

# Urban Regeneration Companies:



## A Consultation Paper

*Challenging Practice, Testing Innovation*



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*Challenging Practice, Testing Innovation*

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**URBAN REGENERATION COMPANIES: A CONSULTATION PAPER**  
*Challenging Practice, Testing Innovation*

# 1. Introduction



## **The Cities Review and Innovation**

The *Review of Scotland's Cities* published on 9 January 2003 recognised Scotland's track record in delivering social and economic change in innovative, joined-up ways. However, it also warned that Scotland must continue to learn from effective approaches from outside the country. "We must," the Cities Review report concluded, "remain open and receptive to new ideas and must proactively seek to exchange information on what works and what doesn't."

## **The Executive's Response – *Building Better Cities***

In its response to the Cities Review, *Building Better Cities – Delivering Growth and Opportunities*, the Executive made a number of key commitments, including:

- £90 million over the next 3 years to support growth and opportunities through a new City Growth Fund; and
- strategic city-region agreements, to be known as the City Vision, to set the priorities for using the City Growth Fund, created in partnership with Community Planning Partnerships (CPPs) and other key stakeholders.

## **Urban Regeneration Companies**

The Executive also indicated its support for innovative service delivery vehicles such as Urban Regeneration Companies (URCs) – where these come forward from consultation.

This paper marks the start of that consultation and sets out the context for the use of innovative delivery vehicles in accelerating growth and delivering regeneration. It seeks to challenge you, to test existing structures and initiatives against different models of delivery.

We want to know from you – as individual organisations or through joint responses from groupings such as CPPs – how you think delivery of regeneration initiatives could be improved and whether you see a role for URCs in contributing to that improvement.

The paper also explains how interested parties can enter into discussions with the Executive on taking forward their ideas, the practical support the Executive is offering, and, for interested partnerships, invites expressions of interest for **Pathfinder URC pilot** status.

## 2. Consultation process



### **Timetable**

It is our intention to produce a summary of the responses to this paper in December 2003. Responses by 14 November 2003 will help inform the regeneration community on how Scotland is approaching innovation in delivery.

The Executive is ready to discuss ideas, accept responses, and assess expressions of interest in creating URCs. These are big developments and should not be artificially constrained. Our overall aim, subject to the level of local support, will be to see Pathfinder URC pilots take shape during this Parliament.

### **Scope of Consultation – Cities and Beyond**

It is not just in our cities that we intend to challenge and invite interest. We are extending this consultation beyond the six cities and the six city regions, to **all** interested areas and organisations with a stake in national urban regeneration.

### **The Position of the Scottish Executive**

This paper is designed to increase understanding and assess support for innovative delivery vehicles for urban regeneration in Scotland. It is not a consultation on the principles of one model over another. It will therefore end not only with a summary of responses, but we hope with specific pilot projects.

We believe that new ways of working – especially strong partnership working which includes communities themselves – must be embraced locally and supported nationally. URCs will be formed in Scotland where there is strong local support, and clear agreement on outcomes.

That is why, in our response to the *Cities Review*, we made it clear that we would consult on how you could or would use the new options available.

Our role is to help you work through the obstacles you face, the opportunities a new delivery vehicle might bring, and the model you might create for your local circumstances and to take a view on national priorities for action. You will find more details on the role the Executive is offering to play on page 12.

### 3. Current approaches in Scotland



#### **What's wrong with current arrangements and partnerships?**

In many cases – nothing. As we stated earlier, Scotland has a sound track record in innovative working in this field. Scottish urban policy and practice has often provided a model of good practice by UK and international standards, for example in integrating training and economic development projects and in community-led regeneration in housing.

The Cities Review Analysis paper identified four examples of past or present delivery arrangements/vehicles in Scotland that can point to innovation and partnership working hand in hand to deliver results:

- local authority companies such as the EDI Group in Edinburgh – where the local authority provides seed funding, usually takes a majority share, and enters into deals with the private sector;
- joint ventures such as Dundee Medipark and Edinburgh Waterfront Limited – where local authorities and public agencies have entered into joint ventures with each other or the private sector for specific projects;
- strategic partnerships where a range of partners, usually but not exclusively public sector, come together and pool resources to achieve agreed change in an area or community; and
- local economic development companies such as the Castlemilk Economic Development Agency – where regeneration efforts across a range of fields (from housing improvement to skills training) are co-ordinated and focused in a target area by one particular agency.

