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**Understanding the vitality of neighbourhood  
governance in terms of sites, spaces and  
spheres**

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## ABSTRACT

Targeted neighbourhood action is a long-standing feature of urban policy and a neighbourhood focus has been part of New Labour policy initiatives concerned with tackling disadvantage, improving service delivery, renewing democracy and reinvigorating civil society. Although rhetorical appeals to neighbourhood sometimes suggest that simple solutions are to be found in the neighbourhood, persistent tensions and dilemmas characterise attempts to establish a new approach to governance at this level. These include issues of citizenship and democracy; targeting, efficiency and equity; and cohesion and diversity (in the foreground of recent debate).

Following the conceptual framework proposed by Lepine, et al (2007a), it is suggested here that the emergence of neighbourhood governance can be understood in terms of sites, spaces or spheres. It is argued that the neighbourhood has most often been a site for actions determined beyond it - a defined spatial territory within which policies are enacted and services delivered. Smith et al's (2007) examination of the theory and practice of neighbourhood governance since 1997 suggests that opportunities have been created for involvement in new governance spaces but that it is far from clear that a new sphere of governance (which would be characterised by devolved power and effective connections to other governance levels) has been (or will be) created.

Further developments in neighbourhood governance can be expected as the Local Government White Paper published in October 2006 (CLG, 2006) is implemented. The neighbourhood may have a place in mechanisms for scrutiny and challenge, alongside the promised reduction in central performance management, but there is more to the creation of an effective sphere of neighbourhood governance than this. In examining the White Paper's proposals, other recent policy developments and the potential of neighbourhood governance, this paper takes as an important starting point that neighbourhood governance is dealing with complexity and that questions of governance cannot be discussed in purely technical or managerial terms. Addressing the tensions inherent in governance requires dialogue, openness to learning, a willingness to take risks and "a capacity on the part of government to exercise its meta governance role in a way which allows the development of other effective spheres of power and action" (Lepine, et al, 2007b).

## **Understanding the vitality of neighbourhood governance in terms of sites, spaces and spheres**

### **Disadvantaged by where you live?**

This paper contributes to debate about the place of the neighbourhood in urban policy through an analysis of recent and current developments in neighbourhood governance. It draws on an evidence base of research to give particular attention to the place of the neighbourhood in the policies of the New Labour administration which came to power in 1997. This discussion will be concerned mainly with the disadvantaged neighbourhoods which have largely been the focus of the research drawn on here and in a recent publication which reflects on that research (Smith et al, 2007) and which informs this paper. This is not, however, to suggest that developments in neighbourhood governance have significance only in disadvantaged areas. (Indeed one of the questions of some interest in this policy arena is how far and why the prescriptions for governance differ between the best and worst off areas.)

Since the 1960s, targeted neighbourhood action has featured in urban policy programmes seeking to improve housing, enhance services, address persistent social problems, regenerate localities and (re)build 'community'. Community development (more recently, capacity building, building social capital) has been an important feature of programmes concerned not just with bricks and mortar, statistics of disadvantage, or service failure, but with aspects of community life - to be corrected, rebuilt, sustained, or tapped into as a resource for change. The appeal of neighbourhood has been associated not only with greater responsiveness and effectiveness in service delivery but with participation and enhanced democracy (Dahl and Tufte, 1973).

Action at the neighbourhood level has been a persistent response to concerns about the spatial polarisation of disadvantage in the wake of demographic, economic, technological and social changes which have had a significant impact on cities and the neighbourhoods within them. At different times in the urban debate, persistent 'pockets' of disadvantage have been seen to challenge claims of general affluence or of urban renaissance. (See, for example, the recent Treasury Review of sub-national economic development and regeneration - HM Treasury, 2007- which has drawn attention to the persistent disparities within regions and their particular concentration in cities.)

