10 indicates that male employment in the Energy/Water Supply Industry between 1981 and 1991 in Barnsley, Doncaster and Rotherham contracted by 80%, 73% and 50% respectively. The Dearne's former dependence on coal was compounded by low skill levels and isolation from local communication networks. Table 10 also depicts large losses in metal goods manufacture over the decade with 'limited' increases in service sector activity.

## Table 11 Employment in Deep Coal Mines: Yorkshire and Humberside Region 1981-1991

|  | Sept 1981 | Sept 1984 | Sept 1987 | Sept 1989 | Sept 1991 |
|---|---|---|---|---|---|
| Numbers Employed | 78,200 | 64,600 | 37,500 | 26,900 | 23,200 |

**Source:** Nomis, Census of Employment

Between 1981 and 1991 employment in deep coal mines in Yorkshire and Humberside was reduced from 78,000 to 23,000 people (Table 11). In 1981 most of this deep mining activity was concentrated in South Yorkshire. In 1981 over 37,000 people worked in one of South Yorkshire's 35 pits. As Table 11 indicates in 1981 there were twelve collieries in the Dearne Valley alone, employing over 10,000 people. By 1987 the colliery workforce was reduced by two thirds and nearly all but two of the pits were closed, merged or mothballed (Table 12). "In October 1992...British Coal announced the closure or moth-balling of 31 of its 50 collieries and the shedding of 30,000 jobs. It was the closure, at a stroke, of deep-mining in places which had been synonymous with it: it would end in Doncaster...it would virtually end in Barnsley" (Turner, 1993, xi). In March 1994 the number of collieries had been reduced to 19 only employing 10,800 miners (Table 13).

## Table 12 Employment in Dearne Valley Collieries 1981-1987

| | 1981 | 1987 | Change | Comments |
|---|---|---|---|---|
| **Barnburgh** | 1079 | 849 | -230 | |
| **Cadeby** | 1064 | 0 | -1064 | Closed January 1987 |
| **Cortonwood** | 901 | 0 | -901 | Closed October 1985 |
| **Darfield** | 802 | 0 | -802 | Merged with Houghton 1987 |
| **Dearne Valley** | 401 | 333 | -68 | |
| **Elsecar** | 837 | 0 | -837 | Closed October 1983 |
| **Goldthorpe** | 1477 | 643 | -834 | Includes figures for Highgate |
| **Hickleton** | 1152 | 0 | -1152 | Merged with Goldthorpe 1986; Mothballed 1987 |
| **Highgate** | | | | Merged with Goldthorpe pre 1981; Closed 1984 |
| **Kilnhurst** | 549 | 0 | -549 | Merged with Manvers Jan 1986; Closed Feb 1988 |
| **Manvers** | 1492 | 864 | -628 | Closed March 1988 |
| **Wath** | 760 | 0 | -760 | Merged with Manvers Jan 1986; Closed Jan 1987 |
| **Total** | 10,514 | 2689 | -7825 | |

**Source:** British Coal Corporation, Annual Reports, 1981-1987

The decline in demand for coal was not new. Prior to the First World War, UK mines produced some 300 million tonnes of coal per annum. The DTI (1993, p3) noted that "by the time of nationalisation after the Second World War production had declined to some 200 million tonnes" and by "1991/92 it was a little over 90 million tonnes". Table 13 indicates that the number of pits has fallen from 211 in September 1981 to just 19 in March 1994. The DTI outlined a number of reasons for the decline of coal in the post war era: the replacement of town gas (derived from coal) by natural gas; the replacement of coal-burning steam engines; and the heating of homes by oil, gas or electricity. Until recently coal has found a relatively 'protected' market from electricity generation and has enjoyed subsidy from the Exchequer.

Townroe and Dabinett (1993) outlined three recent pressures on the supply and demand for British coal. First, the industry faced price competition from imports and natural gas.

The DTI White paper noted the "diversity of coal reserves and exporters" and suggested that "gas will remain fully competitive with other fuels" (1993, p828-829). Second, new technology meant the Combined Cycle Gas Turbine (CCGT) offered an option for "base load electricity generation rather than just as a peak load facility" (p829). Third, a number of legislative changes have occurred recently: the privatisation of British Coal; the privatisation of the electricity generation and supply industry; and the commitment by the EC and British Government to reduced the emissions of 'greenhouse gases'.

Commentators (Beatty and Fothergill 1994; Townroe and Dabinett 1993; Turner, 1993) suggested that whilst the coal industry has faced decline for several decades, the recent wave of closures since the early 1980's was unprecedented. Furthermore the House of Commons Employment Committee (1993, xix) concluded that "there was insufficient thought given to or account taken of the major consequences of the decision to close these pits". The Committee also considered the proposed plan to close 31 pits as illegal (1993, xix). The Employment Committee was also critical of the manner and haste in which the closures were handled (1993, xix-xx) in terms of advance planning, prior consultation, financial calculation, the impact on mining communities, remedial measures, and new employment.

Table 13 Employment in British Coal 1981-1994

|  | Total British Coal Workforce (000's) | No. of Miners (000's) | No. of Collieries |
|---|---|---|---|
| Sept 1981 | 279.2 | 218.8 | 211 |
| Sept 1982 | 266.3 | 208.0 | 200 |
| Sept 1983 | 246.8 | 191.7 | 191 |
| March 1985 | 221.3 | 171.4 | 169 |
| March 1986 | 179.6 | 138.5 | 133 |
| March 1987 | 141.5 | 107.7 | 110 |
| March 1988 | 117.3 | 89.0 | 94 |
| March 1989 | 105.0 | 80.1 | 86 |
| March 1990 | 85.0 | 65.4 | 73 |
| March 1991 | 73.3 | 57.3 | 65 |
| March 1992 | 58.1 | 43.8 | 50 |
| March 1993 | 44.2 | 31.7 | 50 |
| March 1994 | 18.9 | 10.8 | 19 |

Source: British Coal Corporation, Annual Reports, 1981-1994

## 3.7 Political Conflict and the Impact on Mining Communities

Reactions to the 1984/5 pit closures were well documented (see for example Howell 1987). Some commentators (Beatty and Fothergill, 1994 and Turner, 1993) suggested that whilst many of the closure decisions where based on 'economic' principles, political motivations should not be ignored: "the (coal) industry's contraction has been a source of major political conflict, notably during a year-long strike in 1984/5 and again in 1992 when further draconian closures were announced" (Beatty and Fothergill, 1994, p4). Indeed more recently the House of Commons Employment Committee (1992, v) noted intense public outcry following the latest (1992) wave of closures. Howell (1987) offered a succinct review of the literature covering the 1984/5 miners' strike from debates concerning splits within the NUM, to well-documented reviews of the activities of women's groups to wider political arguments concerning the changing face of left-wing politics.

However the socio-economic impact of closures on mining communities was less well documented. Indeed the House of Commons Employment Committee (1993) concluded that there was "considerable uncertainty about the costs of unemployment associated with the proposed pit closures" (para 61) and the "social effects of pit closures should be taken fully into account when deciding whether or not to keep pits open" (para 66).

## Table 14 Unemployment in Proposed Pit Closure Areas (South Yorkshire October 1992)

| TTWA[1] | Colliery | Unemployment Rate (Dec '92) | | Male L/T [2] % Unemployed | Coal Jobs[3] (% Unemployment) |
|---|---|---|---|---|---|
| | | Male | All | | |
| Doncaster | Bently | 18.5 | 14.0 | 41.9 | 2.7 |
| | Hatfield | | | | |
| | Markham Main | | | | |
| | Rossington | | | | |
| Barnsley | Grimethorpe | 18.7 | 13.5 | 40.1 | 2.0 |
| | Houghton Main | | | | |
| Rotherham | Maltby | 20.8 | 15.2 | 41.2 | 1.4 |

**Source:** Adapted from Department of Trade and Industry, 1993, pp145-6

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[1] Travel to Work Area

[2] Male long-term unemployed as % of unemployed, Oct 1992

[3] Coal jobs: as % of workforce in unemployment, June 1991

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The employment impact of the closures in the Dearne Valley are outlined in Table 14. The incidence of male long-term unemployment in Barnsley, Rotherham and Doncaster was over 40%. A recent study by Beatty and Fothergill (1994, p16) indicated that if UK coalfields were typical of areas of chronic industrial decline "the shortage of employment opportunities is much greater than official figures suggest". The research suggested that for 100 'surplus' workers in the coalfields, 27 became migrants, 38 dropped out of economic activity (registered sick for example), 20 were absorbed by increases in other employment, 12 went on government schemes and 2 became commuters. The researchers concluded that none were added to unemployment figures, which effectively 'masked' them from official statistics. The shortage of employment prospects indicated the immense task for regeneration initiatives in the coalfield areas.

## 3.8 Urban Regeneration in Dearne Valley

Urban regeneration in the Dearne Valley has tended to correspond to the pit closure programmes of the late 1980's and early 1990's. Following this period of rapid deindustrialisation the need to regenerate the economy became more urgent. The over-dependency on coal-related employment raised further difficulties. For instance, growth industries have tended not to locate in traditional mining areas. As Turner confirmed "the one-industry nature of many localities associated with coal presented problems for any form of economic regeneration strategy. It meant that skills appropriate to other industries and businesses may not have developed or been encouraged" (1993, p28). The Dearne Valley faced additional problems of isolation with relatively poor access, low educational attainment and a poor image nationally.

In terms of policy responses to industrial decline "the UK government has largely preferred to rely on providing a plethora of different advice services and training opportunities, and on doling out relatively large redundancy payments to former miners" (Halstead and Wright, 1995, p15). In the Dearne Valley labour market adjustment services (LMA services) have been used in an attempt to replace the jobs lost in the mining industry. Halstead and Wright (1995) categorised LMAs into a three tier hierarchy. The first tier included those services brought to redundant workers or those which are the natural point of call such at British Coal Counselling, British Coal Enterprise, Trade Union Advice and Job Centre Advice. At the second level a number of services were offered under the education system. The final tier included programmes provided by local authorities and central government. The range of LMAs has come under some criticism for inconsistency and duplication and there have been calls for more effective collaboration between services (Halstead and Wright, 1995).

The DTI White Paper (1993, paras 5.15-5.19) identified an assistance package including a redundancy scheme for miners and white collar workers, continued assistance from British Coal Enterprise and Assisted Area status or enhanced status for Doncaster, Barnsley and Mansfield. In addition new Enterprise Zones (including one in the Dearne Valley in 1995/6) have been initiated and a programme of training, counselling and job finding support became available from the Employment Service and TEC. English Estates provided premises and site provision (£75m), a Coalfield Areas Fund for community support was launched (£5m) and additional assistance for the promotion of inward investment became available in 1994/5. In addition certain European funding mechanisms like Rechar II were targeted at communities suffering from declining coal production. Whilst the appropriateness of this assistance package may be debated, it is in this context of coalfield regeneration within which the City Challenge decision-making process in the Dearne Valley will be evaluated.

The City Challenge area was conceptualised in late 1991 and covers an area of some 58 square kilometres and has nine main settlements (see Appendix vii). The area consists of six electoral wards and parts of two others. The Action Plan noted that the area was "unusually large for City Challenge and much of the area was Green Belt" (DVP, 1992).

## 3.9 Conclusion

The two case study areas provided a framework within which to study the changing role of local government and the emergence of partnership in response to economic decline. In Sheffield an attempt to achieve Round Two City Challenge funding through the formation of a local partnership was studied within the context of the social and economic activities of SERC and more recently the City Liaison Group. In the Dearne Valley the City Challenge decision-making process was assessed within the context of massive industrial restructuring following the decline of the coal industry.

Both areas suffered from pockets of high unemployment, low skills attainment and increasingly marginalised communities. Similarly both partnerships were formed with the objective of transforming areas over dependent on traditional industries: "the new Sheffield offers diversity in place of an economy founded on single industry - employment in retailing, financial institutions, the health service, education, cultural activities and centres of sporting excellence" (Sheffield City Challenge, 1992, p1).

The following chapter introduces some of the characteristics of partnerships and uses these to explore decision-making processes in Sheffield and the Dearne Valley. Chapters

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5 and 6 introduce broader theoretical debates which further contextualise the process of urban regeneration: the changing role of local government; and US power relation models.

# Chapter 4.0 Aspects of Partnerships in Sheffield and the Dearne Valley

This Chapter examines issues of Partnership in Sheffield and the Dearne Valley. It introduces three inter-related aspects of partnerships: the characteristics of partnerships (Section 4.1); the processes of consultation and communication (Section 4.2); and the processes of conflict, negotiation, and control (Section 4.3). Throughout the discussion the characteristics and processes are applied to the Sheffield City Challenge Team and the Dearne Valley Partnership.

## 4.1 The Characteristics of Partnerships in Sheffield and the Dearne Valley

This section attempts to define the term partnership in its broadest sense before considering the characteristics of partnerships. Public-private partnerships are difficult to define concisely. Harding (1990) emphasised that whilst other initiatives had more definable structures with specific aims, public-private partnerships were varied in nature. For instance they differ in terms of their management organisation, fiscal regimes, or the terms adopted to describe them. Law suggested that "public-private partnerships exist when two sectors work together to achieve objectives" (1988, p446). However, partnerships have involved a more diverse range of partners. One OECD definition suggested that "a partnership is a collaboration among business, non-profit organisations and government in which risks, resources and skills are shared in projects that benefit each partner as well as the community" (1989, p81).

Financial regimes also varied greatly between partnerships. However, typically, public funding was invested in an effort to attract private investment which would not otherwise have taken place. Other terms used to describe public-private partnerships included local corporatism, new urban corporatism, local governance or the American local growth coalition (See Chapter 6). The term partnership should not be confused with privatisation or philanthropy. Lloyd and Newlands noticed the fact that the term partnership suggested some form of equity between the various interests, was misleading. They suggested that "in reality,....., local authorities are exhorted to serve the interests of business and to adopt a promotional approach to economic development" (1988, p32).

The characteristics of partnerships however, were complex (see Boyle 1989; Harding 1990; Healey 1992; Law 1988; and Mackintosh 1992 for example). Mackintosh (1992) introduced three models that have attracted interest (see for instance Bailey 1990, 1992, 1993a and 1993b; and MacFarlane 1993a). The synergy model was the 'ideal' model

where "the essence of the joint venture is the creation of additional profits, through the combining of the different assets and powers, and an associated negotiation process over the distribution of those profits, partly to increase the returns to private shareholders, and partly to serve social ends" (p213). Boyle agreed that a mutuality of benefits was necessary to ensure that each representative interest was met. The 'transformation' model accounted for the changing role of local government whereby "one vehicle for such a transformation has been the bringing of the private sector into the public: whether through private contractors, private sector members of policy boards, or joint ventures" (1989, p215). Finally the 'budget enlargement model' acted as a catalyst for diverse partners to form alliances to secure funds in times of recession. Elements of each of these models could be applied to most partnerships including the City Challenge initiative. Harding (1990) identified various characteristics of partnerships: **membership; resources; scale and location; mode of operation and impact.** His observations provided a useful starting point for an analysis of the City Challenge decision-making process in Sheffield and the Dearne Valley.

First **membership**, Harding contended, varied according to the local economic structure. Partnerships normally included individuals from indigenous firms and local branches of larger companies and occasionally 'development entrepreneurs'. Haughton and Whitney emphasised that omissions from the partnership process were equally as important as the membership itself: "the question of who is left out of a partnership can reveal much about the nature of a proposed development" (1989, p9). Membership of City Challenge partnerships nationally was fairly uniform in terms of the diversity of sectors represented: public; private; and voluntary. Due to the range of areas with City Challenge teams however the partnerships tended to vary in their composition, balance of power and bodies they represent.

The concept of partnership was not new in Sheffield (see Section 3.4). In 1987 the Sheffield Economic Regeneration Committee (SERC) established a "forum for the expression of partnership between business and the local authority" (Cochrane, 1994, p17). Comments from key players indicated that Sheffield had not moved far beyond the 1980's public-private partnership model: "we should have involved the community more" (City Challenge Team Member), "the community were not properly represented" (A Community Group Member) and "it might have been nice had they had representatives from local organisations" (An Academic). Larger organisations like the police and the health authority were involved in the policy and decision-making arena. Although the involvement of smaller groups tended to be peripheral to the process:

"there were people from the black community who were on the steering group, but they didn't play a full part by being on the policy board" (City Challenge Team Member).

The Dearne Valley Partnership (DVP) pre-dated the City Challenge initiative and it was possible that it may outlive City Challenge should alternative funding become available. Consequently many of the partners were already working together and had a ten year strategy for the Valley in place in the late 1980's. The DVP had no formal community representation and essentially remained a public-private sector alliance before the arrival of City Challenge. The City Challenge decision-making process forced the DVP to set up a community forum to report back to the community. Subsequently "community links have been strengthened substantially" (A Local Authority Employee). Preliminary observations therefore tended to suggest that the City Challenge initiative has broadened the membership of regenerative partnerships.

Second, **resources** for City Challenge partnerships were constant at £7.5 million per annum for 5 years, although the allocations for various projects within each bid varied.

Sheffield has lost out on two major sources of government funding in the early 1990's: Rounds One and Two of City Challenge. Over half of the respondents in Sheffield have noticed a reduction in the amount of funding available for other regeneration programmes and believe that city projects were sacrificed as a result of devoting energy to City Challenge. The demise of Urban Programme funding was a cause for concern on the part of several observers. However some of the ideas conceptualised in the City Challenge bid were realised under other funding regimes. The Castle Square proposal to revitalise the market area of the city for instance secured a grant from the Single Regeneration Budget in 1995. Indeed the Department of Environment informally advised authorities to submit City Challenge schemes for other programmes such as the Single Regeneration Budget or European Union initiatives.

When asked "has City Challenge improved the image or confidence in the area or increased the potential to attract funding?" over half the respondents gave negative answers. Typical responses included "as we didn't win there is nothing to show" (*from the bidding process*) and "once it was lost it was lost". A representative from the voluntary sector stressed that with the demise of Urban Programme funding there were hardly any resources left to apply for, other than the European Social Fund. Several people were also disheartened with the resources and effort that had been devoted to preparing a City Challenge bid.

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Resources were crucial to the sustainability of DVP: "the partnership would have collapsed by now had it not demonstrably won substantial resources" (An Academic). A recent DoE report which assessed the impact of urban policy confirmed the importance of funding and structure to the formation of partnerships: "a key to the successful creation of such growth coalitions is widely seen as being consistent support of public resource and the creation of coherent frameworks through which to cement relationships" (Robson, 1994, p50).

Consultation with key players in Sheffield confirmed that Challenge funding could have enhanced and developed local partnerships: "the way the pot's divided up and the fact that you've got eighteen community members deciding what projects to award funding to based on strict criteria has forced people together. I've found myself working a lot closer to strengthen partnerships" (Community Sector Representative). Compared with previous urban policy measures some financial flexibility existed within the City Challenge decision-making process. However some found the financial regimes associated with it burdensome, "you have to declare what you're spending fairly early on in the year and stick to rigid time tables. The sheer detail of the whole thing is quite awesome. It shouldn't be underestimated" (City Challenge Team Member).

