



Delivering Succession Strategies  
**Some lessons from the New Deal for  
Communities Programme**





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The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.

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# Contents

Executive summary	4
Introduction	8
Background and context: planning for succession in neighbourhood renewal	11
Why succession?	15
What to sustain?	19
How to sustain: approaches to succession	25
Practical considerations from the case studies	32
Key learning points	47
Appendix A: Acknowledgements	49
Appendix B: Glossary	51

# Executive summary

## Introduction

The 39 New Deal for Communities (NDC) Partnerships were set up between 2000 and 2001, and their ten-year delivery programmes are all now drawing to a close.

Overall, the NDC Programme has had a greater focus on long-term sustainability than other area-based regeneration initiatives (ABIs) that preceded it. Research carried out in 2005 showed that the majority of NDCs were at least considering options for succession, with 5–6 years of programme delivery to go. Communities and Local Government has encouraged this and produced guidance on NDC succession planning. Now, as they approach the final years of delivery, most NDCs are focusing squarely on ‘what happens next’.

But what are NDCs including in their succession strategies? What approaches are they taking? How far have they come in putting elements of the strategy in place? What has worked well, what has been challenging and what has been learned?

These are the questions addressed by this practice study. Drawing on participative research with 15 NDCs and in-depth case studies with six partnerships taking different approaches to succession, the study aims to build an understanding of how NDCs are approaching succession and to share learning from their experiences. Given that there is currently a shortage of evidence on what works in succession planning, the study aims to be useful both to the NDC Programme and for other ABIs, present and future.

## So why bother with succession?

Past regeneration schemes have sometimes taken the need to sustain their work as a given, without fully thinking through the motivations and reasons for doing this – or even whether there is in fact a need for succession.

In contrast to this, the NDCs taking part in the study had all thought through their motivations for succession explicitly. This is a key building block for an effective succession strategy. Although reasons varied between partnerships, those that we studied were planning succession in order to do one or more of the following:

- **to sustain the benefits** of the Programme, for example embedding approaches that have worked locally, maintaining a culture of partnership working, keeping specific interventions or activities going where they have provided positive outcomes for local people
- **to complete unfinished business**, either by continuing to work on particular issues where the partnership feels that not enough progress has been made to date, or on initiatives that will not be finalised by the end of the NDC

Programme, such as major housing developments – or more generally, recognising that most NDC areas continue to suffer from multiple deprivation, so that on-going work is needed to ‘narrow the gap’

- **to sustain resident and community involvement**, given that engaging local people has been at the core of the NDC Programme and is regarded by communities and partners to have contributed to its successes
- **to be able to respond to new challenges and opportunities** in regeneration

## What are NDCs trying to sustain?

Interestingly – and we think positively – NDCs taking part in the study tended to focus strongly on **sustaining key processes**: relationships, infrastructure and new ways of working. This seems to mark a change between the NDC Programme and previous ABIs, which, in trying to sustain their work, have often tended to look more narrowly at securing ongoing funding for particular projects or ensuring a specific organisation can continue as a successor body.

In particular, sustaining engagement between community members and service providers – and putting in place the resources, communications, infrastructure, and support to achieve this – came out as one of the core aspirations for NDCs as they plan for succession. This has the potential to be a more sustainable approach to regeneration, although this can only be measured in the longer term.

## And how are NDCs going about sustaining their work?

The NDCs participating in this study were using a variety of tools and approaches to sustain elements of their work. These included:

- **influencing mainstream strategy and delivery**: influencing partners to continue with a particular approach or focus on priority outcomes; working through Local Strategic Partnership (LSP) structures to influence development of the local area agreement to take account of local priorities and more generally, to include a neighbourhood dimension and focus on reducing inequality; or securing mainstream resources to continue particular initiatives or projects
- **influencing the development of neighbourhood working** in the NDC area and wider district: where relationships with local authorities were strong, NDCs were often piloting neighbourhood arrangements for a wider roll-out. These arrangements were seen by many as a key way of keeping partners engaged with the local community in future
- **setting up independent community organisations** – most commonly community development trusts – to carry on aspects of the NDC’s role. Commonly, these were intended to be resident led, to have a remit to oversee and co-ordinate regeneration in the area, and to hold assets that could generate income for investment locally. Models being developed include limited companies, charities and Community Interest Companies

- **developing community assets** such as healthy living centres, leisure centres and children's centres, that will continue to provide services and community spaces, and in some cases generate income (eg rent) for investment back into the community
- **focusing on supporting the local community and voluntary sector**, for example by securing ongoing small grant funding or Community Chest programmes and providing space for local groups to meet
- **setting up social enterprises** based on successful projects, either to sell services on a small scale to a range of different commissioners, or on the basis of an expected larger scale commission

Most of the NDCs we researched were pursuing a mix of approaches, generally incorporating some type of Neighbourhood Management to enable local communities to work with and influence service providers, and the development of an independent trust able to generate income through assets and/or service delivery.

## What has been learned so far?

Common learning points emerged from the study about the **practicalities of planning and managing succession**.

A **good relationship with the local authority** is critical to succession planning and the NDCs we spoke to in this research were actively working to build and maintain strong relationships with local authorities, establish clear lines of communication and show how the NDC and wider district strategic priorities were aligned. Some NDCs were having to develop succession strategies independently of the local authority, but this seemed to limit their options and could threaten asset transfer, affecting the viability of their strategies.

NDCs were finding that succession could be seen as a **'change management' process** – moving a set of individuals, relationships and structures towards a new purpose and new modes of operation – which needed active management. In particular, **managing the change from NDC to development trust**, which many were undertaking, required getting to grips with new legal status, roles and structures, and in some cases recruiting new Boards. NDCs were approaching this transition in different ways and a range of relationships are emerging between existing NDC Boards and new development trusts.

Key to managing this transition was **getting staff in place with the right skills**, some of which are different to those needed earlier in the NDCs' lifetimes. These included trust management and development, asset development, skills related to 'winding down' projects (performance management, HR expertise, contract law) – while other skills, such as relationship management and community development, had always been critical for NDC staff.

NDCs also highlighted key risks related to succession and challenges that they were still grappling with:

- **maintaining community engagement**, both in relation to the most active residents and the wider community. For example, some NDCs were finding interest amongst resident Board members to be 'tailing off' as Boards had fewer decisions to take and less money to spend. Yet at the same time, transition to new ways of working was seen as offering an opportunity to refresh resident involvement
- **maintaining partners' interest** now that less funding was available and making sure that partners would continue to be engaged in the area after the NDC's lifetime. Most NDCs saw establishing neighbourhood arrangements, and actively trying to align their strategies with partners' priorities, as a key factors in achieving this – but were aware that their successor bodies were likely to have less senior partner representation

The research concluded that **there is no one approach to succession that will be right for all NDC areas**. Furthermore, relying on a wholly independent successor vehicle – such as standalone development or community trust – is unlikely on its own to be sufficient in achieving long-term objectives for regeneration. In making sure their strategies are robust, NDCs need to ensure each of its constituent parts is fit for purpose, financially viable and links to the other parts of succession so that together, the long-term aims for the area can be achieved.

# Introduction

## Background

The NDC programme is a key element of the Government's National Strategy for Neighbourhood Renewal<sup>1</sup>. It has been described as 'one of the most important neighbourhood renewal programmes ever launched in England'<sup>2</sup> and, from its inception, the Programme had at its heart five fundamental design features:

- it was to achieve strategic change across five main outcome areas (health, education, employment, housing and the physical environment and crime) in order to close the gap between these deprived neighbourhoods and the rest of the country
- strategic change was to be delivered through dedicated area based agencies: NDC Partnerships
- Local communities were placed at the centre of the process – elected community representatives form the majority on NDC partnership Boards and wider resident engagement is embedded throughout partnership activities
- NDCs were to engage with partner agencies in order to help transform the delivery of services; and
- the Programme was rooted in the concepts of learning and innovation

In all, NDC partnerships were established in 39 deprived neighbourhoods across the country and a total of £2bn was allocated to the programme over ten years – an average of £50m per NDC. The length of the programme reflects the deeply entrenched nature of the problems faced in these neighbourhoods.

NDCs were established as 'unincorporated partnerships' with a team of officers working under the direction of the NDC Board. The Board usually comprised a majority of local community representatives (often elected into post), representatives of key service providers, such as the Police and Primary Care Trusts and others, such as representatives of the business community. In all cases except one, local authorities play an 'Accountable Body' role in relation to NDCs and have at least one place on most NDC Boards.

The NDC Programme is due to come to an end between 2010 and 2011 (funding was awarded in two rounds) and NDC partnerships have for some time been considering the issue of what comes next – what will happen to the projects and interventions that have been delivered, to the improvements that have been made, and to the considerable efforts of local people that have helped to effect changes. It is in answering such questions that NDCs have been developing 'succession strategies'.

<sup>1</sup> Social Exclusion Unit (1998) *Bringing Britain together: a national strategy for neighbourhood renewal*

<sup>2</sup> NRJ/ODPM (2005) *Research Report 17: New Deal for Communities 2001–2005: An Interim Evaluation*, p.3

## Purpose of the practice study

The primary aim of this practice study is to build understanding of how NDC partnerships are developing succession strategies and of their experience of putting these into practice as they move closer to the end of the Programme. The practice study is also intended to provide a means of sharing good practice – as well as some of the challenges and pitfalls of succession planning – between NDC partnerships and a wider audience.

Succession planning is an issue which has taken on greater significance as the NDC Programme has progressed. It also cuts across many aspects of the NDC National Evaluation. In this context, further objectives for this research are to:

- update progress since previous research into NDC succession planning<sup>3</sup>, and to investigate the extent to which partnerships have sought to develop a strategic approach to sustainability
- identify the range of factors that constitute an overall ‘succession strategy’ – for example, striking a balance between independent income generation and maintaining relationships to influence local service providers
- focus on particular aspects of NDC succession strategies – for example, developing successful social enterprises, negotiating service provision contracts
- support and inform further Communities and Local Government guidance to NDCs on succession planning; and
- enhance understanding of the different roles of communities, NDC and local authority officers and others in developing succession strategies

This report sits alongside other strands of NDC National Evaluation research, including practice studies on ‘Working with Local Strategic Partnerships and Local Area Agreements’, ‘Community Elections’, and case study research on community engagement in NDCs<sup>4</sup>.

The primary audiences for this report include NDC officers, Board members and partners, as well as those responsible for managing the NDC Programme, such as Communities and Local Government, Government Offices and local authorities hosting NDC partnerships.

However, this research will also be of interest to any agencies responsible for delivering long-term, sustainable change in neighbourhoods.

## Methodology

This research employed a participatory approach including discussions with NDC Partnerships, Communities and Local Government and other members of the National Evaluation team. This was useful in framing the context for the Practice Study and in developing the key research questions. As part of this process a

<sup>3</sup> NRU/ODPM (2006) *New Deal for Communities Succession Strategies*

<sup>4</sup> All publications are available on the NDC National Evaluation website: [http://extra.shu.ac.uk/ndc/ndc\\_reports.htm](http://extra.shu.ac.uk/ndc/ndc_reports.htm)

workshop was held with senior NDC officers from 15 partnerships. This was aimed at developing understanding of how succession planning is evolving in NDCs and agreeing the key issues that should be addressed through the research.

Following the workshop, six NDC partnerships were selected as case studies: Bradford, East Brighton, North Fulham, Salford, Sheffield, and West Middlesbrough. The case studies were chosen on the basis of the following criteria:

- focus of succession planning – what is to be sustained
- organisational structures and means of delivering succession
- geographical location; and
- case study selection for other NDC National Evaluation research

Taken together, the six NDCs provide variety in terms of the different thematic areas that they are pursuing for succession, and the ways that they plan to achieve sustainability. Between them they have a number of characteristics in common with other NDCs so learning from them will be of wider relevance. Finally, they come from different areas of the country and did not conflict with other National Evaluation research.

