

# REGENERATION AND THE RACE EQUALITY DUTY



report of a formal  
investigation in  
England, Scotland  
and Wales



# **REGENERATION**

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September 2007

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## Foreword

This report, one of the last pieces of work produced by the CRE, focuses on one of most important issues that the Commission has looked at in the past thirty years.

Regeneration is about shaping the communities of tomorrow, and securing social justice and sustainable futures for all. Billions of pounds of public money are being invested to create brighter futures for some of the most deprived areas in this country. But in order for this money to be truly well spent we need to be sure that this huge investment is being used to create cohesive, just and integrated communities.

We need to ensure that new buildings and public spaces foster interaction rather than deepening existing fractures and grievances within communities. Public investment must tackle longstanding inequalities. Local authorities have a key role to play in this important process. They are the organisations who are uniquely placed to shape and revive the communities that they serve. At their best local authorities put in place plans and governance structures that ensure race equality is embedded in the strategic policy making and operational activities of regeneration. This is what we propose should happen across all of local government as this is what will have an impact on race equality

In order to get value for money from regeneration investment, local authorities need to know the hopes, needs and aspirations of all the ethnic groups in their community, and thread this through all regeneration activities. They need to be clear from the start about how regeneration will affect relationships between different groups in the area. Public bodies have practical tools to help them deliver this. But we were disappointed to find that in many cases they were not being used. This jeopardises future cohesion and equality.

In order to create successful and strong communities of tomorrow we need public authorities to take action today. We need strong and consistent leadership at a local level to ensure that regeneration really delivers benefits for all members of the community. And, government and other national authorities need to provide leadership and support for local authorities to help them achieve this.

I am grateful to Sir Howard Bernstein, Lord Victor Adebawale and Vincent Wang, who brought their considerable experience to this investigation and who join me in urging all local authorities, government and its agencies at all levels as well as the CEHR to read this report, learn from its findings and implement its recommendations



**Julia Chain**

CRE commissioner and chair of the formal investigation

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- The Advisory Panel members in England, Scotland and Wales for their assistance and comments on the report and its recommendations.
- All those from public, private and voluntary organisations and members of the public who took the time to give us evidence in response to our call for evidence and in meetings.
- Ipsos MORI and BURA for their work on the questionnaire and all those assisting them in piloting the questions as well as the organisations that responded.
- All the staff and councillors in the case study local authorities we visited; the staff we met in regional organisations in the case study areas; the voluntary and community groups; and the private developers working on regeneration schemes in these areas.
- CRE colleagues in England, Scotland and Wales who have contributed to this investigation since its launch in September 2006.

# 1. INTRODUCTION

Regeneration programmes, policies and funding are important tools in tackling disadvantage and promoting integrated communities. Many millions of pounds are spent on physical regeneration and the effects of large-scale projects on an area and its people can be dramatic and lasting.

As highlighted by Meg Munn MP in her speech to the CRE conference in July 2006, 'one thing that the regeneration and race equality agendas share is the goal of delivering social and economic benefits for all communities. We want to ensure that all citizens share in the benefits of economic growth, with economically strong cities and regions driving national prosperity. Effective regeneration is one important step in achieving this ambition.' (Munn, 2006)

Government funding for regeneration is largely aimed at deprived areas and as such covers a large percentage of Britain's ethnic minority population. Asking whether this spending is helping to close some of the inequalities between different ethnic groups, Meg Munn MP emphasised:

Although many from ethnic minority backgrounds thrive and are successful, the picture is not uniform. We know certain ethnic groups continue to experience an inferior standard of life, including in the areas of education, health, housing and employment. For example:

- ethnic minority households are nearly twice as likely as white households to live in homes that are non-decent (for reasons of disrepair, unfitness or need for modernisation),
- ethnic minority residents are more likely to experience a poor quality built environment, and to feel less safe in public spaces,
- individuals from such groups are more at risk from crime than white people, and they are twice as likely as white people to be unemployed, and one and half times more likely than the overall working age population to be economically inactive.

We know from research into regeneration that people from ethnic minorities have not always benefited from the investment, or been fully engaged in the process, and that any trickle down effect has not significantly improved their life chances.

Regeneration can also have a profound effect on the community as a whole, and on relationships between different ethnic groups. Following the disturbances in northern towns and cities in 2001, the Cantle report and others (Cantle, 2001; Clarke, 2001; Denham, 2001; Ritchie, 2001; CRE, 2001) pointed out that area-based initiatives had the potential to foster animosities among groups who felt they had lost out in the competition for limited regeneration funds. It would be disingenuous to suggest that lessons have not been learned since 2001, or that the potential problems are not better understood. In 2001, the duty to promote race equality under the amended Race Relations Act 1976 was in its infancy; six years on, its effects ought to be apparent.



## **Background**

In response to allegations of unequal distribution of funds, failure to consult ethnic minority groups, and concern that regeneration does not adequately take into account the disadvantages experienced by some ethnic groups, the CRE decided to conduct a general formal investigation into regeneration.

### **The CRE's powers**

This investigation was conducted using the CRE's formal investigation powers under sections 48 to 52 of the Race Relations Act 1976 (RRA). The CRE has powers to embark on investigations into a named organisation or into a defined area of activity. This investigation is a general investigation into regeneration, looking at the sector as a whole rather than any particular organisation working in regeneration.

Section 52 of the RRA requires the CRE to preserve the anonymity of those giving evidence in response to a formal investigation; accordingly, except for the government and national agencies whose work we considered in the course of this investigation, we do not refer to any organisation, project or person by name.

### **The project board and advisory panel**

The investigation was led by CRE commissioner Julia Chain, and a specialist board of commissioners appointed for the project: Sir Howard Bernstein, Lord Adebawale and Vincent Wang, who brought their expertise in regeneration to the investigation from the perspectives of the public, voluntary and private sectors, respectively (see appendix 1).

We also set up advisory panels for England, Scotland and Wales (see appendix 2).

### **Terms of reference**

The terms of reference are set out in full in appendix 3. In summary, the investigation examines:

- how public authorities are complying with the duty to promote race equality in relation to their regeneration functions, including work done on their behalf by the private sector, and how this affects different racial groups;
- how the outcomes of regeneration activities are evaluated in terms of racial equality; and
- the effectiveness of arrangements for oversight and scrutiny.

The terms of reference were agreed following consultation with a wide range of organisations representing central and local government, inspection agencies, other national and regional public sector organisations, umbrella organisations representing various regeneration professionals, researchers, and voluntary and community organisations across England, Scotland and Wales.

## **The race equality duty**

The government's response to the findings of the Stephen Lawrence Inquiry Report (Macpherson, 1999) was to pass the Race Relations (Amendment) Act 2001, which introduced a statutory duty to promote race equality (referred to in this report as the race equality duty). As a result, most public authorities now have a statutory general duty to have due regard to the need to eliminate unlawful racial discrimination, and to promote equality of opportunity and good race relations in carrying out their various functions. This constitutes a momentous change in race relations legislation, moving the emphasis away from dealing only with the consequences of individual acts of discrimination to proactively building racial equality considerations into public services. As the CRE notes in its statutory code of practice on the duty (CRE, 2002a)

The duty to promote race equality is both an opportunity and a challenge for Britain's public sector. The duty has arisen at a time when our public services are experiencing large-scale modernisation. The drive to improve performance, openness and accountability is rapidly changing the way public authorities work. The new duty now adds the need for fairness.

Since the Stephen Lawrence Inquiry Report identified institutional racism in one of Britain's main public services, many authorities have already reviewed their policies and procedures, and have begun the long-term task of overhauling the way they work and think. The new duty will help public authorities remove discrimination – and the possibility of discrimination – from public services, and positively promote race equality in everything they do.

Prior to the introduction of the race equality duty, the Race Relations Act 1976 had included a non-statutory duty on public authorities, in similar terms, but it had made little difference to policy and practice over the 25 years of its existence. By giving the duty statutory force, the government demonstrated its determination to see real change; as then Home Secretary Jack Straw MP emphasised (Home Office, 2000):

We are profoundly committed to achieving a step change in race equality in this country. This important Act will set a new standard for public authorities. It will encourage the public sector to be at the forefront in the drive for race equality, to lead by example.

The race equality duty was supported by the Race Relations Act 1976 (Statutory Duties) Order 2001, which placed 'specific duties' on key public sector organisations, including a duty to publish a race equality scheme, setting out how they intended to meet the race equality duty over a period of three years. The race equality scheme would list the functions and policies that had been assessed as being relevant to meeting the duty, and describe the arrangements that had been made to assess, consult

on and monitor present and proposed policies for any implications they might have for promoting race equality (CRE, 2002a).

Over five years since they were introduced, the specific duties have been criticised for being concerned with process rather than outcomes, and the Discrimination Law Review has recommended a single equality duty based on a new, less regulatory framework (CLG, 2007c).

The focus of this investigation has been on the statutory general duty, which is defined by outcomes and does not prescribe the approach that public authorities should take. Non-compliance with the duty would mean quite simply that the public authority was not taking steps to –

- eliminate unlawful racial discrimination;
- promote equality of opportunity; and
- promote good race relations.

This is why we make no apology for being concerned about compliance with the race equality duty, particularly in relation to something as important as regeneration, which is designed to improve social and economic opportunities, and the physical environment, for everyone. Our evidence has been drawn from an examination of the arrangements public authorities are expected to make to help them meet the general duty; for example, race equality impact assessments they have carried out of proposals for regeneration, and consultations they have had with the different ethnic groups likely to be affected.

## **The context**

The investigation defined physical regeneration as: 'work on the physical fabric of an area where such work forms part of a strategy to promote social, physical and economic improvements in a given locality, rather than just redevelopment driven solely by market forces.' We looked at a wide range of physical regeneration projects, including mixed-use town centre and city waterfront developments, building and refurbishment of social and other housing, and the provision of community centres and schools (see appendix 4 for a full, anonymised list of all the projects).

We recognised that the built environment was only one aspect of regeneration, and that improving the physical fabric of an area would not in itself be enough to improve the quality of life for its people; real change would only come by integrating long-term plans for social and economic betterment with plans for physical regeneration.

Although physical regeneration was the starting point for this investigation, we did not look at each project in isolation. In each case, we considered the context within which it had been developed, and how closely it reflected the area's vision for social and economic regeneration. Unlike Scotland, where the approach to regeneration is better integrated with the socio-economic context and we were able to look at economic and community regeneration programmes, we did not assess in detail

regeneration activities in England and Wales that were aimed solely at social or economic development.

## **Methodology**

Our findings are based on quantitative and qualitative evidence gathered from a wide range of organisations and individuals across England, Scotland and Wales, supplemented by desk-based research, which we conducted throughout the project.

We used four approaches to collecting the evidence, in order to maximise the breadth and depth of information gathered: a call for evidence, a questionnaire, evidence from stakeholder organisations, and case studies. Each approach is described briefly below, with more detail available in the appendices. Information obtained through the call for evidence, from stakeholders, and through the case studies provided a useful insight into the broader issues raised by the responses to the questionnaire. We were able to cross check the evidence obtained from different sources, and were confident that we had sufficiently robust information.

### **Call for evidence**

The call for evidence was intended to give organisations or individuals who had been involved with or affected by physical regeneration projects the opportunity to submit evidence to the investigation. The evidence we received from 131 responses, which helped us to identify the main issues, and yielded some good practice examples. It also helped us to select some of the case study areas. Appendix 5 contains a copy of the questions and a breakdown of the responses received by sector and country.

### **Questionnaire**

Ipsos MORI, working with the British Urban Regeneration Association (BURA), was appointed to design, send out and analyse a questionnaire for all local authorities in England, Scotland and Wales; the nine regional development agencies in England; Scottish Enterprise and the Highlands and Islands Enterprise; and the Department for Enterprise, Innovation and Networks of the Welsh Assembly Government (following a reorganisation, responsibility for regeneration is spread across a number of departments). The aim of the questionnaire was to elicit evidence of the way these organisations were taking racial equality into account in physical regeneration activities, and to seek out examples of good practice. We had responses from 241 organisations representing 53% of the total contacted; a breakdown of the responses by organisation and country is set out in appendix 6, as are the questions asked and an account of the methodology adopted by Ipsos MORI and BURA.

## **Evidence from stakeholders**

We sought evidence from two broad groups: the organisations to whom the recommendations in this report are addressed, and the other organisations and people who kindly provided evidence to the investigation (see appendix 7). The first group included the following organisations:

- Local authorities, which play a central role in regeneration and are bound by the race equality duty. We considered the way racial equality was mainstreamed in the authorities' work as a whole, and in the regeneration, planning and housing departments, particularly in regeneration projects involving housing. (It should be noted that it was not possible to do more than draw out the relevant issues in relation to housing regeneration (CRE, 2007a)). We also looked at the work local authorities do directly, and indirectly in partnerships with public, private and voluntary and community organisations.
- National government and national agencies. We considered the role that central government departments in England, the Scottish Government and the Welsh Assembly Government play in deciding policy priorities for regeneration, and how these are implemented by the various national agencies, looking also at those responsible for auditing, inspection and regulation.
- Regional agencies. We looked at the role of regional development agencies in England, but did not have enough time to consider in detail the regional dimension in Scotland and Wales, nor the sub-regional work in all three countries.

The second group included the following.

- Voluntary and community organisations. We asked a wide range of organisations about any regeneration work they were involved in, and what they thought of it as representatives of the communities they served.
- Private businesses and regeneration practitioners. Much of the work involved in physical regeneration is done by the private sector, working under contract to or in partnership with public authorities. We considered how private businesses and other regeneration practitioners had been engaged, and how they took racial equality into account in their work.

## **Case studies**

We carried out detailed case studies in five local authority areas, to see how racial equality and good race relations were taken into account in physical regeneration in practice (see appendix 8). To comply with legal constraints in regard to the disclosure of evidence, we cannot name these authorities, and have taken precautions to ensure that they are not readily identifiable from the particulars of the regeneration work cited in the report.

We adopted a uniform approach to each of the case studies and, although we did not attempt to draw direct comparisons between them (they had different features which would have made this impossible), we were able to draw broad conclusions on the main themes of our investigation.

## **Structure of the report**

Chapters 2 and 3 report our findings on local authorities; chapter 2 deals with leadership, and considers whether local authorities are taking a strategic approach to racial equality in regeneration, while chapter 3 looks at the practical aspects: how local authorities are tackling the three parts of the race equality duty and assessing the effects their regeneration policies and proposals are likely to have on racial equality and race relations; how they are involving their communities; and whether they are giving officers the training they need on the race equality duty.

In chapter 4, we consider how local government partnerships – local strategic partnerships in England, local service boards in Wales and community planning partnerships in Scotland – factor racial equality into the different ways in which they contribute to regeneration. We also look at the procurement of development partners for regeneration work by local authorities and, finally, consider the role of urban regeneration companies and housing market renewal pathfinders.

Chapter 5 goes on to see how local authorities and other regeneration agencies measure outcomes in terms of racial equality and integrated communities, with chapter 6 considering how local authorities are held to account for their performance on racial equality.

In chapter 7, we set our findings in the wider context of national policy priorities set by the governments in England, Scotland and Wales and their translation into practice. Unlike other areas of the report, we looked at each country separately and found that this was where differences between the three countries were most apparent.

Chapter 8 presents our conclusions and recommendations.

## 2. LOCAL AUTHORITIES AND LEADERSHIP

This chapter sets out our findings on the leadership that councillors and senior managers are providing, to ensure that racial equality is built into the authority's strategic approach to regeneration, both as a way of improving the physical environment and achieving wider social and economic objectives.

### Leadership by councillors

The influence local authorities have in shaping the areas they serve cannot be understated: 'no other organisation or group can claim the same breadth of interest and influence, nor the legitimacy that comes from a democratic mandate' (IDeA and LGA, 2006). This calls for strong leadership, as local authorities have to work with a wide range of partners, and with local people, in shaping a long-term strategy for the community as a whole.

As democratically elected representatives, local councillors are in a uniquely important position; they must 'listen to all racial groups in their local community, representing their interests and shaping local opinion around key issues' (IDeA, 2004). How successfully councillors perform this role will determine how far people from different ethnic groups feel able to participate in the decision-making process, how far they feel their needs are being recognised and met, and how much trust they feel they can place in their elected representatives.

Councillors also have collective responsibility for meeting the race equality duty placed on the local authorities they lead. This encompasses all aspects of the local authority's work, including policy development, service delivery, planning and any grant-making functions, committee decisions and communication with the public, both direct and via the press. The role is a demanding one and requires a clear understanding of the duty as well strong and consistent leadership both within the local authority and in the public arena. To provide consistent leadership on racial equality, the CRE recommends the appointment of a racial equality champion – one councillor with overall responsibility for this area of work (CRE, 2005a).

### The findings

We were pleased to find that the majority of case study authorities had appointed a councillor as equality champion. Most of the officers we interviewed recognised the importance of this role, both in influencing other elected members and in providing visible, high-level leadership.

*Local authority senior officer:* Race equality should be driven from the top, absolutely, championed through members. There would [then] be more interest from fellow members.

However, we found little evidence through our interviews that all the equality champions were effective, or even visible. For example, in one local authority, only equality specialists seemed to know that the council had an equality champion, while other officers told us how beneficial it would be to the profile, and promotion, of racial equality if such a role were to be created.

Occasionally, officers were frustrated because none of the councillors, including the equality champion, was ready publicly to support the council's position on racial equality and integration, even though there were racial tensions in the area. This reluctance was seen as undermining the local authority's work in this area.

In one area, a regeneration programme aimed at promoting racial equality and integration had been the subject of strong and sustained criticism, some of which was motivated by prejudice and misconceptions expressed in ethnic terms. Officers reported a worrying lack of response from elected members, including the racial equality champion.

*Local authority equality manager:* We were waiting for [councillors] to come forward, there was just nothing.

They felt that some councillors obstructed progress on racial equality, either by being ineffective or in some cases by actively opposing their work or being openly dismissive, because they did not see racial equality and good race relations as being an important part of the work of local government.

*Local authority regeneration manager:* The commitment at the political level is less than wholly enthusiastic ... [councillors] recognise the legal requirements, but they are less than enthusiastic about them ... [a leading member] has no time, for this 'namby pamby nonsense'.

Concerns were repeatedly raised, in interviews with local authority officers, comments from voluntary and community groups and submissions to the call for evidence, that councillors did not always take account of the needs of all ethnic groups in the area in their work as elected members. It was felt that sometimes councillors resented community representatives, seeing themselves as the true democratic representatives of their constituencies, and that some of them did not understand the needs and aspirations of people from ethnic minorities, with a few being positively hostile to certain groups.

*Voluntary sector representative:* I think part of the problem is that some of the councillors felt quite threatened by [ethnic minority] communities. Rather than doing the obvious thing and working with them, it seems that the councillors are really fighting them.

*Local authority equality manager:* Some [councillors] were very racist. Every so often it would slip out; there were some unpleasant views ... more unpleasant than I've ever heard from the BNP.



A small number of councillors felt that undue attention had been paid to the whole question of diversity, and to racial equality in particular, and that resources would be better directed elsewhere.

*Councillor:* People are going over the top on diversity and equality at the moment.

Some of the terminology used by councillors was a cause for concern. In one area, councillors used the term 'indigenous' to describe local white British people, irrespective of how long they had lived there, expressly excluding local people from non-white ethnic minorities, many of whom had lived in the area for generations. With its connotations of entitlement and belonging, the term can be a loaded one, particularly in the context of regeneration.

We found worrying weaknesses in scrutiny arrangements, with officers from the case study authorities saying that the idea of councillors sitting on scrutiny committees (see the glossary) asking to see race equality impact assessments (see chapter 3) was laughable.

*Local authority senior manager, asked whether race equality impact assessments went to the council:* No [laughing] ... it's not even a standard ... you know you get standard formats for the reports ... it's not even one of the paragraphs ... so I can put a policy through without it having had an equality impact assessment done if I wanted to ... I've never been asked for one.

Most of the councillors we interviewed said they had received some training on the race equality duty, either as part of their induction or as a separate course. Even so, some of them did not seem to understand what compliance with the duty entailed, or its implications for their role.

*Councillor with responsibility for regeneration, asked about race equality impact assessments:* I've not seen one ... They don't come under my portfolio ... they probably come under environmental issues.

It was generally recognised that it required great confidence, sometimes in the face of a hostile audience, to show leadership on race issues.

*Councillor:* There is a lot of resentment about ... Asians moving out of [their ward] (as a result of regeneration activity) into ... my particular ward. I've had people ringing me up and saying, 'all the Pakis are moving in'. There's still this perception that if Asian people move into the area then houses prices are going to go down ... those are still myths that are being put about and I think there's a lot of work that needs to be done to overcome that.

Some officers thought that councillors were just not equipped to take on members of the community when they expressed prejudiced views, or to reassure those with genuine concerns.

*Local authority manager:* We need robust arguments; people eloquent enough to have those arguments ... leaders need to lead internally and externally. At the moment people have not got confidence.

It was apparent that councillors were not always getting or demanding the support they needed to make the case for racial equality. For example, they needed to know how much was being spent on different areas, how decisions about allocating resources had been made, and what the benefits were for different groups in relation to their needs. The rationale for making difficult spending decisions with limited resources was not always apparent; councillors needed to be asking for the evidence and to be willing and able to use it to support these decisions.

## **Leadership by senior officers**

According to the Audit Commission, 'delivering race equality by improving services and quality of life requires a strategic, systematic and coherent approach led from the top. Visible and committed leadership from officers, members and non-executive directors is critical to getting started and sustaining progress'. While equality specialists can play an important role in day-to-day work and in developing future plans, the danger is that, in the absence of clear leadership from the top, their work on equality may be 'bolted on' rather than being embedded in all areas and aspects of the organisation's work (Audit Commission, 2004). Leaders need to be supported by systems that allow racial equality to be mainstreamed, from policy-making to practical implementation.

The chief executive and senior management team are responsible for translating the authority's vision for the area into key strategies, departmental service plans and practical action, and for ensuring meaningful measurement of performance on racial equality and good race relations.

Without senior officers providing a clear, authority-wide approach, practice between departments is likely to vary. We found this to be so in our case studies, with the main departments dealing with regeneration often working to their own procedures and mechanisms for ethnic monitoring, race equality impact assessment and consultation, for example. Different practices within a single authority may not be a problem, as long as quality is consistent across the organisation, and data can be collected and shared at a corporate level. This was not evident in any of our case studies.

## **The findings**

We were pleased to find some examples of strong leadership among senior officers and chief executives in the case study authorities; in one instance, a member of the senior management team served as an equality champion and exerted a positive influence on both outcomes and the role of equality in the organisation.

*Local authority equality manager:* He will stick his neck out, knows how to win people over, [and] is politically astute. We are lucky that we have someone who has a passion for equality. He has got masses of clout.

However, in the main, strongly stated personal commitment to promoting racial equality and integration was not consistently translated into policy and practice.

*Local authority regeneration manager:* The commitment is there, but not the follow through ... I'm conscious that we wouldn't deliberately design something that would go against the [race equality and integration] agenda, but we do not rigorously assess it.

One authority had drawn up a race equality plan for one of its major regeneration projects and expected all operational staff to contribute to it. However, some senior managers were unaware of this and thought the equality team was responsible for the plan. Officers we spoke to in this authority gave vague and cursory responses to questions about how racial equality was actually promoted in their programmes of work, and this was particularly acute among senior managers.

The failure to translate statements of commitment into concrete attempts to promote racial equality in the work of departments dealing with physical regeneration saw racial equality 'falling off the radar', and reinforced the belief that racial equality was not part of the core business of these teams.

*Local authority regeneration manager:* I will not put my hand on my heart and say I have built it [race equality and integration] in ... I could have done so if I was thinking about it at the time, and it was a priority.

Corporate approaches to mainstreaming racial equality differed between authorities, as did decisions about where equality specialists should be located. Regardless of their location, however, a number of them reported feeling isolated or said they faced resistance to their role from others in the local authority. For example, in one area, an equality manager spoke of difficulties in training local authority colleagues on the race equality duty.

*Local authority equality manager:* You can tell from the body language [illustrated by leaning back with arms folded] it's a real attitude of 'Are you the equality police? What have you got to tell us? It's not relevant to us.'

The resources allocated to racial equality work differed from one case study area to another. In one area, the equality specialists thought the resources were especially inadequate and that this had affected one regeneration programme, in particular.

*Local authority equality manager:* I'm aware of the real issues with [this regeneration programme]; our corporate resources on equality are [the full-time equivalent of one officer] ... all our time has been taken on getting everything internally in place around the different statutory duties. We have had no involvement in [that programme].

However, even in areas where equality specialists had more resources, the lack of effective leadership in mainstreaming equality had impeded progress. In one case study area where equality was apparently well resourced, with a dedicated strategic equality manager in each department, the corporate commitment to racial equality did not seem to extend to the regeneration department. This was described by a number of officers as a separate function of the council which had nothing to do with racial equality; some thought that the priorities of the developers and corporations brought

in to carry out regeneration projects were more important to the council than the ethnic groups affected by the regeneration.

A similar picture emerged from another of the case studies, where the planning and procurement departments in particular did not see the role of evaluating and monitoring policies in the light of the race equality duty as a core part of their work. The planning department in this authority was only just beginning to mainstream race equality impact assessment across all its functions.

*Local authority head of planning:* I am not doubting that race is important, but it has not been a priority for us, as the issues are not perceived to be a problem. [We have] a relatively small 'BME' population ... In terms of front-line service delivery, until 12 months ago, race equality was more taken account of on an ad hoc basis.

It was a positive sign that some of the officers we interviewed acknowledged the weaknesses in their work on racial equality, even if they did not always know what to do about it, or even think it might be necessary.

*Local authority equality manager:* Perhaps mainstreaming was taken on board a little quickly, without the necessary support processes well and truly in place. We still need to make sure people can see the relevance of the duty to what they do, particularly at a senior level, and have sufficient understanding of what needs to be done.

Overall, we found very little evidence that local authorities, inspired and led by councillors and senior officers, were putting racial equality at the heart of their strategic approach to regeneration and planning. One of the consequences was that officers could be left exposed in very difficult circumstances.

*Local authority equality manager:* We need very brave people [officers and members] to go into communities ... we have a catchphrase here – are you hard enough to promote equality? – because if you're going to promote equality, there is a chance you will get your nose bloodied.

Another consequence was that it encouraged racial equality to be seen as an optional extra, something that could be 'bolted on' through one-off activities. In one example, in response to questions about whether those responsible for planning regeneration took racial equality and good race relations into account in their work, the only evidence officers could cite was an activity day involving 'Indian dancing and Morris dancing', and the creation of a mural depicting 'diversity' as part of a housing initiative. Although cultural activity has a part to play in any strategy for building strong, integrated communities, it is difficult to see what such one-off activities achieve on their own.

This can lead to complacency, as responsibility for racial equality is left to committed individuals in the department, or to diversity specialists. In all the case studies, we found individuals who were genuinely concerned to make sure the needs of all sections of the community were considered and met, and that regeneration contributed to promoting good race relations. However, working outside a systematic framework, their efforts often had limited effect. Progress seemed to depend on their seniority and

their personal powers of persuasion. Some officers expressed anger at the fact that the promotion of racial equality, a statutory duty for all local authorities, was left to the commitment of individuals, rather than being integrated into the everyday work of the organisation.

*Local authority equality manager:* Why should something so fundamental be dependent on goodwill? If I can convince you [of the importance of race equality], you'll get on with it, and it shouldn't be down to that. Why should whether ... a person from an ethnic minority is getting a proper service depend on goodwill?

One of the biggest risks for a local authority is community disillusionment. The community groups we spoke to were overwhelmingly critical of their local authority's leadership on racial equality, as the following response from the community sector to our call for evidence illustrates.

Rather than make a decision to demolish or refurbish houses in --- [a predominantly ethnic minority area], no decision has been made for 35 years, leaving an area of blight and abandonment second to none. Either the people who live there, or their votes, matter so little that nothing is done or, politically, decision-makers are just not prepared to make a decision in relation to a black community.

Many of the representatives from voluntary and community groups felt that equality officers and community leaders had to work hard to persuade the leadership of local authorities that equality needed to be higher up the agenda.

## **A strategic approach to regeneration and racial equality**

Strong leadership needs solid foundations, and for local authorities seeking to improve their areas through regeneration this calls for strategic vision (LGA, 2001). Racial equality and community cohesion should be an intrinsic part of this vision, which would see local people contributing actively to the economic and social development of the area. We would expect this to be reflected in the local authority's development planning documents (local development framework documents in England and Wales, and the recently introduced local development plans in Scotland) and of course in its community strategy or plan, and its race equality scheme. These plans are designed to give spatial expression to those aspects of community strategies that relate to the use and development of land. A report commissioned by the Office of the Deputy Prime Minister (ODPM) showed how the plans could be linked to social and economic policy priorities (ODPM, 2003c):

Nevertheless, the prospect of a wider and more inclusive approach towards future development, and the opportunity to move land-use planning back to 'centre stage' within local authorities through the introduction of LDFs [local development frameworks], offers a real opportunity to link development plans in a dynamic way with community strategies and other strategies.

The report, which provides examples of good practice, and advises local authorities on how to draft the documents, could also be useful for local authorities in Scotland.

## The findings

Our questionnaire gave local authorities the opportunity to explain in their own words how they factored the race equality duty into their strategic priorities for physical regeneration (see appendix 6).

The most frequent response, from 31% of authorities, was: 'by having equality and diversity built into their policies or the organisation's overall strategies'; 26% referred specifically to their community strategy; and 16% to the local development framework; 20% mentioned their equality impact assessment process, and 19% spoke of consulting or involving local people.

One positive example of an approach to the local development framework that appeared to take account of racial equality came from a local authority, which responded to the questionnaire as follows:

The production of the council's local development framework was the subject of a predictive equality impact assessment (race been included as one of the six strands considered). This has produced an action plan, and has embedded race equality into all physical regeneration planning decision-making.

Around one in six local authorities (15%) ticked the 'other' box. As the examples below show, their responses fell into two broad categories: those who said that the level of ethnic diversity was too low to warrant including racial equality in their overall strategy; and those who were reviewing or updating their processes and strategies to take account of racial equality.

In the regeneration area, less than 1% of the population are from ethnic [minority] backgrounds. Strategic documents (the community plan and regeneration outcome agreements) do not include specific priorities for ensuring racial equality, and rather focus on the entire population, due to its deprivation status.

Regeneration in the city is market-led, rather than pursued through public funding designed to deliver an associated set of social outcomes. ... The key strategic document, in addition to our overall corporate and equality plans, is the local development framework. This includes a statement of community involvement, which follows a prescribed form, but doesn't specifically address race equality.\*

The council has recognised that it needs to improve in this area. Currently, the race equality duty is not factored into any of the listed documents. The council has begun work with representatives from the IDeA, to create a process whereby all service managers will have to assess the impact of their services covering the whole equality agenda, including race, disability, age, gender and others, such as ability to pay, and rural isolation.

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\* The statement of community involvement is now likely to be superseded, as the White Paper on planning recommends 'refashioning' the statement of community involvement into a corporate 'comprehensive engagement strategy'. See *Planning for a Sustainable Future*, White Paper Presented to Parliament by the Secretary of State for Communities and Local Government, the Secretary of State for Environment, Food and Rural Affairs, the Secretary of State for Trade and Industry, the Secretary of State for Transport, by Command of Her Majesty, May 2007, Cm 7120.

The council is currently working towards updating and revising its current race equality scheme, which will ultimately inform planning and regeneration activities. However, regeneration policy has not specifically dealt with race equality issues to this time. The council has only had a dedicated regeneration manager in post for six months.

We went on to examine the race equality schemes and action plans submitted by 148 organisations in response to the questionnaire (see appendix 6), but very few of them specifically mentioned regeneration. The schemes were scored on the basis of the following criteria:

- assessment of policies, and their monitoring on the basis of race in physical regeneration;
- procurement and support for ethnic minority business;
- recruitment of ethnic minority staff in regeneration departments;
- the sophistication and/or success of techniques for consulting people from ethnic minorities; and
- other innovative practice involving racial equality and physical regeneration.

Of the 148 organisations, 121 were scored as 'poor' (that is, their documents contained nothing that was relevant to any of the criteria); 25 were 'average' (that is, they included something that was relevant to one or two of the criteria); and only two organisations were scored as 'good' (with their documents containing something that was relevant to three or more criteria).

## **Conclusions**

It is important for social, economic and physical regeneration that the community can understand and share the local authority's vision for the area. This will involve an understanding of what the needs of the different parts of the community are, how their needs are being met and how the local authority makes its decisions on resource allocation. This should be reflected in the local development framework or plan, the community strategy and race equality scheme, so that the vision for the area, and how it is to be achieved are clear.

The evidence showed that local authorities were not always clear as to how they should factor racial equality and good race relations into their strategic plans for physical regeneration, while those with smaller ethnic minority populations were not convinced that they had to do so.

The need for visible, strong and sustained leadership on racial equality was evident in all the areas of physical regeneration we examined. Only this will see paper commitments being translated into systematic changes in practice and process across the authority as a whole, and make a real difference to the outcomes for communities and individuals.

In its report, 'Our shared future', the Commission on Integration and Cohesion reached similar conclusions about the importance of leadership from local authorities in promoting cohesion which are especially relevant to the promotion of good race relations as part of the race equality duty. For example, the report said that councillors needed to have factual information at their fingertips, if they were to win the trust of local people, and use the media effectively (COIC, 2007).

The government has set up a Councillors Commission, chaired by Dame Jane Roberts, which is due to report in November 2007 (CLG, 2007e). The commission is looking at the barriers to becoming an effective councillor, public perceptions of the strengths and weaknesses of councillors, and their roles and influence on communities.

We hope that the findings of, and impetus created by, these commissions supports and strengthens the role of councillors in delivering racial equality and good race relations for their communities.



### 3. PHYSICAL REGENERATION AND THE RACE EQUALITY DUTY

This chapter examines the way local authorities are tackling the three distinct parts of the race equality duty in their approach to regeneration. We also ask whether their decisions are based on the evidence of race equality impact assessments and consultation with communities, underpinned by training on the duty.