All of these models clearly show that tailored solutions are necessary to fit specific objectives rather than a 'one size fits all' approach.

These are examples of success – but are these the only options? There are communities still living with limited access to employment opportunities, with environmental injustice on their doorstep, and an infrastructure that fails to support them in their daily lives. That is why we cannot be complacent and must continue to stretch our ambitions.

### **The challenge for us all**

No one doubts the commitment of the thousands of motivated individuals across the public sector and amongst people living in disadvantaged areas in Scotland to accelerating growth, improving our communities, bridging the gap between rich and poor, and contributing towards a safer, smarter, more successful Scotland. But sometimes even the most committed partners find making progress difficult, or find problems too intractable.

We want to work with local stakeholders to work out why past initiatives have failed to make a sustained impact – and see whether a different approach might overcome those obstacles, fill crucial gaps, or secure the extra funds to get projects off the ground. Social Inclusion Partnerships already play a key role in local regeneration activity and proposals are currently being developed to further integrate them within the strategic framework of CPPs. That’s why in considering URCs we want to make sure that the most appropriate regeneration vehicle is selected to address the specific problem and opportunities specific to an area. URCs must not develop in isolation.

#### **QUESTION 1**

**What are the current barriers or obstacles to delivering successful, sustainable regeneration?**

**In what circumstances would an URC help address these problems?**

## 4. Experience across the UK



### **Urban Regeneration Companies – UK analysis and recommendations**

In England, Lord Rogers 1999 Urban Task Force report recommended an innovative new delivery model called Urban Regeneration Companies as ‘dedicated arms-length bodies to co-ordinate the delivery of urban regeneration projects’. The Task Force was clear that although the organisational structures of URCs would differ according to local circumstances, the longer-term goal of all would be to use public sector investment in such a way as to maximise a ‘positive market response’. **In short, a vehicle through which the public and private sectors combine effectively to create growth and add value for both.**

Three pilot URCs in Manchester, Liverpool and Sheffield were cited by the Task Force as evidence of the potential of this model. In response to the Task Force, the UK Government’s Urban White Paper of November 2000 proposed that a further 12 URCs would be set up by 2003/4. Summaries of the three early pilot URCs are attached at **Annex A**.

In Scotland, the Cities Review report concluded in January 2003 that there is potential in introducing key elements of the URC approach in Scotland to provide a new impetus for regeneration efforts in areas of Scottish cities where existing initiatives are failing to deliver.

The team also argued that the promising start made by URCs potentially offers:

- better co-ordination of existing activities through a dedicated team;
- independence from local authorities and other public agencies;
- stronger focus for local strategies on national priorities; and
- a clear signal to the private sector of exactly where public agencies are focusing their energy, and crucially, investment.

### **Urban Regeneration Companies – What are they and how are they funded?**

This section describes how the URC model has developed in England. We will also explore what the URC model might mean in a Scottish context.

URCs are set up by, and with the agreement of, local partners – not imposed by central government. National URC designation and branding provides a focus for regeneration and a useful and productive vehicle for attracting external funding, **but the URC does not, in itself, receive any additional funding beyond that committed by its contributing parties.**

Additionally, as a consequence of the April 2003 Budget, businesses that make contributions **towards the running costs** of URCs will be able to treat these contributions as a deductible expense when computing their business profits. Relief is available for contributions made on or after 1 April 2003. The current Finance Bill provides that the Treasury will define URCs by listing them in a statutory instrument. The Bill was given Royal Assent on 10 July 2003. A statutory instrument will now be laid, listing current URCs. It will have retrospective effect so that businesses can get relief on contributions made on or after 1 April 2003. Any new URCs that are created can subsequently be added to this list by statutory instrument (this would also apply to any URCs set up in Scotland). Criteria to be used by the Treasury to define an URC include:

- the sole or main function of the body is to co-ordinate the regeneration of a specific urban area in the United Kingdom;
- the body is expected to seek to perform that function by creating a plan for the development of that area and endeavouring to secure that plan is carried into effect; and
- in co-ordinating the regeneration of that area, the body is expected to work together with some or all of the public or local authorities which exercise functions to the whole or part of that area.

