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**MARTY LAWRENCE**  
**URBAN REGENERATION AND COMMUNITY BENEFIT**  
**MASTER OF ARTS SOCIOLOGY AND SOCIAL POLICY**  
**SEPTEMBER 1995**

**ABSTRACT**

The main body of this thesis presents the results of research examining two major urban policies operating on Tyneside, a conurbation in the North East of England, in the early 1990s - Urban Development Corporations (UDCs) and City Challenge. The research examines in detail the ways in which Tyne and Wear Development Corporation and North Tyneside City Challenge have addressed the twin issues of community participation and community benefit. Examination of the Tyneside area demonstrates the long term effects of industrial decline and central government's continued public policy response; UDCs and City Challenge are significant recent examples.

There is a large body of literature which focuses on the related issues of industrial decline, urban deprivation and public policy response. Some of this literature has highlighted the limited ability of urban policy to ameliorate many of the problems found within the inner city. More recently, commentators have argued that urban policy should address the social needs of local communities directly and not, as many recent urban initiatives have, concentrate almost exclusively on the physical regeneration of derelict areas.

Whilst official output measures published by the Department of Environment suggest, in general, that UDCs and City Challenge authorities are successful in meeting their objectives, meaningful evaluation must examine the 'outcomes' of policy and not concentrate solely on the physical 'outputs'. With this in mind, a framework has been adopted which incorporates two key concepts required to evaluate urban policy in a meaningful way - community participation and community benefit. This framework focuses analysis on people and local communities, rather than simply the physical outputs of policy. By using the concepts of community participation and community benefit in evaluating urban policy initiatives, this thesis demonstrates the limitations of the UDC and City Challenge models when addressing the needs of deprived local communities.

# **URBAN REGENERATION AND COMMUNITY BENEFIT**

**MARTY LAWRENCE**

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## PREFACE

This thesis is mainly the result of research which was undertaken as a Research Assistant on a project examining 'Urban Development Corporations, Community Participation and Community Benefit' in the Department of Sociology and Social Policy, University of Durham. The project was co-ordinated by Dr Fred Robinson and undertaken between September 1991 and June 1993. As well as publishing a major report on the research findings, a number of articles have also been written and have appeared in a variety of academic and public policy journals. In addition to information collected through the UDC project, continuing research was undertaken through my previous employment as a Development worker working on TWDC's Royal Quays site on North Tyneside. Working in close contact with Tyne and Wear Development Corporation and also North Tyneside City Challenge has given me a great appreciation of how these policies operate 'on the ground'.

The research was carried out on Tyneside, a conurbation centred on the river Tyne in North East England. The main aim of the research was to examine Tyne and Wear Urban Development Corporation (TWDC) and North Tyneside City Challenge (NTCC) and their attempts to address the twin issues of community participation and community benefit. It was decided to use these concepts in order to examine, in detail, how contemporary urban policy is addressing the needs and demands of inner city communities. It has become increasingly apparent that urban policy is limited in the degree to which it can change, or address, problems within the inner city. By adopting this framework the research examines and highlights the outcomes of policy with reference to local people, rather than physical output measures.

I would like to thank, in the first instance, the Joseph Rowntree Charitable Trust and the Baring Foundation, for funding the research project at Durham. I am also grateful to the many and varied people who have allowed me to interview them over the past three years, without whom this thesis would not have been possible. I would also like to thank Jill Tate for typing this thesis. Most of all, I would like to thank Dr. Fred Robinson for providing me with an opportunity to work on such a major project, by helping me develop my interest in research and for his sustained guidance and constructive comments in the writing up of this thesis.

**MARTY LAWRENCE - UNIVERSITY OF DURHAM - SEPTEMBER 1995**

# CHAPTER ONE

## INTRODUCTION

The inner city is the social antipodes of middle class Britain, a universe apart, an alien world devoid of almost every feature of an ideal environment. It is the place where all our social ills come together, the place where all our sins are paid for. The inner city is now, and is likely to remain, Britain's most dramatic and intractable social problem. For here are concentrated the worst housing, the highest unemployment, the greatest density of poor people, the highest crime rates and, more recently, the most serious threat posed to established law and order since the Second World War. And yet it is not a peculiar, exceptional problem. For all the deprivations found concentrated in the inner city are widespread throughout the country, strongly present in the peripheral Northern and Celtic regions, and in scattered pockets almost everywhere. The inner city is therefore a microcosm of deprivation, economic decline and social disintegration in Britain today. It is not only a particular sort of place on the map but a symbol and summation of the dark side of a whole society'.

(Harrison, 1983, p21)

People were drawn to the fast growing cities as the Industrial Revolution progressed in the early nineteenth century and new sources of employment became concentrated in areas where natural resources could be easily exploited. As towns developed into cities, and people moved from rural to new 'urban areas', problems associated with overcrowding, poor sanitation and poverty began to emerge to concentrations and levels of intensity not witnessed before. Substantial public policy action to ameliorate urban problems began in the mid nineteenth century with attempts to combat public health problems; and public policy has since remained a significant element shaping the urban economy and society.

By the end of the nineteenth century the majority of business, industry and



population were located in cities - Britain had undoubtedly become an urban based society. Public policy action within the city was still preoccupied with health issues, forming the basis for town planning and housing programmes, though subsequently the policies of the inter war years shifted attention and concern to economic policy issues.

Long term deindustrialisation in the primary and heavy engineering sectors particularly affected areas that relied heavily upon shipbuilding, iron and steel production and associated engineering trades (eg Glasgow and Newcastle). This had severe implications for cities that developed in response to demands for coal, steel and especially on Tyneside - shipbuilding.

The late 1960s witnessed the first tentative steps by the government to address problems evident in the city in a spatial form. This was the beginning of 'contemporary urban policy'. Since the emergence of urban policy in 1968, governments have developed numerous policies aimed at tackling the inner city problem. The 'problem' has now long been identified and accepted; however, the reasons for it and the solutions to it have changed significantly over the years. This has not only been apparent between governments of differing political persuasions, but also within single party terms of office - most significantly 1979 - 1995.

The publication of the 1977 White Paper 'Policy for the Inner Cities', signalled the emergence of permanent inner urban intervention (Lawless, 1989, p39) and remains today the only White Paper published on the problems affecting the older cities and potential solutions that might be introduced to address them. Some two years later a Conservative administration was elected that began to develop many new inner city projects. Conservative urban policy continued the search for coordination - echoed by urban projects in the 1970s - though pursued this ideal in a modified form. Two other important urban themes emerged during the 1980s - deregulation and liberalisation. The Conservative administration argued that 'the government has created a climate which supports enterprise and has set about removing obstacles in the way of inner city recovery' (Action for Cities, 1988, p2). One theme in particular, development, became increasingly central to Conservative urban policy during the 1980s. Of the twelve initiatives announced in the 1988 'Action for Cities' programme, eight were within the 'general sphere of development' (Lawless, 1989, p75).

At the beginning of the 1990s, and after sixteen years of Conservative government, two major urban policies exist. Established some ten years apart, and developed to address urban distress in two very different ways, they now face similar calls for efficiency, effectiveness and issues such as community participation and community benefit.

Urban Development Corporations (UDCs) were established in 1980 by the Local Government Planning and Land Act and since then UDCs have commanded the majority of public expenditure on urban policy (Imrie and Thomas, 1993). UDCs, established as quangos by the Department of the Environment (DoE), were favoured greatly by such contrasting figures as Margaret Thatcher (Prime Minister 1979 - 1992) and Michael Heseltine (past Secretary of State for the DoE and current Deputy Prime minister). Many critics have argued that UDCs are preoccupied with land and property development and rely too heavily on the vagaries of the property market (CLES, 1992). They have, nevertheless, remained the central plank of British urban policy over the past sixteen years.

Some eleven years after UDCs were introduced, Michael Heseltine (returning for a second time to the DoE as Secretary of State) introduced a new urban initiative - City Challenge. City Challenge (as with UDCs) is a spatially targeted policy but resource allocation to City Challenge is based upon a 'competitive bidding approach'. Within City Challenge local authorities have to bid for resources to regenerate particular urban areas. City Challenge offers local authorities the potential to become players in local urban regeneration again (denied them during much of the 1980s) and gives local communities the potential to become partners in the regeneration of their areas. Unlike UDCs, City Challenge places the issues of community participation and community benefit as central to the task of regeneration.

Although the majority of urban policy initiatives are centrally sanctioned, each particular project will operate within, and will reflect, the political culture and economic history of that area. It is therefore difficult to compare and contrast initiatives across the country because of differing economic fortunes and political attitudes in the regions. However, within the North East of England, Tyneside (a conurbation based around the river Tyne) has operating within its area both major urban policy

initiatives - a UDC operating along the riverside strips of the Tyne (and, additionally, the Wear) and two City Challenge initiatives, in the West End of Newcastle and in a densely populated urban area in North Tyneside.

Moreover, in historical terms Tyneside provides an interesting case study; it has suffered long term economic decline associated with the contraction of the major industries in the area and has been, for a considerable length of time, the focus of public policy action aimed at reversing this economic decline. Having the two most important urban policies operating in the same vicinity not only provides an excellent opportunity to examine these policies individually, but also allows a comparison to be made between the two within the same social and economic context.

Since the emergence of contemporary urban policy important lessons have been learnt about the effects such action can have. It is now widely accepted that there is no 'quick fix'; action needs to be long term. Additionally, it is now considered expedient to involve many agencies in the implementation of policy; 'Partnership' has become a central concept in 1990s urban policy (see Town and Country Planning, June, 1993). This thesis examines two key issues of urban policy in the 1990s - community participation and community benefit. Consideration will be made of the policy background to UDCs and City Challenge, their progress and achievements since establishment and the ways in which these relate to the issues of community participation and community benefit.

This thesis arises out of a personal interest in economic decline, urban decay and policy intervention, and the ways in which these processes have worked themselves out in certain locales. It is based upon documentary research drawn from a wide variety of sources - the media, academic journals, books and government / official publications. In addition to this a series of interviews was undertaken with a variety of local actors - policy officials, Councillors, the voluntary sector and community groups - which provides invaluable information on local issues. I have also gained a detailed understanding of the issues through my recent employment with a community organisation on Tyneside, and this has been extremely useful in analysing much of the information generated through the research.

Chapter Two begins by exploring the emergence of the inner city problem and what

characterises it in today's society. The remainder of the chapter looks at a key element of central government's response to the problem - urban policy - and charts its development from the late 1960s to the present day.

Chapter Three outlines the evolution of Tyneside from the early 1800s to the pinnacle of economic achievement in the era immediately before World War One. This Chapter then goes on to consider the reasons for the subsequent decline and examines central government policy response to the problem since the 1930s. Finally, the present economic, social and policy context of Tyneside will be established.

The majority of Chapter Four is dedicated to a discussion of the progress and achievements of two major urban policies in the area - Tyne and Wear Development Corporation (TWDC) and North Tyneside City Challenge (NTCC). Assessment is made of the job creation records of the two organisations and conclusions drawn concerning their overall ability to create employment.

Chapter Five deals specifically with the twin issues of community participation and community benefit. This Chapter examines the ways in which the two organisations have consulted local communities, and the extent to which this has led to participation. Chapter Five also examines the record of the two organisations in respect of community benefit and outlines the major activities that TWDC and NTCC have engaged in in pursuit of this objective. Finally, conclusions are drawn establishing whether or not the two organisations have achieved meaningful community participation and also if their activities have benefited local communities.

Chapter Six draws together the evidence discussed throughout the thesis and provides a final evaluation of the success of the two urban policies in respect of community participation and community benefit. This Chapter ends by developing a policy framework that government might adopt to provide a new direction to urban policy that directly targets people, rather than the areas they live in.

## CHAPTER TWO

### THE INNER CITY PROBLEM AND POLICY RESPONSE

Britain's cities have long been the focus of public policy action and political debate. From the development of cities as centres of commerce and industry in the nineteenth century to them being perceived as a problem today, public policy has had an intimate relationship with the city, and in particular the inner city.

Policy responses to the 'inner city problem' have varied over the years. Public policy action in the city was originally aimed at tackling health problems. Post 1945 governments invested heavily in slum clearance schemes and policies aimed at moving people out of the city (see Donnison and Soto, 1980). Whilst it would be correct to note that general policies of modernisation (for example in housing) do have a substantial urban impact, the emergence of a policy aimed at spatially targeting action has only occurred in the past 25 years.

The emergence of urban policy at the end of the 1960s was in response to the rediscovery of poverty, and an understanding that the Welfare State had failed to eradicate many of the problems it was established to address. Whilst urban policy has changed significantly over the past 25 years, the issues it was designed to address have remained fairly constant, although they have intensified.

This chapter explores, firstly, the emergence of the 'inner city problem' and what characterises it in modern society. The analysis then goes on to examine central government's response to the problem in the late 1960s. The second part of the chapter examines the policies developed by the Labour government (1974 - 1979) and the current Conservative administration (1979 - 1995), highlighting major themes, changes in policy direction as well as outlining the urban initiatives that are in operation today.

During the mid nineteenth century cities began to grow at a pace previously unknown, generating economic wealth, for some, in an age of free market economic liberalism. The city became the centre of industrial activity, attracting commerce, trade, but most importantly people, to areas where natural resources could be exploited by

new industrial processes. However, as cities expanded poverty, squalor and disease emerged as serious problems and although open sewers, polluted water supplies and high rates of infant mortality were commonplace, neither factory owners nor local authorities regarded action as necessary (Ward, 1989). It was not until the early 1860s (and the death of the Prince Regent from typhoid in 1861) that public health came to be regarded as a matter for public policy intervention. Public authorities, which had previously regarded action as 'sinful interference' (Ward, 1989, p2), became engaged in public regulation and municipal activity, providing sanitation and modest levels of public service.

Since the 1860s, British cities have been subject to public policy action; indeed, modern town planning originated from the 19th century concern with public health problems. However, severe 19th century health problems were tempered by two positive features in wider society; one, the economy was largely buoyant and expanding; two, there was widespread political hope (Faith in the City, 1985). Today, society is quite different. The British economy has entered into a second major recession in the space of thirteen years, and shows only modest levels of recovery whilst political hope has been replaced by a perception that government can effect only minor change via public policy action. At the end of the 20th Century not only is the political and economic environment radically different from the late nineteenth century, but so too are the problems that are found within the cities. During the 19th century health problems were the major concern and were addressed by the provision of better standards of housing, sanitation and public services. Today, the problems of the city, and in particular the 'inner city', are far more complex and directly linked to economic decline.

### **The Contemporary 'Urban problem'**

Many deprived areas share essential characteristics; they tend to be based around an old port (eg Liverpool, Cardiff) or a manufacturing area connected to an outmoded staple industry or industrial process (eg Sheffield, Newcastle) and have higher than average unemployment rates (Hall, 1981). But, deprived areas may be near the centre of a conurbation, like Elswick or Walker in Newcastle, or be spatially displaced peripheral housing estates like Meadow Well in North Tyneside (Byrne, 1989). Whatever, the 'inner city problem' exists in two forms, spatial and social. Spatially,

there are geographical areas that compare unfavourably to the rest of the city and to other cities. Socially, there are communities, be they unemployed people, ethnic minorities or single parent families, who suffer from higher incidences of unemployment and poverty (see Harrell and Peterson, 1992).

The inner city problem can be a misleading concept as economic and social inequalities are not confined to urban areas, or even inner urban areas. Problems of deprivation and unemployment exist in 'prosperous' as well as 'depressed' regions, and indeed, many smaller towns have experienced 'urban' problems normally associated with larger cities. Economic and social inequalities are, though, concentrated in certain areas where deprivation is highly visible. Many of society's disadvantaged groups are found in these 'inner city areas'. Although similar circumstances exist elsewhere, most notably on peripheral housing estates: '...the large cities do represent concentrations of deprivation of a size and intensity not found elsewhere' (Robson, 1988, p42). Three common problems are clearly apparent that can be considered as constituting the 'inner city problem': economic decline, physical decay and social disintegration (Faith in the City, 1985).

Many of the problems of Britain's inner cities have their roots in a shift in the nature of Britain's industrial base. The period 1951 to 1981 saw over one million manufacturing jobs lost in the inner areas of the six largest urban areas in Great Britain (Audit Commission, 1989), and whilst the same period witnessed a large increase in service sector employment, this did little to compensate for the types of jobs lost in manufacturing. As manufacturing employment decreased employment was reorganised away from major conurbations to other areas - between 1960 and 1981 the major conurbations lost 43% of manufacturing jobs; small towns lost only 1% and rural areas gained 24% (Lawless, 1989, p29). Unemployment has emerged as a major problem in urban areas, labour supply and demand has become unbalanced so that many of the white collar jobs remaining in the city cores are taken by commuters from the suburbs, whilst deprived communities, who actually live in the inner areas, suffer from higher than average unemployment rates. Indeed, as Hasluck (1987) demonstrates, unemployment has become a central feature of the inner city problem (see Fainstein et al, 1992).

Physical decay is possibly the most visible sign of the inner city problem and is

particularly evident in the state of inner city housing stock. Many of the dwellings in the inner city are older and in a greater state of disrepair due, in part, to an over enthusiastic pursuit of owner occupation generated by the Conservative government in the 1980s and the growing scale of disrepair in the local authority housing sector. Central government cutbacks in public spending have increasingly affected inner city areas where reliance upon the provision of public service is heavy. Indeed, it has been argued that 'for the most part opportunities for jobs, for housing and for the desired amenities of social services, shopping, schools and leisure have shifted out of the industrial city...the inner city is increasingly the territory of those left behind...' (Faith in the City, 1985, p8). A lack of decent local shopping facilities, leisure centres and community resources, evident in many inner city areas combine with, and exacerbate, the impact of unemployment and economic decline.

Migration of people out of the city has always been selective and inevitably the city reflects the pressure of such movements. Whilst the poor and disadvantaged may not be exclusively concentrated in urban areas, there has been a relative polarisation of the poor in the inner city and many of these bear the brunt of economic change (Hausner, 1987). On a number of factors, the inner city compares unfavourably with other areas. In terms of health, inner city residents suffer from higher rates of infant mortality and lower life expectancies than people in suburban or rural areas (Black Report, 1980). In terms of crime, violence and vandalism, incidences in inner areas are consistently higher than elsewhere. Whilst the urban riots of 1981 and 1985 brought widespread attention to the issues of the inner city, government did little to address the fundamental problems that caused the situation. The riots '..undoubtedly reflected genuine economic distress...' but also demonstrated '..hatred felt by black and white youths towards the Police as emblems of an alien authority' (Robson, 1988, p37). Not surprisingly, the latter aspect attracted the most media attention (see Campbell B, 1993).

Inner cities lie at the centre of an unequal society and suffer from economic, social and environmental distress. Migration, not only of people but business, employment and industry is increasingly away from the older urban cores. Social polarisation between the inner city and elsewhere is deepening. Today, the only demographically buoyant element in the inner city are ethnic minorities, who now form significant parts of inner city populations. Such groups have brought a degree of enterprise back into the

inner city, though insufficient to compensate for the withdrawal of capital in the 1960s and 1970s.

Whilst physical decay and social disintegration are constituent parts of what is considered the urban problem, one must not lose sight of the central importance of economic decline. Not only does economic decline have an immediate effect - unemployment - but it also precedes and modifies other symptoms of decline such as the physical quality of housing stock (Lawless, 1989). Economic decline, unemployment and racial conflict (already evident in the United States in the 1950s) became serious problems for the British governments of the late 1960s and early 1970s. Concern was increasing over the rising unemployment rate in the cities and questions concerning the ability of the Welfare State to eradicate poverty were being expressed (Abel-Smith and Townsend, 1965). Many of these issues prompted both Harold Wilson's government of 1964 - 1970 and Edward Heath's administration of 1970 - 1974 to initiate investigations into urban areas. These 'urban experiments' aimed to identify the causes of, and solutions to, the problems of the inner city.

### **The Urban Experiments and Labour Urban Policy**

The early 'urban experiments' were established to explore specific problems of city life and helped to uncover the vast scale of the urban problem. Reports from these enquiries dispelled attitudes towards urban poverty held by governments in the 1960s and were extremely influential in establishing a context for debate. Reports produced by Seebohm (1968), Milner - Holland (1965) and Plowden (1967) argued that particular problems were prevalent in certain areas and that action should be directed toward specific localities. These conclusions were further strengthened by work conducted by the many Community Development Projects, which operated in deprived urban areas in the 1970s, and reported on the concentration of certain problems within specific localities.

Whilst the mid 1960s witnessed the first tentative steps made toward developing a specifically urban policy, it was the 1977 White Paper 'Policy for the Inner Cities' and the 1978 Inner Areas Act that marked the emergence of permanent inner city policy (Lawless, 1989). The 1977 White Paper and the 1978 Act signalled a much greater

commitment to tackling urban problems; resources allocated to urban policy were increased and the Department of the Environment assumed responsibility for urban policy from the Home Office.

The 1977 White Paper drew upon many of the conclusions established by the previous urban experiments, commenting upon the serious nature of economic decline, physical decay and deteriorating social conditions that were becoming prevalent in the inner areas of cities. The White Paper contended that whilst problems in the inner city were not peculiar to it, they were of a level and intensity that warranted special attention. In the White Paper it was argued that multiple deprivation in some inner areas was affecting all of the residents, even when the majority of people were in employment and living in satisfactory accommodation. Multiple deprivation arose from a sense of neglect and decay, low standards of community facilities and high exposure to crime; the White Paper thus identified the need for an area based initiative. There had to be positive discrimination made in favour of the inner cities for public policies and programmes: 'The White Paper...laid great stress...on the need to use main policies and programmes of central and local government in the full in order to tackle the problems of inner areas effectively' (Faith in the City, 1985, p171) and the government attempted to 'bend' existing programme expenditure - most notably Rate Support Grant and transport expenditure - to give increased assistance to inner city authorities. In addition to 'bending', the White Paper argued for special efforts to be focused on a few cities. As a result of procedures governing Urban Programme funding and powers contained in the 1978 Inner Areas Act, local authorities were divided into three main categories for financial assistance under the Urban Programme. The three tiers established were: at the top, Partnership Authorities (7); then Programme Authorities (15); and other designated districts (19). The Partnership Authorities, of which the Gateshead / Newcastle Partnership is an example, were the first major inner city policy initiative in England. They were, however, relatively poorly resourced, highly bureaucratic devices that found great difficulty in implementing an approach based upon coordination and cooperation.