#### The three parts of the race equality duty

Public authorities are required by law to have due regard to need to eliminate unlawful racial discrimination and promote equality of opportunity and good race relations in carrying out their various functions. Due regard is explained in the CRE's statutory code of practice on the duty (CRE, 2002a) and accompanying guidance for public authorities (CRE, 2002b) in the context of four principles.

- *Promoting race equality is obligatory for all listed public authorities.* Since meeting the general duty is a statutory requirement, it is not an optional extra.
- *Public authorities must meet the duty to promote race equality in all relevant functions.* Race equality will be more relevant to some functions than others. Physical regeneration, with the important role it plays in transforming deprived areas and creating future communities, is highly relevant to promoting race equality.
- *The weight given to race equality should be proportionate to its relevance.* A proportionate approach may mean giving greater consideration and resources to functions or policies that have most effect on people. It does not mean that racial equality is less important when public bodies are dealing with a small ethnic minority population in their area. Indeed, in rural areas, particular attention should be paid to racial equality, as research shows that ethnic minority residents in those areas may feel particularly marginalised and vulnerable (Dialog, 2003).
- *The elements of the duty are complementary.* The strength of the race equality duty is in the complementary nature of its separate elements; an action to promote good race relations should also promote equality of opportunity. This means it is not an option to avoid taking action that will upset a particular ethnic group, simply in order to preserve good race relations.

#### The findings

Our examination of the way local authorities balanced the three complementary parts of the general duty revealed weaknesses in the approach that some of them had

adopted. In general, these local authorities acted in one of two ways: either they were so afraid of community tensions that they concentrated on promoting good race relations above all else, or they gave little or no attention to this part of the duty, because they had smaller ethnic minority populations or because tensions had not obviously manifested themselves.

In areas where authorities were worried about community tensions, equality officers in particular acknowledged the challenge.

*Local authority equality manager:* There is a massive panic about money going into certain areas [with high ethnic minority populations] ... there can be a real tension between equalities and community cohesion.

For example, in one area, officers recommended that regeneration funding should be allocated to a predominantly ethnic minority area, based on strong evidence of need. The council refused to approve this and redirected the funding to predominantly white British areas. A number of interviewees in this area felt this was motivated by fear of a 'white backlash'.

Other examples involved attempts to promote integration through residential clearance programmes. Despite good intentions, some saw this as an extreme response to the very real issue of residential ethnic segregation, akin to using a 'sledgehammer to crack a nut', as these managers from two different local authorities explained.

*Local authority manager:* They were so focused on segregation ... they lost sight of the communities. ... At the start, there was very much the view that parts of that [ethnic minority] community were to be relocated ... so they would be more integrated and cohesive ... it was very much about let's move people away so that they are not segregated ... there is a fine line between that and mutterings of social engineering and messing with people's lives.

*Local authority manager:* It [the approach to clearance] forgets that the other communities around that neighbourhood actually have to look at themselves as well and decide should they be doing something differently in terms of being welcoming to residents from ethnic minorities and actually start visiting these neighbourhoods and using the shops and services.

The danger of this approach was illustrated by the reports from some officers of the way this had affected the trust of some groups and their willingness to engage with the authority.

*Local authority regeneration manager:* Some [ethnic minority] residents say it is all a big conspiracy plan to break up the community.

We found no evidence that these proposals for clearance had been put through a race equality impact assessment; if they had, it is possible that, in considering the implications of the proposals for each part of the general duty, as required under the legislation, the damage to community trust might have been avoided.

Other officers were confused as to how they were to achieve community cohesion and integration through planning for physical regeneration, such as housing development.

*Local authority regeneration manager:* It's much more difficult with dispersed communities ... there is only one mosque, so people want to be in [that area]. The Chinese tend to shop for food on the day, so they want to be near the city centre where some of the specialty food shops are. Housing provision is planned round those needs, but is that right, because you'll end up with a concentration of communities. Do you recognise what's there and replicate it or do you try and think ahead?

Some officers were of the opinion that focusing exclusively on the broader issues of community cohesion and integration at the expense of promoting racial equality allowed officers and elected members who were 'uncomfortable' discussing contentious subjects like race to 'dodge the issue'.

*Local authority equality manager:* The trouble with community cohesion is ... [some officers and members have the view] 'don't talk about faith or race or there will be a riot'... they talk about other issues to muddy it a bit ... they would rather talk about old and young; intergenerational issues ... They like to talk about what's comfortable for them ... at the end of the day work gets diluted, we don't do things that are essential.

Officers felt that steps to promote community cohesion and integration were undermined by not actively tackling racial disadvantage.

*Local authority equality manager:* Without work on equality [complementing work on cohesion] ... about narrowing gaps and disadvantage ... cohesion is [just] about everyone loving everyone [else].

Officers also pointed out that, unlike racial equality, community cohesion and integration were not covered by statute.

*Local authority policy officer:* In terms of social inclusion, you've got the government White Paper, but you have not got legislation, so it's up to you whether you want to take it on board or not ... With legislation [on the race equality duty] there is no wriggle room.

We found that the case study authorities that did focus on community cohesion and integration did not always appear to have a coordinated approach to it; one of them had not given any strategic or cross-departmental thought to promoting good race relations in a proactive way. Others gave little weight to the duty to promote good race relations, with key players, such as front-line staff and councillors, not being given the information they needed to counteract misconceptions and resentment that certain ethnic groups were benefiting disproportionately from regeneration money.

Responses were largely reactive, and often too late. In one authority, a press officer was specially recruited to manage communications for a particularly contentious regeneration project, but interviewees felt this was too late, since public anger and racially charged misinformation had been circulating for two years. As one response to the call for evidence from the private sector pointed out, this can have serious consequences.

Racism is infectious. If one person with a bad attitude to racial tolerance or even ignorance of various races decides to talk about it to friends and neighbours, it is all too easy to spread racial intolerance based on wrong information and bad attitudes. This misinformation and even downright hatred perpetuates misunderstanding amongst a town's people and left unattended can fester. Adding fuel to this fire is the need to regenerate in deprived areas and it is usual to find high levels of ethnic minority groups in deprived areas. The wrong perception that incoming or ethnic [minority] groups receive all the regeneration funding therefore becomes a significant barrier and must be countered with fact and good information, which incidentally is also infectious, so can grow exponentially.

Officers repeatedly spoke of the importance of transparency and confidence, and the need to explain to communities the rationale behind decisions to regenerate particular areas.

*Response from call for evidence from the private sector:* Relations between different ethnic groups on the ... estate are generally very good ... We believe this is, in part, as a result of the efforts that have been made ... to involve all sectors of the community in the work that we do ... and to explain the rationale behind our thinking and decisions in an open and transparent way.

In one area, it was acknowledged that there had been no debate about what good race relations might look like, or how they might meet that part of the duty, and that more could and should be done in this area.

*Local authority regeneration manager:* In this context, equality hasn't been made explicit. It would be much better being explicit, as it might well draw more issues out.

## **Race equality impact assessment**

To make decisions about racial equality and good race relations based on evidence, local authorities need to have a process for gathering that evidence. The specific duty to carry out a race equality impact assessment (REIA) of a proposed policy (CRE, 2002a) should provide authorities with an effective framework for reaching fair and objective decisions on policies for public services. The CRE has produced an online impact assessment tool (CRE, 2005b), but many organisations have developed their own specific approach to gathering the evidence they need to inform decision-making, often by integrating gender and disability considerations.

## **The findings**

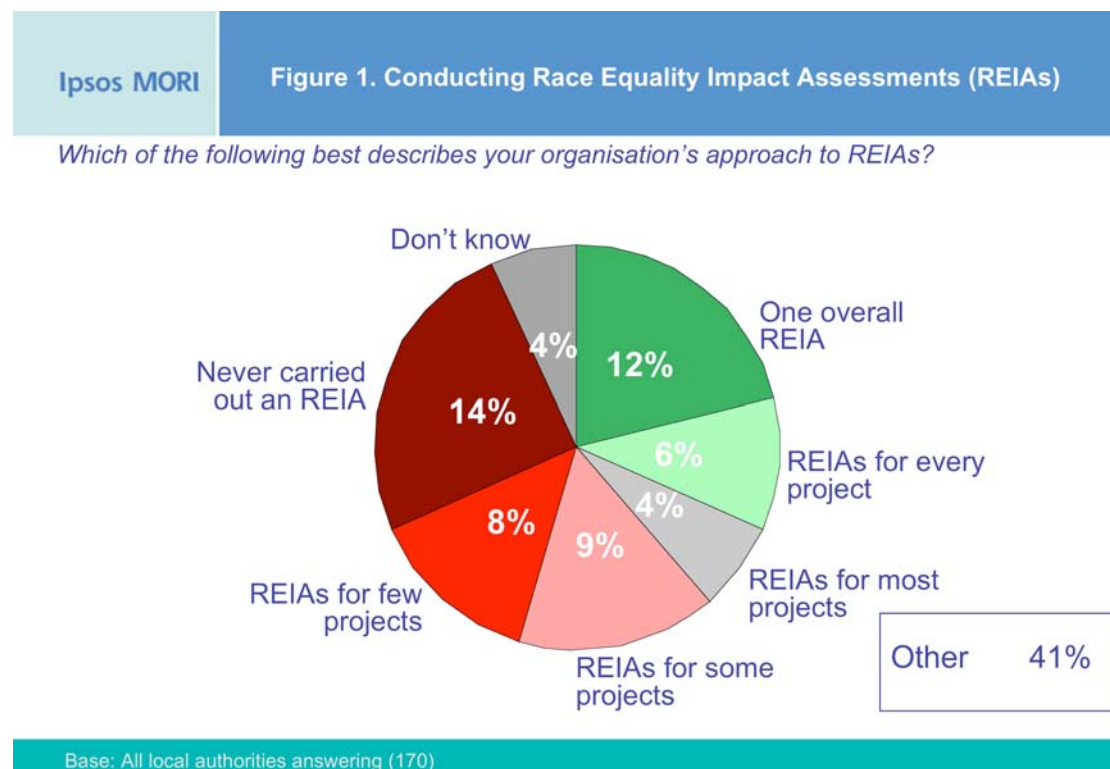
We found some evidence, mainly from authorities known for their success in regeneration, that information about the experiences and needs of different ethnic groups, and relations between them, had been used to develop proposals for regeneration projects. One of the most positive examples of using a systematic approach to REIA came from a large, urban local authority, which had carried out an assessment of its overall regeneration strategy, and 'risk-based assessments' of specific regeneration projects and initiatives. This had involved regeneration

specialists making an initial assessment of potential negative consequences for racial equality, and going on to a full assessment if they found any. The outcomes of these assessments were then fed into the appropriate equality action plans and local delivery plans. This approach had allowed the authority to anticipate, and act on, important questions, such as the need for larger family properties, ensuring that properties for asylum seekers were of a good standard, maximising the choice of accommodation and location for applicants awaiting rehousing, and diversifying its sports, leisure and cultural activities.

However, more generally, our findings in this area were a cause for concern and may be summarised under two headings: understanding the need for race quality impact assessment, and the quality of the assessments we reviewed.

### Understanding the need for race quality impact assessment

We found very little use of REIA by local authorities to examine systematically how policies and proposals related to regeneration might affect different ethnic groups, and the relations between them. As Figure 1 shows, of the 170 local authorities that responded to this question in the questionnaire, one in seven (14%) had never carried out an REIA involving physical regeneration. Only one in 10 reported having carried out REIAs for most if not all the physical regeneration projects they were involved in.



Four in 10 local authorities (41%) felt they could not give a clear-cut response to this question and instead ticked the 'other' box.

One in six (18%) organisations said they had only recently developed a tool for conducting REIAs and others were reviewing their systems, with the aim of introducing training on REIA and toolkits in the near future (4%).

*Local authority responding to questionnaire:* The council has recently procured generic equality impact assessment training and awareness raising ... At present, 50 key members of staff have been trained out of a target of 120. As yet, no REIA has been undertaken, but it is likely that all projects will be assessed in the future.

These findings were of great concern, as the requirement to assess proposed policies for their likely impact on the duty to promote race equality came into effect in 2002.

Those authorities who were not using race equality impact assessment at all or only for a few physical regeneration projects, were asked how they knew what effect their work had on different racial groups and race relations, 13% answered that they were unsure how their authority did this. One in 10 (11%) said they worked closely with partners and other local organisations, or held consultations on projects (10%). A further 8% said either that they did equality impact assessments covering all six equality areas or that they did not have any large-scale regeneration projects.

The remaining answers to this question were varied and could not be quantified. For example, some authorities said they monitored equality if they were obliged to under the terms of the funding, or that regeneration work was small-scale and as they had a small ethnic minority population they would know if there was any differential impact. Several local authorities also mentioned the inclusion of ethnic minorities in consultation exercises, as outlined in their statement of community involvement. Illustrative examples of the variety of answers we received from local authorities are set out below.

The criteria set out by external funders often include requirements to assess the impact of funded programmes on race relations/equality. The investigative work needed to address this is carried out on a case-by-case basis and, to date, has not identified any differential impacts.

Given the small size of regeneration projects in [the area] we would be aware of any ethnic minority families affected by the regeneration proposals.

Additionally, the local development framework, as advocated in the statement of community involvement, ensures that the council engages with hard-to-reach groups and consults with all sectors of the community.

The findings from the questionnaire were supported by evidence gathered in other ways during the investigation. The majority of representatives from voluntary and community organisations whom we interviewed reported that they had not been invited to contribute to any REIAs conducted by their local authority, and those that had thought the REIAs had not been done consistently or to a high enough standard, and had apparently not fed into policy making.

Some local authorities tended to carry out REIAs of their employment policies and practices rather than of the services they provided, including regeneration, even though many of these were highly relevant to the duty to promote race equality.

*Local authority chief executive:* We have applied it to our own policies, we are in a comfort zone ... the real place we need them is when we are facing the public.

In the majority of case study areas, we found no evidence that race equality impact assessment of key regeneration programmes, even those that had resulted in community tensions, were being carried out as the policies were being developed. Officers from those authorities said that possible adverse impact on particular racial groups and damage to race relations could have easily been foreseen, had the programmes been assessed for this.

*Local authority chief executive:* Its not rocket science. There is all sorts of tension around [particular regeneration programme] ... If you don't expect that to be racialised you're crazy.

In one case study area, an REIA of a proposed regeneration activity had not been carried out, even though staff working with the community had warned of its potential adverse impact.

## The quality of the race equality impact assessments reviewed

The questionnaire asked respondents to send in REIAs of physical regeneration projects and we received a total of 124 documents (see appendix 6). Analysed against the CRE's internal assessment template, the vast majority of these proved to be of poor quality, often consisting of a single phrase, cut and pasted into different sections of a template, and could not be described as a meaningful attempt to ensure that regeneration activity was based on evidence about how it would affect different racial groups or race relations.

*Local authority equalities manager:* We cut and paste. The internet's a wonderful thing these days.

We list below the weaknesses we found in the documents.

- **Use of data** – This was a particular area of weakness in the REIAs we received. Nearly four-fifths of them did not contain data for individual ethnic minority groups, and appeared to view them as a single, homogeneous mass with similar needs and experiences. One REIA of a substantial physical regeneration project in a large urban area with an ethnic minority population of over 30% merely stated the proportion of residents who identified themselves as either black or Asian. The CRE recommends that public bodies use locally adapted 2001 census ethnic categories, or categories that are compatible with these (CRE, 2002e). We did not find any examples of REIAs that used this level of analysis.

Nearly two thirds of the authorities did not use ethnically disaggregated data to support decisions recorded in their REIA. Statements as to whether a particular policy was likely to have an adverse impact or not were often completely unsupported by hard evidence and, moreover, seemed sometimes to be based on anecdote or personal experience.

- **Scope of the race equality impact assessment** – The vast majority of REIAs that were submitted to the investigation covered a range of equality areas, most commonly gender, disability, race, sexual orientation, age and religion. Properly conducted, this should not be a problem; a policy that does not have an adverse impact on a racial group as a whole may have a significant adverse impact on, for example, older women or young people from certain racial groups, or on people who observe certain religious customs. Unfortunately, most of the REIAs we examined were superficial and did not look at the possible implications of the policy being assessed for any group; they made little reference to data, or compared or combined consequences across different equality areas.
- **Initial or full assessments** – Three quarters of the REIAs were initial screenings, often consisting of monosyllabic entries on templates, with full impact assessments, examining the local context in detail and informed by the views of the local population, making up only 7% of all REIAs.
- **Existing, not proposed policies** – Almost four out of five REIAs were carried out on existing policies, thus undermining the proactive nature of the race equality duty, which is aimed at factoring fairness and integration into policy making.

This was indicative of an approach to race equality impact assessment that was aimed at creating a paper trail for audit purposes rather than using the REIA as a practical tool to ensure that proposed policies did not affect some ethnic groups worse than others, and were founded on a full and fair consideration of good race relations. As the purpose of an REIA is to build racial equality into the policy-making process, and to make that process clear, open, and inclusive, carrying out an REIA after a policy has been implemented and is therefore less easy to change defeats this purpose. An REIA sent in by a local authority responding to the questionnaire highlighted this problem.

*Excerpt from a local authority's EIA [equality impact assessment]:* The first four [development plan documents] have been approved by the council for submission to the Secretary of State. Because they have reached such an advanced stage, this equality impact assessment is being carried out retrospectively and will have little ability to influence the documents prior to their adoption.

It appeared that many of the REIAs that had been carried out after the policy in question had been adopted had been designed to justify the positive intentions of the policy rather than to analyse its potential differential impact.



- **The duty to promote good race relations** – Nine out of 10 REIAs did not look at the way the proposed policy would affect race relations, even though regeneration has a central role in building strong and inclusive communities, and instances of community tension fuelled by resentment over the distribution of regeneration funding (Cantle, 2001; Clarke, 2001; Ritchie, 2001; Denham, 2001) have been well publicised. This finding was also reflected in the case study areas, which included places where regeneration projects had led to significant community tensions.
- **No action plan** – Only about one in six REIAs included an action plan, indicating that the large majority of assessments had been produced as an end in themselves rather than as the basis for action.
- **Lack of transparency and accountability** – Most of the REIAs that went beyond single-sentence responses were not written in plain English, often using technical jargon and complex terminology. This, and the fact that only 7% were published, undermines one of the principal aims of the duty: to ensure transparency and accountability in public authorities.

Our analysis of these documents from the questionnaire broadly confirmed our findings from reviewing the REIAs from the case study authorities, and we concluded that many REIAs were desk-based exercises carried out by individual officers after policies had been finalised, and often after they had been implemented. Not surprisingly, this approach resulted in documents that were of very little practical use in policy making; they either consisted of a justification of the benefits of the policy, with no attempt at analysis, or were brief statements, without any supporting evidence, that the policy would not have an adverse impact on race equality. In the words of one local authority equality manager: 'The quality of some EIAs [equality impact assessments] is pathetic'. The weaknesses are listed below.

- **Failure to mainstream racial equality** – Analysis of the REIAs showed that, in the main, the documents had been produced by the relevant policy specialists, rather than by equality specialists. The extremely low standard of the assessments gave credence to reports from equality specialists in the majority of case study areas of difficulties in helping other officers, including regeneration specialists, to carry out meaningful REIAs. The main problem was the perception among policy officers that promoting racial equality was not a core part of their job, but rather the responsibility of the few specialised equality officers. However, as equality officers recognised, the knowledge policy officers had about the area in question meant that they were the people best placed to do the assessment.

*Local authority equality manager:* They (local authority officers) would ask me to comment on a report one hour before it was due to go to councillors ... they're asking me what difference will this make to ethnic minority communities. I tell them I don't know. You do the job and not me, you know about this area.

The people we interviewed observed that this lack of mainstreaming and ownership of the race equality agenda had seriously affected the quality of REIAs produced.

*Local authority equality officer:* When we started equality impact assessments we did training. But we left them [officers outside the equality department] to do it themselves ... it wasn't done, then we gave them checklists, but we were just getting rubbish out of it.

In some cases, the design of the REIA process made it difficult to obtain the information needed to develop a policy that complied with the duty.

*Local authority head of equality:* I find the EIA [equality impact assessment] an incredibly cumbersome and useless document in terms of gleaning information from it easily.

- **Use of consultants** – Some of the most detailed REIAs we saw were carried out by external consultants. Throughout the investigation we found a tendency to use specialist consultants to carry out REIAs. This raised the obvious question of how far the REIAs were an essential part of the policy-making process. Some local authority officers thought the documents were being purchased from consultants just for audit and inspection purposes, and that they had little influence on the future direction of policies. Others thought the practice showed that organisations did not see racial equality as part of their core work, but as something to be bought in on the few occasions when documents needed producing.
- **Informal policies** – We found evidence, through both the case studies and the submissions in response to the call for evidence, of informal, unwritten policies that had a significant effect on racial equality. In one instance it was reported that those who had lived in the area longest had been allocated larger houses, with the result that some ethnic minority residents with large families had experienced severe overcrowding, while some longstanding white British residents who lived alone had been allocated larger homes. This informal policy had generated significant levels of resentment and community tension in the area. In other areas, informal criteria aimed at achieving a balance between predominantly ethnic minority and white areas were introduced into the selection of areas for regeneration.

Because of the informal nature of these policies, their effects on racial equality and race relations could not be assessed. Had either of these policies been subjected to a meaningful examination of their effects on different ethnic groups, and on relations between them, it is unlikely that they would have been adopted without alteration.

## The consequences of weak race equality impact assessments

If REIAs were actually the 'bureaucratic, box-ticking exercise' that some perceived them to be, the weaknesses and omissions we have described would merely be of academic interest: paper-based violations of a process-based duty. However, this was not the case. Evidence gathered by the investigation revealed a number of disturbing consequences of the failure to mainstream the need to promote racial equality and create integrated communities in the area of physical regeneration.

The Macpherson Report stated that institutional discrimination 'can be seen or detected in processes, attitudes and behaviour which amount to discrimination through unwitting prejudice, ignorance, [and] thoughtlessness' (Macpherson, 1999). We found evidence of this in the following approaches.

- **The assumption that policies are race neutral** – A key purpose of the REIA is to challenge the assumption that policies affect everyone in the same way, by detecting and assessing any adverse impact on a particular group before the policies are introduced. Analysis of the REIAs submitted to this investigation, and interviews with regeneration practitioners, revealed evidence of widespread assumptions that regeneration activity was race neutral and that policies would benefit all groups in similar ways. These assumptions did not take into account the available evidence of known differences between ethnic groups (for example, in employment levels, housing need, and levels of skill), or community tensions.
- **Racial equality was not relevant** – Some regeneration practitioners struggled to see how racial equality was relevant to their work, and why it was not the responsibility of either equality specialists or local organisations with direct contact with communities. Although their work in all instances was highly relevant to racial equality, this did not feature either in policy or practice.

*Local authority regeneration manager (working in an area with significant concentrations of ethnic minorities):* I've not [carried out any REIAs], given what we generally tend to do here ... basically most of what I deal with doesn't have anything to do with differential impact.

In both these cases, a meaningful REIA or similar assessment would have immediately shown how highly relevant their work was to racial equality. The prevailing view was that, in physical regeneration, the key objectives were related to the nature of the buildings rather than the people who were going to be using them, and that therefore racial equality was not going to be relevant. It was only in really obvious cases, for example, building a community centre in a predominantly ethnic minority area, that racial equality was considered to be relevant.

Both the case studies and the submissions in response to the call for evidence revealed a number of instances where physical regeneration activity had had a negative effect on racial equality and integration that could potentially have been mitigated had an REIA been carried out. In one area, tensions over a newly arrived racial group were widely recognised, both by the local authority and its voluntary sector partners.

*Councillor:* You're not going to get that [level of resentment] with the current influx of Eastern Europeans who are coming to work ... but you do get it with the Somalis.

The tensions were exacerbated by the belief that the needs of more established communities were being ignored, while Somalis were receiving preferential treatment; as a result, newly refurbished homes intended for the Somalis were vandalised. There was no evidence that these tensions had been taken into account when the refurbishment was being planned.

We looked at one particular Building Schools for the Future programme, which involved closing down a number of schools and placing the pupils in new, relocated schools. Because of the changed catchment areas, the new schools were more integrated, but there were tensions between pupils from the different ethnic groups who had been brought together, and some white parents withdrew their children from the new schools. It was suggested by several local authority officers that these issues could have been foreseen and planned for, had the impact of the programme on racial equality and race relations been thought through.

*Community sector representative:* They've done all these wonderful consultations around the buildings and all this, but they didn't do any work around bringing different young people together.

*Local authority manager:* They were so involved in the legal aspects of closing schools and opening another school that the actual needs of the young people in terms of the dynamics around cohesion were ignored.

An effective REIA would have obliged those responsible for this programme to think more about its human aspects, and to examine systematically its potential effects on different ethnic groups, and on relations between them, and take appropriate mitigating steps.

In another programme, this time involving housing, interviewees from the public and community sectors described greater tensions between ethnic groups when Asian residents, displaced as a result of the clearance programme, moved to predominantly white British areas. There was no evidence of an REIA having been carried out as the clearance programme was being developed. Although there were clear indications of the likelihood of community tension, we found little evidence of any action having been taken to mitigate the effects of the policy, such as preparing people for the arrival of displaced residents.

*Voluntary sector representative:* It's like, what have you done with all that money? You've knocked houses down, but what have you done to help these communities

accept each other? ... This is the community that is living side by side with the Asian community, and this is the community where somebody is going to get killed.

- **Needs that were not immediately apparent were overlooked** – One advantage of REIAs is that a group's needs, which may not be immediately apparent to those developing a policy, can be identified through research and systematic and thorough analysis. Conversely, if REIAs are not carried out, there is a danger that needs, particularly those of smaller ethnic groups, may be overlooked. We found this in the case of Gypsies and Irish Travellers. In one case study area, for example, a great deal of work was being done to provide accommodation for local people. However, despite all the evidence of acute housing need, in the form of a large number of unauthorised encampments in the area, nothing was being done to provide housing for Gypsies and Irish Travellers. Some interviewees saw this omission as a missed opportunity to take everyone's needs into account when the area was being redeveloped, and one officer expressed regret that the authority's response to the encampments was to move them away from the area as quickly as possible, instead of trying to understand the reasons for them.

*Local authority manager:* There was an opportunity there (to provide sites) and it has just drifted off ... their solution is to involve the police more and build bigger boundaries around sites [where there have been unauthorised encampments]. It appears to be the local approach: make it more difficult to stay and move them on faster.

We also found evidence that the number of unauthorised sites had increased as a result of regeneration, with encampments springing up on open land created as a result of clearances and leading to greater community tension in the neighbouring areas. Had an REIA been carried out, this would probably have been identified and steps been taken to smooth community relations.

## Other forms of impact assessment

REIAs are just one type of impact assessment that can be carried out as part the policy-making process within regeneration programmes; other impact assessments cover issues such as sustainability and heritage. We found evidence of these types of impact assessments being carried out as policies were being developed in response to the regeneration.

Officers from the case study areas were clear as to why these appraisals and assessments were being carried out at the formative stages of projects, while the question of racial equality and good race relations was considered seemingly as an afterthought, usually after the policy and planning for the regeneration initiative had been finalised: the reason lay in funding requirements and in clear government priorities, and equality was not among the key priorities for this area.

*Local authority equality manager:* There are other impact assessments done, health, environment and so on, but [to do REIAs] you've got to have the will ... the will will only be there if there's something in it for them and the equality agenda has never been seen as a sexy agenda ... it's got to come from the DCLG [Department of Communities and Local Government].

We examined sustainability appraisals from the case study areas, to see if racial equality had been included, possibly explaining the absence of separate REIAs. However, in the vast majority of sustainability appraisals that were brought to our attention we could find no evidence of racial equality being considered, even though many of the components of a sustainable community relate directly to racial equality.

The officers interviewed were agreed that the reason that racial equality did not feature in the appraisals was the far higher political profile of the environmental aspects of the sustainable communities agenda, and the fact that these could be assessed more easily than racial equality and good race relations.

*Local authority regeneration manager:* It's easier to come up with a view about the environmental sustainability, because, in a sense, irrespective of who is living in that space, building in that location will take a certain amount of materials, make certain impacts. Coming down to the racial equality side, it's about do we know enough about who is likely to be the beneficiaries or occupants of what is happening? And in many cases the answer is, no, we don't.

## **Community consultation and engagement**

The central importance of effective community consultation and engagement in planning and delivering successful physical regeneration projects has been well documented. As the recent Lyons report states, 'local government's ability to engage local people lies at the heart of its place shaping role' (Lyons, 2007).

In its guidance on community leadership, the Local Government Association (LGA) highlights eight characteristics of effective community leadership (LGA, 2001). The first of these requires learning from local communities and involving them, and making sure that no groups are omitted. Strategies for physical regeneration must include engagement with, and devolution of decision-making to, local people, so that they have a 'sense of ownership of place' (Leadership Centre for Local Government, 2006). As Communities Scotland (2005b) emphasises, 'it is only by listening to the experiences and ideas of the people who live in these communities that we can find solutions which will make a lasting difference.' The Welsh Assembly Government's Creating Sustainable Places initiative also describes and promotes the importance of engaging with the community when regeneration of their locality is being contemplated (WAG, 2007).

Meaningful consultation and engagement with all sections of the community is also central to the race equality duty, both as a component of the specific duty and in order to meet the general duty. The specific duty requires authorities to set out in their race

equality scheme arrangements for consulting those who are likely be affected by their proposed policies, so that they can take on board any unintended consequences for particular racial groups, or any indication that the policies are likely to affect relations between racial groups, before they are introduced. In terms of the general duty, effective consultation can create positive opportunities for different local groups to meet and exchange views about interests they share (CRE, 2006b).

A wealth of guidance is available on the wide range of approaches that can be used to consult and engage members of the community, including focus groups (Planning for Real and Enquiry by Design - see the glossary). Notably, Communities Scotland has published national standards for community engagement (Communities Scotland, 2005b), supplemented by a toolkit which draws together agreed good practice and sets out a clear and measurable performance framework for engaging with and listening to different communities.

The barriers experienced by people from ethnic minorities are similarly well documented, as are the steps that can be taken to overcome these (ODPM, 2003a; CLG, 2007a; and PATH, 2002). Numerous publications list methods of effective consultation and engagement with ethnic minority communities, including those described as 'hard to reach'.

The prevailing national view, in England, Scotland and Wales is succinctly summed up in the following quotation from a recent Academy for Sustainable Communities publication (ASC, 2006):

It is no longer acceptable to impose a planning solution upon a community, or to assume that all communities are alike and require the same pattern of provision ... engagement and participation ... are essential prerequisites for community ownership and provide the foundation of a sustainable community.

Effective and equitable community engagement has been highlighted as an 'invest to save' policy for public agencies (Communities Scotland, 2006), and involves building people's skills and knowledge, and giving communities a real stake in the regeneration of their neighbourhoods. The potential cost of interventions that fail to meet the needs of ethnic minority communities has been described in a Home Office publication as 'enormous', not only in terms of public expenditure but also crucially for community confidence, community cohesion and sustainability (Home Office, 2001).

The Chartered Institute of Housing stresses the importance of community engagement, particularly in the light of the contentious and difficult decisions often required: 'not only to get the decisions right but to assure politicians and the media that they are based in local opinion. Being able to demonstrate that actions are firmly grounded in what local people think, is the strongest argument that the chosen course of action is the best available' (Lister, Perry and Thornley, 2007). Those responsible for regeneration are called upon to make difficult choices, balance differing needs and views and resolve conflicting demands. In order to do this effectively, while maintaining the trust and buy-in of local citizens, consultation and engagement needs

to be at the heart of regeneration, from development of the driving vision to evaluation.

## The findings

Our findings revealed widespread recognition of the importance of consultation and engagement in physical regeneration schemes, especially among local organisations. All the organisations we encountered thought consultation and engagement was necessary, with many saying it was central to the organisations being able to function effectively.

*Local authority's response to the questionnaire:* Local authorities exist to serve their local communities. Without knowing the needs of communities or our individual customers we cannot tailor our services to meet those needs. Basically, none of the council's wider priorities can be achieved, amended, or our direction changed for the benefit of all our customers without effective consultation and engagement.

However, there was considerable variation both in the effectiveness of the methods used and the priority given to ensuring that the views and experiences of ethnic minority residents informed physical regeneration schemes. Though we found some evidence of good practice, the picture is one of ethnic minority communities feeling that regeneration schemes were being imposed upon them, with consultation characterised by a 'box-ticking', tokenistic approach. We found numerous examples of deep anger and frustration, and consequently feelings of betrayal, resulting in disengagement, both from the newly built neighbourhoods and the local authorities involved in building them.

As with impact assessment, the best examples of consultation came from areas where the regeneration undertaken to date had been recognised as successful and was based on a strategic, mainstreamed approach. In all these cases, the consulting authorities were able to identify a number of concrete steps they had taken in response to the consultation, to make sure that the regeneration programmes met the needs of different ethnic groups and promoted good race relations.

We found little evidence of successful consultation with 'hard to reach' ethnic groups which had led to changes in projects, or to new or more lasting links with hitherto isolated sections of the community.

In one positive example described in a response to the questionnaire, a local authority reported on its efforts to involve the small but long settled Chinese and Vietnamese community in consultations. A specialist Chinese housing association was recruited to work specifically with this community, and produced good results. Information was translated and interpreters provided at drop-in events, followed up by a 'door knocking exercise' by housing association staff, to contact residents who hadn't responded or attended the drop-in sessions.

*Local authority [response to the questionnaire]:* As a result we received some very positive and important feedback that has helped to ensure that the design of the neighbourhood and of individual homes meets the needs of all sections of this



community; for example, we changed the number of houses to avoid using the unlucky Chinese number. In addition to this, we have been able to establish a relationship with parts of the community that normally would have been classed as being 'hard to reach'.

## Weaknesses

These examples of good practice represented only a small proportion of the evidence collected by the investigation. In the case study areas, while both local authorities and their partners recognised the importance of consultation, and there was evidence it was taking place in some form in all projects, we found some basic weaknesses when assessed against the general principles of successful consultation. These include:

- using a consistent, strategic approach;
- providing clear, timely and accurate information;
- helping people to get involved;
- consulting at the right stage of the project;
- dealing with any barriers to participation;
- giving feedback; and
- monitoring rates of participation, analysing results and revising the project, as needed.