Area-based, targeted approaches have been criticised for ineffectiveness, for failing to respond to disadvantage outside of its most obvious spatial concentrations and for giving neighbourhood an unmerited causal role. While it is plain that global forces and government policy intersect with everyday life in the neighbourhood, the disadvantage experienced there is driven by processes of economic and social change that lie well beyond the neighbourhood (Bradford and Robson, 1995). The Treasury Review argues that while the initial causes of deprivation are to be found in structural / economic change and individual / personal characteristics, once concentrated, symptoms and place specific factors interact, perpetuating or worsening poor outcomes (HM Treasury, 2007, 1.27). However, while 'poverty of place' does play a part in determining people's quality of life and life chances (see for example Friedrichs et al, 2003) the nature and extent of any neighbourhood effect is less clear.

Cheshire has argued that if the problem is concentration of disadvantage, rather than a neighbourhood effect, "then the conclusion for policy is to reduce income inequality, not to build 'mixed neighbourhoods' or to improve the built environment in such neighbourhoods" (Cheshire, 2006, p 1236). This is not an argument against action in

neighbourhoods, however, but an appeal for a better understanding of how cities work and for a more a rigorous analysis of the evidence which supports urban policy approaches, (including several which Cheshire identifies as forming part of the current conventional wisdom - on sustainable communities, poly-centricity, mixed communities and containment and densification).

The neighbourhood renewal policies of the New Labour government which came to power in 1997 reflect a number of shifts in the understanding of urban disadvantage already apparent before that point. Failures in service quality, coordination and responsiveness have increasingly been recognised as an important dimension in disadvantage and the neighbourhood has been seen as a level at which joined up approaches can best respond to persistent (wicked) issues. A coordinated approach to a variety of problems had therefore been a feature of programmes such as City Challenge<sup>1</sup> and the Single Regeneration Budget<sup>2</sup>, which have not focused on a single issue, but have covered employment, education, crime, health, the environment and community development. In the neighbourhood as elsewhere, there have been efforts (varying between programmes and over time) to involve partners or stakeholders – the private sector, local communities, delivery agencies – in a partnership approach.

Since 1997, New Labour policy initiatives concerned with tackling disadvantage, improving service delivery, engaging citizens, renewing democracy and creating sustainable communities have been pursued partly at neighbourhood level. Mainstream service delivery has been given particular attention in more recent policies and programmes. Concern with community life persists and a perceived absence of social capital has been an important driver in New Labour neighbourhood renewal policy. The future place of the neighbourhood, following the 2006 Local Government White Paper (CLG, 2006), is as yet uncertain. However, even if the focus on the neighbourhood which has been evident in recent years (for example, ODPM/HO, 2005) is now less sharp, the neighbourhood remains of interest in academic study and is unlikely to disappear from the policy arena.

### **Neighbourhood governance in context**

While statistics of disadvantage play an important part in the defining the boundaries for intervention, concern with the neighbourhood in urban policy extends beyond the targeting of resources to particular areas and reflects persistent interest in communities – how they function and how they are governed. The context for this discussion of neighbourhood governance is the emergence, in response to major political, economic and social shifts, of new forms of governance which appear to offer a means to address concerns about competitiveness, cohesion and sustainability.

Neighbourhood and governance are not simple terms and they are used in varied ways, descriptive, analytical, but also normative, by policy makers and academics. The meaning of neighbourhood in the rhetoric and reality of public policy merits

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<sup>1</sup> **City Challenge:** a five-year Government regeneration programme initiated in the early nineties whose objective was to transform targeted areas in rundown inner city areas and improve the quality of life for local residents within the targeted area.