Aside from the designation of urban local authorities into a hierarchical structure, the other main policy development outlined by the 1977 White Paper was the revamping of the resources provided through the Urban Programme (UP). The UP was originally created in 1968 and ran, largely unchanged, until 1977. The main preoccupation of the

UP before 1977 was the funding of social schemes. After 1977 the UP remit was widened to include industrial, environmental and recreational projects; this new emphasis reinforced the belief, expressed in the White Paper, that economic decline was central to the urban problem. As the remit widened, the resources increased from £30m in 1977 / 1978 to approaching £100m in 1978 / 1979. But, 'bending' of mainstream resources was largely ineffective and although the financial size of the UP was increased, cities lost more resources through mainstream spending cuts. This led to the firm conclusion that 'Labour's urban policy cannot be perceived as anything other than meagre' (Lawless, 1989, p50).

The Conservative government elected in 1979 had radically different intentions for inner urban policy. The new Secretary of State for the Environment, Michael Heseltine, sidelined local authorities who had previously played a significant role in urban regeneration; although the new government supported two policies initiated by Labour (Urban Programme and Partnerships) they were modified to fit in with the new agenda promised by the Conservative government.

### **Conservative Urban Policy : 1979 - 1995**

Since the early 1980s there has been little change in the definition of what constitutes the urban problem. Crime, social deprivation, poverty and unemployment have become generally accepted characteristics of the inner city problem. However, the conventional wisdom on the reasons for, and solution to, the problem have significantly changed in the past 20 years.

The basic causes of the inner city problem are still regarded as economic, associated with industrial decline. In the 1970s the decline of the city was blamed on low levels of investment in the cities alongside high levels of disinvestment; the private sector was seen as central to the problem although the public sector was also to blame through a lack of competency and policies advocating decentralisation. By the 1980s the 'blame' had shifted. The private sector, who were previously regarded as the problem, now came to be seen as the most appropriate means for regenerating the city. Local authorities, on the other hand, which the 1977 White Paper regarded as the 'natural agencies to tackle inner city problems', were viewed as the reason for many of the cities' inadequacies. Blame for contemporary urban problems has been

transferred from the private sector, and to a lesser degree central government, to the cities themselves, the people who live there and the 'entrepreneurially stifling' local authorities.

This 'sea change' in the perceived causes of the urban problem over the past 15 years is clearly evident when comparing the 1977 White Paper and the Government's 'Action for Cities' brochure published in 1988. The White Paper looked to the local authorities as the medium for action, stressing the need for a wide range of social, environmental and economic programmes. Action for Cities, on the other hand, places heavy emphasis on the role of business in urban regeneration; the government appears to believe that 'what's good for business is good for the cities and all who live in them' (Robinson, 1989, p7). Local Authority intervention is only acceptable in urban regeneration if business is helped; the forming of 'public / private partnerships' had increased dramatically in the 1980s to fulfil this task (see Shaw, 1990; Town and Country Planning, June, 1993).

At the end of the 1980s, Action for Cities appeared to have achieved widespread acceptance (more a matter of pragmatic acceptance that the Government was in control), even amongst once radical authorities such as Sheffield and Liverpool, yet it is clear that, 'Action for Cities....was designed to co-ordinate existing approaches and not to introduce new initiatives or resources' (Lawless, 1989, p142). At the end of the 1980s an accepted framework of attack had emerged for urban regeneration, consisting of three main strands; one, only the private sector can truly regenerate the inner city; two, economic concerns must take precedence over social policies and aims; and three, property is vitally important in leading the process of urban economic development (Robinson, 1989). In order to achieve these objectives the Conservative government has developed six new initiatives aimed at regenerating urban areas and is now running down the Urban Programme, established by Labour in 1967 and revamped in 1977.

## **Urban Policies**

There are many problems in identifying what inner city policy constitutes, indeed, '...we [the government] have two basic levels of inner city policy. One is the application in the cities of policies which apply across the whole country....Then

there are policies aimed specifically at designated parts of the cities...' (Action for Cities, 1988, p8). Action for Cities casts the financial net equally as widely, claiming that total urban policy spending added up to some £3,000m in 1988. This list included schemes that directly assisted small businesses, the Training Agency's Youth Training Scheme and also a series of general policies in education and housing. Whilst the Government regarded Action for Cities as 'a whole package of measures...its initiatives cover every conceivable area of policy relating to the cities...' (Trippier, 1989), the Audit Commission viewed central government programmes to assist urban regeneration as 'a patchwork quilt of complexity and idiosyncrasy. They baffle local authorities and business alike' (Audit Commission, 1989; see Hambleton, 1993).

Whilst it would be wrong to suggest that only urban policies impact on the inner cities, it is equally misleading to suggest that national policies which cover the whole country can be considered as having a predominantly urban impact. It is clear that many policies do have an urban impact, but they do not specifically address the central issues of concern within the inner cities. In this sense, they cannot be regarded as urban policies. Urban policy must be considered as policy that is directly targeted on the inner city.

If we consider urban policies to be those policies that are spatially targeted on the inner city, then the list becomes significantly smaller than that found in Action for Cities. There are a number of small scale initiatives in areas such as education (City Compacts) and crime prevention (Safer Cities) that are, admittedly, targeted on the city, but offer only very limited support in terms of both finance and overall impact. With this in mind the list of significant and truly urban policies becomes relatively small.

Urban policies administered by the DoE represent the central plank of the Government's response to the inner city problem. Outlined below is a list of current initiatives, briefly describing their aims, objectives and levels of funding.

**Urban Development Corporations;** the Government has described the UDC programme as 'the most important attack ever made on urban decay' and has placed UDCs 'at the forefront of the Government's drive to revitalise the inner cities' (Action for Cities,

1988, p7). UDCs are quangos (quasi autonomous non governmental organisations) with centrally appointed non elected boards and are able to override local authority power in the area they are charged with regenerating (Cooke, 1989). In 1993 / 1994 UDCs received over 40% of all resources allocated to urban policy (DoE, 1994b). The major focus of UDC action has been on land and property development, though there have been concessions by some UDCs to include more socially orientated issues. Thirteen UDCs now exist in England and Wales; UDCs receive the lion's share of urban policy resources.

Expenditure 1993 / 1994 - £380m      Estimated 1994 / 1995 -  
£291m

**City Challenge;** City Challenge, to a degree, marks a departure from the urban policies of the 1980s. This initiative aims to target DoE inner city and housing resources on certain local authorities selected through a bidding process. Authorities are required to produce 'Action Plans' that demonstrate imaginative and innovative approaches to regeneration. If they are successful in the bidding process they are allocated £37.5m over a five year period. Thirteen pacemaker authorities were invited to bid in the 1991 competition of which eleven were selected, including Newcastle upon Tyne. North Tyneside was a successful bidder in 1992. There are now 31 City Challenge authorities. City Challenge offers the potential for local communities to become partners in the regeneration of local areas. All the resources allocated via City Challenge have been 'top sliced' from existing urban initiatives.

Expenditure 1993 / 1994 - £223.2m      Estimated 1994 / 1995 -  
£213m

**English Partnerships (Urban Regeneration Agency);** English Partnerships (defined in statute as the Urban Regeneration Agency) is a body promoting regeneration and development of vacant, derelict and contaminated land and buildings throughout England. English Partnerships became responsible for Derelict Land Grant, English Estates and City Grant from April 1994. The new body will assemble, plan and service sites and provide financial support to encourage others to proceed with development (see Whitney, 1994; Keyes, 1994).

Expenditure 1994 / 1995 - £250m

**The Urban Programme;** this programme provides funding for the 57 urban local authorities (previously Programme and Partnership authorities) who prepare annual Inner Area Programmes for the DoE.

The UP grant aided some 9,900 individual projects in 1991 - 1992 with the objectives of creating healthy economies, encouraging enterprise and new business and improving people's job prospects. The UP was inherited by the current government but has changed to focus on economic based schemes as opposed to social ones (see Hall, 1981; Stewart and Underwood, 1980). Resources allocated to the UP have recently been cut back. No new schemes are to be funded and the programme is to be abolished.

Expenditure 1993 / 1994 - £173.0m      Estimated 1994 / 1995 - £84.9m

**Enterprise Zones;** EZs have played an important part in stimulating the government's attempt to remove state regulations from the private sector (Pacione, 1990) and have, through the availability of tax breaks, acted as a mechanism for subsidising private sector development. The problems and inadequacies of the EZ experiment, attracting investment away from urban cores and high job creation costs, have been well documented (See Massey, 1982; Lawless, 1986), yet by 1986 63,000 jobs had been created in the 25 EZs in the country and nearly 5 million square feet of floor space had been built. EZs offer exemption from rates and the ability to off set all expenditure on industrial and commercial buildings against tax. Parts of Newcastle and Gateshead enjoyed the benefits of an EZ until 1991; Sunderland currently has an EZ designated on St. Peter's Riverside on the north bank of the River Wear. Total gross expenditure on EZs in the financial year 1987 /1988 - the cost of capital allowance was approximately £310m and rate revenue foregone was £182m for all zones (Robson, 1994).

**Derelict Land Grant;** this grant operates nationally but with an urban bias, with around a third being spent in urban areas. The grant is available for public bodies and private firms to cover 50% - 100% of their net cost of reclaiming derelict land (after estimating for any increase in value attributed to reclamation). Expenditure 1993 / 1994 - £103.9m 1994 / 1995 - Transferred to SRB.

**City Grant;** a grant payable directly to the private developer from the DoE or UDC (if the project is within a UDC area) (see Cooke, 1989). It aims to help private developers undertake land reclamation and development and provide them with a satisfactory return on investment. The developer has to demonstrate that the project will not go ahead without City Grant assistance; the 'additionality' rule applies.

Expenditure 1993 /1994 - £23.8m 1994 / 95 - Transferred to SRB.

**Single Regeneration Budget (SRB);** the new SRB brings together 20 existing programmes, including the resources earmarked for the three sponsored bodies supported by the SRB, which include Housing Action Trusts, English Partnerships and Urban Development Corporations. In 1994 - 1995 the SRB will support the following commitments;

- funding for City Challenge and Urban Programme;
- £373m for the Estate Action Programme;
- £88m for Housing Action Trusts and the establishment of a new one;
- Derelict Land Grant and City Grant funds being transferred to English Partnerships;
- existing commitments transferring to the SRB under other departments' programmes.

Expenditure 1994 / 1995 - £1.4bn

Since the election of the Conservative Government in 1979 there has been an expansion and restructuring of inner city policies; UDCs, Enterprise Zones, City Challenge, City Grant, Single Regeneration Budget and English Partnerships have all been designed to have clear 'urban impact' but are based on contrasting approaches and philosophies. During the fifteen years of Conservative urban policy, three main approaches have been evident;

- the non interventionist free enterprise policies that deny or minimise the role of the public sector, ie Enterprise Zones (that actually emerged as highly interventionist);
- policies based upon partnership and corporatism, ie the Urban Programme;
- the patronage model, whereby central government channels power to local intermediaries to perform centrally sanctioned tasks, ie, UDCs and City Challenge (Coulson, 1991).

At the beginning of the 1990s, the patronage approach appears to have become the dominant model in urban policy. City Challenge is an example of the patronage model but differs from other policies in this category (such as UDCs) to a certain degree. Whilst City Challenge may be centrally sanctioned and its resources are allocated on a competitive bidding approach, City Challenge is also based upon the principle of partnership. City Challenge appears to be a mixture of both the

patronage and the partnership models. Local Authorities, voluntary and other non statutory agencies have to work together in City Challenge. Moreover, Local Authorities have the potential of taking the leadership role. Not since the late 1970s have local authorities been in this position in urban policy.

The implementation of City Challenge in 1991, and the introduction of the Single Regeneration Budget (SRB) in April 1994, were intended to introduce a degree of local determination into local economic development. This goes some way to redressing the uneven balance inherited from the 1980s, but nevertheless requires local authorities and bidding partners to fulfil a set of pre-defined criteria established by central government.

A preoccupation with land, buildings and property development - rather than people and communities - was characteristic of urban policy in the 1980s (Healey et al, 1992), and whilst community centred action does continue to be practised at the local level, it has increasingly become the province of the voluntary sector (Brownill, 1990). Whilst urban policy during the 1980s was re - orientated to more economic concerns, toward the end of the decade the 'community', as a concept, was used more and more frequently by government in statements and publications on the inner city. Over the past 15 years central government's policy stance has perhaps changed rather less than the rhetoric. The tone of urban policy language has been softened to include the community again; that said, the 'community' may now refer to the local private sector as well as the neighbourhood community. The re - emergence of the community dimension in regeneration has been clearly acknowledged by City Challenge authorities; development must benefit local communities and consultation mechanisms have been established in many City Challenge areas to achieve this goal.

Efforts to consult local communities over development appears to have been a reaction against the harsh criticisms levelled at UDCs in the early 1980s that, in particular, they were unaccountable at the local level and ignored local needs. In fact, the community appears to have been rediscovered much like poverty in the 1980s (Robinson, 1989) and if central government is to be believed, has become a central plank of urban regeneration. However, rhetoric has seldom been matched by implementation. Reference to concepts such as 'community', 'participation' and

'benefit' in government statements is no guarantee for action; has the concept of 'community' become the central tenant of urban regeneration or is it of only 'symbolic importance?' (Robinson, 1989).

The two main urban policy initiatives of the early 1990s, UDCs and City Challenge, were both established under very different political environments but are now faced with the same pressures calling for community involvement. City Challenge was designed with the idea of partnership very much in mind whereas UDCs were designed to facilitate the regeneration of land and buildings. But how, and in what ways have these very different urban policies reacted to these new pressures?

## **Conclusion**

Since the emergence of significant public policy action in the 19th century aimed at improving levels of public health, both the problem and the policy response have become increasingly complex. The inner city problem is now considered to be both a spatial and social issue, affecting people of certain social groups and in certain geographical areas. Many of the problems currently manifesting themselves within the inner city can be clearly linked to the shift in Britain's industrial base. This realignment particularly affected areas, such as Tyneside, which were reliant on a small number of heavy industries.

Economic decline is of central importance to the inner city problem as it causes unemployment and modifies other symptoms of decline, such as physical decay and social disintegration. The general buoyancy of the British economy and the post war welfare consensus did much to hide the early indications of economic decline. The urban experiments rediscovered poverty and proved influential in establishing the context for debate - that policy should be spatially targeted at the inner city.

The 1977 White Paper 'Policy for the Inner Cities' and the 1978 Inner Areas Act marked the beginning of permanent inner city policy in Britain (Lawless, 1989). The White Paper clearly recognised that the inner cities suffered from problems of a level and intensity not found elsewhere. Nevertheless, Labour's urban policy was insufficient in both resources and commitment to address the problem.

Since the 1960s there has been little change in the definition of what constitutes the urban problem. That said, in the 1980s there was a definite change in what is considered to have caused the urban problem; the 'blame' has shifted from private to public and to a certain extent from central government to the cities themselves.

Central government now operates a plethora of urban initiatives, many based on different approaches to urban regeneration, and the two most significant urban policies today - Urban Development Corporations and City Challenge - clearly reflect this. Both initiatives are, though, faced with similar calls for equitable regeneration, community participation and ultimately community benefit, and have - in many ways as a response to their operational and legislative backgrounds - approached the subject in different ways.

## **CHAPTER THREE**

### **THE RISE AND DECLINE OF TYNESIDE**

Tyneside emerged as one of the strongest local economies in Great Britain in the mid nineteenth century, producing significant amounts of the country's share of coal, shipping and heavy engineering products. As industry grew, the conurbation of Tyneside was formed, with Newcastle upon Tyne the focal point of the area for both commerce and industry. Tyneside continued to be a world force, particularly in shipbuilding, until the 1920s. But the economic decline of Tyneside since this period has been as dramatic as its earlier growth.

This Chapter examines first the industrial evolution of Tyneside from the early 1800s to the height of economic achievement in the years before the First World War. We then go on to discuss and analyse the reasons for the subsequent decline, with particular reference to the major industries in the area.

The second part of this Chapter examines central government policy response to the problem since the 1930s, highlighting the legacy left by the contraction of the heavy industries in the area. Finally, the present economic, social and policy context of Tyneside is established.

#### **The Rise of the Local Economy**

The North East of England has an industrial identity based upon the twin pillars of coal and iron (House, 1969) and development along the rivers Tyne and Wear has been an essential feature of this industrialisation. The vast majority of economic development during the 19th Century occurred in close proximity to the river Tyne, which was then the central focus for development. The river Tyne, as seen today, is an artificial creation. The 'Tyne Improvement Act' (1850) marked the beginning of a vigorous programme to improve the river; it was straightened, dredged and embanked to make it navigable by the world's largest vessels. Indeed, the 'enormous expansion of shipbuilding, engineering and coal export was made possible by the work of the Tyne Commissioners' (Middlebrook, 1968, p247). As

industry developed, the Tyne took on three main roles; first, shipbuilding and ship repair; second, the export of coal and coke; and third, the import and export of general goods (Mess, 1928). By the 1860s shipbuilding was booming on the Tyne and, in subsequent years, the area's heavy industries developed into a world force. The thirty years before the First World War witnessed the height of the coal, shipbuilding and traditional heavy engineering industries of the North East; coal mining stimulated the establishment of iron and steel making, the development of railways, shipbuilding and heavy engineering (Robinson, 1992) both on Tyneside and in the rest of the North East.

As the 19th Century progressed the economy of Tyneside became increasingly concentrated around three main industries; coal export, shipbuilding and heavy engineering. This led to a decline in many of the other local industries, which flourished up until 1850, but had either contracted or disappeared altogether by the end of the century. As these industries disappeared, the economic base of Tyneside became more concentrated. Shipbuilding and engineering activities often became interlocked, so that a firm such as Armstrong's, which began primarily as an engineering establishment, later took up shipbuilding, and likewise, local shipbuilding firms amalgamated with engineering companies (e.g. Hawthorn Leslie Ltd). Whilst many companies successfully expanded during the latter half of the 19th Century, only a few industries were concentrated upon which, in turn, led to a dependence on a restricted number of markets. Thus '... the pre war position of Tyneside was precarious. Precarious, because it was so largely based upon a few great industries; precarious also, because it depended to such an extent upon the demands of foreign countries, which might begin to supply themselves; and precarious because so much of the industry was due to the race in armaments which could not continue indefinitely' (Mess, 1928). By 1914, approximately two thirds of the region's working population were employed in coal mining, iron and steel, shipbuilding and heavy engineering industries (Allen, Odber and Bowden, 1957). Subsequent difficulties for the region's economy emerged from 'a classic case of the over commitment theory and the dangers of too great a specialisation' (Lee, 1971, p196). Thus, the early successes of private capitalism resulted in a dependence upon a few industries which were 'vulnerable to the vicissitudes of the market economy' (Chapman, 1985).

The region's economy became highly susceptible to both cyclical and long term fluctuations in demand; a problem that was deepened by the increase in foreign competition, dependency on export markets and also a world wide economic slump. However, up until 1923, the native industries of the North East, particularly the coal industry, remained relatively buoyant compared with the rest of the country.

### **Key Economic Sectors**

The coal industry in the North East, certainly after the 1890s, became only one of the many producers supplying coal in the world market. Increased competition came from two main sources; an increase in production from foreign suppliers and the opening up of new coal fields within Great Britain. With the size of the market rapidly decreasing, owing to the economic depression, almost 50,000 jobs were lost in the North East coal field between 1924 and 1934 (McCord, 1979).

Although national and international competition caused significant difficulties in the North East's coal fields, problems being faced by many of the coal industry's major customers exacerbated the situation. The main problem was that producing coal for a limited number of industries left the coal industry susceptible to any fluctuation in that market - for example, the shipbuilding industry. By 1932 there had been a virtual collapse in the coal market from buyers, both at home and abroad. As demand dropped for coal, the production of iron and steel decreased as well; in 1929 pig iron production in the region amounted to 2.8 million tons, but by 1932 this had slipped to 880,000 tons. As with pig iron, steel production in the region declined as well, from 2.2m tons in 1929 to 1m tons in 1932. Reductions in both pig iron and steel production led to a significant decrease in the demand for coal locally and this was worsened by the overall market situation. After 1932, there was a slow recovery, although by 1934 production had yet to regain its 1929 level (McCord, 1979).

Shipbuilding has contracted significantly since the Great Depression, but none of these reductions, both in terms of labour and output, can be compared with the decline evident in the early 1930s. By 1931, 70.6% of the North East's shipyard workers were unemployed and this figure rose to nearly 80% in 1933; at the national scale, the figures were 56.6% and 51.1% respectively. The high levels of

unemployment among shipyard workers were not merely reflective of the overall national loss, but, in addition, the loss of the North East's market share: 'In March 1930, North East yards had in hand well over a third of the new ships under construction in British yards; in March 1934 the region's share of work in progress was down to as little as 10.4%' (McCord, 1979, p219).

The decline in ship production was part of a national and world wide collapse in the shipbuilding industry, which inevitably had serious knock-on effects for other associated industries in the North East. Particularly affected were industries, such as the engineering trades, which were highly dependent upon the buoyancy of the shipbuilding market. The reduction in employment for the engineering trades, between 1929 and 1932, reinforced what was happening in the region's economy. In 1929, 56,491 people were employed in the engineering trades in the North East, but by 1932 the figure had dropped to 33,171. The decrease in employment of the main engineering trades was 41.3%, well above the national figure of 23.9%. Economic output and unemployment deteriorated to such a great degree that toward the end of the 1920s, central government considered it necessary to begin formal intervention in the distressed regions.

### **Government Intervention from the Great Depression to the 1970s**

Problems of unemployment dominated the inter war period. It emerged as the principal economic issue in the North East and dominated the developing policy debate for conscious economic management (Middleton, 1985). Between 1921 and 1938 unemployment in the region averaged 14.2% among the insured labour force. Although the regional problem had long been the subject of attention from central government (Hallett, 1973), it was not until the inter-war period that there occurred both a formal recognition of, and a positive policy towards, disadvantaged regions.

In 1928, the government adopted a significant policy innovation, the 'Industrial Transference Scheme'. This was the first attempt made by central government to ameliorate unemployment in depressed areas, a measure government felt obliged to introduce in spite of its reluctance to do so. Whilst the Industrial Transference Scheme was the first attempt by central government to solve unemployment by the movement of people, the subsequent 'Special Areas Act' (1934) was the first policy

aimed at directly helping depressed areas by bringing work to the workers. The early emphasis of moving people to jobs had been replaced by legislation aimed at bringing jobs to people; removing surplus labour had given way to direct assistance. The limited financial commitment to the 1934 Act merely emphasised the modest scope of action that government wished to pursue. However, one positive development did emerge from the 1934 Act, and although an unforeseen consequence, has had a long-term impact: 'Above all... the Commissioner for England and Wales succeeded in establishing - within the confines of the Act - the first government financed trading estates and so took one essential step in attracting new industries to the Areas' (Loebl, 1987, p58). By the onset of the Second World War, the first of these 'trading estates', Team Valley at Gateshead, was 700 acres in size and had 2,520 employees on site (McCord, 1979). The estates were established by 'non profit making companies' who purchased the sites and facilitated development with central government finance.