### *Consistent strategic approach*

Although we saw documentary evidence of consultation strategies that contained positive statements about inclusiveness, evidence from a number of interviews and from submissions to the call for evidence showed that some of the main departments responsible for regeneration programmes, particularly in regional organisations, did not see consultation, especially with ethnic minorities, as being part of their core business, with a degree of resistance being reported in some areas.

*Local authority equality manager:* It's always seen as an add-on, something difficult to do. There is an attitude of 'Why should we be bothered' ... We're having to have the same conversation again and again (regarding the inclusion of equality issues).

### *Clear, timely and accurate information*

We found a number of examples where local residents learned about regeneration schemes that would affect their lives in important ways through the local press rather than as part of a coherent communications strategy. The failure to communicate at the right time led to rumour and speculation and intensified residents' fears about the way the changes would affect their homes and businesses. People from ethnic minorities, who already felt they were being marginalised, were particularly concerned. The result was anxiety and confusion, and in some cases, damage to race relations, exacerbating existing resentment about the way resources had been allocated.

*Voluntary sector representative:* The council decided to demolish 1,500 houses, but in the local press figures of 2,000 to 3,000 were being mentioned ... The council's communication was not in synch with the media ... there would have been less fear and confusion among residents if it was timed better and communicated in advance ... The information that most residents receive is second or third hand, with spin on it.

*Local authority officer:* People are finding out [about significant policy change] through it being in the press ... The council endlessly makes these mindless mistakes. Rather than being proactive and telling people, they're very reactive with their response ... People will be so unhappy ... it will definitely lead to more tensions.

This approach is also at odds with the requirement under the race equality duty proactively to ensure that policies relevant to the duty take account of their likely effects on race relations. Good communication with the public is crucial, particularly in the light of tensions that have arisen in some areas over who would benefit from regeneration programmes. Without clear, well-managed information misunderstanding is likely to be unavoidable.

*Councillor:* The BNP are running strong saying, 'you are not getting the money because it's all going to the Asians. This isn't true [but] ... they [white British residents] think it [the reason they're not benefiting] is because they are not Asian.

By their very nature, physical regeneration programmes do not happen overnight, often taking several years to complete. For those living in the affected areas, accurate information and continuous engagement must be a priority for the entire duration of the project. We received a number of responses to the call for evidence highlighting concerns in this area. In one example, the council's failure in this respect led to personal security problems for some residents, and heightened community tensions.

*Voluntary sector representative:* The consultation ... has been inadequate and ad hoc at best; at worst actively damaging to the relationships between Gypsies and Irish Travellers, the council and the wider community, and causing continuous stress and intense anxiety to the site residents over a protracted period of time.

### *Helping people to get involved*

About half the authorities in the case studies used a neighbourhood management approach (see the glossary) to maintain contact with residents affected by regeneration programmes. Officers responsible for this work described it as 'frontline communication', and emphasised the 'people centred' aspects of their role, as a potential balance to the focus on 'bricks and mortar' by others involved in physical regeneration.

*Neighbourhood manager:* There's a recognition [that] ... it's not just the physical bricks and mortar. Neighbourhood management is looking at engaging with people and communities and getting their involvement.

All the evidence we collected pointed to the potential of this approach to involve people from ethnic minorities in consultation, and promote positive interaction

between different sections of the community. However, there were mixed views as to its success in supporting communities and ensuring that their voices were heard. In one area, organisations representing ethnic minority groups were very mistrustful of the neighbourhood management approach, as they thought it had been foisted on them with no prior consultation.

*Voluntary sector representative:* Neighbourhood management is a sexy new beast, but not the way it's being done here, because it is being dumped on communities ... none of my area councillors whose patch covers the area ... had been notified of the event [to discuss introduction of neighbourhood management], or invited. When we eventually got a report months later, it showed that the people who attended had very little dealings with the area ... on the basis of this, bad decisions are made that affect poor people ... that affect the funding for deprived groups.

However, we found evidence elsewhere of strongly committed individuals working in difficult circumstances, even though some thought their effectiveness was constrained by the size of the area they had to cover, and the perceived reluctance of other professionals to include them in the policy making.

The evidence we received from the case study areas suggested that, far from welcoming the information being provided by neighbourhood managers, in some cases, officers in local authorities resented being told what local communities wanted.

*Voluntary sector representative:* Neighbourhood management hasn't been without its problems. At times other directorates within the council have seen neighbourhood management teams as a nuisance rather than a help, because they've been advocating on behalf of the local residents.

While officers from the local authorities in the case study areas emphasised the importance of neighbourhood management as a useful way of including the community in the regeneration, they expressed concern that the council was not proactive about working with local authority managers on issues raised by local people.

*Neighbourhood manager:* Doing things we legitimately should do in neighbourhood management isn't a problem. But the problem ... is a lack of support [for] the neighbourhood management team ... [Within the council, community engagement] is mostly words and no action.

We did find examples of good practice where residents were encouraged to get involved, and different ethnic groups were brought together, sometimes against a background of mutual mistrust, to find common ground and take a collective position. However, it seemed that this was achieved in some cases despite the organisational structures within which they were working, rather than because of them.

### *Consulting at the right stage*

Interviewees in the case study areas and participants in stakeholder meetings repeatedly said that people thought consultation on important aspects of physical

regeneration schemes was taking place when it was too late to make a difference, for example after the plans from developers had been agreed by the council.

*National representative body:* It's agreed before you consult ... they get the plan from the developer, agree it and then consult.

Consequently, people we spoke to who had been consulted told us that the consultation exercises had been exercises in 'rubber stamping' policies that had already been agreed, and were reluctant to get involved any further or to encourage others to take part.

*Voluntary sector representative:* It's very frustrating; you get the feeling they don't want to hear what people say, because it's too inconvenient. It's like they've drawn up this plan and they think, 'it's good, it will help people, why can't you understand that and agree'.

*Voluntary sector representative:* Who's going to engage if it looks like a done deal?

### *Dealing with barriers to participation*

Organisations that had carried out consultations had used a variety of methods to try to obtain the views of people from ethnic minorities. For example, they held 'women only events,' provided translators and crèche facilities, and used mosques and schools as venues. However, even so, several interviewees told us that they had not adequately reached the target groups, and that more needed to be done, including a more strategic approach by public bodies.

*Local authority manager:* It [community engagement] needs to work. There needs to be a strategy ... for engaging with Asian women, young people and hard-to-reach groups. At the moment it feels very ad hoc.

*Local authority equality manager:* Consultation is a weakness that we recognise and we're taking steps on this.

*Local authority regeneration manager:* Yes [we have monitored] but just for our own use ... [we] have never previously been required to do any specific monitoring. [It] has tended to be based on physical things, like how many houses have been demolished. They have monitored how many people they have engaged with, but it is not broken down by ethnicity, gender and age.

Local authorities acknowledged that they found it particularly difficult to reach small ethnic minority groups, and those perceived as 'hard-to-reach', such as Asian women, young people from ethnic minorities, new migrant communities, Gypsies and Irish Travellers and white, working-class men. Evidence from the interviews and from submissions to the call for evidence indicated that one of the reasons for this was the tendency to consult established community groups, such as local tenants' associations, which may not reflect the diversity of the local population.

*Voluntary sector representative:* What they tend to do is they go to community councils, they go to local housing forums and, as we in that field all know, very few

black people are involved in those structures; so that in itself is the wrong structure for community engagement, but then they can tick that community engagement box because they've done that.

We received repeated reports of small and medium-sized ethnic minority-run businesses being particularly affected by this approach, with the result that they were not consulted, and their needs were not taken on board. For example, in one area where the housing was undergoing regeneration, a large number of properties had been identified for demolition. Over half the businesses in the affected area were small businesses run by people from ethnic minorities. The local authority arranged a separate consultation with businesses through the local business support forum, but none of the ethnic minority proprietors were members of this forum.

*Voluntary sector representative:* After talking to them [ethnic minority business owners], I discovered that they were very poorly informed about what was going to happen ... the 'BME' traders had not had their needs catered for.

## *Feedback*

Community and voluntary groups at all levels spoke of the failure to inform people of the outcomes of the consultations on regeneration proposals. People were left not knowing whether their views had been taken on board and this made them less inclined to get involved again.

*Excerpt from an evaluation report submitted to the call for evidence:* Besides an initial consultation, they [Bangladeshi community] struggled to receive any further feedback from local government. This meant that they were not able to track down how their views were taken into consideration, as they found that there were no mechanisms in place to allow for this to happen.

Even in instances where feedback had been provided, mainly through published reports, people were dissatisfied, because the reports failed to explain how decisions had been made following the consultation. This left people feeling that their concerns, often deeply felt, had not been taken into account. Interviewees also said that the reports, which were often full of technical jargon, were difficult to understand.

*Voluntary sector representative:* All these wonderful fancy documents come out ... and all this technical stuff that they used, I just got lost in it, to be honest.

## *Evaluation and analysis*

Opinions about the success of consultation and engagement were very different among those responsible for the regeneration projects and representatives of voluntary, faith and community groups in the areas where the projects were taking place. The views of those responsible for the projects did not seem to be based on any systematic and meaningful evaluation of previous experiences of engaging with people from ethnic minorities and there was little ethnic monitoring data that could have been used to identify areas for improvement.

In one area, the master plan for a regeneration project had recently been completed and showed plans for housing, including affordable social housing units, and a community centre. According to the local authority, the consultation exercise for the master plan was very successful and included extensive consultation with ethnic minority residents. However, as the excerpts from separate interviews below show, voluntary and faith organisations, including the local racial equality council (REC), did not seem to be aware of any consultations having taken place about this particular development.

*Development planner:* Prior to the master plan, a consultant was employed to investigate and engage with the local community and find out the wishes of the people of [the local area]. The consultant met a whole host of the community, from the mosque to the Bangladeshi community.

*Director of local REC:* I know from third-hand sources that they are trying to develop community-based facilities, and housing. But that's because I put my nose in to find out.

*Chairman of local mosque:* Do you know what they are going to do there? [as part of the regeneration project] ... [I have] a special request [to know] about what they are going to do in ... the development there. The public should know.

One aspect of consultation that was repeatedly mentioned as a weakness was the widespread failure to monitor events by ethnicity, so that the effectiveness of attracting people from ethnic minorities could be judged. In some case study areas, decisions about whether or not to monitor depended on the initiative of the facilitator involved, rather than on any formal, systematic approach. This led to inconsistencies, with some monitoring age, gender and ethnicity, and others only taking names and addresses. Where monitoring did take place, there was little evidence of the data being analysed centrally and used to improve practice.

## Other concerns

### *Role of the community and voluntary sector*

Community and voluntary groups, particularly those representing ethnic minority communities, reported that they were called on a great deal for consultation. Interviewees complained that public bodies did not seem to appreciate the demands this put on often overstretched organisations with limited resources, and expressed frustration and concern at the hasty way in which some organisations arranged meetings with people from ethnic minorities, in order to 'rubber stamp' their proposals.

*REC representative:* You are contacted with two days to go (until consultation closes), no resources ... [Public bodies say] you pull together the meeting, we'll provide the coffee.

In rural areas, the problems were more acute; with fewer ethnic minority residents, and fewer community groups or networks, making contact became more difficult, and in some cases, people from ethnic minorities in those areas complained of being excluded from consultation.

*Voluntary sector representative:* Three out of four growth areas in the country are either in, or partly in, this region; they are in the rural areas, and often affect Gypsies and Irish Travellers, who don't show up in consultations. I don't mean they don't turn up, but that they don't appear on the radar.

### *Use of consultation to promote good race relations*

We found no evidence that consultation events were being used to bring different ethnic groups together to promote good race relations and community cohesion. As recent CRE research (CRE, 2007b) shows, for interaction to be meaningful it must grow out of the things people have in common. Coming together as a community to discuss the future shape of the area can be a powerful, uniting force. All sections of the community want to live in a safe, clean and prosperous area, where their children receive a good education, even if they have different individual demands on particular issues. Consultation on regeneration projects can create a forum where people can interact in new ways and explore common aspirations.

### *Use of consultants*

Both the responses to the call for evidence and interviews in the case study areas raised concerns about the use of consultants and other external agencies to facilitate consultation. It was felt that this led to inconsistencies of approach which damaged relations between the council and the community.

*Voluntary sector coordinator:* What they were doing was bringing in different people to do the consultations each time ... so you weren't building any rapport or relationships with the people who were doing the research, the consultation, the writing of the plans ... they spent loads of money on it, which again upset people tremendously.

Criticisms were particularly directed at outside organisations that were not familiar with the local area, and did not know about the history, circumstances and local culture of ethnic minority communities there.

### *Consequences of poor consultation*

The weaknesses listed above had profound consequences, both in terms of loss of trust and feelings of exclusion among ethnic minority residents and in terms of regeneration projects being able to take account of the needs and aspirations of ethnic minority communities.

## *Loss of trust*

We found widespread disillusionment among the national, regional and local voluntary and community groups that gave evidence to the investigation about the effectiveness of consultation over physical regeneration proposals, and were given far more examples of consultation that had gone wrong, even though we actively sought positive examples. Where good practice was mentioned, it tended to occur on smaller scale physical regeneration projects, such as plans for a particular community building or housing scheme.

The reasons for the disillusionment lay mainly in the perceived lack of power to influence the process, and in the belief based on past experience that community benefit featured low on the list of priorities for regeneration and inevitably give way to considerations of profit for large development companies.

*Faith organisation representative:* There are meetings that we get invited to ... and you listen and you know that it is a tick box exercise ... at the end of the day it's about finance, if you have a piece of land, you have to make money on it.

The disillusionment was not unique to ethnic minority groups, but they felt it more keenly, because many already felt marginalised. Expectations were raised with each new regeneration proposal, and what were perceived as broken promises and the absence of tangible benefits simply added to the cynicism and disengagement.

*Voluntary sector representative:* In our experience regeneration is something that happens to 'BME' communities rather than happens with them.

*Voluntary sector representative:* [Those leading regeneration say] we're looking to see what's the best option ... and it always seems to be the option they want.

Interviewees from organisations that had been consulted about regeneration projects repeatedly referred to consultations with ethnic minority communities as 'box ticking', tokenistic contact with little real meaning or impact and some of them expressed deep anger at the attitudes of public bodies to consultation with ethnic minority communities.

*Voluntary sector representative:* Black communities are consultation fodder ... Consultation is a myth.

## *Design issues*

A number of interviewees in the case study areas and participants at stakeholder meetings were concerned that people from ethnic minorities were not adequately consulted over basic questions of design, particularly in housing.

*Local authority equality manager:* There is still a lot of learning that needs to be done about race equality, about equality in general (by the regeneration company) ... at a big planning meeting ... they had not thought about Asian people wanting two sitting



rooms ... assumptions were being made about extended families instead of talking to them ... really simple things.

*Local authority equality officer:* [The design of houses had included] self-sustaining heating, all electric ... Asian people like gas to finish off their chapattis. This kind of thing will be the difference between people buying houses and not. It is all really basic stuff.

*Voluntary sector representative:* Members of some 'BME' communities buy a new-build house and need to build an extension straight away because it doesn't meet their requirements ... Have they [regeneration delivery company] looked at their target market? Have they spoken to the 'BME' community?

### *Family networks*

For some ethnic minority communities affected by housing regeneration projects, a key concern, which did not seem to have been picked up or addressed, was that relocation, whether permanent or temporary 'decanting', could break up close family networks and increase exposure to racial harassment.

*Voluntary sector manager:* The Asian people in particular wanted ... to move in blocks in extended families, as the houses were being pulled down. To be housed together in three or four houses together ... These are things that I think are really important for people, because it's about safety, security and a sense of belonging, and that's just been [ridden] rough shod over really.

## **Training on the race equality duty**

As part of their race equality scheme, public authorities must set out arrangements for training their staff on the general duty to promote race equality, and on the specific duties.

### **The findings**

The majority of local authorities responding to our questionnaire did not give relevant staff working in the area of regeneration specific training on the race equality duty (see Figure 2 on the next page). Training on the race equality duty was generally provided as part of other training. This was reinforced by the evidence from the case study authorities and suggested that knowledge of the race equality duty as it applies to physical regeneration was patchy among those responsible for this function.

Not only did some officers and councillors involved in regeneration fail to understand the duty and its practical implications for their individual areas of work, but they also completely failed to see how racial equality was relevant to it. Interviewees repeatedly said that they saw the particular regeneration activity they were engaged in as a 'colour blind' process. This belief, and the view that action taken to improve an area

would inevitably bring benefits for all ethnic groups, was reflected in numerous responses to the questionnaire and in accompanying documentation.

One consequence of the weaknesses in training on the race equality duty was an over-reliance on equality specialists for support and information in this area.

*Local authority equality officer:* Anything to do with race, it always ends up landing on my desk.

Equality specialists in some of the case study authorities reported resistance among staff to receiving training on the race equality duty, which left them feeling isolated in their efforts to promote compliance with the duty.

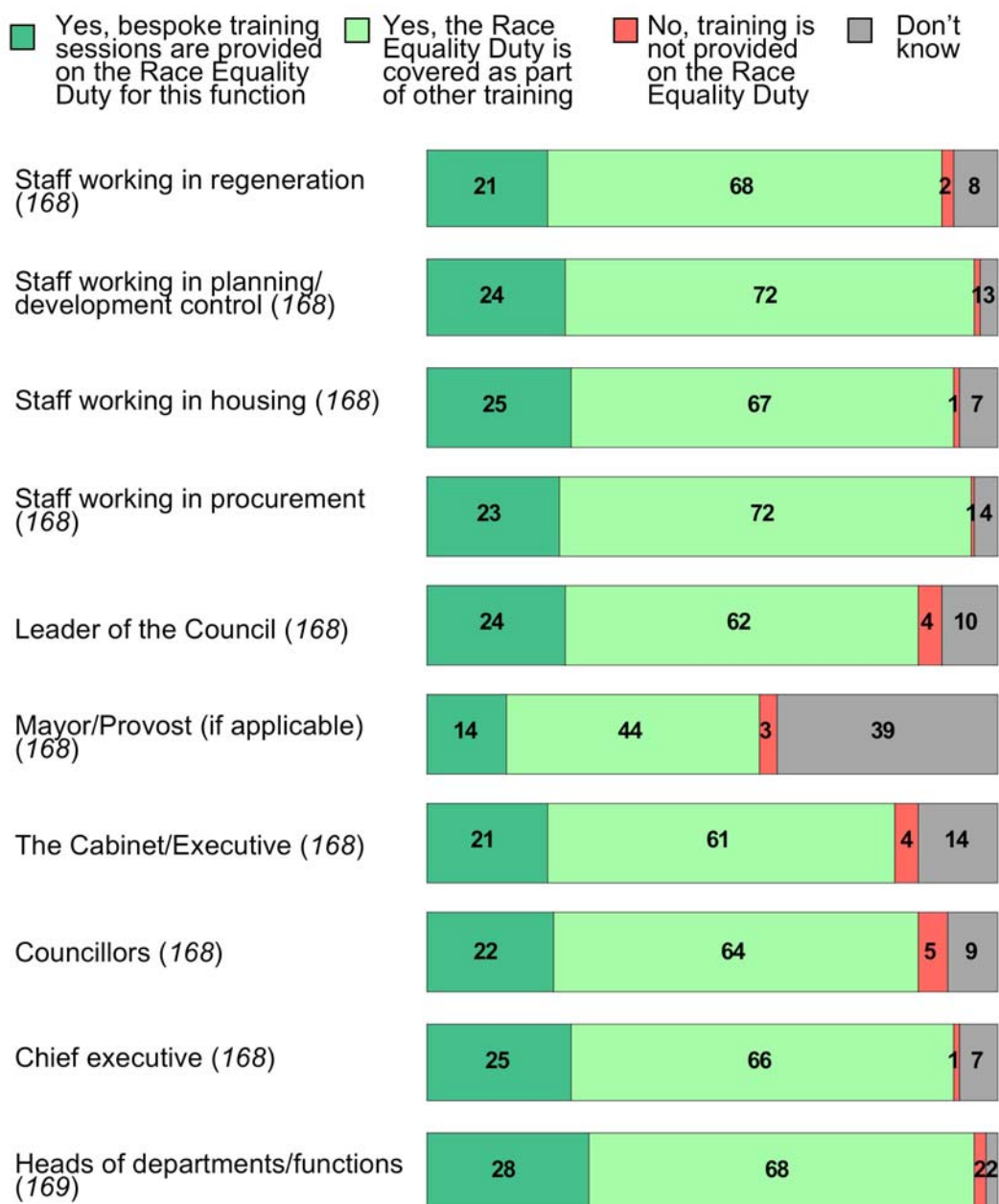
*Local authority equality manager:* There are quite a number of racists among the staff ... [In compulsory race training courses] we met with negative and offensive comments.

However, we did find some evidence of tailored courses on the race equality duty, such as one designed and delivered internally by an equality officer. This focused on practical, locally relevant scenarios, created a safe environment in which to discuss sensitive issues and explored ways of contesting the stereotypes and populist myths that divided ethnic groups in the area.

Several interviewees from the case study areas struggled to describe the practical usefulness of training on the race equality duty and how they had used it in the course of their day-to-day work.

## Figure 2. Extent of training on race equality Local authorities

We are now going to list the different staff working within your organisation. For each, please state whether your organisation provides them with training on the race equality duty.



Base: All answering (numbers in brackets)

## Conclusions

The government's aim in introducing the race equality duty was to achieve a 'step change in race equality in this country' (Home Office, 2000). This was to be achieved by public authorities paying 'due regard' to the proactive elimination of unlawful racial discrimination and the promotion of equal opportunities and good race relations. As set out in the specific duties, evidence-based examination of emerging policies forms an essential part this. In the local authorities performing best, we saw how regard for all sections of the community, and the relations between them, can contribute to successful regeneration programmes and the creation of strong, inclusive communities when it is made part of everyday practice. However, for many of the rest, compliance with the duty and, in particular, the REIA process was, at best, a bureaucratic hoop to jump through and, at worst, an irrelevance to be ignored. The evidence we collected made clear the damaging effects on racial equality and community relations of the failure to consider policy proposals in the light of their potential consequences for different ethnic groups, and the relations between them.

It is of great concern that some local authorities, which are channelling substantial amounts of public money into deprived communities, still have not recognised the importance of ensuring that their policies promote inclusive and integrated communities, and appropriately address the needs of all ethnic groups in the areas they serve. The 'once in a lifetime' opportunity to transform these communities could be put at risk by this lack of attention.

Inadequate training of officers and elected members on the practicalities of the race equality duty and its relevance to their particular role further exacerbates the barriers to ensuring racial equality and integration in physical regeneration projects.

The worrying view, expressed by some regeneration practitioners in public authorities, that their work was 'race neutral' or carried out in a 'colour blind' way, will not be challenged or its damaging effects mitigated, if local data on the experiences and needs of different ethnic groups, and any local tensions between them, are not part of the information used by those reshaping local neighbourhoods.

Meaningful engagement would help not only to inform projects of the needs and experiences of all groups in affected communities, but also encourage greater local 'ownership' of regeneration schemes, which is essential for the creation of sustainable communities.

The insidious combination of all these factors has led to race equality impact assessment being sidelined as a 'bureaucratic irrelevance' in some areas. Some of those submitting evidence to the investigation criticised race equality impact assessment as being 'process focused', but were unable to show how they had otherwise made sure that their regeneration activity was designed from inception to benefit all racial groups and promote cohesive and integrated communities. It is interesting to note that organisations that were capable of producing assessments to

examine impact when considering sustainability and heritage failed to do this when it concerned racial equality. We have no alternative therefore but to conclude that the problem lies not with the process of impact assessment but with the failure to give racial equality and good race relations the necessary priority.

The Local Government White Paper and the continuing public sector reform process in Scotland and Wales (CLG, 2006c) understandably focus on outcomes and local solutions to local issues. A key theme is the idea of reshaping public services around the citizens and communities who use them. However, in the light of the findings of this investigation, it is difficult to see how this ambitious agenda will be achieved in the area of physical regeneration, unless public bodies meet the statutory race equality duty, engage all sections of the community and factor the diversity of their needs and aspirations into the development of policy at an early stage.

## **4. REGENERATION PARTNERSHIPS, PROCUREMENT AND RACIAL EQUALITY**

In this chapter we examine the way racial equality is factored into the different ways in which partnerships contribute to regeneration. We consider first the role of local strategic partnerships (LSPs) across England and Wales, and community planning partnerships (CPPs) in Scotland. We then look at the procurement of development partners for regeneration work by local authorities, and finally consider the role of publicly funded private sector regeneration companies, such as urban regeneration companies and housing market renewal pathfinders.

### **Local strategic partnerships and community planning partnerships**

LSPs and CPPs have a central role in strategic regeneration planning and involve several public sector partners working with voluntary and community organisations and the private sector. The future role of LSPs is under review in England and it is likely they will have an increasingly important part to play in shaping local authorities' strategic priorities for regeneration, in particular the community strategy and the local development framework, and how they link together (see chapter 2). LSPs will be the guardians of the local area agreement (LAA), which will set the priorities and targets against which local authorities will be measured. We will consider how regeneration and racial equality feature in the LAA in chapter 6.

Clarity over their responsibility for racial equality and good race relations will be crucial if LSPs are to serve all sections of their local communities. At present, there is some doubt as to how these partnerships take account of racial equality, and what their obligations are. From 2001, an LSP had to be set up for an area to qualify for neighbourhood renewal funding, and it was a requirement that the LSP should meet the race equality duty and consider community cohesion within its performance management framework. Guidance from the Neighbourhood Renewal Unit recommended that the race equality schemes of public authority partners should also cover the partnership (ODPM, 2002). Current guidance is much less explicit about racial equality, simply referring to the need to be inclusive and representative of all ethnic minority communities (NRU, 2005).

In Scotland, CPPs have a similar role; they are required to produce a regeneration outcome agreement (ROA), which provides a strategic and operational framework for carrying out initiatives financed by the community regeneration fund to develop Scotland's most disadvantaged neighbourhoods. The ROA must also address the Scottish Government's Closing the Opportunity Gap objectives for tackling poverty and exclusion. Discussion is currently underway to introduce a single outcome agreement for local authorities, to draw together all the activity currently covered by different funding streams.

In contrast to England, the importance of mainstreaming racial equality in CPPs is more explicit in Scotland, where the ROA demands evidence of community engagement and mainstreaming equality. The Scottish Government has expressed its commitment by stating that, 'CPPs should ensure that they eliminate unlawful discrimination and promote equality of opportunity and good race relations. The ROA should therefore state how equalities principles are being addressed in the development and delivery of the ROA' (Communities Scotland, 2004). The approach of the Scottish Government is underpinned by a statutory requirement that those undertaking community planning do so 'in a manner which encourages equal opportunities and, in particular, the observance of equal opportunity requirements' (section 59 of the Local Government in Scotland Act 2003), which is reinforced in the Community Planning Statutory Guidance (Scottish Executive, 2004c).

The Convention of Scottish Local Authorities (COSLA) also recognised the importance of mainstreaming equality into partnership activity and planning, recommending in its guidance document (COSLA, 2003) that partnerships should:

- Identify what action they are going to take to encourage equal opportunities;
- Assess all policy proposals in terms of their impact on equalities;
- Engage with equalities groups/interests as part of the process;
- Build up their capacity and the capacity of community bodies/equalities groups to participate fully in the process;
- Share information on the needs and circumstances of equalities groups;
- Monitor and evaluate their performance in relation to the encouragement of equal opportunities; and
- Report on their performance through the public performance reporting framework.

In its recent review of CPPs, Audit Scotland made general recommendations on the need for clarity in the roles and responsibilities of partners, and improvements to performance management (Audit Scotland, 2006). These would encompass the way CPPs mainstream equality, but it was disappointing that this important area was not covered explicitly in the review.

In Wales, LSPs are in the process of being developed into local service boards, in line with the Welsh Assembly Government's 'Making the Connections' strategy (WAG, 2006b), which was developed following the Beecham review (WAG, 2006a). Under this proposal, each local service board will be expected to develop a programme of action: the local service agreement. The Welsh Assembly Government intends to have a local service agreement in place for all areas by 2010. The move is not dissimilar to the development in England of the local area agreement.

The government will need to consider, through the Discrimination Law Review, how the race equality should apply to these partnerships, which cannot themselves bound by the duty at present as they are not statutory organisations. The duty applies only to listed public authorities within the partnership, which are responsible for making sure that the partnership takes account of the race equality duty in its work, and that all members are aware of the duty.

In Scotland, the three statutory equality bodies produced guidance on community planning and the equality duties (CRE/DRC/EOC, 2007), to clear up any confusion about how the duties should be reflected in public sector-led partnership arrangements. The guide was launched with the support of Communities Scotland and was well received.

## The findings

Discussions with local authority officers in the case study areas and representatives from the community and voluntary sector raised some concerns about the role of LSPs and CPPs in regeneration. These concerns fell into three categories: how representative these partnerships were of their sectors and of the ethnic composition of the communities they served; how meaningful the voluntary and community sector representation was; and whether the partnerships understood the importance of racial equality.

### Sector representation and ethnic minority representation

The need to ensure that these partnerships are representative of all the different groups in the area is illustrated in this quote from a community sector representative who is represented on the LSP in her area:

*Community representative:* We are not convinced that the level of representation is adequate. We need to get beyond the gatekeepers of the community and ensure we are getting involved in the community. Two years ago we commissioned a local development agency to do some work around getting engaged with the harder-to-reach groups; they visited 67 organisations that had low levels of engagement. Regrettably we're realising that kind of activity needs to be repeated every two years or so, to ensure we're not taking our eye off the ball.

A recent survey of English LSPs commissioned by the CRE (BTEG, 2007) raised concern that they were not monitoring the ethnicity of their members, as this extract from the report suggests:

Although guidance from the Neighbourhood Renewal Unit recommends that LSPs should monitor the ethnicity of members ... 24 of the 31 LSPs had not done this ... Without monitoring, it is not possible to determine the overall level of participation by people from ethnic minorities in LSPs across the country.

The Neighbourhood Renewal Unit commissioned a survey of LSPs (ODPM, 2005) which found that actual ethnic minority representation was generally good; however, without systematic monitoring there can be no transparency, and LSPs will leave themselves open to criticism.

In England, a national evaluation survey in 2006 revealed that English LSPs were concerned about how representative they were of the different sectors. It found that 76% of respondents thought the business sector was under-represented, and that 25% thought that community sector partners were also significantly under-represented.



## The involvement of voluntary and community groups

Comments from some of the interviewees from voluntary and community groups (see below) indicated dissatisfaction with the voice they had on LSPs and CPPs and suggested that they had difficulty in finding enough time for their role:

*Community group representative:* The council is very much in control of the LSP and regard it as their property ... it is too tightly controlled. For example, there was a proposal to build a large new building for the county council, and we were promised that it would be built to fully sustainable standards and were promised that this would go through the LSP. In the end [a private development company] was brought in to do a 10-minute presentation on the fully designed project and there was never any engagement. This is typical of how the LSP works. The problem with the LSP is that it should operate more effectively through its forums. The forums each have working groups, but those working groups never meet. There is no ability, therefore, to sit down outside of the forum meetings to discuss the issues. Often the papers would come in late or on the day, so there was no opportunity to contribute in a considered way.

*Community group representative:* I sit on [the], LSP but I feel when I sit at that level I'm with the 'suits' and I feel that deals are done before we get to the table. There are lots of sub-groups, thematic groups and there are a lot of other meetings; I've not got into them because I've not time to do anything. So I feel that when it comes back to the main meeting, which I do go to, that I'm not fully understanding ... and it's not open for discussion.

In Scotland, a community group representative expressed her frustrations over a particular approach adopted by her local CPP to community engagement:

*Community group representative:* The CPP is not good at consulting communities despite the fact that it has signed up to the national standards of community engagement; they really need training on what community engagement is. What they tend to do is go to community councils, housing forums and tenants' groups. As we know, very few black people are involved in those structures. These are the wrong structures for community engagement, but they can tick the community engagement box.

## Understanding the importance of racial equality

While many members of these partnerships had a good understanding of racial equality and its relevance to their work, evidence from the case study areas suggested that generally the quality of understanding was patchy, as these quotes from local authority officers indicate:

*Local authority equality manager [describing the work that had been done with the LSP to promote racial equality and good race relations]:* It was important to build support before the meeting ... there was loads of negotiating; some LSPs think it is not relevant to them, as we don't have big ethnic minority communities ... I am sick

of hearing we've just got a tiny community here, so we don't need to look at cohesion issues.

*Local authority partnership manager [talking about the race equality duty driving regeneration activity]:* It is just starting to do so; in terms of the LSPs, the race equality dimension is just creeping in. Now they are looking at outcomes and targets from the community plan ... They are finally starting to understand that they need to pull out strands and say how they are impacting on this part of the community ... schools and education have always done this; they have always used their data very well. LSPs have been told to record 'BME' outputs, some are still not there with this.

We were unable to conduct a thorough survey of these partnerships, but it was clear from the investigation that their enhanced role in setting priorities for local authority areas meant that their responsibility and accountability for mainstreaming racial equality needed to be addressed. While Scotland has begun to recognise this in relation to CPPs, the Local Government Association (LGA) has sounded a word of caution (CLG, 2006) in its response to the government's recent consultation (CLG, 2005) about the potential of LSPs to take on this role:

Reliance on a very wide range of stakeholders coming round the table, with their roles, responsibilities and individual accountabilities essentially unchanged, is insufficient. For too many partners in a locality, the LSP would remain, as at present, 'not part of the day job' or 'just a set of meetings' ... Partnerships are not a panacea. Their inherent strengths of flexibility, cross cutting remits, and joint endeavour are mirrored by inherent weaknesses of instability and flux, lack of clear leadership, and diffuse accountability. As a long-term solution for joined-up public service delivery, and particularly as a vehicle for governing localities, partnerships have limitations.