The case study research has consisted of background reviews of relevant documents (Delivery Plans, Board papers, etc.) and one-to-one and group interviews with NDC officers, Board members and key partners (see appendix A for full list of interviewees). The research has thus enabled us to look at NDC succession planning from a range of different perspectives.

Emerging findings from the research were shared with NDC Chairs and Chief Executives, which provided an opportunity to test out some of the key themes and messages. This also elicited ideas for further analysis and topics for inclusion in this report.

The remainder of this report looks at why NDCs are planning for succession; what they are planning to sustain; how they intend to sustain their activities; and key lessons. Overviews of the individual case study NDCs are included throughout the report.

# Background and context: planning for succession in neighbourhood renewal

## Overview

The NDC Programme is not the first area-based initiative (ABI) established by government to tackle disadvantage at a neighbourhood level. NDCs build on a long line of interventions dating back many years, such as City Challenge, Housing Action Trusts and the Single Regeneration Budget (SRB). It is also, therefore, not the first regeneration programme to have had to consider what would happen at the end of its funding.

However, in seeking to learn lessons on succession planning from previous ABIs, it is immediately apparent that there is a lack of information on the subject. There is a dearth of evidence relating both to what happened to the bodies and structures put in place through renewal funding and, more importantly, to the residents in areas that received it (unless the same areas later receive funding from additional programmes). Prior to NDC, central government and other agencies did produce guidance on exit strategies for renewal programmes but, in the main, this set out legal and contractual considerations and was generally focused on winding up programmes. Alternatively, the guidance provided more piecemeal, project based examples on succession planning, for example, descriptions of how the issue is being approached within a particular organisation.

Overall, there is a lack of analysis of the lessons and experiences of delivering viable sustainability and little reflection on 'success' in sustainability. There is also little research that fully covers the breadth and diversity of the activities in which today's regeneration partnerships are engaging.

In many ways, none of this is surprising. Government funded research and analysis tends to be connected to specific programmes and when that programme ends, so does the research, often without thought being given to wider interest or dissemination. Furthermore, community regeneration moves at a very fast pace in terms of changing policies and the people involved and so it can be hard for research and guidance to keep up, particularly if there is a reluctance to learn from 'the past'.

Research published by the Joseph Rowntree Foundation in 1995<sup>5</sup> provides one of the few exceptions. This looked at the exit strategies of a number of fixed-life neighbourhood and estate regeneration programmes and the impact these had on the durability and sustainability of their achievement.

<sup>5</sup> Fordham, G. (1995) *Made to last: Creating sustainable neighbourhood and estate regeneration*, Joseph Rowntree Foundation

The research concluded that:

- sustainability cannot be achieved without empowering local communities and capacity building is therefore critical
- effective programme design and management is critical to sustainability
- the design of 'exit strategies' should begin as early as possible
- the management of the withdrawal has to be handled sensitively
- specific exit strategies need to be designed for each project; and
- successor organisations are critical to ensuring sustainability

On the basis of the research on NDC succession carried out two years ago (see below) and as part of this practice study, it would seem that all of these conclusions hold true over a decade on.

## NDC succession planning

Previous research carried out by Shared Intelligence<sup>6</sup> found that in the summer of 2005 – with five or six years remaining of the programme – NDCs could broadly be classified into three groups, according to where they were in developing their succession plans:

- *concentrating on current delivery* – these partnerships had 'early thoughts' about succession, including notional ideas about some activities that might be sustained and/or possibly what a successor body might look like; they were, though, more focused on programme delivery
- *considering options for succession* – these NDCs had some idea about likely priorities for the future and were building understanding of their sustainability options; they had started to think about succession structures and were identifying key building blocks; they had initiated conversations at the Board about their long-term strategy but had not yet fully appraised their options
- *developing proposals for succession* – these NDCs had a clear idea of their goals for succession and the likely means of achieving them; they were confident that they would be able to deliver on at least part of these plans, although still dependent on partners or other external factors; they may have begun their internal transition (shifting the balance away from programme delivery towards the future organisation model); and they had engaged the local authority and other key partners about proposed future activities; however, they still had significant detail to work out

The research looked at 14 NDCs and, at that time, the majority were judged to be in groups two and three. It should be noted, however, that NDCs were chosen for inclusion in the research because they were seen as having progressed with their succession planning.

<sup>6</sup> NRW/ODPM (2006) *New Deal for Communities Succession Strategies*

Overall, the research stressed the vital importance of partnerships taking a 'strategic approach' to succession planning. This means both clarifying the aims and priorities of any succession strategy and taking stock of the local context (and associated opportunities and constraints) before moving on to explore the various vehicles, structures and mechanisms that could be used. The interviews and discussions with NDCs indicated that many partnerships had developed succession vehicles and structures independently or in advance of a broader succession strategy.

Since 2006 NDCs have continued to deliver their programmes and to formulate and implement their succession plans. Communities and Local Government has issued guidance on NDC succession planning and, working with other Government departments, has clarified the position on many aspects of succession, not least the ownership of assets and regulations on 'clawback'.

As mentioned above, this practice study provides an opportunity to update the previous research and to ascertain the extent to which NDCs have been taking a more strategic approach to succession planning; the extent to which they are asking themselves (and others) *why, what and how?*

### Case study 1. Bradford Trident NDC

Succession has always been an issue for Bradford Trident. From the beginning the NDC was set up as a limited company, which provided independence from the local council (although the City of Bradford Metropolitan Borough Council, hereafter Bradford Council or Bradford MBC, remained the Accountable Body). It also gave the NDC the ability to trade and accrue assets, and use Programme funding as leverage for EU resources and in negotiations with developers.

The succession strategy is therefore very much about ensuring that these activities can continue so that the renewal of the Trident area is sustained. The NDC met its spending profile, with notable achievements in education and community safety, as well as resident participation. The focus from now is on making more progress on the outstanding priorities of employment and economic development and housing.

This means that Bradford Trident will remain as a limited company with charitable status, run by a resident-majority Board of Directors. This will be responsible for Neighbourhood Management in the area, involving a range of statutory and VCS partners in co-ordinated service delivery. The company will also continue to have a trading arm – Bradford Trident Trading – which will be responsible for £7–8m worth of assets, generating some £400,000 of income per year for the charitable company to use in the area. The trading company has a Board comprised of five Directors from the charitable company's Board and six independent Directors.

These succession plans are well advanced – as they effectively continue present arrangements with Neighbourhood Management taking over as the 'anchor organisation' in the area. The most significant change will come through the establishment of (Urban) Parish Councils in the area. Bradford Council has a charter for this and is currently awaiting the go-ahead from the Department for Communities and Local Government. When constituted, elections for 12 Parish Councillors will be held (two from six wards in an expanded Trident area) and six

of these (one from each ward) will sit on Bradford Trident's Board. These will be joined by another 13 Directors (so 19 in total). Via further co-optees representing business, faith and other interest groups the resident majority condition that has worked so well will be maintained.

Council and NDC staff alike appreciate the role that residents have played in the development and management of the NDC. The investment in capacity building means that these Community Directors understand finance and the asset base as well as HR and staffing issues. They are active in carrying out evidence-based appraisals and reviews of NDC funded projects. Their majority on the Board also ensures that it remains 'non-political' as 'the area comes first'.

Trident's succession plans include actively sustaining partner engagement as well as that of residents. Neighbourhood Management provides the basis for this with new opportunities for working jointly on specific service delivery. Trident has been commissioned by Bradford Council to deliver extended schooling in the local area to ensure that this is customised to local needs. Conversely, Trident may well be commissioning in a way that adds value to mainstream services from partners, using the income from assets, for example by targeting local resources at employment projects.

Initially around two fifths of the income stream from the assets (currently around £600,000) will be spent on staffing and infrastructure costs, with a similar amount on housing improvements. The remainder will be divided between other themes at approximately £30,000 per theme.

Bradford Trident's staffing will include an Executive Officer for Neighbourhoods, a Facilities Manager, Neighbourhood Wardens and two or more Programme Managers. There will also be seconded staff (for example on the extended schools) who will be line managed within Bradford Trident. This represents another way of sustaining relationships with statutory partners.

The asset base comprises neighbourhood centres (with statutory sector tenants), industrial property and land which was transferred from the local authority for housing development as part of its Housing Strategy. It has been important for Trident to have a member of staff with a banking and finance background to manage these assets effectively.

Trident's succession strategy fits well with the Council's plans for neighbourhood working. Neighbourhood Management (and in time, Parish Councils) are being introduced across Bradford. The NDC experience can be seen to have led the way on this and the recent appointment of the NDC Chief Executive as Assistant Director of Neighbourhoods will draw on this further.

In turn, this reflects the good relationship between Bradford MBC and the NDC. Although this has not always been easy – mainly due to the bureaucracy of the Accountable Body role – it has always been positive. The long experience of ABIs in Bradford is given as one reason for this, with the establishment of Bradford Trident as an independent company seen as another key reason. This independence is widely recognised as giving the NDC 'more local freedom and more scope for community participation. There has also always been strong Councillor support for the NDC with 'Trident being seen as a positive force for good across the (political) parties'.

# Why succession?

## Understanding the motivations for succession

*“There needs to be robust justification for why [succession] – why some themes have failed and others have been successful. Is the need for succession an indication of failure?”*

NDC Chief Executive, research workshop

Understanding the reasons *why* NDCs should sustain their activities at all must be the first thing to consider before developing any succession plans. Experience has shown that it is all too easy to jump into succession arrangements, not least through developing successor bodies without having an underlying rationale. Asking ‘why’ from the start maintains a focus on objectives and provides a benchmark upon which to reflect later, i.e. will the plans and strategies being put in place realistically achieve the original objectives?

The reasons why NDCs consider it necessary to develop succession plans are not straightforward and, as will be discussed below, there are a range of motivations behind their development. What is clear is that NDCs are, and should be, asking themselves serious questions about succession. *Why the need for succession? Which activities to sustain and which not to? How, where and when?*

NDCs at the research workshop cited a variety of different reasons as to *why* they are developing strategies for life beyond the programme. These broadly fall into four categories<sup>7</sup>.

## Sustaining the benefits

Partnerships are clear that they have delivered – or are now delivering – real change in their neighbourhoods. Moreover, these improvements have been hard fought by officers and communities alike. NDCs are keen to ensure that these improvements are maintained into the future as well as to continue to build on their successes.

NDCs look back at previous ABIs – some of which were delivered in the same neighbourhoods – and do not want to repeat past mistakes. They are seeking to ensure that key processes and initiatives do not ‘collapse’ once the programme has ended. There is a focus on ‘embedding’ practices locally: maintaining relationships that have been built up with the community, with partners and with other local stakeholders to provide security for the ‘investment’ that has been made. This is often as much about sustaining the culture and infrastructure of partnership working as it is about specific interventions or activities.

<sup>7</sup> These categories are based on analysis of findings from the Succession Strategy Research Workshop.

Partnerships also talk about the need to maintain a focus on their neighbourhoods specifically – to continue to provide a ‘local response’ and to enable their residents to access and benefit from additional resources.

## Completing unfinished business

Notwithstanding the successes achieved to date, many NDCs feel that ‘there are still things that need to be improved in the area’. This could relate to particular themes or Floor Target areas, such as improvements in employment, reductions in the numbers not in employment, education or training (NEETs), or skills and qualifications, and might result either from past NDC interventions being less successful, or because tackling these outstanding priorities can necessarily only be achieved over the longer term.

In some cases, there are particular projects that NDCs are developing that will not be finalised by the end of the programme, such as community resource centres, or major housing development programmes.