After the war, the Special Areas legislation of 1934, and the Amendment Act (1937), were replaced with the introduction of the 1945 Distribution of Industry Act. However intended, post war location policy differed little from pre-war diversification policy used in the 'Special Areas', which were subsequently called 'Development Areas'. The main aim of this post-war legislation was to make the designated areas less vulnerable to general cyclical unemployment and the decline of industry or particular groups of industries (Allen, Odber and Bowden, 1957). The 1947 Town and Country Planning Act followed the same emphasis as previous legislation and was predominantly concerned with the construction of trading estates and factories. The 1947 Act introduced IDCs, Industrial Development Certificates, to discourage the location of industry in more prosperous areas by a refusal to issue a Certificate for development. '14 years had passed since the Investigator for Durham and Tyneside had first proposed a location of industry policy as a means of dealing with unemployment in the Areas. When the 1947 Act came into force - and for many years afterwards - the North East enjoyed full employment' (Loebl, 1987, p225). However, location policy pursued by various governments made only a very small contribution to this situation.

During the 1950s and 1960s, the era of Keynesian demand management and the 'welfare consensus', Tyneside experienced low levels of unemployment; in 1955

unemployment was under 2.0% although the national figure was even lower at under 1%. A strong demand for coal and steel, and the fact that some 34% of the North East's insured work force were still attached to the older basic industries of the region and benefiting from the boom, gave good reason for optimism. However, the buoyant state of the economy at this time concealed significant economic problems. There was an overall decrease in the demand for shipbuilding and coal mining began to decline both relatively and absolutely as oil became freely and cheaply available on the market. At the beginning of the 1960s the economic climate worsened in the North East and again unemployment began to rise.

From the early 1960s, there were large scale job losses especially in coal mining and shipbuilding. Between 1961 and 1971 the coal mining industry lost almost 60,000 jobs in the North East, (Hudson, in Chapman, 1985) whilst shipbuilding employment contracted by 34.9% or 16,000 jobs. Other manufacturing industries suffered relatively less, with an overall contraction of 4.4% (Robinson, Wren and Goddard, 1987). Whilst the existing heavy industry continued to contract, the service sector and parts of the public sector witnessed expansion. Relatively high spending in education and health in the 1960s and 1970s meant that job losses in heavy industry were at least numerically offset. Total employment between 1961 and 1971 in Tyne and Wear fell by only 3.3% (Robinson, Wren and Goddard, 1987), however, this masked a more significant change. Males were losing their jobs in the heavy engineering industries, while women were tending to gain the new jobs in the service sector. The majority of jobs were lost in mining and shipbuilding; jobs created were concentrated in public services such as health and education, and many were part-time as opposed to full time in nature.

Trends that emerged in the early 1960s became more prominent by the late 1970s. Further changes in employment meant that only 31.1% of the jobs in the Northern region were in the manufacturing industry by 1978 and only 4.5% in mining. The most evident trend though was the increase in female employment: by 1978, 41.1% of all employed people in Tyne and Wear were female (Robinson, Wren and Goddard, 1987). Although the service sector had expanded greatly, this had not compensated for the types of jobs lost in the heavy manufacturing industries. Even with the expansion of the service and public sectors, unemployment during the 1970s increased rapidly. By 1973 the unemployment rate in Tyne and Wear was

4.9%, by June 1979 it had nearly doubled to 9.6% (Robinson, Wren and Goddard, 1987) while the figure for the UK was 5.3% at this time.

### **Employment and the Economy In the North East - Post 1979**

During the 1980s changes in employment patterns were considerable, and especially in relation to the 'North/South Divide'. Between 1979 and 1986, total employment in Great Britain fell by 745,000. However, employment grew by 345,000 in the South alongside a 1,100,000 decline in the North (Martin and Townroe, 1988). This feature was not exclusive to the recessionary phase of the early 1980s; during the recovery boom between 1983 and 1987, the South increased employment by 8.7% in service sector employment (Massey and Allen, 1988) whilst the North gained only 1.9% in this dynamic sector, further widening and deepening the gap between the North and South (MacInnes, 1988). Although employment increased by 4% from 1983 to 1987 in the North, it was not until 1987 that unemployment began to fall in the region, from 16.4% in 1986 to 14.9% in 1987.

### **National, Regional and Local Claimant Unemployment - February 1994**

	Total	Rate %
Tyne and Wear	70,507	13.1
Northern	169,600	12.2
United Kingdom	2,841,413	10.1

(TWRIU 1994)

The early 1980s witnessed a major upheaval for the economy of the region especially for the traditional heavy industries; iron and steel was the leading source of job losses in the area in 1980 and 1981 (Townsend, 1983). During 1980 and 1981 there were more than 66,000 redundancies in the region, concentrated mainly in the manufacturing sector. Whilst traditional industries were particularly affected by the recession, branch plant facilities - established with regional support to strengthen local economies - proved vulnerable to corporate restructuring. 'Between 1978 and 1983 the number of employees in employment in the Northern region fell by 185,000, a decline of 14.9%' (Robinson, 1992).

By the beginning of the second recession in 1989 / 1990, manufacturing employment had stabilised in Tyne and Wear, although employing significantly fewer people than ten years earlier. Tyne and Wear has suffered less than other areas in the recent economic downturn, but had benefited less from the expansion of the economy in the mid 1980s. However, the current recession is widening and deepening and reduction in demand from both home and foreign markets is generating genuine fears about the future.

The area has, over the past ten years, undergone significant change. Although decline has often been characteristic of the North East, investments by Nissan, the development of the Metro Centre and the expansion in the offshore sector on the Tyne has given Tyne and Wear a more diverse economic base.

#### **Employees In Employment - Tyne and Wear 1981 - 1993 (000's)**

Year	Primary	Manufacturing	Construction	Services	Total
1981	24.7	126.0	25.2	275.8	451.7
1984	20.1	100.8	24.1	275.4	420.4
1987	14.2	91.8	24.3	299.8	425.7
1991	10.2	87.9	24.9	306.8	429.9
1993	8.0	84.1	20.4	305.4	418.1

(Census of Employment 1981 - 1991;  
TWRIU 1993)

Total employment in Tyne and Wear by 1991, at 430,000, was still below the 1981 level of 452,000. The most significant reduction in terms of employment over the past twenty years in Tyne and Wear has been in the primary sector; in 1971 7.1% (36,000) of total employees in the Tyne and Wear area were employed in this sector, by 1990 this had reduced to 11,000 or 2.5%. By 1993 this figure had further reduced to 1.9% or 8,000 employees.

### Employees in Employment - Tyne and Wear 1981 - 1993 (%)

Year	Primary	Manufacturing	Construction	Services
1981	5.5	27.7	5.6	61.1
1984	4.8	24.0	5.7	65.5
1987	3.4	21.7	5.7	69.2
1991	2.4	20.5	5.8	71.4
1993	1.9	20.1	4.9	73.1

(Census of Employment 1981 - 1991;  
TWRIU 1993)

Manufacturing has also been severely hit, with 95,000 jobs disappearing between 1971 and 1990, a drop from 37% to 21.1% of all employees in Tyne and Wear. The manufacturing industry has stabilised over the past five years whereas the service sector has continued to expand and by mid 1993 represented 73.1% of all employees in Tyne and Wear (TWRIU, 1993).

By June 1990 the total number of employees in employment in Tyne and Wear was estimated to be 442,900, an increase of 13,300 since mid 1989. The rate of increase, at 3.1% was greater than job growth in Britain (+2.2%) over the period and above that of the Northern region (+2.5%). However, nearly half of the Tyne and Wear employment growth was in part time work (an increase of 6,400); indeed part time employment grew by 5.6%, much faster than that of full time employment at 2.2%.

By mid 1993, the employment picture was deteriorating. Employee numbers in Tyne and Wear had fallen to 418,100 by 1991 and between mid 1992 and mid 1993 numbers fell by some 12,000. The service sector increased its employment share to over 73%, but in every division had a fall in real numbers in employment - a reverse on the previous year.

## Main employment growth sectors in Tyne and Wear - 1991

Education, health and other services	+4,200
Finance and business services	+3,200
Public Administration	+2,900
Engineering	+1,600
Wholesale, distribution, hotel and catering	+1,500

(TWRIU, 1993)

Full time jobs accounted for: three quarters of net growth in engineering and finance and business services, less than two thirds of job gains in public administration and only one quarter in wholesale, distribution, hotels and catering. Tyne and Wear's industrial structure is now heavily dominated by the service sector and, at 73.1% of total employment more so than the North and Great Britain. Just 20.1% of all employees in Tyne and Wear worked in the manufacturing sector in mid 1993, 1.9% in primary and 4.9% in construction. The Service Sector (even in a period of overall employee decline) is increasing its share of employment in Tyne and Wear, a trend that is expected to continue for the foreseeable future.

Unemployment has for long been a considerable problem in the North East. The average unemployment rate for Tyne and Wear between 1979 and 1991 was 14.9%, significantly higher than the national figure for the same period - 9.1% (TWRIU, 1993). Although the unemployment figure at April 1992 (12.6%) was lower than the 1979 - 1991 average, the rate is still rising and is the fourth highest unemployment rate (county level) in the country; a third higher again than the rate for Great Britain as a whole at 10.4%. Unemployment rates for Tyne and Wear have been consistently higher than the rest of the country. In the case of social indicators, the case is much the same.

At the beginning of the 1990s, the North, and particularly Tyne and Wear, appear marginalised and disadvantaged in both economic and social terms in relation to the rest of the country:

### **Gross Domestic Product; Index**

	1981	1989	1991
Tyne and Wear	92.8	83.4	91.5
North	93.9	88.5	90.5
United Kingdom	100.0	100.0	100.0

### **Household Income Per Head; Index**

	1981	1989	1991
Tyne and Wear	90.4	84.4	87.6
North	91.0	87.3	89.8
United Kingdom	100.0	100.0	100.0

(Regional Trends 25 (1990); 26 (1991))

Two main points are clearly evident from these tables. Firstly, Tyne and Wear falls behind both the North and UK on both indices and secondly that, for GDP and household income, the North's relative performance fell throughout much of the 1980s and by 1991, had not regained its 1981 level. It is clear that the North / South divide in economic terms is paralleled by a similar divide in social terms. Although house prices are lower in the North and public services are less stretched, the North still compares unfavourably to the South (Robinson, 1992). Weekly income is 19% below the national average, a gap that has widened throughout the 1980s. Fewer people continue education after the age of 16 in the North, and the region's Standardised Mortality Ratio, at 111, (UK =100) is the third highest in the UK (Regional Trends 25, 1990).

The persistence of pockets of high unemployment and poverty in urban areas has now become a familiar economic and social problem. It has become clear that higher than average levels of unemployment, poverty, crime and deprivation are concentrated in certain areas and on particular estates, and that these problems have become a persistent feature of life in these inner areas.

Many of the problems evident today within these inner areas can be traced back to

the long term demise of the three traditional industries of the Tyneside area. Both central and local government have introduced a variety of public policy measures - regional, urban, industrial and labour market - aimed at directly targeting areas with the most severe problems. That said, the most common feature of this public policy response in the area has been its failure to address the persistently higher than average levels of unemployment: 'Policy fads and fashions have come and gone, each leaving a layer of policy and a set of institutions. The region consequently has a plethora of economic development policies and agencies' (Robinson, 1992, pp91-92). It is to this complex overlay of policies that the discussion now turns.

### **Regional Policy**

The North East of England has had an intimate relationship with Regional Policy since the introduction of the Special Areas Act in 1934. Indeed, Regional Policy has until recently been the most important policy instrument in terms of economic development in the area. The underlying principle of Regional Policy has been the identification of specific geographical areas that require assistance - mainly on the basis of above average unemployment rates. This has always included the North East of England.

In both 1984 and 1988 the DTI reduced the geographical scope of Regional Policy and began to target fewer areas. The Regional Development Grant (RDG) - an automatic grant on nearly all new manufacturing investment - was withdrawn and replaced, in 1988, by the Regional Enterprise Grant, a scheme that provided discretionary rather than automatic grants and on a much smaller scale than the RDG. The whole of Tyneside continues to have Special Development Area status, and is thus eligible for the maximum level of regional policy assistance.

Today, the major form of assistance for all Assisted Areas is Regional Selective Assistance (RSA). RSA is available to companies and projects which can 'create' or 'safeguard' jobs, and acts as a discretionary grant toward capital and training costs. Spending on RSA in England (estimated) for 1993 - 1994 is £100m, and by far outweighs designated expenditure under the other two regional grant regimes.

### 1993 - 1994 Estimated Expenditure

Regional Selective Assistance (All Assisted Areas)	England £100m
Regional Enterprise Grants (Development Areas)	£10.5m
Regional Development Grant	£6.5m

(DTI, 1993)

Whilst direct financial assistance to firms has steadily declined over the past 15 years (a trend that is set to continue in the foreseeable future) other more targeted policy measures have been implemented; 'While Regional Policy has declined in importance, both financially and politically, urban and local policy has become much more prominent' (Robinson, Wren and Goddard, 1987, p92).

#### Urban Policy

Whilst Regional Policy covers wide areas - indeed all of Tyne and Wear and much of the North East - most other policies operating on Tyneside are far more spatially focused and operate within quite tight geographical boundaries. These policies are operated in the main by the Department of the Environment;

**Urban Development Corporations;** in terms of financial commitment Tyne and Wear Development Corporation (TWDC) is the most significant central government urban policy operating in the Tyneside area. UDCs aim to regenerate their areas by bringing buildings and land into effective use. TWDC operates along significant riverside stretches of the Tyne and the Wear. Thirteen UDCs operate in England and Wales. TWDC's budget for 1994 / 1995 is £43.1m.

**City Challenge;** this is one of the most recent urban policy initiatives and in political terms (though not in financial terms) currently the most favoured. City Challenge targets specific residential areas and also specific groups within those areas. Action is based upon a 'multi agency' partnership approach. Newcastle upon Tyne was successful in the first round of bidding, followed a year later by North Tyneside. Both receive £37.5m over a five year period, ending in March 1997 (Newcastle) and March

1998 (North Tyneside).

**The Urban Programme and Single Regeneration Budget;** The Urban Programme aimed to create healthy economies, encourage enterprise and new business and improve peoples job prospects and covered the inner areas of Tyneside. The UP has now been abolished and, in a sense, subsumed within the uncommitted money available through the SRB. In the first round of bidding in 1994, Tyne and Wear received over £8.7m SRB funding split between 12 individual projects. The smallest total grant (£0.3m) went to Walker Open Learning and Fitness Centre, whilst the largest grant was made to Meadow Well Regeneration - £15m. Tyne and Wear received 57% of total resources committed to the North East, although the North East received only 10% of total resources on offer nationally. National spending 1995/1996 - £102.9m. Committed spending after first allocation - £761.15m

**Enterprise Zone;** although the Tyneside Enterprise Zone ceased to exist from 1991, and had achieved a substantial impact in the development of the largest retail development in the area - the Metro Centre - and providing financial assistance (in rates and tax benefits) to the Newcastle Business Park developed by TWDC. The Enterprise Zone covered an area of 1,100 acres of land to the west of Newcastle and Gateshead. More recently, an Enterprise Zone application has been submitted to the Government Office for the North East for North Tyneside, centred around the former Swan Hunter's shipyard; the process of designation is expected to take around eighteen months. There already exists an Enterprise Zone on the banks of the Wear in Sunderland.

**English Partnerships;** launched on 10th November 1993, English Partnerships promotes the regeneration and development of vacant, derelict and contaminated land and buildings throughout England. English Partnerships operates on Tyneside through management of the existing English Estates portfolio and City Grant schemes it has now taken over. The annual national budget of English Partnerships was in excess of £250m in 1993 / 1994.

In addition, Derelict Land Grant is available for public bodies and private firms to cover 50% - 100% of the net cost for reclaiming derelict land and City Grant is

allocated to private sector development projects that would not otherwise be developed.

Urban Policy concentrates resources specifically on the inner city but this targeting ranges from the widespread availability of the Urban Programme (replaced by the Single Regeneration Budget which all areas can bid for) to the relatively small areas covered by City Challenge and Enterprise Zones. Many of the general grant regimes - Urban Programme, City Grant, Derelict Land Grant - are available within areas covered by other urban policy initiatives - such as City Challenge and UDCs - and correspondingly, the impacts are often difficult to disentangle.

## **Conclusion**

Even though contemporary urban policy has been in existence for over twenty five years cities, and their problems, remain high on the political agenda. Britain has long suffered from the effects of economic decline - decline which has impacted especially on cities, and particularly on the inner areas of cities. Despite a variety of public policy initiatives over past decades, urban problems have continued to worsen. There are now many inner areas of cities where people are excluded from the conventional labour market, where crime rates continue to increase and where the poor and disadvantaged groups of society are becoming increasingly concentrated. Whilst governments will continue to develop new, even innovative urban policies, past experience suggests they will only have a marginal impact on the very serious economic and social problems evident in many inner areas. Their impact is small relative to the impact of macro economic events and mainstream policies.

Today, two dominant urban policies can be identified on Tyneside. First, Urban Development Corporations which were the government's favoured mechanism for achieving urban regeneration throughout the 1980s. Although their approach has been questioned, they still enjoy a substantial level of funding. The other major urban policy, City Challenge, appears to be the politically favoured urban policy of the 1990s, though commands significantly less resources than its UDC counterpart. Both initiatives have had significant impacts on their areas, but have approached their regenerative tasks in very different ways.

## CHAPTER FOUR

# URBAN DEVELOPMENT CORPORATIONS AND CITY CHALLENGE - PROGRESS AND ACHIEVEMENTS

### Introduction

The election of the Conservative government in 1979 saw the Urban Programme reorientated toward economic development projects, and other initiatives introduced, such as Enterprise Zones, gave prominence to physical and economic development rather than social policy. At the beginning of the 1980s Michael Heseltine (then Secretary of State - DoE) introduced Urban Development Corporations; throughout the 1980s UDCs have been the government's favoured mechanism for achieving urban regeneration and have been referred to as 'the most important attack ever made on urban decay' (Action for Cities, 1988). Some ten years later Michael Heseltine (returning to the DoE for a second time as Secretary of State) introduced City Challenge. The City Challenge programme appeared to be an active move away from previous urban policy initiatives which focused upon the physical development of derelict land. Instead local authorities, the voluntary sector and local communities were given a chance to become 'partners' in the regeneration of their areas. In 1995, both policies are operating on Tyneside and although created some ten years apart, appear to be pursuing similar themes.

The following Chapter seeks to explore the progress and achievements of Tyne and Wear Development Corporation (TWDC) and North Tyneside City Challenge (NTCC). The first parts of sections one and two examine the legislative backgrounds of UDCs and City Challenge and discusses their powers and responsibilities. The final parts examine the job creation records of the two organisations. Finally, a conclusion is drawn which compares the progress and success of each organisation in meeting its objectives.

## 1. Urban Development Corporations

Urban Development Corporations (UDCs) were first designated in the London Docklands and on Merseyside in 1981. This was followed, in May 1987, by the establishment of five second generation UDCs in Trafford Park Manchester, Tyne and Wear, Teesside, the Black Country and Cardiff Bay. In 1989, four 'mini UDCs' were created in Central Manchester, Leeds, Sheffield and Bristol. More recently two more UDCs have been created, one based on the local authority led initiative 'Birmingham Heartlands' and one in Plymouth.

UDCs are powerful quangos committed to an approach based heavily upon land and property development. Throughout much of the 1980s the UK property market boomed, and this added to the government's belief that UDCs were the most appropriate and effective agencies for the task of urban regeneration.

UDCs operate a very particular type of urban regeneration that can be clearly distinguished: 'Urban regeneration has become a shorthand for the revitalisation of urban areas through the attraction of private sector investment. The method is to 'lever in' property development capital by reclaiming land, putting in transport improvements, and by high profile marketing campaigns. The aim is to transform relatively small but prominent parts of urban areas, to make them attractive to developers, thus setting off a chain of inward investment...UDCs typify this approach....' (CLES, 1992; p7).

By the end of the 1980s questions concerning the effectiveness of the UDC approach to urban regeneration were being raised by a variety of different interests. The London Docklands, which commanded the lion's share of UDC expenditure through the 1980s, attracted some of the most trenchant criticisms aimed at any UDC in the country. The London Boroughs 'affected' by LDDC's Urban Development Area (UDA) - Newham, Southwark and Tower Hamlets - campaigned vigorously against the undemocratic nature of the LDDC and voiced severe concerns about the imbalance of the scheme and the lack of any coherent plan for the Docklands area.

Perhaps more importantly two Parliamentary Committees, the Employment Committee (1988) and the Committee of Public Accounts (1989), as well as the

National Audit Office (1988) expressed serious concerns over UDC relationships with local authorities, their financial arrangements and noted that any benefit created by development appeared to be bypassing local people. Whilst the government largely ignored many of the recommendations and findings of these committees, most second and third generation UDCs seemed to take on board many of the Committees' criticisms of the UDC model and actively distanced themselves from the precedent established by LDDC.

At the end of the 1980s UDCs were operating in a different political context from which they were established. John Major had succeeded Margaret Thatcher as Prime Minister, bringing with him notions of the 'Classless Society' and Citizens Charter. In 1991, Michael Heseltine launched the City Challenge scheme, a policy that actively moved away from the UDC concept of regeneration by working with local authorities, voluntary and public agencies and by integrating the social and physical aspects of development (CLES, 1992).

That said, UDCs still remain as major players in the field of urban regeneration; the 13 UDCs in existence in 1993 / 1994 were allocated a budget of £372.1m by the DoE. City Challenge authorities receive £7.5m per year over a five year period, an overall City Challenge budget of £232.5m per year shared by 31 authorities. UDCs, if not the favoured mechanism to achieve urban regeneration in the 1990s, still enjoy a significant commitment and influence in their respective areas.

### **Powers and Organisation**

UDCs were established under Part XVI of the 'Local Government Planning and Land Act' (1980). Under the provisions of the Act the Secretary of State for the Environment may designate Urban Development Areas (UDAs) and establish UDCs with responsibility for regenerating these areas. UDCs are given wide powers: 'for bringing 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, Local Government Planning and Land Act, 1980).

The 1980 Act grants UDCs significant powers to regenerate their areas, and

additionally gives the UDC a considerable amount of discretion in how to pursue this objective. UDCs have the power to take over land held by public bodies - 'Vesting' - and can acquire land from private bodies through Compulsory Purchase Orders. Aside from having total planning power in the designated area UDCs can 'do anything necessary or expedient for the purposes of the object [regeneration] or for purposes incidental to those purposes'.