In the same consultation exercise, the Audit Commission said (CLG, 2006):

To succeed, LSPs will need to be fit-for-purpose and become an effective executive board of decision makers. Evidence suggests that they are not yet at this stage of their development. Given the amount of time it has taken for partnerships to move from being 'talking shops' to achieving measurable outcomes, there is a risk that LSPs may not be able to deliver all that is expected without clear guidance and support from the Government.

The changes in Wales are at an early stage, but the direction of travel in all three countries is very similar and will require a review of how the partnerships are constituted, and what their responsibilities are, to ensure they are fit for purpose.

## **Procurement**

Private companies working in partnership with or for the public sector are responsible for the majority of physical regeneration projects. When a public authority enters into a contract with an external provider for goods, services or works – such as, building a school, or renovating social housing – the authority remains responsible for meeting the race equality duty in respect of those functions. This is not to say that the contractors have no potential liability for racial equality; the Race Relations Act does

still apply to contractors in that they must not discriminate on racial grounds as employers, or in the way they provide services to the public.

A public authority not only needs to ensure that it chooses the right contractor, but that the work is done in a way that meets the authority's race equality duty and other strategic objectives. In this sense, public procurement is as much a tool for implementing policy as it is a process for regulating the way that authorities contract out their public services.

The value of creating effective partnerships through procurement was summarised by the British Urban Regeneration Association (BURA, 2005):

Effective partnership working in regeneration is crucial to the successful delivery of sustainable communities ... There is a need for shared vision, efficient working and mutual understanding. However, many urban regeneration projects are hindered by fraught working relationships. To this end, more effective use of procurement processes is needed in order that good partnerships can be formed.

This investigation has concentrated on public organisations entering into contracts with private developers, and has looked in particular at the practices of local authorities and development agencies. To set our findings and recommendations in context, we reviewed some of the wider issues around procurement.

A wealth of guidance is available to public authorities and the private sector on the scope within UK and European law for securing social benefits in the procurement process, where such benefits are relevant to the contract and do not undermine value for money for the taxpayer.

The CRE has produced guidance on achieving racial equality objectives through procurement, which provides a model for public and local authorities (CRE, 2003a and 2003b). The guide advises public authorities to consider the relevance of racial equality when planning the work that will be the subject of the contract to be procured, as this will determine proportionality (see chapter 2). Where appropriate, authorities should identify any racial equality requirements for the work, and use the contract clauses to specify these. The guide also advises on the process for inviting, selecting and evaluating tenders, and, once the selection has been made, authorities are urged to consider their approach to monitoring, managing and enforcing the contract.

While this investigation is about racial equality outcomes, we are not suggesting that these should be considered in isolation. The potential for wider social benefit through procurement goes beyond racial equality and community cohesion; it can include other areas of equality, and other policy objectives, such as sustainability and small business development.

England, Scotland and Wales have similar approaches to procurement and we describe below the specific national priorities for each country. The approach in England starts with the government's 'National Procurement Strategy for Local

Government' (ODPM and LGA, 2003), which explains the decisions to be taken within the procurement process:

In the context of a procurement process, obtaining 'best value for money' means choosing the bid that offers 'the optimum combination of whole life costs and benefits to meet the customer's requirement'. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The council's requirement can include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle.

The general objective of the national procurement strategy is to seek better public services, which meet the needs of all local citizens, through sustainable partnerships forged by a range of public, private, and social enterprises and voluntary organisations. The strategy also refers specifically to the need for a diverse, competitive range of suppliers providing quality services.

Some of these objectives have been repackaged within newer agendas, such as 'sustainable procurement'. In general terms, sustainability in this context emphasises that procurement should be seen as part of broad policy implementation by public authorities. The government's sustainable procurement task force published its findings and recommendations in 'The National Action Plan: Procuring the Future' (DEFRA, 2006), and concluded that 'a systematic effort to mainstream sustainable procurement was required'.

CLG's predecessor department, the Office of the Deputy Prime Minister (ODPM), conducted a race equality impact assessment (REIA) of its procurement policy (CLG, 2006b), which made some very interesting findings. One of these was that environmental issues were more likely to be identified by staff under the 'sustainability agenda' than race or other equality issues, and that internal procurement guidance 'needs to be more explicit in identifying race equality as part of the sustainability agenda and making clear the requirements of the public duty to promote race equality'. The REIA report concluded that the 'opportunities to build relevant race equality requirements into business case discussions, contract specifications, evaluation stages and post award management processes are not being taken up sufficiently (or at all), with corresponding risks for ODPM's compliance with the public duty'.

Evidence for the ODPM's conclusions came in part from an analysis of eight contracts awarded by the ODPM over 12 months in the period 2005/2006. The report contained a summary of the analysis:

- In one contract relating to service delivery through a major regeneration programme in a multi racial area there was no explicit reference to race equality in the specification and none of the proposals stated how they would address race equality or equal opportunities issues.
- In a research contract linked to a major area of social regeneration delivery, there was no specific mention of race equality and none of the bidders stated how they would address race equality or equal opportunities issues;

- In a contract for a project likely to have a significant impact on staff and described as a 'people project' there was no reference to race equality issues, although bidders were asked to address environmental issues;
- In a contract for the recruitment of board members in an agency, the need to attract applications from women and ethnic minorities (given their under representation) was included in background details. There was no explicit requirement for bidders to describe their equal opportunities policy or measures to attract applicants, although diversity statistics for the application process were to be provided;
- In a contract involving outsourcing, a race equality impact assessment of the proposal was carried out and bidders were asked for evidence of their race equality policies.

The recommendations were comprehensive and the value of taking the time to conduct a thorough impact assessment was evident.

The Scottish approach has been shaped by the findings of the McClelland review of public procurement in Scotland (McClelland, 2006), which also identified sustainability as an important consideration. In response, the Scottish Government introduced the public procurement reform programme in 2007, which is very similar to the strategy for England in its reference to better public services, the need to ensure fair and efficient procurement practices, cross-sector collaboration, and encouraging suppliers to build effective and mutually beneficial relationships with the Scottish public sector.

Equality is not mentioned explicitly, but is incorporated through the concept of best value; according to Scottish Government guidance (Scottish Executive, 2006), an authority securing best value should be able to demonstrate how it observes the race equality duty. The Scottish Government had already published a Scottish procurement policy note in 2004 (Scottish Executive, 2004), drawing attention to the CRE's guide to race equality and public procurement:

Public purchasers should be particularly aware of these requirements if they are procuring a service which would once have been performed in-house, or are procuring a service that offers direct provision of a service to the public.

The Scottish Government is currently developing local joint ventures (also known as the hub initiative), nationally supported by 'hub Scotland', to provide stronger, long-term services for local communities. The resulting infrastructure will be the focal point for pulling together various local services as well as providing the efficient procurement framework that makes such developments possible. The initiative is interesting in the way that it brings together partnership working and procurement and its main objectives have been published in a guide (Scottish Executive, 2006c).

Communities Scotland, which has already issued a procurement guide for registered social landlords (Communities Scotland and Scottish Executive, 2006), is now considering introducing a national procurement strategy for social housing in Scotland, and published a report in January 2007 setting out recommendations for this proposal (CWC, 2007). However, neither document makes any reference to racial equality or supplier diversity.

As set out in its race equality scheme, the Welsh Assembly Government sees procurement as an important lever for providing better services. The main national initiative, 'Value Wales, Sustainable Procurement', rests with the Department for Public Services and Performance and its objectives are similar to those in England and Scotland, namely, to achieve collaborative and sustainable procurement.

At the outset of the investigation, we were alerted to the fact that the procurement process was not being used to its full potential to achieve racial equality outcomes. In its report, 'Fairness and Freedom', the Equalities Review came to this conclusion (Cabinet Office, 2007):

Public bodies have not used the race duty extensively to influence practice in the voluntary and private sectors when procuring or commissioning goods or services.

The arrangements for buying goods and services (which are governed by EU procurement rules and guidance from the Office of Government Commerce) give only limited support to making equalities a factor in public procurement. Research shows that, despite high-level political commitment to incorporating race equality into procurement, there remain problems. These include insufficient high-level leadership, a lack of clearly defined policy, and inadequate measurement and monitoring systems, together with insufficient investment in building staff capacity and poor communication of the importance of the equality agenda.

## **The findings**

The investigation found similar concerns across all three countries and we present our findings below under the following headings: minimum equality standards; proactive use of procurement to achieve racial equality objectives; monitoring compliance; using local labour; and supplier diversity and business support.

### **Minimum equality standards**

It was encouraging that the majority of local authorities and development agencies responding to our questionnaire claimed to have 'minimum standards', requiring contractors to comply with the 1976 Race Relations Act, with more than four in five of all organisations (83%) responding in this way. Only around one in 20 (6%) said that they did not have such standards.

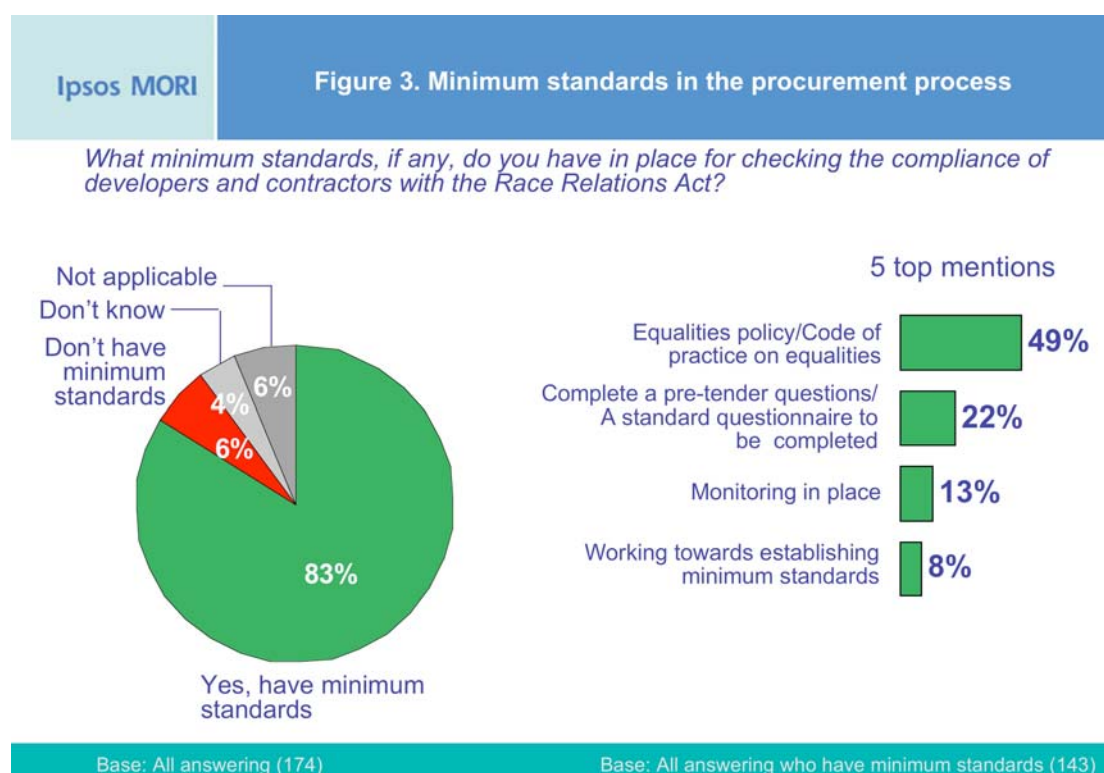
However, as some of the comments from local authorities show (see below), responses to the questionnaire's request for a description of those minimum standards indicated that those organisations were doing little more than conducting very basic equality health checks on potential contractors. See also Figure 3 on the next page.

We require contractors to provide copies of their equalities policy, which we would expect to include a complaints procedure.

Currently the council will not let a contract go to any supplier who does not meet a minimum standard of commitment to equality legislation and best practice, evidenced by at least a written equalities policy.

In our tender questionnaire there are questions with regard to equality, including compliance with the Race Relations Amendment Act.

Minimum standards are identified for contracts when a contractor completes a pre-qualification questionnaire that assesses their compliance to the [Race Relations Act].



## Proactive use of procurement to achieve racial equality objectives

Evidence from the case study authorities suggested that procurement officers did not always have the skills or understanding to develop a procedure for building racial equality objectives into contracts, given the complexities of the EU procurement rules with some even struggling to see the relevance of race equality at all:

*Local authority head of corporate procurement:* Regeneration having an impact on the community? Give me an example.

*Local authority senior manager, on the lead role in the procurement process:* This was largely [the private sector partner]; we didn't have the expertise.

And perhaps more positively:

*Local authority regeneration manager:* Our solicitors played merry hell and told us it couldn't be done under European rules ... but there are ways round the legislation.

In many cases, equality was an afterthought and not an essential part of the procurement process; this meant it was not considered at a stage when it could have had some influence.

*Local authority equality manager:* It is frustrating ... we are quite often involved in the assessment process, but we are not involved in the setting of objectives in the first place.

Some of the officers interviewed in the case study areas felt that developers would simply go elsewhere if they had to meet a set of standards or guidelines for racial equality. For example, one local authority head of regeneration reported having to overcome internal resistance from colleagues when attempting to insert social clauses into contracts with developers. Other interviewees expressed the following concerns:

*Local authority head of regeneration:* We were told we'd never get contractors.

*Community and voluntary representative:* If anything [equality in procurement] is going to be weakened ... no one wants to impose on the private sector ... they think that this would cause resentment.

The evidence from the private sector was mixed, but did not necessarily reflect the negative expectations about how they would react. In a response to the call for evidence, one private contractor on the government's sounding board group on regeneration said:

As a land and property developer, however, my company has never been aware [of] or been made aware of any issues of racial inequality towards which we could or should make an overt contribution. I am aware of issues of ethnic housing need, employment access barriers and localised issues of abuse and discrimination in [the area].

The contractor was involved in major housing regeneration projects and surprisingly had not been asked to consider any questions concerning ethnic minority housing needs or community cohesion. However, the contractor seemed aware that:

... With a new requirement for more systematic community consultation in the statutory plan making and planning application process in Scotland, this position may change.

One representative from a firm involved in a regeneration proposal for a case study authority was unable to recall if there was any form of racial equality requirement in the procurement agreement between the firm and the local authority; however, they accepted that it was vital that they should be aware of any racial equality issues from the outset.



*Project manager from a private contractor:* I don't think it was a specific issue we were asked to address. Because there was a sizable Islamic community living in the area, it was an issue we were aware of and one area we did address in relation to our specific consultations. We worked closely with the community organisations, mainly led by their issues and priorities. We realised we needed to engage with the Islamic community specifically, so we did do a one-to-one consultation.

Another firm of building contractors involved in a renewal project explained that evidence of their commitment to racial equality had been communicated to the council through the pre-qualification questionnaire, where about 40% of the criteria related to equality and diversity matters, such as ethnic minority representation at senior management, and whether the firm had ever had legal proceedings brought against them for racial discrimination.

In Wales, an ethnic minority housing organisation, told us that some developers were better at advocating good practice than the local authorities, giving as an example several developers who were working on the programme for meeting the decent homes standard: one of them had talked about sustainable development and involving hard-to-reach groups; and another had started a scheme for training women plumbers.

However, it would not be safe to assume that all contractors would understand the three parts of the race equality duty. One contractor working with a local authority on a housing-related project in one of the case study areas was aware of the need to treat people equally, but did not appear to have much understanding beyond that. This would not allow for the different approaches that might be necessary to ensure that all sections of the community were included; for example, that it might sometimes be necessary to treat people differently to achieve equality.

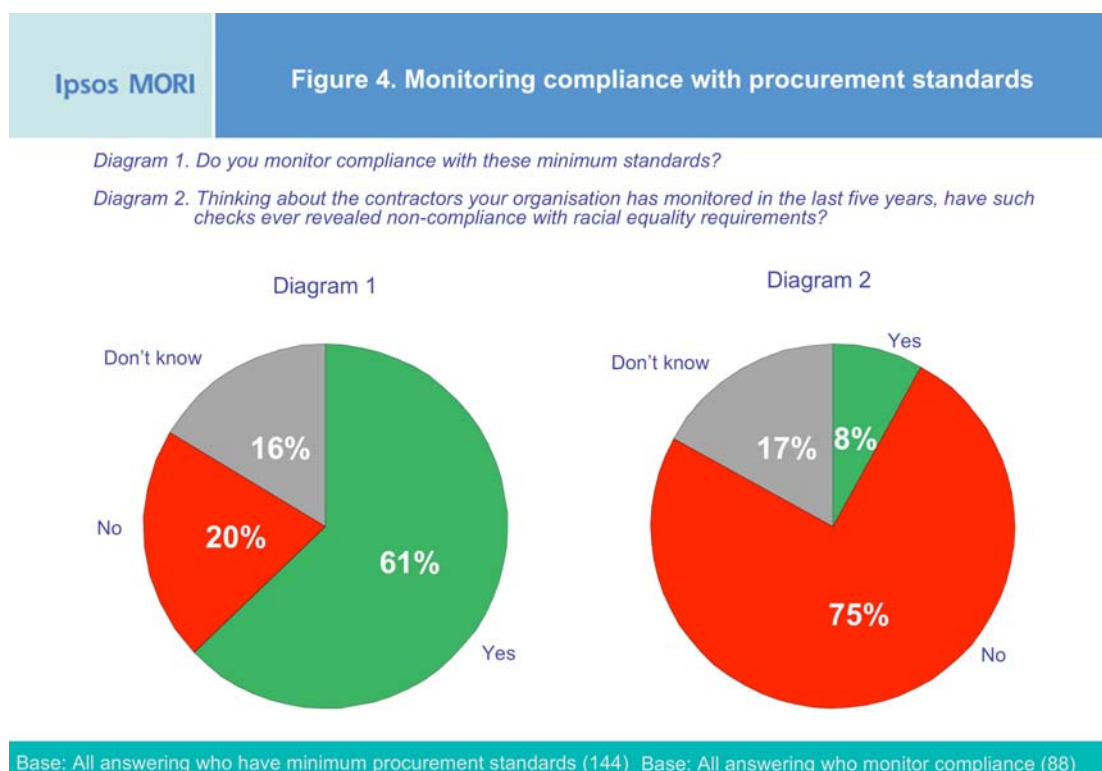
To be honest, we're driving our work forward without including or excluding anyone. Everybody is treated the same, it wouldn't make a difference whether they are residents in the house, whether they knock on our door for work. It helps if you are able to communicate with people and we have experience in that. But we make clear to everyone that our views are equal, and equal opportunities [are] important.

As Figure 4 on the next page shows, most of the organisations responding to the questionnaire and claiming to have minimum standards for procurement said they monitored these (61%), with only one-fifth saying they did not (20%). However, less than one in 10 organisations that did monitor (8%) said that this had revealed non-compliance with racial equality requirements, but in none of these cases was the contract allowed to continue – contractors were either removed from the organisations' supplier list or required to change their policy to be compliant.

The documents provided by the organisations responding to the questionnaire indicated that some were monitoring or planning to monitor:

*Extract from race equality plan of a local authority regeneration directorate:* By the end of September 2007, the Divisional Management Team will have approved a system to monitor the returned questionnaires and to randomly sample a proportion of those questionnaires returned.

*Extract from local authority equality strategy:* The commissioning and contracting of companies to deliver specific major physical regeneration projects will also be subject to new contractual conditions on equality and diversity and spot checks, via use of the council's procurement equalities questionnaire, will ensure compliance with council policies.



When we discussed monitoring with officers in the case study authorities it was clear that any monitoring was fairly light touch and focused on the pre-qualification checks rather than on compliance with any equality requirements that might be in the contract.

In one local authority, no monitoring data was available about the companies contracted to carry out regeneration work, although there were plans to monitor two ongoing regeneration contracts. The authority felt hindered by its financial management system and hoped that changes being made would allow an electronic solution to managing its contracts. The new system was designed to allow the authority to extract data, including equality monitoring data, for an immediate overview.

In another of the case study authorities, it was reported that contracts were not monitored due to lack of resources, and that compliance with the race equality duty was largely determined by asking for pre-contract qualification documents, such as equal opportunities policies.

*Local authority equality manager:* We always ask the questions to get on a select list that you are allowed to ask by law in terms of contract compliance ... apart from that

we don't monitor. We haven't got the resources ... if you are good and string the questions together and you have the right documentation, then you'll probably be okay.

The regeneration department in this authority had recognised that it needed to do more and was working with the authority's building consultancy unit to work out a way of monitoring compliance and including financial penalties in the contract if contractors did not adhere to the social clauses. However, the approach was unusual and they found that some of the contractors had expressed shock, not that the clauses had been inserted into the contracts, but that they would be monitored.

*Local authority head of regeneration:* The construction sector was very receptive to start with. Then we went on to describe exactly what we wanted, we saw the jaws drop ... [When] we made it clear it was not just a statement of intent ... the impression we've gained is that these things are mentioned but are not followed through.

In another case study authority, the head of corporate procurement told us that his team had been set up to meet best value targets, not to monitor the council's policies.

*Local authority head of corporate procurement:* In fact I was set up definitely not to [monitor contracts], because the organisation didn't want to see me, and my function as a policeman. I was meant to be cuddly and helpful ... So, that is why we're set up not to monitor.

During the investigation's desk-based research, we examined an in-depth survey of all local authorities in England and Scotland, based on a response rate of 84.5% (438 authorities) (Committed2Equality, 2006). It conveyed a rather bleak message on the nature and extent of any connections being made by local authorities between the race equality duty and public procurement. In summary, the research found the following:

- over one-third of councils did not ask standard non-discrimination/equal opportunity-type questions of those that wished to contract with them;
- a slightly higher proportion failed to ask for evidence of equality-related policies or practices from potential contractors;
- almost half of those that did get such information failed to assess it; and
- almost all respondent councils failed to require even annual evidence of equality practices from those that they had contracted with.

## Using local labour

We found evidence to suggest that many local authorities were taking steps to promote the use of local labour, by including certain contractual requirements in their procurement process. There was frequent reference to this in the case studies and questionnaire responses, with some authorities specifically targeting ethnic minority-owned businesses, as these examples from responses to the questionnaire show:

*Local authority:* The procurement strategy includes race and 'BME' requirements and objectives, such as encouraging 'BME' and local contractors. The strategy has an equality impact assessment.

*Local authority:* The council has a dedicated web page in the business section of the website for 'black and ethnic minority group funding' for businesses. This links to the procurement pages, which provide advice to local businesses on tendering and in this way the council encourages all sections of the community to bid for contracts.

*Local authority:* The council encourages and supports local small and medium enterprises and social enterprises, including 'BME' run-enterprises, to bid for council contracts through the work of the local business centre. Ethnic [minority] businesses attended a seminar last April to learn more about working with the public sector.

The head of regeneration in one of the case study authorities mentioned the large amount of money being invested in the extensive physical regeneration projects currently under way in the area, and the opportunities this provided for local employment.

*Local authority head of regeneration:* There will be new schools, new housing, a new college, new retail development; a huge investment in physical infrastructure ... we need to use this to ensure that the disadvantaged are getting opportunities and a leg up.

However, it was uncertain whether all the organisations that referred to the use of local labour or businesses were taking steps to ensure that they included ethnic minority workers or ethnic minority-owned businesses.

## Supplier diversity and business support

One way to make sure ethnic minority-owned businesses are included is to focus on small and medium-sized enterprises (SMEs), as many ethnic minority-owned businesses fall within this category. The importance of SMEs is stressed in the following extract from the CRE's guide to supplier diversity (CRE, 2007e):

In the UK, over 99 per cent of all businesses are SMEs, with the vast majority counted as 'smaller businesses', employing fewer than 50 people. It is estimated that smaller businesses account for about 40 per cent of all business turnover, and about 45 per cent of non-government employment. These firms are seen as the driving engine of the UK economy and are an important source of new ideas, innovation and support for larger organisations. Within the small firms sector, ethnic minority businesses are an important and growing feature. As well as playing a significant economic and social role for ethnic minorities, they have contributed to the increase in the number of small businesses, the transformation of particular economic sectors and the regeneration of depressed inner-city areas. The available evidence suggests that ethnic minority businesses represent around 10 per cent of the total business population of the UK.

One local authority's corporate procurement department was involved in two projects examining SMEs and supplier diversity, although not specifically focusing on ethnic

minority businesses. One was a substantial two-year project funded by the European Social Fund (Access to Procurement), and the other a smaller project funded by the regional centre of excellence to investigate training needs in SMEs. The regional centre of excellence in that area has commissioned research to find out more about the suppliers used by local authorities across the region.

All the interviewees with whom we discussed procurement in the case study authorities acknowledged that local businesses needed support in competing for public contracts. England, Scotland and Wales all have national programmes for business support, with specific provision for ethnic minority-owned businesses. For example, Scottish Enterprise and local authorities run a supplier diversity programme aimed at increasing the range and type of suppliers tendering for public contracts, with a focus on ethnic minority-owned businesses. The Welsh Assembly Government's Department for the Economy and Transport (DET) operates a 'contract shop', to get companies to register their interest in public sector contracts, and provides training and support (where available) to help them identify gaps in skills. DET have taken this one step further, by encouraging the private sector to use the contract shop. This was referred to by one of DET's development managers:

Trying to influence the private sector is more difficult, but it is very important. You may give a contract of £5 million to a large contractor and ensure that it has social benefit clauses, but £4 million of that contract may then be sub-contracted out, so it is important to try and reach those subcontractors also.

The case studies provided the investigation with several examples of support being given to encourage SMEs to bid for regeneration contracts, ranging from offering advice and training to establishing networks of ethnic minority-owned businesses.

One council funded an advisory service for ethnic minority businesses, and provided support and advice to help them manage the disruption that physical regeneration could cause to their business. In another area, where construction had been identified as a key area for skills and employment, a training programme was developed to encourage local people, particularly from ethnic minorities, to be trained in construction and then go on to a job on site. In another of the case study areas, we were told about an Asian business association, whose role is similar to a chamber of commerce; it works to service the needs of the Asian business community through seminars, networking, and working with other agencies. The council was in the process of helping businesses from another racial group to set up a similar association, and had trained a business development advisor to work with them.

As one council officer told us, the bigger contracts for regeneration were likely to remain out of the reach of SMEs, as it was too difficult to 'carve up' these projects.

Despite these attempts to ensure that local businesses benefited from regeneration projects, some interviewees, particularly those from the community and voluntary sector, were less optimistic generally about the progress made by local authorities in using procurement to improve opportunities for disadvantaged groups.

A representative from a community organisation thought local authorities' track record on procurement was 'pretty awful' in terms of the 'scale of the contracts and availability of local skills, not just in regeneration but across the board'. Another voluntary sector representative was concerned about the scale of the contracts, commenting, 'there is no infrastructure for local authorities to micro manage the contracts, so they go out to the big developers, who are responsible for the subcontracting'. And yet another voluntary sector representative commented: 'Even though there is likely to be an increase in outsourcing services across the public sector, there has been little thought put into equipping the community and voluntary sector to be ready for that'.

We did identify some good practice examples in the housing sector, coming from initiatives by the voluntary and community sector.

*Community sector representative:* In [our area] an opportunity arose in the context of housing market renewal, where the local 'black and ethnic minority' organisation network launched a business directory and sent it to the procurement departments of all public bodies; they also organised events to inform ethnic minority businesses about the procurement process.

*Voluntary sector representative:* [A voluntary sector group] is building a forum for small contractors, to give them training and copies of the policies they needed. It had £5,000 from the National Housing Federation for this but it was hard to deliver this sort of thing, as it is yet another competing demand on your time.

## **Urban regeneration companies and housing market renewal pathfinders**

In the course of the investigation we came across two types of publicly funded private sector regeneration companies: urban regeneration companies (URCs) in all three countries and housing market renewal pathfinders (HMRPs) in England. URCs are not-for-profit companies set up by local authorities and other partners to help plan and implement physical regeneration in their area. There are 21 in England and one in Wales. In England, the regional context is provided to the partnerships by the regional development agencies (RDAs) and the national dimension by English Partnerships. A significant part of the work of URCs is to promote development by engaging businesses in agreed physical and economic regeneration strategies. They have been reported as being successful in attracting private investment, in coordinating economic development and funding, and in providing economic leadership by drawing up and implementing economic master plans. In England, it is envisaged that similar organisations will be introduced to work across cities or city-regions in the form of city development companies, which has been welcomed by many regeneration practitioners.

*Jon Ladd, BURA's chief executive:* The strength of the CDC [city development company] model is its partnership approach; this is particularly important in cities and city regions which may cross local authority boundaries and contain a plethora of regeneration initiatives and stakeholders.

In Scotland, there are now five, and soon to be six, URCs supported by the Scottish Government.

Housing market renewal pathfinders (HMRPs) are similar in character to the URCs; they are partnerships of local authorities and others brought together and established as a private company. The partners may include the regional development agency, local strategic partnerships, police, education and health agencies, the Housing Corporation, housing associations, English Partnerships and the private sector. Bringing together local knowledge and expertise, they work to ensure that intervention in the housing market contributes to economic development more broadly, and leads to more sustainable communities. There are pathfinders in the nine selected housing renewal areas that will be responsible for large-scale clearance, refurbishment and new build, complemented by improvements in local services.

## The findings

As private companies, URCs and HMRPs are not directly covered by the race equality duty, although the public authorities represented on the boards of and working in partnership with these companies are. Evidence from the investigation suggested that these organisations did not see themselves as having any particular responsibility for racial equality. We conducted desk-based research on these organisations across all three countries, and interviewed three URCs and one HMRP in England.

### Responsibility for racial equality

Senior managers from one of the housing market renewal pathfinders explained how they saw their position on the race equality duty:

*Senior manager 1, HMRP:* These are our aspirations [regarding the race equality duty]; because they are aspirations rather than a duty for us ... It would be reasonable for us to make assumptions that local authorities are doing [race equality impact assessment], because it is a statutory duty, so therefore it shouldn't really be necessary for us to check it if the Audit Commission already are.

*Senior manager 2, HMRP:* It is this interesting balance, how far [we are] supposed to go into the delivery [of the race equality duty] with [our] partners to say, 'you should be doing this' ... At a high-level we should be saying we expect [our partners] to be considering these issues ... Whose job is it to monitor public authorities to make sure that they're doing that? Is that [the CRE's] job?

It may not be surprising to find that these organisations did not feel directly responsible for the race equality duty, but the confusion about where the leadership came from on racial equality was evident. We asked in more general terms about how racial equality featured in their work.

*Chief executive, URC:* Not directly ... the issues we're addressing are the total long-term vitality of the city, upon which all communities within the city depend ... so

many of the ethnic communities are almost geographically defined and have a lot of strength within those communities to handle their own immediate local community regeneration. One thing they have in common is the need for jobs and long-term economic security and that's what the city centre as an economic driver can provide. So it's almost doing the groundwork on which then individual community regeneration can base itself. In terms of growing jobs in the city centre and the other opportunities, I think that's a fairly colour-blind process and I don't really see it as directly favouring or supporting any particular group, whether it be an ethnic group, cultural group or class group or whatever it may be.

A director in another URC agreed that their work was 'colour-blind' and explained how they treated everyone in their community equally:

*Director, URC:* In terms of race equality issues, in my point of view we have a very mixed ethnic population here and we don't have a specific race equality policy because it's equal ... we haven't had any challenges.

Both of these quotes also illustrate a worrying tendency among many of the regeneration practitioners we spoke to, not just those working for URCs, that physical regeneration was a 'colour-blind' process; not recognising that changes to the built environment could affect different racial groups in different ways and that racial equality, community cohesion and integration were likely to be highly relevant to physical regeneration.

Creating and promoting the 'vision' for their areas is an important part of the work of URCs and community consultation is integral to this. For example, one of the URCs was working on a development with a major food retailer and saw its role as helping to 'win the hearts and minds' of the community, which involved holding consultation events to respond to public concerns. The URC was aware that it had to reach all sections of the community and had done presentations to ethnic minority-owned businesses. However, the development director did not see it as the URC's role explicitly to promote racial equality, and spoke instead about 'the whole vision, which inevitably incorporates cohesion'.

Lessons learnt from the Stephen Lawrence Inquiry Report (Macpherson, 1999) highlight the fact that a failure to address racial equality directly and specifically can result in disadvantage for particular ethnic groups and a failure to tackle enduring inequality.

In one area, there was some doubt about how responsive the HMRP was to the bigger issues for communities, as expressed by one community representative.

*Community representative:* We did manage to influence the HMRP as a community. They were only going to work on a small part of the area, but we told them about a street at the north of the area that connects one side of community to the other. This is the main route that people take, but all the houses on this road are derelict, so people who come down there don't see the nicer houses behind them. We asked the HMRP to include that road and they did ... I think little things that they allow us to do can work, but not regarding the real big issues ... like building a new youth centre.



The chief executive of one URC told us that they had won an award for their work on a recent consultation exercise, which had included the production of materials in other languages.

Without clear evidence of how the work of URCs and HMRPs contributes to racial equality and community cohesion, it will be difficult for the public sector partners to know whether they are meeting the race equality duty. The problem is compounded by a perceived lack of accountability, as expressed by a network of experts in physical regeneration in its response to our call for evidence.

URCS [urban regeneration companies] are much more impenetrable. Who knows who makes the decisions? They are utterly impenetrable ... URCS are not even representative ... In LSPs you can have a chance ... [But with URCS] there is no one [from ethnic minority communities] at the table.

## Conclusions

Our evidence suggests that the way physical regeneration is planned and delivered, through various partnerships, makes it extremely difficult for racial equality and good race relations to remain at the heart of the process. Even where there is an evidence-based strategic plan for the project, which has been shaped by racial equality considerations, the priorities for racial equality tend to get lost among the partners. In the words of one of the RDA equality officers: 'responsibility for race equality is not a baton you can pass on and let go – we all have to keep a hold of it'.

The race equality duty does not apply directly to any of the three partnership structures considered in this chapter and there is no clear line of accountability within the partnerships for meeting the duty, despite the fact that they are delivering a service to the public that is funded by the public purse. Steps must be taken to ensure that these partnerships operate under the influence of the race equality duty. With the public pound should come the public duty; where the public duty does not fall directly on an organisation, there must be a very clear channel through which responsibility for racial equality is 'transferred'.