But there is also the overarching challenge remaining for some NDCs, which means succession is needed *“because the ‘mission’ will not have been completed by 2011. There will still be many multiply-deprived households in the neighbourhood”* (NDC Chief Executive, research workshop). In effect, NDCs will not have ‘closed the gap’ by the end of the programme.

Understanding the nature of the outstanding problems, and the reasons why they are still outstanding, is critical to planning if and how to continue to address them once the NDC programme has finished.

## Sustaining resident and community involvement

One of the key reasons why NDCs want to sustain their work beyond 2010–11 is to ensure ongoing community engagement so that the gains of the NDC programme continue for the benefit of local people.

NDCs have brought about positive community empowerment and want to ensure that local people and community organisations continue to be involved in making decisions about their neighbourhood. In part, this is about enabling local people to provide local solutions and putting in place the structures and financial resources to support this.

But it is also about ensuring that residents continue to be involved in wider structures, for example being represented on statutory bodies, to influence the council and housing trusts. This means having in place means of communicating with residents, of encouraging and enabling them to be involved and of supporting them to fulfil these roles.

On-going resident engagement is also a motivation for succession planning where NDC areas will be experiencing extensive physical re-development beyond the life

of the programme. Local people will need to be able to continue to influence this process.

## Responding to new challenges

Finally, a few NDCs also want to develop succession strategies so that they can address new challenges and opportunities that will arise in the future, 'the regeneration agenda for 2011 and beyond'. In Salford, for example, the NDC is considering how the partnership can influence potential commercial redevelopment opportunities in the Pendleton Gateway area in order to ensure that these bring benefits to local people.

In practice, there are usually a number of reasons as to why NDCs are planning for succession. What is clear, though, is that it is absolutely essential to have an understanding of why – of the underpinning reasons and rationale for succession. This will then lead to clarity over what to sustain and how to do it. But succession is not fixed; plans are subject to continual amendment and development. It is therefore important to keep coming back to the question of why throughout the planning and delivery process.

### Case study 2. East Brighton NDC

East Brighton NDC is a Round 1 partnership located on the outskirts of Brighton and Hove. The area is home to over 17,000 people, mostly living in the two neighbourhoods of Moulsecoomb and Whitehawk. As with many NDCs, these neighbourhoods are quite distinct and have their own strong identities. Overall, there is a high proportion of social housing and a predominantly white population, although the make-up has changed in recent years in line with the rest of the city. The NDC boundary takes in some of Brighton and Hove's poorest communities, although it is increasingly clear that deprived households are spread right across the city.

The NDC has been considering succession in earnest since about 2005, although the intention to establish an asset-owning successor body was set out in the original Delivery Plan. The partnership is clear that there needs to be a successor body for a number of reasons: the realisation that the regeneration of the area is going to take longer than ten years because many of the interventions funded by the NDC have a much longer 'lag time'; and because the benefits of what has already been delivered need to be sustained.

Sustainability in East Brighton is to be achieved through a number of inter-related strands of activity. The first is mainstreaming. A number of projects and methods have already been adopted by partner agencies following successful piloting by the NDC, including interventions addressing domestic violence, children and young people's needs, worklessness, and crime and community safety. The NDC is clear that mainstreaming is not necessarily about projects being funded to carry on delivering services in exactly the same way or in the same place. So in some cases the partnership has piloted approaches that have been adopted for delivery

across Brighton and Hove and in others projects have been adapted by partner agencies for wider delivery. A successful smoking cessation project was, for example, picked up by the PCT although it was unable to resource the full range of support that the NDC had been delivering. In this way the benefits of 60 per cent of the NDC funded projects have been sustained. The NDC is building on its strong links with the council and other partners via the LSP to influence the way in which services are delivered across the district. Indeed, the NDC's Programme Director also leads on the development of the Neighbourhood Renewal Strategy for the city.

The second part of the succession strategy is focused on Neighbourhood Management. The NDC has for some time had a Neighbourhood Manager working in the area, coordinating services and ensuring that they are more responsive to local needs. Building on its experience to date, the partnership is now seeking to influence the roll out of locality based working across Brighton and Hove. The precise form that this will take is still in development, but the council has overseen a number of different approaches, including the NDC, and is now determining the most appropriate way to take these forward.

A final key element of the NDC's succession strategy is an independent community development organisation, the East Brighton Trust. Led by a Board of residents and partners, the Trust aims to provide a local voice, focus and profile for the area and will continue the regeneration started by the NDC. The East Brighton Trust will use profits generated from its assets to support local groups through a community chest programme and has a vision of building relationships with partners outside the NDC boundary relating to physical developments and enterprising activity.

The NDC currently has around 20 projects that it is directly managing. Throughout the remainder of the programme the partnership will be overseeing their delivery and supporting them towards mainstreaming or other routes to succession. As the programme winds down, NDC staff have already begun moving on – in many cases to roles within the council – and a core programme team will be left to manage the projects and sustain the links with partner agencies. The East Brighton Trust, having been directly supported by the NDC for its first year was, from the beginning of April 2008, required to stand on its own two feet. However, it will continue to have an on-going relationship with the NDC while this is still in existence. As well as challenges associated with moving from a government-funded programme to a more entrepreneurial approach to regeneration, the NDC is learning that the Trust needs to ensure that it maintains its connections with the local community and that this is reflected in its on-going governance.

# What to sustain?

In 2005 it was found that there were broadly six different types of activity that NDCs were planning to sustain<sup>8</sup>:

- community engagement, governance and legitimacy
- influencing service delivery
- delivery of local services (in relation to particular projects or themes)
- community and voluntary sector support and capacity building
- strategic links to wider regeneration activities
- organisation and co-ordination building on existing capacity and skills

This research has shown that there is still a range of activities that partnerships are planning to continue. These include different themes and aspects of programme delivery, such as:

- housing and environment – access to affordable housing, re-development and physical renewal of obsolete buildings, environmental improvement projects
- health and lifestyle – health-based outcomes, addressing healthy lifestyle issues
- employment and skills – increased employment, reduced dependency on benefits, raising skills levels, ‘job shops’, working with young people to raise aspirations
- community development – community engagement, community grant funding, sustaining community and voluntary organisations

Although the case study NDCs were different, the above list is not dissimilar to the activities identified in the 2005 research. However, what this research has shown is that sustaining particular thematic based outcomes is less important than sustaining key processes: maintaining the relationships and new ways of working that have been developed by NDCs are now core objectives for sustainability. In particular, sustaining engagement between community members and service providers – and putting in place the resources, communications, infrastructure, and support structures to achieve this – is one of the core aspirations for NDCs as they plan for succession.

## Box 1. Planning for succession – prioritising activity

Burngreave NDC facilitated four away days from October 2005 to September 2006 for key partners to shape its succession strategy. The Partnership Board rationalised NDC-funded projects predicated on a shared 10-year vision for the area. Around 30% of existing projects were sifted out using a ‘traffic light’ system. The Partnership Board also looked into the future role of the NDC and whether it would act as deliverer or funder, voice or influence. These discussions formed the basis of its succession strategy.

<sup>8</sup> NRU/ODPM (2006) *New Deal for Communities Succession Strategies*

### Case study 3. North Fulham NDC

North Fulham NDC aims to establish an independent charity constituted as a company limited by guarantee to take forward its succession plans and continue the regeneration of the area. One aim will be to acquire assets that will help generate income and fund services to meet the continuing needs of the local community. The new body will also work towards converting successful NDC project activity into social enterprises to generate income and to provide services locally.

While North Fulham is in the early stages of its asset acquisition and social enterprise proposals, the Partnership has already had success in the mainstreaming arm of its succession plans, particularly with its local health interventions. Predicated on an effective relationship with Hammersmith and Fulham Primary Care Trust (PCT), the Lifestyle Fridays project (an innovative mobile 'health MOT' drop-in service), the Expert Patients Programme (self care and management training) and the MEND child obesity project have already been or have plans to be mainstreamed by the PCT. The Head of Partnerships for the PCT has a seat on the NDC Board and has an active role in the shaping of NDC project activity. A number of North Fulham's health interventions have been based on joint commissioning. The PCT looks upon the NDC area as a 'test-bed' with the intention of assessing potential roll out based on robust evidence of impact, alignment to key PCT policy and priorities and cost effectiveness.

The PCT appreciates the 'learning' that the NDC provides and encompasses lessons learnt in the most appropriate way. For example, the PCT aims to use the Lifestyle Fridays model to shape existing mainstream services which will encompass the project's successful outreach component. The Expert Patients Programme has been embedded into the PCT's Health and Social Care infrastructure which is linked to a number of other existing and planned services. The PCT rolled the programme out across the borough in its second year. Also the MEND project, following a positive first quarter evaluation, will be replicated across other deprived neighbourhoods in the borough. The PCT is looking into the evaluation results of two other NDC-funded interventions for potential mainstreaming options at present.

This robust relationship between the NDC and the PCT has provided the groundwork for the mainstreaming of the NDC's health and well-being component. For example, plans have been put in place for the PCT to absorb 50% of the NDC Health Coordinator post into its Public Health team in September 2008. Discussions are ongoing at present to clarify the nature of the role, however, the PCT fully appreciates the skills and expertise of the Health Coordinator and how these would bring added value to the existing public health competencies of the PCT.

The NDC Partnership is looking to convert some of its successful public health interventions into a health and well-being portfolio of a wider social enterprise, for example by developing successful work to engage young men in health promotion into a business. It also aims to develop the capacity of its successor body to operate as a service deliverer without the protective umbrella of NDC

funding, with a target to establish a social enterprise operating in the public health arena by 2010. Additionally, the GP Exercise Referral project will be subject to a thorough evaluation to determine its viability as a key public health component in the borough.

The NDC will continue its positive relationship with the PCT to ensure that it can carry on informing decisions at a strategic, borough-wide level. The NDC has representation on the Strategic Public Health Alliance, the Patient and Public Involvement Network and the Public Health Team Meeting and through these routes will continue to contribute to the shaping of the public health agenda. The NDC also sees the transition of its staff resources into the PCT as a means of strengthening the operational links between the two organisations and of building strategic links between the PCT and the NDC successor body.

North Fulham NDC faces a number of key challenges in taking its succession plans forward. There have been ongoing conversations around pooling NDC resources with Public Health budgets and the transfer of NDC objectives into the Public Health structure. Although the PCT welcomes the ideas, the alignment of timescales poses a problem, especially with the PCT going through a restructure of its Public Health Directorate at the present time. North Fulham also faces a huge challenge in terms of acquiring assets. The NDC realises that its asset-based plans can only be achieved through a partnership with the local authority, which has the only significant land holdings in the area. The council, however, is working towards a partnership with private developers for estate regeneration and new low cost home ownership opportunities. In light of this, the NDC faces difficulties in acquiring small scale land or property in the locality.

## Moving on from previous area based initiatives?

It is becoming clear that, on the basis of the evidence available, NDCs are marking something of a change from previous ABIs in terms of succession planning. Like their predecessors, NDCs are developing a range of vehicles and organisations to continue particular aspects of their work and to sustain improvements. However, it seems that the focus that many NDCs have on ways of working and maintaining relationships between communities and statutory agencies is a step forward in contrast with a more traditional concern with sustaining the funding for specific projects or for a particular organisational body to continue.

Only time will tell if this is a more sustainable approach to regeneration in the long-term. Experience to date suggests that in many NDC areas, agency engagement has been focused on spending NDC resources on projects. It will therefore be a challenge for partnerships to maintain relationships when funding is no longer on the table. However, it would seem that this more 'fundamental' approach, which directly engages mainstream agencies and empowers communities, may be more likely to build on the most innovative aspects of the NDC legacy.