UDCs are, however, required (or obliged) to consult with local authorities on planning applications and also take note of their Development Plans. That said, the Act does not define or prescribe a model for this relationship. UDCs take a considerable amount of power away from local authorities.

In terms of accountability, UDCs are responsible to the Secretary of State for the DoE and in turn the Secretary is responsible to Parliament; UDCs are not democratically accountable at the local level.

The UDC structure consists of a Board, whose members are appointed by the Secretary of State, and a team of Executive Officers. Representation on the Board is often dominated by the private sector, and although a number of local Councillors are members they are required to participate as individuals and not as Council members. Very few Board members live within, or adjacent to, their Urban Development Areas.

Minutes of the Board meetings are not available to the public, or indeed local authorities, and many crucial decisions are made at this level. UDCs are, though, required to produce Annual Reports which have to include financial statements, future plans and a review of progress made during the year. UDCs are subject to assessment by performance indicators developed by the DoE and these are published in the DoE's Annual Expenditure Plans. Otherwise, UDCs remain secretive about much of their day to day activity.

UDCs are non - elected, locally unaccountable single purpose agencies charged with regenerating, in predominantly physical terms, a specified area. UDCs command substantial resources for regenerating derelict areas and have a significant degree of autonomy (from the DoE regionally and nationally) to achieve this objective.

Although UDCs were established by a piece of legislation that defined their remit in predominantly physical terms, toward the end of the 1980s most UDCs began to recognise the need to incorporate social and community dimensions into their work. However, defining regeneration in broader terms than those expressed in the 1980 Act has proved difficult - and not all UDCs have successfully achieved this end.

### **Regeneration - A Changing Concept?**

The first two UDCs, established in London Docklands and on Merseyside in 1981, began their operational lives by sticking closely to the concept of regeneration (or general strategy) outlined in the 1980 Act. Whilst both UDCs pursued similar approaches - based around land acquisition and property development - the success they enjoyed differed significantly.

Merseyside Development Corporation's (MDC) activities demonstrated the inadequacies of property led regeneration operating in a declining industrial area of North West England. Apart from one major development, the Albert Edward Dock, little else has been developed in the MDC area.

London Docklands, on other hand, has been extremely successful in acquiring land and facilitating physical development, due in part to substantial resources being at its disposal and its close proximity to the City of London's financial centre.

Nevertheless, London Docklands emphasises the inadequacies of an approach that did little else than promote market led physical development. Only minor consideration was given to the planning of transport infrastructure, provision of social housing and, most importantly, benefit for local communities. In reviewing the two UDCs, the House of Commons' Employment Committee (1988, para 89) went as far to state that: 'UDCs cannot be regarded as a success if buildings and land are regenerated but the local communities are bypassed and do not benefit from regeneration'. The Committee went onto to say that: '..the remit of UDCs should be altered to provide a more precise definition of 'regeneration'. This should include employment and unemployment objectives, both in general and for the local community. It should also charge the UDCs with greater responsibility for ensuring the communities both in the area covered by UDCs and in the neighbouring areas benefit from regeneration'. Nevertheless, the Government maintained its original line -

in short - that local communities would benefit from the infamous *'trickle down effect'*.

Despite the government's refusal to define regeneration in broader terms, most second and third generation UDCs have actively developed community and social dimensions to their work. However, this has to be balanced against the fact that the concept of regeneration remains unaltered from the 1980 Act and output measures developed by the DoE still measure success in predominantly physical terms.

In the 1990s UDCs appear to be faced with competing imperatives; the community has been reintroduced into urban regeneration and the government, on the level of rhetoric at least, has become sensitive to its needs. However, UDCs are given little guidance from the DoE on how to secure benefit for local people and incorporate them into the development process.

UDCs face a dilemma on who should actually benefit from their efforts. Benefit from UDC action was intended to 'trickle down' into the local economy, however, mounting criticisms of this approach has made many UDCs reconsider their position; UDC developments now have to benefit local people more directly. But, how has this transferred into practice and have people benefited from UDC action on Tyneside?

## **Tyne and Wear Development Corporation**

### **Progress and Achievements**

Tyne and Wear Development Corporation (TWDC) was formally established in May 1987. An initial strategy document produced by Price Waterhouse in April 1987 (and commissioned by the DoE) has shaped much of TWDC's action over the past seven years. The original consultant's report put forward a series of recommendations on what might be developed, estimated overall costs and general strategies that might be adopted to achieve these recommended aims.

TWDC's Urban Development Area (UDA) was drawn closely around areas that had potential for development - mainly derelict riverside and industrial sites - whilst excluding areas with high residential concentrations. Subsequently, the resident population within TWDC's UDA was low, at just over 3,700 (NAO, 1993). The UDA is divided into two distinct parts, along the river Tyne and the river Wear, covering an

overall area of 6,000 acres of mainly riverside land that stretches over 27 miles. Although the UDA has two geographically distinct areas, the Corporation maintain that they have been subjected to similar economic processes in the past and can be approached by a common method.

The Price Waterhouse report concentrated heavily upon the physical aspects of regeneration; this is not surprising as both the DoE and the 1980 Act placed significant emphasis on physical development. The Report recommended that development of the UDA should address problems caused by deindustrialisation and the movement of people away from the riverside strips - a process that has continued for many years. Whilst Price Waterhouse acknowledged that some of the potential development sites would require major investment before they would become viable development areas, they subsequently underestimated the eventual amounts TWDC would have to invest.

Unlike grandiose strategies adopted in other UDC areas, most notably the London Docklands, TWDC's strategy was modest, encompassing a mix of different types of development. Light industrial, housing, office, retail and leisure were all identified as potential forms of development and were placed within a wider framework of land use identified by the consultants. Within this overall framework four 'key sites' were identified, subsequently to be termed 'flagship projects'; these key sites have become central to TWDC's regeneration strategy.

Land acquisition and assembly were the initial tasks facing the Corporation; investors required sites that were under single ownership and TWDC regarded this as essential. The Corporation reviewed the original consultant's report by commissioning Area Studies which identified strategies for particular areas and provided detailed information on local site potential. The overall mix of development now supported by TWDC emerged from suggestions in the consultant's report, the four Area Studies but also from local authority projects that had already been proposed before TWDC's establishment, but fell within the boundaries of the UDA.

## **Development Projects**

The first major project undertaken by the Corporation, and the only one completed to date, is the Newcastle Business Park flagship project to the west of Newcastle City Centre. The site, originally the location for Vickers Armstrong armaments works, was purchased from the City Council by TWDC in 1988. The Council had begun reclamation on the site and had outline proposals for a retail, leisure, industrial and business park to be called the Armstrong Centre. However, a lack of interest, particularly in the retail part, saw little happen apart from minor land reclamation. In 1988 TWDC interested Dysart developers (the original developers with the Council) in developing a business park, and then began major land reclamation to free the site for development. The demand for a business park close to the City Centre offering purpose built offices, car parking and easy access proved strong. Major companies such as British Airways, AA Insurance and even TWDC itself relocated operations to the site and the scheme has proved very successful. TWDC contributed at least £12.5m to the development (site reclamation and operation) and additional subsidy was gained through the Tyneside Enterprise Zone, which offered tax allowances and a rates holiday between 1981 and 1991.

Approximately five miles east from the Newcastle Business Park is 'Walker Riverside Industrial Technology Park', a joint venture between TWDC and the City Council. TWDC became partners when the Council found it difficult (in terms of resources) to continue reclamation of the former Walker shipyard site; this venture clearly reflects the pragmatic relationship that exists between TWDC and Newcastle upon Tyne City Council.

In the Newcastle area TWDC has also been involved in a series of smaller scale projects. TWDC have promoted the development of a new waterfront hotel, the Copthorne. Adjacent to this site the Corporation has facilitated an office development, which is now largely complete. Further down the river in Byker, TWDC have invested £9m in a 'Marina Village' called St. Peter's Basin. The project includes executive housing, a marina, a small number of shops and a 'Chandlery'. The site is, though, over shadowed by a scrap yard and a reclamation plant operated by Newcastle City Council. TWDC provided one third of the total cost of £27m on this project.

The most significant development site in the Newcastle area is the 25 acre East Quayside flagship project. Whilst the Corporation has described it as the 'jewel in the crown on the Newcastle riverside' it has nevertheless been beset by many problems. The original developer, Stanley Miller, went into liquidation early in the project and its then partner, Rosehaugh, encountered severe financial difficulties, and was forced to withdraw from the project and eventually went into receivership itself. TWDC also experienced serious problems in its attempts to acquire land on the site. Two owners of small parts of the site, Lesser Landau, Swiss architect and businessman, and Procter and Gamble contested the Corporation's Compulsory Purchase Order served upon them. However, the House of Lords Judicial Committee upheld TWDC's CPO in 1992, settling a three year legal wrangle. Work has now begun on site though the new developers, AMEC, are only constructing buildings where end users have been identified and are proceeding cautiously. Overall TWDC expenditure is expected to be £64m of a total project cost of £183m.

In the early stages of TWDC's life, both activity and expenditure focused on Newcastle, but more recently sites and projects in other areas have begun to emerge. Two flagship sites now exist in Sunderland; Sunderland Enterprise Park is a significant reclamation project based on the old Hylton Colliery site and aims to attract industry and commerce to the area. Although the site benefits from EZ status, little employment or business has located to the Park. St. Peter's Riverside is a large scale housing, business and marina complex based around the former North Sands shipyard and Manor Quay. The University of Sunderland is building a second campus on the site, and the project is supported by a £35m grant from the Corporation.

The major development site in North Tyneside is the Royal Quays flagship scheme. The original developers, AVATAR, were released by the Corporation and now TWDC themselves are acting as lead developer. Over 130 social housing units have been constructed by North Housing and three private house builders, Cussins, Belway and Leech, have recently begun development on site. Twinings Tea factory relocated from a nearby trading estate and represents the only industrial development on site. Wet 'n' Wild Waterpark - the sole leisure facility on site - has enjoyed significant success since opening in July 1993; over 330,000 used the

facility in its first year of operation. To date no retail or office provision has been developed although there are plans for factory shopping and a leisure facility in the near future. A 'Linear Park' has been completed in the middle of the site and follows on from Smiths Park (a City Challenge project). Adjacent to the Royal Quays is Meadow Well estate, scene of rioting in 1991 and one of the most socially and economically deprived areas in the North East. It remains to be seen how Royal Quays integrates with the surrounding area. Royal Quays is TWDC's single biggest development site and will command significant investment over the next five years.

In addition to the flagship and other major developments already outlined, TWDC have developed a number of smaller projects aimed at creating a 'necklace of development' along the Tyne. These include, in South Tyneside, Littlehaven (South Shields) housing and hotel scheme; Simonside and Viking Industrial Parks; Bede Heritage Centre in Jarrow and a new arts and entertainment centre at the old Customs House in South Shields. In North Tyneside TWDC have invested in improvements to the North Shields Fish Quay as well as assisting AMEC Offshore's construction yard in Wallsend. In Newcastle TWDC have also developed the Central Business and Technology Park on the old Manors site adjacent to Newcastle City Centre. But nevertheless, TWDC's main preoccupation has been with the few, large scale 'flagship developments' which dominate the Corporation's resource allocation. Five flagship projects currently exist and can be summarised as follows;

**Newcastle Business Park: Newcastle**

Lead Developer	:	Dysart Development Limited
Development Type	:	Business Park
Project Cost	:	£173m (with Enterprise Zone status)
TWDC Contribution	:	£13.5m

**East Quayside: Newcastle**

Lead Developer	:	AMEC
Development Type	:	Retail (41,000m <sup>2</sup> ) Hotel, retail, leisure and housing (215 high quality housing)
Project Cost	:	£183m (estimated)
TWDC Contribution	:	£64m (estimated)

### **Royal Quays: North Tyneside**

Lead Developer	:	TWDC
Development Type	:	1,200 houses - sale and rent, industrial floor space (20,000m <sup>2</sup> ), retail park, hotel and leisure facilities
Project Cost	:	£290m (estimated)
TWDC Contribution	:	£84m

### **St. Peter's Riverside: Sunderland**

Lead Developer	:	TWDC
Development Type	:	Marina, Housing, Business Centre, University Campus
Project Cost	:	£90m
TWDC Contribution	:	£35m

### **Sunderland Enterprise Park: Sunderland**

Lead Developer	:	English Partnerships (Hylton Park) Sunderland Developments Ltd (Hylton Riverside)
Development Type	:	Industrial, office and retail planned
Project Cost	:	£58.5m (with EZ benefits)
TWDC Contribution	:	£19.5m

Project costs for the five flagship developments will, if estimates are correct, amount to some £795m, of which TWDC have provided £216m (27.1%) (Robinson, Lawrence and Shaw, 1993). Price Waterhouse recommended in their report that TWDC should concentrate on a number of key sites - flagship projects. Accordingly, 53% of total resources went into the four flagship projects (excluding Newcastle Business Park) in 1991 - 1992. That said, concentration on the flagship sites necessarily excludes developments in other areas; Hendon in Sunderland, for example, has seen little development .

Between 1987 and 1995, TWDC was allocated £224m from the DoE (net of receipts) of which £150m was spent on land acquisition and reclamation (67% of total budget). TWDC has spent £99m on reclaiming 384 hectares of land. In total some 1,923

housing units have been completed in the area. The physical impact of TWDC action on the Urban Development Area has been significant, and has attracted £561.6m of private investments. By the end of its eleven year life span, TWDC aims to achieve £1 billion of private sector investment in its area, based on an eventual leverage ratio of £2 private funding to £1 TWDC investment (Hansard, Written Answers, 29.6.92 col 367; TWDC Annual Report 1992).

In physical terms, TWDC has achieved a considerable amount and its record of both land acquisition and land reclamation is impressive. Large stretches of once derelict riverside have been reclaimed for use and access to the river is now available again. Nevertheless, the physical development of land and buildings bears little relation to the needs of the local population - especially when suffering some of the highest unemployment rates in the region. Ultimately, the success of TWDC must be gauged by its impact on local unemployment and the job opportunities it creates for people living in the local area.

### **Employment and TWDC**

Many local authorities and local communities consider the creation of employment by UDC's as the key output measure by which any success should be measured. Of the six key output measures identified by the DoE (NAO, 1993, p11) five deal specifically with physical and financial progress - only one, job creation, bears any relation to potential 'community benefit'. The DoE's witness to the House of Commons Employment Committee (1988, para 89) makes their position clear: 'We do not see UDCs as being primarily and immediately concerned with employment; they are about regeneration and indeed the physical regeneration of the area'.

Nevertheless, many UDCs now consider the creation of employment to be an important part of their regenerative task. Certainly, TWDC concede that job creation is one of the most tangible benefits UDCs can offer local communities.

On the level of rhetoric, TWDC clearly appreciates the need to be seen to be addressing the issue of job creation. In 'Piloting Progress' (TWDC, 1989c) the Corporation state that they wish to 'Create employment and prosperity by supporting the growth of local business and by attracting investment into the area'.

In a similar document published in the following year, the Corporation are more explicit about their activity: 'the success of regeneration in its fullest sense will be judged primarily by the reductions achieved in local unemployment' (TWDC, 1989a, p26 and TWDC 1990b, p4).

Whilst it remains clear that the DoE assesses UDC performance in predominantly physical terms - land reclaimed, floor space created etc - in an area that has suffered higher than average unemployment rates over a long period of time, the most relevant and in many ways the only meaningful indicator of success is job creation.

### **Assessing TWDC Job Creation**

In general, employment figures tend to be problematic, and especially in the case of Urban Development Corporations. A number of cautionary points need to be considered. First, there is the problem of attributing job creation to one policy initiative or agency. A company moving to an area may receive financial and other forms of assistance from a number of different sources and this may vary from substantial financial assistance for relocation to one off contributions toward training programmes. Many agencies will therefore claim to have assisted in the creation of employment. Second, confusion often arises over the nature of those jobs created. Employment is initially generated during the primary phases of development - construction jobs, but these jobs are only temporary in nature and must not be confused with permanent jobs created at the end of the development. Construction jobs are often taken by workers who move from site to site across the country, a trend that reduces potential employment for local people. Third, UDCs tend to confuse 'real jobs' with 'expected jobs'. All too often agencies concentrate upon the employment potential of a development once it is complete, rather than the actual numbers of jobs on the ground. In one sense, this is good public relations but it nevertheless confuses even more an already complex area. Fourth, UDC job estimates fail to take into account the type of jobs created; UDC job numbers do not distinguish between 'new jobs' and those relocated from existing premises and sites and little attention is paid to the type of job created - skilled, unskilled, full time, part time. Nor do job figures reflect the impact relocation has on existing centres of employment.

In the five years up until 31st March 1995, TWDC claims to have assisted in the

creation of 14,883 jobs, with 2,650 created in the 1994/1995 financial year. TWDC also claim to have assisted over 100 companies in the area - including Liebherr Cranes, British Airways and the AA. In the future, more jobs are promised as flagship developments begin to produce employment; figures released for employment potential include 2,000 jobs for East Quayside, 1,500 at Royal Quays and a massive 4,000 jobs at Sunderland Enterprise Park. That said, by the end of March 1992, five years into its overall life span, TWDC had created only 1,824 jobs in the Sunderland part of the UDA. In response to a written question in the House of Commons it emerged that TWDC had only created 319 permanent new jobs at its main sites in Sunderland by March 1992. Further to this, the number of employees at workplaces in the Sunderland part of the UDA fell from an estimated 14,900 in March 1988 to 13,000 in March 1992 (TWRIU, 1992), a reduction in employees of 1,900. This net position provides an even more disappointing picture than TWDC's gross figures.

Clearly, measuring jobs in an exact manner is extremely difficult and fraught with many problems. In an attempt to overcome these difficulties it is necessary to assess specific cases in more depth. This will be achieved by analysing in detail one specific development site - the Newcastle Business Park - which will 'serve to highlight not only the problems of assessing the job creation record of UDCs but also indicate the shortcomings inherent in this type of approach to regeneration' (Robinson, Shaw and Lawrence, 1994, p327).

### **Newcastle Business Park**

Consistently cited as TWDC's greatest achievement so far, the Newcastle Business Park represents the only completed development in the UDA and is the major source of employment creation for TWDC. According to TWDC's 1991/1992 Annual Report, 4,000 job opportunities have been created at the Business Park. However, closer examination of this claim illustrates that 4,000 job opportunities are expected to be created at the Business Park. By March 1993, the Corporation claimed that 3,738 jobs had been created at the Business Park, representing a third of the overall TWDC total. TWDC claimed in June 1992, that 3,143 jobs existed on the Park, but a telephone survey conducted in August 1992 (Robinson, Lawrence and Shaw, 1993, 20-1) contradicts this claim.

To gain accurate information concerning 'jobs on the ground' at the Park, a telephone poll was conducted of all seventeen companies operating on the site, asking them how many persons they employed at the moment and where they had moved from. The seventeen companies at the Business Park employed a total of 2,447 people; AA Insurance (1,200) and British Airways (245) accounted for 1,425 or 58% of the total jobs on site. British Airways aim was eventually to locate 1,000 jobs at the Park whilst AA Insurance aim to employ 1,300, of which 1,200 are already located at the Park. But, how many of these 2,447 jobs at the Newcastle Business Park are actually new jobs?

Of the seventeen companies on the Business Park at August 1992, 11 had relocated from Tyne and Wear or other parts of the North East. MARI Computer Training had relocated from Grainger Park Road in Newcastle while Lombard North Central Plc had relocated from Gosforth and Sunderland. AA Insurance, the biggest employer on the Business Park was a local relocation. The company moved from offices opposite the City Library and Central Station (both still vacant) in Newcastle, relocating 1,100 existing staff and in the process creating just 100 new jobs. That said, the AA may have moved away from the area if suitable premises were not available; in this sense, TWDC have enabled these jobs to remain in the area.

Of the 4,000 job opportunities expected to be created at the Newcastle Business Park, (TWDC, 1992) only 2,447 actually existed at the 11th August 1992. Eleven of the seventeen companies on the Park at this time had relocated from somewhere else in the North East - accounting for 759 of the total employment. If the jobs at the AA are added, a further 1,100, then the total number of relocations amount to 1,859.

Of the 2,447 jobs actually on site, only 694 jobs were 'new'. These were created by Ministry of Agriculture Forestry and Food, who moved from Reading bringing 300 jobs; British Airways - 225; the AA - 100; General Accident relocating from Perth with 40 jobs; Cellnet - 11 and Ideda 18. To these 694 jobs, the 1,100 jobs safeguarded at AA Insurance might be added. Local relocation can not only safeguard jobs but can also strengthen the business and in turn the local economy. That said, only 694 jobs are truly new jobs.

## Summary

After examining the job creation record of Tyne and Wear Development Corporation in detail, their impact on local unemployment appears limited. There still remains confusion on who created what and in terms of 'cost per job' figures the overall expense appears high (see Imrie and Thomas, 1993). The development of the Newcastle Business Park in providing alternative office space has had a significant impact on existing centres. The relocation of AA Insurance has left empty office space in Newcastle - now largely unwanted and vacant. This shifting of jobs in and around a conurbation may well safeguard jobs (as in the case of the AA), but has nevertheless marginalised some areas and clearly favoured others.

TWDC's claim to have created 14,883 jobs overall (March 1995), but evidence from the Newcastle Business Park case study suggests this is likely to be an overestimate; only 28% of those jobs created are 'new'. Moreover, set against expenditure of £225 million, TWDC's job creation record becomes even more disappointing. In TWDC's defence, much of their expenditure up until March 1995 has been spent on land acquisition, land development and site reclamation. Some flagship projects have yet to yield any significant employment numbers and this may change the overall picture somewhat. Nevertheless, 'Government will conclude that the UDC policy turned out to be an expensive experiment, with a high cost per job figure and poorly targeted benefits' (Robinson, Shaw and Lawrence, 1994, p336).

UDCs have created a certain number of jobs and riverside land has been made accessible and usable again. However, the UDC experiment has been both expensive and on Tyneside in particular, has largely failed to address unemployment in inner city areas. With only three years left of its operational life, and the DoE reducing Grant in Aid to UDCs annually, the ability of TWDC to create the numbers of truly new jobs it claimed when it was established was clearly overestimated. The Corporation has had a significant physical impact, but little impact upon the position and prospects of the disadvantaged communities living in 'the inner city'.

## **2. City Challenge**

City Challenge stands out as one of the most significant developments in central government urban policy since the 1977 White Paper Policy for the Inner Cities. Urban initiatives operating throughout the 1980s led to a reduction in the role and scope of local authority and local community action; a preoccupation with the more physical aspects of regeneration; and heavy concentration on the contribution the private sector can make - all set within a context of nationally defined and imposed policies. City Challenge on the other hand represents a move away from these themes on three main fronts:

- it brings back local authorities into the sphere of urban regeneration after a decade of exclusion;
- the opportunity to tackle urban decay in a more holistic way, combining the physical, economic and social aspects of regeneration;
- the 'community' has been given an important role as partner in the planning and implementation of City Challenge.