The local government partnerships in England, Scotland and Wales need to be clear about their strategic vision for racial equality through their work on regeneration, and how the outcomes are to be achieved. The framework for community planning in Scotland would be a good starting point, backed by strong leadership from all governments and commitment from the public authority partners.

While it is clear that a public authority's procurement function is covered by the race equality duty, the CRE has called for a distinct procurement equality duty, which better covers the unique nature of the procurement function. The Discrimination Law Review accepts the need for further guidance, but does not recommend a change in legislation because, as Angela Mason, then Head of the Women and Equality Unit, explained at a recent procurement conference, organised by the IDeA in June 2007, 'good things are happening and we should accelerate this rather than impose more burdens on authorities'. She acknowledged that procurement would become more and

more important, because of the government's thinking on the way public services should be developed in the future.

It is clear that there is political will; for example, the regeneration work being planned around the Olympics is seen as one of the biggest opportunities to ensure that social benefits are secured through procurement. However, the task is a daunting one, as Sir Roy McNulty, Deputy Chair of the Olympic Delivery Authority (ODA), accepts:

Delivering a multi-venue park on this scale within a fixed timetable is a task unprecedented in the history of UK construction. It is also an unprecedented opportunity for business to provide the platform for the regeneration of an area of east London that suffers from severe economic inequality and social deprivation. The 2012 Games can be the catalyst for the legacy of economic and social renewal of this area and can produce economic benefits across the country (ODA, 2007).

The selection process for contractors will involve using a tool described as a 'balanced scorecard', which allows the criteria for selection to be considered. One of the five criteria is 'equalities and inclusion', which covers 'promoting equality and diversity; community engagement; inclusive design; supply chain management; employment, including skills, fair employment and wages'. The ODA intends these values and objectives to be adopted by its main contractors and applied to their procurement of sub-contractors and suppliers, and throughout their supply chain.

Time will tell if this approach proves successful but we remain convinced that a new duty to promote equality in procurement is needed; experience tells us that change may come through further guidance and shared good practice, but not soon enough.

The lack of clarity about the responsibility of these publicly funded private regeneration organisations to take account of racial equality was of great concern and has been identified by the Scottish Government; we were advised that they had already made it clear to Scottish URCs and the partners involved with them that considering equalities and the impact their work has on different groups of people is an integral part of their work and was considering imposing specific responsibilities for the race equality duty on URCs.

We are thinking about including a two-part clause, which would include an anti-discrimination clause, to ensure compliance with equalities and other legislation, which would form a formal condition of the grant. The second would be more aspirational and aimed at formally encouraging the URCs to include ways of promoting good relations between different groups of people and promoting equalities more generally within their work.

While this is a step forward, a more positive duty akin to the wording of the existing race equality duty would have more effect. Although, we looked in particular at URCs and HMRPs, similar concerns could be raised about the local enterprise companies working under Scottish Enterprise.

Finally, a simple change in approach may have the biggest impact, as the British Urban Regeneration Association concluded in its paper, 'Procurement in Urban Regeneration: Accountability Shared Vision and Partnering' (BURA, 2005):

Greater emphasis needs to be placed on the importance of generating shared vision early in the development process ... meeting the vision should be the determining factor, not cost. The private sector needs to better understand the motivations of the public sector. Establishing master plans represents the manifestation and implementation of policy. It is therefore incumbent upon the private sector to understand to a greater degree what they are being asked to achieve. The private sector must come to realise and better grasp political realities that extend beyond its sometimes narrow business focus. In this connection, it is recommended that private sector organisations consider developing their staff in such a way that they better comprehend both the nature of local politics and legislation.

## 5. MEASURING OUTCOMES FOR RACIAL EQUALITY

This chapter presents our findings on how local authorities and others are monitoring their work on physical regeneration, and the approach they are taking to measuring outcomes for racial equality and community cohesion.

### **Ethnic monitoring**

The race equality duty requires public authorities to make arrangements to monitor their policies for any likely adverse effects they might be having on racial equality and race relations. This process can reveal if the needs of particular racial groups are not being met, if the policies have had unintended consequences, if a particular regeneration project is benefiting all sections of the community, and if the approach might be damaging race relations. To see how their policies are affecting different racial groups, authorities have to collect and analyse data by ethnicity.

### **The findings**

Evidence from the majority of case study authorities showed weaknesses in ethnic monitoring of important aspects of physical regeneration and planning. For example, one local authority was monitoring planning applications by ethnicity, but not the respondents, third parties or local residents involved in the applications, and it was using a limited number of ethnic categories rather than locally adapted 2001 census categories, as recommended (CRE, 2002e). The authority's procurement department had only just introduced a monitoring process for their contractors, while its housing department had a more thorough approach, monitoring its housing register and the effects of its ethnic minority housing strategy.

Another authority had just introduced an ethnic monitoring form for all services on 1 April 2007, but its planning department was not monitoring at all, while other departments had adapted the form, for example, by reducing the number of ethnic categories used. An officer working on a development project expressed frustration at the council's inability to provide any data.

*Development project representative:* We need to have concrete statistics, at least. Even though statistics can say what they like, it is really bad that they are not made to produce the results of monitoring. Someone should be made responsible for this. We did ask for this when we first came here, but we didn't get them.

Another authority had produced internal guidance recommending the use of the 2001 census categories; however, we found evidence of at least three distinct systems being used in the regeneration department alone. The chief executive said it would take him four weeks to gather basic monitoring information and the head of the regeneration

department similarly said he would need to contact the individual projects for monitoring data.

The situation was made more difficult when local authorities were working with a wide range of partners, each of which had a different approach to ethnic monitoring. In one area, the local community planning partnership (CPP) had identified the problem, and pointed to 'the lack of consistent and comprehensive equality-related information being collected by projects'.

The benefits of collecting disaggregated data were clear, because, in projects where this had been done, those responsible could say how racial equality and good race relations had been affected, and what lessons could be learned for future projects. For example, in one regeneration project, one of the criteria for success included the extent to which new health, leisure and social facilities were meeting the needs of all ethnic groups in the community. Indicators of success therefore included ethnically disaggregated data on the use of facilities, and on how satisfied users were with them. The data showed that the facilities were being used by a representative cross-section of residents from all ethnic groups both from the immediate area and from the city more widely, with no disproportions between groups in the satisfaction rates.

Projects that did not have detailed ethnic monitoring data were unable to say how they were affecting people from different ethnic groups, or even whether they were promoting or damaging race relations. In one particular case study area, a number of officers thought that a particular regeneration project had been successful in advancing racial equality and good race relations, but were unable to back this up with hard evidence, having to rely on anecdote and individual perceptions.

Some of the national organisations we held discussions with said there were problems with the way national data sets were put together. We were unable to investigate this further in the time available, but noted that the Equalities Review had also referred to some of these, including the following:

- the fragmentary nature of official data collection, which tends to be quite narrowly focused on individual outcome areas (such as health, education or employment), and on topics which are of recent policy interest;
- inadequate cross-referencing and consistency of data which are collected, which makes it difficult to link data from different sources across both groups and outcome areas;
- devolved and different arrangements for collecting data, which can make it difficult to compare data between different departments and between England, Scotland and Wales;
- the lack of historic data which could help to establish the direction and pace of trends in inequality;
- beyond the challenges of data collection, official statistical publications generally fail to report on even those equality groups for which data do exist.

The Review concluded by saying:

These shortcomings make it more difficult to determine which inequalities are persistent, what actions are likely to succeed in addressing them, and whether the

desired outcomes are being achieved. Good evidence-based policy-making requires the use of both up-to-date quantitative data, collected across a wide sample base, and qualitative information to help refine our understanding of it.

From our discussions with stakeholders and the findings from the case studies, we suspect that similar conclusions can be drawn for the regeneration sector, although further work will be needed to identify precisely where the gaps in the data are occurring.

One area where it is clear that improvement is necessary is in the use of census data, which often provides an incomplete basis on which to build accurate local knowledge. Local authorities need to supplement this data to keep it current in the light of population changes, some of which occur quite rapidly such as the movement of migrant workers for example. The Audit Commission has suggested an approach to supplement that data by local community analysis, which is described in their report 'Crossing borders' (Audit Commission, 2007b).

To ensure that all ethnic groups are captured in monitoring work by public authorities, the CRE's advice is to use 'locally adapted' 2001 census categories, which would allow authorities to capture data about groups such as Gypsies, Irish and Scottish Travellers and new migrant communities such as East Europeans and others not reflected specifically in the census categories.

## **Measuring outcomes**

One of the aims of the investigation was to consider critically the measures used to evaluate the success or otherwise of physical regeneration schemes in relation to the race equality duty. This involved identifying the outcomes that the investment in regeneration was seeking to produce (for example, by setting targets), and evaluating progress in achieving these outcomes through selected performance indicators.

Three types of 'outcome' would be relevant to the promotion of racial equality and good race relations:

- reducing or closing any social and economic gaps between different racial groups (in education, employment, or housing conditions, for example);
- improving equality between different racial groups in terms of social and economic quality of life or well-being (as measured by satisfaction, health, or fear of crime, for example); and
- improving community cohesion and integration.

Evaluating progress will require a mix of 'hard' (or objective) and 'soft' (or subjective) indicators, but as seen above, it will always require the data to be collected and analysed by ethnicity. It will not always be possible to measure these 'outcomes' for racial equality by considering only the 'hard' outputs, such as the number of new training places or houses; evaluating the outcomes will also include consideration of the longer-term changes in an area that have been brought about by the regeneration

programme. For example, a physical regeneration project may achieve positive outputs (say, by adding to the number of affordable houses in a deprived area), but not any longer-term positive outcomes in terms of racial equality and good race relations (with only certain ethnic groups being able to access the housing five years down the line).

We found that the need to measure outcomes was accepted in some areas and for certain projects, and that various methods were being employed, but that in the main this approach was not widely used.

## The findings

Our questionnaire asked local authorities and development agencies how, if at all, they monitored the effects of physical regeneration on racial equality. Nearly one third (31%) of the organisations said they did not monitor the effects on racial equality, or that they did not know. In some cases, this might have been because they were not doing much physical regeneration, or because the area was not ethnically diverse; for example, 41% of district councils said they did not monitor by ethnicity.

*Local authority responding to questionnaire:* We have an approximate population of 145,000, with approximately 1,000 from non-ethnic minority groups, therefore have to take a balanced decision on the cost and value of monitoring race specifically. We like to balance this by looking at the impact on all disadvantaged communities.

This is not an approach that we would condone; CRE guidance is clear that overlooking the needs of already isolated ethnic groups risks further disadvantaging them.

Practice among the authorities that did monitor seemed to be patchy, with little by way of common standards or procedures; some organisations referred to more than one approach. About one in 10 authorities (11%) said they carried out equality impact assessments, although this did not offer much encouragement in the light of the significant weaknesses we found in the race equality impact assessments we looked at (see chapter 3). The same proportion (11%) said they monitored the take-up of opportunities for training, employment or reskilling; 7% referred to surveys, workshops or consultation with communities; 7% confirmed simply that they monitored race equality; and 6% referred to monitoring of aspects of housing such as allocations or tenancies.

Three in 10 (30%) ticked the 'other' box, and an analysis of these responses showed that many were referring to consultation or engagement initiatives, rather than monitoring:

*Local authority responding to questionnaire:* The impacts of physical regeneration are monitored through a selection of generic engagement systems made up of various mechanisms - there is no impact monitoring system specific to regeneration. An example of one of these mechanisms would be the equalities forum, which has received a presentation from the urban regeneration company on future plans. This

gave residents ... an opportunity to ask questions about regeneration plans and strategies that affect them.

*Local authority responding to questionnaire:* Ethnic minority businesses attend the regular business meetings organised by the council. The council has recently set up a diversity forum, where, (amongst other matters) ethnic minority representatives discuss their projects and issues with statutory organisations, including the council.

To an extent it seemed that outcomes were only monitored when this was a funding requirement, something which also emerged from our case studies.

*Local authority responding to questionnaire:* The organisation only monitors the impact of physical regeneration upon ethnic minorities where funding for such projects is derived from Europe, and where targets relating to the use of buildings by ethnic minorities was included as a specific target in the funding application.

Asked if they monitored for good race relations or community cohesion, 35% of organisations said no, or that they did not know. Of those that did monitor, the answers focused on the following (with some mentioning more than one): consulting communities (8%); working with other agencies or equality councils (5%); conducting race equality impact assessments (5%); and developing a community cohesion strategy or plan (5%). Eight per cent simply stated that they monitored race relations. As with authorities that monitored for racial equality, it was evident that this was not done in any standardised way, as a significant proportion of the responses (38%) were so diverse that they could not be quantified, as the comments below indicate.

*Local authority responding to questionnaire:* We have an equalities working group of officers, which keeps community cohesion issues under review and is our point of contact with local ethnic minority groups.

*Local authority responding to questionnaire:* This is monitored via an annual quality-of-life survey and the former PSA7 [public sector agreement 7] target, which relates to members of the public who feel that the people in their local area get on well together.

As for racial equality, some organisations said their monitoring processes for race relations and community cohesion were still being developed:

*Local authority responding to questionnaire:* The council is currently looking at the development of a community cohesion strategy/good race and faith relations strategy. It already has agreed community tension indicators with the local police force. However, there is no analysis on the effect specific physical regeneration projects have on race relations.

*Local authority responding to questionnaire:* The local strategic partnership is developing a community cohesion action plan, which will begin to address how the impact of physical regeneration on promoting community cohesion will be assessed.

*Local authority responding to questionnaire:* We are currently looking at gaps in our monitoring process and realise that we need to look at more formal measures to monitor.



*Local authority responding to questionnaire:* As we have not completed our regeneration projects, we cannot report on outcomes with regard to monitoring. However, as our focus is on community regeneration – not just physical regeneration – in the city we are building community outcomes and process into our plans, and related monitoring systems. These will include looking at outcomes for the different ethnic minority groups. Also, in due course we will be undertaking some equality and human rights impact assessments.

To help us understand the benefits that effective monitoring can bring and, indeed, to illustrate some of the risks if it is not done, we asked for examples of projects where the monitoring had pointed to possible negative effects and asked how the organisations had responded.

*Local authority responding to questionnaire:* We have experienced concerns whether the partnership boards were representative of the areas they served, and whether the decisions they made were fair and transparent. A number of actions were instigated to address these tensions, in particular strengthening of the governance arrangements and transparency of the decision making processes, to rebuff any allegations of unfairness. The partnership boards that are responsible for managing and delivering the regeneration programmes and approve all new projects include in their membership a range of key stakeholders, including: resident/community representatives; faith organisations; local voluntary groups; private businesses; traders associations.

*Local authority responding to questionnaire:* The 'BME' staff group identified the need for a multi-faith prayer room in the regeneration plans for the project. [The development] will include council offices, a police station, law courts and other public buildings. The group listed the adverse impact on people of faith both as employees and as service users. This was taken to the corporate equality and diversity development working group who in turn advised property and facilities management to include a prayer room in the new plans.

*Local authority responding to questionnaire:* When development occurs, these businesses are then displaced, and often struggle to find alternative premises on such generous terms. There are two examples of this happening [details removed]. Because [one of the areas] is so ethnically diverse the issue has shifted from being a displacement of SME [small and medium-sized] businesses to one of displacement of 'BME' SME businesses. In both cases, the way that [we have] tackled the situation is to put pressure on the developer to provide alternative premises if possible, and if not to soften the impact by making a financial contribution to the businesses. The council has then worked through the sub-regional inward investment agency to provide a service to those businesses looking to relocate.

*Local authority responding to questionnaire:* The most significant challenge is the perception of some communities that others are benefiting unequally from regeneration investment. We deal with this through consultation and published information which demonstrates the spread of activity across a range of communities. The majority of people living in deprived neighbourhoods in [this area] are of ethnic British and Irish descent. We also have a comprehensive tension monitoring framework, which accurately informs our efforts to reduce tension and tackle hate crime.

We were able to look in more detail at the approach to measuring outcomes in the case study authorities, and through discussions with national and regional regeneration organisations, as we describe below.

## Bricks and mortar versus people

The evidence from all the case study areas and the submissions to the call for evidence showed that physical regeneration programmes tended to be assessed largely in terms of 'bricks and mortar' statistics.

*Local authority senior housing manager:* [Regarding indicators of success] it is all about counting the physical things, like numbers of houses built, faces lifted, sites cleared, etc.

Interviewees spoke of the risks of focusing too much on physical outputs and related economic outcomes and not on the experiences of people living in the area and how they used the buildings, although of course it was easier to measure concrete results.

*National organisation policy manager:* It is very tempting for developers, architects and planners to lapse into a mentality where the physical product becomes an end in itself; rising land values is often a measure of success, increase in office rentals, that's success, but what about the different groups of real people ... It's real people's lives and prospects that matter.

*National regeneration organisation manager:* If you create a tangible building, you can measure that ... those softer issues [community cohesion and racial equality] are harder to measure, and harder for people to appreciate their importance ... these professionals need to ask themselves how people relate to their building, is it fit for purpose? What links have been established to the local community? ... We have to get planners thinking more globally, not just about building regulations and the local plan but about what it would mean for the local community.

Many of the interviewees who were working on regeneration accepted that it was important to measure the results of physical regeneration projects in terms of their implications for the people living in, or moving into, the area being regenerated.

*Regeneration organisation manager:* It's not the number crunching, it's actually what is the impact on people out there and how are we helping people through all this ... This is more linked to the actual outcomes that you want.

The importance of including people who might have been displaced by the regeneration was raised both at stakeholder meetings and in submissions to the call for evidence, with concerns being raised that ethnic minority groups appeared to be disproportionately affected by this.

*Voluntary sector representative:* 99% of the focus when measuring success in regeneration is on the area regenerated not on the people who may have been displaced. [Organisations involved in regeneration] tend to gloss over the negative aspects of impact on people who were in the area.

*Representative of national research organisation:* Regeneration usually involves displacement of population, and new populations coming in – so is it a success for the new population or the old population, and that needs to be thought through in how you measure it. On the new site, the new population will be saying how wonderful it is, but you wonder where the old population has gone and whether they are worse off.

## Funding requirements

Interviewees working on regeneration in the case study areas confirmed that the tendency to measure physical outputs was due to the fact that it was a requirement set by funding agencies. Some interviewees even thought this positively inhibited work on racial equality.

*Local authority senior regeneration manager:* We are overwhelmed by output-focused funding ... they [the regional development agency] are heavily focused on output monitoring; some things often just slip down the agenda ... if nobody externally demands that you do it [look at outcomes in terms of racial equality and good race relations], you don't, although it may be desirable.

*Local authority senior regeneration manager:* You're accounting for the money spent and what has been produced in hard terms ... That is the driving motivation. If you achieve your outputs, that's it.

Some interviewees understood the importance of measuring the longer-term outcomes for racial equality, but recognised that there was no incentive to do this because of the funding requirements. Speaking of the housing market renewal programme, a commissioner from the Sustainable Development Commission said that the failure to make promotion of racial equality and good race relations a specific measure of success in this programme constrained those on the front line.

*Commissioner:* The issue is that there wasn't a mandate to promote community cohesion and equality and diversity within the grant letter and so if that's not one of the policies they are being measured against then they [the developers] will be unlikely to try and measure something. They'll be concentrating on the targets for number of houses painted, number of doors painted, number of doors replaced, etc.

Conversely, in areas where racial equality and race relations were being monitored, this was to comply with express funding requirements. Some interviewees felt that European funding streams were more likely to require targets to be set for equality.

*Local authority regeneration manager:* Europe is stronger on this than other agencies ... they put equal opportunities as a cross cutting theme. It's in the thread of the things not an additional paragraph at the end of the programme.

## Barriers to monitoring racial equality

### *The colour-blind approach*

While recognising the importance of considering the long-term outcomes of physical regeneration for people, not everyone agreed that this needed to be measured in terms of equality between different racial groups or relations between them unless the project in question was specifically aimed at ethnic minorities, such as one scheme that we looked at to provide sheltered housing for the elders of a particular racial group.

Echoing sentiments expressed in a number of the responses to the questionnaire, many of the interviewees said that regeneration schemes were designed to benefit the whole area, and everyone living there or intending to live there, and that therefore specific attention to racial equality was not needed. They described their approach as 'colour blind'.

*Regional organisation regeneration manager:* I think it depends what the project thinks that it is trying to address at the end of the day and I think candidly that this project ... never set out to address a particular sort of racial focused issue. It was very much more a generic focused issue about how can we improve the economy of the town. I may be doing [local authority] colleagues a great disservice here, but I didn't think it was approached in those terms, and, rightly or wrongly, it is a colour-blind approach.

This approach goes against the race equality duty, which is designed to prevent indirect discrimination; for example, building only one or two bedroom units may exclude particular ethnic groups, who may need larger units if they are living as an extended family.

### Difficulties with measurement

Many interviewees who were not monitoring their physical regeneration projects for racial equality felt that it would be very difficult, as qualitative analysis, especially of racial equality, was particularly difficult.

*Local authority director of regeneration, speaking of a housing improvement programme:* We can see the improvement in the housing conditions, but how to measure any improvements in community cohesion, that's difficult. Even with a satisfaction survey ... for example, that would tend to be building focused, as opposed to seeking feedback on how was the process handled, did you understand what was happening and did you have any other benefits as a result of the work? Monitoring improvement of people's lives is difficult.

The director in that local authority pointed out that it was much easier to measure the impact of small-scale schemes, such as the sheltered housing referred to above, where there was a defined tenant group which could be monitored both objectively and subjectively.

In one area, many of the interviewees were passionate about the positive effects that a particular regeneration programme had had, particularly on relations between different racial groups, but they were struggling to set measurable targets.

*Regeneration organisation, senior manager:* We know we have got the policy direction right, but it's about how do you evidence it. That's the problem ... we're trying to pick up the cohesion issue and feed it through into measuring, but it's so difficult to measure the value of a conversation ... or the value of someone's approach to work that actually gets the community engaged and through the door, and the effort that goes into that.

In some areas, the local authorities were really trying to develop 'people-focused' measures of success, by setting down on paper what many felt were intangibles.

*Local authority senior officer:* It's much more about the people element. [For example] somebody whose house is being cleared and has to move out, how are they going to access their next home? How much opportunity will they have to access a newly built home? Once they have settled there, how will they know that the neighbourhood is going to improve and be sustained?

*Local authority head of housing:* We need to know what we are measuring and what we are trying to achieve in terms of residents. I am desperately keen to get some clear wording [around 'soft' outcomes] ... This will help officers to say 'This is hard and intense, but we will know when we get there, because of X [identified outcome]' ... it could be that people feel safe to pop out for a pint of milk ... This is not easy to do. It's much easier to count houses, but the fundamental is how it feels to people.

Several local authority interviewees and respondents to the questionnaire said they would welcome more support and guidance from national bodies and central government on how to measure for racial equality outcomes.

*Local authority senior manager:* We need help on measures of success ... we need general guidance on the approach.

*Local authority response to questionnaire:* We don't monitor the impacts of physical regeneration on any equality issue. If the CRE can provide guidance on how to do this meaningfully, and within the resources of a local planning authority, we would be most interested to hear.

A few interviewees were sceptical about the claims that measuring for racial equality outcomes was too difficult; they thought this was because many organisations did not give racial equality a sufficiently high priority, and that this was exacerbated by the fact that only very few individuals in those organisations knew anything about racial equality and race relations.

*Regional organisation equality manager:* It is really not on their radar; they tell you it's difficult to measure because that's what people say when they don't want to do it, and give you all the ... rubbish about why it can't be done.

## Conclusions

In the light of the findings of the preceding chapters, which broadly indicated that there was a long way to go before racial equality was fully embedded in the approach to physical regeneration, it was perhaps not surprising that the investigation found only a few organisations that were clear about the racial equality outcomes they were seeking, and had a process for measuring performance against selected indicators.

We were in no doubt that it was widely accepted that physical regeneration had to produce positive outcomes for people, but we found much less appreciation of the fact that the process for measuring this had to be much more sophisticated, and that the outcomes for racial equality and good race relations had to be built into the regeneration programmes from the outset.

From our desk research in this area we found that some very useful work has been done to help organisations to measure the effects of their activities on more difficult and subjective outcomes, such as community cohesion, quality of life and well being: for example, IDeA has a useful resource on its website (IDeA, 2007b) on the different approaches to measuring community cohesion; the Department for the Environment, Food and Rural Affairs has recently updated its well-being measures, although its social justice indicators have yet to be developed (DEFRA, 2007); and the Young Foundation is working on a project to develop tools for measuring well-being that will help local agencies to quantify the effects of their activities on well-being (The Young Foundation, 2007).

This work needs urgently to go on to deal with questions of equality; the Equalities Review presented what it described as the 'equality scorecard', a framework for measuring equality (Cabinet Office, 2007), and we lend our voice to its call to the government to produce a toolkit, which organisations can use to measure the effects of their work on equality.

## 6. AUDITING PERFORMANCE ON RACIAL EQUALITY

Whilst our terms of reference directed us to examine 'whether there is adequate oversight and scrutiny of the way organisations involved in physical regeneration schemes take account of racial equality,' in the time available to us we were only able to consider the authorities in England, Scotland and Wales responsible for auditing and inspecting the performance of local authorities on this issue; these are the Audit Commission, Audit Scotland and the Wales Audit Office, which refer to collectively as the audit and inspection authorities. Each has a different legal structure and with it, different legal powers and responsibilities; however, for each of them, their approach to auditing the performance of local authorities on regeneration is the largely the same as for other local authority functions.

We recognise that the CRE itself has a regulatory function in relation to compliance with the race equality duty and there have been discussions between the CRE and each of the three audit and inspection authorities with a view to improving the performance of local authorities. We have kept this section brief, as from October 2007 the CEHR is expected to continue this dialogue in relation to all of the statutory equalities duties.

### **Audit and inspection authorities and the race equality duty**

The CRE expects organisations that are responsible for auditing or inspecting public authorities to meet their race equality duty by using their functions, and particularly their key function of improving and reporting on performance in their sectors, to ensure that public authorities are promoting racial equality and good race relations. The CRE has published guidance (CRE, 2002c) which encourages inspectorates to ensure that consideration of the race equality duty of public authorities is routinely included in their wider inspections of the authorities.

The Audit Commission in England recognises that the duty is bound up with its function of auditing and inspection.

*Representative of Audit Commission:* The interpretation of our role [with regard to the race equality duty] is to ask how, through our functions, do we promote equality of opportunity, race relations and make sure there is no discrimination. That manifests itself into key lines of enquiry, for example, 'Do you know your communities? Do you know the hot spots? What have you done to make sure that people are included, that you have consulted all communities that your staffing complement looks to reflect the locality? Where are communities engaged in designing services?' I think that is the translation of our duties in terms of what we do.

Interviews with Audit Commission managers showed that they strongly believed that the promotion of racial equality was essential for the commission to carry out its function of ensuring that local authorities recognised and met the needs of all sections

of their local communities. The interviewees were clear that a core part of their role was to inspect for compliance with the race equality duty by ensuring that local authorities were promoting racial equality throughout their functions by having appropriate systems and resources in place.

The Audit Commission's diversity scheme (Audit Commission, 2006) lists its progress in integrating equality and diversity into its inspection methodologies and its website states that one of its key commitments is to:

Improve how we integrate and reflect equality and diversity in our methodologies including Use of Resources, Auditors Local Evaluation, Comprehensive Area Assessment and the final round of the Comprehensive Performance Assessment, which will lead to greater consistency and a more explicit commentary about public services' approaches to diversity and equality.

However, one area of weakness within the Audit Commission is in assessing the likely impact of its relevant policies and functions on racial equality and good race relations. The Audit Commission did not appear to have consistently conducted race equality impact assessments; one example was the move to comprehensive area assessment (see below) which was only superficially assessed when it was proposed in the Local Government White Paper. However, discussions about the new approach were subsequently held with the three equality commissions and the Audit Commission has begun to assess all aspects of the CAA process and methodologies and will be working closely with their partner public sector inspectorates and in consultation with the CEHR.

Audit Scotland was clear about the implications of its race equality duty, as its race equality scheme for 2002 stated (Audit Scotland, 2002):

As we do not provide services directly to the public, our main area of influence is in assessing compliance with the Race Relations Amendment Act through the audit process. Our audit approach is developed with the agreement of the Accounts Commission and the Auditor General. Our planned actions support their work in promoting race equality.

The actions are intended to:

- ensure that all appointed auditors are aware of the new duties
- ensure that the Code of Audit Practice reflects the new duties
- ensure that our methodology takes account of race equality and other equality issues
- incorporate within existing and new audit methodologies a means of assessing implementation of the new duties
- develop improved statutory performance indicators on equalities issues for consultation.

These actions offer a very direct and potentially effective route to mainstreaming equality, although the second race equality scheme (Audit Scotland, 2005) and the



third (Audit Scotland, 2007b) show that the last two bullet points have still to be achieved.

Audit Scotland's emphasis on the mainstreaming of racial equality in local authorities was evident from its publication 'Overview of Local Authority Audits' (Audit Scotland, 2007a), which reported as follows:

Councils are making policy commitments to equalities, but there is limited evidence of these translating into improved outcomes for service users. Where there is activity, this often involves isolated events, rather than systematic implementation in the day-to-day running of the council and its services ... The limited performance information on equalities also indicates progress, but most councils need to do more to ensure that they can clearly measure achievements against equal opportunity objectives.

However, we found ourselves asking whether the aspirations written into the equality scheme were being realised in practice, when we learned that a consultation exercise, held as part of an independent review of best value audits (Accounts Commission, 2007), had revealed that local authorities and others involved in community planning thought that equality was not covered in sufficient depth as illustrated by this extract from the review:

Some respondents said that reports did not cover services and cross-cutting issues, such as equalities and sustainability, adequately. The lack of a consistent coverage on equalities was a complaint made to the Accounts Commission in their consultation exercise. And a third of respondents believed that reports did not make adequate use of material from other scrutiny bodies.

This point was also made during interviews with officers from the Scottish case study authority, who felt that audit and inspection was not sufficiently rigorous on questions of equality.

*Local authority senior manager:* Assessment is an important issue, because I can see equality slipping through some audits that are more numerical and performance related. I can read my statutory performance indicators and turn a blind eye to equalities if these are the only indicators I'm required to report on and I've met them all.

Audit Scotland has adopted the Scottish Government's race equality impact assessment toolkit. Although, we found no evidence that equality impact assessments have been carried out on Audit Scotland's own policies and functions, one of the actions highlighted in its race equality scheme (Audit Scotland, 2007b) was to conduct an impact assessment pilot using the Scottish Government tool and implement an assessment programme starting with the highest priority policies and activities.

The Wales Audit Office confirms in its latest annual report (WAO, 2007) that 'The Auditor General is committed to promoting diversity, equal opportunities and human rights both as an employer and through his audit and inspection functions'. Its approach when looking at how local authorities are delivering services to communities is similar to that described above by the Audit Commission, focusing on

how the local authority is engaging with its communities and how their services are impacting on people in the community.

The Wales Audit Office is not at present covered by the race equality duty; when it was formed in 2005, it took on the responsibilities of the Audit Commission and the National Audit Office in Wales, under the leadership of the Auditor General for Wales. Although both its predecessor organisations were bound by the race equality duty, due to an anomaly, the Wales Audit Office is not among the public authorities expressly listed by secondary legislation under the Race Relations Act. The Wales Audit Office has been proactive in identifying its omission from the legislation and lobbying for this to be changed as has the CRE in Wales, and we expect it soon will, although the Wales Audit Office believes that this omission has not had any detrimental impact on its operation.

The approach to training on the race equality duty, and its implications for staff carrying out audit and inspection, reflected the different circumstances of the three authorities.

The Audit Commission ensured that anyone working on audit and inspection was trained on the race equality duty, and its implications for their work. Interviewees said this training had to be completed before staff could do any audit and inspection work. However, the Audit Commission felt it still needed to do more to help inspectors recognise and deal with weaknesses in the area of racial equality, particularly in local authorities' responses to the race equality duty.

*Representative of the Audit Commission:* We have to do some more work on ... confidence building. That would mean designing some more bespoke training to enable that to happen. [If that were to happen, inspectors would feel they had] the feel-good factor, I feel equipped, I tick the box, but if I am not confident I may waver a little bit when I go back to base. So, what support is there to enable me to apply it more?

This was important, because local authorities can challenge inspectors over their findings, as the interviewee from the Audit Commission told us:

*Representative of the Audit Commission:* When you come under this kind of pressure, which is from a chief executive who knows his community, has written his race equality strategy, we are saying it's not good enough and the inspector's team is being really pushed to say precisely what is missing, precisely what they should have done, why they should have done it. It is at that point that I think the confidence building is needed, to really come back and say 'that needs to be there'.

Audit Scotland offered a range of training to all staff, both on equality generally and on the equality duties, from induction to management development. Inspection teams also had the benefit of more detailed guidance and support, from the Code of Audit Practice (Audit Scotland, 2007c) and the Priorities and Risks Framework for 2006/07, to ensure effective auditing of performance in relation to the duty. Within the framework illustrative questions on equalities that might be useful during audit interviews are provided.

When asked about their training, interviewees at the Wales Audit Office stated that equality matters are addressed both by the work of the Human Resources team and as part of the staff handbook.

## **Current developments in audit and inspection**

Auditing and inspection of local authorities is changing; in England, the Local Government White Paper, 'Strong and Prosperous Communities', proposes what it describes as a 'radical simplification' of the performance framework for local authorities, to create a more forward looking, outcome-focused system. The current system of comprehensive performance assessment will be replaced in 2009 with comprehensive area assessment. The aim is to trigger inspection on the basis of risk and significantly to reduce the number of targets set by the government, providing new opportunities for local accountability. A move away from simply measuring compliance with the many duties imposed on local authorities to measuring equality and diversity outcomes for local people.