In many ways, this difference between NDCs and their predecessors is not surprising. The NDC Programme is longer, broader in nature and better funded than any previous initiative and, as such, has provided for more time than other programmes

for a diverse range of relationships to be developed and cemented on the ground. This has reaped rewards in terms of a genuine inter-agency approach to complex problems and so it is therefore natural that maintaining strong partnership working should be at the heart of NDC succession plans.

In addition, the policy landscape has moved on and is more favourable to the more holistic, long-term approach of NDCs. With 10 year funding and as part of the NSNR, a strategy with a 10–20 year lifespan, NDCs were from the beginning focused on genuinely long-term change. But even since the programme began, the policy climate has become more conducive to the role of NDCs, both in service delivery and neighbourhood governance.

The 2006 Local Government white paper<sup>9</sup> and subsequent legislation placed a greater onus on devolving power and accountability to communities, and introduced a suite of proposals aimed at engaging local people in decision making. A further white paper on ‘unlocking the talent in our communities’<sup>10</sup> was published in 2008. Related to this, the focus over the past few years on partnership working at district level (such as through LAAs) and the development of Communities and Local Government’s Regeneration Framework, are further testament to the government’s commitment to joining things up on the ground and taking a more integrated approach to delivering services and addressing poverty and social exclusion. This is exactly the approach that NDCs have been taking in neighbourhoods.

Recently, there has also been the Quirk Review of Assets<sup>11</sup>, greater moves towards third sector service delivery, and more holistic approaches to addressing worklessness (such as those characterised by the sub-national review of regeneration and economic development, the Working Neighbourhoods Fund and the City Strategy Pathfinders).

These can all be seen as further arguments for developing a sustainable, NDC type of neighbourhood infrastructure to drive and co-ordinate regeneration in the most deprived areas, while at the same time ensuring that links are made with local authority and sub-regional interventions on economic development, employment and skills.

It may be, therefore, that one of the most important learning points from the NDCs is the importance of having in place an organisation that has resident and partner buy-in, and the necessary staff capacity, to be able to provide a long-term but flexible ‘community anchor’ to deliver regeneration programmes and priorities.

<sup>9</sup> Communities and Local Government October 2006, Strong and Prosperous Communities, The Local Government White Paper.

<sup>10</sup> Communities and Local Government July 2008, Communities in Control: Real People, Real Power.

<sup>11</sup> Communities and Local Government May 2007, Making Assets Work: The Quirk Review.

## Case study 4. Salford NDC

Salford NDC covers the Charlestown and Lower Kersal neighbourhoods of East Salford and is located just two miles from Manchester city centre. The area is home to just under 10,000 people. Despite concentrations of deprivation dating back many years, the NDC programme is the first comprehensive regeneration initiative to have been delivered in the area.

There are a number of reasons why the NDC is planning for life beyond the programme. Firstly, there are physical developments – particularly related to the Housing Market Renewal programme – that the partnership is instrumental in delivering. In some cases construction will not have started on these before the end of the NDC programme and there is therefore a need for a locally-focused body to ensure on-going delivery. Secondly, there are a number of new opportunities on the horizon that could bring further positive change to the area. A need has thus been identified to put in place and maintain the relationships and structures necessary to ensure that the benefits of these developments are realised for local people. Finally, the NDC programme has acted to build an engaged community in the area and, in so doing, has raised aspirations and enabled people to take more control of their lives. Everyone agrees that this should continue to be harnessed in the future.

The NDC has three over-arching priorities for succession – a framework/vehicle for physical development, integrated Neighbourhood Management structures and an influential organisation to succeed the New Deal Board. Each of these long term priorities is underpinned by a number of possible options for delivery, which the NDC officers and Board are continuing to research and refine.

Mainstreaming is also a fundamental part of succession in Salford NDC and the partnership has actively been looking at options for all areas of its programme. The NDC takes a broad view of mainstreaming, which encompasses partners adopting specific projects as well as influencing methods of delivery across Salford. There have already been a number of successes, including Community Health Action Partnership (CHAP), a local community health organisation, which is now delivering services on behalf of the PCT, and GEARS, a project which teaches young people mechanics and is now receiving contract funding from mainstream agencies in Salford. The NDC also recently participated in a 'Spotlighting' exercise. Spotlights are being carried out across Salford and are a method of examining the delivery chain related to a particular issue. The NDC offered to host a Spotlight on NEETs which provided an opportunity for the partnership to demonstrate the impact of its delivery and the fit with partners.

Salford Council already has a number of structures in place for coordinating service delivery at a neighbourhood or sub-district level. There are area-based teams delivering the Housing Market Renewal programme, a number of Neighbourhood Management teams across the district and eight Community Committees.

At present the NDC is variously aligned with all of these structures. The partnership is responsible for delivering HMR in the local area and is a regular

participant in the East Salford Task Groups (Neighbourhood Management) and Community Committee. Further integration with Neighbourhood Management is a key priority for succession. However, in developing the links the NDC is not only trying to plug into what is there already, but is also actively seeking to influence the way it is delivered. So, for example, the partnership is raising questions regarding the East Salford NM boundary – which currently takes in the NDC and a much wider area – and whether it should be split into more manageable areas. The NDC is also looking at the possibility of an enhanced role in Neighbourhood Management for SALIX (the local ALMO) and an RSL.

The NDC Board is regarded as being highly effective. One council partner suggested that “in the last six months, the Board has been one of the most effective ever in the city”. This is seen as being down to good training and capacity building for Board members as well as their own skills and experience. On-going community engagement is a core part of the NDC’s vision for the future and runs throughout all strands of its succession planning.

As well as the continued engagement of the community in governance, the NDC is clear that there needs to be a strong local voluntary and community sector in the area after the programme. The partnership has already helped develop 55 community groups which play an important role in empowering people and creating community spirit. In the future, it is seen as important that such groups will be supported to carry on the roles they have developed during the programme.

The fine detail of Salford NDC’s ‘succession strategy’ is unlikely to be known for some time – there are still many dependencies both within and beyond the partnership’s control. Furthermore, there is still a big programme to deliver. Like other NDCs, the partnership has a number of challenges to contend with in delivering succession. These include the need to maintain the commitment of partner agencies up to the end of the programme and beyond; the need to build confidence within the local authority that the NDC can push the boundaries of what it sees as viable succession plans (particularly in relation to the ownership of assets); and the need to balance the community’s desire for local independence with strong links to local partners. Finally, the NDC must ensure that its plans for delivering succession across its three priority areas are mutually supportive and that the links back to the local community and voluntary infrastructure are both viable and sustainable.

# How to sustain: approaches to succession

*“Our priority is to get most projects self-sustaining or mainstreamed. Then we can see what we need to do to ensure the rest continue.”*

NDC Board Member

In planning for succession, NDCs have found it important to take a strategic approach. Careful consideration is needed around what it is that an NDC wants to sustain and the most suitable means of doing this – taking into account a ‘balance between influence and independence’ (found as important in the 2005 succession report) and assessing the financial viability of different scenarios. The agreed way forward can then form the basis of a structured long-term succession plan.

On this basis NDCs are developing a range of relationships and vehicles through which to deliver their visions for succession. These are outlined below.

## Mainstreaming

NDCs are working with a wide range of partners to secure mainstream resources to continue both particular projects and their overall approach to delivering priority outcomes. These include statutory agencies, such as the local authority, schools and colleges, Arms Length Management Organisations (ALMOs), Registered Social Landlords (RSLs) and PCTs.

For the NDCs that were the focus of this research, mainstreaming was not seen solely in terms of projects being funded to carry on delivering services in the same way or in the same place. In some areas NDCs have piloted approaches that have been adopted for delivery across other neighbourhoods in the district. In other NDCs projects have been adapted by partner agencies for wider delivery. In Brighton and Hove, for example, a project that the NDC developed to reduce smoking was picked up by the PCT in a ‘slimmed down’ form.

Many NDCs also see the transition of staff members to partner agencies as part of mainstreaming. This has helped strengthen operational links between NDCs and partners and has also facilitated the roll out of NDC approaches on a wider scale.

In many cases NDCs are working through LSP structures to ensure that their outcomes are reflected in Local Area Agreements (LAAs) (and vice versa) and that they are able to influence the priorities for the district and ensure that these include a neighbourhood dimension and a commitment to continue ‘closing the gap’ on key targets. In Sheffield, for instance, the NDC is responsible for co-ordinating the Local Economic Growth Initiative (LEGI) programme across the city, following the partnership’s achievements in tackling worklessness locally. In Brighton and Hove, the NDC has been working closely with the LSP and the council and has been able

to ensure that the LAA directly addresses regeneration issues in a more joined up manner.

One case study NDC reported that successful mainstreaming posed new challenges for the partnership as some interventions no longer target the people living in the NDC area as intensively as it had done. In some instances, this was seen to have impacted on NDC outcome targets.

### **Box 2. Planning for succession – taking people with you**

In planning for succession, Salford NDC has taken a ‘broad but inclusive’ approach as they feel it is important to work with Board members and partners to ensure ‘ownership’ of process and buy in for the future. The partnership began with a programme-wide review of all of its activities which helped to define the regeneration agenda for 2011 and beyond. This was followed by a process of assessing current and potential partners in order to identify a range of opportunities for succession and included four, well attended, themed workshop events. Then, through an iterative process of consultation with the Board and partners, three over-arching priorities were agreed: a framework/vehicle for physical development; integrated Neighbourhood Management structures; and an influential organisation to succeed the New Deal Board. Each of these long-term priorities is underpinned by a number of possible options for delivery, which the NDC officers and Board are continuing to research and refine.

Salford’s approach reflects a risk identified by a number of NDCs of partners ‘losing interest’ as they see the end of the programme coming and resources drying up. In many cases, NDCs are having to work hard to keep partners engaged, while at the same time needing to change the nature of their relationships with agencies. NDCs are seeking to overcome these challenges by focusing resources and demonstrating to partners how local activities will continue to add value to mainstream services in the future.

## Neighbourhood Management

Neighbourhood Management (or neighbourhood forums, town teams, etc.) is seen as a key element of mainstreaming. Many NDCs are influencing the form that neighbourhood working is taking locally and across the district. Such structures provide important mechanisms for local people and community organisations to participate in and influence decision making and service management in neighbourhoods. In many districts, a system of Neighbourhood Management also strengthens formal links back to the district, for instance, by feeding into LAA planning and delivery.

NDCs’ experience with piloting and moving to Neighbourhood Management arrangements is discussed further in the section 6.

## Independent Community Organisations

All of the case study NDCs spoken to see a need to establish a stand-alone community-based organisation as part of succession, usually some form of community development trust. These serve a range of purposes, but generally play an oversight role and act to coordinate different aspects of succession and on-going regeneration. They are normally resident-led organisations but, in many cases, continue to have at their centre partnerships with the Council and other stakeholders.

A number of advantages of community development trusts were highlighted in this research. They enable independence from the local council and other agencies. This can be seen as beneficial for the community members involved but also enables these agencies to work with them in ways in which they otherwise might not, such as in taking risks or piloting new initiatives.

Community development trusts, which are often limited companies, charities, or Community Interest Companies, also enable NDCs to trade and accrue assets, and use NDC Programme funding as leverage for other resources.

### Box 3: Planning for succession – new organisations alongside old

North Fulham NDC has proposed that its new charitable body will run in parallel with the NDC Partnership Board for the last two years of NDC funded activity, with some cross-over in terms of elected Board members/Trustees. A sub-group of the NDC Partnership Board was established in January 2007 which will act as a key link between the Board and the new body. The sub-group is leading on developing a clear legacy investment plan to benefit both organisations in the long term, whilst maximising the contribution to the medium term NDC programme targets.

Where partnerships are developing new Boards alongside existing ones, experience shows that they need to be clear on the nature of the relationships between the different bodies. There is no 'right' way of doing it, but any potential conflicts of interest will need to be identified, as will anything that could be construed as undue 'influence' or 'control'.