Third, the **scale and location** of the partnerships varied greatly between City Challenge areas from compact city centre areas (like Liverpool's Phase 1 bid) to extensive out of town industrial expanses (like the Dearne's bid). Unlike Sheffield City Challenge area of around approximately 2-3 square miles, the Dearne Valley occupies an area of 22.5 square miles and comprises 9 distinct settlements. The scale of industrial dereliction exemplified by the defunct Wath Manvers pit clearly merited a substantial injection of funds. Indeed the Dearne Valley has been receiving considerable support from the government's Derelict Land Programme with over £1 million having been spent on Wath Manvers since 1990.

Sheffield's Riverside City Challenge area was chosen for the City Challenge strategy. This was an unpopular decision with some commentators: "it didn't hang very well together with lots of industry and a river corridor...I think they had a real problem in the area that they chose" (An Academic). The Darnall and Burngreave district of Sheffield were the other equally-deserving options earmarked for regeneration.

Fourth, the **mode of operation** Harding suggested, tended to focus upon 'place marketing' and making cities conducive to investment: "cities need to sell themselves as potential 'winners', both politically (to central government) and economically (to the

private sector)" (1990, p119). The mode of operation within a City Challenge partnership depended on an authority's ability to mobilise a team to oversee the projects within the challenge bid. "Partnership is one of the most difficult arrangements to actually activate and motivate" (City Challenge Team Member).

After the submission of the Sheffield bid a minority, of almost exclusively public sector representatives, continued to be involved in the development of aspects of the City Challenge strategy. Post-decision de-briefing meetings were held and some 6-8 team members still met on an informal basis once a month. A couple of key team members were involved in trying to get City Challenge projects launched under the guise of other programmes. These partnership structures may have helped play an important role in Sheffield's successful 1994/5 bid for Single Regeneration Budget funding. Many of the key players from the Sheffield City Challenge Board programme were involved with Sheffield's Single Regeneration Budget strategy (Rounds 1 and 2) and the Round 1 SRB area mirrors Sheffield Riverside, the site of the 1992 City Challenge bid.

In the Dearne Valley, City Challenge funding clearly made the local partnership more secure and robust. "Partnership arrangements provide both opportunities and challenges...people are grappling with project implementation and new monetary process" (City Challenge Team Member). City Challenge teams differed in their mode of operation from previous initiatives heavily reliant on property based solutions. "It isn't just about jobs like the development corporations. It is actually about capacity building, it is about people and developing projects across a whole range of their lives, improving the quality of life overall....and not just going down the jobs road" (An Academic).

Finally, Harding suggested a crucial characteristic of partnerships was their effect or **impact** on an area. The impact of City Challenge partnerships was difficult to assess at this stage of the process. The ability of each area to achieve its strategic objectives was a crucial element to its success. Many City Challenge teams were evaluated in terms of 'outputs' such as job creation figures, the number of houses built, or training places created (see Davoudi and Healey, 1993; and Nottingham City Challenge Evaluation Unit, 1993).

In Sheffield there were mixed feelings about the impact of the City Challenge decision-making process. Some observers felt it left a legacy of unrivalled partnership formation. Comments such as "I think it went a long way to forging better relationships" (City Challenge Team Member) and "we had brought into the partnership people who hadn't been involved before" (Private Sector Representative) were commonplace. Similarly

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some respondents claimed that the City Challenge decision-making process was part of an ongoing regenerative dialogue and partnership links within the city had improved despite losing out on significant resources: "from an outsiders point of view the City Council had a reputation for not being involved in partnership with the private sector. But the City Challenge decision-making process went a long way to change that...very senior people were meeting regularly at close intervals. Without City Challenge I don't see how those links at a higher level would have been formed" (City Challenge Team Member).

Other people were more pragmatic about the failure of City Challenge in Sheffield and indicated that some projects could have been salvaged and others could have aimed for alternative funding sources. A few who were involved in the City Challenge decision-making process were despondent about Urban Policy in general. The awareness and expectation that City Challenge raised was viewed by some as detrimental. Indeed in the context of other changes such as the withdrawal of Urban Programme the future appeared bleak for some respondents. "If that uncertainty continues over the next 2-3 years the effects would be disastrous as we saw when we had riots in Brixton and Toxteth" (City Challenge Team Member).

The Dearne Valley has a population of some 89,000 with 10,000 redundant miners. The impact of the DVP therefore would be limited. "Procedurally people may benefit; they may have some particular material gains; but generally I'm not sure that it will significantly alter people's life pattern, expectancy or chances" (An Academic). Many people may judge the success of the DVP in terms of the well publicised flagship projects ("Dearne Good News", Issues 1-4) like the University of the Dearne which experienced funding difficulties (Sheffield Business School, 1994). One observer suggested that the impact of City Challenge money would be quite limited. "However I don't think people in the Dearne are desperately bothered about that, what they've said time and time again is they want jobs...the main thing that's sought the partnership is jobs" (An Academic). Thus the primary indicator of success was likely to be job creation. Although one recent publication suggests that the Enterprise Zone should help achieve employment targets in the Dearne Valley (Sheffield Business School, 1994).

The next section considers two processes involved in partnership working: consultation; and communication.

## 4.2 An Assessment of Consultation and Communication in Sheffield and the Dearne Valley

The processes of consultation and communication within partnerships have attracted academic interest (Boyle 1989; Mabbot 1993a, 1993b; MacFarlane 1993a, 1993b; MacFarlane and Mabbot, 1993; Mackintosh 1992; Oc 1993; Parkinson and Judd, 1990). An effective partnership was defined by The Local Government Board as "providing the right people with the right information at the right time" (Spencer and Kunz, 1993, p40). The term 'consultation' in its broadest sense suggested the consideration of opinions in the decision-making process. Boyle (1989) asserted that partners needed to be able contribute in terms of objective setting, project delineation and funding commitment. This section examines these processes in more detail using empirical data with particular reference to ideas of MacFarlane (1994a and 1994b). It also draws upon the findings from an evaluation by Sheffield Hallam University undertaken in 1992 (Alty et al, 1992) of the communication process adopted by the Sheffield City Challenge team.

MacFarlane (1993b) suggested that consulting the local community was a crucial aspect of partnership formation in the City Challenge decision-making process. Consultation, he claimed could create innovative ideas, develop the confidence and skills of the community and offer an alternative to 'professional' thinking. Whilst there seemed to be no definitive definition of consultation, he offered three criteria that should have been incorporated into any City Challenge consultation exercise: a **'staged consultation process', timing** and the **'opportunity for involvement'** (MacFarlane, 1994a).

A **'staged consultation process'** should have been adopted to ensure that strategic issues could be discussed from the beginning. Sheffield managed to adopt a form of MacFarlane's 'staged consultation process' (1994b, p44). The Sheffield Hallam University study offered an independent evaluation of the communication process adopted during the preparation of Sheffield's City Challenge bid for 1992. The communication study highlighted the range and number (at least 200) of partners involved in creating a vision for Sheffield. The communication process it stressed involved an input from a wide selection of organisations in a short period of time. "The communication process furthered the concept of partnership in the city [of Sheffield] and has enabled a wider involvement of organisations" (Alty et al, 1992, Executive Summary, p1).

However the consultation process in Sheffield was not without criticism. For instance the Sheffield City Challenge team seemed reliant on the enthusiasms of community

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representatives to report back to their constituent bodies. This gradual 'filtering-out' of information from a central core often meant that groups and individuals 'at ground level' were excluded due to weaknesses in lines of communication. This was confirmed by responses in the field. "I don't think that in terms of the community the kind of cascade model they were putting into place was sensible and it actually didn't work in practice" (A voluntary sector representative); and "it (*communication*) radiates out from the central core rather than being top-down...the trouble is if you are on the periphery by the time you get the information" (An academic).

The communication process evaluation also focused upon the draw-backs of relying on umbrella organisations. "Umbrella organisations do not necessarily represent all sections of the community....umbrella organisations cannot always meet the responsibilities placed on them....the use of umbrella organisations can lead to feelings of alienation on the part of those not directly represented" (Alty et al, 1992, Executive Summary, p1).

MacFarlane (1992b) also mentioned the importance of **timing** when involving local people. Both the Sheffield Hallam Study and MacFarlane's report highlighted the limitations of consultation occurring as a result of tight timescales. "They had to think up something within a short space of time and do it, its a real problem" (An academic). Furthermore as many individuals were new to the organisational structure required by City Challenge perhaps the limits of each tier of decision-making could have been defined more clearly. The rapid decision-making process required by City Challenge forced constant strategy reformulation. "The nature of a City Challenge Bid is such that the vision, the boundaries and the projects may suddenly change. Whilst this was perceived as both positive and dynamic it created difficulties for those involved in the communication process" (Alty et al, 1992, Executive Summary, p1).

Although roles, functions and relationships emerged over time, clarity from the outset of the bidding process may have improved Sheffield's chances of winning. MacFarlane also stressed the need for the **"opportunity for involvement"** (1994b, p44). The case studies highlighted the crucial role played by the chairs and group leaders who needed to disseminate information amongst the partners about decisions taken. "People at the centre knew everything and had access to all the information and only really let out bits of information that they wanted other parties to know about" (City Challenge Team Member). Several key players stressed their despondency at the level of community involvement in Sheffield. Some felt that "the community consultation was a surface exercise...superficial" or that "if we had listened more to what the community was saying, it might have been a better bid" (City Challenge Team Member).

Whilst communication and consultation appeared to be less contentious in the Dearne Valley several issues emerged. It was stressed that consultation with the community had developed over time. "The formalisation of the community into the structures of City Challenge took longer and ideally one might have wanted it earlier on" (Local Authority Officer). Several private sector members were also unhappy with the lack of marketing and communication with the outside world, although one respondent claimed "we are seeking to redress that through the marketing activities". Another suggestion to improve the communication process was to include more technical briefing prior to meetings: "I think that would have helped because the local authority members generally had a fairly good grasp of their brief but the private sector members were floundering at times. They just didn't know what it was all about" (An Academic).

Whilst it may have been possible to achieve greater levels of consultation and communication some suggested that financial restraints imposed limits. "The only way you can improve communication is by putting more and more resources into the administration of it and there comes a point when the administration becomes top heavy and self defective" (Local Authority Officer). When examining the effectiveness of communication in the City Challenge decision-making process 'omissions' from that process were crucial. The DVP had a 'City Challenge Road Show' to try and reach as many of their 89,000 catchment area as possible. The Partnership was further constrained by having to consult three local authorities. An academic also described the difficulties of consulting such a wide professional community. "Of course in the Dearne there are at least 100 important players. When we did the initial work immediately prior to CC we consulted about 60 or 70 by face-to-face/phone interviews and so on. Even having consulted 60 or 70 there were quite a lot of complaints that we did not consult x, y or z and it doesn't matter how many you consult, there will still be a lot of people missed out and feeling aggrieved".

This section has offered a brief review of consultation and communication in City Challenge decision-making process. Three processes developed by Mackintosh (1992) to describe partnership working are considered in the following section: conflict; negotiation; and control.

## 4.3 Conflict, Negotiation and Control - An Assessment

Negotiation and flexible objectives have been considered essential elements of partnership success (see Mackintosh, 1992). Market opportunities, she claimed, needed to be offered to the private sector in order to achieve social objectives. The pressures

faced within partnerships were also outlined by Mackintosh (1992). 'Ambiguity' and 'conflict' she argued may have resulted from working with people with alternative objectives, achieving aims at the expense of other partners; and adapting ways of working to suit other partners. Boyle confirmed that "most successful partnerships have shared commitments of investment, risk and liability" and constant negotiation was a crucial component of the partnership process (1989, p25).

The difficulties encountered within partnerships (see Mackintosh 1992) were often the cause of working with partners with alternative aims and objectives (see above). **Conflict and negotiation** became an inevitable part of any partnership process. The National Council for Voluntary Organisations (NCVO) recognised the voluntary and community sector's "'opportunity for influence' will be constrained by the realities of power within the partnership" (MacFarlane, 1993b, p14). The 'realities of power' MacFarlane claimed, meant that the voluntary sector was in a weak position compared to its public and private sector counterparts. This was due to several factors including: control of money; ownership/control of buildings; control of information; legal powers; access to staff and consultants; and legitimacy (MacFarlane, 1993b). He concluded that both the public and private sector were based on a hierarchical structure and were legitimised by representative democracy and profitability respectively.

The following section discusses in more detail these processes using data from the two case study areas.

One local authority officer commented that "conflicts are always going to emerge, it would be wrong to think, with something highly political where you are going to get competing claims for resources, that there are going to be no conflicts". In Sheffield **conflicts** arose at different levels: "there was formal agreement to the bid but there was a major divide between the Sheffield Development Corporation (SDC) and the Council. There were major splits between the Housing Department within the council. There was a split between those who were more community minded, and those who were more property development minded" (A Voluntary Sector Representative). He commented that these differences forced rapid compromises during the strategy building stage, rather than developing a vision for the city gradually. Tensions surfaced during the City Challenge decision-making process at various levels, for instance, "some partners were keen to get into details, others were quite willing to express their general thinking and principles to go into formulating a strategy" (A Local Authority Officer). In terms of the final document a divergence between specific points and general issues emerged. "If writing were left to our team we would have had a much more coherent, co-ordinated,

edited version of the document" (City Challenge Team Member). This later respondent was unhappy with a diversity of players debating detailed wording rather than agreeing 'in principle' to the document, and leaving the submission to the team.

In the Dearne Valley, **conflict** seemed less evident. Although conflicts were perceived by a few as healthy, "when people feel strongly about something its not a sign of ill-health" (Central Government Representative). As the partnership had time to evolve it had more opportunity to resolve conflicts. The conflicts that did emerge tended to reflect public objections to City Challenge proposals rather than any overall disagreement about policy strategy. For instance, at public meetings "you tended to get people that have got an axe to grind" (A Voluntary Sector Representative).

Although conflicts become apparent in Sheffield, City Challenge induced an intense level of **negotiation**. "Behind the scenes there was quite a lot of conflict and rivalry but at any public meeting they gave the impression they were talking to each other" (Local Authority Officer). Others were more positive about the process of negotiation. One respondent commented "eventually the project that came out, whether it won or not, was one that had pretty universal support, there was consensus about it" (Private Sector Representative). Regardless of disagreements there was a general feeling that the City Challenge decision-making process improved negotiation processes in Sheffield. City Challenge demonstrated that people could work towards a shared vision for the city. "I think any process that enables people from different interests to work together, to tackle problems together and in the process to learn more about each other and their way of thinking is bound to have a very good effect...the mere fact that you are increasing the mass of people in the city who understand the views of other people has to be a very good thing. That's why I think the City Challenge process is without question, really worth while" (Private Sector Representative).

Other observers were less enthusiastic about the **negotiation** process in Sheffield and recognised the strains of partnership working. "In a formal sense, with the Policy Board, there was sometimes quite a lot of tension and friction and a lot of the meetings were quite negative. I suppose when you have quite a number of very senior directors and senior council officers together, all working from different agendas it is quite difficult" (City Challenge Team Member). Boundary changes were also a cause of disagreement during the City Challenge decision-making process, even after the Riverside area had been chosen, several changes were made, causing uncertainty at a late stage in the process. These frequent last minute boundary changes did not help Sheffield in creating a coherent vision for the area. The research indicated that several, sometimes

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unresolveable, conflicts arose in Sheffield and may have contributed to its unsuccessful attempt at City Challenge funding.

In terms of **negotiation** within the DVP the diversity of interests and various ways of working clearly constrained relations with the partnership in the early days of strategy formulation. However it appeared that a greater level of harmony occurred later during the strategy implementation process. "There are some conflicts and personality clashes, but generally people have acknowledged that if they can't get on then it doesn't serve anybody any benefit and therefore they've tended to come to some consensus agreement" (Local Authority Officer). Whilst there were occasional abstentions and dissent, the board did in general offer universal support for the regenerative strategy when voting on major issues.

Some commentators (Harding, 1990; Parkinson and Judd, 1990) suggested that a leader organisation or strategy 'controller' was vital for a successful partnership. Clearly in the case of City Challenge decision-making process the leader or broker was intended to be the local authority. Partnership can offer a city the opportunity to strengthen it's 'leadership capacity', a term used by Parkinson and Judd. "Leadership capacity is affected by the skill with which leaders exploit the resources available to them"(1989, p295). Parkinson and Judd (1990) focused upon three key themes in their analysis of the role of leadership in regeneration: leadership capacity, strategy choice and regeneration consequences. They claimed that the range, stability and durability of local delivery mechanisms were essential for successful alliances. Leadership is examined more closely in Chapter 5 which analyses the changing role of local government.

Several observers (see Barnekov, Boyle and Rich, 1989; Brindley and Stoker 1988; Harding 1991; Law, 1988; MacFarlane 1993a and 1993b; Parkinson and Judd, 1989; and Penn, 1992) suggested that growth benefits those in **control** of the outcomes of the regenerative process. Parkinson and Judd (1989) claimed that whoever was involved in the partnership process, an equitable distribution of resources was not always guaranteed. They suggested that public-private partnerships mainly satisfied the interests of the private sector and as yet, there has been little evidence of corporate social responsibility or benefit to underprivileged groups. For instance "the reported US experience does not indicate that this model is capable of addressing distributive issues to any great degree" (Harding, 1991, p123). Partnerships with an emphasis on private leverage have, some suggested, a lack of public accountability with self-elected bodies encouraging "the inversion of public and private priorities" (Barnekov, Boyle and Rich, 1989, p227). Observers criticised the private sector's dependence on heavy public

subsidy and claimed that investors may have been attracted to join partnerships by financial incentives offered to undertake projects they would have undertaken anyway.

In Sheffield several respondents expressed their concern about the potential recipients of City Challenge-induced growth. "There wasn't a kind of vision of 'what about people?', people being the un-named masses who will be the beneficiaries of this process. The beneficiaries of this process are the institutions and the companies. The whole notion of people as participants in the process of growth and renewal was absent." (Voluntary Sector Representative). Indeed the question of **control**, or lack of control in Sheffield's case, is raised in Chapter 5 in more detail. One team member admitted that "it was put to me subsequently that there was a lack of leadership from the City Council".

The DVP in close liaison with the three local authorities in the Dearne Valley seemed to have taken **control** of the process and given the strategy some coherence. "The executive officer made sure that good sense prevailed at board level and at the level of the community forum" (City Challenge Team Member). It also emerged that some people believed that "the local authorities were more the people who would lead the process, they were enablers, the officers came up and said this is what we should be doing. It was they who said we can deliver politically" (A Private Sector Representative).

However traces of MacFarlane's (1994b) 'realities of power' underlaid the DVP strategy. In terms of external controls the local authorities and British Coal owned most of the land and buildings in the Dearne Valley and were extremely influential in terms of conditions of ownership. The DoE and DVP also controlled the supply of information. A certain degree of parochialism may have been experienced by the community forum, as the public and private sector legitimised their involvement in terms of democracy and profitability.

## 4.4 Summary

This Chapter began by applying Harding's (1990) characteristics of partnerships to Sheffield and the Dearne Valley (Section 4.1). Although Sheffield has not moved greatly beyond the 1980's public-private partnership, new partnership links were created during the City Challenge decision-making process. For example, the team had representatives from the police and the health authority. This picture was confirmed nationally by a research team at the University of West England (Oatley et al 1993) where 17 out of 24

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authorities claimed that new partnerships were indeed formed as a result of the City Challenge bidding process (see also Adonis, 1992).