Whilst City Challenge does embody certain traits of previous urban initiatives - working in partnership with the private sector, being directed by nationally defined objectives and guidelines - it does offer scope at the local level for local communities and local authorities to define programmes applicable to, and developed within, specific locales. This, in many ways, is a key difference between City Challenge and UDCs.

### **Aims and Criteria of City Challenge**

City Challenge, as with the majority of contemporary urban policy, is spatially targeted and, in common with UDCs and Enterprise Zones, has a time limited life span. Unlike UDCs, City Challenge has no independent legislative base. The City Challenge initiative was brought together through the coordination and adaptation of a number of existing policies and funding regimes. Most of the information on the powers and aims of City Challenge is contained in the City Challenge 'Bidding Guidance' which presents the six main aims of the City Challenge initiative:

- to support strategies for a defined area that will assist that area to attract outside investment that will stimulate wealth creation and stimulate wider social provision;
- to create an environment that will attract people to live and work in the area;
- to support development and implementation of locally devised plans that will benefit significantly local residents and add value to current initiatives in the area;
- to promote effective mechanisms for the delivery of these plans - including effective coordination of resources;
- to promote partnerships between local authorities, public, private, community and voluntary sectors in the delivery of these plans;
- to develop in local areas the capacity of development to sustain itself after City Challenge is terminated.

The main aims of City Challenge clearly represent both the continuity and change that has occurred throughout the era of contemporary urban policy. The search for better coordination and targeting of resources has been consistently evident since the White Paper of 1977. On the other hand, the idea of partnership has now been reintroduced to urban policy, with many different partners identified as having the potential to participate in the development and implementation of plans. Overall, City Challenge represents a move away from the 1980s style of regeneration to a more (potentially) coherent and holistic approach to attacking urban decay.

City Challenge resources are allocated through a 'competitive bidding approach' whereby local authorities submit (in competition with other local authorities) a bid document of no more than 5,000 words which establishes strategies, objectives and outlines plans for the regeneration of a defined area. The DoE recommend that bids should 'clearly relate to the economic, housing, environmental, social (including crime) infrastructure and other factors that affect the prosperity and well being of the area and its residents'.

The Bidding Guidance clearly states that the bid document should provide opportunities and the means for local residents (and other adjacent communities) to benefit from regeneration (Action for Cities, 1993, p2). This statement has been welcomed by many, and at least on the level of rhetoric, appears to be addressing the very real issue of regeneration and community benefit.

The concept of partnership, in terms of involvement of the private sector, appropriate public sector bodies and the community, features frequently in the City Challenge criteria. Indeed, partnership and the effective involvement of the community are central to the City Challenge philosophy.

The City Challenge initiative not only accords local authorities a role in urban regeneration again but potentially, also gives local communities a voice, indeed 'Creating partnership between traditionally sceptical local interests, and engaging and empowering communities, changing the way in which local authorities respond to old problems are crucial to the original vision of City Challenge' (Parkinson, 1993, p8).

The concept of partnership within City Challenge offers an opportunity - though not a right - for the community to influence both the contents and implementation of the bid. In part this is in response to the failures of urban policy through the UDC experiment, to directly address the issues of community participation and community benefit. That said, City Challenge is by no means a perfect model; partnership offers an opportunity for the community to influence the overall process, it by no means guarantees it.

What City Challenge does offer is a fuller meaning to the concept of regeneration, that until recently, many previous initiatives have failed to do: 'City Challenge has wider goals than the achievement of economic and physical regeneration which characterised recent initiatives. These are retained but social and human capital are given higher priority' (Parkinson, 1993, p8).

### **Funding of City Challenge**

Funding for City Challenge has been drawn from existing public expenditure and is top sliced from seven different funding regimes. Because City Challenge has no independent statutory basis of its own it operates through the seven mechanisms of those funding regimes - Urban Programme, CAT Special Budget, Estate Action, Local Authority DLG, Private Sector Housing Renewal, City Grant and non Local Authority DLG.

In the Bidding Guidance and Financial Guidance notes published by the DoE, no

prescriptive model is given for the mix of funding implemented at the local level. The criteria for each individual funding regime has changed somewhat in order that: 'separate regimes can combine flexibly and effectively to achieve City Challenge objectives' (Action for Cities, 1992). For those local authorities which are successful in the bidding process, £37.5m is made available by the DoE over a five year period at £7.5m per year. Total expenditure on City Challenge in 1992 - 1993 was £52.1m (DoE, 1994), in 1993 - 1994 this has risen to £223.2m. City Challenge expenditure now comes under the control of the Single Regeneration Budget and these existing City Challenge commitments within the SRB are ring fenced. That said: 'The cancellation of a third round of City Challenge....seems to indicate that the government has got cold feet about this particular experiment'. This may be, in part, due to the fact that '..City Challenges are too close to local government: they are suspect and have to be watched' (Robinson and Shaw, 1994, p5).

City Challenge financial arrangements provide local authorities with powers to borrow money on non Housing Revenue Accounts projects. That said, the level of borrowing on these projects will be reflected in the Standard Spending Assessment (SSA) calculated by central government each year for local authority expenditure. This may well affect non City Challenge areas within City Challenge authorities in terms of resources available for local service provision.

Local authorities bidding for City Challenge resources are required to submit bids for one area only and be prepared to make their presentations shortly after the closing date for the bid documents. In the initial City Challenge competition bids were to be submitted by 22nd April 1991 and authorities were notified of their success by the end of July. Successful authorities then had to prepare detailed Action Plans for the implementation of their proposals. However, unlike preparation for bids, local authorities were allowed to apply for the use of Urban Programme resources towards the cost of preparing a detailed action plan. The final release of City Challenge funds is dependent upon the relevant government departments being satisfied that the final strategy supports City Challenge objectives and that the Action Plan is supported, in writing, by all the key partners. Once a local authority has negotiated these obstacles they begin, from the start of that financial year, to implement and operationalise their Action Plans.

All four local authorities on Tyneside, Newcastle, Gateshead, South Tyneside and North Tyneside have submitted bids to City Challenge in 1992 and 1993. Only two, Newcastle and North Tyneside, have been successful. Newcastle was one of eleven 'pacemaker' authorities in the 1992 competition whilst North Tyneside was successful one year later - bringing the total of City Challenge authorities in England to 31. The following sections review the progress and achievements of one of these successful authorities - North Tyneside. The analysis begins by considering the profile of the area and then examines the Action Plan developed to address the area's problems. The final section reviews progress made so far in relation to the 'key output' measures defined by the DoE.

### **North Tyneside City Challenge**

The North Tyneside City Challenge (NTCC) area incorporates a densely populated area on the North bank of the river Tyne. The area lies in close proximity to the riverside strip which, until recently, provided the majority of employment in the area. Many of the residents of the area were employed in industries associated with ship building and heavy engineering. Recently, the closure of Swan Hunters shipyard and the reduction in the work force of AMEC Offshore has had a significant impact on the local economy.

The City Challenge area is 1,128 hectares in size and runs from North Shields in the east to Wallsend in the west, a distance of approximately three miles. Both North Shields and Wallsend town centres are within the City Challenge area and both have declined in recent years leaving a poor selection of shopping facilities and a number of low cost retail and food outlets. This is in part due to the development of out of town supermarkets in the local area, but also the run down nature of the town centres themselves.

There are two main residential estates in the Challenge area - Meadow Well estate and Howdon. The former gained notoriety in 1991 when a riot occurred on the estate in September, sparked by the death of two local young men killed in a car crash whilst being chased by the police. The riot also reflected the deep economic and social distress that had become commonplace on the estate. Howdon suffers from similar economic and social problems.

The City Challenge area is divided in two by the A19 Corridor, which runs north to south and forms a link with the Tyne Tunnel. The majority of available development land is concentrated around this area.

The overall population of the City Challenge area in 1991 was 36,600. Unemployment was 18% (DEmp, 1993), compared with a Borough average of 11.5% and a Tyne and Wear rate of 13.2% (TWRIU, 1993). Unemployment on some estates exceeded 40% (Craig and Hope, 1993). Unemployment in the Challenge area has been an intractable problem over a number of years, and with recent closures is set worsen. On a number of other indicators, the City Challenge area compares unfavourably to the wider Borough of North Tyneside.

	City Challenge		North Tyneside
	1981	1991	1991
Owner Occupation	24%	35.9%	60%
Households No Car	72.3%	67.7%	46.7%
Standard Mortality Ratio	-----	143	112
Manual Workers	-----	58.2%	50.8%

(NTCC, 1991)

In terms of owner occupation and households with no car the position of the Challenge area between 1981 and 1991 has improved. That said, at the 1991 Census owner occupation was only 35.9% in the City Challenge area compared with 60% in the Borough as a whole; levels of households with no car is high at 67.7%, compared with a Borough total of 46.7%. Although in absolute terms conditions in the City Challenge area are improving, compared with the surrounding Borough they remain significantly worse. This is further reflected in the fact that between 1971 and 1981 the area's population fell by 26% (OPCS 1971, 1981);

between 1981 and 1991 a further 9% moved away from the area.

Whilst the Borough's Standard Mortality Ratio (based on 100) is above the national average at 112, the very high level of 143 (one of the highest in the North) indicates that the City Challenge area has serious health problems, which are concentrated within the areas of Howdon and Meadow Well. Target crime (per 1,000 population) is one third higher ( at 137) than the rest of the Borough. Crime, vandalism and the fear of crime are serious problems within the City Challenge area and in particular on Meadow Well. The heavy reliance upon manual work in the Challenge area, at 58.2%, has caused many problems, mostly as a result of the contraction of the major employers in the area, and will continue to do so as the remaining heavy engineering and industrial employers restructure or close down their existing operations.

Consistently higher levels of unemployment, poor health indicators and higher than average levels of mortality, crime, vandalism and clear evidence of poor housing conditions in the City Challenge area have all combined over a number of years to create a socially and economically deprived area that bears many of the hallmarks of the inner city problem (See Harrison, 1983; Robson, 1988; Byrne 1989; Barke and Turnbull, 1992).

### **North Tyneside City Challenge - 'Vision for the Future'**

North Tyneside's City Challenge Action Plan, submitted to the DoE in 1992, remains committed to the vision of success outlined in the original bid; 'a vision of an area regenerated and reestablished as a clean and healthy community where families want to live, companies want to invest, and people have the opportunity to work' (NTCC, 1992a, p1).

North Tyneside City Challenge (NTCC) aims to achieve this vision in three main ways;

\* strengthen the local economy, and by doing so, increase the opportunities of residents both in the Challenge area and across the community; City Challenge aims to strengthen the local economy through major business development initiatives and capitalising upon employment opportunities that these produce. It is hoped that 'a

new engine for economic growth' will be created over the five year time scale;

- \* deepen the aspirations of local people, to generate entrepreneurial activity, active citizenship and spirit of community; employment by large companies on Tyneside has stifled, NTCC claim, the 'entrepreneurial nature and capacity of the individual'. This has combined with inadequate community facilities, poor housing conditions and unemployment to create an environment where local people fail to participate in the life of their communities. Increasing the level of enterprise from the individual and motivating people to participate in their communities are key targets of City Challenge;

- \* widen horizons of residents through the creation of new jobs, a cleaner environment, greater choice of housing and high quality local services. The Action Plan strategy aims to lower unemployment, increase staying on rates in further education, expand training provision, create a cleaner greener environment, reduce crime and increase community activity.

Subsequently; 'A strengthened local economy will combine with deeper individual aspirations to create wider horizons of opportunity for people in North Tyneside's City Challenge area' (NTCC, 1993, p1.1).

All the main aims and targets of NTCC's Action Plan clearly relate to the severe social and economic problems that exist in the Challenge area. Perhaps more importantly, though, the Action Plan makes repeated references to community participation, the skills local people have to offer, the development of a 'new local community spirit' and the promotion of active citizenship. Unlike initial documents published by TWDC, NTCC's documents refer frequently to the human aspects of regeneration.

### **End State Vision; The First Five Years**

NTCC establishes a clear set of targets which they aim to reach within their five year time span. NTCC hopes that developments and progress made during their five year programme are built upon and further developed post 1998, and that partnerships established during this period will, at the very least, be maintained. By the end of five years of action, NTCC aims to:

- achieve major facelifts for Wallsend and North Shields town centres;
- 'lever in' over £200m, including £160m private sector investment;
- transform the environmental image of the area by a massive tree planting scheme and landscaping exercise especially in the A19 corridor and housing estates;
- reduce crime by 5%;
- enhance five schools to provide a wide programme of leisure and community facilities;
- rejuvenate two public open spaces - Wallsend Dene and Smiths Park;
- complete the construction of the Meadow Well Community Village, a local centre in Howdon, and support over 100 voluntary and community projects;
- achieve significant improvement in residents' health and reduce the gap with the wider Borough;
- ensure the continuation of revenue funded projects by adjusting the programmes of the Council and other agencies to reflect the priorities established under the City Challenge programme.

NTCC believes it can realistically achieve these targets over the next five years, however: 'it is recognised that the delivery of the five year programme will require constant effort and commitment to maintain and strengthen the partnership and overcome the occasional obstacles' (NTCC, 1993, p1).

In order that the end state vision can be achieved within the time scale, ten strategic objectives have been developed that together with the 'operational objectives' (details on specific projects) provide the overall framework for delivery, monitoring and evaluation of the whole programme.

### **Strategic Objectives**

Within each Strategic Objective a number of operational objectives identify the specific projects to be funded by City Challenge. Each operational objective outlines the type of project - flagship, non delegated or complementary project - funding sources and partners. This information is both detailed and sizable, so for the purpose of this discussion the general strategic objectives will be outlined and the progress toward the first year targets will be discussed.

**Increase Employment;** to create 3,400 jobs and a further 2,700 construction jobs and additionally reduce unemployment in the Challenge area to the Borough average. This will be achieved by increasing training opportunities, linking residents to jobs and increasing available child care;

**Develop Industry and Commerce;** City Challenge will undertake development for business and industry, image improvement of the area and development of infrastructure in the area. The landscaping of 120 hectares of industrial land and the creation / improvement of 150,000sqm of industrial retail and commercial floor space will take place - mainly around the A19 corridor;

**Raise Skill Levels;** training has been included in nearly all areas covered by the Strategic Objectives. The enhancement of skills, through the provision of 150,000 training weeks and intended qualification of 5,000 people is central to raising skills in the area;

**Enable Business;** increasing access to new markets and creating and sustaining employment;

**Improve Housing;** in association with Estate Action and the Housing Corporation Meadow Well housing estate will be transformed. This strategic objective, which in terms of funding is one of the major objectives, will be achieved by the construction of new housing, the refurbishment of existing homes and the clearance of unsuitable dwellings. Self build projects will also be encouraged and action will be taken to diversify tenure and improve the private rented sector;

**Improve the Environment;** development of parks and open spaces to enhance the physical appearance of the area will play a major role in the regeneration effort. The improvements of Wallsend and North Shields town centres will be linked to other strategic objectives, such as improving housing and the creation of employment;

**Reduce Crime;** this will be particularly aimed at prevention, working with young people and reducing the fear of crime. The aim is to reduce the level to that of the Borough as a whole.;

**Improve Leisure Facilities;** through new community, leisure and education provision, increased use of schools, play and arts initiatives, City Challenge will attempt to improve the quality of, and access to, leisure facilities;

**Developing Communities;** 'The development of community spirit and participation is a key strategic objective for North Tyneside City Challenge' (NTCC, 1992, p2). This will revolve around the improvement of community facilities and training for the voluntary sector. Participation in the City Challenge process is an issue that NTCC

are eager, and willing, to address;

**Improve Health**; this strategic objective will be based around education and information on health issues. This will be particularly concentrated around Howdon, the area with the worst health indicators in the Borough.

### **Expenditure on Flagship Projects**

If we briefly examine expenditure on each strategic objective it is evident where the financial priorities of City Challenge in North Tyneside lie:

Strategic Objective	City Challenge Funding		Total All Other Sources	
	£'000	%	£'000	%
Improve Employment	6,229	16	24,602	12
Industry and Commerce	14,525	38	136,614	66
Raise Skill Levels	488	1	484	0.2
Enable Business	444	1	4,739	2
Improve Housing	7,012	18	31,441	15
Environment	1,611	4	500	0.2
Reduce Crime	330	0.8	347	0.1
Improve Leisure	1,389	3.7	1,128	0.5
Develop Communities	3,034	8	4,970	2.0
Health	929	2	150	0.07
Administration	1,500	4	---	---
<b>TOTALS</b>	<b>37,500</b>	<b>100.0</b>	<b>204,975</b>	<b>100.0</b>

(NTCC, 1993)

In terms of financial support, the development of industry and commerce in the City Challenge area commands the lion's share of the resources. Over the five year period £14.525m is planned to be spent on industry and commerce which amounts to over 38% of the total budget of £37.5m; this strategic objective (it is estimated) will attract over £130m from other sources - both public and private. The majority of spending on industry and commerce will be spent in the A19 Corridor area, indeed at

the end of the five year programme over £12m of the £14.5m to be spent on industry and commerce will be spent in the A19 Corridor development area. £11.367m will be spent on three main flagship projects - A19 Corridor Landscaping, Hadrian Park provision of office space and A19 Corridor infrastructure. The only other flagship project under this objective is the redevelopment of Union Square, North Shields for the provision of commercial premises at a cost of £1.023m City Challenge funding. Clearly, the main emphasis of North Tyneside City Challenge's programme is the development of industry and commerce in the A19 Corridor.

The next most resourced strategic objective is the improvement of housing within the flagship project of Union Square (also a flagship project under strategic objective 2) which commands 67.2% (£4.712m) of the total £7.12m to be spent on improved housing. That said, significant resources from other funding sources - Estate Action, Housing Corporation and Housing Association - amounting to £31.441m will be spent on housing improvement. Overall spending on housing improvement by City Challenge amounts to 18.7% - half that of industry and commerce - but is backed substantially by funding from other sources.

Financial commitments to increasing employment amount to £6.229m of City Challenge funding with the majority of this total, £4.703m (76.4%), being allocated to the Riverside Training Centre. This Centre aims to provide 125 Child Care places, a Child Care facility and a complete training centre of 2.452m<sup>2</sup>. An overall commitment to training is clearly evident throughout the Action Plan and this is further reinforced by Tyneside TEC's commitment to allocate £21m in the next five years on training initiatives alone. The issue and delivery of training to local people forms a very significant part of the overall action plan.

One of the key problems in the City Challenge area is that prolonged periods of poverty, economic and social decline have combined to damage community spirit and reduce levels of provision for local communities. It is estimated that £3.045m will be spent by City Challenge on 'developing communities' (8.1% of the overall budget) and this will be complemented by £4.97m from other funding sources - TEC, Local Authority, ESF, etc. Over 78% (£2.394m) of total City Challenge resources will be spent on the two main flagship projects - the completion of Meadow Well Community Village and the Howdon Community Regeneration scheme. Under this strategic

objective it is hoped that 3,070 training weeks will be created, 12 community facilities developed and 16 community schemes assisted. Whilst it is clearly accepted that the development and integration of local communities into the City Challenge process will be essential if the whole programme is to be successful, much of the investment aimed at developing communities is going into two main areas - Meadow Well and Howdon.

The only other strategic objective to contain a 'flagship project' is 'Improvement of the Environment'. Over £1.6m is expected to be spent on environmental improvements, of which 75% - £1.2m will be allocated to the Smiths Park Regeneration flagship project. The Smiths Park Regeneration will improve 11 hectares of land, create 38 construction jobs, one park and one play facility. In addition to this, Smiths Park will form a physical link with the Royal Quays and provide residents of this area with recreational and training facilities. Accordingly, TWDC have contributed £250,000 to the cost of the development.

The remaining four strategic objectives - Raising Skill Levels, Enabling Business, Reducing Crime and Improving Leisure Facilities - account for 7.0% (£2.6m) of City Challenge spending over the five years. No flagship projects are proposed under any of these headings.

It is clear after examining City Challenge expenditure that the development of industry and commerce, particularly around the A19 Corridor area, is central to the regeneration programme over the next five years. Over 38% of total City Challenge resources will be allocated to this strategic objective and it is estimated to attract in excess of £136m from other sources (both public and private). The improvement of housing conditions, if other funding is taken into account, is a major part of the City Challenge programme but perhaps the most significant point to note, alongside the concentration upon industry and commerce, is the levels of funding allocated to the flagship projects. There are nine flagship projects - of which four are under the Industry and Commerce objective. Spending on the nine flagship projects amounts to £25.5m, or 68% of all City Challenge expenditure.

NTCC's main emphasis is thus on industrial and commercial development particularly around the A19 corridor area. The City Challenge Action Plan clearly states that a

new engine for economic growth will be created that will benefit people in the local area. But it is the translation of this potential benefit that is important and how it relates to local people. Whilst the concentration on a number of flagship projects may be the most effective way of targeting resources it does exclude development in other areas, such as Percy Main, which have little or no significant City Challenge regeneration projects operating within their area. Indeed, many residents in the City Challenge area remain largely unaware of what is being built and by whom.

As a part of ongoing monitoring and evaluation, NTCC are required to produce information about their actual performance against forecasts for each strategic objective over the past year. The following section explores NTCC's record with specific reference to its achievements in terms of projected and actual job creation.

### **Employment Creation**

As we have seen in the previous section, unemployment (18%) is a significant and persistent problem within the Challenge area, and not surprisingly 'Unemployment ....remains the central concern of City Challenge' (NTCC, 1993, p1.7). Furthermore, the Chief Executive goes on to state in the 1993 / 1994 Annual Report that 'Our major business development initiatives are creating jobs and it is the main aim of the City Challenge partnership to pursue and further increase these opportunities for economic growth and employment' (NTCC, 1994a, p3).

Although NTCC are in the 'same game' as TWDC in promoting their activities and achievements, NTCC's monitoring and evaluation, and subsequently output measures, are far more detailed and explicit (and ultimately useful) about their activity. For example, under the broad classification of jobs created four sub headings exist; numbers of gross permanent jobs created; numbers of net direct jobs created; numbers of jobs preserved; and numbers of construction jobs created. This information provides detailed information about new jobs created, those displaced from elsewhere and those, such as construction jobs, which are necessarily temporary in nature. Unlike UDC output measures, City Challenge evaluation information provides a greater potential for evaluating / assessing their job creation record over the past year.