From 1 April 2008, local area agreements (LAAs) will become the focus of the new inspection framework for English local authorities and other public bodies, reflecting Sir Michael Lyons' concept of place shaping (Lyons, 2007). Under the new system, LAAs will be the only place where central government will agree targets for outcomes with local authorities and their partners. The forum for agreeing the LAA will be the local strategic partnership (see chapter 4). The government will issue a single set of about 200 national performance indicators for all local partners. Approximately 35 local improvement targets will then be negotiated by the local area and the government and reflected in the LAA; annual reporting on these will be compulsory. Although just 35 targets will appear in the LAA, areas will be required to collect data and report performance on all 200 indicators. This information will be passed on to the Audit Commission and other inspectorates, and inform an annual review of performance in the area, coordinated by the government office for the region.

In England, interviewees, particularly equality specialists, emphasised the importance of equality generally and racial equality specifically being included among the 200 proposed performance indicators. It was felt that, if racial equality were not expressly included, it would drop down the agenda of local government.

*Local authority equality manager:* In terms of the local area agreement and comprehensive area assessment, it's absolutely critical that race equality is there. Otherwise, we're just on a hamster wheel going round and round trying to gain the commitment of individual officers ... it's a no hoper.

*Local authority equality officer:* People just don't think equalities are important ... this is why we need to get equalities in all the key performance indicators.

In its move to comprehensive area assessment, the Audit Commission will have what interviewees described as a 'helicopter role', moving away from assessing specific services and particular organisations to assessing overlapping agendas and what is

happening generally in an area. One interviewee felt there were real opportunities for promoting racial equality through this approach, particularly with the greater emphasis on outcomes and how local communities are affected.

*Representative from Audit Commission:* In some ways it is bringing us closer to the delivery of equalities and diversities agendas, because we would be focusing much more on outcomes in terms of how it is affecting local people, and we will be more tailoring our approaches and assessments to specific needs in those areas ... It is about outcomes and differences in quality of life, and threaded within that is the duty of promoting good race relations. Looking at those wider agendas would also get us to look at things like community cohesion, where the issue around race relations is one big aspect of it.

Others recognised the risks of being drawn away from inspection, which drills down and examines precisely how a local authority is providing a particular service (the risk based approach to inspection is discussed below). The CRE has been working with the Audit Commission on how the new framework should address racial equality and identified some of the potential risks of the proposed approach.

The Scottish Government is also looking at the improvements that can be made to the ways in which public sector services are inspected, regulated and audited, and, in June 2006, commissioned a review chaired by Professor Lorne Crerar (Crerar, 2007). The interim recommendations of the Crerar review include the following proposals:

- A national scrutiny plan, setting out priorities to be agreed between scrutiny bodies and in consultation with delivery bodies;
- An agreed core dataset, to be provided by each delivery body, which all scrutiny bodies use in the course of their work;
- The development of a common assessment framework for all public services, to enable greater focus on self assessment, which is presented for external scrutiny; and
- For scrutiny bodies to report on how their work focuses on the experience and outcomes for service users and/or citizens.

The potential for developing an approach to help Scottish local authorities improve the outcomes for equalities is clear from these proposals and will no doubt be driven forward by the Auditing for Equalities Working Group which includes the three equality commissions (to be replaced by the CEHR in October 2007) and the Scottish Government. This group reflected the positive attitude towards partnership working in Scotland, through which scrutiny bodies can significantly influence the development of equalities in public authorities.

Interviewees from Audit Scotland told us that they were currently developing a project to examine the effects of the race equality duty on local government services. A brief was drawn up in September 2006 and, after delays in scheduling, the fieldwork has now been planned, and a report will be published by spring 2008. We were told by a representative of Audit Scotland that the main focus of the study is to examine how corporate commitments and processes required by the duty translate

into positive outcomes for potential service users, to establish if there is a 'policy to practice gap' and what the reason might be. They will be considering the variation in approaches taken by councils and the potential reasons for differences, to identify barriers to progress and highlight those approaches that work well.

In Wales, the Welsh Assembly Government's Performance Measurement Framework was introduced in 2006 after a major review. This framework now contains the performance indicators for local authorities in Wales which include a reduced set of statutory indicators, known as national strategic indicators, and detailed service specific core indicators. There are similar issues as discussed above in relation to ensuring that performance on racial equality is adequately captured in these indicators.

## **Risk-based assessment**

An important aspect of the new approach in England is the move to a risk-based approach to assessment, aimed at both lightening and rationalising the burden of local government inspection. The chair of the Audit Commission has described what it will look like: 'Inspection activity will be targeted only on the basis of the risk assessment. If there are no significant risks and the direction of travel is positive, councils and their partners will rightly be left to get on with the job' (O'Higgins, 2006).

The sources of evidence that will be considered to assess 'significant risks' will include the local strategic partnership's annual report, observations from the auditors, evidence of performance against targets, and data from satisfaction surveys of residents and customers. The government and government offices will have a role to play. Government offices will be asked to monitor local area agreements and the inspectorates will use this work to inform their risk assessments. Government offices will then coordinate any improvement activity that has been identified through the risk assessments.

It was made clear by interviewees from the case study areas in England that racial equality should be included within any matrix of risk drawn up to support the comprehensive area assessment process. Interviewees from the Audit Commission reinforced this point, stressing that inspectors' internal feedback on performance on this area was not positive, with few reports of local authorities performing well. Given the current position, it would therefore seem crucial that the comprehensive area assessment system incorporate racial equality.

*Representative of the Audit Commission:* Our inspectors say that ... the excellent examples which we would hold up as 'this is a beacon which we should all follow' are few and far between. There is a general recognition out there by our own inspectors that public services are not up to the mark [in terms of race equality] and they have a big job to do to raise their game and build up practice of the best ... We have realised it is a weakness that needs to be addressed.

Audit Scotland and the Wales Audit Office both use a risk based approach at present. Audit Scotland introduced a revised, modernised approach to the public sector and, as

part of this process, developed the Project Management Framework, which, although it applies to performance audit studies, requires equalities to be considered at all stages. It reflects principles which also apply to the Best Value audit process which requires a local authority to prepare a self-assessment submission. The authority is made aware that the assessment should profile and evidence its standing against the statutory Best Value guidance. This guidance sets out what is expected of an authority against a number of criteria, of which one is equalities.

The Wales Audit Office's approach is determined by the Welsh Assembly Government's programme 'Wales Programme for Improvement' (WAG, 2002), which places a clear emphasis on equality and sustainability in improvement planning. As stated in the guidance prepared by the Welsh Assembly Government (WAG, 2007b):

...failure to make arrangements, properly supported by the necessary resource provision and capacity building, to ensure equity and sustainability at a strategic level constitutes a strategic risk. Processes for defining, identifying and quantifying needs, and for agreeing strategic and operational plans to meet those needs, must take full account of both diversity within communities and the needs of future generations. Anything less is a failure in community leadership.

Experiences of using the risk based approach in Scotland and Wales are part of the ongoing and encouraging discussions referred to above.

## **The Equality Standard**

The Equality Standard for Local Government is a voluntary framework through which local authorities can measure their performance on the basis of 'best value' indicators; the scheme is owned by the Improvement and Development Agency (IDeA) and the latest version was published in May 2007 (IDeA, 2007). It has been incorporated into the best value indicators approved by the Department for Communities and Local Government and the Audit Commission and appears under 'corporate health' as BV2a. The other best value indicator that relates to the race equality duty is BV2b, which refers specifically to the quality of an authority's race equality scheme and the improvements resulting from its implementation.

Local authorities have to work through five levels: (1) commitment to a comprehensive equality policy; (2) assessment and community engagement; (3) setting equality objectives and targets; (4) information systems and monitoring against targets; (5) achieving and reviewing outcomes. The following extract from the IDeA website explains how it works;

Over five levels of development, local authorities will introduce a comprehensive and systematic approach to dealing with equalities which will enable them to set targets and achieve outcomes appropriate to local need. These levels cover all aspects of policy-making, service delivery and employment. It will take time, resources and commitment to get these systems in place and local authorities will move at different rates. For this reason, it is important that progress through the levels is monitored and audited in a way that measures the achievement of each level. When an authority reaches Level 5, it will have developed the capacity to engage continuously in the

management and improvement of equality and will be able to demonstrate significant outcomes for equality improvement across the authority ... When an authority reaches Level 3 an external assessment is required to provide the consistency of outcome for the different approaches to self-assessment that councils will have used, such as Peer Challenge or the Equality Mark Award. Successful validation through the Equality Mark Award scheme will lead to the Equality Mark for Local Government. Under this scheme the authority will maintain the systems and processes established for equality improvement and undergo a systematic validation every three years.

The Local Government White Paper does not give any detail about how the revised performance management framework will cover equality, but we suspect that the equality standard is likely to remain an important measurement tool, as the White Paper makes reference to it: 'Issues of performance in equality and diversity are specifically measured by the equality standard for Local Government; although this is a self-assessment tool, it is externally validated at levels three and five.'

The evidence we gathered from the investigation about the equality standard was mixed, with some interviewees from local authorities in England saying that assessment against the equality standard was a tick-box exercise, based solely on the documents produced rather than on what had been achieved through work generated by the duty.

*Local authority equality manager:* You can have a paper-based commitment [to race equality] and not be making a difference to people on the ground, and you will be judged to be successful ... The star rating relies on process, not on outcomes.

Some interviewees felt that the equality standard was not an adequate tool to assess performance on the race equality duty, as there was no link between the standard and compliance with the duty. This remains the view of the equality commissions, all of which chose not to 'badge' the equality standard following its review in 2005/06. Recent CRE research (CRE, 2007) which looked at English local authorities whose performance was in the top and bottom 10% in terms of the equality standard, found that, of 47 race equality schemes from English local authorities, only two were compliant with the race equality duty. Data from 2005-06, available at the Audit Commission's website, showed that only five authorities in England were at level 5, which is roughly analogous to compliance with the race equality duty. Four authorities were at level 4 and the remaining authorities were at levels 1 to 3.

A representative from the Audit Commission recognised that the lack of parity with the race equality duty was a problem for the standard:

*Representative of Audit Commission:* It [the equality standard] exists and was created at a particular time, legislation then came ... The fact that it is not aligned [with the race equality duty] has proved problematic.

Others were more positive and reported that inspection of the equality standard was the primary impetus for local authorities in their work on equality and that it was being used by 90% of all local authorities in England.

The Welsh Local Government Association approved the Equality Standard for Local Government in Wales in 2002, and 91% of local authorities have adopted it in Wales. The latest data, for the period 2004/05, available at the Local Government Data Unit - Wales website, indicates that only two of the 22 local authorities were at level 3, seven were at level 2 and one was 'working towards' level 2, with the rest of the authorities that had adopted the standard at level 1 or 'working towards' level 1.

A new version of the standard has been drawn up for Welsh local authorities (WLGA, 2006) which it is felt reflects Welsh conditions better; consultation ended in July, and the new framework will be introduced in October or November 2007. It is too early to say whether the amended equality standard for Wales will have captured the necessary measures to ensure that it reflects the requirements of the race equality duty.

There is no equivalent standard in Scotland at this time although the Improvement Service is working on similar equalities improvement framework which has been the subject of recent consultation.

## **Conclusions**

We believe that the Audit Commission, Audit Scotland and Wales Audit Office are, and will remain key players in helping public authorities improve their performance against the race equality duty, and hope that the CEHR will work with them to develop the most effective approach to achieve this, within the context of the changes ongoing in each country.

We can see the benefit of a risk based approach to inspection; however, there is a need to ensure that local government's performance on promoting racial equality and good race relations is adequately identified and supported where necessary. In their paper on the public duty, Fredman and Spencer (2006) suggest that it would be preferable to give inspectorates a specific statutory responsibility to monitor performance against the equality duty framework. We would hope that this suggestion will feature in the discussions between the CEHR and the audit authorities and the government as they discuss the way forward.

There are benefits for inspectorates, as there are for every public authority, in conducting their functions in a way that complies with the racial equality duty, ensuring that policies are assessed for their impact on racial equality and good race relations and staff are trained on the implications of the race equality duty for their work. We feel that this approach will improve the performance of the organisation itself as well as enhance its audit and inspection role.



## **7. REGENERATION AND THE NATIONAL CONTEXT**

To give context to our findings on how local authorities and their partners were working on regeneration, this chapter begins by considering what governments, national departments and agencies responsible for regeneration in England, Scotland and Wales have done to meet and promote the race equality duty. For England, we have also considered the work of the regional development agencies. We then go on to evaluate sustainability, a common policy priority in all three countries.

### **England – the national approach**

In England, we interviewed representatives from the Department for Communities and Local Government, the Department for Children, Schools and Families, Partnerships for Schools, English Partnerships, the Housing Corporation and the Local Government Association. Our findings are based on those interviews and on desk-based research.

#### **Leadership and racial equality in regeneration**

Central government departments and their agencies set the national agenda for promoting racial equality and good race relations in physical regeneration. Government not only controls a vast range of resources and sets policy but also has a vitally important leadership role. All government departments and ministers of the crown are bound by the race equality duty and must therefore make the elimination of unlawful racial discrimination and promotion of equality of opportunity and good race relations part of any function that is relevant to the duty. As the CRE's guidance for central government departments (CRE, 2002f) explains:

As the architects of laws and policies that shape people's lives, they are also responsible for leading the way in promoting race equality for all public authorities. How central government and its agencies approach and meet their duties will ultimately signal the success or failure of the most ambitious race relations project since the passage of the 1976 Race Relations Act.

The importance of equality of opportunity and outcomes for all has been clearly articulated by the Department for Communities and Local Government (CLG, 2006c). However, the picture in terms of compliance with the race equality duty has been variable, with some departments appearing to be slow to take responsibility for meeting the duty. Generally, in the course of our investigation, we found a tendency towards the view that, as government departments do not work directly with communities, the responsibility for acting on the race equality duty lies mainly with local authorities. Some interviewees thought racial equality was merely one of a number of competing policy areas and did not have a particular priority. Others felt that, as the aim of regeneration was to improve conditions for everyone, it would inevitably benefit all ethnic groups, reflecting views we had already heard from local

authorities (see chapter 3). Finally, it became clear that government departments were not very good at ensuring that the race equality duty was integrated into the work of newly created agencies.

One example of all these weaknesses was the building schools for the future (BSF) programme, a government initiative to reform education by devolving funds to local authorities and schools for the maintenance and improvement of their school buildings, and to provide a 'step-change' in the quality of education provided – funding totalled around £3 billion in 2006-06, and capital investment of £21 billion is planned across England over the next three years. Partnerships for Schools (PfS), a non-departmental public body sponsored by the Department for Children, Schools and Families (CSF) which was formerly the Department for Education and Skills, is responsible for the programme. Although PfS was set up in 2004, it is not on the list of organisations bound by the race equality duty, nor is there any specific and meaningful reference to it in CSF's race equality scheme.

Not surprisingly, then, the interviews with staff from PfS and CSF showed that there was little reference to the race equality duty within the BSF programme. The guidance PfS had prepared for local authorities did not say anything about the possible implications the programme might have for racial equality, even though it focused strongly on disability, and explained how compliance with the Disability Discrimination Act, which was a condition for funding, could be ensured. Interviewees from CSF who were advising local authorities on the BSF programme were unable to see how consideration of the needs of different ethnic groups could be relevant when planning the physical design and use of school buildings:

*Representative, CSF:* Perhaps this is more of a gut feeling rather than one that's been thought through [but], on the whole, different ethnic groups are not going to need a differently designed school ... I mean a person in a wheelchair needs a door which is big enough for them to get through. Whether you're Somali or English or Irish or from anywhere else doesn't particularly have that same sort of angle ... in a sense a new school is a new school whether it serves one community or another or a mix of communities.

However, the cultural needs of different ethnic groups in respect of design are clear and well documented. For example, the Muslim Council of Britain has published guidance for schools on the design of sports changing areas, toilets and shower facilities (MCB, 2007). Modesty is also an important issue for other ethnic groups, including Gypsies and Irish Travellers, with reports of children from these groups not attending school rather than having to use unsuitable changing facilities.

As well as building new schools the BSF programme aspires to greater community cohesion through the concept of 'extended schools', the aim being to use school buildings to accommodate a wider range of educational and recreational facilities for the local community, and ultimately to create a 'community hub', by providing health, leisure and social services. However, the entire concept of the school as a resource for the entire community could be jeopardised if the diverse needs of different ethnic groups are not taken on board.

We were told that the promotion of racial equality and good race relations would be an inevitable outcome of the BSF programme, whose aim was to improve facilities and access for everyone in the community. However, with both CSF and PfS seeing racial equality as a responsibility for local authorities, rather than as an integral part of the programme, this seemed to be very much a matter of chance.

*Representative of CSF:* It's a very flexible process, the only thing that is law is the school premises regulations or the Race Relations Act or the Disability Discrimination Act ... so, in a sense, anything we do is only guidance around that. It is not a condition of funding, for example that there's an equality assessment of any sort.

*Representative of PfS:* I don't think we would raise ethnicity as a specific issue unless the authority wanted, so that's an area where we've left it to the authorities to raise as an issue ... Most authorities, to be honest, are fairly sensible and they're on board and are well aware of what they need to do to improve harmony in any particular location, and the solution that comes out of it will have regard to that need.

Interviewees repeatedly referred to the race equality duty as the responsibility of local rather than central government.

*Representative of PfS:* PfS is responsible for the delivery of BSF and that's got to be focused on achieving the schools and this [educational] transformation that I referred to. All the others [aspects such as race equality] so far are aspirations and benefits, but it's difficult to enforce them because it's really something for the local authority to consider on a case-by-case basis.

*Representative of CSF:* It's not a focus for us. ... [Cohesion is] a by-product ... I don't think we would push it very strongly from our point of view. Quite how that plays out is for local consideration.

The recent report from the Commission on Integration and Cohesion (COIC, 2007), emphasises the important contribution that BSF can make to integration and good race relations, and calls on CSF and CLG to issue guidance. The recommendations from Our Shared Future are as follows:

We urge CSF to mainstream integration and cohesion into the programme from the outset ensuring that just as they have circulated exemplar designs for the physical space, they should share good practice examples on how to best plan for integration and cohesion challenges.

We also recommend that lessons are learned from the early adopters of this programme, some of whom have found that the social impacts of rebuilding are hard to respond to before getting out of hand.

We welcome the opportunity this programme affords for the redesign of school catchment areas, in particular towns and cities experiencing residential segregation. But this needs to be handled carefully to avoid conflict, with expert guidance from the centre, and [CSF] and [CLG] need to take a joint lead on this.

The CRE endorses these recommendations and sees action on this issue as part of both departments' race equality duty.

Ruth Kelly, then Secretary of State for CLG, also recognised the important role the BSF programme should play in promoting good race relations (Kelly, 2006); it is unclear why CSF did not share her view.

I think local authorities have a real opportunity through the building schools for the future programme, where all secondary schools over a period of ten years are going to be rebuilt or refurbished, to think about where schools are situated, and whether they can be used to bring people together.

We asked local authority officers in one of the case study areas whether they had included racial equality and community cohesion in the authority's new schools programme. It was apparent that no formal equality impact assessment had been carried out and representatives from other public authorities and the community and voluntary sector in the area expressed their frustrations at the local authority's failure to anticipate the potential effects of the BSF programme on relations between pupils from different ethnic groups.

*Voluntary sector representative:* What they've done with the building schools for the future... they've done all these wonderful consultations around the buildings and all this, but they didn't do any work around bringing different young people together.

*Local authority manager:* [Racial tension] was predicted. I talked to the council; they were so involved in the legal aspects of closing schools and opening another school that the actual needs of the young people in terms of the dynamics around cohesion were ignored.

In this case, the relocation of schools as part of the BSF programme had directly affected relations between white and Asian communities; one interviewee described the effects on Asian children of having to walk to their new school through a predominantly white area:

*Voluntary sector representative:* The Asian pupils will walk to school in a gang because they're afraid the white kids will batter them. The (white) residents are getting really hacked off with 'these Asian kids effing and jeffing and spitting everywhere.' They're acting hard because they don't want to get battered, it's just the perception of people.

A number of interviewees saw this as the real reason for local tensions, which had resulted in fights between groups of white and Asian young people armed with knives, sticks and golf clubs, with both white and Asian residents feeling threatened and antagonistic.

*Community sector representative:* Myself and other people [working in the community] have been shouting from the rafters, 'somebody's going to be killed'.

Leadership and clear national guidance may not be universal panaceas, but they are important and should be built into a programme like this one from the start.

Although we did not look at these programmes in any detail, we found a similar approach to the decent homes strategy, the new deal for communities (NDC)

programme and housing market renewal; no race equality impact assessment had been carried out when formulating the policies, and the agency responsible for putting the policy into effect was also seen as being responsible for taking account of local priorities and meeting the race equality duty.

For the NDC programme, we were told:

*Manager representing CLG's NDC programme:* In terms of the race equality duty, we would expect that local authorities would apply their race equality commitment to the NDC, as they are the accountable body and often supply staff [for] the NDC.

The only racial equality requirement for decent homes was for local authorities to ensure, when planning the work to bring homes up to meet the standard, that consultation included ethnic minority tenants. CLG takes account of racial equality in its assessment of outcomes for these programmes; for example, the English House Condition Survey (CLG, 2007d), which considers the number of houses meeting the decent homes standard, and breaks down the data by residents' ethnicity and the level of deprivation in the area. However, consideration of the impact on racial equality and good race relations ought to have taken place before implementing the programme.

A more proactive approach to the race equality duty by the CLG is not only required by the law, but is likely to improve the quality of the CLG's policy making, set an example to other public authorities and assist those responsible for implementing the programmes in planning and carrying out the work.

The Housing Corporation has taken a number of steps to meet the race equality duty, for example by demonstrating leadership on the subject of racial equality, and by adopting procedures to mainstream the duty. It has a 'BME Action Plan' (Housing Corporation, 2005b) and an advisory board, which monitors progress against the plans it has published in its race equality scheme (Housing Corporation, 2005a). From May 2005, all proposals submitted to its governing body have to include a specific section on their implications for equality and diversity, and on the measures needed to mitigate any adverse impact.

In its regulatory role, the Housing Corporation has been active in impressing on housing associations the importance of racial equality, and has 'transferred' its responsibilities for the equality duties to housing associations through its regulatory code (Housing Corporation, 2005c); point 2.7 of the code reads as follows:

Housing associations must demonstrate, when carrying out all their functions, their commitment to equal opportunity. They must work towards the elimination of discrimination and demonstrate an equitable approach to the rights and responsibilities of all individuals. They must promote good relations between people of different racial groups.

This is supported by more specific regulations requiring housing associations to set appropriate targets for ethnic minority tenants in respect of lettings, satisfaction, action on racial harassment, and representation on governing bodies and tenants' groups, and in employment, both directly and through the procurement of suppliers, contractors and consultants. The code defines 'appropriate' as being proportionate to

ethnic minority housing need, or, in the absence of specific information, to data from the census.

The Housing Corporation has had to tackle difficult issues in ensuring that housing associations meet the needs of all the communities they serve. Although it supports specialist ethnic minority housing associations, we were told that it had acted on research that ethnic minority housing associations may not always be meeting the needs of all the different ethnic minority groups in their area. The Housing Corporation now requires housing associations in areas with more than 10% of ethnic minorities to demonstrate how they meet the needs of all groups.

## **Race equality impact assessment**

In 2005, a CRE audit of central government departments' use of race equality impact assessments showed that the departments were failing in their duty to put racial equality at the heart of their services. In a press release (CRE, 2006a), the CRE said:

By law, central government departments are required to assess new policies and legislation for their impact on race equality. The CRE found 15 government departments to be non-compliant. The widespread failure of departments to implement their own legislation sets a bad example to other public bodies, which the CRE has to hold to account, and makes an essential race equality measure almost inoperable.

Nick Johnson, director of policy and the public sector at the CRE, said:

Race equality should not be treated as an add-on, but mainstreamed into all policies. The consequences of ignoring it can be dramatic – whole communities faced with unmanaged discrimination. Who would believe that health, education and business policies, for example, would not have an impact on race?

Our investigation found weaknesses similar to those already identified by the CRE in earlier research; for example, very few of the policies and programmes considered, including decent homes, housing market renewal, and building schools for the future, had been properly assessed for their impact on racial equality. Some proposals, such as 'strong and prosperous communities', had been subjected to a superficial race equality impact assessment in the early stages of its development, but a detailed assessment is needed if racial equality and good race relations are to be at the heart of the government's new vision for local communities.

English Partnerships have recently introduced a template for race equality impact assessment of their programmes and policies and we were told that 'equality impact assessments are a fairly new initiative for English Partnerships and we shall monitor their application and effectiveness carefully as more of these are produced and resultant actions impact on project development and delivery'. In considering applications for funding, English Partnerships told us about its 'gateway approval process', which requires each submission to include an equality impact assessment as part of its business case.

From 2008, the Homes and Communities Agency, a new organisation to be formed from a merger of English Partnerships, and relevant functions of the Housing Corporation and CLG (including those dealing with decent homes, housing market renewal, housing growth and urban regeneration), will be one of the most important national organisations for housing and regeneration. Its stated aim is to ‘support local authorities in their drive to create and shape prosperous and cohesive communities [and] move delivery closer to local communities, ensuring that decisions better reflect local and regional priorities’ (Kelly, 2007).

No detailed impact assessment has yet been conducted of the plans for this new agency, although a very brief appendix to the current consultation document on the proposal contains what is described as a race equality assessment (CLG, 2007b); it is four paragraphs long and its claim that the new organisation will ‘have a positive impact on Black and Minority Ethnic (BME) groups’ is based on very little evidence.

A manager for CLG assured us that a full race equality impact assessment would be carried out, but, as the CRE’s guidance (CRE, 2005b) urges: ‘as soon as you know you have to develop a particular policy or legislative proposal, one of your first questions should be: “what will the policy (or legislation) actually mean for people, depending on their racial group”?’ Had a race equality impact assessment been carried out when the proposals were first put forward, it could have informed the questions in the consultation document and provided valuable evidence for creating the new organisation. The danger of delaying the race equality impact assessment is that ideas become more firmly set and the assessment becomes an exercise in justifying the benefits of an approach that has already been decided upon, rather than examining its potential impact.

## **Monitoring and data gathering**

Interviewees from some national organisations suggested that the way national data sets are put together could be problematic. We were unable to investigate this in detail for England in the time available, but noted the problems mentioned in the Equalities Review (Cabinet Office, 2007):

- the fragmentary nature of official data collection, which tends to be quite narrowly focused on individual outcome areas (such as health, education or employment), and on topics which are of recent policy interest;
- inadequate cross-referencing and consistency of data collected, which makes it difficult to link data from different sources across both groups and outcome areas;
- devolved and different arrangements for collecting data, which can make it difficult to compare data between different departments and between England, Scotland and Wales;
- the lack of historic data which could help to establish the direction and pace of trends in inequality;
- beyond the challenges of data collection, official statistical publications generally fail to report on even those equality groups for which data do exist.

The review concludes:

These shortcomings make it more difficult to determine which inequalities are persistent, what actions are likely to succeed in addressing them, and whether the desired outcomes are being achieved. Good evidence-based policy-making requires the use of both up-to-date, quantitative data, collected across a wide sample base, and qualitative information to help refine our understanding of it.

From our discussions with stakeholders and the findings from our case studies we suspect that similar conclusions can be drawn for the regeneration sector, although further work will be needed to identify precisely where inequalities are occurring.

## **England - the approach of regional development agencies**

We talked to equality and regeneration officers from three of the nine regional development agencies (RDAs), attended several meetings of the RDA equality and diversity group, received a response to the questionnaire from each one and a response from most to our call for evidence. We also spoke to a manager from CLG about the government's plans for RDAs.

### **Leadership and racial equality in regeneration**

RDAs used to report in part to CLG, although within the recent 'machinery of government changes', the new Department for Business, Enterprise and Regulatory Reform is now responsible for the management of their performance and will also have leading responsibility for the public service agreement for regional economic performance. The London Development Agency (LDA) takes the lead on equality and diversity for RDAs and, before the government's reorganisation, worked closely with CLG to raise performance in this area.

RDAs will have an increasingly important role in regional affairs, according to the recently published a review of sub-national economic development and regeneration (HM Treasury, 2007). This extract from the foreword to the review summarises the main changes for RDAs:

We believe there should be a single regional strategy, which sets out each region's economic, environmental and social objectives. We propose the Regional Development Agencies should have the executive responsibility for preparing this strategy, working closely with local authorities and other partners, including business and the voluntary sector. Regional Assemblies in their current form and function will therefore not continue. The RDAs' increased executive responsibility for preparing a single regional strategy will need to be balanced by enhanced accountability arrangements, both to local and central government, within each region. We will also give the RDAs a clear focus on improving regional economic growth, so that all parts of the country can benefit from increased prosperity. We will improve RDA performance management, including through giving local authority leaders a stronger scrutiny role, to ensure the RDAs improve value for money and effectiveness in increasing economic growth.



RDAs have accepted that they will have to adjust ‘accountability arrangements’ and ‘improve performance management’ in the light of their new role and our recommendations are aimed at ensuring that outcomes for racial equality are taken into account. The government has shown strong leadership with regard to RDAs’ responsibilities for equality in recent months and the building blocks are in place to mainstream equality more firmly in their work. Following a seminar in April 2007, the RDAs identified nine priority areas for their work on equality and diversity; we have drawn on these priorities in formulating our own recommendations for the RDAs.

Despite these good intentions, however, evidence from our investigation suggests that RDAs have some way to go before they can be said to have mainstreamed racial equality in all their work and understood its importance, as the following comment from a regeneration officer indicates:

*Regeneration manager:* I can’t say hand on heart that anyone has done any detailed analysis ... but to some extent, I suppose, you could say that it [regeneration] is racially blind ... at the end of the day we are providing a product; anyone and everyone who wants to come here for what it offers is welcome to do so.

However, some interviewees felt that the tide had turned and that senior managers were becoming more committed to achieving change. This belief was supported by some of the responses to the questionnaire, where the RDAs explained how they factored racial equality into their strategic priorities for physical regeneration. A selection of their answers follows below:

Equality and diversity is a cross cutting theme in the regional economic strategy and this is demonstrated in the regional economic strategy delivery framework, which outlines how each priority can contribute to progressing this agenda.

We are a statutory consultee on all local development frameworks ... We are involved in the development of master plans in areas of high priority [for the regional economic strategy], which are generally areas of deprivation and greatest need, and our corporate plan identifies the actions that will be undertaken in those areas ... the regional economic strategy identifies that business start-up and survival provision is targeted at under-performing sectors of the region, including women, ‘BME’ communities, disabled, entrepreneurs and social enterprise.

For the first time, the 2006 regional economic strategy explicitly identifies equality and diversity targets and objectives. This ‘cross-cutting’ theme is also reinforced through the [regional economic strategy] implementation plan, which will be subject to a comprehensive equality impact assessment process before the final version is published in September 2006. [The RDA] is also creating an external reference group to oversee the implementation of the cross-cutting theme for equality and diversity and to act as critical friend on the delivery of all other aspects of the agencies’ work on mainstreaming equality.

While this indicates that the RDAs want to factor racial equality into their strategic priorities, some RDA officers felt that things would only really change if their organisations were accountable to the government on equality outputs. One officer told us:

The government does not adequately ask [RDAs] to report on equalities, there are some outputs in the frameworks, but they are not adequate. The sense is that if [the RDA] is not asked to report on equality issues then it [equality] falls down the agenda.

Another officer felt that, over the previous 18 months, leadership on equality had been ‘there in soul if not in body’, and that the will was there at senior management and board level. However, the organisation had a long way to go before all staff could be said to understand what the race equality duty really meant on a day-to-day level, or in terms of translating it into good practice. However, officers noted that some colleagues had begun to pick up, particularly on the importance of promoting good race relations.

*Equality officer:* Any articles that are sent out by the communications team are ‘diversity proofed’, to ensure that there is a positive angle to stories going out. An article regarding funding for work in an area where there were large levels of new arrivals had a paragraph added, to emphasise the other projects in the area that were also being funded, in order to ensure that resentments towards the new arrivals did not occur.

*Regeneration officer:* I see [community cohesion] as a way of thinking of how to do things better ... to think about how that’s going to affect communities as a whole. That’s something I think we’ve learnt from the disturbances in 2001, that it’s not enough to target a particular community you’ve got to think of communities as a whole.

This officer was alive to the benefits of mainstreaming racial equality and spoke positively about the approach they were seeking to take.

[Equality] is integrated into an individual’s work through standard personal objectives, which include corporate values of respect for diversity and equality. It’s also built into the day-to-day work we do in looking at projects ... whether people are actually consciously thinking about [the race equality duty] and doing it as a separate exercise ... Our approach is to have it there without even thinking about it ... it’s integral to what you do, the way you work, make decisions. It’s part and parcel, it’s not something you really have to think about, it’s not about ticking a box; it almost becomes second nature.

In terms of their leadership role in the region, one RDA had realised that they could use their influencing role more effectively, both directly through the funding criteria and strategically with key partners, such as urban regeneration companies; they were now asking applicants for funding whether they had done equality impact assessments of their project proposals.

In another RDA, a regeneration officer explained how they were trying to determine the grant applications they were called upon to consider in terms of the intended outcomes for community cohesion:

We have a relatively lengthy form to fill out on a whole host of issues and some of them are around, what we would term social inclusion rather than race equality per

se, but it is designed to draw out from the potential grant recipient what is it they're trying to do, what are the target populations they are trying to help or what they perceive as being the benefits to the population ... [We need to determine] what is the underlying rationale, what is it trying to do and how are they actually going to be sure that they achieve it, and afterwards be sure that they did what they purported to do at the outset.

Some of the regeneration officers that we spoke to were well aware of the importance of racial equality and good race relations; the task for RDAs is to bring performance in this area up to the standard of these few individuals, and to ensure that their equality officers have sufficient resources to introduce internal processes, training and standards of performance for mainstreaming racial equality. Many of the RDAs had committed only very limited resources to equality and diversity, making the task extremely difficult. The evidence of our investigation pointed to regeneration officers as being most in need of training on applying the race equality duty to their work; many appeared to be relying either on their equality officers or their public sector partners to take the lead. To overcome this, some of the RDAs had developed training programmes for their staff, to raise awareness and improve their skills.