Sections 4.2 and 4.3 focused in more depth on particular aspects of City Challenge. Section 4.2 applied three aspects of MacFarlane's "key elements of consultation"; 'a staged consultation process', timing and opportunity for involvement. These elements focused, although not exclusively, on community involvement. In terms of MacFarlane's 'key elements of consultation' (1994b, p44) both the Dearne and Sheffield displayed weaknesses. Whilst some attempt was made in Sheffield to involve the community it failed in a number of respects. The DVP has had time to nurture its partnership links and managed to create a structure for community representation, albeit at a *late* stage in the process. In both areas the forging of local alliances appeared to have enhanced the communication process.

Section 4.3 explored aspects of conflict, negotiation and control in Sheffield and the Dearne Valley using ideas from Mackintosh (1992) and MacFarlane (1994b). For instance several relatively serious conflicts were identified in the Sheffield City Challenge decision-making process which may, ultimately have contributed to its unsuccessful bid for funding. An examination of negotiations in both areas highlighted tensions experienced during the decision-making process. As a precursor to Chapters 5 and 6 this section also briefly explored who controlled the decision-making process.

The following chapter applies several debates concerning central/local government relations and the changing role of local government to the empirical data.

# Chapter 5 Central/Local Government Relations and the Changing Role of Local Government

## 5.1 Introduction

This chapter examines a number of debates concerning central/local relations and the changing role of local government before applying them to the City Challenge decision-making process. Studies of local government can be categorised into three themes: conventional wisdom on central/local government relations; some explanatory models of central/local government relations; and the 'enabling' authority. Following reviews of the relevant literature, an analytical framework was created using these three themes. Findings from Sheffield and the Dearne Valley are incorporated into this structure to form the basis for an assessment of central/local government relations and the changing role of local government.

## 5.2 Assessing Conventional Wisdom: Central/Local Government Relations in Sheffield and the Dearne Valley

The classic approach to central-local government relations introduced two basic models to describe the relationship: the agent and partnership models (see Hampton 1991). The agent model suggested that local government had little or no discretion under the national policies of central government. In this interpretation local government acted as an agent of central government which had financial and statutory superiority. The partnership model inferred that central and local government were 'co-equals'.

Conventional wisdom (see for instance Byrne 1992; Chandler 1988; Hampton 1991; John 1994; and Wilson and Game 1994) suggested that due to increased centralisation and controls on the capital expenditure of local authorities the UK has moved from a partnership to an agency model. Conventional wisdom on central/local relations is now explored as the first theme for the study of local government within the City Challenge decision-making process. The City Challenge bidding process has forced local authorities to respond rapidly in an innovative manner: "new ideas emerged which demonstrated ingenuity and flexibility" (Cantle, 1992, p12).

Following discussions with key players in Sheffield and the Dearne it became apparent that local authorities have, to a limited extent, adapted their ways of working as a result of the City Challenge bidding and decision-making processes. Respondents confirmed that changes within local government have already been taking place over a number of

years and the City Challenge initiative was a relatively minor, yet identifiable part of that process. "That adaptation has been going on for some time and City Challenge just consolidated that" (A public sector employee). Other research confirmed that although the government had some success in transforming the way in which local authorities operated "new ways of working encouraged by City Challenge were in place prior to the initiative, through cross-departmental decision making and special committees to co-ordinate and streamline decision-making" (Oatly and Lambert, 1994, p10).

The following section outlines two themes which emerged from discussions: the redefinition of the traditional role of local government and changing decision-making structures.

Some observers felt sympathetic towards local authorities who have had to 'cede their sovereignty' and alter the ways they have operated for many years. Others agree that the City Challenge initiative has contributed towards local authorities shedding their 'traditional role': "that incredibly paternalistic type, top-down attitude towards service development that the authority knew best, they did everything, its (*City Challenge*) forced them to challenge their thinking" (An academic).

The decision making process was one way City Challenge forced local authorities to change. "They've had to become faster and more responsive and delegate more decision-making power away from local authorities the traditional committee structure" (An academic). Whilst it was possible to adapt the previous system to incorporate 'fast-track' decision-making the process was easier in some authorities than in others. For instance in Rotherham the decision-making process normally involved three stages: from a sub-committee to the policy committee, before final council ratification. At best this process took three weeks. However the council had 'urgent business powers', initially introduced as a mechanism during recess periods, for holiday or election periods for example. This process allowed same-day decision making on major strategic issues following authorisation from the Chairman and Director of Finance. These powers were used for City Challenge programmes.

Whichever model was adopted, the relationship between central and local government could be examined under three broad headings: **legal, administrative** and **financial** (Hampton 1991).

First, local authorities were **legally** constrained from the centre. They existed due to their statutory position affirmed by parliament; "actions for which they cannot point to

statutory authority may be found *ultra vires* and any consequent expenditure disallowed" (p174). This emphasised the importance of the legal guidelines in determining the extent of local authority discretion (see John, 1994). As local authorities have no written constitution their sphere of influence can be altered at any time. However many authorities retained a degree of autonomy as legislation was interpreted in different ways and, to a certain extent, manipulated. Parkinson (1986) demonstrated how Liverpool attempted to curb central controls using 'creative accounting'. The 'Conventional Wisdom on Central/Local Relations' (section 5.2) also referred to legal changes that influenced the operation of local government. Despite the implications of changes to *modus operandi* of local authorities few respondents mentioned legal constraints, other than in general terms.

Second, central government imposed **administrative** controls over local government. Communication between government departments at a central and local level was inevitable. This often took the form of circulars offering advice and guidance. The strength of the relationship varied from department to department. As early as 1965 Griffith identified three levels of communication: "three separate attitudes are broadly distinguishable: one is basically laissez-faire, one is basically regulatory and one is basically promotional" (Hampton, 1991, p177). The laissez-faire approach implied a considerable amount of discretion for local authorities, whereas the regulatory approach might, for example, have involved central statutory controls. The promotional approach involved fairly stringent controls over policy at the local level. Communication between the centre and the locality took two main forms, either direct or indirect. Directly, central government can influence local authorities by, for example, statute. Indirectly, circulars 'advised' local departments on a variety of issues such as how to interpret new legislation.

Finally, local government was constrained **financially**. Capital expenditure by local authorities was under close scrutiny from the centre. Local authorities were also controlled in the way they could spend capital receipts. One recent example was the sale of council houses. Hampton noted "seventy-five percent of the receipts from council house sales, and half of the receipts from other sales, must be set aside to meet credit liabilities (Local Government and Housing Act 1989: Clause 59)" (1991, p99). Furthermore central government influenced the levels of revenue expenditure for particular services. Auditors were engaged to ensure value-for-money (VFM) and the achievement of the "three E's": economy, efficiency and effectiveness, in the ways it used finance. The centre therefore used its financial sovereignty to legitimise control over local policy.

Local authorities in the Dearne have modified their financial regimes to accommodate the speed with which City Challenge funds needed to be processed. For instance Barnsley MBC has recently used a tool allowing local authorities automatically to deal with standing orders to speed up the process. City Challenge teams unlike local authorities also have the option of negotiating either an 'overspend' or an 'underspend' provided they found another City Challenge area that required either the surplus funds or needed to 'off-set' overspend. This flexibility was not awarded to local authorities budgets. "Now local authorities can't do that...if they (the local authorities) don't spend it they've lost it" (Local Authority Employee). One Dearne Valley Partnership member noted that the City Challenge funding of £7.5 million per annum was relatively insignificant compared to the Dearne authorities' annual budgets of between £150-£200 million. "Therefore there is great difficulty in trying to change financial systems for the sake of a very small percentage of the overall budget".

In summary City Challenge teams were decision-making bodies with a power base outside the political process of the local authority. Dunleavy (1980) referred to the teams as 'non-local' sources of policy change. However, findings within the case study areas suggested that the City Challenge implementation process has managed to infiltrate local authority command structures and committees, and short-cut the process with 'fast-track' decision making. The evidence indicated that local authorities have had more discretion in the City Challenge decision-making process than the agent model outlined by Hampton (1991), although they could not really be regarded as co-equals as the partnership model suggested. It was for this reason that the following section considers some more detailed explanations of central/local relations.

## 5.3 Explaining Central/Local Government Relations in Sheffield and the Dearne Valley

A number of explanations of central/local relations emerged in the post 1979 years. This section endeavours to give an overview of some key contributions to the debate before constructing a framework for further analysis. Several observers (Dunleavy, 1980; Marsh and Rhodes, 1992, Rhodes, 1981, 1992; and Shaw, 1993) suggested that the so-called conventional wisdom in central/local relations was unrealistic and over simplistic.

Initially Dunleavy (1980) emphasised the complexities of central-local relations using three main non-local sources of policy change: the formation of policy in the welfare state, the role of the professions, and the corporate economy. These three sources of

policy change provided context for later debates: managerialism, professionalism and corporatism.

First, he identified several types of interaction between local authorities and non-local state institutions during the formation of policy in the welfare state. These included the ability of local government to define the context of policy debate, interpret national policy and the policies of other authorities. He also commented on the influence of non-local quasi-governmental institutions on local authorities and the strength of relations between central departments and local authorities (1980).

Second, he asserted that there were three key areas where the role of the professions was under-estimated: within the link between public sector service provision and professions, the influence on national debate and policy making and defining a detailed inter-departmental process of policy formation. Although previously the professions may have been awarded contracts by the state, now private firms were more directly involved through, for example, competitive tendering. The influence of the professions in urban policy change has also increased in recent years with the development of public-private partnerships.

Finally, Dunleavy assessed the extent of involvement of the corporate economy in urban politics. He claimed that corporate involvement had considerable influence in two particular areas: construction; and loan finance and investment. Certainly a substantial proportion of public sector construction orders went to the corporate sector. Local authorities were also considerably involved with the financial sector: "firstly in borrowing money to finance capital spending and refinance old debt, and secondly in investing money from the pension funds of their employees" (p124).

Although changes have occurred within local government since Dunleavy initially developed his framework for analysis these ideas provided a useful base for future research. The following section considers *some* debates around **managerialism** (Saunders 1985), **corporatism** (Shaw 1993) and **professionalism** (Laffin 1980, 1986; Marsh and Rhodes, 1992) in central/local relations.

## Managerialism

In the context of the wider policy environment Saunders (1985) introduced a 'regional' element to the central/local debate. He developed a theory of dual politics which he subsequently amended to include a regional dimension of central/local relations.

Originally his thesis concentrated on some of the tensions between central and local government which, he argued, caused many of the conflicts in public-private partnerships. He maintained that "class interests will tend to take precedence over sector interests, corporatist agencies will tend to limit the scope for competitive agencies, central state institutions will tend to lay down limits on local initiatives, and the rights of private property ownership will tend to dominate citizenship rights" (1985, p153). He stressed the importance of managerialist theory of the state at the regional level. He explained managerialism using Pahl's (1975) concept of urban managers who were forced to mediate rather than act as independent actors. They mediated between central controls and local interests, and private sector economic constraints and public sector welfare values.

Saunders offered an alternative explanation of how regional groups inter-acted at both the central and local level in "the Forgotten Dimension of Central-Local Relations". He defined the regional state as "organisations operating at an intermediate point in the hierarchy between the centre and the locality" (1985, p151). The City Challenge decision-making process was scrutinised by examining these influences. For example the presence of Department of Environment Ministers at policy meetings and the involvement of local councillors in various stages of the bidding process was noted. Many City Challenge teams included 'regional elements' with members from the regional health authority, the police, the church and local businesses. The sphere of influence of each organisation and representation varied enormously.

Two elements of Saunders' hypothesis were particularly interesting: ways in which central state institutions tended to lay down limits on local initiatives; and the ability of corporatist agencies to limit the scope for competitive agencies.

First, central government and in particular the Department of the Environment (DoE) influenced the City Challenge decision-making process in a number respects. For instance DoE guidelines, Victor Hausner guidelines, meetings/conversations with DoE ministers, circulars, policy statements and other material, were some of the tools used by central government to influence the implementation of City Challenge. One respondent involved with bid preparation emphasised the significance of central government guidelines. "These were massively influential, we stuck to them as rigidly as we could with the objective of winning...but we were quite clear that we had to stick to the rules precisely. In addition to the formal guidance from the DoE we received a great deal of informal guidance from officials/civil servants and that was crucial".

In the Dearne intricate central government procedures and directives were adhered to on a daily basis and at times some respondents felt that the DoE was being 'far too dictatorial' and 'inflexible'. Central government tended to have a dual role of auditor, on the one hand, and advisor and interpreter, on the other. Some local authority workers had the pragmatic view that their role was to get resources for the city, "if they're (*the resources*) offered under certain rules then we play by the rules". Sheffield's failure to gain City Challenge status was seen by some partly resultant of the failure to follow DoE guidance. "The DoE were telling us all the time, we must involve the community more. I don't think that advice was taken seriously enough, or seen to be taken seriously enough, which was one of our downfalls" (Sheffield City Challenge Team Member).

**Corporatism**

A number of authors continued to pursue the debate concerning corporatism. For instance Cochrane (1991), (1992), and (1993), Logan and Swanstorm (1990) and Shaw (1993) maintained that various forms of corporatist or neo-corporatist politics at the local level were the best way to understand the evolution of local government. Shaw (1993) asserted that whilst the coalition model (see Chapter 6) was useful in explaining a dynamic and changing policy environment in the UK and the USA, the 'new model of urban corporatism' was more apt at describing such alliances. This was particularly true in economically depressed areas that required established partnerships or what he referred to as long term 'corporatist alliances' between capital, labour and local politicians to regenerate the local economy. Others suggested however (see Grant 1987) that the fragmentation of the local state inhibited the process of partnership building. More recently Imrie and Thomas (1993) suggested that such explanations fail to recognise the ability of local institutions to influence urban regeneration programmes. Chapter 6 outlines in more detail the extent to which business involvement with local government was increasing.

These models are used to inform central/local government relations in Sheffield and the Dearne Valley in Chapter 6. Shaw (1993) suggested that whilst the American models were useful in describing a rapidly changing policy arena, in the UK the new model of urban corporatism was more appropriate at describing such alliances. He argued that economically depressed areas required partnerships to boost the local economy. Although partnerships are scrutinised in more depth in Chapters 4 and 6 it would be useful to consider such alliances in the context of the local authority. Local authority workers seemed to accept the idea that local partnerships were an inevitable and, increasingly essential part, of the way in which local government continued to operate;

they have come to "the healthy realisation that the city cannot and should not seek to do everything that other agencies and bodies can do equally as well" (A Local Authority Employee from Sheffield). Although authorities have been working with other agencies for years, the City Challenge decision-making process demanded a partnership with guaranteed leverage from the private sector.

A number of respondents in the Dearne Valley referred to the fact that local authorities also had to forge alliances with each other. Despite spanning three local authority boundaries the Dearne is perceived by some local residents and professionals as an entity of its own. Local-authority co-operation, for instance, has been re-formalised since the establishment of a Joint Consultative Committee in 1974 which involved all four South Yorkshire Local Authorities: "the three authorities, both from an officer and a member point of view, seem to have moved a bit from parish politics to meaningful co-operation. Some of the rivalries that I think were clear at the bid process have actually been acknowledged as less than helpful and therefore moved away from this 'if you have got one, we want one' type of scenario" (A Local Authority Employee). It was acknowledged that the Dearne Valley Partnership was set up prior to City Challenge and had gone part of the way to forming these local authority alliances. For example, the management of the Wath Mavers Pit required liaison with all three Dearne Boroughs. A number of local authority employees also mentioned that cross-departmental barriers were gradually being lowered. In Sheffield for instance, one respondent felt that when City Challenge emerged the Local Authority had 'learnt a lot of lessons' as a result of the restructuring of departmental priorities.

## Professionalism

Rhodes (1981) developed a structure for research of central/local relations using a power dependence model which has subsequently been updated (Marsh and Rhodes 1992; Rhodes 1992). Rhodes speculated that the relationship was more complex as there were a number of influential bodies (quangos, public sector bodies, professions, pressure groups etc) which interacted with central and local government. He asserted that central government did not act as a monolithic isolated body and that the relationship was best described in terms of a 'confused ambiguity' with a process of bargaining and negotiation; "the 'problem' of central/local relations is not, therefore, one of central control but of ambiguity, confusion and complexity."(1981, p33) He maintained that each party manipulated the other according to their own agenda.

Further contribution to debates around professionalism in central/local relations was offered by Laffin (1986). He developed the concept of policy communities using research from two local government professions: highway engineering and housing management. Policy communities, he suggested, were a "relatively small group of participants in the policy process which has emerged to deal with some identifiable class of problems that have or could have become the concern of central government" (p110).

Policy communities suggested Laffin (1986) exhibited a number of key characteristics: **limited membership , exclusivity, a high degree of value consensus**, and a **function that varies over time**. Each of these characteristics is now applied to a City Challenge team.

First, they had **limited membership** and City Challenge boards (Appendix III) were likely to include: central and local government civil servants, officials from semi-government agencies, representatives from 'legitimised' or 'respectable' interest groups and politicians with a specialised interest in a particular area. Second, policy communities demonstrated **exclusivity** with stringent entry criteria, such as the possession of expert knowledge, a senior position in a relevant organisation or a combination of both. Similarly the teams displayed exclusivity. Also City Challenge teams had common aims. An initial priority was to secure funding to regenerate a particular area of deprivation following the bid preparation and submission process: "the partnership was developed with three authorities joining together with the private sector and, of course, with other interested parties all with the same objective, to regenerate the area" (A local authority employee). A key aim of the DVP was quite simply "to create jobs to replace those lost in mining" (Sheffield Business School, 1994, p6). Third, therefore, they had a **high degree of value consensus**. Although conflicts may have occurred there was a general agreement on broad policy principles. For instance the Dearne Valley Partnership were united in their bid for Enterprise Zone status and recognised the importance of a marketing strategy. Finally the **function** of a policy community **may have varied over time**. The natural development of the community may have involved a search for policy ideas and competition with other communities for resources. Following the latest wave of pit closures the Dearne Valley Partnership revised their action plan to take account of the job losses. The 'Revised Five Year Action Plan' prepared by the Sheffield Business School (1994, p17) noted "a diminished need to spend on advance factories and workspace given the push to the private sector provided by the Enterprise Zones".

Policy communities Laffin (1986) suggested, developed from issue networks or what Marsh and Rhodes (1992) referred to as policy networks. These networks acted as an interface between central and local government with organised coalitions of interest groups. Laffin assessed the impact of professions on the power balance between central/local relations. He indicated that central controls over local government were constrained by professional local expertise. He surmised therefore, that the closer the policy aims of both central and local government the greater the possibility of harmonious professional contact. However different loyalties could have caused a degree of conflict: "those professionals employed by the centre are generally more likely to identify their interests with their department than with the local authorities" (p119).

One key difficulty when attempting to apply Laffin's research to the City Challenge decision-making process was that he viewed policy communities as service-specific, that was, they related to particular departments. City Challenge involved a diversity of service-specific communities with an overall policy network co-ordinating the teams. Thus whilst Laffin's model provided a useful structure for analysis slight adaptations were necessary. City Challenge was an attempt to bring together a number of policy communities in an all-embracing network.