<sup>2</sup> **Single Regeneration Budget:** a funding programme that was launched in 1994 to encourage local communities to develop local regeneration initiatives to improve the quality of life in their area. It brought together 20 separate programmes from five Government Departments. Six annual rounds of SRB funding were made available via a competitive bidding process.

attention in itself (see for example, Sullivan and Taylor, 2007, Lepine and Sullivan, 2007). For the purposes of this paper neighbourhoods are defined as “complex, dynamic, multi-dimensional and subjective constructs, with identities and governance capacities that go beyond pre-conceived geographical or administrative boundaries”. References to governance are to “the combination of rules, processes and structures in operation to secure ‘ordered rule’ (Rhodes, 1997) in complex and fragmented societies, including the determination of key policy goals, and the design and delivery of related policies, programmes and services” (Lepine et al, 2007a).

While there is disagreement about the extent to which developments in governance represent a shift from hierarchical, via market, to network forms (Rhodes 1997) it is generally accepted that governing does now occur in more diverse and dispersed forms, which draw a wider range of actors into governance functions of decision-making, delivery and resource allocation (Kooiman, 2003; Pierre and Peters, 2000).

Some discussions of ‘network governance’, (Rhodes, 1997; Stoker, 2004) pay particular attention to the role of the state. Jessop has referred to the governance in the shadow of hierarchy (Jessop, 1997, 1998); others emphasise a reduced state capacity for control, accompanied by new opportunities to influence or steer (Stoker 2000). Difficulties associated with network governance also receive attention. Its potential appears dependent on trust and reciprocity, yet differences in the power and resources of different stakeholders and in their capacity to engage cannot be ignored. The involvement of many actors may confuse lines of accountability (Sullivan, 2003, Parry and Moran, 1994) and, certainly, accountability requires some re-thinking in altered contexts. However, developments in horizontal accountability may be in conflict with requirements for reporting against centrally determined targets.

Discussions of governance also draw attention to the opportunities it presents. Newman (2005) refers to the creation of new opportunities for citizen participation in the co-production of services, while Cornwall identifies both ‘invited spaces’ into which citizens enter at the behest of the state and ‘popular spaces ... arenas in which people come together at their own instigation’ (Cornwall, 2004, p 2). In New Labour discourse, concern with citizen participation has been particularly associated with communitarian views of rights and responsibilities (Etzioni, 1995) which have informed a focus on self-help, social capital and community building but which have also been subject to criticisms, including the argument that they do not deal adequately with issues of dominance, conflict and exclusion.

Governmentality theory (Foucault, 1979) offers another perspective on neighbourhood governance, drawing attention to the possibility that the development of forms of power beyond the state may, in practice, maximise its effectiveness. Hence it has been argued that a “community discourse” has hi-jacked a “language of resistance and transformed it into an expert discourse and professional vocation” (Rose, 1999, p 175). Research provides some support for such views, finding community representatives marginalised and under pressure (Lowndes and Sullivan, 2004, Taylor, 2003b, Atkinson, 2003, Purdue, 2007).

However, as already noted, the existence of new spaces does also offer opportunities for citizens (Barnes, Newman and Sullivan, 2007, Taylor, 2007), some of which are to be found at neighbourhood level. It is argued here that neighbourhood governance is an important component of a multi-level and multi actor environment. New arrangements for collective decision-making and/or public service delivery, for example in regeneration partnerships, or for neighbourhood management, therefore merit attention and offer an opportunity to examine the changing boundary between citizen and state.

## Persistent tensions in neighbourhood governance

The examination of recent developments in neighbourhood governance by a number of the contributors to Smith et al (2007) suggests that a number of persistent tensions recur both in debate and in the practice of neighbourhood governance.