During 2006, the National Audit Office conducted independent performance assessments of all the RDAs, marking them against five broad criteria: ambition, prioritisation, capacity, performance management and achievement. Equality was not used as an explicit criterion in the assessments, making it difficult to know how the RDAs were performing, either in respect of meeting the race equality duty or more generally. Nevertheless, we understood that the process was helpful to at least one of the RDAs, because they had made 'achieving equality' one of their 10 priorities and, in considering performance on that, the auditors had suggested improvements which the equality steering group is implementing. Overall, we felt that it was a lost opportunity not to use such a detailed and intense audit to assess compliance with the statutory equality duties.

## **Race equality impact assessment**

We saw evidence that the RDAs were taking on board the need to assess the effects their policies and actions might have on racial equality and race relations, and had begun to take steps to make race equality impact assessment part of their approach to policy making. However, one officer felt that further work was needed before the full effect of impact assessments could be felt.

[We] recently carried out a review of our equality impact assessment procedure, as impact assessments were not being carried out in a robust or systematic way ... they were not getting at the key issues ... now any equality impact assessments with 'not applicable' or 'not appropriate' are sent back to the relevant department who submitted it, with a footnote to flag up some of the issues they might want to consider.

One officer was testing a new assessment tool.

The new framework is currently being piloted in five areas across the organisation and is working towards a more integrated approach. Although there is an impact

assessment consultant working with [us] on the new framework, they are not carrying out the impact assessments, but are building the capacity through training of the staff carrying out the impact assessments. The plan is to re-do all the impact assessments that were not carried out well, in light of the new framework, once the pilots have been carried out. All future EIAs [equality impact assessments] will then use the new framework as a basis.

In another RDA, a regeneration manager indicated the extent of his knowledge of the impact assessment tool used by his agency.

Candidly, I'm not quite sure how long it's been around. I mean, if I am absolutely honest, my attention was drawn to it, probably within the last few weeks ... I mean, it may be sheer ignorance on my or my team's part, but we didn't actually realise that it existed, far less that it was actually there to use as a tool.

Interviewees stressed the importance of making race equality impact assessment a meaningful ongoing part of the policy development process and not just a bureaucratic, box ticking exercise, in order to actually derive benefits from the process.

*RDA manager:* we will be more eager to use it [REIA] where we feel there is actually something to draw out, rather than just, dare I say, something that is seen as being a hurdle or another form to be filled in for the sake of it...It could be a paper generating process

Responses to the questionnaire indicated that only one of the RDAs conducted race equality impact assessments for each of their regeneration projects. Two RDAs gave us interesting examples of how the race equality impact process can benefit regeneration projects by anticipating and planning for possible problems. One was a project where there was a risk of a negative impact on community cohesion if it was not managed sensitively, as the project was planned for an area where many new migrants were settling. There was concern that it could be seen as an investment for ethnic minority communities and used as negative propaganda by the BNP, which was active in that area. The solution suggested was 'to promote the project as a place for people from all communities to utilise', and by 'ensuring that a wide range of groups were involved in the steering group and that an appropriate marketing plan is in place to ensure that all community organisations feel involved and are able to utilise the new facility.' Other suggestions for emphasising the benefits for the community as a whole were also put forward, such as designing the facility to maximise interaction between groups.

The other example involved the discovery of an ethnic minority community in the area whose needs had not been properly considered in the proposal for a community and neighbourhood centre. This resulted in the redesign of the building's interior, allowing for the provision of a prayer room.

These examples show the benefit of race equality impact assessment and the following quote demonstrates that the skills and commitment to such an approach are there for other policy areas, indicating that it is as much about the will and the

incentives there are to conduct race equality impact assessments, as it is about understanding and capability:

*Regeneration manager:* [Regarding a regeneration project in an area with a significant ethnic minority population and community tension, where no REIA had been carried out] Yes, they've done a heritage impact assessment and, putting it candidly, it's because they had a substantial amount of funding from the lottery to match money from elsewhere. So that's why there's so much emphasis on the heritage side of this, and documentation.

Consultation is an important component of race equality impact assessments and RDAs do have to consult in connection with other key policy documents, such as their regional economic strategy. Often, the consultation on regeneration projects is left to other partners. However, as recognised by one officer, this does not mean that the RDA does not have a role to play in the planning stages through its partnership work with local authorities.

The RDA's physical regeneration team does not carry out or influence the actual building work but can influence the planning for that regeneration at an earlier stage... There are pockets of good practice being carried out by the regional partners that [the RDA] works with, but it is not documented anywhere and cannot be pulled together.

As one officer said, it was not always clear where the responsibilities lay.

It's not really for us to tell local authorities how they should be engaging with their local communities. We expect them to, and we tell them we want them to, and we ask them for evidence ... of buy-in from local communities ... we do have checks and balances in our internal processes, which ask for evidence of buy-in, this is in formal processes for appraising and approving proposals. The forms developers have to fill in will ask about what consultation they've done, evidence of the type of need. When we are satisfied with the proposal, including appropriate community consultation, we will approve it.

This officer said they were becoming increasingly aware of the importance of community consultation, and getting better at it, for example by considering the effects on a particular community, 'rather than just a tick-box approach.'

## **Monitoring and data collection**

Improvements were under way in monitoring and collecting data; for example, one equality officer said they were planning to send a questionnaire to 3,000 contractors on file, to monitor them by a number of factors, such as ethnicity, gender and location.

Another RDA had conducted an equality impact assessment on procurement and had identified a number of issues, such as the need to see what contractors were doing to ensure equal opportunities. Monitoring business ownership presented its own

problems, as there was no benchmark data for the region with which they could compare their own figures.

This RDA was also collecting data on the beneficiaries of regeneration, using the 2001 census categories; projects were asked to collect this data and then to tell the RDA whether the project was representative of the area that it served. The data was required at the beginning of the project, when project officers paid a visit and went through what was required and why. A report was required half way through the project (if the project ran for two years or more) and a second visit was paid if they were not getting the required data. What the equality officer found very frustrating was that the data, and the lessons from this project, were not used for other projects and areas of work.

The issues considered in our investigation were picked up in a seminar for RDA chief executives in April 2007, where CLG outlined its commitment to improve equality and diversity outcomes and summed up the challenges as follows:

That equality and diversity needed to be at the start not the end of policy formation and business planning. That it was important to have an effective evidence base and create knowledge from it. That building and extending skills was critical to RDAs, to make equality and diversity central to everyone's work and that training should be followed up and not treated as a 'one off' exercise.

## **Scotland**

In Scotland, we interviewed representatives from the Scottish Government, Communities Scotland, Scottish Enterprise and the Convention of Scottish Local Authorities. Our findings are based on those interviews and on desk-based research.

### **Leadership and racial equality in regeneration**

The Scottish Government plays a leading role in promoting the race equality duty through its policies on regeneration. In its revised race equality scheme (Scottish Executive, 2005b), the Scottish Government states:

Some minority ethnic groups can be disproportionately affected by deprivation and we are working to ensure that regeneration activity reaches all groups within those communities.

The Government's regeneration statement, *People and Place* (Scottish Executive, 2006d), identifies several areas where regeneration can 'promote equality for people who suffer discrimination because of age, gender, disability, race, sexual orientation, religion or belief.' However, a number of the initiatives referred to in the regeneration statement that were intended to help the Scottish Government to promote racial equality have yet to be developed; these include guidance for community planning partnerships on their role in regeneration (see chapter 4), and the commitment to

monitor compliance with the race equality duty as part of the monitoring and evaluation framework for local authorities (see chapter 6).

The Scottish Government's approach to mainstreaming the race equality duty has been to introduce racial equality as a cross cutting theme within its main strategic policies. The investigation found that this had led to inconsistencies, and was a source of confusion for those trying to understand the Government's priorities. We looked at four important strategic policies for regeneration in Scotland: Closing the Opportunity Gap, Smart Successful Scotland, the Cities Growth Fund, and the Community Regeneration Fund.

Closing the Opportunity Gap is the Government's commitment to tackling poverty through the pursuit of six objectives (see the glossary). Surprisingly, none of these refers explicitly to racial equality, although it is clear that the Government accepts that reducing racial inequality is a factor in reducing poverty. There has been some confusion about how equality features within this commitment; as one local authority chief executive observed, 'first we had the closing the opportunity gap objectives, and then came equalities.'

Smart Successful Scotland provides direction for the Enterprise Networks (see the glossary), and a wider enterprise strategy for Scotland. It has three broad themes: growing businesses; skills and learning; and global connections. Its cross cutting themes are: sustainable development; extending opportunity to all and closing the opportunity gap; equal opportunities; diversifying; and growing the rural economy. Equality is specifically addressed in the following terms (Scottish Executive, 2004a):

The Enterprise Networks, working together with equalities bodies, have a particular role to:

- encourage entrepreneurship and business growth among under-represented groups
- raise awareness among businesses of their legal responsibilities, and support businesses as employers and traders
- eliminate discrimination wherever it occurs by assisting companies to realise the business benefits of equality and diversity.

However, we felt that Smart Successful Scotland has missed an opportunity to advance racial equality as part of its overall aim of tackling socio-economic disadvantage, as none of the economic indicators used to measure progress is monitored by ethnicity.

The Cities Growth Fund was launched in 2003 to provide investment funding for Scotland's six cities, to bring about clear, measurable improvements in each city-region. It has three cross cutting themes: growing the economy, sustainable development and closing the opportunity gap, but no mention or assessment of equality of opportunity at all (Scottish Executive, 2005a).

The Community Regeneration Fund was set up in December 2004 to meet one of the Closing the Opportunity Gap targets, namely 'to promote community regeneration of the most deprived neighbourhoods, through improvements by 2008 in employability,

education, health, access to local services and quality of the local environment'. The fund is managed by Communities Scotland and is principally targeted at the 15% of most deprived neighbourhoods identified by the Scottish Index of Multiple Deprivation (SIMD).

Community planning partnerships (CPPs) have to say how they intend to use the fund to achieve specific regeneration outcomes through regeneration outcome agreements (see chapter 4). Although the Community Regeneration Fund has been explicit about keeping racial equality at the heart of the programme, its progress in achieving that, monitored by Communities Scotland, has been disappointing, as its report suggests (Communities Scotland, 2007).

As illustrated by its work on regeneration outcome agreements, Communities Scotland has taken a robust line on equality, and mainstreaming has been made a central corporate priority. For Communities Scotland (2005a), mainstreaming equality means:

... we will systematically integrate equality into our everyday work: not addressing it as an after thought but building it in from the outset; not seeing it as something only relevant for specific groups of people but as something that affects everyone's abilities to fulfil all of their potential.

However, Communities Scotland is not complacent about its work on equalities, as one of our interviewees explained:

*Senior manager, Communities Scotland:* We are showing leadership, providing a process, developing products, but there's a lot more to do. Where is the progress, what are the outcomes?

Scottish Enterprise have sought to mainstream equalities in a number of ways; there is an equal opportunities manager at corporate level and a wide internal community of staff at departmental level who are working to ensure that the Scottish Enterprise Network is aware of the duties required by all equality legislation. Scottish Enterprise also seeks to provide leadership for the Scottish business community through a range of initiatives and programmes, most notably 'Equality Matters in Business' the aim of which is to enhance the advice and support given to Scottish based SMEs on the business benefits of good practice on equality and diversity through access to a one-stop shop for signposting SMEs to the appropriate service.

Strategic direction for Scottish Enterprise is provided through Smart Successful Scotland, which promotes racial equality as we have described above. Scottish Enterprise's Operating Plan 2007–2010 describes equality of opportunity as a 'cross-cutting theme', but one of our interviewees accepted that there was some way to go before racial equality was mainstreamed:

*Manager, Scottish Enterprise:* There are dangers in implicitness, sometimes expressed through the mainstreaming agenda. But as we know, equalities [must] be explicit. [We need to] work through how it might be relevant, policy proofing, champions pestering ... look at targets as the stick and awareness raising as the carrot.



We found a clear tension between the organisation's aspirations for meeting the race equality duty and the attitudes of operational staff, many of whom saw economic regeneration as their sole priority and paid little attention to racial equality and good race relations. Some even thought that ethnic minorities would benefit from any action through a 'trickle down effect', without the need for specifically targeted steps, which again echoed views found in England and Wales.

## **Race equality impact assessment**

The Scottish Government has developed an equality impact assessment tool, but we were disappointed by the way it was being used, based on our consideration of the assessment of the Workforce Plus programme (see the glossary) carried out by the Government's Enterprise, Transport and Lifelong Learning Department (ETLLD). The assessment (Scottish Executive, 2006f) starts positively by acknowledging the need to move away from a 'one size fits all' approach:

It is also recognised that people who have experienced disadvantage and discrimination may have specific needs which must be taken into account in the delivery of services ... clearly treating everyone the same would not result in equality of opportunities.

However, it quickly becomes clear that the Government sees the partnerships responsible for implementing the programme as also being responsible for meeting the race equality duty, an echo of our findings for central government departments in England. Accordingly, the impact assessment fails to recognise the Government's role in setting standards and expectations for those partnerships, as this answer to a standard question about whether the policy was likely to be directly or indirectly discriminatory shows:

We think it unlikely, as the [Government] will remind the delivery partnerships of the need to ensure equality of employment opportunities at a local level, particularly with regard to race equality given the statutory race duty, to which many of the partners will themselves be subject.

The impact assessment does not consider each of the three parts of the race equality duty, does not identify any actual or potential disparities, or assess whether the policy is likely to have an adverse impact on different racial groups. The difficult questions are simply passed on to partners, but with very little by way of supporting guidance; this came in the form of a reminder running to one sentence:

In developing plans, delivery partnerships will need to ensure equality of employment services and opportunities at a local level, particularly with regard to race equality, given the statutory duty to which many partners will themselves be subject.

ETLLD's reliance on the partnerships to meet the requirements of the duty in implementing the programme proved to be misplaced; as ETLLD's own assessment of the partnerships' plans found: 'none of the plans have yet undertaken equality assessments, which are also important for testing whether they are reaching beyond the usual, perhaps, easier to help client groups.' This can hardly have been surprising,

given the absence of any substantial guidance. Local partners clearly do have responsibilities under the race equality duty, but for these to work effectively, the Government cannot use such a light touch when it comes to its own responsibilities.

The assessment did pick up an important point when it noted the absence of reliable, disaggregated data, but it did not make any concrete recommendation, as this extract illustrates:

[We will] seek to influence the evidence base available on ethnic minority data. The REIA raises wider questions about the evidence base on ethnic minorities being used in policy development across the Scottish [Government] and the Enterprise Networks. There is a need to review this whole issue with a view to creating a common evidence base that would ensure a more coordinated approach. The matter will be raised with the Scottish [Government] Equality Unit and others. Indeed, one of the findings of the recent Race Equality Review was that data research gaps needed to be identified and addressed.

In relation to the regeneration of housing, the Government did not carry out an equality impact assessment of its national housing policy, on the grounds that it was simply a compendium of existing policies, an approach that the CRE does not accept.

Interviewees from Communities Scotland stressed the importance of impact assessment, with a member of the corporate management team telling us that ‘race equality impact assessments tackle indirect discrimination and should be seen as an integral part of policy and delivery.’ However, they also expressed concern about the effectiveness of impact assessment in the absence of reliable ethnic monitoring data. The importance of impact assessment was highlighted in a study commissioned by Communities Scotland (Communities Scotland 2006c) to ensure that it had sufficient and credible evidence to demonstrate the effective engagement of communities in regeneration activity, and to meet its targets for community engagement. Although the study found signs of progress, particularly in community engagement, it also found variations in practice, and was not optimistic about the overall picture in relation to ethnic minority communities.

Although Scottish Enterprise has developed an equality impact assessment framework, the draft impact assessment of its policy for funding National Training Programmes (Scottish Enterprise, 2006) which was considered by the investigation, was not very thorough, failing to cover the views of the local enterprise companies and training providers who would be promoting and delivering the programme. However, having found ‘a differential/adverse impact on those from an ethnic minority background’, the report drew up an action plan to take its recommendations forward.

## **Monitoring and data gathering**

The absence of reliable ethnic monitoring data is an important issue in Scotland. In 2006, the Scottish Government published equality statistics for employment, business, educational attainment, housing and health, drawn from administrative sources and surveys, including the census (Scottish Executive, 2006e). However, there were limits

to the usefulness of the data, as most surveys were based on sampling, the census was increasingly becoming out of date and ethnicity was not always included as a factor.

Several interviewees from national agencies in Scotland told us that there were problems in using the data collected by the Scottish Index of Multiple Deprivation (SIMD). The SIMD identifies small area concentrations of multiple deprivation across Scotland, which allows effective targeting of relevant policies and funding. Ethnicity is not included as it is not a measure of deprivation. The data is presented in a way that allows small pockets of deprivation to be identified, and statistics on the ethnic mix of each small area are not collected. This is due to the small numbers of people from ethnic minority groups who live in these areas and the risk of disclosing the identity of these individuals. The Scottish Government has produced an assessment of the data (Scottish Executive, 2005c) which provides some information about equality matters in deprived areas, but better guidance is needed on how to use the data to capture the ethnicity dimension of deprivation. If the problem of collecting data at a small area level cannot be overcome, there should be consideration of collecting the data for wider area.

It was difficult to know what data the different Scottish Government departments were collecting, but it became clear in the course of the investigation that they all used different approaches. The Audit Committee of the Scottish Parliament's report on community planning partnerships (Scottish Parliament, 2007) concluded that: 'The failure to work corporately and to ensure effective coordination between departments undermines the benefits to be achieved from partnership working at a local level'; a finding accepted by the Government.

Interviewees at Communities Scotland expressed concern that data, once collected, were not always used to inform decision-making, policy development, and resource allocation. Communities Scotland has published advice on the available data sources and how to use them (Communities Scotland, 2006b). According to a member of the senior management team at Communities Scotland: 'We still need better information about ethnic minority communities. Core data and research is starting to emerge but we still await SMART targets.'

Interviewees at Scottish Enterprise had a growing sense of the importance of making and monitoring progress in meeting the race equality duty, and spoke of plans to collect more detailed ethnic data to monitor various targets, such as the numbers of jobs and training opportunities created, the number of business start-ups, and satisfaction levels in surveys and feedback.

## **Wales**

In Wales, we interviewed representatives from the relevant Welsh Assembly Government departments and the Welsh Local Government Association. Our findings are based on those interviews and on desk-based research.

## Leadership and racial equality in regeneration

The Welsh Assembly Government has equality at the heart of its constitution; it is required to have due regard to the principle of equal opportunities in all Assembly proceedings, and the duty extends personally to Welsh Ministers (OPSI, 2006). The race equality duty also applies, and its race equality scheme (NAW, 2005) states:

We want to be recognised as the exemplar public authority in Wales in developing long-term positive change to eliminate unlawful racial discrimination, promote race equality and promote good race relations.

The Welsh Assembly Government is committed to a single equality scheme addressing all strands of discrimination for 2008, going beyond the legal requirements of the equalities legislation. This programme is designed to set out a clear vision for equality and an approach to mainstreaming.

Interviewees from the Welsh Assembly Government departments emphasised the commitment that their respective ministers had shown to promoting racial equality.

*Welsh Assembly Government department manager:* What I would say is that the priority for the minister has been focused on minority groups, and Gypsy and Travellers, [where] I think we are well ahead of the UK in our policies and provisions.

*Welsh Assembly Government department senior manager:* On top of this we have had a huge lead on this from our politicians. The minute the July events happened in London, the first minister [was] pictured with the leaders of all the faith groups on the steps of the office. You could not fail to realise how important this issue [was] in particular to our minister.

The Welsh Assembly Government departments were restructured following the elections in May 2007; responsibility for physical regeneration is now shared across a number of departments, although departments with a particular role in regeneration are the Department for the Economy and Transport, the Department for Social Justice and Local Government and the Department for Environment, Sustainability and Housing. Together, the departments work to the Welsh Assembly Government's strategic regeneration policies and, in the context of this investigation, we looked at the spatial plan and the sustainable development policy and considered how these had been influenced by the race equality duty. The sustainable development policy is considered at the end of this chapter, along with similar approaches in England and Scotland.

Despite the aspirations expressed in the race equality scheme, progress on racial equality in regeneration was limited. We found one example of this in 'People, Places, Futures – The Wales Spatial Plan', a 20-year plan for the sustainable development of Wales, whose themes include 'building sustainable communities', which focuses on tackling poverty and worklessness, and 'respecting distinctiveness' (WAG, 2004):

Our future depends on the vitality of our communities as attractive places to live and work. We need to reduce inequalities between communities, whilst retaining their character and distinctiveness.

Even though the spatial plan is highly relevant to racial equality and likely to have significant implications for the lives of people from ethnic minorities in Wales, it contains only a brief reference to them, and no reference at all to the race equality duty or the race equality scheme, and no race equality impact assessment of the plan was carried out.

## **Race equality impact assessment**

The Welsh Assembly Government worked with the CRE in Wales to develop a race equality impact assessment toolkit which was used on a small number of policies and subsequently evaluated. The toolkit incorporated advice on general policy development. To introduce the toolkit, the Assembly Government invited the CRE to provide training, which had a good take up. Evaluating the toolkit, managers indicated that they felt it cumbersome and overly burdensome to use; the learning from this assisted with a full scale review of equality impact assessment in the Assembly Government, using focus groups and research, which has culminated in the development of an approach which encompasses all equality strands and we were told that it has re affirmed the Assembly Government's commitment to focus on outcomes using equality impact assessment as an integral part of good policy making.

## **Monitoring and data gathering**

As in Scotland, the procedures and practices for monitoring and data gathering were a problem across the public sector in Wales. In 2004, the Welsh Assembly Government published a bulletin on ethnicity in Wales (NAW, 2004), which gave a statistical breakdown of service users, by ethnicity, in the areas of housing, health, education, employment, transport and crime. However, the bulletin recognised the need for a more systematic and comprehensive data monitoring process for ethnicity.

One of the Welsh Assembly Government's departmental equality champions acknowledged that systems for monitoring needed to change:

One of the challenges is that data in the past has been gathered by programme or project and this has led to inconsistencies. We do have data about particular programmes, for example the business start-ups, which can be disaggregated by age gender and ethnicity, disability or location ... These numbers are robust, because they are audited. But we do not have a comprehensive data set for all departmental activities.

We were told that work had begun to see what data each department was collecting on the implications of their policies for each area of equality.

The Welsh Assembly Government has convened a mainstreaming equalities group, including representatives from the equality commissions. One of the group's aims is to identify areas where they do not have sufficient or up-to-date information, and to develop a consistent approach to monitoring.

WLGA briefings have stressed the need for local authorities to give greater attention to monitoring (WLGA, 2006a).

## **Sustainability in England, Scotland and Wales**

The investigation made it clear that sustainability was an important policy priority in England, Scotland and Wales, and that it had a significant influence on national policy on planning physical regeneration for the built environment. We examined the extent to which racial equality was considered within this policy and it proved to be an interesting illustration of how opportunities to promote racial equality can be missed.

In England, CLG's sustainable communities plan was published (ODPM, 2003), and Sir John Egan was asked to conduct a review of the skills needed to deliver its vision and aims. The Egan Skills Review (ODPM, 2004) describes itself as 'essential reading for all local authorities, built-environment professionals, learning institutions, developers and related interest groups' and, in response to the following recommendation, the government set up the Academy for Sustainable Communities (ASC) as a 'national centre for delivering the skills and knowledge needed to make better places', sponsored by CLG:

We firmly believe that attempting to upskill professionals in isolation will not produce the outcomes we are seeking. Instead, success will lie in changing the behaviour, attitudes and knowledge of everyone involved, many of whom may not have realised in the past that they had anything to do with each other, or with sustainable communities. We want to see planners interacting with tenant associations, highways engineers teaming up with urban designers, and central government officials who plan hospitals and schools working with those who will be maintaining the surrounding streets and buildings in ten years time. There is no quick fix – sustainable communities are a holistic, long-term objective requiring a holistic approach to skills to deliver the outcome we are seeking.

The national sustainability strategy, 'Securing the Future' (DEFRA, 2005), which was launched in March 2005, has four priority areas: sustainable consumption and production, climate change, natural resource protection and sustainable communities. CLG defines a sustainable community as one in which the community is 'active, inclusive and safe, well run, environmentally sensitive, well designed and built, well connected, thriving, well served and fair for everyone,' effectively creating 'places where people want to live and work, now and in the future'. Within the eight principles of sustainable development it is clear that safe and inclusive communities and equality are important components of the vision.

A commissioner at the Sustainable Development Commission told us:

Community cohesion is fundamental in terms of driving the sustainable development agenda ... One goes completely hand in hand with the other, you can't have sustainable communities without having community cohesion, without having a completely fair and just society.

However, community cohesion has been absent from the approaches of many authorities and agencies working on sustainable development. In a report published in 2007 (Institute of Community Cohesion, 2007), ASC stated:

There is little to indicate that [English Partnerships] has yet engaged with building cohesive communities. It could be making a significant contribution in this area through such programmes as Housing Market Renewal and Millennium Communities.

An officer for ASC explained the difficulties sometimes caused by the sustainable communities agenda: 'it's so broad it's everything to everybody', and said that this resulted in racial equality issues sometimes getting lost. We found that ASC itself was not sending out strong messages about compliance with the race equality duty. Its report, 'Planning and engaging with intercultural communities: building the knowledge and skills base', made no mention of the race equality duty, even though it was aimed at professionals working on planning and regeneration in local authorities and related organisations, most of which would have been covered by the duty.

Our investigation found evidence that sustainability was often taken to mean just the environmental agenda; the officer we met from ASC commented that:

[This is] a great challenge ... so many people think that sustainable communities equals sustainable development. Sustainable development is just one part ... points about equity and fairness are lost. It is a major challenge ... [there is] a tension between stressing one side more than the other. It is all part of the same thing. If you want a truly sustainable community, you need all eight factors.

Local and regional officers from the case study areas echoed this, stressing that they did not feel that equality was viewed as an inherent part of the sustainability agenda. Two main reasons were forwarded as an explanation for this: the profile the government gave to green issues as part of the sustainability agenda, and the ease of measurement, compared to racial equality.

*Regional Development Agency, regeneration manager:* In general terms, sustainable usually means environmental to most people ... I suspect that it (environmental sustainability) is probably an easier one to do ... it's easier to come up with a view about the environmental sustainability, because, in a sense, irrespective of who is living in that space, building in that location will take a certain amount of materials, make certain impacts ... Regardless of who was in there, so in that sense [it] is relatively easier. Coming down to the racial equality side again, it's about do we know enough about who is likely to be the beneficiaries or occupants of what is happening. And in many cases the answer is, no, we don't.

Our evidence was corroborated by a recent report from the Sustainable Development Commission on the progress made in sustainable housing within the nine housing market renewal areas and four growth areas. The report highlighted some good

practice, but also found ‘that delivery of genuinely sustainable communities is not sufficiently widespread in a programme that seems to have focused more on building houses than creating sustainable communities’ (Sustainable Development Commission, 2007). A commissioner told us:

Our report said that most of the developments didn’t quite get the sustainability agenda right and that [they] weren’t getting the equality and diversity issues right either, especially around knocking down housing and re-building new houses and not taking into account diversity and cohesion issues in their planning and development. That is why we specifically put that into our recommendations ... The need to involve communities in their planning was another big thing that came out of our review.

We found some of the Sustainable Development Commission’s recommendations very useful. We were advised that the commission would be working with the government to ensure that its recommendations were taken up, and that it would consult ASC on best practice in community cohesion.

CLG’s equality and diversity unit also identified the absence of racial equality in the sustainability agenda in its race equality impact assessment of the department’s procurement functions (CLG, 2006b):

The [CLG’s procurement] guidance needs to be more explicit in identifying race equality as part of the sustainability agenda and making clear the requirements of the public duty to promote race equality.

In 2005, the Scottish Government published its sustainable development strategy, ‘Choosing Our Future’, setting out the steps needed to put the UK’s shared priorities into effect. In relation to regeneration, the strategy states (Scottish Executive, 2005d):

Regeneration – the transformation of underperforming places and communities – has an important contribution to make towards economic prosperity, tackling poverty and disadvantage, improving health and delivering sustainable development. Regeneration programmes provide an area focus for policy: on places where there is potential to realise economic opportunities and places with the greatest concentrations of deprivation. This is particularly important in Scotland as we still have very high concentrations of poverty and disadvantage in some parts of the country which are often near areas of economic opportunity.

While the document makes clear the links with community involvement, it makes no explicit reference to ethnic minority communities, or indeed to equality, at all. The sustainable development section of the case study authority’s website focuses mainly on environmental issues.

Communities Scotland consulted on a draft sustainable development policy and in a report analysing the responses, it reported that ‘some respondents were critical of us for responding to an agenda which was seen as being too environmental rather than embracing a range of sustainable objectives’. The final policy is due out in autumn 2007 and Communities Scotland indicated that it would ensure that it had ‘better links to the broader policy framework’ derived from the Government’s national strategy on sustainable development.



In Wales, sustainability is a key priority for the Welsh Assembly Government, which has a constitutional duty (under section 121 of the Government of Wales Act 1998) to promote sustainable development in everything it does. The Welsh Assembly Government's website explains what it means by sustainable development:

Sustainable development is the internationally adopted principle that social, economic and environmental issues should be considered at the same time when plans are being drawn up and decisions being taken for the future.

'Creating Sustainable Places' (WAG, 2007), launched by the Welsh Development Agency (WDA) in April 2005, spells out the expectations of sustainability and quality of design for all the regeneration and development projects supported by the Welsh Assembly Government, or proposed for land it sells. All proposals require a 'sustainability and design statement setting out how the proposed project will meet [its] expectations'. These expectations are defined by the following guiding principles: partnership; community engagement and participation; vision; sustainable solutions that meet a wide range of economic, social and environmental objectives; local delivery; and setting targets, monitoring, review and evaluation.

The document is strong on the need for community engagement and participation, and the need to engage with ethnic minority groups:

Participation programmes should also aim to reach as many sectors of the community as possible. In addition, an assessment of Equality and Diversity issues should be undertaken, consulting people from each particular interest group.

Describing the design process, the WDA recommends proposals that are subjected to an equality impact assessment, although this appears to be concerned more with disability, as it is presented in the context of 'accessibility and ease of movement'; there is no mention of the race equality duty, although there is emphasis on community participation

On the question of how sustainability was influencing the approach to physical regeneration in practice, we were told by an operational development manager at the Welsh Assembly Government that 'sustainability can be dominated by environmental issues and originally grew out of this. Many practitioners will have an environmental background in practice'. One manager was able to provide examples of how sustainability might encompass equality issues in practice, although he conceded that the evidence had not yet been acted upon:

When doing a sustainability appraisal, we did identify there was likely to be an inward migration of East European workers and we would need to address this. This is still on the list of things to do.

In all three countries we found that the sustainability agenda had developed with very little emphasis on creating sustainable communities, let alone racial equality. We felt this was a lost opportunity; sustainability in its true sense is the natural home for equality and is broad enough to encompass all areas of equality and community cohesion. A sustainable approach should encourage a holistic approach to

regeneration and provide a framework for considering the needs of people and communities, alongside the changes being made to the built environment. No doubt this is what it was intended to do, but the vision has not driven the necessary approach in practice.

## Conclusions

Our investigation found that the quality of leadership from the national governments on racial equality in regeneration policies and programmes was inconsistent.

CLG has a duty to ensure that it has assessed the likely impact of its proposed policies on racial equality and race relations; yet, we were repeatedly confronted with the response that it was for those implementing the policies or programmes to ensure that the race equality duty was met. This is not how the race equality duty works; it applies to all the functions and policies of a listed organisation, not just the ones that involve direct service delivery. Although another agency will often also have a responsibility for meeting the duty at the point of implementation, this does not absolve government departments from their own responsibilities. The CRE has been working with the central government departments – and hopes that the CEHR will continue to work with them – to emphasise the importance of leadership, backed by funding requirements that will ensure that public money for regeneration is spent in a way that takes account of racial quality and good race relations.

While the commitment to mainstreaming racial equality is apparent in the Scottish Government, it is still sometimes unclear; a comment from a manager at Communities Scotland summarised a view we heard from several interviewees in the Scotland investigation work:

*Manager, Communities Scotland:* There still needs to be greater consistency across all policy-makers and legislators and regulators, which would then allow for effective use of flexibility by support and delivery agencies.

The political messages on racial equality from the Welsh Assembly Government are strong, but the gap between policy and practice in consultation, monitoring and data gathering needs to be tackled by developing robust mechanisms. There is also some way to go before the Welsh Assembly Government can claim to have discharged its constitutional and legal obligation to mainstream racial equality in its strategic policies on regeneration.

The national agencies in each country will to some extent take their lead from the government to which they report, but there were examples of agencies in all three countries that had taken their race equality duty very seriously and seen its relevance to their work.

In England, the Housing Corporation was such an example, perhaps because many housing practitioners have long accepted that racial equality is relevant to housing allocation and management. In agencies with a more traditional focus on economic and physical regeneration, we found that their equality officers often still had to

‘make the case’ for racial equality, and that practitioners were less likely to see its relevance to their work. We refer in particular to English Partnerships and the regional development agencies in England. CLG has an opportunity through the new regeneration agency, the Homes and Communities Agency, to ensure that racial equality is central to the way the agency is run, and the way it delivers its services. The momentum for change in the regional development agencies is apparent, and will continue, if it is underpinned by a performance framework that incorporates targets aimed at improving racial quality outcomes.

Interviewees from the national agencies in Scotland often saw equality work as an added extra and we felt that insufficient resources were being allocated to the mechanisms needed to collect data for planning, and community engagement that truly reached out to all ethnic groups. Although Communities Scotland did not always get it right, we were struck by its strong commitment to the race equality duty, and its willingness to learn from its mistakes and improve the way it works and the outcomes it seeks for the community.

In Scotland, the most difficult aspect of the race equality duty, not only for the Scottish Government, but national agencies generally, was the promotion of good race relations. While we found examples of projects designed to promote community cohesion (albeit mostly aimed at new arrivals, such as asylum seekers), there was no consistent and clear national approach, and interviewees from national agencies, specifically Communities Scotland, recognised that leadership in Scotland was wanting, as there had not been a national debate on this subject similar to the one in England.