The presence of a dominant profession, Laffin argued, was more influential in terms of policy development than differences between central and local government. The power balance of City Challenge teams was crucial to the development of the bid. For example the existence of a powerful housing lobby within the Sheffield policy board may have influenced the scale of housing proposals, which incidentally, dominated the successful 1993/4 Single Regeneration Budget bid based loosely around the City Challenge area.

The subsequent section provides an assessment of more recent debates concerning the changing role of local government using case study material.

## 5.4 The Enabling Authority: Sheffield and the Dearne Valley

A review of the literature concerning central/local relations and the development of public-private partnerships tended to illustrate that local government in the 1990's was experiencing continued centralism and privatism. Since the late 1980's local authorities seemed to be adapting their roles from service providers to local enablers (see for example The Audit Commission 1989; Brooke 1989; Cantle 1992; Cochrane 1991 and 1993; Goldsmith, 1992; Hambleton 1994 and Wilson and Game 1994). Rhodes asserted

that "the three themes of accountability, competition and consumerism can be summarised in the phrase 'the enabling authority'" (1992, p71).

Local government was experiencing fragmentation with the increased use of external agencies, setting of precise service guidelines for agencies, and the use of cost centres for budgeting (The Audit Commission, 1989). More recently there have been calls to give local authorities more autonomy and control over the regenerative process. "Local authorities are generally now seen as having an important role to play in the development and implementation of local strategies" (DoE, 1994b, pp50-51). This was confirmed by the Association of District Councils who made calls on the government to consider the "key roles of local authorities in facilitating and drawing the community and the private sector together to produce a joint strategy" (1993, p7).

It could be argued that Britain has been gradually transformed from a welfare state to an enterprise state. The introduction of compulsory competitive tendering for local services for example, has meant a reduction in staffing levels for some local authorities. Nicholas Ridley, former Secretary of State for the Environment, suggested that "authorities will need to operate in a more pluralist way than in the past, alongside a wide variety of public, private and voluntary agencies" (1988, p8). Ridley's supporters claimed that local authorities should have been enablers and not providers. Brooke (1989) asserted that local authorities needed to be more innovative by, for example, creating arm's length agencies, more precise service provision, and more effective monitoring.

For some, this apparent transformation epitomised the demise of local government. Ridell in "The Thatcher Decade" asserted that "roughly 50 separate acts have been passed since 1979 aimed at reducing the independence of local authorities" (1989, p177). Local government in the early-mid 1990's was inevitably influenced by policies during the Thatcher years in which "central government engaged in a period of centralisation, one in which especially the changing rules of local government finance fundamentally undermined the scope for local autonomy" (Goldsmith, 1992, p401). Local governance in Britain was becoming increasingly reliant on individuals who govern the essentially non-elected self-functioning agencies aimed at releasing market forces. "In effect what is 'going on' in partnerships is a broader conflict over the future organisation and scope of the public sector" (Mackintosh, 1992, p221). Under considerable strain the local authorities expanded their partnership links in an attempt to raise funds elsewhere.

Others welcomed this transition with enthusiasm (The Adam Smith Institute 1989, Cantle 1992, Gahagan, 1992, Ridley 1988, and Wilson and Game, 1994). Some

observers for instance (Gahagan, 1992, 1993 and Ridley, 1988) indicated that the inner cities were one of the greatest opportunities for local authorities to become enablers by encouraging the private sector to invest in regeneration: "local authorities should be in the lead by acting as a broker, not doing everything itself" (Gahagan, 1992, p4). The Adam Smith Institute (1989) perceived that local government was becoming an increasingly commercial activity. Similarly City Challenge areas, Cantle (1992) observed, could secure a position of command and direction for authorities concerned: "enabling has encompassed both intervention and empowerment. It has thus created a more powerful position of leadership and influence for authorities concerned" (1992, p12). Accounts of the 'enabling' role of local government ranged from the residual to the expansive. It was not therefore surprising that some commentators were sceptical about the future of local authorities, "given the wide variety of potential interpretations of enabling...it is not in itself a convincing basis for a new vision of local government's role and purpose" (Wilson and Game, 1994, p342).

This section examines whether local authorities involved in City Challenge bid preparation could have been perceived as 'enablers' or 'leaders'. It draws upon several themes which emerged from the above discussion. Local authorities examined could be termed 'enablers' in a number of respects: **co-ordination** (Brooke, 1989 and Gahagan, 1992); **expertise** (Brooke, 1989); **financial and legal backing** (Brooke, 1989); **democratic accountability**; and **leadership capacity** (Cantle, 1992). Each of these aspects will now be briefly considered.

As the local authorities were responsible for bid submission they tended to play a major role in **co-ordinating** most City Challenge proposals. Initially most of the major decisions concerning the bid content were taken by local authorities. In terms of project implementation City Challenge teams were extremely reliant on local authorities through their co-ordinating officers; "the Partnership will approve something. We will then have a lead authority who will actually take the project under its wing, obtain all the approvals and then manage the project for us" (DVP Employee). In the Dearne Valley one of the main contributions of the local authorities was to allocate project managers to deliver projects and programmes. One local authority employee suggested that the ingenuity of the officers helped to ensure that City Challenge bureaucracy did not hinder strategy implementation. In this case the City Challenge initiative tended to confirm the hypothesis put forward by Brooke (1989) that local authorities have changed their roles from service providers to local enablers.

Brooke also argued (Brooke 1989) that the local authority had adequate tools such as finance, land, **expertise**, staff, and purchasing and enforcement powers to influence third parties and to perform a regulatory and monitoring function: "local authorities - in their newly emergent roles as enablers and facilitators - need to be given opportunities to play roles in such coalitions" (DoE, 1994b, p55). In terms of expertise and resources the cost of City Challenge to local authorities was considerable. Oatley and Lambert (1994) estimated that some £5 million was spent on unsuccessful City Challenge bids. One Sheffield Local Authority Worker estimated that the council spent in excess of £200,000 for the Second Round of City Challenge, including £80,000 on bid preparation and £120,000 for officer time and professional support. Many respondents recognised the strengths of the local authorities. "Within the local authority there is much of the expertise that's necessary in a regeneration process and the long-termism of local authorities makes people more confident of anything that's happening" (A Local Authority Employee). Local authorities provided a variety of resources and expertise for the City Challenge bidding process including staff time, staff secondees, premises, administrative expertise and funding. Without the intense involvement of the local authority, City Challenge teams would have to have sought professional assistance, "we *(the DVP)* don't have that expertise *(of the local authorities)*, very costly expertise and that is a good thing" (DVP employee). One interviewee claimed that people were too reliant upon the strengths of the local authorities and, to a certain degree, exploited them.

All legal matters relating to the City Challenge initiative tended to go through local authority mechanisms and "since they are the paymasters...City Challenge money goes to them, and is paid out by them...they take the lead in that sense" (A Local Authority Employee). Advocates of public sector regeneration like Goldsmith (1991) who were opposed to the politics of the New Right (see Ridley 1988) would have suggested that local authorities legitimised the City Challenge decision-making process as they were elected and **democratically accountable**. Many commentators failed to share the optimism of observers such as Ridley and Brooke. Goldsmith for example indicated that without any clearer theoretical justification "there seems little real future for elected local government in Britain...and our well-being will depend on those businesses who dominate the largely non-elected single-purpose agencies designed to liberate market forces" (Goldsmith, 1991, p407).

The case studies in South Yorkshire demonstrated the varying **leadership capacity** of local authorities in the City Challenge decision-making process.

Leadership capacity differed between the two areas. In Sheffield the lack of support and commitment from the centre was mentioned by a number of respondents. A well respected team headed by the chair of the planning committee was desperately trying to make the bid appear a genuine city-wide submission rather than a 'City Council' submission. A number of questions were raised about the lack of leadership capacity. One Sheffield City Challenge team member commented: "I was asked...Where is the Chief Executive? Where is the Treasury Department? Whilst they were full of admiration for our team, in terms of the work that had gone in, they felt it needed the backing of the top people in the organisation". The consensus of opinion in Sheffield was that City Challenge should have been a priority issue at an early stage. Several respondents felt that the city should have learnt from mistakes made in the first round of City Challenge, for example with regard to consultation, and taken a more proactive approach. "They didn't get their act together politically, they didn't know which line to take, which area to take, it was like shooting themselves in the foot, dithering, they should have decided after they failed at the last City Challenge if they were going for it and there should have been a timetable" (An Academic).

Despite enthusiasm and energy of local authority officers, the lack of leadership capacity in Sheffield might have contributed to its failure to secure City Challenge funding. Furthermore, some key players maintained that the 'weak' centre was further compounded with various departments 'fighting their corner'. Internal power struggles further hindered the situation and "relatively few officers were able to break out of their departmental framework" (A Voluntary Sector representative).

In the Dearne Valley, however, 'lead officers' oversaw each project. Respondents mentioned the ability of these officers to control the City Challenge partnership. Due to the tight timescale of City Challenge the board members generally accepted the recommendations of the officers, "once the board had laid down the general framework then they were utterly reliant on the officers" (An Academic). One private sector respondent commented "they (*the local authority officers*) would lead the process, they were the enablers...the officers would come up and say this is what we should be doing. It was they who said we can deliver politically". In the Dearne Valley the support and leadership capacity of the three local authorities was evident. The Dearne authorities as 'enablers' continued to influence the City Challenge decision-making process and displayed leadership characteristics.

## 5.5 Summary

This chapter has attempted to outline the development of the relationship between central and local government, from 'conventional wisdom' to recent accounts of the role of local government. Research by Dunleavy (1980); Saunders (1985); and Laffin (1986) helped to provide an overall context to study central/local relations. Clearly local government was influenced by central government and has a redefined role. To conclude it would be reasonable to make a number of assumptions under each of the three themes examined above: conventional wisdom on central/local government relations; explanatory models of central/local government relations; and the enabling authority.

First, the City Challenge decision-making process altered the way that local authorities operated. Research confirmed that the traditional role of local government was being redefined by central government. Financial, legal and decision making structures changed and partnerships were strengthened. The City Challenge initiative however, was only part of a wider process of local government re-orientation. This process had been in progress for many years and was likely to continue. "The local authorities are huge organisations...it would be wrong to exaggerate the impact of this comparatively small initiative" (An academic). The degree to which local authorities have modified their behaviour varied from authority to authority depending on the depth of experience in cross-departmental regeneration and streamlined decision making.

Second, as a result of the City Challenge decision-making process, partnerships within local authorities were inevitable and an increasingly important way, in which local government continued to operate. Central-local relations in the City Challenge decision-making process could be studied using either a managerialist, corporatist or professional stance. For instance, using Saunders' (1985) 'forgotten dimension' of Central-Local Relations it was clear that central state institutions laid down limits on local initiatives like City Challenge. Also a City Challenge team exhibited a number of the characteristics of Laffin's (1986) and Marsh and Rhodes' (1992) 'policy community' including limited membership, exclusivity, a high degree of value consensus and a function which varied over time.

Finally, the local authorities in Sheffield and the Dearne could be termed 'enablers' (see for example Brooke 1989; Cochrane 1991; and Goldsmith 1992) in a number of ways. They took on a co-ordinating role in terms of the preparation, delivery and implementation (winning authorities only) of the bid. They offered considerable expertise and resources to the team, including financial and legal backing. Local

authorities appeared to be 'legitimised' within the City Challenge decision-making process due to their democratic accountability and commitment to take the lead role in the process.

The following chapter explores a US paradigm used to describe power relations between different interests.

# Chapter 6  US Power Relation Theory

## 6.1 Partnership Formation - The US and UK Experience:

This chapter outlines a US paradigm of thought concerning power relations using two theories: Growth Coalition Theory and Urban Regime Theory (section 6.2). It begins by offering a critical evaluation of the differences between the US and UK in terms of partnership formation.

Using US policy and practice is not new in terms of British Urban Policy formation. Labour's urban policies of the 1960's for example were influenced by the then Democratic administration's 'War on Poverty' programmes. Indeed Parkinson (1989) noted that the success of many East coast cities (like Boston, New York, Baltimore, Pittsburgh and Philadelphia) in revitalising their service sectors attracted interest from Conservative governments. The Americans used relaxed planning regimes, small-firm support, and depended heavily on the private sector to invest. However, the key differences between the two countries were of crucial importance. The UK government was more centralised politically, economically and financially than the US government. Parkinson indicated these and other differences meant "there has been no simple translation of the American experience into the British context" (1989, p6).

Due to the differences between the countries, commentators (Hambleton, 1990b, 1991a, 1991b; Harding, 1991; Hula, 1990; and Shaw, 1992) suggested that adaptations to US theory needed to be made before policies were transferred to the UK. A recognition of these inherent differences however, still allows us to study the UK experience of urban governance in more depth: "a suitably reformulated concept can still prove useful in depicting new interests and structures involved in urban governance" (Shaw, 1992, p252). Two themes emerge from observations concerning partnership formation in the US and the UK: the level of private sector involvement in urban politics, and the need to form local alliances or coalitions to regenerate local economies.

Harding (1991) noted that whilst the phenomenon of a philanthropic industrialist 'city boss' decreased in the UK after Victorian times, the private sector remained very influential in US urban politics. This was, in part, due to the political constitution in the US with relatively weak states and the lack of single party dominance. Differing land ownership patterns also had a considerable bearing on the shape of economic growth. For example, in the UK much of the land is owned by precapitalist or noncapitalist institutions such as the crown, the church, universities, charities and local authorities

rather than 'rentiers'. Logan and Molotch clearly recognised and accepted the differences between the UK and US and examined urban development primarily through the role of elites: "a strong land-use authority vested in the national government combined with the central funding of local services and the heavy taxing of speculative transactions undermines some of the energy of a growth machine system. Central government, working closely with elites in the production sphere, has relatively greater impact on the distribution of development than in the US, where parochial rentiers have a more central role" (1987, p149).

Another key difference between UK and US public-private partnerships was the relative ease of formation in the US. Harding (1991) stated there were long established regional financial institutions in America. This meant that resources were more readily available locally. Furthermore, business information flows and business organisations were more efficient, easing the formation of partnerships.

US urban authorities were more used to relying on local private finance for urban regeneration and generally there was less tension between the public and private sector. Democrats for example, were more willing to deal with the private sector than were the Labour party. "Much of the success of the American experience is based on partnership at the local level with local government" (Law, 1988, p451). Some observers such as Wolman and Goldsmith stressed the power of the business sector in the States: "businessmen as a class possess high status, and elected politicians pay due deference to them" (1992, p165).

However recent accounts (see for example Edwards and Deakin, 1992; Goldsmith, 1992; Harding, 1991; Lloyd and Newlands, 1988; Shaw, 1993; and Wolman and Goldsmith, 1992) suggested that changes in local government may have led to a UK form of American-style growth coalition. Various sectors within the city were forced to co-operate partly in response to the decline of the public sector. Changes such as rate-capping, the abolition of the GLC and metropolitan counties, and business domination of quangos, incapacitated the local authority's ability to lead the urban regeneration process. "With regard to local authorities a series of measures has been introduced variously to bribe, cajole and force urban authorities to waive or at least minimise their regulatory functions and to operate an automatic presumption in favour of development" (Harding, 1991, p304).

Other commentators claimed that changes in British local government offered an opportunity to develop new methods of city management by the creation of city

managers or mayors for example. "Supporters of the strong mayor approach claim it provides a platform for powerful political leadership and enhances the visibility of city issues" (Hambleton 1990a, p16). For local government to survive central control, Colenutt and Ellis (1993a and 1993b) suggested, it needed to establish local coalitions. For example local authorities could mobilise anti-poverty coalitions at the local level encouraging indigenous investors rather than competing at the national level for resources.

The following section introduces the two main US theoretical schools which are particularly relevant to this study of decision-making: growth coalitions and urban regimes.

## 6.2 UK Growth Coalition Theory and Urban Regimes UK Style?

Much of the US literature concerning urban analysis initially focused upon power relations between different groups (see Dahl, 1961). These power relation paradigms have since been enhanced to incorporate economic and political discussions in the US and more recently the UK. Two theories in particular have been developed to illustrate this progression. The first model, growth coalition theory, described a relatively simplistic, 'static' alliance between the so-called 'urban elite' in the pursuit of 'growth'. The second model, urban regime theory, was more dynamic in nature from the first, and progressed by recognising that a diversity of actors and variation in interests often led to multiple objectives and conflicts.

US growth coalition theory provided a starting point for the literature describing the shifting alliance between the private sector and local government in the UK (Lloyd and Newlands, 1988). One of the key UK analysts of US theory, Harding (1991), explained growth coalition theory in a more logical relationship-type manner. He transferred US thinking on growth coalitions to the UK. Initially, he traced the recent changes in urban partnerships. "The process of public and private sector interests and actors forming alliances on the basis of a common economic growth agenda that has been of growing importance in the United Kingdom since the mid-1980's and has increasingly displaced an earlier paradigm of urban economic policy which was more dominated by the local public sector" (p295).

Logan and Molotch were perhaps the most important commentators on the workings of local coalition and US proponents. They suggested that urban development in many US cities was dominated by business interests. "The activism of entrepreneurs is, and always

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has been, a critical force in shaping the urban system" (1987, p52). Wiewel (1990) confirmed that private sector decisions, national and federal policy and international trends affected economic change far more than at the local level. He noted that whilst local government could create a local business environment that may defy imitation it didn't always succeed in steering development into the preferred direction. Since the mid-1980's there appears to have been an increase in the UK of organisations similar to the urban growth coalitions developed in the US literature. The term urban growth coalition was developed by Molotch: "a city and, more generally, any locality, is conceived as the areal expression of the interests of some land-based elite. Such an elite is seen to profit through the increasing intensification of the land use of the area in which its members hold a common interest" (1976, p309).

Whilst US growth coalition theory offered a useful picture of public-private alliances a number of observers have made several qualifications to the model (Cooke 1993; Lloyd and Newlands, 1988; Harding, 1991; Shaw, 1993; Valler, 1995). A few aspects of the model emerge as contentious and are incorporated into later sections of this chapter: the nature of the private sector (Section 6.4); the role of local government (Section 6.5); the distinction between the public and private sector (Section 6.5); an over-reliance on growth and 'coalescence without conflicts of interest' (Section 6.6); and the involvement of 'minor elites' (Section 6.8).

Urban regime theory constituted the second principal paradigm of power relation theory in the US. Dahl (1981), Di-Gaetano and Klemanski (1994), Elkin (1985), (1987), Fainstein and Fainstein (1986), Gurr and King (1987), Kantor and Savitch (1993), Judd (1979), Lindblom(1977), and, Stone (1987), (1989) offered valuable contributions here. Regime theory, like coalition theory, recognised the inevitability of a partnership between the public and private sector. Similarly, regimists agreed with the potential of a so-called urban elite. Regime theory differed from growth coalition theory as it attempted to explain the dynamic structural alliance between public and private sector players and how these actors affect the decision making process. Regime ideology discarded the concept of unitary collusion in favour of 'multiple imperatives' which lead to a variety of policy responses. Valler explains that "developments in regime theory have approached the diversity of interests and political agenda in the city, which form the context for significant conflict over local economic policy" (1995, p36).