- *Democracy and citizenship.* Howard and Sweeting's (2007) discussion of the forms of representative, participatory and market democracy to be found in the New Deal for Communities and Neighbourhood Management Pathfinder programmes highlights the problems that can arise from muddled thinking about questions of democracy and engagement, as clashes of purpose and expectation lead to challenges to the participants' capacity, leadership or representativeness.
- *Leadership and capacity.* Participation often relies on the commitment of the few and can make heavy demands on individuals and organisations. Purdue's (2007) examination of leadership, representation and participation suggests that failure to address such issues is likely to result in burn out and crises in community leadership, affecting the capacity of local organisations and partnerships.
- *Targeting, efficiency and equity.* Lepine and Sullivan's (2007) discussion of previous decentralisation initiatives and 'new' localism highlights the continued relevance of debates about the balance to be struck between demands for universal standards and fairness and the contribution of neighbourhood – which can be seen to lie precisely in its potential for responsive and differentiated delivery.
- *Cohesion and diversity.* Beebeejaun and Grimshaw's (2007) analysis of race and gender issues within an NDC partnership highlights the extent to which neighbourhood may now be a place in which diversity is experienced. However, neighbourhoods may also be far from diverse as Quirk's (2007) discussion of the 'close' and the 'closed' neighbourhood reminds us. With isolation, may come a sense of victimisation or blame, associated with the idea that problems experienced in an area are specific not only to neighbourhood but to the class, race, or religion seen to be concentrated there. Multiple sources for personal identity may also be overlooked in over-simplified discussions of diversity and 'mosaic multi-culturalism' in the neighbourhood. (Benhabib, 2002, in Beebeejaun and Grimshaw, 2007, p 264).

## A conceptual framework – site, space and sphere

It is suggested by Lepine et al, (2007) that developments in neighbourhood governance and the tensions to be found at work in such developments can usefully be understood in terms of sites, spaces or spheres. These are constructions, with distinct characteristics, but it is not suggested that they are discrete entities. However, they offer a perspective from which to examine neighbourhood governance – one which allows the discussion of neighbourhood governance to reflect the complexity of the wider governance debate (which has been introduced only briefly here) and also the persistent tensions that recur in debate and implementation.

The neighbourhood as a *site* of governance is likely to be a well defined spatial territory, but its boundaries will have been drawn in connection with the policies to be enacted and the services to be delivered there. They will not necessarily reflect or respond to resident understandings of neighbourhood identity. When neighbourhoods are targeted as sites of intervention in this way, typically, power, resources and influence do not lie within the neighbourhood. Links to local government, where they exist, may be partly through ward level connections, not always well aligned or connected, nor supported with specific, devolved powers. The

purpose of interventions is likely to be understood differently by different actors – for example, some may see containment, where others claim improvement is the focus.

Where action at the neighbourhood level opens up a new governance space, that 'space' is shaped by governance institutions. These may be created and owned by the state or by the private, voluntary and community sectors. The neighbourhood may be defined in multiple ways, by different actors in the 'invited' and 'popular' spaces referred to earlier (Cornwall, 2004). The extent of devolution (financial, political, managerial) will vary, depending on (one or more of) policy or service area, national and local policy drivers and frameworks for action. Agencies drawn into these spaces may be concerned primarily with issues of resource allocation or coordination. Voluntary and community organisations may seek mainly to represent particular interests, or may seek the funding to enable them to engage directly in the design and delivery of programmes. The role of local elected members is likely to be important in relation to state owned neighbourhood institutions but they may also have a linking role between constituents, agencies and voluntary and community organisations.

Although no neat ladder of forms is intended here, the 'sphere' may be regarded as the most fully realised form of neighbourhood governance. In a sphere, an emphasis on collective decision-making will be accompanied by financial, political and/or managerial/professional devolution. The varying interests of stakeholders, acting in partnership in the sphere, will be reflected still in different definitions and priorities, but a clearer shared purpose will characterise the sphere. Its connections and relationships with other spheres of governance (locality, sub-regional, regional, national or supra-national) will be clearer. Co-production is likely to be prioritised and elected members may be expected to play a key role facilitating both horizontal and vertical exchanges.