## Assets

Many NDCs have used programme funding to invest in assets for the benefit of the neighbourhood. Partnerships have recognised that buildings can bring direct regeneration opportunities to neighbourhoods and, as such, have developed healthy living centres, leisure centres, children's centres, and primary schools. These buildings have brought important new services into NDC areas or have enhanced the provision already being delivered. NDCs have also provided, or enhanced, community spaces to enable local groups to meet and deliver their activities.

In addition to the benefits derived from new services housed in NDC-owned buildings, partnerships are using their assets to generate an income that can be further reinvested in local regeneration activity. For example, the rent paid by PCTs in health centres, or businesses using NDC-owned offices. In a number of areas, NDCs are involved in developing new homes. This could be through using Programme funding for demolition and land clearance or by funding house building, working with developers. Assets also provide NDCs with security and collateral against which to borrow, enabling them to make further investments locally.

NDCs have built up their asset bases through a range of means, including transfer from local authorities and direct purchase on open markets. Partnerships' ability to acquire and develop assets is thus highly dependent on the wider context and opportunities. In one area, for example, wider pressures on resources mean that the council has so far been reluctant to discuss asset transfer and property prices are such that commercial acquisition is not viable. The NDC is therefore effectively unable to develop an asset base.

Other challenges that NDCs are experiencing in developing assets include difficulties in longer-term financial planning; challenges in negotiating deals with developers; and problems with the timescales involved. The extensive development time can leave some community members frustrated with delays. Long development periods are also increasingly 'eating away' at the remaining years of the NDC Programme, making it harder for partnerships to develop sustainable asset-based business models.

The development and management of assets is becoming an increasingly important focus for NDCs. What is clear from this research, however, is that asset development should be seen in the wider context of partnership working and community engagement. Partnerships' longer-term regeneration goals – the reasons *why* they are sustaining their activities – are unlikely to be achieved through asset development alone. Instead, there is a need to develop a mixed approach, combining asset development with other activities.

## Community and voluntary sector support

A number of NDCs are focused on ensuring that support to community and voluntary organisations will continue in the future, in order that local people are able to carry on regenerating their areas themselves.

In part, this will be achieved through the continuation of small grants, or Community Chest, programmes. These are seen as an important means through which to engage local people in delivering activities that address their needs and in helping to build community spirit. They can also provide exposure to and experience of dealing with statutory agencies and thus a route to further community engagement and empowerment.

As discussed above, NDCs will also be supporting local community organisations by ensuring that groups have access to appropriate space in which to deliver their activities. In Salford, for example, the NDC has focused on improving the sustainability of a number of community centres and enhancing the facilities available.

NDCs are generally planning to use the income derived from their assets and other activities to support local community organisations. In some cases, however, it is clear that relationships between NDC partnerships and local voluntary sector organisations can be quite complex. For example, these organisations may be beneficiaries of NDC (or successor body) grants, but they are also helping to generate income for the partnership through renting local community space. Understanding these relationships and their inherent dependencies will be essential to developing appropriate and feasible business plans.

## Social enterprise

A number of NDCs are developing successful projects into social enterprises as part of their succession planning. These will either generate income through delivering services to a range of different 'buyers' or they are predicated on larger-scale contracts.

Depending on the nature of the business, social enterprises can deliver benefits locally or across a wider area. In West Middlesbrough local young people gain valuable skills and experience from their involvement in the Just 4 Youth<sup>12</sup> project, benefitting them in the long term. But they also deliver services that lead to improvements in other parts of the country (see box 4).

Establishing a social enterprise requires an assessment of the local, regional and national market in order to identify gaps and opportunities. It also requires business expertise to assess whether a certain venture is cost effective. The skills and expertise of staff and successful interventions need to be aligned with local, regional and national priorities. This can be supplemented with robust evidence of an intervention's impact. It requires visionary thinking, having a broad, long-term plan but with a need to be opportunistic and flexible within this, to consistently explore opportunities, such as potential partnership working and commissioning.

As new businesses, most NDC-based social enterprises are necessarily starting out small. As such, they do not yet feature prominently in the succession plans of partnerships. In the short-term, the onus is on growing the business and building up skills and reputation. The experience of the case study partnerships used in this research shows that social enterprises are being developed from the successful interventions and experience of NDCs, rather than developing entirely new projects. While this is to be expected, it does highlight the need for NDCs to ask themselves challenging questions about how much they need to adapt current practices to develop a project into a social enterprise and whether they have in place the appropriate skill set to develop a viable business. Any risks to social enterprise development should be clearly understood and reflected in business plans.

<sup>12</sup> Just 4 Youth is a social enterprise, developed in part through the Communities and Local Government-funded Young Advisors initiative, which provides youth-led consultancy and training to public service providers. Their services include peer education, youth proofing, youth advisory panels, research, and training on youth engagement.

#### Box 4. Developing social enterprises

North Fulham NDC is exploring the viability of turning an NDC intervention into a project that could be commissioned by the local PCT. The Exercise Referral project provides a six-week training programme for residents living with long-term health conditions. It has been proven to work in the local area through an independent evaluation and the NDC is now testing whether its success can be replicated at borough-level. This will be followed-up by a thorough evaluation co-commissioned by the PCT to determine whether it would prove a cost-effective way to deliver the PCT's priority outcomes.

West Middlesbrough Neighbourhood Trust (WMNT) has set up a social enterprise that employs a number of young people trained as 'Youth Advisors' who provide advice and consultancy services to public agencies.<sup>13</sup> The business has been successful in securing contracts from a range of organisations at a local, regional and national level. 'Just 4 Youth' is building a strong reputation through successful work with statutory bodies, such as 'youth proofing' the local police strategy. On the back of this, it has submitted a bid to the police authority at a national level.

#### Case study 5. Sheffield NDC

Burngreave NDC lies to the north-east of Sheffield City Centre and is home to almost 10,000 people. It is characterised by a declining district shopping centre, significant local historic buildings and several parks and green spaces. Burngreave NDC has registered many achievements in recent years, particularly in reducing crime, improving GCSE attainment and reducing unemployment.

The NDC has clear reasoning for succession. The Partnership aims to complete 'unfinished business' in achieving its 10-year outcomes, to manage its community assets, to sustain resident and community involvement in the area and to sustain a voice and influence over local provision. It also aims to remain as a 'response mechanism' to new local challenges as they arise.

The proposed succession model is based on a 'two track' approach. The first strand is the creation of an independent community organisation which would be responsible for the management of former NDC assets (a number of properties, shop units and community buildings). The profits generated from these assets would be reinvested into the local community. The community organisation would be resident led and would bid for and deliver contracts across the city.

The second strand is the development of an Area Partnership which would provide a local political voice and influence at a city level and determine local priorities. It is envisaged that the Area Partnership would be based on the

<sup>13</sup> Further information on NDCs and the Young Advisors programme is available from the NDC National Evaluation website: [http://extra.shu.ac.uk/ndc/ndc\\_reports\\_02.htm](http://extra.shu.ac.uk/ndc/ndc_reports_02.htm)

NDC partnership model with a community Board at its core. The plans are that profits generated from the community assets would be directed to local issues determined by the Area Partnership through a small community grants scheme delivered by the independent community organisation.

BNDfC Limited Company (the current NDC) will change its name and membership at the end of the programme so assets do not need to be transferred to a new body. The new organisation would effectively 'take over' from the NDC. It is felt that the new community organisation would provide a renewed opportunity for a wider range of people to get involved in the process, as the area of benefit would be expanded to cover the whole of the Burngreave ward. There are plans for a marketing drive to underline that the new organisation will be community-led.

The NDC has a strong reputation with local partners. The city has identified the NDC as a community anchor organisation that they are keen to direct resources towards. At present, the NDC is leading a consortium working on the city's worklessness agenda, funded through the Local Development Framework, in partnership with the voluntary sector, local Job Shop and Jobcentre Plus (JCP). The NDC is widely seen as a programme that delivers with a good track record. Its improvement has been widely recognised. NDC officers feel that they have made much effort to work alongside partners and have always recognised the city's strategy in their work – the partnership has always been of the mindset that it is helping the city to achieve. The NDC has attracted high profile Board membership, with similar representation to the LSP, such as the District Manager of the Police, the PCT Chief Executive, Director of the LSP, District Manager of JCP. The NDC negotiated an 'Advancing Together' agreement with the Local Authority, which provides additional resources underpinned by a set of principles including 'existing levels of service are guaranteed so NDC money is and can be seen to buy additional services'.

The NDC's 'Creating Enterprise Supporting Business' programme underpinned the NDC's role in the delivery of the LEGI contract. BNDfC was approached by Sheffield City Council to take a lead on the Neighbourhood Enterprise Champions aspect of the programme. The NDC will manage the delivery of the programme across target areas of deprivation in Sheffield to inspire local people to set up their own business.

Burngreave NDC realises that a key challenge for the future will be to continue to 'grow' politically active residents and is putting plans in place to stimulate continued interest. The Partnership has a training programme to grow informed new activists – 'How Your Neighbourhood Works'.

# Practical considerations from the case studies

Previous research on NDC succession strategies highlighted the range of activities that partnerships were planning and some of the different routes that they were going down mid-way through the programme. It highlighted the need for NDCs to take a strategic approach to succession planning: setting out clearly what they aimed to achieve, how this would be delivered and what legal and constitutional structures they needed to put in place.

Almost three years on, many NDCs have moved on from the planning stage and are now managing the 'delivery' of these succession strategies. There are a number of important lessons that can be drawn from the NDC case studies on delivering succession plans and managing the transition from the existing programme to the new arrangements.

## Developing a strong relationship with the local authority

Local authorities have a number of responsibilities in relation to NDCs<sup>14</sup> and are therefore key partners in delivering the programme and in planning for succession.

This research has highlighted the importance to NDCs of developing a strong relationship with their host local authority (usually their Accountable Body). In most cases it is clear that this will be critical to the successful delivery of the succession plans. Characteristics of a good relationship include:

- clear lines of communication
- demonstrable synergy between NDC and local authority priorities (often reflected in LAA outcomes and the Sustainable Community Strategy);
- a degree of flexibility on both sides; and
- a shared understanding of the strengths of the NDC partnership and of its achievements

The trust that flows from such a relationship should then support the NDC in developing greater independence. Indeed, the experience in some areas suggests that it has been easier for local authorities and NDCs to discuss and negotiate issues with some 'distance' between them, rather than the NDC being in the more ambiguous position of being 'part of the Council' but at the same time responsible to local people.

The nature of the relationship between NDCs and local authorities impacts on the types of succession options being pursued locally. For example, in a number of areas, NDCs are at the heart of developing neighbourhood arrangements across

<sup>14</sup> In all but one case NDCs have local authorities as their Accountable Bodies.

the district and may well be leading or piloting interventions. In such cases it is clear that the NDCs have demonstrated their strengths in delivering in partnership and in working with communities effectively. However, where the relationship with the local authority is weaker, NDCs may be more peripheral to Neighbourhood Management. In such cases, local authorities tend to be more ambivalent about what they can learn from the NDC.

In some cases relationships are such that the NDC is effectively not relying on the local authority at all in developing succession arrangements and is more focused on engaging other agencies. However, this limits options and may affect asset transfer and thus the viability of even relatively 'independent' plans.

Local authorities wear a number of different hats in relation to NDCs and this can pose challenges on both sides. As well as acting as the Accountable Body, local authorities usually have various policy and delivery-based roles. In one NDC area, the local authority sees its primary role as that of Accountable Body and much of its energy is focused on monitoring and oversight of the NDC. This remains the case where the council representative sits on the Board of the development trust. The NDC has found it hard to secure the council's commitment to developing other areas of their relationship. For example, it has been unable to negotiate the possibility of tendering for the delivery of services on behalf of the council outside the NDC area, despite the proven successes of the NDC's approach.