A thorough, if dated, account of how democratic urban environments were administered in the US was offered by Dahl's (1961) "Who Governs?". His pluralist ideas which clearly later influenced urban regimists emphasised the relative autonomy of the various

interest groups in the urban policy arena. Dahl examined the distribution of influence in the urban environment and, for instance, noted that the development administrator from the city planning department "negotiated with potential developers to induce them to come into projects on terms acceptable to the city" (p129). He found that elected officials, particularly the mayor have had a major influence over local decision making. Stone developed these earlier ideas using a social-production model of power to explain regime theory. As different institutions have varying influences, the ability to govern these became the task of a regime. Thus he defined a regime as "the informal arrangements by which public bodies and private interests function together in order to make and carry out governing decisions" (1989, p6). He chose the case study of Atlanta to apply his theory. Here, he asserted "the very capacity for strong governance is dependent on active business collaboration" (p234). The power and influence of business elites was attractive to public sector employees who attempted to gain resources for community projects.

The following section used regime theory and growth coalition theory as a framework for examining public/private alliances in the City Challenge process in the case study areas. This is done by applying key aspects common to both theories to experiences in Sheffield and the Dearne Valley. As both growth coalitions and urban regimes rely on key players or elites to influence decision-making it begins by examining the existence of **elitism in the City Challenge process** (Section 6.3) and assessing levels of **business involvement** (Section 6.4). It continues to explore the **"structural" nature of public/private alliances** (Section 6.5). This chapter also examines the **limitations of private sector involvement** (Section 6.6) and the ability of regimes/coalitions to **attract wealth** (Section 6.7). The final aspect of regime/coalition ideology which is scrutinised is the existence of **formal and informal public-private networks** (section 6.8).

## 6.3 Elitism in the City Challenge Process

A closer evaluation of 'elites' within the City Challenge process helps to provide a detailed picture of the involvement of key players. Saunders (1979) and more recently Colenutt and Ellis (1993) referred to a network of elites that operated in local politics. Some elites, particularly the business sector and the council, were able to exercise more control over the political process (see Saunders, 1979). Three elements were chosen to appraise elites within urban politics: roles; decision making; and involvement in bid preparation. This section concludes with two criticisms leveled against the dominance of elites in the urban political process.

One of the most effective methods to study the existence of elitism within urban policy was to examine the diversity of roles people undertook. For instance, in addition to involvement in the City Challenge decision-making process a number of respondents were members of regenerative committees and bodies, professional bodies, pressure groups, and statutory and non-statutory bodies. One private sector member, for example, who had an interest in six organisations can be perceived as an elite player with considerable influence in local politics. The empirical data confirmed claims that these players existed, although their degree of influence varied with the number and type of positions held. For instance some elites like planning officers or researchers were involved in bodies like the Royal Town Planning Institute as part of their job and their level of control tended to be relatively modest. A number of players were also members of local committees like the co-ordinating Officers Group or Chambers of Commerce or regenerative bodies like Sheffield Partnerships, Sheffield Economic and Regeneration Committee or the DVP (prior to City Challenge).

Another way of assessing elitism within the City Challenge process was to study the decision making process. Decisions could be coarsely divided into three categories: key decisions; intermediate decisions; and routine decisions. Those players that were involved in making key decisions were regarded as elites. Again players that made these decisions were likely to represent the local authority or the private sector. "I was a member of the City Challenge Policy Group that debated general questions of location, shape of the bid, general strategies *et cetera*. It was that group that made the decisions, yes. I was also party to some more detailed discussion from time to time" (A Private Sector Representative).

Decisions which were also taken at an intermediate level were inclined to be made by players who, by nature of their job description, were involved in regeneration. Whilst they could be considered influential they perhaps were not characteristic of elites in the truest sense. One council employee described his involvement in the process: "I was involved early on with some basic ideas about how to shape the strategy for the area of riverside from a physical planning point of view..the river link to the fringe of the city centre". Other players that influenced the development of City Challenge made more routine, specific decisions. "Lots of administrative, servicing meetings, going along to meetings. Generally trying to generate a lot of interest with all the partners and get them all involved. Quite a heavy task" (City Challenge Team Member).

Key players in the City Challenge decision-making were also assessed in terms of their input into the bid preparation stage. In general, elites appeared to have had a major input

into the preparation stages of the City Challenge bids. "I wrote it. The boundary of the area was clearly set out before we were involved, so at least two years before the City Challenge bid was drafted. On the choice of projects again I had influence over that but not to any great degree, the choice of the project was the partnership's choice. Yes, at the margins myself and the officer group from the local authorities did influence it, although more for a concern for vision and strategy" (Anon). Other players were influential in terms of the sectors they represented or the projects they selected for inclusion into the bid. "I did a lot of running round trying to get voluntary sector groups to put in small bids into the community section" (A Voluntary Sector Representative).

However, the dominance of 'elites' in the political process was not without criticism. Cooke (1993) for instance, suggested a key modification to Molotch's growth coalition and the control of elites over urban politics. He indicated that the Labour party and minority groups failed to be incorporated into the equation. He claimed that there has been no tradition of business-dominated coalitions in the UK. Wolman and Goldsmith reaffirmed that "minor elites" (1988, p168), such black interest groups and women's groups were less well organised to take advantage of such coalitions. A number of commentators (Cooke 1993; Shaw 1993) suggested that a 'reformulated' growth coalition should have depicted new interests or 'minor elites' to provide a more accurate portrayal of City Challenge teams. City Challenge coalitions were more complex than a simplistic public-private alliance as they incorporated minority groups and the voluntary sector into the process. For example, in the Dearne Valley one sixth of the board members represented the community. Furthermore, case study evidence confirmed Shaw's assertion that the local authorities tended to take the pivotal role in coalition building. "The intellectual stimulus for what needed to be done came from the local authority and that's what kick started them into leading the project because there was nobody else behind that who had the overview of what infrastructurally needed to be done" (A Voluntary Sector Representative).

Critics have also indicated that UK cities are increasingly being run by unelected agencies dominated by elites. This has been described as 'new magistracy' or 'boosterism', "where the captains of industry....take over the helm" (Colenutt and Ellis, 1993, p21). The so-called 'captains of industry' through various quangos and committees controlled more than £7.5 billion of the public purse in London alone. Hambleton warned about this approach: "it can mean that city councils become the servants of powerful economic interests who may wish to use the city as a 'growth machine' to serve their own interests" (1994, p16).

## 6.4 Business Involvement

Both growth coalition theory and regime theory stressed the involvement of the private sector in urban politics. Coalition theorists examined the role of business and its relation to property and regimists emphasised business involvement in politics and the urban environment.

Lloyd and Newlands (1988) suggested that Molotch overemphasised the role of business as the most important interest in his growth coalition theory. Similarly, Harding (1991) claimed that the common notion of public policy being exploited by a 'property lobby' may have been somewhat simplistic. Property, Harding continued, covered three main forms of physical asset: land, buildings and infrastructure. Also there were three forms of direct relation to these assets: ownership, treatment and tenure and two forms of indirect relation to property: servicing and regulation. By introducing these terms Harding allowed us to analyse the "crosscutting divisions between the property sector" (1991, p297) depending on their relationship to assets and property process. For example, what may have been good for those who treat property may not have been for those who own property. Harding agreed with Molotch's supposition that coalitions tended to be selective, favouring groups with particular relations to property. Harding (1991) offered a useful contribution to the coalition debate. His property interest-related matrix was used to study the various actors in the City Challenge decision-making process.

In the Dearne Valley many infrastructural developments were regulated by the local authorities which gave them a powerful bargaining position within the coalition. Similarly, the public sector did not operate a co-ordinated and structured approach to property. For example, whilst one government department may have offered property incentives (via grants) another may have been using dis-incentives (via environmental legislation for instance).

In Sheffield only one respondent referred to a private sector "based wholly on buildings and property" (A Voluntary Sector Representative) in a 'conspiracy' against the public and voluntary sectors. Indeed some respondents considered that the private sector input was extremely useful. An independent academic commented: "they were very active. They made up a big proportion of the board and were extremely enthusiastic. They were not cynical, they desperately wanted to win the bid. They were quite excited about having a power base outside the local authority, the challenge of different ways of

working and meeting other people. They saw the image of Sheffield as quite crucial to the regeneration and they wanted to play their fillip roles".

Regimists also emphasised the involvement of business interests in city politics. In the US business interests had a key role in the selection of political candidates, via for example private campaigns. Thus the public sector had to appreciate the needs of the business community, if only for its own self-interest. For example public-private partnerships were dependent on funding from the private sector so a regime network involved 'governing' the various interests. Stone (1989) described the mutual understandings inherent in this process. Urban regimes were "informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions" (p234).

The prominence of businesses interests within City Challenge teams helped to assess how business elites could influence the process of local growth. One of the keys to a successful City Challenge bid was the welding together of the private sector and its prominent role was stressed by many respondents: "ultimately they (*The private sector*) drive the regenerative process, namely the willingness of the market to operate. The public sector role is only short-term in creating the right climate. The 'hard edge' to partnership provided by the private sector is essential" (A Central Government Representative).

## 6.5 The 'Structural' Nature of Public/Private Alliances

This section explores the nature of public/private alliances using three key themes emerging from the literature: the role of the public sector; forging alliances; and 'boosterism' and influencing decision-making.

First, Lloyd and Newlands suggested that Molotch's theory of local government was "poorly developed" and local government was effectively "hijacked by business" (1988, p35). They reminded us that Molotch developed his theory in the mid 1970's in the US and using this for UK comparisons we needed to be aware of fundamental differences which existed. For example UK local government has had less independence than the US system of federal government. Also UK urban policy was more dominated by political parties giving less credence to Molotch's growth coalition theory with US business groups influencing city politics. Many UK commentators argued (Shaw 1993; DoE 1994b) that local authorities rather than business interests should have taken the pivotal role in coalition building: "they (*local authorities*) have a key role to play as

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facilitators or enablers in establishing and maintaining the coalition structures through which longer lasting and more securely based regeneration can come about" (DoE, 1994b, p51).

Second, Molotch (1976) suggested that 'key players' were mobilised and shared mutual interest, "otherwise competing land-interest groups collude" (p311). Coalition theory relied on the shared objective of growth, "urban politics is reduced to 'growth manoeuvring', with growth presented as an overriding commonality" (Valler, 1995, p36). Clearly though, City Challenge was not concerned solely with growth as it aimed to reach and involve the most deprived sectors of the community. An assumption that competing interests could collude without major conflicts of interest was perceived, by some, as over simplistic. Indeed Valler suggested that growth machines did not operate in an efficiency vacuum and differed in terms of coalescence and unity.

Finally, Molotch suggested that governments influenced private decisions with taxes or labour costs, for instance. He also pointed out that localities offered attractive 'packages' like simplified planning regimes to encourage business growth. He argued that one of the key roles of local government was to promote the virtues of a particular locality to potential developers; such 'boosterism' was reinforced by bodies such as the Chambers of Commerce. In the Dearne Valley the private sector was particularly influential in encouraging local authority employees to be pro-active in terms of developing a marketing strategy for the area, "I don't believe any marketing would have happened without the private sector" (A Private Sector Representative).

Regime theory focused on the 'structural' aspect of public/private alliances. Some observers such as Fainstein and Fainstein contended that urban regimes incorporated a "circle of powerful elected officials and top administrators" (1986, p256) that dominated decision-making within a city. Lindblom (1977) suggested that in a liberal democracy there were two main tiers of authority that were inherently interrelated: the democratically accountable government and the asset-owning private sector. Business decisions, he claimed, could affect public welfare and have considerable consequences for the development of an area. Although the public sector may not have controlled business decisions it offered inducements or what Stone referred to as 'side payments' (for example via tax incentives, grant regimes or urban initiatives). This 'structural' relationship meant that by creating a favourable business climate, businesses were in effect privileged elites. Kantor and Savitch confirmed that local governments "derive bargaining advantages from their ability to exploit popular control systems as a bargaining resource" (1993, p252). Furthermore, they suggested that 'bargaining

advantages' tended to be cumulative, "the more a city holds, the greater its ability to bargain" (p234).

In the Dearne Valley it was stressed that the private sector enjoyed strong relations with central government, "some of their 'in-roads' to central government are better than our 'in-roads' to the current central government" (Local Authority Representative). At board level one third (six out of eighteen) of the members represented the private sector. The private sector in the Dearne seemed to have a major role in the decision-making process. One public sector respondent referred to business involvement as the "third force". The constitutional rules of the DVP gave the private sector equal status with the local state in terms of voting powers: "at least eight members must be present at a board meeting for decisions to be taken, of whom at least three must be from local authorities and at least three from the private sector" (DVP, 1992, p145).

One private sector respondent referred to the City Challenge decision-making process as a catalyst for the private sector "in bringing an understanding between central and local government who've fallen out.... I believe its helped local politicians to actually meet and work closely with the private sector people. I think its helped develop an understanding and a confidence not in our ability, but in our sense of purpose".

In Sheffield private sector relations with the local authority appeared to have been strengthened with the advent of City Challenge. Indeed "the private sector has had more consultation with the local authority than the local community did" (Private Sector Representative). Cochrane suggested that Sheffield had already begun "to put together an 'urban regime' appropriate to the 1990's" (1994, p21) through organisations like the Sheffield Economic Regeneration Committee. However, some concern was expressed by some observers at the absence of private sector involvement in the City Challenge team: "they didn't have any representation on the team. Maybe that was a mistake. Certainly some really hard nosed commercial people at the time would have been some assistance" (City Challenge Team Member).

The private sector did however have representatives at Policy Board level which meant they were able to influence the decision-making process. Nevertheless, some observers claimed that the private sector had only token representation: "we need to have more people who are involved in a company on a day to day basis rather than an umbrella organisation like the Chamber of Commerce who represent a group of companies and, not, perhaps the local interest that we need in the area" (Private Sector Representative).

## 6.6 Limitations of Private Sector Involvement

Whilst the private sector was able to offer valuable contributions to urban regimes and coalitions, several limitations to private participation in such alliances were mentioned:

First, Molotch argued that certain groups had little interest in local growth such as branch plants responsible to corporation headquarters. Business persons, he suggested, were typical of the type of person drawn into politics using their power for self-interest rather than general utopian ideals such as job creation or reducing poverty. However if, in the course of their duties, they achieved some of these objectives then that helped to justify their position. As Molotch suggested "this interest in symbolic issues is thus substantially an after effect of a need for power for other purposes" (p317). Whilst local government may have steered private sector development (see Molotch, 1976; and Wiewel 1990), ultimately national and international trends have affected economic change far more than at the local level (macro-economic change). In Bristol, for instance, the success of their City Challenge package (Basset, 1993) hinged upon the support of a major international corporation. One company formed the basis of the economic strategy and owned the land which formed the fulcrum of the bid. However, due to international restructuring the company 'pulled out' and effectively rendered the bid useless.

Second, the private sector could be regarded as more volatile and susceptible to fluctuations in the economy. "The private sector won't invest unless there is something they feel confident in and in the main we are talking about the regeneration of depressed areas" (A Private Sector Representative). The private sector was less prepared to take risks in periods of low growth, "in a time of recession it is very hard to generate that sort of enthusiasm and we are wanting them (*the private sector*) to put in finance" (City Challenge Team Member). The public sector could be perceived as more stable and 'long-termist'. Having said that, one respondent suggested that more private sector secondees could have contributed towards longer-term regeneration.

Third, there were constraints to the amount of time and resources private sector players devoted to the City Challenge decision-making process. "There was a limit to how much to get involved. We did have businesses to run and it was not an easy time. We gave our services freely. We shouldn't be seen as unpaid managers and nor should we be used as such" (A Private Sector Representative).

Fourth, the private sector was criticised for being unaccountable to the public. "The private sector has always got to be governed by a perception of the interests of its shareholders" (A Private Sector Representative). Some respondents noted that private sector loyalties lie initially with their company, secondly with the private sector as a whole, and only thirdly with the objectives of the City Challenge team. The majority of interviewees suggested that they had other roles/interests relevant to urban regeneration. Similarly, research by Keith Shaw in the north-east "revealed a small elite of overlapping interests dominating the whole culture of the unelected state" (1993, p258). Indeed many City Challenge teams had a large percentage of 'unelected' officials for example only 2 out of 18 of Bethnal Green's team were locally elected councillors. Similarly, many of those involved in Sheffield's Second Round bid were from non-elected organisations and thus were less democratically accountable than local politicians.

Finally, several observers (Elkin 1987; Fainstein and Fainstein 1986; and Loftman and Nevin 1992) stressed that whilst certain interest groups forged local alliances the majority of citizens did not benefit from them. "There is good reason to believe that growth strategies themselves contribute to inequality" (Elkin, 1987, p100). Fainstein and Fainstein (1986) found that, at best, the representation of the working/lower classes in US regimes was tokenistic. At worst there was no representation at all. Elkin asserted that regimes balance city politics in an association between city politicians and a land based elite. In Sheffield one voluntary sector group representing the interests of the unemployed felt 'tied' by local authority constraints. As the next section suggests, each sector could use the other to their mutual advantage to form an entrepreneurial or urban political economy.

## 6.7 Attracting Wealth

Both regimists and growth coalition theorists stress the fact that wealth creation could be achieved through three inter-related mechanisms: competition; bidding and job creation.

First, some commentators like Peterson, in "City Limits" (1981), argued that a city's policy alternatives were restricted by their ability to attract wealth (see also Logan and Swanstorm, 1990, Sassen, 1990 and Walton 1990). He equated cities to private corporations that reacted to market competition to increase their revenue base. The DVP hoped to lever in some £260 million worth of private sector involvement and to create some 4000 jobs. The role of the private sector was thus perceived by many observers as crucial to the success of the strategy, "the building up of the private sector in the Dearne Valley, which has historically been quite low, is of fundamental

importance" (A Local Authority Representative). The Dearne local economy had, almost exclusively, been based around coal. Thus one aim of the DVP was to provide opportunities for the private sector to invest on large reclaimed sites.

Second, Molotch argued that elites competed with each other for 'growth-inducing resources' within their localities and that government powers were used to realise growth in competition with other areas. In his introductory comments he surmised, "the city is, for those who count, a growth machine" (1976, p309). A shared interest in growth, Molotch claimed, united members of a particular locality irrespective of political differences. He referred to "maps as interest mosaics" (p310) making the supposition that any parcel of land represented an interest to somebody. Furthermore, he suggested that despite internal conflict competing interests were capable of strategic coalition and action to take advantage of state resources. "Hence, to the degree to which otherwise competing land-interest groups collude to achieve a common land-enhancement scheme, there is community.....an attempt is made to use government to gain those resources which will enhance the growth potential of the area unit in question" (p311).

Finally, Molotch also stressed that people involved in growth coalitions didn't talk about growth in terms of 'profit' but in terms of job creation. Although one limitation of growth coalitions, Molotch suggested, was the fact that they only benefited a limited number of local residents. "Perhaps the key ideological prop for the growth machine, especially in terms of sustaining support from the working-class majority, is the claim that growth 'makes jobs'" (p320). He concluded that jobs were often not created but merely distributed or displaced and that a particular area could only attempt to attract a reasonable proportion of newly created jobs. Secondary data sources confirmed Molotch's claim that job creation figures were used to justify an initiative. For instance, the Leeds City Challenge bid 1992/1993 indicated (Annex C) the number of new jobs to be created in the City Challenge area, the number of City Challenge people into jobs, existing jobs retained and the number of jobs created from construction.