### **Sites, spaces and spheres in neighbourhood policy since 1997**

As already noted, neighbourhood has had a central part in the mainstream urban policy agenda in the UK since 1997. In the National Strategy for Neighbourhood Renewal (NSNR), developed during New Labour's first term (SEU, 1998 and 2000), neighbourhoods clearly appeared as a site in which to tackle disadvantage. Most of the programmes associated with the NSNR (such as New Deal for Communities and the Neighbourhood Renewal Fund) have had a strong focus on narrowing the gap between deprived neighbourhoods and the rest of the country, through joined up and improved service delivery and community engagement. Communities were to be at the heart of key initiatives – engaged in their governance and reached out to through strategies intended to revitalise community and in some cases, local democracy. In the same period action on civil renewal<sup>3</sup> and the latter 'Together We Can' approach from the Home Office (Home Office, 2005), saw the neighbourhood as a space in which to revitalise citizen engagement.

Neighbourhoods have also had a part to play in the Local Government Modernisation Agenda (an aspect of 'Modernising Government', Cabinet Office, 1999) which has involved more than 20 policy initiatives, intended to improve local government performance. Neighbourhoods have been important in area based mechanisms for service improvement. They have also appeared as spaces within which to stimulate the democratic renewal which is an important aspect of the 'modernisation' of local

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<sup>3</sup> On which see the former Home Secretary, David Blunkett, MP, Scarman Trust Forum Lecture on 11 December 2004 and the Edith Kahn Memorial Lecture on 11 June 2003.

government. Community strategies<sup>4</sup>, Local Strategic Partnerships (LSPs)<sup>5</sup> and Local Area Agreements (LAAs)<sup>6</sup> have all reflected some concern with the responsiveness of local government and other agencies to the sub locality.

In policies for Sustainable Communities neighbourhoods have appeared as places to be produced, to offer decent housing, and an attractive and sustainable quality of life. The Sustainable Communities plan (ODPM, 2003) followed an Urban Task Force (1998-9) and the Urban White Paper (DETR, 2000). It set out a programme of action that aimed to tackle issues of sustainable growth and housing supply, particularly in the South East, to encourage regional economic development; and to address areas of low demand in run-down neighbourhoods.

Although the focus of discussion here is primarily on neighbourhood policy in England, it must be noted that these are far from isolated developments. Similar policies and programmes can be found not only in England and Wales, but elsewhere in Europe and alongside European initiatives focusing on disadvantaged neighbourhoods (for example the URBAN<sup>7</sup> and Objective 1<sup>8</sup> programmes).

Although it is possible to associate these policy agendas with particular, central concerns, in policy and in practice, concerns with service improvement, democratic renewal and social cohesion are interwoven in these agendas and all are explicitly contained in the 'new localism' agenda (Aspden and Birch, 2005). 'New localism' is also associated with arguments for an altered relationship between central and local government in which the neighbourhood has also featured – this is considered further in a later discussion of the 2006 Local Government White Paper.

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<sup>4</sup> **Community Strategy:** under the Local Government Act, 2000 all local authorities in England have a duty to prepare a strategy for promoting or improving the economic, social and environmental well-being of their area.

<sup>5</sup> **Local Strategic Partnership:** a cross-sectoral, umbrella partnership generally coterminous with a local authority area bringing together the public, private, voluntary and community sectors (generally including local government, local health and education authorities, the Police and community representation) to provide a single overarching local co-ordination framework within which other, more specific partnerships can work. They were originally associated and specified for the 88 most disadvantaged local authorities areas in the NSNR action of 2001 (LSPs allocate and oversee the use of the NRF). However, they have also been set up in many local authority areas outside of these 88 local authorities.

<sup>6</sup> **Local Area Agreement:** a three-year agreement based on a Sustainable Communities Plan that sets out the priorities for action between central government (represented by the GO) and a local area represented by the local authority/authorities and the LSP (amongst others). The priorities are shaped with regards to specific central government targets. The local area agreement includes the notion of freedom and flexibilities for local authorities to join up budgets and services to meet local needs. These were initially piloted in 2004 with a decision (taken in 2005) to roll out local area agreements to all upper tier local authorities in England by 2007.