### **Question 2**

#### **Should URCs attract additional funds from central government and, if so, why?**

URCs can be independent companies with the liability of the contributing parties limited by guarantee and not by shares. The contributing parties channel resources into the company, but the company is independent from them all. So it can, for example, hire new staff or develop and implement its own investment strategy for the area without seeking agreement from all the contributing partners to those actions.

Although a company limited by guarantee is the accepted structure for URCs, not least because it is the model most readily understood by the private sector, there are other ways in which they could be constituted. Two alternatives are the IPS (Industrial and Provident Society) model and Development Trusts. Further information on these models is attached at **Annex B**.

URCs have a board and a small, dedicated, executive team. In England, board membership generally consists of the Local Authority, the Regional Development Agency (RDA), English Partnerships, **and the private sector**. For ease of understanding, if such a structure was mirrored in Scotland that would mean a board including the Local Authority, the Enterprise Networks, Communities Scotland, and the private sector. There is no reason, however, why other partner organisation such as communities themselves, the voluntary sector, police, fire, or NHS interests could not be involved.

It is also possible that a URC could be set up by **public sector partners alone** in order to enter into a subsequent joint venture with a private sector partner – for example to show clearly to potential private partners that the group was committed and ‘serious’ in its long-term commitment.

### **Question 3**

#### **What range of partner organisations is needed to form a successful delivery vehicle like an URC?**

New guidance issued in England in March 2001 by the then Department of Environment, Transport and the Regions (DETR) suggested a number of key issues should be considered by partner organisations interested or considering forming an URC. An extract from this guidance is included at **Annex C**.

It is also important to be clear about the differences between URCs and Urban Development Corporations (UDCs). UDCs were established under the Local Government, Planning and Land Act 1980. A number of UDCs were set up in England during the 1980s and '90s tasked with a broad remit to secure regeneration of their designated areas by:

- bringing land and buildings back to productive use;
- encouraging the development of existing and new industry and commerce;
- creating an attractive environment; and
- ensuring that housing and social facilities are available to encourage people to live and work in the area.

For this purpose, UDCs were given a comprehensive range of powers, covering land and property transactions (including extensive compulsory purchase powers), building, infrastructure and other works, planning control, and a general power ‘to do anything necessary or expedient’ in the interests of their objective. They were set up as limited life organisations and were run by boards appointed by, and accountable to, latterly, the Secretary of State for the DETR, with grant aid from Central Government as the main source of public finance.

## URBAN REGENERATION COMPANIES: A CONSULTATION PAPER

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UDCs are identified as having brought a single agency focus to major regeneration challenges and have delivered land into productive use, created jobs and local economic activity. However, in many cases the investment has failed to deliver tangible benefits for local communities, with the new opportunities being taken up by incomers and commuters. An independent evaluation for the DETR in 1998,<sup>1</sup> suggested that this can be addressed if UDCs are more firmly anchored in policy objectives and strategies for the wider areas of which they are part and more closely integrated with other agencies tackling problems related to social exclusion. Community involvement was not ignored by all UDCs, a report published by Joseph Rowntree Foundation<sup>2</sup> in 1998 highlighted that Tyne and Wear Development Corporation's Community Development Strategy had produced significant gains for local communities and had made the corporation's work more effective as well as making it more acceptable to local residents.

The Office of the Deputy Prime Minister is currently consulting on new UDCs for Thurrock and the London Thames Gateway.

To summarise, the advantages of adopting the UDC approach include:

- a simplified approach to regeneration due to powers available to UDCs;
- a single agency best placed to assemble land, decide on infrastructure requirements, manage programme spend and develop local partnerships; and
- public sector investment can be used more strategically to benefit the local community and designated area – benefits resulting from investment could also be reinvested in the area.