## 6.8 Formal and Informal Networks

One of the earliest UK case studies to incorporate aspects of 'regime ideology' was conducted by Saunders in Croydon. Saunders noticed a 'structural' public-private relationship that existed: "a relatively dense and cohesive network of business and political activists, interacting regularly and relatively informally in a variety of institutional contexts" (1979, p313). Such institutions included, for example, the Rotary Club or Chamber of Commerce. He emphasised that this relationship was a partnership

as both the public and private sector had mutual objectives. Saunders reinforced regime and coalition ideology by claiming that the relationship of the business sector with the council was unmatched: "no pressure group, no matter how well-organised or well-connected, enjoys a relationship like this" (p324).

The City Challenge decision-making process involved both formal and informal public-private networks; in effect it further legitimised many of these links. As regime ideology claimed that such networks existed, a closer examination of these alliances follows. Saunders (1979) noted that businessmen and political activists met regularly at a variety of relatively informal gatherings. Networks in the Dearne and Sheffield were found to operate at both the formal and informal level. These are now explored within the context of how key players come to be involved in the City Challenge decision-making process.

Formally a number of organisations and individuals were invited to participate in City Challenge usually by the relevant local authority. "The corporate management team (*local authority*) indicated that I was to head the team which will be myself and two others" (A City Challenge Leader). A number of respondents (especially local authority officers and consultants) were asked to get involved in City Challenge as part of their job. "I head up any regeneration initiatives that the council are involved with to maximise the funding that we can get and, at the present time, that involves City Challenge and shortly, the Single Regeneration Budget and in Europe the structural funds" (A Local Authority Worker). Local authority respondents were concentrated in departments heavily involved in regeneration like planning, housing and economic development, although the internal selection process appeared to be relatively unofficial. As one local authority official explained: "our department was approached for a representative to be nominated and I had an informal discussion with my section head and my assistant director. They asked me if I would go forward and join the team". However, a number of actors were formally elected to City Challenge Board level. For instance, the community forum in the Dearne Valley chose six representatives (two for each local authority area), three of whom were board members.

Informal networks existed in both case study areas. One private sector member illustrated how he came to be involved in the City Challenge decision-making process: "I was asked to speak at a gathering which was organised by the local authority, some three years ago now, through a relationship. I know the director of planning at X, we'd been working at something and he said I will stand up and speak at this gathering, and I think they called it a business group or something. I got a letter saying would I like to stand as a director on X City Challenge Team, that was from the local authority".

A number of actors were invited relatively informally to work within the City Challenge process through 'professional contacts'. Comments like "Mr/Mrs X had been my boss", "Mr/Mrs X who I know through various dealings" or "Mr/Mrs X said she/he wanted some help" were commonplace. Indeed a few actors came to be involved in the process quite by chance. One respondent complained that his organisation was not being recognised in the process and was subsequently invited. A number of players, consultants for instance, came to be involved in the City Challenge decision-making process after the winners had been announced. Other actors tended to be chosen due to their expertise in a particular field or wealth of contacts. "They were looking for a person who could actually deliver, who had a good network with the community and the private sector" (City Challenge Team Member). Some respondents were chosen as they were considered spokespeople for their field of interest, one person for instance was approached due his extensive involvement in the black community.

The case studies illustrated the existence of Saunders' (1979) networks in local politics. Furthermore, at both the informal and formal level the data tended to confirm Dahl's (1961) claims that powerful elected officials and top administrators from the public sector could control and influence the private sector and the decision making process. The process of the involvement of key actors in the City Challenge decision-making process was by no means consistent and in only a few cases systematic. Players were chosen formally and informally for a wide variety of reasons. In some cases people were selected due to their expertise in a particular field, some respondents were instructed form above and others were involved due to their extensive contacts.

## 6.9 Summary

Despite warnings about the transferral of US urban policy to the UK, US initiatives have been actively copied in the UK. Barnekov, Boyle and Rich emphasised the drawbacks of such a policy, "the borrowing from US programme initiatives...was carried out with little systematic knowledge of the US record of performance and with scant regard for the consequences of inappropriate policy transfer" (1989, p222). More recently Molotch recognised the problems in the transferral of US policy to the UK: "the dangers are that a new growth coalition may come increasingly to resemble those which exist in the United States, an alliance of some politicians, the middle class and business, pursuing their own sectoral interests with little concern to link economic growth to redistributive social policies" (1990, p191). Thus, it was necessary to point out a number of differences as well as limitations to the UK and US experience (Section 6.1).

Public-private relationships and their 'explanations' in the UK were not as advanced as in the US. The empirical data highlighted the existence of elites in urban politics (Section 6.3). However, the capacity of these elites to influence the urban regenerative process varied according to their roles, the types of decisions they made and their involvement in bid preparation. Decision-making within City Challenge displayed some characteristics common to growth coalitions and urban regimes. Whilst the research did stress the increasing involvement of businesses in the political process in the UK (Section 6.4) respondents did suggest that City Challenge was by no means 'hijacked' by a property lobby.

This chapter also sought to explore the 'structural' nature of public/private alliances (Section 6.5). The role of local government was found to be instrumental in terms of forging local alliances and offering 'incentives' to the private sector. Similarly, the private sector was particularly active in terms of marketing an area and was able to infiltrate the City Challenge decision-making process. Nonetheless the case studies did identify several weaknesses of private sector involvement in urban politics (Section 6.6). For example the private sector was perceived as vulnerable to macro-economic change, undemocratic and unrepresentative of certain sections of the community.

City Challenge teams like coalition and regimes competed for 'growth inducing resources' and gauged their success in terms of job creation (Section 6.7). Finally, the empirical data confirmed the existence of both formal and informal networks in the City Challenge process (Section 6.8). Formal networks like a corporate management group were found to operate alongside more informal networks like professional contacts.

In summary, the City Challenge decision-making process illustrated both the changing role of businesses in local political spectrum and the increasing 'Americanisation' of UK urban policy. The following chapter offers final reflections on the research methods chosen, some policy recommendations and several ideas for future research.

# Chapter 7 Conclusions

## 7.1 Research Objectives and Methods

This thesis, using a series of models and theories, has sought to examine partnerships within the City Challenge decision-making process. The research findings were based upon 34 face-to-face interviews in two case study areas. The case study approach could be considered both exploratory and descriptive (Section 2.3). In this sense, rather than testing theories *per se*, the case studies were used more flexibly as investigative tools for in-depth research.

Three tasks are undertaken in this chapter. First, it attempts to clarify whether City Challenge represents a change or continuity in Urban Policy. Second, it continues to develop some theoretical ideas emerging from the substantiated findings examined in Chapters 4 to 6. In particular it reflects upon aspects of the decision-making process that formed the basis of the study (see Section 1.8 and Chapters 4-6) such as the role of local government and the (quasi) public sector, the involvement of minor elites and public/private sector alliances. This conclusion highlights that, although US partnership models are not easily transferable to the UK context, they do, nevertheless, provide a robust framework for cross-national comparison (see also Judge, Stoker and Wolman, 1995). It also points to areas where current thinking could be advanced by offering some 'reformulated' versions of these models to take account of the UK. Finally, this study concludes with some suggestions for further research.

## 7.2 City Challenge - Continuity or Change in Urban Policy?

City Challenge appears to reflect several broad shifts in Urban Policy worth further comment: **self-sustainability; monitoring and evaluation; people based regeneration; local authority control; partnership formation; and management and organisation.** City Challenge also embodies a number of areas of continuity from previous Urban Policy initiatives including: **community participation; consultation; 'undemocratic' decision-making; spatial targeting; competition and enterprise.** At this stage it is necessary to introduce one caveat, namely that these categories are by no means definitive. For instance community participation could be considered either, an area of continuity in Urban Policy (from Urban Programme funding), or a reflection of change from 1980's policy.

In 1989 the Audit Commission criticised the *ad hoc* 'patchwork quilt' nature of urban regeneration initiatives and the existence of hostile relations between central and local government. The Audit Commission encouraged partnership formation and careful policy planning. In this sense City Challenge represents a marked change from Urban Policy in the 1980's (Parkinson 1991, 1993, Davoudi and Healey, 1995). Indeed Burton notes that "it is plausible to suggest that City Challenge was announced with some urgency in order to pre-empt the likely criticisms of the forthcoming Audit Commission report" (1991, p4). City Challenge teams, by having to develop forward strategies, encourage longer-term strategic thinking in urban regeneration. The objective of **self-sustainability** appears sensible with some consideration for the long-term future of City Challenge projects. However, the process of developing a 'forward strategy' to co-ordinate and encourage project self-sustainability involves the prioritisation of some schemes and this meant others being dropped or 'down-sized'. The 'on-going' **monitoring and evaluation** requirements of the Department of the Environment could be regarded as worthwhile in terms of highlighting areas of concern during the City Challenge process. However, different City Challenge teams attach varying levels of importance to monitoring and evaluation. Nottingham for instance established a City Challenge Evaluation Unit for the duration of the five year programme, whereas the DVP seemed less concerned about an on-going evaluator/client relationship and more interested in meeting minimum Department of Environment guidelines.

City Challenge has introduced one especially important change in organisation of Urban Policy, namely an increased emphasis on **people based regeneration** (social) as opposed to demand-led (economic) strategies. The costly 'failure' of market based initiatives of the 1980's was highlighted by the losses incurred by UDC's on land deals (Imrie and Thomas, 1993b). In one sense City Challenge offers official recognition of the failure of the 'trickle-down' approach (Atkinson and Moon, 1994) and hence, the need to target human *and* physical resources (Burton and Boddy, 1995, Parkinson, 1991 and Section 1.6). In addition City Challenge signifies a commitment to return to the concept of 'community' regeneration (Davoudi and Healey, 1995). Burton and Boddy for instance comment that "economic policy is not labour market policy" (1995, p30) and "there is now ample evidence that physical development and urban renewal may improve the urban fabric and the physical environment with little, if any, benefit to existing inner city residents, the lowest income groups and most disadvantaged" (p31).

City Challenge allows greater **local authority control** over the regeneration process than during the 1980's. Unlike the property-centred initiatives such as Urban Development Corporations, local authorities no longer appear to be 'by-passed' from the decision-

making process. "After twelve years of cut-backs and policies which have weakened the role of local authorities, City Challenge identifies a key, albeit enabling, role for local authorities in leading regeneration activities" (Oatley et al, 1993, p2). Oatley et al however, continue to claim that this new role represents a 'subtle dilution' of local government powers with increased private sector involvement. The empirical evidence in South Yorkshire suggests that City Challenge is responsible for **partnership formation** across a diversity of sectors. Whilst the partnership approach may have been pursued previously via a number of initiatives, City Challenge encourages a hitherto unknown, multi-disciplinary response to urban decline. This represents a change in central government thinking and a reversal to more consensual politics and decision-making. Chapter 5 and Section 1.7 also confirms that City Challenge introduced a decentralised 'arms-length' **management and organisational** structure with relative independence from the local authority. Perhaps most importantly, the City Challenge delivery mechanism utilises a process of 'fast-track' decision-making which often avoids conventional, and possibly more bureaucratic, council committee structures (Oatley and Lambert, 1995).

Clearly City Challenge can also be perceived in terms of continuities from previous area-based urban regeneration programmes of the late 1960's and 1970's, "including special priority areas, emphasis on community development projects, and the establishment of corporatist structures/alliances" (Oatley et al, 1993, p2). For the first time since the phasing out of the Urban Programme in 1992, City Challenge re-embraces the concept of **community participation** in urban regeneration. Separating substance from rhetoric however, this research shows that not all City Challenge objectives are being achieved. For instance, whilst community participation in Urban Policy can be seen as a move in the right direction, **consultation** exercises at City Challenge policy development stage have been found to be superficial (Alty et al, 1992). Furthermore, whilst there might be a community presence on City Challenge partnerships, central government still controls a bureaucratic regime in terms of a formal partnership arrangement, which local communities may have found complex to understand and to operate within (Davoudi and Healey, 1995).

More recently a House of Commons Environment Committee report confirms that the role of voluntary and community groups in the Single Regeneration Budget remains inadequate. It claims that their involvement "was not always as full and equal as they would have wished it to be" and calls for policies designed to "improve the quality of participation" (House of Commons Environment Committee, 1995, xx). This would suggest that City Challenge does not always manage to facilitate a lasting change in the

inclusion of the 'third sector' in decision-making. In terms of the City Challenge **decision-making** process, the research highlights that the urban political process is being predominantly controlled by a local elite of businessmen and politicians, apparently not dissimilar to 1980's Urban Policy. However, City Challenge offers an alternative to traditional local authority decision-making and governance, by attempting to involve in urban regeneration strategies, a diverse range of partners, including local neighbourhood organisations.

Whilst 'repackaging' existing urban programmes has advantages in terms of co-ordination and partnership working, City Challenge could never really have any major impact on England's cities without additional financial commitment. City Challenge, which top-slices existing funds, might be received less cynically if new resources were earmarked. Whatever City Challenge has achieved in terms of the changing the direction of Urban Policy the impact of **spatial targeting** is likely to be marginal: "the amount of money going into urban policy is minuscule compared to the size of the problems which are being tackled, and the loss of mainstream money in many authorities has more than countered any increase in urban funds" (Burton and Boddy, 1995, p53). Although cities are always competing for resources, City Challenge introduces formal competitive mechanisms for urban funding. Oatley et al (1993), suggest that City Challenge is used as a mechanism to alter the way local authorities operate in relation to the private sector and local communities. They claim for instance that central government are pursuing "the promotion of an enterprise culture in local government via competitive bidding; and the explicit involvement of the private sector" (p2). Central government appears to be succeeding in sustaining its philosophy of **competition** and culture of **enterprise** at the local level.

The following section develops some of the theories and models discussed in Chapters 4-6 using the empirical findings from the two case study areas.

## 7.3 Restructuring Steel City and the Coalfields: Partnership and Decision-Making in Sheffield and the Dearne Valley

This section considers the applicability to the Sheffield and Dearne experiences of several of the models raised in earlier Chapters. It begins by summarising the involvement of key sectors in decision-making and focuses upon alliances between the public and private sectors. Building upon this evidence, it considers the relevance of US regime theory to partnership arrangements in Sheffield and the Dearne Valley. This section continues by assessing the ability of the regime model to describe the constitution of these alliances and the transitional nature of public/private partnerships. The final part claims that, whilst the US models offer a useful framework of analysis, some 'reworking' is required to fit the Sheffield and Dearne case studies.

### The Role of Local Government and the (Quasi) Public Sector

Sheffield City Council managed to develop its own 'quasi-public' urban regime for the City Challenge process in response to reversing urban decline. Larger organisations like the South Yorkshire Police and Sheffield Health Authorities were, for the first time included in Sheffield's urban 'regime' (Appendix III indicates the constitution of the City Challenge Team and Board members from both areas). The Sheffield City Challenge decision-making process was dominated by these public sector elites. For instance, the City Challenge policy board and the team consisted almost entirely of representatives from public/quasi public institutions (see Appendix III). In terms of partnership formation, the local authority forged alliances with other sectors and brought together and co-ordinated a variety of service specific (quasi-public) policy communities (Laffin 1986).

The regime in Sheffield almost collapsed prior to the submission of the bid for the second round of City Challenge in 1992. In particular, weak local authority leadership (see section 5.4), internal local authority differences, and rivalry between the SDC and the local authority, meant the 'budget-enlargement' objective (attracting City Challenge funding) of the regime failed. As is outlined in Section 4.3, some Sheffield respondents had misgivings about the local authority commitment to, and control of, the City Challenge process. In addition the research highlights how important the perception of local key players was in terms of forging successful alliances. Sheffield's relationship with central government officials from the Department of the Environment did not seem to display the characteristics of 'unitary collusion' (as apparent in growth coalitions) or 'multiple imperatives' (exemplified by the regime model). Evidence in this study

suggested that conflicts which arose during the bidding process weakened any chances Sheffield had, of securing City Challenge funding (Section 4.3).

The Dearne Valley decision-making machine in the early to mid 1990's was founded upon a three-way alliance of, predominantly, local authority members, with the united objective of 'levering in' resources. Whilst the private sector appeared to enjoy greater involvement in decision-making than was the case in Sheffield, the influence of the three local authorities (three chief executives and three council leaders) and other large quasi-public organisations (TEC's, British Coal) was strong. The private sector may have enjoyed decision-making powers but "the realities of power" (MacFarlane, 1994b) afforded to the public authorities lay primarily with their policy-making ability and control of information. Despite the powerful position assumed by public figures in the Dearne Valley, it appeared that the local authorities were ready to accept change and devolve some power. The Dearne Valley councils led the urban regeneration process via a three-way alliance in an 'enabling' capacity by sharing governing decisions, whilst retaining considerable influence over the regime.

City Challenge along with other initiatives, such as Rural Challenge and the SRB Challenge Fund, appears to be nurturing an 'enabling' culture within local authorities. The years of conflict in the eighties seem to have been replaced by an era of more 'mutual understanding' between central and local government in the Dearne and, to a certain degree, in Sheffield. The research also highlighted how the four case study authorities in South Yorkshire exhibit, to a some extent, the characteristics of 'enablers' (Section 5.4). In terms of the bid preparation process, bid submission and implementation, local authorities were clearly assuming the lead role. The case studies appear to confirm recent assumptions that local authorities are being transformed from 'providers' to 'enablers'.

**The Involvement of Minor Elites**

Harding's (1991) classification of partnerships is useful for setting the study in the context of urban regeneration and in establishing some broad principles of local alliances. In addition, MacFarlane's (1994a and 1994b) 'key elements of consultation' helps to highlight consultation weaknesses in the City Challenge decision-making process. Sheffield's 'third sector' organisations did not appear to be part of the decision-making elite. For instance only one policy board member represented the community sector. Using aspects of MacFarlane's ideas and the Sheffield Hallam University study (see Section 4.2 and Alty et al, 1992), this research found that there was no effective

consultation at the 'policy development stage' or what MacFarlane refers to as a 'staged consultation process'. Whilst Sheffield widened its consultation net, the envisaged 'filtering-out' of information was not wholly attained. In Sheffield an 'imbalance of power' occurred which meant effective community consultation was not achieved *prior* to bid submissions. It would appear that Sheffield local authority attempted to devise and implement a City Challenge strategy in a relative 'quasi-public' vacuum (Dalgleish, Gordon, Osborne and Priddle, 1991) whilst claiming to have consulted a wide diversity of minor elites: "sixty-six voluntary groups have been involved in developing proposals for this submission. Many more have been consulted" ("Sheffield City Council", p13, 1992).

The Dearne Valley community sector was represented at board level by three out of eighteen of its members. However these three players were also local authority councillors, arguably increasing the influence of public sector officials over decision-making. In the Dearne Valley the consortium of local authorities therefore appeared to exert significant control over the regeneration process. Effective community consultation in the Dearne Valley did occur, but only after the bid had been accepted. The third sector played a small part in the decision-making elite.