<sup>7</sup> **URBAN:** an ABI-based neighbourhood-focused urban regeneration programme funded by the European Union concerned with the economic and social conversion of towns, cities and urban areas in crisis. URBAN I ran between 1994 and 1999 whilst URBAN II was a [European] Community Initiative that ran between 2000 and 2006.

<sup>8</sup> **Objective 1 funding:** relates to funding available through the Structural Funds of the European Commission. Objective 1 funding is available to particular regions for the period 2000-06 for promoting the development and structural adjustment of regions whose development is lagging behind.



The conceptual framework introduced earlier suggests some key questions which can assist understanding of what is happening at a neighbourhood level. Are the levers of power firmly outside the neighbourhood? It may be primarily a *site* for the enactment of policy and the delivery of services controlled from elsewhere. Are there new practices and institutions? Perhaps new *spaces* for action have opened up, in which state and non state actors are involved, although not necessarily in agreement on a shared purpose. Have things moved beyond this? Is there evidence of devolution to a neighbourhood and well defined connections beyond it? Then perhaps one can say that a new settlement is being reached and a new *sphere* of governance is emerging.

A brief survey of evidence on the operation of the National Strategy for Neighbourhood Renewal and related programmes suggests that these have allowed new governance spaces to develop, but not (yet) new governance spheres. One important limitation on the capacity for effective action at this level is the ad hoc and dispersed nature of arrangements and the associated weakness of horizontal or vertical connections.

Atkinson and Carmichael (2007) for example, in an examination of governance and participation in area based programmes in England, Denmark and France, find that the scope for local decision making has been limited in often ad hoc developments in governance, which have been formed in connection with particular programmes, alongside and sometimes in conflict with existing arrangements. Atkinson's (2007) discussion of multi-level governance in England, similarly suggests that it is characterised by more or less ad hoc arrangements, with poor connections beyond the neighbourhood, reducing capacity for action.

Smith, Howard and Evans' (2007) discussion of the impact of regeneration programmes on mainstream public service agencies and provision acknowledges the creation of new governance spaces in which agencies are invited to participate – but it also identifies significant difficulties which have limited the capacity of neighbourhood partnerships. It appears that the creation of a new space for action is no guarantee that agencies, driven mainly by other imperatives (central targets, a wider remit), will enter and engage. In addition, Grimshaw and Smith's (2007) examination of dominant trends in evaluation, performance management and monitoring, in the New Deal for Communities programme, suggests that these have not contributed as effectively as they might have done to the creation of holistic, locally determined solutions (as might be expected in a governance sphere).

This is both a complex and evolving situation and in the past year there have been significant political changes both at ministerial level and of Prime Minister. There is therefore little clarity about the way forward. However, the next section considers the potential for neighbourhood governance in recent policy developments.

## **New localism and beyond**

### *The Local Government White Paper*

By 2005-06, the proposals under discussion in the preparation of a local government white paper, for what was then called 'double devolution', placed the neighbourhood in a pivotal place in a changing relationship between central and local government. Devolution to local government was to be accompanied by – indeed dependent on – devolution beyond it. The White Paper published in 2006, makes it plain that it is a response to stubborn policy challenges (climate change, prosperity and cohesion) and to the need for creativity to be harnessed at a local level in response to these. There is a strong focus on local government and its democratic legitimacy – the implementation plan refers to the White Paper as "a clear vote of confidence in councils and councillors as the leaders of their communities" (CLG, 2007, p 2). The

role of Local Strategic Partnerships and Local Area Agreements is confirmed and developed in the context of proposals for a streamlined performance management framework in which a better balance is to be sought between national and local priorities.

An initial reading of the White Paper suggests that neighbourhoods continue to be seen not only as an effective and efficient level for service delivery but also as a level at which citizens can hold services to account through mechanisms for scrutiny and challenge. Its proposals include:

- a new duty for councils and other best value authorities to 'inform, consult, involve and devolve'
- neighbourhood charters, setting local standards and priorities
- the 'community call for action' made via a councillor and giving councillors more power to demand action on behalf of their communities
- empowering people to manage neighbourhoods - an expansion of neighbourhood management
- community ownership of assets
- an increased role for community and parish councils in urban areas
- more co-ordinated support for citizens and community groups to help them take advantage of empowerment opportunities.

