

Partnerships between local and national governments and the private sector

City Challenge Partnerships represented a major switch of funding mechanisms towards competitive bidding. To gain funding a local authority had to come up with an imaginative project and form a partnership in its local inner-city area with the private sector and the local communities. The partnership then submitted a 5-year plan to central government in competition with other inner-city areas. The most successful schemes combined social aims with economic and environmental outcomes. By 1993, over 30 City Challenge Partnerships had been established and another 20 or more bids had been unsuccessful. By the end of that year partnerships accounted for over 20% of expenditure on inner-city regeneration.

How City Challenge worked

The City Challenge initiative was designed to address some of the weaknesses of the earlier regeneration schemes. The participating organisations — the partners — were better coordinated and more involved. This particularly applied to the residents of the area and the local authority. Separate schemes and initiatives operating in the same area, as had happened before, were not allowed — the various strands of the projects had to work together. Many earlier initiatives had concentrated on improving buildings, whereas City Challenge gave equal importance to buildings, people and values. Cooperation between local authorities and private and public groups, some of which were voluntary, was prioritised.

All the City Challenge areas suffered from high long-term and youth unemployment, a low skills base, poor levels of educational attainment, environmental deterioration, increasing areas of derelict land and growing commercial property vacancy. Public-sector housing was deteriorating in almost all the City Challenge areas due to a combination of poor initial design and inadequate maintenance. The population of these areas usually had a higher than national average incidence of healthcare problems, high levels of personal crime and fear of crime, a high proportion of single-parent families and households dependent on social security.

The priorities of the different City Challenge areas varied. In Liverpool, priority was given to environmental improvement, while in Wolverhampton a science park formed the centrepiece of the project. In Hulme, Manchester, housing improvement was the main focus (see case study).

Was the initiative successful?

Overall, the competition between areas for funding was believed to be successful — improving the quality of proposals and encouraging new and more imaginative ideas. The private sector, in particular, found the competitive principle attractive and argued that competition had encouraged local authorities to suggest solutions as well as identifying problems. However, the competitive nature of the scheme was criticised by others on the grounds that large sums of money should have been allocated according to need, not competitive advantage.

In some cases neighbouring authorities competed against each other when they could have worked together. It is rare for the limits of disadvantaged areas to coincide with an administrative boundary. The policy that all successful bidders should receive



exactly the same sum of money, irrespective of need, was also criticised. Finally, competing authorities were not given clear information about the criteria on which their application was to be judged — for some it was a stab in the dark.

By 1997 the Conservative government was able to publish statistics pointing to the success of City Challenge. Over 40,000 houses had been improved, 53,000 jobs had been created, nearly 2,000 ha of derelict land had been reclaimed and more than 3,000 new businesses had been established.

Case study

Hulme City Challenge Partnership

The Hulme area of Manchester was redeveloped as part of a slum clearance programme in the 1960s and a number of high-rise flats were built. Of the 5,500 dwellings, 98% were council owned. Over half of the dwellings were part of a deck access system, with many of the poor design features of prefabricated construction. The area had a low level of families with children, and a disproportionate number of single-person households. There was also a high number of single parents, and other people with social difficulties. There was some evidence that the local authority had used the area to 'dump' some of its more unfortunate residents.

Redevelopment

In 1992, under the Hulme City Challenge Partnership, plans were drawn up to build 3,000 new homes, with new shopping areas, roads and community facilities. A more traditional pattern of housing development was designed, with streets, squares, two-storey houses and low-rise flats. By 1995, 50 ha of land had been reclaimed, the majority of the former deck access flats had been demolished, 600 new homes for rent had been built, and more than 400 homes had been improved and refurbished. The main shopping area was totally refurbished, including the addition of an ASDA supermarket. A new community centre, including crèche facilities and other social provision, the Zion Centre, was also constructed. Crime in the area has been greatly reduced, and there is more of a social mix of people living in the area. The appearance of Hulme has altered radically.

Changing the reputation of Hulme gained in the 1970s and 1980s has been a long process, but appears to have been achieved. A green area, the Birley Fields, has been partly developed for a series of office blocks, and partly retained as urban parkland. The office development houses companies such as Michelin, Laing O'Rourke and the University of Manchester data centre. One significant part of 1970s Hulme that still exists is the Moss Side Sports and Leisure Complex. Upgraded for the 2002 Commonwealth Games, the centre has a gym and other sporting facilities. Hulme's proximity to the city centre has made it a popular place to live for a new generation of city dwellers; students of the University of Manchester also live in many of the student-focused residential developments in the area.

A symbol of the regeneration is the Hulme Arch. It supports Stretford Road as it passes over Princess Road. The construction of the bridge formed part of the regeneration of the area, both by re-establishing the former route of Stretford Road and by providing a local landmark.

The partners

A number of agencies and organisations were responsible for this transformation, including the Guinness Trust and Bellway Homes. These worked in close collaboration with each other and with Manchester City Council. The company responsible for Manchester airport also invested capital in the project. Hulme is a good example of how the public and private sectors can work together to improve a previously declining and socially challenging area.