All too often confusion arises over what jobs are actually new, unlike UDCs, City Challenge make this clear. But, it is first important to outline what NTCC classify as new jobs. 'Gross Permanent Jobs' is a way of classifying new jobs in the area and those jobs displaced from other areas (whether nationally or locally). 'New Jobs Created' counts truly new jobs in the City Challenge area. In 1993 / 1994, no jobs were displaced from elsewhere so the Gross Permanent Jobs and Net Job figures are the same. Over the five year programme it is estimated that 350 jobs will be the result of displacement.

Information in the 1993 / 1994 Annual Report is far more detailed than information provided in TWDC's corresponding publication. A summary of Key Outputs, Core Outputs, Expenditure by Project is all provided as well as details about individual projects. City Challenge officers are also willing to provide detailed information on all aspects of their activity. Unlike TWDC, NTCC are open, accessible and provide clear and accurate data concerning their employment creation activity. Unlike TWDC, City Challenge Board papers are freely available for consultation by the public so it is possible to look at what they are trying to achieve and whether they are succeeding.

## North Tyneside City Challenge - Employment Creation - 1993 / 1994

	Action Plan - Original	Actual	Difference
Increase Employment	18	19	+1
Develop Industry and Commerce	247	252	+5
Raise Skill Levels	11	6	-5
Enable Business	523	128	-395
Improve Housing	9	1	-8
Improve Environment	0	0	0
Reduce Crime	10	18	+8
Improve Leisure Facilities	1	0	-1
Develop Communities	11	12	+1
Improve Health	7	8	+1
Project Administration	4	8	+4
<b>TOTALS</b>	<b>840</b>	<b>442</b>	<b>-398</b>

In its first year of operation NTCC aimed to create 840 new permanent jobs, concentrated mainly within two strategic objectives, Develop Industry and Commerce and Enable Business (770 of the 840 total). The most striking feature of the above table is the large underachievement of jobs in total; although 840 jobs were expected to be created only 442 actually existed at the end of the 1993 / 1994 financial year. This shortfall is almost solely as a result of underachievement in the Enabling Business strategic objective. Of 523 jobs that were expected to be created only 128 actually were, an under performance of 395. The majority of this under performance was due to the failure of the Union Square flagship project in North Shields to create any significant job opportunities. During 1993 / 1994 some £3.8m has been invested in Union Square, of which £1.4m has come from NTCC. A major extension to North Tyneside Business Centre (North Tyneside Council operated) was estimated to create 300 jobs. The slow pace of development on this project has meant that only 106 new jobs have been created. NTCC has been forced to reassess their job creation estimates for the five year programme. The Action Plan envisaged 3,402 jobs being created but this has been reestimated at 2,875, a reduction of 527, after

the first year. The shortfall in the first year is unlikely to be picked up in the future.

The reduction in the five year estimate reflects two problems. One, that the Union Square development has largely under performed. Two, that employment creation around the A19 Corridor area will not produce the 1,000 expected jobs. The demand for factory and commercial space has been overestimated. The lack of interest in the area has been caused mainly, NTCC argue, by the impending announcement of an Enterprise Zone for North Tyneside following the collapse of Swan Hunter's shipyard. As a City Challenge officer commented, 'Knowing whether we are to get an EZ or not would be better than the current situation. Investors are holding back to see what develops in the future; with only four years left to run, this situation is likely to affect our outputs quite seriously for the A19 area'. It appears that, during its first year of operation, the strength of the NTCC programme was largely dependent on external political and economic factors.

Compared with year one outputs, the employment creation record of NTCC improved significantly during 1994 / 1995. Although the overall five year forecast for net jobs created continues to reflect the underachievement during year one, the numbers of net jobs created during 1994 / 1995, at 519, exceeds both the Original Forecast (469 - Decision Letter 1993 / 1994) and the Revised Annual Forecast (481 - Annual Review 1994 / 1995). During the first year of operation limited numbers of job opportunities were created by NTCC, but evidence from year two suggests a greater degree of success, and potentially, benefit for local people. NTCC created 50 jobs more than the Original Forecast (10% increase) and 38 (8% increase) above the Revised Forecast. Compared with the 48% under achievement of the previous year, this improvement appears significant.

More recently Siemens ( a micro chip manufacturer) have announced plans to invest £1bn in a new factory at Hadrian Business Park in the A19 Corridor, with the potential of creating up to 2,000 new jobs. This significant investment will bring the development of Hadrian Business Park and Silverlink area back on track. The development will provide a major boost to the job creation potential of NTCC, which may well increase the total to just under 5,000 over the five year life of NTCC. That said, there were many agencies involved in attracting Siemens to North Tyneside, all claiming to have created these jobs.

## Summary

The original NTCC Action Plan aimed to create 3,402 new jobs, but after only one year of operation this estimate was reduced to 2,875, a reduction of 527 or 15%. This is due to poor demand for factory and commercial premises in the A19 Corridor area and slow progress in the Union Square flagship development. Whilst City Challenge do state that 'high levels of unemployment....cannot be solved by bricks and mortar alone' (NTCC, 1994a, p2), the size of the A19 Corridor and City Challenge contribution to land development and infrastructure projects might lead to the conclusion that NTCC is preoccupied with the physical aspects of regeneration. Whilst NTCC's programme is locally devised and implemented, it nevertheless concentrates on the bricks and mortar of development.

Whilst NTCC's programme encountered severe problems in year one, year two employment outputs suggest a greater degree of success. The programme has another three years to run and, if the success of year two can be mirrored in subsequent years, may well meet its job creation target. On the other hand, the job creation record (and indeed potential) of NTCC must be kept very much in perspective. In its first two years of operation NTCC claims to have created 961 new jobs. But, this can only have a limited impact upon a City Challenge unemployment level of 18%, even if the majority of those jobs created are filled by unemployed City Challenge residents. Moreover, as City Challenge themselves say, 'Although we are naturally pleased that City Challenge has brought new employment to the area, set against the redundancies at Swans' and elsewhere there is still much to achieve' (NTCC, 1994a, p4).

In many ways the City Challenge initiative should be judged as much more than a crude attempt to create larger quantities of opportunities and material assets in an area. It is not only the numbers of jobs created which is important but how many of these actually go to City Challenge residents. The original Action Plan lacks any clear reference to how linkages between local people and job opportunities could be made. Little detail is provided regarding the combination of projects or actions required to guarantee success. More recently a Local Labour Research Officer has been employed to examine local labour recruitment and training and has recently produced a comprehensive report - 'Developing Local Labour Initiatives' (NTCC, 1994b, Draft)

- on developing training and employment opportunities applicable to the needs of the local area. To date there is little practical evidence of such schemes.

At the end of the 1994 / 1995 financial year, NTCC has created just under 1,000 new jobs. Whilst the programme failed to meet its projected job creation targets by 48% (398 jobs) in year one - and this has forced NTCC to reassess their overall projections over the five years - year two employment outputs have been exceeded. Employment opportunities created by the Siemens project will be large, and, potentially, benefit for local people significant.

## **Conclusion**

The comparison of TWDC and NTCC clearly emphasises the diversity of programmes that exist under the broad banner of urban policy. TWDC was established by legislation that explicitly stated aims, objectives and powers. City Challenge, on the other hand, emerged from an amalgamation of a number of different funding regimes and has no independent legislative framework. Both TWDC and NTCC operate within nationally defined guidelines and are funded through the DoE.

Perhaps the most important difference between TWDC and NTCC is the level and way in which resources are allocated. TWDC is allocated Grant in Aid from the DoE whilst City Challenge resources are allocated through a competitive bidding approach; competition forces local authorities to bid against one another for limited resources. TWDC is resourced to a far higher level than NTCC - TWDC received in excess of £45m in 1993 / 1994 whilst NTCC received £7.5m; and NTCC has over 36,000 people resident within its relatively small area whilst TWDC, at inception, had just over 3,000 residents.

The differences between TWDC and NTCC are all too apparent but they do have a number of things in common; there are both time limited organisations (TWDC - 11 years, NTCC 5 years); they both operate within specific geographical areas; they are both, ultimately, monitored and evaluated by the DoE; and both operate in an area with persistently high levels of unemployment. But perhaps one of the most striking similarities between the two organisations (and for many the most disturbing) is the emphasis upon infrastructure provision. TWDC, as its remit might suggest,

spent £150m (67% of its overall Grant Aid of £224m) on land acquisition and land reclamation between 1987 and 1995. NTCC will spend nearly 40% of its budget (£14.5m) between 1993 and 1998 on assistance to Industry and Commerce - mainly in the form of infrastructure provision around the A19 Corridor. Whilst in absolute terms TWDC have spent significantly more resources, NTCC also focuses heavily upon the provision of bricks and mortar.

TWDC and NTCC are distinct in many ways but also demonstrate some striking similarities. Initially TWDC paid little detailed attention to job creation and who might benefit from their action. But TWDC has become acutely aware of the issues surrounding employment creation. NTCC began with a clear commitment to creating employment through a new engine for economic growth. Officers of both organisations now clearly accept that, in an area of persistently high unemployment, the most meaningful indicator of success for local people is employment creation.

Both TWDC and NTCC's job creation records have been disappointing. TWDC, after eight years of development and expenditure exceeding £225m, have only completed one major project, Newcastle Business Park. On this site, out of a total 3,500 claimed new jobs, only 694 new jobs actually existed in August 1992 (with the benefit of EZ status). NTCC failed to meet its employment target by 47% - 398 jobs in total in year one. Whilst this shortfall may be a result of teething problems, evidence in revised estimates for subsequent years suggests that this underachievement will not be met at the end of the five year programme; however, year two outputs demonstrate a significant improvement on year one. Additionally, NTCC's monitoring of job creation is far more open, accessible and reliable than that undertaken by TWDC.

Job creation by both TWDC has been more disappointing than NTCC. After eight years of investment and development TWDC have created only 14,883 by 31st March 1995 - though the degree to which this is a true reflection of actual new jobs is debatable. Both agencies have impacted on their areas significantly in physical terms; previously inaccessible river banks have been regenerated and run down town centres have begun to be revitalised. Notwithstanding these arguments, TWDC has spent considerably more resources than NTCC in the pursuit of its type of 'economic regeneration', but, the results in terms of job creation has been

significantly more disappointing than those of NTCC, even though the latter has experienced severe problems in year one and may fail to meet this deficit over its five year life span.

## CHAPTER FIVE

# URBAN REGENERATION AND THE COMMUNITY

### Introduction

Throughout the 1980s urban policy initiatives paid little attention to the twin issues of community participation and community benefit, this was largely because; 'The Big Idea in urban policy was undoubtedly private sector led property development . (see Imrie and Thomas, 1993; Healey et al, 1992) The assumption was that such physical regeneration would stimulate wider economic and social benefits: the operation of trickle down'would ensure that the rising economic tide would lift all boats' (Robinson and Shaw, 1994, p2).

By the end of the 1980s the effectiveness of the 'trickle down effect' had been thoroughly discredited as a means to address the needs and demands of local communities. The London Docklands experiment related little to the social and economic problems evident in the local area and development benefited local communities little (Brownill, 1990). That said, the Docklands disaster did bring into question the property led approach being operated by UDCs and as a result of this, and pressure exerted by various parliamentary committees, both LDDC and the DoE began to reassess their attitudes towards this style of regeneration. London Docklands began to develop a social housing strategy and increased spending (significantly) on education, leisure and community orientated projects. The DoE began to allow UDCs freedom to place more emphasis on job creation and development projects that might produce 'direct community benefit'. By the end of the 1980s all UDCs found it necessary to make reference to the community - although the practical commitment to this area varied significantly.

The introduction of City Challenge also brought a new emphasis on community benefit; regeneration was not to be based exclusively on property development, it now had to address the needs of, and benefit, local communities. City Challenge presented an opportunity for local authorities and local communities to participate in the management and design of action at the local level.

Both TWDC and NTCC face similar pressures for involving the community in their activities and must demonstrate in what ways their developments might benefit local residents. UDCs have been left to identify for themselves which communities they should seek to benefit and the ways in which they should go about it. City Challenge authorities, on the other hand, have boundaries drawn around large residential populations (which clearly dictates who should benefit) and have to create working partnerships with the local authority, the voluntary sector and local communities. Thus for NTCC the guidelines on community participation and community benefit are far more explicit than those for TWDC.

The following chapter seeks to explore how TWDC and NTCC incorporate local communities into their respective activities and in what ways, if any, local people benefit from their action. The first part of the chapter addresses TWDC's approach to community participation - via the Monitoring Panels - and then looks at other potential local benefits - grants, community projects, etc. The second section will examine NTCC's participative arrangements and then considers its activities in regard to potential community benefit. Finally, a comparison is drawn between the two organisations and conclusions made from the discussion.

## **1. Tyne and Wear Development Corporation - Participation and Benefit**

TWDC has repeatedly made reference to the issues of community participation and community benefit. This commitment has increased over time and evidence can be found in every Annual Report published by TWDC. TWDC clearly appreciate the benefits that highlighting their community related activities can generate.

The consultancy studies establishing TWDC (Price Waterhouse, 1987), made little reference to the community and how they might benefit, or be affected by, proposed developments. It was the Corporation's first Annual Report, published in 1988, that first referred to the issues of public consultation, social housing and training provision under the broad banner of 'Action with Care'. In every Annual Report since then TWDC have emphasised their community related activity and expenditure.

By 1989, TWDC had become explicit about their commitment to local communities. In 'A Vision for the Future' (TWDC, 1989d) TWDC stress that 'Urban regeneration

must strengthen the area's economic base, create a better environment and improve social conditions. It must, in other words, bring real benefits to the area and its people' (TWDC, 1989d, p26). TWDC's commitment to the community was further underlined by TWDC's willingness to interpret their remit in wider geographical terms than just the UDA; '....community development and the involvement of local people cannot be confined by a boundary which may be appropriate in land use terms but is not relevant to the relationship local communities have (or could have) with the riverside, or their economic and social needs' (TWDC, 1989c, p26) TWDC continued, to state that 'We will ensure that our developments benefit these communities'.

The front cover of TWDC's 1992 Annual Report makes clear the Corporation's attitude toward regeneration: 'We have never judged our effectiveness in regeneration solely in terms of bricks and mortar. We have always believed that it must strengthen communities in areas of dereliction or decline by bringing back economic, cultural and social life in a long term, sustainable form' (TWDC, 1992). Furthermore, TWDC say that benefits should be shared by local people and that local communities should decide for themselves how they should benefit.

After seven years of operation TWDC openly acknowledges that local communities need to participate in their activities - 'Direct community participation is a key element of the Corporation's regeneration programme' (TWDC, 1994, p29) - and also benefit from development - 'All programmes and projects in our areas will be designed and built to bring benefit to the adjacent communities as a major consideration' (TWDC, 1989a, p27). But, does rhetoric found in TWDC's Annual Reports match the reality of TWDC's action. In what ways do the community participate in, and benefit from, TWDC's regeneration strategy?

At designation, TWDC's UDA did not contain a significant residential population and only recently have people moved onto the flagship sites of St. Peter's and Royal Quays. TWDC might have interpreted its remit rigidly and concentrated exclusively upon communities inside the UDA. However, they did in fact look to adjacent communities for consultation, mainly around the flagship sites. As a senior Corporation Officer commented, development sites have a 'zone of effect' which naturally affects those communities adjacent to TWDC developments. This, it seems,

is a major reason why TWDC has targeted communities adjacent to its UDA. The Corporation have expressed this commitment formally in their 'Strategy for Community Development' published in 1989. The document established the Corporation's commitment to the community outside of the UDA and also outlined the two main elements for involving local communities and considering their needs (TWDC, 1989b):

- consultation, communication and local involvement in developing schemes;
- enabling and ensuring community benefits, through the provision of training; recruitment, social housing, cultural and social activities and facilities.

This document and others on Access for the Disabled and Water Sports Use, clearly demonstrate that TWDC are sensitive to the needs of local communities. Moreover, TWDC have outlined ways in which these objectives might be achieved in practice.

### **Community Participation and Consultation**

Apart from being required to consult with the DoE and, to a limited extent, the Local Authorities covered by the UDA, TWDC do not have to discuss their activities with any other organisations - this includes local communities. Nevertheless, TWDC has developed a mechanism through which local people can, and are, consulted. This mechanism is commonly known as the Community Monitoring Panels.

Monitoring Panels have been established around the three main flagship projects on East Quayside, Newcastle; Royal Quays, North Tyneside; St. Peter's Riverside, Sunderland. All Panels meet on a monthly basis bringing together TWDC Officers, members of local communities and other relevant representatives from other organisations - TEC, Employment Service etc. TWDC provide funds for the running costs of each Panel and also fund two Information Workers attached to the Tyneside based Panels. TWDC's commitment to the Monitoring Panels is clearly evident; that said, TWDC place great emphasis on publicising this activity.

Monitoring Panels arose out of an interest expressed by two clergymen in the East Quayside area about the nature and impact of the proposed flagship development there. Out of this concern emerged the East Quayside Group - a collection of interested individuals and Councillors - who began to attack the Corporation, not only

about the development, but also the lack of consultation with local people. TWDC, worried about bad publicity, approached the Chair of the East Quayside Group about these problems and in 1989, the first Monitoring Panel was formed. Shortly afterwards a Panel was established at the Royal Quays and subsequently in Sunderland.

Each Monitoring Panel is distinctly different, with different types of membership exhibiting varying interests. East Quayside Monitoring Panel was initially dominated by Councillors and activists; more recently members have come from other residents groups in the local area. Royal Quays in its first two years was highly factionalised with membership coming from strong community organisations in and around the Meadow Well. More recently the Panel has widened its representation to other local areas around the Royal Quays as well as the Royal Quays itself. St. Peter's Riverside was, and to a large extent still is, dominated by local site and leisure interests disrupted by TWDC's development.

Overall, Monitoring Panels are regarded as being useful mechanisms which allow local people to discuss, find out and comment upon development in their areas. Members of the East Quayside Monitoring Panel, including the Chair, have commented that 'being face to face with the people is a good thing. Knowing who you are talking too, instead of an organisation, helps a lot'. Whilst this is certainly true, and Monitoring Panels do give TWDC a 'human face', other members have been less enthusiastic. One of the general feelings has been that the information coming to Panels is often too late and that 'everything is done and dusted when we [local residents] find out'. Others have been more cynical 'they just tell us what they want us to know'. That accepted, the expertise that has built up over the years and the employment of paid workers has meant that members of the Panels do not always take things on face value. Certainly at the Royal Quays TWDC Officers are questioned thoroughly about their activity.

Monitoring Panels have encouraged local residents and community groups to become involved in flagship developments and have kept community issues firmly on TWDC's agenda. The Chair of the Royal Quays Monitoring Panel described their action as 'constructive confrontation, constantly pressing TWDC for benefit and information'. Other Monitoring Panels have more of a 'cosy relationship' with the

Corporation and have withdrawn from the Monitoring Panel Forum (a group which meets to discuss strategic issues relating to TWDC and the Monitoring Panels) afraid that this group may affect their current 'good relationship' with TWDC. That said, all Monitoring Panels have secured benefit for local communities in a variety of different forms.

At the Royal Quays one of the main interests of the Monitoring Panel has been the related issues of employment and training. Together with secondees from Tyneside TEC, the Monitoring Panel has seen develop a series of customised training schemes to enable people to access new job opportunities. This method has been used at both the Twining's tea factory and the Wet 'n' Wild Waterpark and will be used at the proposed Helen McCardle Care Home started in July 1995.

At East Quayside the major benefit secured has been the development of an Access Strategy. TWDC employed a consultant on disabled issues to work with the East Quayside Monitoring Panel to ensure that the Quayside development was open and accessible to everybody. This 'Access Strategy' is now used in all TWDC developments and has been accepted as a model of good practice by the European Parliament.

Benefits secured by the St. Peter's Riverside Monitoring Panel have largely reflected the Panel's local interests associated with the North Dock site. The Panel discussed with TWDC the provision of a MAC - Marine Activities Centre - to provide facilities for water sports users in the dock area. St Peter's operates on a more localised basis (being dominated by site interests) whilst East Quayside and the Royal Quays discuss more strategic issues, alongside the day to day business. All though have secured some benefit for local people.

Outside of the three monitoring panel areas consultation exists on a much lower level - in some areas not at all. Adjacent to the Newcastle Business Park no Panel existed to press for community benefit, although the Corporation did provide some resources to the Cruddas Park Development Trust to provide training and some community development work. Similarly, no panel exists at Sunderland Enterprise Park, which may emerge as TWDC's premier job creation site, to press for local employment.

Outside of the Monitoring Panel flagship areas consultation remains negligible. Often the only contact local communities have with TWDC is through the magazine 'River Life' - which outlines, briefly, TWDC's activities in the UDA. In non flagship areas consultation does not exist at all, although a level of interaction has taken place in Hendon where the derelict Janet Fraser factory was purchased and demolished by TWDC as a result of local pressure. Nevertheless, some people working in the Hendon area have said that this action was clearly in response to TWDC 'doing nothing in Hendon and feeling guilty about it'. Whether TWDC felt guilty about their lack of activity is debatable, but certainly TWDC saw Hendon as a development problem and needed to be seen to be doing something.

Overall, TWDC's consultation is limited. It concentrates on the three main flagship developments and neither provides, nor develops, any participative arrangements outside these areas. Aside from the popular planning exercise at Churchill Street - where TWDC supported the Church Street Development Association to design a scheme of 70 houses as a part of its social housing strategy - little consultation, let alone participation exists in non flagship areas. For people in other areas, TWDC 'does what it likes, when it likes' as one community worker commented.

On the Monitoring Panel level, past practice has led to the conclusion that although these are useful mechanisms, they do not necessarily guarantee participation. Monitoring Panels tend to comment upon projects once the final details of that project have been decided. Monitoring Panels have little power in directing what type of development is to be built and which developer will be appointed to develop the scheme. TWDC does consult local communities in and around the flagship projects but on the details of pre - defined projects. Consultation, and certainly any participation, exists firmly on TWDC's terms. Monitoring Panels have forced TWDC to develop a coherent approach to community consultation but have yet to influence the Corporation's overall philosophy and style.

Whilst consultation and participation is clearly in the hands of TWDC, Monitoring Panels are effective structures that do provide for some form of accountability whereby, at least, local communities can find out about future plans and developments. Nevertheless, TWDC has clearly seen the opportunity to benefit from consulting the community in PR terms as much as (if not more) the local

community sees Monitoring Panels as an effective way of participating in TWDC's developments and plans.

## **Community Benefit**

TWDC's community benefit activities cover a relatively wide area and whilst many people will see community benefit relating closely to their ability to create jobs, other activities undertaken by TWDC do relate to the issue of community benefit. These can be classified under three main headings; Training; Social Housing provision; Community Grants and related activities.