But it is clear that to be successful, UDCs must be properly connected to local partners and the community and structured in such a way as to ensure that wider regeneration and anti-poverty outcomes are achieved so that the local community does not miss out on the benefits of the investment.

#### **Question 4**

**How should a delivery vehicle like an URC ensure that it is accountable both to its contributing partners and to the local community?**

#### **Question 5**

**Are there circumstances in Scotland where the UDC approach would be appropriate?**

1. *Urban Development Corporations: Performance and Good Practice* – DETR, 1998.

2. *A place for the community?* Tyne and Wear Development Corporation's approach to regeneration – JRF/The Policy Press, May 1998.

## 5. Scottish context



As we have previously said in this paper, there is nothing in the URC model that is exceptionally new or conceptually challenging. Neither should the existing Scottish framework be an impediment to creating such companies.

In Scotland, the Local Government in Scotland Act and its associated guidance, underlines the opportunities to bring potential URCs, or similar vehicles, within the wider Community Planning agenda.

In considering their approach to urban regeneration and whether or not to establish new delivery vehicles like URCs, local partners will want to consider how a new body might interact with the Community Planning Partnership (CPP). For example, is there a need for a new delivery body or can services be delivered through existing organisations under the strategic direction of the CPP? Would creating a new delivery mechanism ensure a better focus on urban regeneration issues? If local partners agree that there is a need for a new delivery body, how might that body best work with the CPP? For example, should the URC be represented on the CPP? How will the URC relate to neighbourhood community-planning structures and decisions? And crucially, how will communities themselves be involved?

Current local government legislation and guidance supports flexibility in delivering change and improvement in other ways. For example:

- through the power to advance wellbeing. A local authority can undertake activities, either within its area or outwith it, which it considered likely to promote or improve the wellbeing of its area and/or the people in it. Examples of potential uses of the power include giving grants, loans, guarantees, indemnities and support to bodies such as URCs; and
- the power to advance wellbeing may also be used to make arrangements or agreements with any person and to allow local authorities to co-operate with, or facilitate, or co-ordinate the activities of any such person. For example, the formation or participation in companies or any other form of association or vehicle for joint working such as joint boards, joint committees or trusts.

#### **Relationship with Local Economic Forum**

Although an URC focuses on a specific geographical area, it is vital that its work is interconnected with the wider Community Plan of an area and fits with other key strategies and initiatives. In England for example, URCs have been required to form close links with Local Strategic Partnerships. In Scotland, we would expect any prospective URC to have carefully considered the relationship it would have with the Local Economic Forum, given that Forums have the lead role in providing the economic development input into the community-planning process. Forum members are drawn from local authorities, the local learning sector, tourism agencies, local enterprise companies and private businesses.

#### **Relationship with Social Inclusive Partnerships (SIPs)**

In England, URCs have tended to focus on the physical and economic regeneration of old industrial or commercial areas with significant problems around vacant and derelict land – rather than wider community regeneration activities. As such, they have tended to be areas without a significant resident population. Therefore, they have not necessarily provided immediate opportunities for disadvantaged communities.

Many SIPs areas and other disadvantaged areas require significant physical regeneration. The integration of SIPs into Community Planning Partnerships will link such regeneration to the wider Community Plan and related strategies and initiatives. There is nothing to prevent an URC being set up to cover part of, or indeed the whole of, a SIP area. However, any such proposal would have to be clear about:

- the extent to which the private sector would see the area as providing sufficient development opportunities for them to become involved; and
- how the URC would be linked into other training and employment strategies and programmes inside or outwith the area that would realise opportunities for those living in the community.

#### **Question 6**

**How should an URC relate to other local partnerships and agencies?**

## 6. What next?



### **So what kind of projects are we talking about?**

As we have said before in this paper, there is no fixed model for the kind of project for which an innovative delivery vehicle would be appropriate. However, some of the common elements could be:

- where there is a large number of both national (e.g. Scottish Enterprise, Communities Scotland) and local (Local Authority) public sector stakeholders involved;
- where a range of actions and funding streams are needed to physically regenerate the area concerned – from roads and transport, to decontamination, to property development;
- where previous approaches have foundered because of, for example, funding gaps, private sector risk worries, or lack of appropriate guarantees;
- where regeneration projects cross one or more administrative boundaries; or
- or where the input and involvement of key private sector interests is not only desirable but necessary for long-term sustainable regeneration.