In its initial comments on the White Paper, the Young Foundation gave it 6 out of 10 on a number of 'empowerment tests' (Young Foundation, 2006). It welcomed signs of increased freedoms and powers for local government, the 'Community Call for Action' and an enhanced role for 'front-line' councillors. It saw potential for helpful developments in community governance in community council proposals, while questioning the right of local government to veto their establishment and expressing particular concern about the dangers of a risk-averse approach to issues of conflict and cohesion.

The proposals outlined in the White Paper seem likely to open up further governance spaces. However, it is not clear how local government's place-shaping role will develop, nor how neighbourhood level activity (and the local councillor's role) might connect with the holistic view, across a wider area, which place-shaping implies. The permissive and as yet rather uncertain nature of emerging proposals adds to the difficulty of making predictions. Of course, demands for a clear prescription for neighbourhood governance do not sit well with claims for local autonomy and the 'place-shaping' role of local government. However, in spite of the focus on Local Strategic Partnerships and Local Area Agreements, which have some potential to offer a coherent framework, there does appear to be a risk that developments will continue to be ad hoc, limited, or poorly joined-up.

### *Participatory budgeting*

The developments which have taken place since the publication of the White Paper have not yet clarified these issues. Proposals have now been brought forward (Bleas, 2007) for neighbourhoods - initially in ten pilot areas - to have control of a community kitty to be spent following local debate, votes and public meetings. Although heralded as participatory budgeting on an international model, these seem so far to be somewhat limited in ambition. Examples can certainly be found in earlier decentralisation programmes of budgets available at a local level for more marginal activities, such as small scale grants for 'clean and green' projects which have been seen in initial UK pilots of this approach.

Some optimism has been expressed that "the time for participatory budgeting has come ... and significant service improvements and efficiencies can be made" (LGIU, 2007). However, greater caution is suggested by the Young Foundation's

comments, which refer to preliminary pilots of this approach being run 'very quietly', and suffering from a 'tentativeness understandable in ... [a] ... risk averse and financially constrained governance environment' (Young Foundation, 2005, p.20). Unless this is to change significantly, it appears unlikely that these proposals will contribute to the development of an effective sphere of governance at the neighbourhood level. This would require proposals for a shift to a more deliberative local democracy to extend beyond marginal activities and a handful of pilot areas.

### *Regeneration*

In the field of regeneration, the recent Treasury Review (HM Treasury, 2007) certainly retains a focus on spatial disadvantage - like the NSNR it has as a key objective that no-one should be seriously disadvantaged by where they live. It is on familiar ground again in arguing that local problems need local solutions and better coordination of service delivery. The Review proposes a devolved approach, within a strategic framework, with incentives to areas to promote growth and to tackle the problems of deprived neighbourhoods. The context for its approach includes the proposals contained in the Local Government White Paper. Its specific proposals include a statutory economic duty on local authorities to assess economic challenges and to respond to them, a concentration of neighbourhood renewal funding and a strengthened and strategic role for Regional Development Agencies<sup>9</sup>.

The Review argues that effective action requires clarity about causal factors and emphasises the need for integrated responses to the related problems of a weak economic base, poor housing and local environments and poor public services (1.48). While it concludes that neighbourhood renewal is best managed at local authority level, it also refers to the need for coordination in delivery at neighbourhood level, for account to be taken of wider connections and to the necessity of recognising tensions between neighbourhoods and the wider economy in tackling neighbourhood disadvantage (4.8).