### **Training**

TWDC have accepted that many local communities adjacent to development sites may not have the appropriate skills to access jobs created in the TWDC area. In TWDC's 'Training Strategy' (TWDC, 1990b) the Corporation outlines two main aims in respect of training:

- to ensure local communities have access to training opportunities which will enable them to take up any jobs resulting from development;
- assist inward investors to tap into the most appropriate pools of labour and that any training is tailored to their specific needs.

#### **(I) Training for the Community**

Both community related training and business training are based upon a partnership between TWDC and the local TECs on Tyneside and Wearside. Two Officers are seconded from the TEC to TWDC and this partnership has worked well and produced significant benefits.

Much of the community based training relates to the mismatch between the skills of local people and local job opportunities. One way of addressing this has been through pre - employment initiatives such as the Job Opportunity Workshop training scheme near the Royal Quays. These courses aim to provide people with an opportunity to gain confidence, learn about interview techniques and provide a basis for going onto further training courses and employment. In North Tyneside 220 people had participated in the JOW scheme by 12.4.94 and of these 15 people entered employment and a further 140 went onto other training schemes. Overall (up

until January 1993) 675 people had been through community based training and 94, according to TWDC, had found employment. TWDC has also funded an Open Learning Centre to assist local people in gaining qualifications in basic word processing and literacy and 180 people have achieved certificates in basic word processing from Tyneside Open College Federation (to 12.4.92). Whilst the amounts of people actually going into full time employment are quite low, the realisation and practical commitment to this form of training by TWDC is encouraging.

## **(ii) Business Training**

Alongside pre - employment courses targeted at local people, the Corporation and TEC partnership have also developed training courses for people who wish to train in specific areas, most notably in offshore work and in the construction industry.

The development of the Wimpey Craft Training Centre at Chirton, near the Royal Quays, provides training for people who are aiming to gain employment in the construction industry; by 12th April 1994 474 people had passed through the Centre of which 60 had gone onto employment, 15 became self employed and 320 emerged with qualifications. The Corporation has also invested £250,000 in the Sea Survival Centre in South Shields. This Centre specialises in training for offshore and oil rig work. It is hoped that 40% of trainees will gain employment in this sector as a result of this training.

Perhaps the most effective form of training operated by TWDC is the tailor made training offered to inward investors. The most significant scheme of this type has been the customised training organised for ONWA Electronics Television plant in South Shields. More than 200 people have been involved in specialised training organised by Tyneside TEC - the majority of these have gone onto permanent jobs, although the exact figures are not available. On the Royal Quays both inward investors, Twinings and Wet 'n' Wild have recruited through this route. Customised training packages have proved to be an effective way of targeting employment at local people.

TWDC has also encouraged the construction industry, where able, to recruit local labour on TWDC's sites. Through the 'Code of Conduct' both construction companies and end users are obliged to supply information to the Corporation and

Monitoring Panels about recruitment and their work force. However, this encourages them to recruit locally but does legally force them to do so. Nevertheless, TWDC claim that over 300 people have now been recruited through the scheme (TWDC, 1994). In addition the Employment Service operate offices providing details of vacancies from the Royal Quays and St. Peter's flagship sites. To March 1994 TWDC claim to have helped 400 people into employment through these offices.

Whilst TWDC's approach to targeting local people for any potential employment benefits is encouraging, this must be tempered by the levels and intensity of problems evident in the local labour market. Unemployment levels in some areas exceed 40% (Craig and Hope, 1991) and the overall need for employment and training is something that TWDC can never fully address.

Overall, TWDC's style of regeneration has had only a limited impact in creating new employment. Newcastle Business Park (TWDC's greatest job creation example) has very few local residents working there and was described by one senior TWDC Officer as a 'missed opportunity' - little effort was made to recruit locally. TWDC may have developed good mechanisms by which any potential benefit may be channelled through to local people, but the lack of any significant new jobs from TWDC's activities means that benefit will remain minimal.

### **Social Housing**

The formal adoption of a 'Social Housing Strategy' (TWDC 1991b) outlined an intention by TWDC to construct 613 homes, mainly for rent, in partnership with a number of Housing Associations. The majority of these homes, 428, will be built on the Royal Quays and St. Peter's flagship projects. TWDC has provided £7.07m of £19.61m of the total housing costs between 1991 and 1994 - 26% of the total.

TWDC's early record of house building focused on the exclusive 277 housing development St. Peter's Basin Marina in Byker (which is to be extended by a further 81 in the near future). This development provided, to quote a much used phrase, 'yuppie housing', which caused significant concern so soon after the Docklands problem. More recently, TWDC have developed housing schemes which have mixed house type and tenure; over 25% of all housing on the Royal Quays will be for rent. Private house builders are now developing on all major sites and it appears,

despite the property recession, TWDC's flagship projects are attracting significant housing related interest.

### **Community Grants and Other Provision**

The TWDC Community Development budget amounted to £1m in 1992/1993 (more recent figures are unobtainable) and this expenditure included expenditure on the running of the Monitoring Panels (including paid workers); River Life; local public relations - including special events; grants to community groups; and limited revenue expenditure on social facilities (community centres etc).

Expenditure covers a wide range of activity from Information Officers attached to Monitoring Panels, a Watersports Officer to promote use of the two rivers as well as project funding for the Cruddas Park Community Development Trust in Newcastle and the Community Care group on Meadow Well. There has also been funding for a sculptor in Sunderland and a major contribution to recreational projects in East Howdon. The projects are both numerous and wide ranging in their scope and exhibit many positive and innovative characteristics. The Corporation claims to have supported over 300 local initiatives and schemes to March 1994.

During 1992/1993 80% of the overall support for community development related activity went specifically to community and voluntary organisations. £150,000 of this was allocated directly by TWDC mainly in the form of larger grants and the remaining £250,000 allocated by the Tyne and Wear Foundation. TWF acts as a local grant giving agency on behalf of TWDC and have developed a clear framework and guidelines for assessing grant applications. Most of TWF's recommendations for grant aid are accepted by TWDC's Board.

More recently TWDC have begun to engage in direct community development work. The Corporation has provided a temporary community facility on the Royal Quays and intend, in the future, to replace this with a permanent building. Members of the Corporation have viewed the provision of social facilities as essential on the Royal Quays, not only as a base for activities, but also as a focus for the community. TWDC are also in the process of recruiting a part time Community Development Worker for the Royal Quays itself. This post will entail the management of the

Centre, as well as coordinate educational, leisure and other opportunities on site. This post is regarded as very important by TWDC and has been well received by local residents.

## **Summary**

For many people the existence of TWDC will mean very little, if anything at all. On the ground confusion often exists about development in areas where a City Challenge, Development Corporation and local Council operate in close proximity. The St. Peter's and Royal Quays Monitoring Panels distribute newsletters, the latter to 2,500 households, and all have good representation, however, it is the same organisations and individuals that are represented. The majority of people who do know about TWDC will have come into contact with it through the Monitoring Panel or grant application system. Many of these people are already involved in local community groups and other regeneration initiatives.

The impact of TWDC's activity in relation to community benefit can be clearly divided into one, the longer term impacts training and employment might have, two, shorter term effects that grants to local community groups and activities provide. The ultimate assessment of benefit for many local people will be how many jobs have been created and how many gained by local people. And whilst grants to community groups and activities have a much more immediate and tangible effect, they all too often offer only short term benefit to local people.

Comparison of the overall scale and commitment of TWDC's budget to community development establishes where exactly support for the community lies in the Corporation's list of priorities. In 1992/1993 £1m was allocated to community development set against an overall budget of £42m. In comparison, twice as much money was spent on Promotion and Publicity than support for the community.

Whilst a wide range of projects and activities have been funded by TWDC under the community development heading this is not reflected in the geographical spread of resources. The majority of grants are allocated around the Monitoring Panel flagship developments; little has gone to Newcastle Business Park or Sunderland Enterprise Park. The problems in non flagship areas are even more acute; Hendon in

Sunderland has received little grant assistance from the Corporation and was unable (due to being in the UDA) to bid for Urban Programme resources.

Resources available to the community are not only concentrated upon flagship projects but also within certain flagship areas. Most notably, resources have gone toward the Royal Quays area and in particular to the Meadow Well estate. This has not only excluded other non flagship areas but also areas adjacent to the Royal Quays. Communities such as Percy Main and East Howdon have had significantly less resources than Meadow Well, although many of the problems evident in the latter also exist in the former.

A key problem in the near future will emerge as new residential communities become established within the UDA. Certainly on the Royal Quays, with the new community centre and new worker soon to be employed, resources will be re - focused within flagships and not to areas adjacent to them. Adjacent communities, many of which feel distanced from these developments anyway, will begin to lose these limited resources made available by TWDC. Many will feel, quite justifiably, that these resources would be better targeted on their communities rather than the emerging ones. That said, TWDC has *chosen* to target these communities in the past, and may well, as overall expenditure becomes tighter, decide not to. Whatever emerges, one point is undeniable, the power to act and the final decision lies firmly with TWDC.

## North Tyneside City Challenge - Participation and Benefit

The overall aims of City Challenge not only describe what government wishes to see delivered by this initiative, but also the ways in which these objectives might be achieved. Resources are allocated through a competitive bidding approach and targeted on areas selected on the basis of need, opportunity, a combination of both and politics. Unlike UDCs, City Challenge has an identified geographical 'community' to target and also directions from the DoE on how these people should participate in, and benefit from, City Challenge action.

The DoE states that City Challenge programmes must 'support the development and implementation of locally devised plans that will benefit, significantly, local residents and add value to current initiatives operating in the area' (Action for Cities, 1993). City Challenge authorities must involve local people in both the development and implementation of their Action Plans and also ensure that local people benefit from their activities.

Through City Challenge, the DoE clearly recognises the key role local authorities could play, but this was balanced by a requirement to develop partnerships between the local authority and other major stakeholders in the area - private, public, voluntary and community organisations. The criteria establishing City Challenge unarguably state that local communities should play a role in the formulation and delivery of plans and that local people 'will benefit, significantly' from the City Challenge programme. Unlike the Act establishing UDCs, guidance to City Challenge authorities is far more explicit about the community and its role in regeneration. Accordingly, the ways in which TWDC and NTCC have pursued these issues on the practical level vary significantly.

From the development of the initial bid document, NTCC clearly recognised the need to form an effective mechanism through which the North Tyneside City Challenge programme could be effectively implemented. The formation of a Partnership was seen as central in developing a strategy that would tackle problems in the local area. The following section examines the ways in which North Tyneside City Challenge has addressed the issues of community consultation and whether this has led to any form of community participation. The second section will examine NTCC's

activities in relation to community benefit.

## **Consultation and Participation**

### **The Partnership**

Within City Challenge, partnership has a multitude of meanings. Indeed; 'The principle of partnership should not be narrowly perceived as relating purely to the design of the implementing agency: it is fundamental to the overall concept of City Challenge' (Action for Cities, 1992, p12). With this in mind, it is important to examine not only the partnership, but other areas of the City Challenge programme that might lead to participation. The central part of the City Challenge structure is the partnership - which in essence is the delivery vehicle. Clearly the partnership has a representative function and the credibility of the overall programme arises out of whom sits around the table. Within this structure the community plays a role; but it is important not only to identify the constituents of the partnership but how these groups actually relate to each other. The final area to examine is the participatory arrangements outside of the partnership structure, which in North Tyneside, are found in the local Community Development Trusts.

The North Tyneside City Challenge Partnership Limited has developed an organisational form based upon a wide degree of interests and expertise. At the centre of the structure is the 'Partnership', comprising of four members from each of the following five forums:

*Business Forum* - which includes all the major employers on North Tyneside;

*Community Forum* - representatives from four local areas - Central North Shields, Meadow Well, Howdon and Wallsend;

*Housing Forum* - drawn from local Housing Associations, house builders and developers;

*Economic Assembly* - comprising of agencies involved with regeneration in the area

*North Tyneside Council* - three elected Councillors and one Executive Officer.

The Partnership Board was incorporated in October 1992 and is responsible for:

- developing the Vision, Strategy and Action Plan;
- developing effective working relationships between partners;
- approving the use of City Challenge funds;

- monitoring and reviewing progress;
- approving in year changes to the Action Plan not covered in the Annual Review;
- the resources and performance of the Chief Executive and staff.

The Board meets on a monthly basis and alternates between discussing business and other topics. This will ensure, NTCC claim, that all topics and issues related to City Challenge will have a chance to be discussed at the full Board.

Directly above the Partnership is the Executive Group, where 'to all intents and purposes, the real decisions are made', as one Local Authority Officer commented. The group comprises six members - Chair, one member each from the Housing and Business Forums, the Economic Assembly and Council whilst two members from the Community Forum, 'give community representation a greater voice in decision making' (NTCC, 1993, p4.4).

The Board has been given the responsibility of prioritising projects and authorising variations in the Action Plan. The Board have also agreed that;

- all projects over £250,000 are dealt with by the Board;
- all projects greater than £10,000 but less than £250,000 are dealt with by the Executive Group;
- projects below £10,000 can be dealt with by the Chief Executive;
- an emergency power delegation enables the Chief Executive, in consultation with two Board members to take urgent decisions.

The Local Authority have streamlined their decision making process so that endorsement of the strategy and Action Plan give general authority to proceed with the programme. Decisions on individual projects are generally taken through a swift delegation process involving the Councils Executive Directors and Committee Chairs.

The delegated powers outlined above give a considerable amount of control to the Executive Group and indeed the Chief Executive. The encouragement to establish an 'arms length' delivery mechanism by central government has been clearly adopted by NTCC, and the delegated powers provide the potential for a fast track system of decision making to operate. That said, fast tracking in North Tyneside has

concentrated power in a few hands - most notably the Chief Executive and members of the Executive Group.

The North Tyneside City Challenge Board is strongly biased towards the private sector, with significant institutional representation; NTCC's Board is dominated by local technocrats and bureaucrats. Moreover, the North Tyneside Executive Group includes a powerful Officer from the local authority (Executive Director level) at the top of the decision making process yet excludes elected member representation. Given the extent of the decision making powers delegated to the Executive Group and the Chief Executive, serious questions must be asked of the scope for community involvement and local accountability.

### **The Role of the Community**

It appears that from the preparation of the original bid document the community have found it difficult to influence other members of the partnership. The short time allowed to prepare the initial applications worked heavily against the community in North Tyneside. The Bid Preparation Team met six times (NTCC Bid, April, 1992) and although the Board was constituted at the Action Plan stage, only the local authority and private sector were operating well at this point. This is not surprising; 'The authorities had six weeks to bring their partners together, consult local people, select a target area and draw up a detailed five year plan' (DoE, 1994a, p4). In practice North Tyneside Council took the lead with a notable degree of guidance from the private sector. The lack of support and resources for the community, combined with the short time scale, resulted in an Action Plan heavily in favour of capital related development projects.

North Tyneside Borough as a whole lacks coherent community networks, and this problem is even more acute in the City Challenge area. Although a multitude of different community organisations do exist in the Challenge area many overlap, refuse to communicate and are suspicious of outside activity. Within the City Challenge area only two community forums were effectively operational when the bid was being developed, in Howdon and Meadow Well, although more recently a new Forum has emerged in Percy Main. Whilst it is true there were no existing structures for City Challenge to effectively tap into, the process adopted to establish the NTCC Board partly explains the weakness of the community position; 'The first step

was for the Council to promote awareness of City Challenge by use of the local media by direct mailing to over 600 individuals, organisations and companies and by calling a series of public meetings. This resulted in a number of forums' (NTCC Bid, April 1992, p32). Nevertheless, the evidence of any coherent or strategic approach to developing a representative and accountable Partnership ended here, inevitably, this has caused quite serious problems for the community.

Representatives of the Community Forum were 'invited' to become members, in one case by a senior officer of North Tyneside Council. Whilst those members on the Forum may well have been elected if a system existed (as three of the four are well known and respected local activists), the undemocratic nature by which the Community Forum was formed lies in stark contrast to the Partnership ideals outlined by the DoE.

The problems this lack of coherence creates are many; members of the Community Forum have no constituent base and act as appointees of City Challenge rather than representatives of the local community. Whilst members of the Forum are well informed about local issues and competently engage in discussion, the overall role of the Forum appears marginal in the City Challenge process. The Forum has no independent support, in professional guidance or resources, and as a result the community representatives lack a clear directed purpose. This has resulted in a number of Community Forum members leaving the Board; new members have found it difficult to understand and comment upon projects as a result of the scope and numbers of projects underway.

In North Tyneside community representation is clearly outweighed by professional, institutional and private sector representation. The lack of any real input in to the original bid, the lack of support to community representatives, combined with a low credibility and mandate to act on behalf of the local community has lead to a great concern of what the Community Forum can actually achieve. The nature of this concern stems from the undemocratic nature of selection and that the Community Forum is offered little independent support and guidance. The fact that a number of community representatives were invited to become a part of the Community Forum begs the question - Who is consultation for in North Tyneside City Challenge? However, the prospects for greater participation have increased as members of the

Community Forum, through their own forceful personalities rather than as a result of encouragement, have started to make demands with confidence. Nevertheless, the overall selection process, lack of support and marginal input into the bid preparation has combined to place to Community Forum in a weak and compromised position.

Whilst the partnership arrangement for the community is, to say the least, limited in North Tyneside City Challenge, other structures exist outside of the formal partnership arrangement that have provided the potential for meaningful local consultation and participation.

### **Community Development Trusts**

NTCC have made attempts to develop, or at least tap into, coherent and representative community structures in two local areas - Howdon and Meadow Well. A full time Community Development Worker has been employed, as part of the City Challenge team, to work towards the development of a Community Development Trust in Howdon. Early in 1995 this worker became employed by the Trust, once it became operational and the new Community Centre was opened. On Meadow Well, City Challenge have tapped into the new Meadow Well Development Trust. The Trust, which is supported by a newly appointed Development Manager, will receive a new built community centre from City Challenge and manage it on behalf of the whole community. Both Trusts have representatives from the local community who are elected on an area basis; these Trusts, City Challenge claim, 'will help to ensure that full consultation takes place to maximise residents' involvement and encourage commitment to all planned improvements' (Annual Report NTCC, 1994, p15). Both Howdon and Meadow Well Development Trusts are closely linked to the building of new community centres in these areas; the overall aim is to provide a focus for all community groups and activities and to generate a sense of participation and ownership of these developments. However, some problems have emerged.

One of the major issues of Development Trusts is the by-passing of local elected Councillors. Local elected members have had little input into the respective Trusts and indeed City Challenge as a whole. Some local Councillors have commented that the process of establishing Trusts, promoted by City Challenge, undermines their role and delivers a different political agenda. The imposition of external structures into these two localities was intended to co-ordinate existing action - it appears that, as

one local Development Worker commented 'although Development Trusts were largely an idea from City Challenge, we have to acknowledge that benefits will go to the community and if we do not recognise this we may well lose out'. A senior Local Authority officer also remarked that co-ordination on Meadow Well was essential as none of the groups on the estate were truly representative. That said, the two Development Trusts have provided a democratic structure whereby local people can consult with and participate with City Challenge action - albeit on pre-decided plans.

Overall, NTCC's record in respect of community consultation and participation is poor. The lack of time and support in the initial stages of producing the Bid document left the community very much the marginal partner in deciding, or at least discussing, what should be contained in the Action Plan. The dominance of the Local Authority and Private Sector established in the bid procedure, has continued to exist in the Partnership today.

The existence of a Community Forum, expressing the needs and aspirations of local people, is essential if local communities want to participate in the process. That said, the existence of a structure does not guarantee participation. Whilst there may be two Community Representatives on the Executive Group, the lack of accountability to, or a mandate from the local people, combined with a lack of support, has left community representatives unsure of their role as community representatives. Whilst the calibre of certain community representatives has meant that demands are being made, the lack of meaningful development work to create a coherent and comprehensive structure associated to the Community Forum has left the community in a consultative rather participative role.

NTCC has largely failed to create a structure whereby local people can participate in the plans for their areas. Certainly, Development Trusts provide this potential, but not on projects that have pre defined in the City Challenge Action Plan. Unfortunately, NTCC is dominated by the Local Authority and private sector interests in the partnership and the lack of support to the community and Community Forum seems to dictate 'that the local community, (certainly North Tyneside), had relatively little power to influence the contents of the City Challenge programmes', furthermore, 'partnership bodies offer an opportunity for the community to obtain influence, but they do not guarantee that influence' (NCVO, 1993, p14). Certainly in

North Tyneside both these statements are true.

### **Community Benefit**

In common with the issue of community participation, community benefit is dealt with explicitly by the DoE's 'Bidding Guidance' (Action for Cities, 1993). The directions clearly state that City Challenge must support development and implementation of locally devised plans and that these should benefit, significantly, local people. Whilst it is clear from this statement that local communities should benefit from policy action, there is no prescription on how this should be achieved. Closer examination of NTCC's Action Plan and 1993/1994 Annual Report outlines a range of activities that NTCC engage in that might produce community benefit. These can be considered as support for training initiatives; provision of social housing; and grants and other resources allocated to the community.

### **Employment and Training**

As has been discussed before, one of the most important indicators of success for local people is the creation of employment. But, the creation of employment in the local area does not necessarily guarantee benefit for local people. In areas of high unemployment there often exists a mismatch between those jobs created and the skills of the unemployed. North Tyneside City Challenge clearly recognises this '....City Challenge and our partners in the area are developing policies and mechanisms aimed at ensuring that urban and social regeneration programmes provide the maximum benefit in respect of employment and training opportunities for local people' (NTCC, 1994, p7). Developing a strategic approach to employment and training opportunities is the job of the Labour Market Research Officer. It is hoped that information provided by the Labour Market Research Officer will increase the likelihood that training will be applicable to the needs of the local unemployed and lead to full employment after the training period.

The overall training budget for City Challenge sponsored projects amounted to £175,066 (2.3% of the total budget) in 1993/1994. It is estimated that £789,242 (2% of the total budget) will be spent on training over the five year period. Whilst in percentage terms the amount invested in City Challenge training projects appears relatively low, the development of the Riverside Training Centre at a cost of £4.1m

(mainly capital) will boost training provision to £4.8m or 12% of the total budget. Whilst the training centre will not provide training for some time, the development will provide a unique Child Care training facility in the country.

City Challenge may claim to have developed a strategic approach to employment and training but some local training providers disagree. One criticism levelled at City Challenge training is that although the right areas are being targeted, many of the training courses are in the form of basic training in a short course format. Whilst this does provide the potential for local people to enter into further training courses and access higher levels of education, it does not demonstrate that the overall training initiative has been strategically thought about. One stark omission from the strategy is that no efforts are being made to tackle the second and third generation male unemployment problem, and in an area where long term unemployment is a major problem, this failure cannot be ignored.