### **National Support**

The Scottish Executive supports and champions innovation in the public sector. We believe that the range of models within the URC and potentially the UDC banner offer potential in Scotland but need to be carefully tested.

The Executive has already shown that it is prepared to support major, often complex projects that have the potential to deliver real and tangible improvements to people's lives. For example the Housing Stock transfer in Glasgow, major public/private partnerships in the NHS like the New Royal Infirmary of Edinburgh, and ambitious plans for Edinburgh's transport infrastructure.

However, we are also convinced that the spark and impetus for such innovative approaches should normally come locally. A top-down approach has been shown not to work, but government still has a key problem-solving role in supporting these local partnerships. That is the approach we intend to follow in progressing URCs and other innovative delivery vehicles.

### **What you can expect from us**

We want to help nurture innovative projects and support good ideas for effective local delivery. That is why, following written 'expressions of interest' from this paper, we will offer:

- to establish dedicated joint-project groups with a small number of local groups to assess the feasibility of setting up an URC, and offer problem-solving advice and support;
- once agreed, national designation and branding as **Pathfinder** projects; and
- practical help for designated **Pathfinders** on legal and governance issues, research, set-up, and initial support to create the dedicated executive team.

### **What do we want from you?**

Through this paper we want you to:

- examine your existing ways of delivering regeneration initiatives and strategies;
- initiate, or give new impetus, to discussions with partner organisations within the Community Planning framework and local communities on the most appropriate delivery vehicles;
- where appropriate, identify geographical projects that could potentially benefit from the creation of a new delivery vehicle; and
- respond to the Scottish Executive with your views and, in the case of interested partnerships, deliver an expression of interest in becoming an **URC Pathfinder**.

### **How do we become a pathfinder?**

To become a Pathfinder pilot, we will expect your partnership 'expression if interest' to display:

- a clear support and commitment from the proposed partners, including communities themselves;
- a project and vision that will deliver on a social, economic, and environmental level – and not just commercially;
- a project that will make a real and lasting difference to a region as well as the immediate local area; and
- evidence that the delivery vehicle will be genuinely accountable to the community in which it operates.

### **Question 7**

**Do you have specific proposals for an URC in your area?**

## 7. Responding to this document



### **Views**

Views on this document and on the potential for the greater use of innovative delivery vehicles such as URCs are sought and will be accepted from all interested organisations – either as single organisation responses or as local partnership responses (for example CPPs).

The key questions to consider when framing your response are:

#### **Question 1**

**What are the current barriers or obstacles to delivering successful, sustainable regeneration? In what circumstances would an URC help address these problems?**

#### **Question 2**

**Should URCs attract additional funds from central government and, if so, why?**

#### **Question 3**

**What range of partner organisations is needed to form a successful delivery vehicle like an URC?**

#### **Question 4**

**How should a delivery vehicle like an URC ensure that it is accountable both to its contributing partners and to the local community?**

#### **Question 5**

**Are there circumstances in Scotland where the Urban Development Corporation approach would be appropriate?**

#### **Question 6**

**How should an URC relate to other local partnerships and agencies?**

#### **Question 7**

**Do you have specific proposals for an URC in your area?**

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They should be submitted in writing or electronically by 14 November 2003 to:

Paul McGrath  
Regeneration Unit  
Housing 3  
Development Department  
The Scottish Executive  
Victoria Quay  
Edinburgh EH6 6QQ  
URCconsultation@scotland.gsi.gov.uk

### **Expressions of Interest**

Expressions of interest in becoming a URC Pathfinder are sought from local **partnerships**. These should provide clear evidence of the commitment of all the partner organisations involved, an outline of the geographical area to be covered, and an outline analysis of why the partnership believes a new delivery vehicle would make a real difference (see page 12).