One key conclusion can be drawn here, whilst City Challenge might have involved 'minor elites' in terms of individual project development, there was little evidence to suggest that these players had any major participation in the bid preparation and implementation decision-making process.

## Public/private Sector Alliances

Private sector involvement in the South Yorkshire City Challenge case studies during the early 1990's tended to be restricted to umbrella organisations, like Chambers of Commerce, and appeared to be by invitation from public sector officials. US regime theory therefore, needs some reworking to fit the South Yorkshire experience. Private sector involvement in local decision-making in Sheffield is not as advanced as experience would suggest is the norm in the US (Kantor and Savitch, 1993). At board level the private sector in Sheffield only managed to penetrate the decision-making process at the margins via representative bodies such as CONFED (Confederation of British Industry) and the Chamber of Commerce and Industry. Only one individual on the City Challenge board represented a local company, although in this instance, the particular individual carried out a number of other functions on city-wide basis. A quasi-public decision-making model therefore seems a more appropriate tool of analysis for the City Challenge

process in Sheffield. The private sector in the Dearne did appear to have a slightly more enhanced role than in Sheffield, in the urban regenerative decision-making process. For instance, in the Dearne Valley it was noted that the private sector was given equal status with local authorities, in terms of voting powers at board level (see section 6.5).

Using Saunders' (1979) analysis of 'elites', it is clear that multiple formal and informal networks exist in South Yorkshire, in conjunction with the identified regimes. It is possible to identify a detailed strata of elites in Sheffield against a typology of their roles, decision-making capability and involvement in bid preparation. In Sheffield there was a tendency for public and private elites to make key decisions and many of the city's well-known players were involved in generating the City Challenge bid. Saunders' model provides a reasonable starting point for an examination of elitism within regimes in Sheffield. These networks can be scrutinised in more depth in terms of the inter-relationship between their functions, decisions carried out within them and their composition. Saunders also claimed that pressure/voluntary groups could not infiltrate these networks. Within City Challenge teams, however, such groups were starting to penetrate these networks, at least on the margins or via the umbrella groups. Furthermore, the study illustrated the ease and informality with which professionals joined these networks.

### Regime Constitution and 'Regimes in Transition'

This section attempts to demonstrate how well US regime theory can be used as a tool to describe two key aspects of partnerships in the UK: partnership constitution and partnerships through time.

First, US regime theory provides a template against which multi-agency partnerships in the UK may be examined. Findings from this thesis suggested that cities like Sheffield can establish a form of 'urban regime' through partnerships. The urban regime established for City Challenge was primarily composed of public officials with minimal representation from the private sector and little input from 'minor elites' or the 'third' sector. In Sheffield, the seventeen policy board members included only one representative from the private sector and one from the 'community' sector (see Appendix III). Furthermore two thirds of the Sheffield City Challenge team members were seconded from Sheffield City Council, one from the health authority, one from the police and one from Sheffield Partnerships, a public/private alliance. Similarly, in the Dearne Valley out of the eighteen board members in 1994, one third represented the private sector giving it a greater influence over decision-making than was the case in the

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Sheffield experience (see Appendix III). However of these six, two had TEC links and one represented British Coal, again emphasising the strength of quasi-public institutions in the decision-making process.

Second, regime theory can provide a broad picture of the changing nature of partnership over time or 'regimes in transition'. Sheffield has not moved greatly beyond the local authority-led public/private alliances typical in many British cities during the 1980's. Relations with the private sector have, however, strengthened and the private sector seemed to be enjoying a limited place at the negotiating tables in Sheffield. The regime created across the city for the City Challenge process stimulated city-wide public/private partnerships, culminating in two successful SRB bids in 1994 and 1995. Post-mortem City Challenge team debriefings helped sustain the momentum and alliances created for the process. One key benefit of the City Challenge experience in Sheffield could be regarded as the council's attempts to form a quasi-public institutional partnership. City Challenge helped to change Sheffield's image from a 'radical' left-wing authority to a new left 'moderate' one, that was willing to govern in partnership with some the city's other major institutions. Sheffield City Council might have displayed less insular, paternalistic characteristics than had been the case in earlier years, but the power it had to devolve during the City Challenge process tended to go to other city institutions such as the universities, the trade unions, the health authorities and the police. In addition, quasi-public institutions like the TEC were delegated decision-making authority from central government. A new form of 'pluralistic institutional' governance emerged in Sheffield during the early 1990's. This particular manifestation of urban governance perhaps developed in response to, both the effects of cutbacks following the radical years of the mid 1980's, and the growth or creation of city institutions like the TEC, the universities and the Development Corporation imposed in the late 1980's and early 1990's.

One criticism levied against regime theory is that it needs to be more adaptable to changes through time (Judge, Stoker and Wolman, 1995). The Dearne witnessed a transformation from 'pro-growth government-led' to a more 'market-orientated regime' following the attraction of enterprise zone status in the Dearne Valley and the accompanying financial assistance package for companies locating in the area. Private sector individuals claimed to alter the nature of the DVP slightly over time, from an organisation responding to industrial decline, to one intent on marketing itself widely and hence changing external perceptions. Partly because of the reliance on coal mining, private sector involvement in decision-making in the Dearne has traditionally been low. Thus the DVP could be perceived a 'regime in transition', or an attempt by the public

sector to nurture private sector interest. In this sense the Dearne regime remains essentially a publicly-driven animal. This is perhaps the key difference compared with many of the US interpretations of regime formation.

**Reformulating Regime Theory**

US power relation models and, in particular, regime theory are conceptually useful tools for exploring the decision-making processes in South Yorkshire. However, some adaptations (see below) are necessary to fit the 'standard' regime model to the UK City Challenge process in South Yorkshire. This section outlines four adaptations to the US regime model including the inability of regimes: to describe the relative strength of UK local government, to illustrate diverse spatial areas, to explain uncommon partnership arrangements, and to account for the impact of local politics on regime development. It concludes with an attempt at reworking US regime theory into two typologies, to suit the constitution and characteristics of alliances in Sheffield and the Dearne Valley.

First, in applying US models to the South Yorkshire experience, it is important to stress that the coalitions formed for City Challenge were 'government-led' rather than 'business dominated' regimes. The 'government-led pro-growth regime' was first developed by DiGaetano and Klemanski (1994) as one form of urban governance. In the Dearne Valley, following the pit closure programme, a 'pro-growth regime' model was rigorously adhered to, with a greater sense of urgency than in Sheffield. In this context, US regime ideology, developed in part to explain local responses to structural change, offers a logical starting point. However, the Dearne regime seems to have been less business dominated than other US models. Indeed, the three Dearne local authorities appointed lead local authority officers for project management and financial control of the City Challenge process. In both case studies, although the local authorities were keen to activate local business interests, the private sector was not as immersed in the political decision-making processes as US experience would suggest. In the Dearne the dominance of the public sector perhaps makes Shaw's (1993) model of new urban corporatism more appropriate at describing this form of government-led growth, than the public/private regime model.

Second, another disadvantage of applying regime ideology to the Dearne experience is its inability to account for diverse geographical areas or spatial scales. More recently Stoker, Judge and Wolman suggest that "regime theory must avoid the 'localist' trap" (1995, p67) and Feldman confirms that "regime theory usually ignores metropolitan or larger spatial scales" (1996, p1). Dearne authorities were not, as the regime framework

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assumes, in direct competition with other local areas for resources, but in collusion. The DVP could also be described as a 'region regime', which was able to develop a strategic 'planning' framework for regeneration, rather than focusing on one city area. Indeed regime thinking matches UK urban policy, which has long been criticised for the lack of a long-term strategic approach to regeneration. Martin and Pearce, for instance, highlight several strategic weaknesses and claim that "the adoption of a strategic approach to urban policy is undermined by the proliferation of separate initiatives and of the number of agencies involved in regeneration" (1995, p107).

Third, the DVP managed to achieve relatively unusual properties for an urban partnership in relation to its constitution. The 'tripartite' regime which emerged in the Dearne does not easily fit into a 'standard' US urban regime model for city growth. For instance, half the Dearne Valley regime was directly affiliated either to Barnsley, Doncaster or Rotherham local authorities and formed, what could be termed, a three-way or 'tripartite' government-led regime. This three-way local authority dominated partnership also had strategic input from, what could be described as, either 'Dearne affiliates' (such private companies in the area), or 'regional players' (like the DoE, the DTI and British Coal). Nevertheless these regional players were outnumbered by the three local authorities' attempt to form a regime for the Dearne Valley.

Finally, business involvement in politics was not as sophisticated in South Yorkshire as US models often imply. Public sector institutions remain the largest and most influential city decision-makers and are considerable employers in their own right. The impact of local politics in regime development cannot be ignored here. The DVP regime was developed largely in response to the pit closure programme. Local authorities in the Dearne Valley have a history of opposition to closures and of developing responses aimed at counteracting restructuring programmes. Regime models perhaps underestimate political motivations underpinning some public sector involvement in the development process. Evidence from the Dearne Valley suggested that those regimes pursing effective and long-lasting alliances can be successful at levering in resources like City Challenge funding. The creation, over ten years ago, of the Dearne Valley Partnership gives support to the view that alliances created with a longer-term perspective are more likely to secure objectives than attempts at rapid partnership formation as happened in Sheffield. In both areas the private sector was not 'exploitative' of City Challenge resources and the public sector retained significant control over land, buildings and development. In this sense the UK public sector has some parallels with the US property sector or what the Molotch (1976) refers to as 'rentiers'.

The US regime model with 'multiple imperatives' is more apt at describing the institutional nature of partnership arrangements in Sheffield, than the more static growth coalition model based upon more unitary objectives. Based upon the previous observations of the influence of each sector, Sheffield developed what could be termed a **'quasi-public institutional urban regime'**. This model of pluralistic public-dominated governance did not perhaps, include the diversity of partners that was expected by the Department of the Environment for the City Challenge process. Nevertheless it represents a (limited) departure for Sheffield City Council from an authority with a reputation for insularity to one involving a greater number of, mainly, quasi-public organisations, in governing decisions.

In the Dearne Valley public sector dominance of decision-making also occurred, although the regime established for City Challenge process manifested itself in a somewhat unusual form. In the Dearne Valley, City Challenge stimulated the development of what can be seen as a **'tripartite government-led pro-growth regime'**. This can be perceived as regime which is led and dominated by three-way local authority union in pursuit of growth.

## 7.4 Suggestions for Further Research

The final section of this study indicates several avenues for future research that could be pursued. It focuses upon three main themes including: community involvement in urban regeneration; alternative forms of local government; and a new typology of urban regimes.

One aspect of partnership highlighted by this study is the ineffectiveness of local consultation procedures. Community participation in the formulation and implementation of urban policy is often criticised as being too little, too late (Colenutt 1988, MacFarlane 1993), despite having a number of benefits (Robinson and Shaw 1991, Soen 1981). An analysis of examples of best practice might be useful for policy makers wishing to engage people excluded from the formal voluntary sector or the regenerative process. A review of literature could pull together existing thinking on the involvement of local communities in urban partnerships. Such an exercise could draw primarily upon two key paradigms of thought: partnership theory and community development literature. Theoretical debates concerning partnership formation including the US growth coalition (Logan and Molotch 1987, Molotch 1976) and urban regime (Stone 1987 and 1991) tend to focus, almost exclusively, upon public/private alliances. Where US models are adapted to the UK context (Harding 1991, Lloyd and Newlands 1990),

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'reformulated' growth coalitions and urban regimes exploring the capacity of community groups, minorities and the voluntary sector are not fully developed. By examining the role of so-called 'minor elites' future research could illuminate effective and innovative consultation mechanisms at the policy development and implementation stage.

Research could also be informed by debates concerning community participation (Abbot 1995, Arnstein 1969) and community development (Barr 1995, Craig and Mayo 1995). In addition several authors point to the need to consider the changing nature of local governance in cities and the new role of local authorities in encouraging the active involvement of communities as 'clients' and service users (Broady and Hedley, 1989, Lewis 1994).

In the UK Healey (1995) recently reflected upon her experience of 'new' partnership formation in the north-east between central government, local government, business leaders, and 'third' sector agencies and residents. She claims that a new level of 'relation-building work' is required to bridge the gap between the mainstream 'formal' economy and those she refers to as 'living on the edge'. Building on this work it would be interesting to develop a new model for community consultation which challenges traditional 'top-down' consultation processes. Research could be undertaken to establish how businesses and local authorities respond to socially excluded communities. A new model of community consultation could be developed based upon principles of 'capacity building', participatory democracy, and community development. The process of 'bonding' between sectors needs greater examination. Research could highlight, through training, how local communities, can be empowered to help make decisions about local regeneration strategies and to formulate their own local development policies.

City Challenge was launched during a period in which the role and functions of local government was subject to intensive debate. Chapter 5 highlights that City Challenge played a small but identifiable part in the changing working practices in local government (Oatley and Lambert, 1995). This helped direct it towards the process of both partnership formation and consultation which is hitherto, unparalleled in the context of UK urban regeneration initiatives. There is a potential conflict here with local authorities becoming the leaders in the process of urban regeneration, yet at the same time claiming to give other partners, such as local communities and the private sector, an equal say in policy development. More research needs to be done to explore alternative forms of governance.

The 'enabling' model of local government could also be further studied by exploring community involvement and 'alternative' forms of local governance. An assessment of various interpretations of enabling including: traditional, market-orientated, residual and community-orientated models, would be extremely useful. Leach and Stewart (1992) and Wilson and Game (1994) offer several forms under their typologies of the enabling. The 'community-orientated enabler' for instance "is premised on the view that a local authority exists to meet varied needs of its population, using whatever channel of provision (local authority direct provision, private sector, voluntary sector) seems most appropriate" (Wilson and Game, p346).

It would also be possible to undertake a qualitative study exploring the perceptions of various actors or community representatives under each interpretation of enabling. Using case studies to illustrate the diversity of local authority 'enablers', it would be possible to explore the delivery of local authority regeneration policies. Regeneration strategies could be scrutinised in respect to consultation, partnership formation, the role of different sectors and so on, in an attempt to gauge the outcomes of various approaches to 'enabling'. Future study could scrutinise 'community enabling authorities' which encourage local community networks and leaders to deliver local services. 'Community enabling models' could be assessed in terms their participatory mechanisms, Compulsory Competitive Tendering arrangements, service provision and purchasing, the allocation of local grants and loans, the distribution of local resources on the basis of local needs and so on. Local authority discretion over planning, management, resources and accountability could also be studied, as well as the delivery of Urban Policy in terms of decision-making over strategy development, popular planning, tenant participation and grants to the third sector.

Future research could help explore the consequences of local authorities devolving power to 'minor elites', traditionally excluded from formal decision-making processes. In the current policy climate this model may seem somewhat utopian, given the guidelines and restrictions within which local authorities operate. However, more radical models of local government were developed, for a limited period, in the form of 'local socialism' during the years of centre/local government conflict in the early to mid 1980's (Section 1.2). One academic suggests that these more 'radical' models of local democracy "have left some unfinished business behind them....to encourage hitherto excluded inactive individuals to participate more fully in local affairs" (Gyford, p2, 1991).

Research needs to examine the degree to which regimes can become more representative and indicate how community interests could infiltrate both formal and informal networks. Historically, regimes tend to be constituted from businesses representatives and politicians. Stone (1989) recognises that community interests may be drawn into a regime and observers claim that "community power needs to be viewed within a dynamic perspective" (Judge, Stoker and Wolman 1995, p67). Future study could assess the composition of regimes and the extent to which they reflect of local populations in terms of race, gender, address and age. Research could also explore the potential of distributive regimes/coalitions, rather than the static growth coalitions, to offer more equitable mechanisms for resource allocation. As regimes are dominated by institutional actors or those with access to institutional resources, then future research could seek to examine how distributive regimes could operate within this framework. The above reformulated coalitions/regimes attempt to display greater flexibility than the earlier models developed by Molotch (1976) and Stone (1989) in terms of their objectives, constitution and spatial variance. A new typology of reformulated regimes could be developed incorporating community, distributional and regional elements which may be applied to different spatial areas in contrasting demographic regions.

Finally, the existence of formal and informal networks in local politics is perhaps, an area worth exploring in more depth. This study has identified the increasing role of the private sector in local government. It has not, however, explored the motives behind private and/or institutional involvement in regeneration. For instance, recently observers have expressed concerns about companies represented on City Challenge boards making donations to political parties and being given contracts for work (Anon, 1995). Future work could provide an insight into links between private companies represented on City Challenge boards and work put out to local tender. Furthermore, whilst some informal public/private sector networks are explored in this thesis, it is difficult to assess the impact of personal relationships on wider decision-making. An examination of cross-cutting interests would be extremely revealing. It would also be fraught with difficulties (Loftman and Nevin, 1994; Imrie and Thomas, 1995).