In other areas, NDC's feel they are able to satisfy the government that they have robust structures in place and that they can act responsibly but have yet to make the case locally. At present there are some NDCs that have bought assets with programme funds but do not yet own them legally. There is a degree of apprehension that proposed transfer to their successor organisations will be blocked and, on the basis of this research, this apprehension may be justified in some cases.

There are a number of critical dependencies that are more or less beyond the control of the NDC. Politics has a large part to play. Many NDCs have become adept at navigating the waters of local politics and there is no sign that these skills are required any less than in the past. In some areas, there are fears that potential changes in the political context could have a negative impact on NDC succession planning.

The prior history of community-based partnerships in the area also influences the local authority's attitude towards NDCs. Some local authorities feel like they have 'been here before' and propose to treat NDC succession in the same way as they have the succession of other regeneration initiatives. One council, for example, has been involved in establishing a number of community development trusts following SRB Programmes in the area. It suggested that it does not see any justification for doing anything that different with the NDC. However, and crucially for the NDC, no other development trust in the area has been able to retain assets. In other cases, such as in Bradford, the local authority is clear that its previous experience of ABIs means it recognises the positive difference the better funded, longer term and more independent NDC represents.

NDCs will continue to work closely with their local authorities until the end of the programme and, in most cases, beyond. NDC officers and Board members are clear

that they need a mutually beneficial relationship with their local authority, rather than feeling that the council 'owes' the NDC something or has a particular 'duty' to engage in a specific way. NDCs therefore feel they must continue to focus on demonstrating their track record in delivery – the most important criteria by which they are judged – and in sharing their learning and skills.

In some areas, NDC officers are taking on additional roles within local authorities, helping to build relationships and share learning. For example, in Brighton the NDC Programme Director is now responsible for coordinating the neighbourhood renewal strategy across the district. In Bradford the NDC Chief Executive has moved to become Assistant Director of Neighbourhoods which is helping embed the NDC experience in the development of Neighbourhood Management across the city.

## Maintaining partner engagement

In addition to local authorities, NDCs have worked closely with mainstream partners throughout the duration of the programme. The additional resources that the Programme has brought to areas has enabled partners to work with NDCs in trialling new approaches and in taking risks that might not have been possible otherwise. However, as NDCs move closer to succession they are finding that a number of challenges are emerging in relation to service partner engagement.

The first lies in maintaining the involvement of partners until the end of the programme. NDCs are already experiencing or fearing some 'drop off' as resources diminish or become fully committed. The second challenge is ensuring that partners will be engaged beyond the life of the programme.

Neighbourhood Management is the main mechanism by which NDCs plan to keep partners engaged with the local community in the future. In many places, Neighbourhood Management is part of wider area working and provides strategic links to the LSP via the LAA. As such, it helps ensure accountability among all partners.

For NDCs, developing Neighbourhood Management is likely to mean changes in a number of key aspects. For example, Board make-up may be different. In Bradford, partner representation on the Neighbourhood Management Board will not be as senior as it has been on the NDC. This reflects the fact that partners are now engaged across the city and cannot therefore send senior officers to all local partnership Boards. Although this could have an impact locally within the NDC, this is seen as an 'acceptable' cost and part of progression.

Boundaries may also shift. In Sheffield, Neighbourhood Management is being established over a larger area than the NDC. In Salford the NDC is currently part of a much wider Neighbourhood Management area but is raising the question as to whether this should be re-aligned to a more manageable scale. In this way, NDCs are both plugging into and influencing wider Neighbourhood Management structures.

In re-articulating their boundaries, it is not yet clear whether there will be any unintended consequences for communities currently outside of NDC areas. On the

one hand, NDC resident Board members are often perceived by agencies to be more 'effective' and, in future, their skills and experience could thus bring benefits to a wider area. No NDC is planning to establish Neighbourhood Management in a district that does not have a wider neighbourhood infrastructure or plans for one. While this would arguably be difficult anyway, it could also lead to tensions or rivalries between communities.

In many cases, NDCs are offering more to local models of Neighbourhood Management than in the rest of the district. In Sheffield, the city is pioneering Neighbourhood Management in five areas, but it is already much further developed in the NDC area than in the rest of the district. In Salford, the NDC is looking at the potential to have an enhanced role for the ALMO and other partners in delivering certain Neighbourhood Management functions. In North Fulham, the NDC is at an early stage of piloting neighbourhood working in partnership with the council. This could have real benefits for the NDC and local people but it also helps the council to have an infrastructure on the ground with the necessary skills and connections in place.

NDCs are also offering additionality to partners by aligning Neighbourhood Management with other parts of NDC succession arrangements. In Sheffield, the development of an independent community organisation is directly linked with the Neighbourhood Management for the area. Although funding decisions will ultimately be made by trust directors, the Board's priorities will be aligned with those agreed with partners through Neighbourhood Management. Bradford Trident is also likely to spend the money it raises from its assets in a way that adds value to mainstream services, for example by targeting local resources at employment projects. In this way, independent community organisations both demonstrate commitment to working with partners and bring additional resources to the table. The community's activities will also benefit from being delivered in partnership with the mainstream.

In developing Neighbourhood Management, NDCs are finding that they need to consider carefully how their model links with other aspects of succession, such as community empowerment, support for the local community and voluntary sector (CVS), development of social enterprise, and service delivery. It will be important to recognise that NDCs will have a range of different relationships with partners: as contractors, as influencers, as commissioners. There may also be a host of 'bi-lateral relationships' between NDC successor bodies and individual partners in addition to engagement on Neighbourhood Management Boards. However, NDC successors will have nothing like the level of resources available to them as they have had under the Programme.

The challenge for partnerships, then, is to develop succession vehicles that are able to support and enable this diversity of relationships within a tighter financial regime. Successor bodies are likely to need some funds with which to engage partners, the key question is how much? In Bradford, NDC assets will generate around £30,000 in the first year to target each of the partnership's thematic areas. Although far less than the NDC has been able to spend under the Programme, this funding can add value to mainstream provision when used effectively.

But NDCs will also need to be able to manage competing demands for resources. Important decisions have to be made about which partners/themes will be the

priorities to work with in the future and NDCs will need to make choices about allocating funds for partnership working as opposed to community development or independent project delivery.

Overall, NDCs will need to consider the most effective way to use their resources in working with partners and sustaining relationships. Throughout the programme, NDCs have often seen themselves as 'buying relationships' through funding partners, recognising the importance of small projects to establishing and building relationships. In future this kind of 'strategic partnering' will be just as important, but will need to draw on new sources of finance.

There are some real challenges to NDCs in securing partner engagement in the future. Even where formal agreements are in place, NDCs cannot necessarily ensure full engagement in on-going partnership working or project delivery. In some cases, NDCs have suffered as a result of key individuals leaving partner agencies.

Partnerships will also need to ensure that their successor bodies can deliver the means and resources to continue supporting communities to engage effectively with service providers. To date, NDCs have invested heavily in community engagement, training and capacity building, as well as the various means of communication that keep local people informed and involved. Future reductions in resources will put pressure on partnerships' ability to continue this work. If it does not continue, however, there is a risk that partners' interest and involvement in Neighbourhood Management will suffer as relationships between agencies and communities are likely to be less productive.

There is something of an inherent tension between NDCs and many of their partners. The organisations that NDCs are dealing with – PCTs, local authorities – are often large and bureaucratic and operate at speeds far slower than NDCs. In some cases, the time that it takes for partner organisations to make decisions is negatively impacting on NDC succession planning and NDCs are apprehensive about the time remaining in the programme. Where NDCs are piloting Neighbourhood Management, for example, they cannot guarantee that it will be mainstreamed or that a decision will be taken on this within the lifetime of the Programme. Where they are seeking commissions from PCTs, the time involved in negotiating and agreeing contracts, and in reaching conclusive decisions, is eating away at the remainder of the NDC Programme.

The research found that, in response, NDCs are focused on creating the conditions in which it 'makes sense' for partners to engage. They are focused on evidencing the impact of NDC interventions and approaches as well as the fit with strategic priorities of partners. They are developing a range of activities to ensure that they spread their risk: ensuring an independent income stream that can be used to attract partners even if Neighbourhood Management does not deliver; funding local community organisations to deliver targeted services in case agencies are unable to do so in the future; working with private sector partners as well as public agencies; being able to bid for and deliver services themselves. However, NDCs feel that the longer they have to wait for secure commitment from partners, the more risk there is likely to be to succession.

### Box 5. Mainstreaming NDC interventions

Successful mainstreaming is often predicated on a strong working relationship with partners. North Fulham's success in having three health projects mainstreamed through the PCT was based on solid foundations embedded in the project planning cycle. This involved a joint agreement between the PCT and NDC before delivering an intervention based on a collective 'fit' of priorities, evaluation plans with impetus agreed by both parties such as cost effectiveness and impact and based on this 'evidence' an agreement by the PCT to assess whether the initiative would prove a viable option to mainstream.

It is important to evidence whether an intervention or a specific way of working has had an impact on the local community, is cost effective, and how it contributes to specific outcomes. Therefore robust evaluation is vital in terms of mainstreaming options. West Middlesbrough Neighbourhood Trust commissioned an evaluation of its health strand, the results of which led to the commissioning of individual-based health services through the PCT which tied into NDC outcomes.

## Managing the transition

Developing succession strategies is a developmental process that requires a structured but flexible approach. NDCs are finding that it needs to be seen as a process of 'change management', of moving a set of individuals (officers, Board members, partners), relationships and structures towards a new purpose and new modes of operation. The process needs to be actively managed in order to get to where the partnership wants to go.

Furthermore, this must be achieved while there are still pressures associated with delivery of the NDC Programme, as well as those exerted by the new structures towards which NDCs are moving. In some cases, these priorities may be at odds. For example, NDCs are balancing a need to continue to work with Board members to administer the programme, to review project performance and approve new expenditure. But at the same time, they have to respond to new business opportunities as and when they arise, and to be able to take risks in trialling new modes of working. This may necessitate faster decision-making than has been possible within the programme.

As part of their succession planning, NDCs therefore also need to develop a **'transition strategy'** that takes into account a number of key factors.

There needs to be an underlying clarity of vision to the proposals – relating to the overall strategy as well as its constituent parts. Critical dependencies and relationships need to be clearly understood. These may be financial or 'reputational' dependencies. In West Middlesbrough, for example, the partnership is developing a range of social enterprise and business-focused activities aimed at bringing resources into the area. However, the NDC is clear that in the eyes of local residents, one of the key issues that must be addressed is housing redevelopment, which the Trust is overseeing. If

this is not delivered successfully, it will be harder to get buy-in from residents and to achieve local legitimacy.

As part of the transition, NDCs also need to know when to get external advice and where to go for it. This may be specific financial, legal or other technical advice or a more general 'critical appraisal' of the programme or succession plans. It is important to ensure that the NDC is not getting advice on detailed technical issues (that could push them down a particular route) before an understanding of the broader strategy has been fully developed.

A number of NDCs have discussed the importance of 'taking people with you', both in delivering the Programme and in planning for succession. It helps if all relevant stakeholders feel part of the successes and what the NDC has helped them achieve to take forward their own priorities. In Bradford, the NDC has always tried to ensure that the local authority, the Government Office and other partners have felt ownership of the NDC's achievements; that they have felt part of the team. This has been critical in building consensus around the future direction of the NDC and in managing the transition.

Many NDCs have already been reviewing and changing their staff teams during what can be thought of as a transition period. The range of activities required at the start and middle of a programme are not necessarily the same as those required towards the end. It is clear that roles, capacity and resource needs are *shifting*, although not necessarily reducing.

Planning and delivering the transition from programme to succession is in itself a major challenge. Within this, however, there are particular considerations relating to the establishment of development trusts and it is useful to reflect on the different ways that NDCs are handling this.