These should also be submitted in writing or electronically to:

Paul McGrath  
Regeneration Unit  
Housing 3  
Development Department  
The Scottish Executive  
Victoria Quay  
Edinburgh EH6 6QQ  
URCconsultation@scotland.gsi.gov.uk

Further copies of the consultation document – *Urban Regeneration Companies – A Consultation Paper* – are available from Paul McGrath by telephoning 0131-244 0516. You can also find this document on our website at [www.scotland.gov.uk](http://www.scotland.gov.uk).

AUGUST 2003

## **Annex A – Summaries of England’s Pilot URCs**

### **Liverpool Vision**

Established in 1999, Liverpool Vision was the country’s first URC. In its first 18 months, the principal focus was the development of a strategic framework for the city centre – aiming to establish Liverpool as a world-class city for the 21st century.

Liverpool Vision’s area of operation covers approximately 590 hectares (ha), which includes businesses employing 75,000 people and a resident population of 9,000 which is expanding.

Liverpool Vision is a not for profit company, limited by guarantee. Its board comprises 12 individuals from both the public and private sectors. It has an executive team of 14 working in planning, design, programme management and development.

The URC’s vision is that ‘Liverpool city centre will be recognised as a physically and economically attractive magnet for commercial investment, residential expansion, enhanced leisure and tourist industries’.

### **New East Manchester Ltd**

New East Manchester Ltd, established in 1999, covers 1,100 ha. It was the second URC to be created. The company is a partnership between national (English Partnerships), regional (NorthWest development Agency) and local (Manchester City Council) government – with local communities also playing a strong part.

There are two core objectives of East Manchester’s regeneration:

- creating sustainable communities through making the area an attractive place to live and work with a range of facilities and services that the local community needs, and through making sure that economic benefit is secured for local people; and
- ensuring that East Manchester maximises the contribution it can make to the regional, national, and global economy.

The company plans to make use of wide range of funding from national and European sources.

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The Regeneration Framework *New East Manchester – A New Town in the City* provides the basis for the 10-year regeneration plan which aims to:

- double the population to 60,000 over next 10-15 years;
- build up to 12,500 new homes offering a range of tenure and type;
- improve 7,000 existing homes;
- create a 160 ha business park;
- provide a £100 million sports complex including stadium (Commonwealth games);
- create a new town centre with a 120,000 square foot retail provision;
- provide an integrated public transport system;
- create regional parks; and
- increase educational attainment.

### **Sheffield One**

Launched in February 2000, Sheffield One aims to build a new, vibrant city economy based around enterprise, culture, learning and commerce. The company, which has a fixed life of 7 years, concentrates within the area of the inner ring road, though its influence will extend out to key gateway routes. This area of 220 ha accommodates 100,000 jobs (half of those in the whole city) and a resident population of 3,000.

Sheffield One is a company limited by guarantee with 12 board members (from public, private, and community sectors). It has an executive team of 8.

The URC's vision is of 'a prosperous and commercially successful city at the heart of a city-region which is reinventing itself as a new and dynamic modern economy; one that embraces both the new information and telecommunications sectors and an advanced manufacturing sector based on the area's traditional skills'.

The URCs masterplan is based on four strategic objectives:

- building a new hi-tech-based economy in the city centre;
- creating a vibrant city offering high-quality retailing, leisure and cultural activities as well as promoting continued growth of the housing market;
- improving accessibility by providing a more integrated transport system through improved public transport, car parking, and signage; and
- celebrating the public realm by upgrading and developing open, public spaces.

## **Annex B – Industrial and Provident Societies and Development Trusts**

### **Industrial and Provident Societies**

An Industrial and Provident Society is an organisation conducting an industry, business or trade either as a bona-fide co-operative or for the benefit of the community.

- **Bona-fide co-operative societies** are run for the mutual benefit of their members, with any surplus usually being ploughed back into the organisation to provide better services and facilities. Each member has at least one share in the society and control is vested in the members equally.
- **Benefit of the community societies** provide services for people other than their members. They must also have special reasons for wishing to register as an industrial and provident society, rather than as a company.

These societies are primarily governed by the legislation contained in the **Industrial and Provident Societies Act 1965**, the **Industrial & Provident Societies Act 1967** and the **Friendly and Industrial and Provident Societies Act 1968**.