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# Appendix I - Results of City Challenge Phase I

| Winners | Losers |
|---|---|
| Bradford | Bristol |
| Dearne Valley | East Birmingham |
| Lewisham | Salford |
| Liverpool | Sheffield |
| Manchester | Stockton-on-Tees |
| Middlesbrough | Sunderland |
| Newcastle | |
| Nottingham | |
| Tower Hamlets | |
| Wirral | |
| Wolverhampton | |

## Appendix II Results of City Challenge Phase II

| Region | Winners | Losers |
|---|---|---|
| North West | Blackburn | Burnley |
| | Bolton | Manchester |
| | Wigan | Oldham |
| | | Preston |
| | | Rochdale |
| Northern | Hartlepool | Langbaurgh |
| | Stockton | Middlesbrough |
| | Sunderland | Newcastle |
| | N.Tyneside | S.Tyneside |
| Yorks & Humb | Barnsley | Doncaster |
| | Kirklees | Rotherham |
| | | Sheffield |
| | | Hull |
| | | Bradford |
| | | Leeds |
| Merseyside | Sefton | Halton |
| | | Knowsley |
| | | Liverpool |
| | | St. Helens |
| | | Wirral |
| West Midlands | Birmingham | Coventry |
| | Sandwell | Dudley |
| | Walsall | The Wrekin |
| London | Newham | Brent |
| | Hackney | Islington |
| | Lambeth | Lewisham |
| | | Southwark |
| | | Greenwich |
| | | Haringey |
| | | Tower Hamlets |
| | | Hammersmith |
| South West | | Bristol |
| | | Plymouth |
| E.Midlands | Derby | Leicester |
| | | Nottingham |

## Appendix III

## Sheffield City Challenge Policy Board Members (1992)

| | |
|---|---|
| Cllr Buckley | Sheffield City Council |
| Cllr Betts | Sheffield City Council |
| Pamela Gordon | Sheffield City Council |
| Paul Bagshaw | Community Sector |
| Norman Adsetts | Sheffield Insulations Ltd |
| Alan Bamford | Chamber of Commerce and Industry |
| Dr Jack Hobbs | Sheffield Hallam University |
| Tony Mapplebeck | Sheffield Health Authority |
| Graham Kendall | Sheffield Development Corporation |
| Prof Ron Clark | Sheffield University |
| Martin Davies | SY Police |
| Alex Ritchie | SYPTE |
| The Venerable Steven Lowe | Archdeacon of Sheffield |
| John Power | TEC |
| Paul Jagger | Yorkshire & Humberside TUC |
| Albert Knight | CONFED |
| John Henry | Department of the Environment |

## Sheffield City Challenge Team Members

| | |
|---|---|
| Narendra Bajaria | City Challenge co-ordinator, Sheffield City Council |
| Steve Topham | Sheffield City Council |
| David Bird | Sheffield City Council |
| Linda Burgin | Sheffield City Council |
| Lesley Gardiner | Sheffield Health Authority |
| Insp. Martin Heminway | SY Police |
| Roy Hedge | Sheffield City Council |
| Dr John Heeley | Sheffield Partnerships |
| Sharon Bishop | Sheffield City Council |

**Dearne Valley Partnership Team Members (1994)**

| | |
|---|---|
| Gordon Gallimore | Chairman |
| Terry Bramall | Vice Chair |
| | |
| Jon Gilis | Director |
| Diane Haddon | Marketing Executive |
| Carmel Heathcote | Community Liaison Officer |
| Shirley Lindley | Programme Manager for Education and Training |
| Mark Anderson | Programme Manager for Housing and Health |
| Jon Atack | Crime Officer |

**Dearne Valley Partnership Board Members (1994)**

**Private Sector:**

- Philip Andrew, Chief Exec British Coal Enterprise
- Terry Bramall, Chairman Keepmoat Holdings plc
- Giles Bloomer, Chairman Aizlewoods Builders Merchants and Chairman Rotherham TEC
- Peter Wetzel, Deputy Chairman S R Gent plc and Chairman of Barnsley/Doncaster TEC
- Lewis Bowman, Chief Exec Maplin Electronics
- Ian Ferguson, Managing Director Reed Northern Newspapers (Yorkshire) Ltd

**Local Authority:**

- Headley Salt, Leader BMBC
- John Edwards, Chief exec BMBC
- Sir Jack Layden, Leader RMBC
- John Bell, Chief Exec RMBC
- Gordon Gallimore (current chair), Leader DMBC
- Doug Hale, Chief Exec DMBC

**Central Government:**

- John Henry, Regional Director DoE
- M Lanyan, Regional, Regional Director Dept Trade and Industry
- Jeremy Walker Employment Dept, Regional Co-ordinator for SRB

**Community:**

- John Thompson, Barnsley MBC
- Peter Carmody, Doncaster MBC
- Ken Wyatt, Rotherham MBC

**Appendix IV Interview Schedule**

## City Challenge Field Work: Organisation Schedule 1993/4

## Sheffield Interviews 1993

| Date and Time | Organisation/Location |
|---|---|
| Tuesday 4 May | Williams Brothers Limited |
| Wednesday 5 May | SCC Planning Dept |
| Friday 7 May | SYT Mainline |
| Tuesday 11 May | Greenup & Thompson |
| Wednesday 12 May | SCC Planning |
| Thursday 13 May | Women's Unit, Sheffield Town Hall |
| Thursday 20 May | SCC Housing, Yorkshire Insurance House |
| Monday 26 May | Sheffield Voluntary Action |
| Monday 26 May | Sheffield Insulations |
| Thursday 29 May | Sheffield Hallam University |
| Thursday 29 May | Afro-Caribbean Enterprise Centre (ACE) |
| Friday 30 May | Sheffield Centre Against Unemployment (SCAU) |
| Monday 26 April | SY Police, HQ Snig Hill |

# Dearne Valley Interviews 1994

| Date and Time | Organisation/Location |
| --- | --- |
| Thursday 20th January | DVP[1] |
| Tuesday 25th January | Health and Community Studies, Sheffield Hallam University |
| Tuesday 1 February | Policy Research Centre, Sheffield Hallam University |
| Tuesday 1st February | Mapplin Electronics Wombwell |
| Wednesday 2nd February | Barnsley MBC/DVP Community Forum |
| Wednesday 2nd February | Barnsley MBC, Chief Executive Dept |
| Thursday 3rd February | Doncaster MBC |
| Monday 7th February | DVV[2] Resource Centre |
| Monday 7th February | Community Education DVV Resource Centre |
| Monday 7th February | Community Education DVV Resource Centre |
| Tuesday 8th February | Kilnhurst Youth and Community Centre, Rotherham |
| Wednesday 9th February | Barnsley and Doncaster TEC |
| Wednesday 9th February | DVP |
| Thursday 10th February | Barnsley MBC/DVP Community Forum |
| Thursday 17th February | Keepmoat Holdings Ltd |
| Thursday 17th February | DV Business Advice |
| Friday 18th March | BCoal Enterprise, Nottingham |
| Monday 28th March | Town Hall Barnsley |
| Monday 16th April | SYP/DVP, Sneg Hill Police HQ |
| Tuesday 19th April | DoE City House, New Station Street, Leeds |
| Friday 27th May | Rotherham Borough Council, Norfolk House |

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[1]Dearne Valley Partnership
[2]Dearne Valley Venture

# City Challenge Interview Profile [3]

| Position | Sector(s) Represented |
| --- | --- |
| Project Manager | Public |
| Co-ordinator Community Transport | Voluntary |
| Regional Director | Private |
| City Challenge Co-ordinator | Public |
| Project Support Worker | Voluntary |
| Director | Public |
| Community Development Worker | Public |
| Inspector/Crime Officer | Public |
| City Challenge Arts Officer | Voluntary |
| Director of Regeneration | Public |
| Operations Director | Voluntary |
| Director | Private |
| Asst. Chief Exec. Economic Development | Public |
| Professor | Public |
| Director/Member Business Forum | Private |
| Special Programme Team | Public |
| Manager | Private |
| Chair/Community Forum | Public/Voluntary |
| Head of Planning/City Challenge Leader | Public |
| Deputy Chair/Chair | Public/Private |
| Programme & Projects Co-ordinator | Public |
| Committee Member, Voluntary Sector Rep | Voluntary |
| Chairman | Private |
| Senior Lecturer/Planner | Public |
| Chair of ACE | Voluntary |
| Development Worker | Public |
| Inspector/City Challenge Team Secondee | Public |
| Councillor/Vice Chair Community Forum | Public/Voluntary |
| Asst. Environmental Planning Officer | Public |
| City Challenge Community Liaison Officer | Public |
| Chief Executive | Private |
| Environmental Housing Officer/City Challenge | Public |
| Women's Officer | Public |
| Director/Chair Private Sector Interests | Private |

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[3]Random order to ensure anonimity

**Appendix V Questionnaire**
**City Challenge Interviews**

Informal structured interviews with key personnel involved in the city challenge process from the public, private and community sectors .

**Issues for Discussion: The City Challenge Process**

**Guidelines for a Qualitative Questionnaire:**

**(1.0) Introduction**

Name of Interviewee:

Name of Organisation/Institution:

What is your role in the Organisation (how long have you been there?)

Who/what do you represent?

Do you have other roles/interests?

What is your organisation's interest in urban regeneration?

**(2.0) Bid Preparation**

When and why were you chosen to be involved with a City Challenge bid (Round I or II)?

How were you invited?

What was the extent of your involvement in the bid preparation, in particular who made the key policy decisions eg area boundary delineation, project choices, implementation agency, vision and strategic objectives?

How many meetings did you attend?

How many meetings were held prior to the submission of the bid?

Following the bid submission did your organisation continue to be involved in the City Challenge process?

What was the composition of your steering group/ policy board( eg did the policy board include a dominant profession/business elites/corporate membership)?

Did each team member contribute equally towards the development of a strategy?

During the policy development stage how much networking was there between different organisations?

How many of your projects were new ideas?

Describe the function(s) of the Team/Implementing Agency

How many sub-groups were there? and what role did each perform?
Are there any aspects of your City Challenge bid submission that you found confusing or cannot support?


**(3.0) City Challenge General Context/Process**

Has City Challenge improved the image or confidence in the area or increased the potential to attract investment/ funding?

Does City Challenge differ from other regeneration programmes?

Have you noticed a change in the amount of funding available for other regeneration programmes or have city priorities been sacrificed as a result of devoting energy to City Challenge?

How successfully does City Challenge integrate with other regenerative bodies eg UDC's, city action teams, task forces?

## (4.0) Consultation/Partnership

One of the key aims of City Challenge was to secure a partnership. This section assesses the degree of co-operation between the partners.

How do you feel your bid partners worked together (discussion: how often and in what form eg formal/informal)?

How many of the partnership links were already in existence? Have any new links been created?

Was there a general measure of agreement between the partners (how was consensus achieved) or did any conflicts emerge (how were these resolved)/or?

Are there any ways in which the communication process could have been improved?

Was anybody omitted from the consultation process?

Partnership Characteristics:

(1) Membership, are you satisfied with the composition of City Challenge? To what extent does relate to the area?

(2) Mode of Operation: how is management undertaken on a day-to-day basis? Resource/Project co-ordination?

(3) Has City Challenge strengthened local/regional partnerships? In what way?

(4) Timescale : to what extent has this impacted on relationships within the partnerships?

(5) To what extent has there been equity between the partners ?

## (5.0) Key Players

How would you evaluate the role of the local authority in the city challenge process?

Have the local authorities had to change their mode of operation?

To what degree did the local authority take the lead role?

During the preparation of your bid to what extent were you/your organisation influenced by Central Government?

(i) DoE Guidelines

(ii) Victor Hausner Guidelines

(iii) Meetings/ Conversations (formal and informal) with DoE ministers

(v) Circulars, policy statements, articles/reviews etc

(vi) Other material

Describe any contact you/ your organisation has had with central government?

What has been the role of the Department of the Environment in the process ? Do other government departments eg DES, DoT, DTI, DE show an enthusiastic commitment to City Challenge?

How do you assess the role of the private sector in local regeneration?

To what extent should they be involved?

To what extent does City Challenge address "people issues"?

Are there any community interests in your area not represented by City Challenge?

## (6.0) Delivery/Performance/Monitoring/The Future

To what extent are the programmes and outputs being realised?

Are there any mechanisms to ensure a proportion of jobs created are for locals?

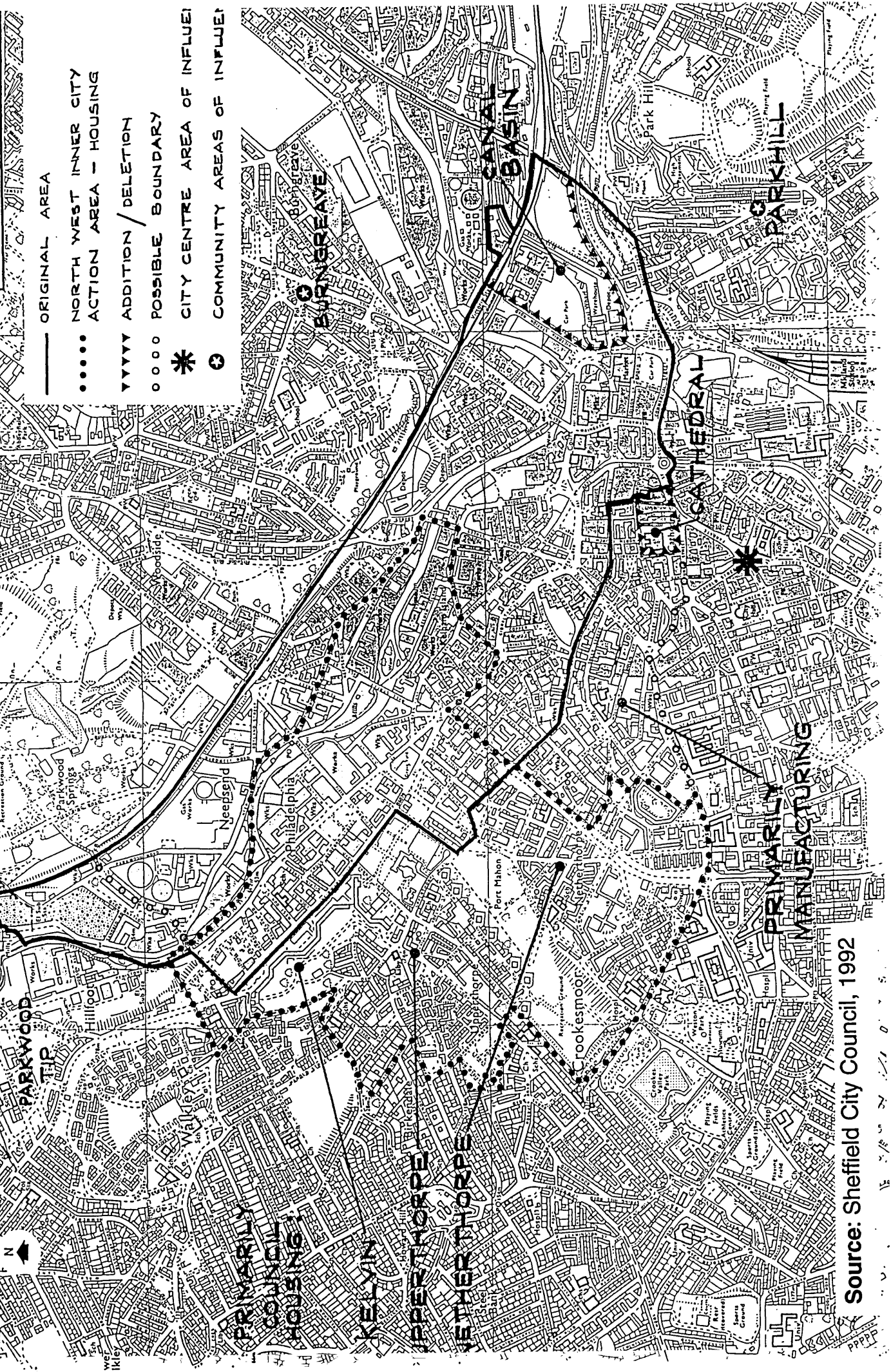Is there a prioritisation of (a) interests (b) projects?

How confident are you that you will deliver the objectives stated?

Does the team have adequate powers to implement the strategy?

The recession: is regeneration restrained by the economic climate? Have changes had to be made to the initial proposals?
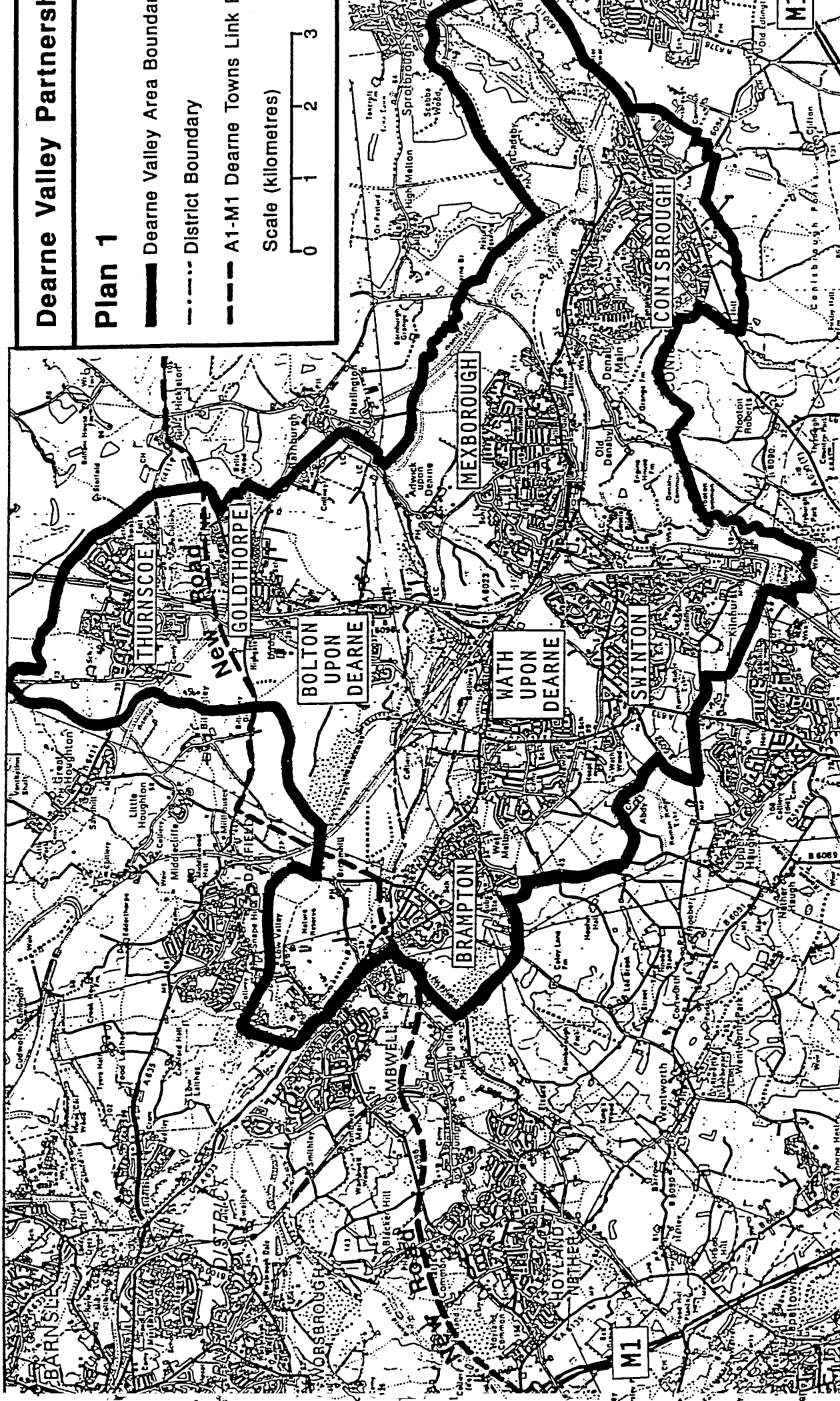
Appendix VI Sheffield City Challenge Area

CITY CHALLENGE 15
CENTRAL RIVERSID[

Legend:
— ORIGINAL AREA
••••• NORTH WEST INNER CITY ACTION AREA – HOUSING
▼▼▼▼ ADDITION / DELETION
○○○○ POSSIBLE BOUNDARY
✳ CITY CENTRE AREA OF INFLUE[
⊕ COMMUNITY AREAS OF INFLUE[

N

PARKWOOD TIP

PRIMARILY HOUSING

KELVIN

UPPERTHORPE

NETHERTHORPE

BURNGREAVE

CANAL BASIN

THE CATHEDRAL

PARKHILL

PRIMARILY MANUFACTURING

Source: Sheffield City Council, 1992

ppendix VII  The Dearne Valley Partnership City Challenge Area



## Dearne Valley Partnersh[

### Plan 1

— Dearne Valley Area Bounda[
-·-·- District Boundary
— — A1-M1 Dearne Towns Link [

Scale (kilometres)

0    1    2    3

# Dearne Valley Partnersh

## Plan 1

▬ Dearne Valley Area Boundar
∙∙∙ District Boundary
▬ ▬ A1-M1 Dearne Towns Link

Scale (kilometres)

0   1   2   3

THURNSCOE

GOLDTHORPE

New Road

BOLTON UPON DEARNE

MEXBOROUGH

CONISBROUGH

WATH UPON DEARNE

SWINTON

BRAMPTON

WOMBWELL

Source: "Strate··· into Action", 199

M1