## Staff

We discussed above how NDCs are finding that their capacity and resource needs are shifting as they manage transition to the succession arrangements. A key element of this relates to the staff team.

Overall, the composition of an NDC's staff team increasingly has to reflect the relationships between different parts of the future organisational model and to ensure that these are 'fit for purpose', financially viable and represent 'good governance'. NDCs are finding it is vital to have members of staff who understand these relationships between the various entities and have the appropriate skills and experience to put them in place. For instance, to understand the relationships between asset-owning development trusts and Neighbourhood Management structures.

There are a number of key skills and areas of experience that NDCs are finding they need to draw on in delivering succession:

- trust development and management – eg business planning, company law, charity law, contract law, bid-writing, HR, marketing and communications
- asset development – eg finance, property, legal framework, negotiating with developers
- relationship management – eg strategic planning, networking, commissioning (especially through Neighbourhood Management), data analysis and use of evidence
- community development – partnerships still need to be able to work closely with communities to ensure that they have the skills and knowledge to engage and to lead; and
- 'winding down' programmes – eg performance management, project support towards exit or independence, HR considerations, contract law

Clearly a number of these skills have been present throughout the programme, but a number may not. In Bradford the partnership has had an in-house officer with skills and experience in banking and finance, which has been essential in successfully developing the NDC's property portfolio and asset formation.

In Sheffield, the partnership has recently taken on a new Assistant Chief Executive who will be taking over from the current Chief Executive shortly and will be managing the transition to a successor body. She previously worked in a related position within the council so her experience of neighbourhood delivery and partnership working will be essential in ensuring the success of Neighbourhood Management as part of the NDC's succession plans.

As individuals have left the organisation in recent years, Brighton NDC has been promoting staff from within to ensure a smooth wind down process for the rest of the programme. This will help to ensure continuity for the remaining projects and Board members.

North Fulham has increasingly been merging the thematic responsibilities of its staff team. In part this is a response to staff leaving, but is also a natural progression for the programme, which is increasingly focused on the links between different themes. So, for example, the health theme lead is taking on responsibility for the employment theme. This reflects strengths within the NDC but also moves in line with national and local policy, which is increasingly focused on incapacity benefit claimants and addressing barriers to work such as ill-health.

Some NDCs are moving towards having more flexible organisational structures, that are able to contract and expand as requirements change. However, such a move does pose challenges. On the one hand, the shift towards shorter term contract working makes it harder to retain and attract staff with the right skills while, on the other hand, partnerships still have obligations under the NDC Programme. NDCs may find that the need for skills in roles such as evaluation, research and communications is reducing but that there are areas into which these officers can transfer, for example, business planning, performance analysis and marketing. Overall though there is clearly a need for flexibility within staff teams to use NDC-gained skills and experience in new ways.

### Box 6. Staffing for transition

Having the right staff team in place for the transitional period is proving to be a difficult balancing act for many NDCs. Diminishing Programme funds and changing priorities for partnerships mean that, in many cases, fundamental restructuring of existing staff teams has been necessary. Bradford Trident has interim arrangements in place for its Management Team for the 2008–09 financial year encompassing a Neighbourhood Manager responsible for partnerships, community engagement and Parish Council development and an Assets and Facilities Manager. Plans are in place to review this structure at the end of the year. In Sheffield, the staff team is reducing by about one-third overall during its transitional period.

NDCs are also faced with the challenge of retaining staff to deliver the remaining NDC Programme. This can prove difficult as insecurities develop due to general upheaval and contracts coming to an end. Partnerships that have experienced the 'wrong' staff leaving find it difficult to recruit people into post with the right skills and experience who are willing to take up a short term contract. NDCs are therefore trying to ensure that they fully communicate plans to all staff at an early stage, providing as much reassurance as possible.

Salford NDC ensured that there was an agreement in place with the local authority in the early stages of their succession planning which gave all staff on council contracts the opportunity of redeployment within the council. Bradford Trident have retained most of their team through guaranteeing contracts until September 2008 and working with staff to explore ways of diversifying their work and arrangements with partners, for example the Housing Officer has been seconded to the Council and RSL for two days per week and the Environment and Health Officer has been seconded to the RSL and is likely to secure PCT funding for the post. Burngreave NDC has succession plans in place in preparation for the Chief Executive's departure. A new Deputy Chief Executive is currently in post from the City Council who has been involved in the NDC from the start during her role as Area Coordinator for Burngreave, who will lead on succession plans.

## Community members

Residents have been at the heart of the NDC Programme from the beginning and a primary goal for the future is to have an empowered community, whose members feel they can exercise control over their lives and neighbourhoods.

Community Board members have built up a range of key skills, such as financial management, project management and partnership working. Local people involved in the case study NDCs have gone on to participate in wider structures, such as sitting on LSPs, PCT patient involvement panels and Neighbourhood Management Boards. Partners have commented that community members from NDC areas often take a more positive and constructive stance in working with service providers than residents of other areas. NDC residents are seen to have a stronger understanding of the priorities and constraints faced by service providers.

In addition to resident Board members, NDCs engage the wider community through their work. This might be through managing and volunteering in individual projects, or via community chest grants. Such activities have also provided useful skills and experience for different groups in the community.

In taking forward their proposals for on-going resident engagement, NDCs are finding that they are facing a number of risks and challenges.

The first relates to 'tail-off' within the remainder of the Programme. There is already some anecdotal evidence to suggest that fewer Board members are engaged in meetings and other activities (it should be noted that this is not limited to residents). In part, this is put down to a loss of interest in managing the end of the Programme, when there are fewer decisions being made about new projects and Boards have less resources with which to meet needs in the area. Poor resident involvement in the remaining years of the programme could have a detrimental effect on delivery as well as the ability to establish a viable successor organisation.

The second big risk is that too few residents will be left to direct the successor body in future. This may result from burn out among individuals, or because successor bodies are likely to have less resources for engaging and supporting local people. Poor partner engagement is also seen by some NDCs as a potential risk to resident involvement as local people want continued influence over partners as much as they want independence.

A lack of community engagement in NDC successor bodies is likely to place an additional burden on those residents that do remain involved but it will also weaken the successor body's links to a diverse range of community members. If much of the organisation's legitimacy will come from the strength of its support locally, having few residents involved could impact on relations with partners.

NDCs are seeking to address these risks in a number of ways:

- taking residents with the partnership – ensuring that residents (Board members and others) have enough opportunities to lead and contribute to succession planning
- by ensuring that roles, responsibilities and the composition of Boards are appropriate – for example, a number of NDCs have now moved to having fewer Board meetings or merging theme groups
- by ensuring that resident engagement and support structures are fit for purpose – East Brighton Trust spent six months working with residents every weekend to build their skills and a number of NDCs are investing in community leaders of the future
- ensuring that the timing of transition supports on-going resident empowerment and capacity building – for instance, by establishing trusts early to allow directors to have a substantial cross-over period and to develop skills and experience; and
- by reviewing the ways in which residents are elected to Boards – a number of NDCs will be appointing resident Board members in future rather than holding elections, reflecting changing resources but also helping to achieve the right

skills match; where appointments are made from wider community structures (such as tenants groups) this also helps to embed the successor body within the wider area<sup>15</sup>

A number of partnerships see the transition from NDC to successor as a positive opportunity to refresh resident involvement. In Sheffield, for instance, the local population has experienced significant in-migration since the NDC began. The partnership wants to use the move to an independent trust to re-connect with the wider community and to ensure that a greater diversity of community members is on Board. It has already begun this process by delivering a number of 'get to know your neighbourhood' courses, aimed at providing people with knowledge about how the neighbourhood works with a view to getting people involved and building future activists.

### Box 7. Community involvement

Salford NDC is ensuring the continuation of community involvement by incorporating channels for engagement within all key aspects of its succession plans. Future governance of new community facilities in the area will have a strong component for local resident involvement and local community groups will continue to be supported by a small grants scheme administered under existing Neighbourhood Management structures. Maintaining community involvement plays an important part in Burngreave NDC's succession model. The NDC is hoping that a successful re-branding of the new 'community owned' partnership will attract a wider range of potential community activists.

A number of NDCs highlighted the risk of continual growth of politically active residents. Burngreave NDC will be looking into making links with existing local networks, such as the local youth forum and the city's Empowerment Network to develop community activists. The NDC has a training programme in place to help develop new 'activists' – 'How Your Neighbourhood Works'. They will also be looking into means of engaging with new arrivals.

## Establishing a community development trust

There are lots good reasons for NDCs setting up development trusts as part of their succession strategies but each partnership needs to clearly understand the rationale for its own area. In part, this entails reflection on the questions of 'Why succession?', but also 'Why a development trust?'

Development trusts are being established by NDCs both to deliver specific activities in particular outcome areas and to provide more general strategic coordination. In most cases, a key benefit is that they offer a degree of independence, including local decision-making and market freedoms (particularly in relation to asset development

<sup>15</sup> Further information on NDC Elections is available in the NDC National Evaluation report, *Neighbourhood governance: making NDC elections a significant event for Partnerships and Communities?* CLG 2008

and trade in goods and services). They also offer strong potential for on-going community involvement.

The legal status adopted by a development trust (for example, company limited by guarantee, charity, Community Interest Company) will need to support its goals and methods. So if, for example, a development trust is to own assets procured with NDC grant, it will need a legal structure that reassures government that these will be 'locked in' for the good of local people.

The development trusts being established by NDC partnerships are often linked to other parts of succession infrastructure, such as Neighbourhood Management or social enterprises. These may be operational or resource links (to ensure that the trust can work effectively and has a sustainable income), or they may be 'moral' links (such as to provide legitimacy in the eyes of local communities and partners).

### **Box 8. Linking development trusts to partner engagement**

In Sheffield, Burngreave NDC is clear that although the establishment of an independent community organisation will enable it to derive an income for reinvestment in the area, it is of critical importance to local people that the organisation can influence services and act as an effective advocate for the neighbourhood. On the other hand, part of the appeal to service provider partners is that the organisation both genuinely represents local people and that it can bring additional resources to the table. Integration with the local Area Partnership (Neighbourhood Management) is therefore as crucial to succession as the development trust and, to an extent, one is dependent upon the other.

It is seen as essential to allow time for new organisations to develop experience and to build up a track record (both financial and in terms of management and delivery). The development trusts have at their heart a number of directors, or trustees, with residents usually forming the majority. They also have a staff team in support, usually made up of current or former NDC officers. In nearly all cases, the development trust's staff team is smaller than the NDCs.

The establishment of development trusts provides opportunities for NDCs to address a range of factors and to mark a change from Programme delivery. Some partnerships are looking at the boundaries of their operation and determining that it makes more sense to operate over a wider area in the future. This may be prompted by commercial considerations or by a need to better align with partners' geographies. Others are looking at the partners that sit on Boards and are purposely seeking greater involvement of the private sector on trust Boards than they have had as NDCs. This may be due to a desire to bring stronger business skills into the organisation or because trusts want to deliver more work in the private sector. This is particularly happening where public sector engagement is being taken forward in a different part of succession, such as Neighbourhood Management.

### Box 9. From NDC to development trust

In West Middlesbrough the NDC Board oversaw the programme for a number of years before the establishment of West Middlesbrough Neighbourhood Trust in 2005, a company limited by guarantee with charitable status. At that time a new Trust Board was established and the two have since run in parallel, with the Trust providing strategic steer and coordinating a range of activities, including NDC. The NDC Board continues to function and makes key decisions in relation to NDC grant and is also the main forum in which local partners and agencies have input.