It is possible to see in this some appeal for the creation of better coordinated spheres of governance. However, it offers a more detailed picture of connections above the local authority level than below. It also has a particular emphasis on worklessness and on neighbourhood specific targets focused on the economic drivers of deprivation and disadvantage (5.20), which, in the context of reduced funding may suggest a narrowing of focus. This would sit less well with appeals for a holistic approach to what needs doing in a sphere of governance at the neighbourhood level.

### **Future potential – site, space, sphere?**

Neighbourhood governance continues to appeal to policy makers and the neighbourhood remains a place in which disadvantage is to be addressed and in which new forms of governance may be found. In a speech made in 2007, Prime Minister Gordon Brown (2007) has appealed for a new politics of the common ground – to meet the need for a better party politics, to open up the political system to new ideas and to address weaknesses in participatory democracy at the local level. The

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<sup>9</sup> **Regional Development Agency:** Regional Development Agencies were set up in 1999 in the English regions and in London. They are non-departmental public bodies and their main role is as strategic drivers of regional economic development. They aim to coordinate regional economic development and regeneration, enable the regions to improve their relative competitiveness and reduce the imbalance that exists within and between regions. These regional agencies took over responsibility for the Single Regeneration Budget from Government Offices; later, from 2002-03, their funding was brought together into a single, cross-departmental budget by 2002-03, referred to as the Single Pot.

speech refers to the neighbourhood related agenda of the White Paper and the Blears' proposals. There seems to be no retreat from the neighbourhood.

However, with the detail of implementation still unclear, some commentators are pressing for talk of localism to be backed by action (LGC, 2007, Travers 2007) and others have suggested that this is a pivotal moment, for neighbourhood management in particular. As ring fenced funding ends and is replaced by funding directed via (local authority wide) Local Area Agreements, it has been argued that if neighbourhood management "fails to convince it will join many other regeneration initiatives that come and go, but if it is identified as the 'right tool at the right time' it may develop to become an essential tool in delivering neighbourhood renewal (SQW, 2006, p 7).

Our analysis suggests that action at the neighbourhood level has often been characterised by ad hoc developments which do indeed come and go. Moreover, it appears that, although there has been a move beyond the targeting of sites for intervention, the opportunities offered in new governance spaces have often been limited, for example by issues of leadership, or capacity. Successful developments in neighbourhood governance are therefore likely to depend on a realistic view of the investment needed in order to help generate confidence and competence. (This is not to imply that deficiencies in capacity are to be found only at the community and not, for example, at the agency level.)

Complex issues arise in neighbourhood governance. How are new forms of engagement to fit with traditional democratic arrangements? What should be - and what is being - asked of citizens? Is action at the neighbourhood level efficient, effective, responsive – or likely to generate unaffordable demands? Is it equitable? Is the neighbourhood a place in which tensions surrounding cohesion and diversity can be reconciled? It has been argued recently that accountable decision making at local authority level will need to act as a fulcrum between larger and smaller spatial areas if inequalities are not to become entrenched and communities fragmented (ODPM, 2006). Certainly, the lack of effective connections to established spheres of governance beyond the neighbourhood remains an important issue. Local Strategic Partnerships are now widely established at local authority level and appear to be of growing importance, but the evidence to date does not suggest that they have yet offered a clear framework within which developments in neighbourhood governance might flourish. (Atkinson, 2007, Sullivan and Howard, 2005).

Our examination of the apparent 'direction of travel' suggests therefore that developments may continue to fall short of the creation of an effective sphere of governance at neighbourhood level. Further research could contribute to essential learning about new practices and to a better understanding the nature of the administrative, political and cultural challenges involved in the sites, spaces and (potential) spheres of neighbourhood governance. This is not, however, to argue for technocratic and value neutral 'answers' to complex questions. The potential of neighbourhood governance lies in its capacity to deal with complexity and to address inevitable and persistent tensions such as those discussed here. This we argue requires dialogue, openness to learning, a willingness to take risks and "a capacity on the part of government to exercise its meta governance role in a way which allows the development of other effective spheres of power and action" (Lepine, et al, 2007b).

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