### **Types of organisations registering as industrial and provident societies**

Industrial and Provident Societies are engaged in a wide variety of businesses. These include workers' co-operatives, retail co-operatives, housing associations, social clubs (such as the Royal British Legion, working men's clubs, Conservative clubs) and sporting organisations (such as rugby, cricket and golf clubs, allotment societies and other voluntary community-based organisations).

### **Potential benefits of registration as an industrial and provident society?**

- a registered society does not need trustees to represent its interests;
- the members have limited liability;
- the society has a registered rulebook setting out how it must be run; and
- organisations who may be providing grants, loans or subsidies sometimes prefer those organisations applying for such to be registered with a statutory body such as the Registry.

### **Development Trusts**

The term Development Trust is used to describe any independent, not-for-profit organisation which has as its principal objectives 'social, physical, community or economic development' – particularly in disadvantaged neighbourhoods and communities.

They are usually multi-purpose rather than single purpose organisations. They undertake a range of activities from direct project management through to more strategic roles.

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Key characteristics of a Development Trust are:

- their membership is open to the community in which it operates;
- they are legally constituted or incorporated; and
- and they are democratically controlled by their members.

A 'Development Trust' may be an Association, a non-profit Distributing Limited Company, a Friendly Society, or an Industrial and Provident Society. In some cases the 'trust' may also be a legally constituted trust. Some trusts are also registered as charitable organisations.

## **Annex C – Criteria for Future URCs – DETR, March 2001**

In considering the case for establishing URCs the partners should include an assessment of the following issues:

### **Contribution to regional and local priorities**

The regeneration strategy of an URC will have an impact and significance beyond the local area. Strategically important in context of the Regional Development Agencies (RDAs) Regional Strategy, Regional Planning Guidance etc. But must also address local needs – such as through its contribution to the Local Strategic Partnership.

### **Designated area**

The URC will need to combine development opportunities with clear social and economic needs of area. The size of the URC should be realistic, reflecting the likely availability of resources and investment required to make the intended impact, while remaining strategic. The area must also have a coherence/identity – particularly relevant to local stakeholders and investors. It may not be appropriate to make such decisions at the outset. The final focus for the URC may be determined following detailed analysis and consultation.

### **Rationale**

Proposals to establish an URC must contain a clear explanation of the justification for this form of delivery and how it will add value/address deficiencies in other regeneration initiatives. Other options – such as different forms of partnership, delivery and combination of partners – should be reviewed and costs/timescale considered. Again, it may be that these decisions are taken only after a detailed initial analysis of the area's needs and objectives.

### **Partnership/Commitment**

Clear commitment of key partners – particularly the RDA and Local Authority (LA) – is required and demonstration of prioritisation given to area. Proposal should involve key partners including evidence of private sector support, participation and leadership. LA will need to demonstrate political commitment and intention to develop systems and procedures to support the URC objectives.

### **Stakeholder involvement**

URC should have support across a broad spectrum of interests and strategy should demonstrate how local involvement is to be secured and maintained. There should be a mechanism to secure local ownership of the strategy and a framework established for community involvement.

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#### **URC role and remit**

How the URC relates to other partnerships and initiatives with regeneration/development objectives should be set out clearly to demonstrate the added value the URC will bring. While the URC may concentrate on certain issues such as the built environment and physical development, this should be within a clear overall framework for the area.

#### **Capacity**

The URC will need to have the resources, commitment and quality of individuals to develop and deliver its strategy – including at Board and Executive level. Resource funding from the core partners (particularly the RDA and LA) will need to be secured. Partners will need sufficient authority in their area to ensure change can be delivered.

#### **Operating arrangements/governance**

Arrangements for delivering the URC approach will need to be well developed with systems – as well as the key individuals – in place. This will include decisions on the constitution of the Company, the structure of the Board, management arrangements, clear roles and responsibilities between the partners and the URC, and financing arrangements.

A clear plan of action for the first 1 to 2 years should also be agreed to establish the URC and provide the baseline assessment, commission the masterplan and develop implementation and business plans. These exercises will set out the vision for the area and how it is to be delivered over the following 10 to 15 year period. They will also provide the exit strategy for the Company, to follow implementation.

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