In 1993/1994 City Challenge failed to achieve its intended training targets; of 5,282 estimated training places only 3,880 were created, a shortfall of over 26%. The short course emphasis of the training programme has come in for criticism but it does, nevertheless, provide a stepping stone for people to access more advanced schemes and courses. The jewel in the crown of the training strategy is the Riverside Training Centre, where 68% of the total budget over five years is allocated. Whilst this facility will provide a unique child care facility in the northern region, reservations have been voiced by local trainers on the centre's appropriateness to local problems. 'The ideal of the Centre is unquestionable' remarked one local training worker 'but its relationship to the local unemployment problem, now that Swan's [shipyard] has closed is less clear'.

### **Housing Improvements**

The major concentration of City Challenge action is the construction of private sector housing and housing for rent mainly in the Union Square flagship, and Wallsend and North Shields town centres. Overall, City Challenge hopes to facilitate the construction of 317 private sector houses and 138 houses for rent, for an overall City Challenge investment of £7m over five years. City Challenge has also funded the demolition of the very unpopular Rawdon Court deck access housing in Wallsend.

The major housing improvements in the Challenge area are concentrated around North Meadow Well (£10m Estate Action) and Cheviot Housing Association's redevelopment of South Meadow Well, now renamed Riverside Park (estimated cost £11.24m). This money has been levered in by City Challenge and has created a public / private leverage ratio of 1 : 4. NTCC is not concerned with the direct provision of new housing (rented or private) but sees its role as enabling other housing providers to develop in the area. In terms of expenditure, housing accounts for nearly 20% of the overall City Challenge budget. This money is directed toward reclaiming / facilitating (much like TWDC) the construction of housing rather than direct provision.

### **Grant Allocation and the Activities**

Overall spending relating to 'Developing Communities' (S.O.9) was £552,260 in 1993/1994 and over the five year Action Plan will reach over £3m. However, closer examination of the expenditure reveals that not all of the resources are available directly to the community - much of it is allocated to defined projects and not through an accessible grant allocation system.

The majority of resources under Developing Communities is allocated to the Meadow Well Community Village, to develop training for local people in the process of building a community centre and series of workshops. In excess of £275,000 (49%) of resources committed to developing communities has gone to this Meadow Well project. In addition to this, over £50,000 has been allocated to Meadow Well primary school. Whilst it is certainly true that the estate exhibits some of the most severe economic and social problems in the area, it has led local residents in adjacent areas to comment 'when people think of City Challenge they automatically think of Meadow Well'. Certainly, much of the visible work (outside of the A19) is going on in and around Meadow Well which is perhaps why some local people harbour this opinion.

The next largest investment under this strategic objective has been funding allocated to the Community Education and Leisure Initiative. In total £116,180 was allocated to four projects, ranging from £75,000 being allocated to a Sensory and Parents Room to just over £7,000 being given to an After School Childcare Facility. Most of this funding has gone to worthwhile and innovative projects but through mainstream provision (local schools) rather than community led organisations.

Aside from a minor grant of £8,550 to the Neighbourhood Initiative the most significant source of money directly available to local community groups is the £91,600 in the Community Initiatives Fund. The original level of resources committed to this pool was only £39,600 but after significant pressure from the community forum and an additional grant from Europe the final total amounted to £91,600 for 1994/1995. During 1993/1994, 14 grants of between £90 and £10,000 were made to a variety of organisations. During 1994/1995, 8 grants of in excess of £10,000 have been made, with the smallest being £2,610. Again a wide range of innovative and well developed schemes have been funded ranging from a Baby Equipment Loan Service to the Employment of an Arts Worker to work with young people with disabilities. A sizable grant of £21,776 was provided for 'Training for the Voluntary Sector' organised and delivered by V.O.D.A., a local independent voluntary organisation. Training for the Voluntary Sector provides a range of courses for voluntary groups in the City Challenge area; the courses have been well attended and welcomed by local community groups and the investment is to be continued, depending on appraisals, for the five year time scale.

The Grant Aid Criteria was formulated in consultation with the Community Forum and the requirements are explicit 'proposals should be aimed at benefiting individuals or communities, with clearly identified social needs' (NTCC, Board Minutes, 2 June 1993, p4). Furthermore, 'proposals should show direct benefit to City Challenge area residents'. Decisions over funding go through the Community Forum, but are first sifted by the local authority and recommendations then made to the Forum; in essence, the Forum only has a consultative role to play in awarding resources from the Community Initiatives Fund and has no power of veto.

The Community Initiatives Fund provides limited (in terms of £10,000 per project and £96,000 in total) funding to local community organisations but does provide a flexible, well defined framework to directing community benefit towards local people in the City Challenge area. On the other hand, these potential benefits must be set against the overall total of £96,000 per year (1.3% of total budget) and the fact that resources are allocated on a yearly basis - discouraging continuity. These factors have led to local community workers commenting that the levels of funding as 'tokenist' and that NTCC want to 'be seen as doing something for the community'. Whilst accepting

this argument, the Community Initiatives Fund does provide resources.

### **Summary**

The profile that City Challenge has in North Tyneside is quite high and in general, people are aware of its existence. Yet people with the greatest knowledge and interaction with the initiative tend to be the same people who come into contact with other regeneration agencies, such as TWDC. This group of people do seem to have grasped what City Challenge is about and what it has to offer. That said, the realities of the programme differ greatly from the philosophy behind City Challenge.

Meaningful participation in City Challenge has been very low in North Tyneside so far. Largely as a result of the limited time scale to prepare bids, and the lack of a coherent community network in the City Challenge area, the local community have become junior partners in establishing the context and emphasis of the Action Plan. The continuing lack of any financial or other support for the Community Forum, and the lack of any democratic process whereby people are elected onto the Forum, has placed the Forum in a marginal and compromised position within the Partnership. Representatives of the Community Forum on the Executive Group may seem to alter the balance in favour of the community, but the community's role in City Challenge has been consultation rather than participation.

Community benefit, or the ways in which this may be achieved, is often a complicated area to assess. NTCC has made efforts to target any potential benefit that may arise out of the initiative and have, rather belatedly, established a training strategy to help tackle local unemployment problems. The range of training provided is encouraging but the long term commitment to this area is debatable; most courses are short term and relatively basic in nature. The concentration of expenditure on a child care training facility is questionable in an area where the unemployment has arisen mainly from job losses in manual occupations; the stark omission from the overall training strategy is how to tackle second and third generation male unemployment.

Spending on 'Developing Communities' at first sight appears quite significant but after closer examination it appears that little money is available to fund community based projects. The Training for the Voluntary Sector has been well received and

has broadened the scope and expertise of many local voluntary organisations. It is through the Community Initiatives Fund that offers the greatest potential resource to the local community. Guidelines have been established in consultation with the Community Forum and funded organisations and grants must benefit local people. Nevertheless, the Fund is resourced at a low level and runs on a year to year basis - discouraging continuity. Grant sizes are becoming larger and fewer grants are being allocated; smaller grants for groups are now being discouraged.

Overall, NTCC has attempted to address the twin issues of community participation and community benefit, but it has largely failed in securing the former and has had only limited success in achieving the latter. Whilst NTCC have done little to encourage participation, neither has the community forced this onto the agenda, concentrating instead on what each particular geographical area can gain from the programme. In terms of benefit, the impact will be low; clearly the wider economic context has affected NTCC (e.g. the Swan Hunter redundancy) and political decisions (designation of EZ) have stifled development somewhat. Nevertheless, the long term impact that NTCC can hope to achieve will be limited and may be judged more on physical terms - redeveloping town centres and providing infrastructure - than its ability to benefit local people's current circumstances.

## **Conclusion**

The comparison of NTCC and TWDC in relation to community participation and community benefit demonstrates that the practical ability of an organisation to address these issues, does not necessarily reflect the structure itself. TWDC is a centrally appointed, powerful quango, that does not have to consult local communities whereas City Challenge must form partnerships to devise and implement its plans.

TWDC have engaged in consultation and has reacted to local community pressure on a number of occasions. TWDC has created structures and resources have been committed to the area. NTCC have also established a partnership structure but has failed to back this with appropriate resources or professional support. Both organisations largely failed to involve communities in the establishment of their plans (TWDC by design, NTCC due to time scale) but TWDC's record since has been

more positive than its City Challenge counterpart. TWDC has established a good consultative structure whereby local communities, adjacent to the UDA, can discuss and question TWDC Officers and participate, to a limited extent, in TWDC activities. That said, Monitoring Panels only exist in three areas. NTCC on the other hand operates a Community Forum which forms no direct relationship between the community of the City Challenge area and the partnership. Monitoring Panels bring TWDC and the local communities face to face in their respective areas - no such mechanisms appear in the City Challenge process. That said, TWDC is ultimately more powerful and can override any opposition though chooses not to do so. TWDC and NTCC were created against different political backgrounds, placing different degrees of emphasis on consultation and participation. What has emerged is that both organisations do not enable local communities to participate in regeneration; communities may be consulted but are only able to 'tinker about' on the fringes of the real development process, altering little of what really goes on.

Community benefit and the ways this has been approached by NTCC and TWDC also provides some striking comparisons. Both have engaged in the funding of training for local people, the facilitation of social housing, grant giving and other related activities. But the level of resources allocated by each organisation to these areas clearly reflects their overall levels of financial support from central government. TWDC has three community development staff and approximately £1m in financial resources for community support; NTCC has only one member of staff and significantly less resources committed to the community. That said, it has been far easier to assess the impact of NTCC. TWDC has no identification of spending on social housing and training in its Annual Reports and no published details on what voluntary organisations, etc. have been funded. NTCC are required to publish detailed outputs related to clearly defined targets (perhaps this reflects the fact that City Challenge programmes are a little further away from central government control than is comfortable).

For TWDC land and property development is the main business whilst community related expenditure remains peripheral. NTCC's programme of action also leans toward business and infrastructure provision (though not so heavily as TWDC) and community issues have largely been marginalised. TWDC's impact in the area will be more significant because of the sizes of the developments and resources

committed to them. NTCC on the other hand has relatively few financial resources and can only effect minor change - and this will produce only limited benefit for local people. TWDC does consult local people but they do not participate; NTCC has the structure but the practical reality of this means that the community are junior partners. Both TWDC and NTCC have addressed community benefit and have funded some excellent projects, but, the ultimate level of impact reflects the resource commitment of the two agencies and accordingly each's ability to effect change; both organisations have undertaken similar activities in relation to community benefit but ultimately it is overall resources allocated that will dictate the relative levels of success. In conclusion: 'Such themes as participation, consultation, partnership and community benefit are strongly interlinked and are now commonly thought to be integral to the process of urban regeneration. Where some or all of these elements are weak, the process of regeneration is itself weakened and undermined.' (Robinson, Lawrence and Shaw, 1993, p57). Clearly for both TWDC and NTCC this is unfortunately the case.

## CHAPTER SIX

### CONCLUSION

'Within urban policy, most evaluative analyses have adopted a correctional framework for measuring the efficiency and effectiveness of policy intervention.....however, the use of quantitative analyses.... is constrained by the fact that their results are heavily dependent on data which are of moderate quality and limited availability. In the main, evaluation has tended to centre around easily available data which measure the outputs of policy, but which give little or no indication of the outcomes of policy. This distinction is more than just semantic : output measures do not look at the impacts of policy, such as reducing crime levels, reducing unemployment, creating new jobs or enhancing residential environments.'

Moreover:

'.... if one is to address the fundamental question in policy evaluation of 'who benefits?', then it is important to gauge the views of inner city residents - the intended recipients of policy ....'

(Deas and Bradford, 1994, p.18).

Quantifying the outputs of urban policy has clearly been favoured by the current Conservative government. Emphasis has to a great extent been placed upon measuring success in predominantly physical terms, the 'outputs' of policy rather than the 'impacts' or 'outcomes' for local people and communities.

This thesis has attempted to examine contemporary urban policy from the viewpoint of local communities via two central issues - community participation and community



benefit. The twin issues of community participation and community benefit have become central to debates about urban policy in recent years. However, commitment on the level of rhetoric to these issues by central government has (as the previous analysis has demonstrated) not translated well in the implementation of urban policy initiatives.

Two main urban policies operating on Tyneside in the mid 1990s - Tyne and Wear Development Corporation and North Tyneside City Challenge - have, in physical terms, impacted significantly within their areas; regenerating tracts of derelict land and disused buildings and in the Corporation's case opening up access to the riversides once again. Nevertheless the physical impacts the two organisations have had bears little relationship to the genuine needs of local communities that live within or adjacent to their respective development areas. Unsurprisingly, TWDC has invested substantial amounts of public resources upon land reclamation and infrastructure development in seeking to meet their remit as expressed in the 'Local Government Planning and Land Act' (1980). What is surprising (even alarming) though is the physically dominated approach adopted by North Tyneside City Challenge. The majority of resources of the City Challenge initiative have been focused upon infrastructure and commercial development around the A19 Corridor area. Whilst many have argued that City Challenge is a significant move away from the 1980s style of regeneration - evidence from North Tyneside seems to suggest that this move is not anywhere as significant as might be thought.

In terms of employment creation both TWDC and NTCC have failed to impact upon the unemployment levels in their areas. NTCC was forced to reassess drastically its first year outputs and five year plan after only a few months and whilst evidence from second year results are more encouraging, the first year deficit will remain. TWDC appears to have met their output measures for 1993/1994 (DoE, 1994). That said, closer inspection of Newcastle Business Park, the Corporation's most significant job creating development, demonstrates that both the Corporation and Department of Environment are counting 'any job' located on the Business Park as a truly 'new job'. Without question, Tyne and Wear Development Corporation has failed to create the numbers of 'new jobs' it has claimed. Whilst North Tyneside City Challenge is forced to monitor job creation quite strictly, it would be safe to conclude that both the Development Corporation and City Challenge initiative studied have

only had a minor impact on the most serious and long term problem on Tyneside - unemployment.

When addressing the issue of participation the two organisations have varied in both their approach and their relative levels of success. The Corporation (not compelled to consult) has developed mechanisms by which some of the community can consult with TWDC. Monitoring Panels are an example of good practice. City Challenge (obliged to consult) on the other hand, was established with the issues of consultation and participation very much in mind, but, as evidence suggests, has had significant problems in addressing these issues successfully.

North Tyneside City Challenge has made only a limited attempt to consult the community and the local community has been forced into a junior position in the partnership (NCVO, 1993). Whilst both organisations have consulted the community - with varying degrees of success - neither has adequately addressed the issue of participation. Consultation may inform the community and the respective organisations of each others' views but do not guarantee participation. Both the Development Corporation and NTCC find it expedient to be seen to be 'consulting' the community but neither make serious attempts at enabling local people to participate in the development process.

If attention is directed to the last major area of this thesis, community benefit, then again striking similarities can be found between these two very different (at least on the surface) urban initiatives. Both organisations have attempted to secure community benefit in similar ways - facilitating the provision of social housing, developing appropriate training schemes for the long term unemployed and making available grant resources to local community groups. The Corporation have funded a variety of projects, both within and adjacent to the UDA, but have more recently begun to concentrate resources within the flagship areas. NTCC have consciously targeted their community resources on specific areas - most notably the very deprived areas of Meadow Well and Howdon - and this has led to other communities, adjacent to these areas, becoming marginalised. Whilst TWDC and NTCC have specific geographical areas to operate within, they clearly target certain communities within these areas and consequently marginalise others with similar problems. Overall, the Corporation has developed a range of strategies under the broad

banner of 'community development' and to a certain degree this has been matched by North Tyneside City Challenge. Both organisations have worked constructively with other agencies in delivering and developing strategies (notably the Employment Service and Tyneside TEC) and a number of local people have benefited directly from their action. Ultimately though, long term benefit closely relates to employment opportunities available to local unemployed people. Whilst both organisations have established mechanisms through which local people can access job opportunities, the failure of the Corporation and North Tyneside City Challenge to create significant employment opportunities (and the lack of jobs in the wider labour market) has meant that local people have benefited little from the developments of the Corporation and City Challenge initiative.

As previous chapters have highlighted, cities have long been the focal point of public policy action, mainly in response to the worsening economic and social conditions of these areas. The lack of economic opportunities for certain groups in society has combined with a number of other social and environmental factors to create a very specific set of circumstances; the inner city problem.

Until recently, the responsibility for addressing this 'urban crisis' has been with local government. Municipal action to combat health problems in the mid 19th Century marked the beginning of local government as we perceive it today. Since this period, local authorities have evolved and developed into complex bureaucratic structures. Local authorities have developed a wide range of new programmes and legislation and provided a democratic means for a locally accountable service in the areas of housing, education, health and welfare. But, more recently services and policies that were once the preserve of local authorities have been removed from local democratic control and placed under the direction of centrally appointed and centrally resourced agencies - QUANGOS. The list of functions transferred away from local government control includes the Polytechnic sector, further education, sixth form colleges, all of whom are now managed independent of local authorities and resourced through funding councils. More significantly LMS (Local Management of Schools) and the National Curriculum have removed local authority responsibility for the local education system. Local Authorities have also been prohibited from providing council housing and provision has effectively been transferred to Housing Associations and Local Government representation has been removed from local Health Authorities. In many

areas where local authorities have been historically involved, little democratic representation remains.

In the area of urban policy, Urban Development Corporations have removed the responsibility for regeneration in the areas where they were designated and the restructuring of funding regimes has meant that development funds - such as City Grant - are paid directly by central government. Much of the work in employment has been transferred to TECs - Quangos that operate without representation from trade unions and local authorities. Whilst City Challenge may appear to be a move away from this, some have argued that City Challenge bodies are Quangos themselves, with no truly democratically accountable structure. Whilst there are questions about the commitment of some local authorities to community participation, the ability of local government to act independently and reflect local need has been curtailed in a number of areas over the past 15 years. Local democracy has been reduced severely by a number of measures introduced by the Conservative government, all aimed at reducing the powers, function and democracy of local authorities in England. The imposition of Quangos to deliver local authority functions has seriously affected the ability of local government to address the very serious economic and social problems evident in our cities. Whilst local authorities are by no means 'Paragons of Virtue', they do offer the clear benefits of democratic accountability and local flexibility and responsiveness when addressing these issues.

It is all too easy to criticise approaches to urban policy and whilst the need to provide an alternative, or range of measures that might be adopted to address inner city problems, should be considered by all those who actively engage in policy evaluation, the actual development of an alternative strategy presents some very serious barriers to negotiate. The following section outlines ideas that urban policy should be aiming to achieve and by what measures, but is not prescriptive or fully comprehensive. Policy advisers and politicians have striven for years to develop an urban policy that would solve the inner city problem, so the following discussion can only be regarded as a very minor contribution to this debate.

## 1. Co-ordination of National Policies

The idea of co-ordinating policy action is nothing new but attempts made in the past have largely failed. Regeneration policies will not be successful if wider policies in housing and welfare run counter to regeneration policies. In addition, mainstream resources need to be targeted on the cities and complement urban initiatives in that area.

## 2. National and Regional Industrial Policy

There needs to be a policy developed which actively encourages industry to develop in depressed areas and that will link effectively with the emerging markets in Europe. This would entail the re-introduction of cost effective Regional Grant regimes and re-orientation of central government support to the industrial sector and away from the service sector.

## 3. Increase in Local Democracy

Reduction in local democracy has been clearly evident over the past 15 years and must be addressed if local authorities are to operate effectively again at the local level. Local authorities need to be adequately empowered and resourced to act as local situations demand and address deprivation in their areas.

## 4. Central/Local Relations

Central government should again view local government as the local arm of government reacting effectively to local variation. This may take the form of the 'Contracts de Ville' in France, whereby the two parties enter into a specific contract to implement certain policies. Whilst City Challenge has achieved this in some way, the various tiers of government should begin to develop a strategic approach.

Within these broad aims outlined above (and they are by no means exhaustive) could operate an effective range of urban policies. Outlined below are a number of

issues, that have been discussed before, but nevertheless are central to urban policy being able to address the needs and problems of inner city residents.

1. Strategic Approach

Urban policy must clearly relate to and complement the wider policy framework and vice versa. The priorities of the various levels of government, European, National, Regional and local must be co-ordinated for urban policy action to be effective.

2. Local Leadership

Democratic institutions must be strengthened, power redirected away from Quangos and a direct link made between local authorities and those agencies undertaking regeneration. Power needs to be firmly re-directed to the hands of local authorities.

3. Long Term Commitment

Urban policy needs to be long term and co-ordinated in nature. The restrictions and uncertainties created by annual funding regimes needs to be replaced by long term strategically developed policies with clearly identifiable aims and objectives.

4. Adequate and Appropriate Resourcing

Both the public and private sector need to re-invest in the long term future of the cities. There is a need to co-ordinate better public and private spending and remove restrictions which deny local authorities the ability to borrow money. Additionally, gaps left by the Urban Programme need to be addressed and revenue, rather than capital investment, made available.

5. Need not Beauty

Resources must be allocated on the basis of levels of deprivation and need in an area not, as City Challenge and SRB resources are, allocated on the basis of competition. Resources also need to be allocated with an 'urban bias' and not generally as is the case with SRB funding.

6. Partnership

Whilst the concept of 'partnership' has been misused extensively over the past 15 years, there is a definite need for a variety of actors to work together in the pursuit of regeneration. The success of this relies on the equality of power between the public, private, voluntary and community sectors. City Challenge has attempted to achieve this but evidence suggests that a limited timescale and lack of adequate resourcing have often prevented communities participating in the partnership in a meaningful way.

7. Community Empowerment and People Based

Urban policy should be people based and should be inclusive. The role of the voluntary and community groups is essential in mobilising local people to achieve sustainable action and develop people's aspirations and talents. There is a need for 'bottom up strategies' to identify what people need/want and develop these ideas (through support and action) so that people can own and direct action. A real commitment to community based activity and community empowerment are essential parts of any urban policy. That said, in the current political climate it is not regarded as politically expedient to be seen to be giving the poor what they want.

It is clear that until government are prepared to create a framework which addresses the needs of deskilled, poor and economically marginalised communities, cities will remain unstable and long term sustainable regeneration will remain unobtainable. Whilst it would be naive to assume high levels of resources would solve the urban problem alone, the effective targeting of resources in a co-ordinated effort to ameliorate inner city problems is clearly the most appropriate way to proceed. A long

term approach producing a long term effect - needs to be developed with the major stake holders in the area - local people. Urban policy must be adequately and appropriately resourced, administered by a local democratic institution which clearly appreciates its position in relation to central government, other local agencies but most importantly local people. Few of these requirements actually exist today.

Whilst recommending what urban policy should be is a relatively easy task, it must be clearly acknowledged that in the current political context demands for equitable regeneration, administered through devolved power structures responsive to local need will be received by the government, at least, with little enthusiasm. Until there is a sea change in attitudes toward urban policy (not necessarily guaranteed by a change of government) urban policy will continue to be outside the control of local authorities and remain largely irrelevant to local people; certain groups in society will continue to be further marginalised in distinct areas.

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