West Middlesbrough Neighbourhood Trust saw a number of benefits in establishing a separate Trust Board. In particular, it enabled the partnership to bring in directors that had experience and skills more suited to the entrepreneurial aspects of its business, although these were still all local people. At the same time, however, a strong link has been retained between the Trust and the NDC Board which ensures synergy between programme delivery and succession activities. This link will remain in place until the end of the NDC programme.

The West Middlesbrough example contrasts with some other areas, where there has effectively been a 'break' in the link between the original NDC Board and the new trust. In some cases, the links between NDC Boards and Trust Boards have meant that partnerships have had to carefully manage legal and governance relationships to ensure that there are no conflicts of interest and that they are not breaking any laws or charity regulations.

However the transition from a government funded programme to a development trust entails a big shift. As one trust Chief Executive put it, *"this is a very different world that we are in now"*. In many ways NDCs have got longer to get it right, to build up their development trusts and harness the necessary skills and experience to mitigate risks faced by new community organisations (poor cash flow, high staff turnover, barriers to accessing to statutory contracts).

### Box 10. A Development Trust for the future

From an early stage it was decided that an asset-based trust was needed in East Brighton to continue the regeneration of the area beyond the life of the programme and the NDC Board incorporated, becoming eb4U Ltd. Following a review of the partnership in 2006, it was felt that greater clarity was needed around the different roles of the NDC programme and the successor body. This led to eb4U becoming a new development trust, the East Brighton Trust, and retaining ownership of the NDC assets. At the same time, a new NDC Board was constituted, as East Brighton NDC, in order to finish off delivery of the Programme. The Trust and the NDC now effectively operate as two distinct organisations and the NDC will wind up at the end of the Programme. To support separation and full establishment of the Trust it entered into an SLA with the NDC and Programme funds covered key staff for the first year. This transition period

helped in establishing the trust and provided continuity. As of April 2008, however, the Trust has been 'on its own' in financial terms.

Because there were already a number of assets held by the NDC company, it felt 'safer' for the partnership to become its own successor body and thus avoid potential complications with clawback at the end of the programme. However, it also posed a number of challenges for both Boards. At the time of 'separation', NDC Board members were offered the choice of staying on and becoming Trust directors, or joining a new Board to finish off the NDC programme. Most of the community members chose the first option while statutory agencies remained with the NDC. This meant that a new Board needed to be established to finish off the NDC Programme. At a relatively late stage and with most funding already committed, this proved a challenge, although there is now an effective Board in place. It also meant that the Board of the new Trust was made up primarily of residents who had good skills and experience of the NDC programme but who were less well prepared for directing a company with limited resources and a more business-focused outlook. Moreover, the Board in itself was not well suited to the Trust and was too big to make the kind of decisions it needed to at the speed required. In the past year, the Trust has undertaken a lot of developmental work with directors to ensure that they fully understand their roles and responsibilities and it has also reduced director numbers to make it more streamlined.

### Case study 6. West Middlesbrough Neighbourhood Trust

The starting point for West Middlesbrough Neighbourhood Trust's succession planning was the aspiration that the local area should be able to 'stand on its own feet' socially and economically. It was recognised that ten years was not long enough to deliver this and the partnership therefore needed to put in place structures to sustain regeneration over the long term.

WMNT developed a five year business plan based on market research and conducted a market assessment to help determine future direction. This was approved by the Board in 2007. The business strategy is WMNT's Succession Strategy in that it sets out the mechanism by which WMNT will generate income and become sustainable in the future. There are three elements to income generation beyond NDC funds:

- establishment of trading subsidiaries
- development of a strong asset base
- delivery of services/contracts/consultancy

WMNT has already had some success in delivering contracts for external agencies and partners around community safety initiatives and youth activity. The success of its work with young people led to the development of Just 4 Youth as a wholly-owned subsidiary of WMNT. This organisation provides training, research and consultancy services to a range of statutory agencies and other organisations. Just 4 Youth's services are delivered by local young people, trained and employed as Young Advisors. Work has been secured with the Children's Workforce Development Council, Cleveland Police Authority and Government Office

North East, among others. The development of the company typifies the NDC's approach for the future in that it is innovative, flexible and outward looking but continues to offer employment, jobs and training opportunities for local people.

A large part of the WMNT NDC programme has focused on the redevelopment of two key housing sites and its income generation strategy is strongly rooted in being able to sell land it owns to developers and reinvest the additional funds released back into the community. A large proportion of this will go towards building a new health and sports community facility, which has the potential to bring in long-term income through renting space, for example, to a new GP practice. In addition, an agreement has been put in place with developers so that WMNT will have the opportunity to earn extra income if property prices increase. The major housing development, which is still to get underway will have a build period beyond the NDC programme. As part of its work in housing, WMNT has acquired a number of properties which it will refurbish and rent out as part of a local training programme that will bring in further regular income.

The Trust has had some success in mainstreaming. For example, a number of projects have been adopted by the PCT and local schools. This has, however, posed new challenges as some interventions no longer target the NDC cohort alone which, in some cases, has impacted upon NDC outcome targets.

As part of its succession planning, the Trust is looking at its relationships with strategic partners. To be seen as a service deliverer will require strong relationships with statutory bodies and confidence that the organisation has the necessary skills and resources available. For example, the Trust is looking into what services it can provide to help achieve strategic health targets and is working on a pilot initiative with the PCT to deliver peer education for young people.

Although the governance of the organisation has changed since the start of the NDC programme, the community continues to play a major role. The Board has moved towards a selection process for members and local residents are prominent among the Trustees of the newly constituted charity Board.

The Trust plans to establish a flexible organisational structure, able to contract and expand as market conditions change. The organisation will identify gaps in the market and will shape its resources and skills to fill these. However, the move to a more flexible and responsive organisation poses a number of challenges. On the one hand, the shift towards shorter term contract working makes it harder to retain and attract staff with the right skills while, on the other hand, the partnership still has obligations under the NDC programme.

There remain a number of 'unknowns' for West Middlesbrough Neighbourhood Trust as it moves towards succession from the NDC programme. The Trust needs to build up a clearer picture of how much income it can generate and what level of reinvestment it will be able to make in the area. However, West Middlesbrough Neighbourhood Trust is clear that the security it achieves from its assets and longer term contracts will help it to overcome some of the difficulties experienced by other social enterprises in being totally reliant on short term contracts. Moreover, the Trust accepts that 'this is a risky business', as it has been since the start of the NDC programme. But it is this willingness to take risks and to be forward thinking that is the strength of the NDC and what many of its partners value most of all.

# Key learning points

It is clear that there is no one approach to succession that will be right for all NDC areas. They are all operating in different contexts, with different partners and their experiences of delivering the Programme have differed. The opportunities for succession therefore vary considerably from one NDC to another. However, this research suggests that there are a number 'critical success factors' that can be seen as essential to succession planning and implementation. These are summarised in the table below.

Success factors	Finding
Strategic succession plan	<p>Why succession? Having a clear rationale as to why regeneration should continue in the area</p> <p>What to sustain? Identifying priorities</p> <p>Choosing appropriate vehicles, legal and constitutional structures</p>
Transition strategy	<p>Developing a time plan, setting out the move from NDC Programme delivery to successor activity, ensuring that obligations to the Programme can be fully met and allowing enough time for new structures to 'bed in'</p> <p>Developing and evolving current governance and service delivery structures to better suit transition and succession</p> <p>Having in place the right staffing and resources to 'implement' succession and to respond flexibly to new opportunities and changes in circumstances</p>
Relationship with local authority	<p>Ensuring that there are clear lines of communication between the NDC and the local authority</p> <p>Being clear about what the shared priorities are and how the NDC can contribute to these</p> <p>Sharing learning and evidencing impact of the NDC's experience and achievements in key areas of service delivery, community engagement and partnership working</p> <p>Joining up through staff appointments, secondments and other opportunities to embed an 'NDC approach'</p>

Success factors	Finding
Relationships with partners	<p>Plugging into existing and emerging neighbourhood structures, demonstrating how the NDC successor can add value to these</p> <p>Aligning partnership working (influence) with community development trusts (independence)</p> <p>Identifying how to use resources strategically – which partners to focus on, maintaining resources for community engagement</p>
Staff expertise	<p>Retaining key skills for winding down the Programme</p> <p>Ensuring there are the skills for winding up for succession</p> <p>Balancing in house and external skills, being clear about where there are strengths and experience and where there are gaps</p> <p>Developing a more flexible approach to personnel and contracts, while recognising the need to be sensitive to existing staff members</p>
Community on Board	<p>Retaining and valuing resident knowledge and expertise</p> <p>Ensuring that community leadership and buy-in can be sustained into the future</p> <p>Establishing appropriate governance structures that reflect the full spectrum of relationships across successor organisations as well as changes in circumstances and activities post-Programme</p> <p>Providing on-going support to community members throughout the transition and in performing their 'new' roles</p> <p>Investing in future residents' leaders</p>
Trust arrangements and asset management	<p>Ensuring that governance arrangements are fit for the purpose of completing the Programme and delivering successor activities</p> <p>Ensuring that there is financial viability across all elements of successor organisations, that the links between the different parts and any risks and critical dependencies are clearly understood</p> <p>Maintaining links with key partners throughout and understanding how this will be 'resourced' financially and 'in-kind'</p>

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## Appendix B: Glossary

**ABI** – area-based initiatives (ABIs) are publicly funded initiatives targeted on areas of social or economic disadvantage. Area based initiatives encourage a range of partners to work together, targeting their resources to improve the quality of life in these areas.

**Accountable Body** – an Accountable Body generally takes responsibility for the legal and financial management of grant disbursed to a project or programme. As the organisation receiving the funding, the Accountable Body is responsible for putting in place an audit trail, overseeing contract management with suppliers and ensuring that the project has sufficient cashflow.

**ALMO** – Arms Length Management Organisation is a company set up by a local authority to manage and improve its housing stock. An ALMO is responsible for the day to day housing management but does not own the housing stock.

**Charity** – a voluntary organisation that provides public benefit and uses any profit or surplus only for charitable purposes. Charitable purposes are defined in the Charities Act 2006 and all charities are regulated by the Charity Commission.

**Community Anchor Organisation** – a community-led, neighbourhood based organisations that generate income through trading or contracting and through the ownership or management of an asset base.

**Community Interest Company** – limited companies created for community benefit. This is achieved by a ‘community interest test’ and ‘asset lock, which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes.

**Floor Target** – Government targets that set a minimum standard of services for disadvantaged groups or areas. Floor targets are designed to reduce the gap between the poorest areas and the rest of the country.

**HMR** – Housing Market Renewal is a programme to rebuild housing markets and communities in parts of the North and the Midlands. Its objective is to renew failing or weak housing markets and reconnect them to regional markets.

**LAA** – Local Area Agreements are three-year agreements between central government and local authorities and their partners that set out priority issues and targets for local action. LAAs were designed to simplify central funding, join up public services more effectively and allow greater flexibility for local solutions.

**LEGI** – Local Enterprise Growth Initiative is a programme that aims to increase entrepreneurial activity in the local populations, support locally-owned businesses and attract inward investment, making use of local labour resources.

**Limited Company** – a corporation whose liability is limited by law, meaning that company’s finances are separate from the personal finances of its owners.

**NEET** – a 16–18-year old person who is Not in Education, Employment or Training. This is seen as a major predictor of later unemployment, low income, teenage motherhood and poor health.

**Neighbourhood Enterprise Champions** – a LEGL-funded programme in Sheffield that provides business support to potential entrepreneurs looking to set up a business. Its aim is to increase entrepreneurship and business start-ups.

**Neighbourhood Management** – a process, led by a neighbourhood manager, whereby residents work in partnership with service providers, the local authority, businesses and voluntary organisations to make local services more responsive to the needs of their neighbourhood.

**RSL** – Registered Social Landlords are funded and regulated by the Housing Corporation and provide subsidised homes. Most are housing associations but they also include trusts, co-operatives and companies.



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