We were concerned to find a recurrent theme throughout our investigation in all three countries, namely that racial equality was less of an issue for local authorities or agencies working in rural areas. With new migration patterns in Europe, and Gypsies and Irish or Scottish Travellers already feeling the pressures of trying to continue their traditional lifestyle in rural areas, such assumptions risk leaving growing sections of the community out of the equation.

## 8. CONCLUSIONS AND RECOMMENDATIONS

In this chapter we summarise the investigation findings, draw our conclusions and identify what we see as the way forward; we then set out our corresponding recommendations.

### Conclusions

#### Vision and leadership

At a local level, we found some examples of clear statements of commitment from councillors and senior officers in local authorities to mainstreaming racial equality and good race relations within regeneration programmes. However, these were not always translated into practice and, conversely, the enthusiasm showed by individual officers or departments was not always adequately supported from the top. Indeed, we found only a handful of authorities that had a clear vision for the regeneration of their area based on serious consideration of its consequences for racial equality and good race relations, which was clearly reflected in their strategic policies and day to day practice, and had the full support of their political and executive leadership.

At a regional level in England, we found that the regional development agencies have some way to go before they can be said to have mainstreamed racial equality in all their work, although there was some evidence to suggest that the ‘tide had turned’ and recent commitment from the regional development agencies to a number of focused improvements in this area is welcome and timely given their future leading regional role for regeneration in England.

At a national level, the commitment to racial equality and good race relations from the governments in England, Scotland and Wales could not be doubted, and could be found in various broad policy statements. Regrettably, these did not always filter down into the specific regeneration programmes and policies we examined, which were rarely developed on the basis of hard evidence of their possible implications for racial equality and good race relations.

In England, programmes involving the commitment of many billions of pounds had been introduced without the benefit of race equality impact assessment, usually on the assumption that the implications would be assessed locally. These included building schools for the future, the decent homes strategy, and housing market renewal programme and the new deal for communities programme. More recently, the significant changes underway in English local government with the intended reliance on local area agreements, have developed without guidance on how to address race equality, cohesion and integration in a partnership context.

In Scotland, action taken to mainstream racial equality has been marred by inconsistencies in the application of equality as a ‘cross cutting’ theme for many of its regeneration policies and the resulting confusion in the application of these policies.

In Wales, the challenges of translating policy and ministerial commitments on racial equality into practice were evident.

Sustainability development was an important policy priority for the governments in all three countries, with sustainable communities emphasised by all as an essential element. The Sustainable Development Commission was clear that sustainable communities required community cohesion, which itself depends on equality and fairness. We found that all three governments had done little to ensure that racial equality and good race relations were meaningfully embedded in the work they did on sustainability; there was a strong focus on the environmental aspects of the agenda, to the detriment of the equality aspects. The lack of government leadership on this was evident in the way that both national and regional agencies and local government had sought to implement their respective sustainable development policies.

### The way forward

Local authorities are central to successful physical regeneration; as the Egan review on skills for sustainable communities concluded:

... no other institution has the same responsibility for the long-term success of one locality, and no other institution is directly elected by and accountable to the residents of one locality ... only local authorities have the right blend of local knowledge, presence and accountability to make this work.

This requires strong and visible political and management leadership from the local authority to ensure that the local authority and the other bodies responsible for the regeneration process integrate race equality into that process

Whatever the size of their ethnic minority population, local authorities are responsible for meeting the demands and needs of all sections of the community they serve. The best have done this through strong leadership and are building revitalised and inclusive communities, by working closely with representatives of all ethnic groups and ensuring that their policies reflect local concerns.

In summary, local authorities should seek to deliver their place shaping role by:-

- supporting political leadership at district and local level to understand and champion the needs of all sections of the community;
- developing awareness of the needs of ethnic minority groups within their organisations and the partnerships in which they are involved;
- encouraging and supporting the development of leaders within the community.

While national government can direct and encourage local government to meet its general policy objectives, each local authority needs its own vision for its people and its place, based on thorough knowledge of the local economy, environment, history and demography, and on a full consideration of the interests of integration and

cohesion. The vision must have meaning for all sections of the community it embraces, and be clear about its benefits for all.

The vision should draw on local plans, developed to reflect the needs of different neighbourhoods and the opportunities available in each. Physical regeneration is likely to be one of the principal means a local authority will use to achieve its vision, particularly if it has a number of deprived areas. The vision should draw on local plans, developed to reflect the needs of different neighbourhoods and the opportunities available in each. The strategic objectives for physical regeneration proposals should be set out in key policy documents, such as the sustainable community strategy, the community engagement strategy, the local development framework/plans and the race equality scheme, and should be designed to deliver improvements in all the following areas:

- local economic growth;
- economic and employment opportunities for local people;
- spatial and physical improvements;
- community cohesion and integration; and
- social policy objectives relating to health, education, crime, and the condition of neighbourhoods.

Both the vision and the strategic objectives for regenerating the area must be clear about their implications for racial equality, community cohesion and integration. These should also be clearly articulated and reflected in all the strategic documents referred to above with clear analysis and proposals to address gaps in quality of life between different communities.

The local authority's race equality scheme, and any action plan drawn up to put it into effect, should provide the basic framework for assessing, monitoring and consulting on its regeneration policies and proposals, to ensure that they meet the three parts of the race equality duty - to eliminate unlawful discrimination, promote equal opportunities and promote good race relations. In addition to this, formal evaluation of physical regeneration schemes should include the outcomes that have been achieved within different sections of the community.

For the English regional development agencies, we feel that the way forward is by improved mechanisms for accountability in relation to outcomes for racial equality and community cohesion and investment in training and internal procedures to help mainstream racial equality.

Local authorities work within the context of national policies set for them by national government and it is for national government to ensure, for example through the criteria it adopts for funding, that regeneration does take account of racial equality, integration and cohesion. Governments should also demonstrate strong leadership, an important part of which would be to set the best standards for public authorities on implementing the race equality duty and ensure clarity over the racial equality and race relations outcomes it expects from national regeneration agencies and local government.

## **Promoting racial equality through regeneration**

Evidence for the consequences that regeneration schemes might have on racial equality and race relations is available in two ways: from analysis, by ethnicity, of the local population and any relevant measures such as employment rates, housing need, or education performance; and more directly from the opinions and concerns of those who will be affected. We will set out our findings on both elements of this process before turning to our observations on the way forward.

### **Ethnic monitoring and data collection**

We were struck by the limited evidence that authorities used to ascertain the effects that their regeneration proposals and programmes could have on racial equality and race relations. In contrast, formal appraisals and standard risk assessments were being routinely done to meet the requirements for environmental sustainability and heritage.

Our findings showed that many local authorities were either not collecting the data that would allow them to analyse the effects of their proposals on different ethnic groups or were collecting it in a way that did not allow them to break down the information to reveal the impact on particular ethnic groups.

Regionally and nationally, the data available held problems of their own. In Scotland, many felt that the Scottish Index of Multiple Deprivation (used to allow effective targeting of policies and funding) does not adequately capture the ethnicity dimension of deprivation; in Wales, efforts were being made to harmonise the various data available for different programmes so that a complete and accurate picture could be built up; and in England similar problems were drawn to our attention, particularly the difficulty of obtaining reliable and comparable data at small area level at reasonable cost.

However, monitoring is about more than just gathering the data; it must also be used to inform policy making. Our analysis of the race equality impact assessments that authorities sent to us for this investigation indicated that two-thirds did not even make use of data, while those that did failed to use the data to inform their policy making.

### **Community engagement**

It should be obvious that consulting the community and getting people involved must mean reaching all sections of the community and hearing what each section of it thinks about a proposal. Our research for this investigation showed that the subject of community engagement has been comprehensively studied, and a wealth of advice, good practice examples and awards schemes exist to provide practical support and guidance. Nevertheless, our findings indicated that most of the organisations involved in regeneration activity did not have a sufficiently rigorous approach to consultation and were not reaching all the different groups likely to be affected by the schemes.

Even those organisations that were using imaginative and effective ways of getting their communities involved, were not consistently and effectively monitoring participation by ethnicity, making it difficult to identify under-representation and take targeted action to address this.

Efforts to involve the local community will perhaps always leave some people feeling left out or dissatisfied, but we found that, in general, people from ethnic minorities, some of whom already felt marginalised or excluded, appeared to experience this more intensely. One of the reasons for the frustration and disillusionment we encountered was lack of trust; too many attempts appeared to have been made at consultation that had resulted in people feeling that they had not been properly involved and their views were not taken on board.

### The way forward

Public authorities spending public money are rightly expected to ensure that their policies and services meet the needs of all sections of the community they serve, and promote integration and cohesion. To do this effectively, a public authority needs information: about the different groups that make up its community; about relations between them; about their needs, and whether a particular group is especially disadvantaged; and about whether the services it provides are being used by everyone. Further work is required by central and local government to develop statistically robust mechanisms for monitoring changes in population and quality of life at small area level.

Unless public authorities have an alternative but equally effective approach to getting this information, they should use the race equality impact assessment framework that is available. It may be that a more efficient way of approaching all elements of the risk assessment process involved in planning physical regeneration policies and schemes is to combine race equality impact assessments with the other assessments required, such as environment, sustainability and heritage.

Effective and comprehensive engagement with all sections of the community and reliable and detailed data on the ethnic composition of the local population, and on employment, education, housing, and health, are the two main sources for this information.

Time and money will always be critical factors for local authorities and their partners and private sector developers, and community engagement is time consuming and expensive. However, it is risky to proceed with a regeneration scheme that has not had demonstrable input from all sections of the community, supported by a clear communications strategy to explain the decisions made. Changes to the built environment can have an enormous positive impact on people's lives, but without a sense of ownership and trust, engendered through genuine engagement and consultation, they carry high risks for cohesion and integration. We recommend that all local authorities which have not already done so, develop community engagement strategies underpinned by effective ethnic monitoring to guide their services on how to engage with communities in their area.



In summary, local authorities should put in place plans and governance structures that ensure race equality is embedded in strategic policy making and operational activities for regeneration. To have a real impact on race equality local authorities should develop regeneration plans which:

- Take a whole place approach but with a small area focus, removing the potentially divisive boundaries between different sections of the community but enabling all stakeholders to develop a good understanding of the needs of different neighbourhoods and the people within them.
- Engage a wide range of stakeholders in the development of those plans; the most important of whom are local people. Securing buy-in from the local community from the start and maintaining their full involvement throughout the processes is essential to a successful outcome.
- Develop baseline measures as part of these plans before identifying actions and projects to help shape the vision, objectives and policies based on local needs.
- Set out proposals for community engagement through the development of the plans themselves and during implementation.
- Allow for the development of more detailed plans, sitting below and as part of strategic frameworks in places where more significant physical change is anticipated. These more detailed plans should also be the subject of extensive consultation with communities.
- Include performance management frameworks with indicators and outcomes reflecting the needs of all sections of the local community. Use of qualitative data is essential and there should be appropriate mechanisms in place to gather this including using councillors, locally based staff and voluntary and community sector representatives.
- Regeneration and wider public service improvement in deprived areas should be working to the same goals - better outcomes for local people. It is, therefore, essential that regeneration and race equality are embedded into the business planning of public bodies providing services to the area being regenerated.

## **Training**

We were very concerned by the number of officers, at all levels, who said that racial equality and good race relations were irrelevant to the work of regenerating the built environment and that they used a 'colour blind' approach to their work. Their focus was primarily on putting up the physical structures rather than considering the needs of the people who would be using them, and they thought racial equality was only relevant in projects specifically and exclusively developed for ethnic minority communities. This attitude appeared to be based on the unfounded assumption that the intended benefits of regeneration would inevitably reach everyone in the area concerned, regardless of ethnicity and, while particularly prevalent in areas with small

ethnic minority populations, it was also expressed in areas with substantial ethnic minority populations and evidence of community tension.

## **The way forward**

The race equality duty includes a specific requirement for officers to be trained on the general duty and the specific duties, so that they understand how it applies to their areas of work, and to their own jobs. It was clear that many of the officers who spoke to us about the relevance of regeneration to racial equality had not received either general training on the Race Relations Act or specific training on the duty. Unless public authorities take immediate steps to ensure that the officers responsible for implementing their policies understand the implications of the race equality duty in their own role, and that treating people equally does not mean treating everyone the same, the very best strategic policies designed to promote equality through regeneration will be ineffectual when they come to be implemented. More generally race equality should feature in the workforce development strategies of public agencies serving the area being regenerated.

Professions and professional associations also have a crucial role to play in ensuring that their members understand the requirements of the race equality duty and of equality legislation more broadly.

## **Partnerships and procurement**

It became clear early on in the investigation that considering the regeneration sector as whole would be a daunting task; there were the countless organisations involved in the planning process, nationally, regionally and locally, with each contributing differently according to their particular roles; and there were complex partnerships set up to develop and deliver particular programmes of work.

Our evidence suggested that the way physical regeneration is planned and carried out, through these various partnerships could inhibit the mainstreaming of racial equality. Although some public authorities understood that the race equality duty applied to the work carried out in partnership, we could find no clear line of accountability for meeting the race equality duty within the partnerships, and the risk of racial equality being sidelined by those who did not see it as a priority was inevitably very high.

Local government partnerships - local strategic partnerships, community planning partnerships and local service boards - are the main vehicle for developing local services, including regeneration, and have not always ensured that racial equality is taken into account at all stages.

Public authorities have not consistently built racial equality considerations into the procurement process; often leaving partners working on huge public sector contracts without the same imperative to ensure that they promote racial equality and good race relations in the work that they are doing.

Similar questions arise about publicly funded private sector regeneration organisations, such as URCs and housing market renewal pathfinders, and would also apply to other organisations such as local enterprise companies working under Scottish Enterprise: how are they responsible for racial equality and good race relations, and how are they held accountable for the outcomes of their work? We found that these organisations were, in effect, completely by passing the intention and purpose of the equality duties. The creation of these organisations do not in any way absolve the public authorities that sit on the boards of and work in partnership with these organisations of their race equality duty in these areas. The responsibility for bringing the race equality duty to the work of such organisations rests with those public authorities and the national governments that create them.

## The way forward

On the basis of our findings we concluded firstly, that there is a need for stronger leadership from national governments and clearer guidance on responsibilities of and between public sector partners working in local government partnerships; an example would be the community planning guidance from the three statutory commissions in Scotland, which is underpinned by the statutory requirement in Scotland that those undertaking community planning do so 'in a manner which encourages equal opportunities and in particular, the observance of equal opportunity requirements'.

Secondly, that the guidance available to ensure that public authorities use their procurement processes in a way that promotes racial equality needs to be strengthened but cannot alone change practice sufficiently in the way that a specific legislative requirement could. And thirdly, further thought ought to be given to the URCs and HMRPs and other similar organisations, to identify ways to ensure that racial equality and good race relations are embedded in their work.

In summary, with the public pound should come the public duty. We must ensure that we get the best possible value for money from physical regeneration investment both in terms of the built environment and the promotion of equality and cohesion.

## Measuring outcomes for racial equality

The investigation showed that assessment of the effects of physical regeneration on racial equality and race relations was a particularly weak area. Around one-third (32%) of the organisations responding to our questionnaire either did not measure the effects on racial equality and over a third (35%) did not measure the effects on good race relations.

Although it was accepted in principle that it was important to measure the effects of physical regeneration programmes on racial equality and good race relations, in practice it appeared that the emphasis was mainly on 'bricks and mortar' outputs, such as the number of houses built, or the number of businesses created, rather than outcomes relating to people, and that this was largely due to the requirements set by funding bodies and the way projects were consequently structured.

When data relating to these outputs was collected, it was rarely collected in a way that allowed it to be analysed by ethnicity. Where we did find organisations trying to measure the ‘softer’ outcomes for racial equality and community cohesion, this was mainly in relation to smaller-scale projects aimed specifically at people from ethnic minorities. In general we found very little understanding of how racial equality and race relations might be measured.

### **The way forward**

For all organisations involved in physical regeneration, the data being collected to measure ‘hard outputs’ should be disaggregated using locally adapted 2001 census categories, and softer outcomes such as quality of life and well being indicators should also be identified and evaluated, using the same ethnic monitoring system.

Local government partnerships should also ensure that racial equality outcomes are included in their performance frameworks and monitor these consistently over the lifetime of their sustainable community strategies, which will help ensure that race equality outcomes can be monitored over successive regeneration programmes.

In order to drive forward progress in this area funding bodies should examine their funding criteria and evaluation processes to ensure that the outcomes required promote racial equality and good race relations in a demonstrable way.

### **Audit and inspection**

Although the Audit Commission, Audit Scotland and Wales Audit Office each had different legal structures and with it, different legal powers and responsibilities we were able to draw out three broad areas that we felt had relevance to their role in the audit and inspection of local government.

Firstly, the weaknesses that were apparent in the Audit Commission and Audit Scotland (which carry the race equality duty) in assessing their policies and functions for impact on racial equality and good race relations; and secondly, the need for improved training for staff in relation to the race equality duty particularly in the Wales Audit Office and in Audit Scotland. Thirdly, the evidence we found which indicated that a risk based approach to inspection was not felt by some local authorities to be rigorous enough in relation to local authority performance on racial equality.

### **The way forward**

We believe that the audit and inspection authorities are, and should remain, key players in monitoring public authorities’ performance against the race equality duty, together with the CEHR and welcome the commitment from all of the audit and inspection authorities to continue their discussions with the CEHR to develop the most effective approach to achieve this, within the context of the changes ongoing in each country and their different powers and responsibilities.

We can see the benefit of a risk based approach to inspection; however, there is a need to ensure that local government's performance on promoting racial equality and good race relations is adequately identified and supported where necessary. In their paper on the public duty, Fredman and Spencer (2006) suggest that it would be preferable to give inspectorates a specific statutory responsibility to monitor performance against the equality duty framework. We would hope that this suggestion will feature in the discussions between the CEHR and the audit authorities and the government as they discuss the way forward.

There are benefits for inspectorates, as there are for every public authority, in conducting their functions in a way that complies with the racial equality duty, ensuring that policies are assessed for their impact on racial equality and good race relations and staff are trained on the implications of the race equality duty for their work. We feel that this approach will improve the performance of the organisation itself as well as enhance its audit and inspection role.

## **In summary**

As CLG rightly says 'building sustainable communities for this and future generations is at the heart of regeneration'.<sup>2</sup> However, as the Egan review emphasised, 'sustainable communities do not come about by chance.' This is particularly true for racial equality and good race relations, both necessary prerequisites for truly sustainable communities, which can only be achieved through conscious and targeted action at all levels. Strong leadership at all levels is essential to ensure that funding for physical regeneration is based on policies developed to create equitable and integrated communities, as well as better and more prosperous places for all.

Failure to recognise the relevance of racial equality in physical regeneration may be costly. But we also need to move away from the notion that action to promote racial equality is just another hurdle to jump over before one can get on with the real business' of regeneration. It is imperative that those responsible for the projects that are reshaping our landscapes and communities see racial equality and good race relations as central to all regeneration activity.

The race equality duty is the only tool we have today to ensure that these opportunities do not result in missed chances, and disadvantage and divisions between ethnic groups are ignored or deepened. We are concerned at proposals to remove all specific duties associated with the duty, which have been criticised as overly concerned with 'box ticking' process rather than outcomes. The best performing public authorities are using tools derived from the race equality duty to deliver regeneration to all sections of the community - it is those who are not delivering who retreat to the box ticking approach.

Based on the evidence gathered through this investigation the CRE is convinced that an appropriate framework for equalities is necessary to support public bodies in improving outcomes for racial equality, community cohesion and integration. The findings of this report show that far from taking regressive steps and risk wiping away

the progress that has thus far been made, national governments need to address their own leadership role and provide a framework within which the billions of pounds of public money spent on regeneration can be focused on achieving those outcomes.

## **Recommendations**

Our recommendations are directed at local authorities in England, Scotland and Wales, regional development agencies in England, national regeneration agencies<sup>1</sup>, and national governments, the Audit Commission, Audit Scotland, and the Wales Audit Office; and the Commission for Equality and Human Rights. A number of recommendations are targeted at other organisations which are specified below. For the recommendations targeted to local authorities, we would recommend that the Local Government Association, the Improvement and Development Agency, the Welsh Local Government Association and the Convention of Scottish Local Authorities support local authorities in taking these recommendations forward.

## **Vision and leadership on racial equality in regeneration**

### **Local authorities**

1. Review the local development framework/plans, the community strategy and the community engagement strategy, to ensure that they appropriately reflect how the local authority's vision for regeneration relates to all ethnic groups within the community and to race relations.
2. Ensure that the strategic plans for regeneration are included within the race equality scheme (or equality scheme) and supported by a timetabled action plan, specifying the actions for regeneration, planning and housing departments in particular.
3. Ensure that procedures are in place to effectively mainstream racial equality and good race relations consistently across the authority, and in particular within the regeneration, planning and housing departments.
4. If this is not already the case, appoint and support the work of equalities champions at corporate and departmental levels, to help promote mainstreaming of the race equality duty.
5. Adopt and implement a proactive communications strategy for physical regeneration projects that are at risk of negatively affecting community cohesion, and provide appropriate information and support to relevant

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<sup>1</sup> By national regeneration agencies we mean: English Partnerships, the forthcoming Home and Communities Agency and the Housing Corporation (in England); the Scottish Enterprise Networks, and Communities Scotland (in Scotland); and those departments with responsibility for regeneration in the Welsh Assembly Government.

officers and councillors responsible for communicating with the public about the project.

6. Ensure that councillors are supported in decision making and scrutiny of regeneration projects by the provision of adequate information about the impact of projects on racial equality and race relations.
7. Ensure that induction, and ongoing training and guidance supports councillors in understanding the implications of the race equality duty in their role, particularly in regard to community leadership.

#### The Improvement and Development Agency

8. Review the extent to which the race equality duty is incorporated into guidance and leadership programmes for councillors and senior officers in local government.

#### Regional development agencies, Scottish Enterprise Network, and the departments responsible for physical regeneration in the Welsh Assembly Government

9. If this is not already the case, ensure that the promotion of racial equality and good race relations is appropriately embedded in the organisation's key regeneration strategies and supported by a timetabled action plan.
10. Demonstrate leadership by promoting the business case for racial equality among private sector partners and local businesses, and promoting the sustainability agenda in a way that meaningfully includes racial equality and good race relations.
11. If this is not already the case, appoint and support the work of equalities champions at corporate and departmental levels, to help promote mainstreaming of the race equality duty.
12. Take the necessary steps to mainstream racial equality across the organisation and ensure that this work is properly resourced and built into the corporate performance framework.
13. Review the extent to which the organisation's race equality duty is incorporated into existing and proposed regeneration programmes and accompanying guidance.

#### Government departments in England, the Scottish Government and the Welsh Assembly Government

14. Produce practically focussed guidance on the role of racial equality within the sustainability agenda, to support work at a national, regional and local level.
15. In accordance with the appropriate legislative powers, ensure that any legislation that creates a new statutory body with public functions includes provision for the body to be listed for the race equality duty from its inception.
16. The department for Communities and Local Government (CLG) to ensure that the Homes and Communities Agency is listed and covered by the race equality duty from its inception, and that the promotion of racial equality and good race relations is consistently mainstreamed throughout its work.
17. CLG to update its Race Equality Scheme and accompanying action plan to include appropriate actions to assist the Academy for Sustainable Communities (ASC) in promoting race equality and good race relations throughout its work programme.
18. The department for Children, Schools and Families (CSF) with Partnerships for Schools (PfS), to review the building schools for the future programme and provide guidance and advice to local authorities about meeting the race equality duty when implementing the programme.
19. The department for Business Enterprise and Regulatory Reform (BERR) and CLG to ensure that racial equality is built into the performance framework for regional development agencies (RDAs).

### Commission for Equality and Human Rights (CEHR)

20. Update current guidance on what the race equality duty means for public authorities with small ethnic minority populations.
21. Provide practical guidance for public authorities on balancing the three complementary parts of the general race equality duty, particularly the balance between promoting equality of opportunity and good race relations.

## Promoting racial equality through regeneration

### Ethnic monitoring and data collection

Local authorities, regional development agencies and national regeneration agencies

22. Conduct meaningful race equality impact assessments of proposed regeneration policies and projects where the organisation's screening



process has found that they are needed, and ensure that there is a mechanism for quality control.

23. Consider the advantages of an integrated approach to the assessment of physical regeneration policies and proposals, for example, by building race equality impact assessment into other standard risk assessment processes.
24. Review the monitoring data that the organisation collects to inform regeneration planning, and ensure that the data is disaggregated using locally adapted 2001 census categories.
25. Ensure that when specialist consultants are engaged to carry out race equality impact assessments, arrangements are made to transfer skills and learning from consultants to internal staff, to build internal capabilities and ownership of findings.

#### Government departments in England, the Scottish Government and the Welsh Assembly Government

26. Conduct meaningful race equality impact assessments of proposed regeneration policies or related funding programmes, and ensure that there is a mechanism for quality control.
27. Review the national data sets referred to in this report, and take steps to ensure that these are sufficiently detailed and up-to-date to support local and regional organisations in promoting racial equality in a targeted and effective way.
28. Take a systematic approach to collecting, analysing and disseminating ethnic monitoring data.

### **Community engagement**

#### Local authorities, regional development agencies, and national regeneration agencies

29. Where not already in place, prepare and implement a community engagement strategy supported by ethnic monitoring.
30. For specific regeneration programmes, ensure that sufficient time and resources are made available for community engagement.
31. Ensure that all community consultation and engagement is ethnically monitored using locally adapted 2001 census categories; and take steps to deal with any under-representation.

32. Use the opportunity provided by community engagement over regeneration to promote good race relations, by engaging different ethnic groups on issues of shared interests.

## **Training**

### **All**

33. Provide role-specific training on the race equality duty and its practical implications for those working in regeneration, supported by a skills training programme on race equality impact assessment.
34. Review the competencies for staff working on regeneration around race equality and include continuous assessment of these in individual performance management systems.

### **Academy for Sustainable Communities**

35. To investigate gaps in skills and knowledge around race equality and good race relations in particular regarding the design and evaluation of measures of success in physical regeneration planning and implementation, and takes appropriate steps to address these gaps.

## **Partnerships and procurement**

### **Local authorities, regional development agencies and national regeneration agencies**

36. Collect and analyse ethnic monitoring data throughout the procurement process including for:
  - a) all existing and prospective contractors, consultants and suppliers engaged;
  - b) those organisations who apply to be placed on approved tender lists;
  - c) those organisations selected to be placed on approved lists;
37. Implement and monitor appropriate contractual racial equality requirements in regeneration contracts and take appropriate action to enforce such requirements in line with the race equality duty.
38. Review procurement practice in line with CRE guidance and the organisation's race equality duty.
39. Use and promote the CRE's supplier diversity guide among contractors.

40. Review the extent to which the race equality duty has been incorporated into partnership working and take all necessary steps to ensure that any areas of weakness are addressed

#### Central government departments in England, the Scottish Government and the Welsh Assembly Government

41. If not already the case, issue practically focused guidance to ensure that statutory organisations are clear about their responsibilities under the race equality duty when working in local authority partnerships.
42. Consider the roles of publicly funded private sector regeneration organisations such as urban regeneration companies (URCs) and HMRPs and how the promotion of racial equality and good race relations may be more clearly built into their work.
43. Make explicit legislative provision for the application of the race equality duty to procurement in line with the CREs submission to the Discrimination Law Review.

#### Office for Government Commerce (OGC) and CEHR

44. Produce joint guidance on promoting racial equality in procurement through the race equality duty.

### **Measuring outcomes for racial equality**

#### All

45. Monitor and evaluate the effects of regeneration activity on different ethnic groups in terms of participation, satisfaction and outcomes, using locally adapted 2001 census categories, and revise practice and policy on regeneration in the light of this in line with the race equality duty.
46. Monitor the effects of regeneration policy and practice on race relations and revise practice and policy on regeneration in the light of this in line with the race equality duty.
47. Make arrangements to ensure consistency in ethnic monitoring practices across and within departments.
48. CLG to produce guidance for public authorities, drafted in consultation with the CEHR on how to measure outcomes for racial equality and race relations in regeneration.

## **Audit and inspection**

The Audit Commission, Audit Scotland and the Wales Audit Office

- 49. Ensure that officers are adequately trained and supported to inspect and report on the performance of local authorities in relation to the race equality duty.
- 50. Conduct full race equality impact assessments on relevant proposed policies.
- 51. Review current and future risk-based approaches to assessment, to ensure that racial equality and good race relations are appropriately included.

### **Note from the investigation's special commissioners**

The main functions of the CRE will be taken over by the CEHR with effect from 1 October 2007. As the commissioners appointed by the CRE to conduct this formal investigation, we shall be passing this report to the CEHR with the request that our findings and recommendations be followed up as appropriate.

## **APPENDICES**

## **APPENDIX 1: The project board**

### **Julia Chain (Chair)**

Julia was appointed as a CRE commissioner in January 2004, and as chair of its legal committee in 2005. She is the managing director of Kite Consultancy Limited, which provides strategic and operational advice to law firms and in-house legal departments.

Julia read anthropology and law at Girton College, Cambridge and qualified as a solicitor at Herbert Smith in 1984 after spending two years in New York at Shearman and Sterling. After practising as a lawyer specialising in corporate affairs, Julia became the managing partner of Garretts, the first inter-disciplinary law firm set up by the accounting firm Andersens. In 1998, Julia joined the board of T-Mobile as General Counsel, where she remained until 2004.

Julia is a trustee of Norwood childrens' charity and is also a trustee of the Jewish Association for Business Ethics, which, among other things, produces courses on ethics that are taught to sixth-form students throughout the country. Julia is also a member of the Academic Counsel of BPP Professional Education plc, the UK's leading training organisation for lawyers.

Julia is a member of the Board of Management of Golders Green Synagogue in north London.

### **Lord Victor Adebowale**

Lord Victor Adebowale joined Turning Point, UK's leading social care organisation as chief executive in September 2001. He began his career in local authority estate management, before joining the housing association movement. He spent time with Patchwork Community Housing Association and was regional director of the Ujima Housing Association, Britain's largest black-led housing association. He was director of the Alcohol Recovery Project and then chief executive of the youth homelessness charity Centrepont, before taking up his current post.

Victor was a member of the Social Exclusion Unit's Policy Action Team on Young People and was chair of the Review of Social Housing Coordination by the Institute of Public Policy Research. He is a patron of Rich Mix Centre Celebrating Cultural Diversity, a patron of Tomorrow's Project and of the National College for School Leadership. He is a member of the National Employment Panel, the DEMOS Advisory Council, the New Economics Foundation Board and the Institute for Fiscal Studies Council. He is also on the policy advisory board of the Social Market Foundation, and on the board of the National School of Government.

In 2000, Victor was awarded the CBE in the New Year's Honour List for services to the New Deal, the unemployed, and homeless young people. In 2001, Victor became one of the first group of people to be appointed as People's Peers.

## **Sir Howard Bernstein**

Sir Howard Bernstein is chief executive of Manchester City Council. He played a key role in the regeneration of Hulme, the construction of the Commonwealth Games Stadium, the expansion of Manchester Airport and the rebuilding of the city centre after the 1996 bomb blast.

Sir Howard is known for his business acumen; for forging partnerships with the City's key players; and for successfully attracting millions of pounds into the City. He played a key role in the regeneration of Hulme, the first area in the UK to attract City Challenge status, and subsequent area regeneration initiatives, most recently in east Manchester; in major projects, including The Bridgewater Hall, the Velodrome and the Arena, and the new International Convention Centre; the City of Manchester Stadium and SportCity Complex and City Art Gallery.

Sir Howard was instrumental in securing Manchester as host city for the XVII Commonwealth Games in 2002, which was the largest multi-sport event ever hosted by the UK, and the most successful games ever. A business survey in 2001 of the top 100 financial figures in the north west rated him the most influential. Sir Howard was knighted for his services to Manchester in the New Year's Honours 2003.

Sir Howard is a member of the board of the London Development Agency.

## **Vincent Wang**

Vincent Wang is a property developer and entrepreneur. He founded Corpnex plc, a specialist serviced office company. As a consultant, he has carried out numerous projects, including conceiving and initiating the very successful Homes For The Future project for Glasgow 1999. More recently he has been senior development advisor to the Hamburg board of Union Investment Real Estate (formerly known as DIFA, Deutsche Immobilien Fonds AG), advising on how successfully to redevelop their land ownership of four adjacent properties in Bishopsgate in the City of London, with a skyscraper of some 62 stories that will be the tallest in the City when realised (demolition commenced recently).

Vincent has a track record in introducing innovative concepts to the UK property market. As a founder member and senior director of Stanhope, a development company, he was at the forefront of the team that established new and innovative standards for property and construction that swept the UK market. He was a member of the advisory panel to the Cardiff Bay Development Corporation and the GLA's commission for the new spatial development strategy for London.

Vincent qualified at the Bartlett, then practised as an architect and, after obtaining construction management experience with John Laing on the £100m Courage Berkshire Brewery, joined Greycoat Estates Ltd. There, he acted as project manager for 'Victoria Plaza', London's first rail deck project (with British Rail and Norwich Union), and for '1 Finsbury Avenue' (occupied by UBS Warburg), the landmark prototype for the subsequent record-breaking Broadgate development, developed by Stanhope while Vincent was a director.



## APPENDIX 2. The advisory panel

<b>England</b>
Communities and Local Government
Audit Commission
English Partnerships
Housing Corporation
Local Government Association
Local Government Analysis and Research
Improvement and Development Agency
Royal Town Planning Institute
Commission for Architecture and the Built Environment
Academy for Sustainable Communities
<b>Wales</b>
Welsh Assembly Government
Wales Audit Office
Welsh Local Government Association
<b>Scotland</b>
Scottish Government
Audit Scotland
Communities Scotland
Scottish Enterprise
Convention of Scottish Local Authorities

## APPENDIX 3. Terms of reference

The investigation will focus on whether and how physical regeneration schemes affect the social and economic circumstances of people residing and working in areas that are being regenerated.

It will review public organisations involved in developing regeneration policy and putting regeneration schemes into practice, whether these schemes are carried out by the public organisations themselves or by other public, private or voluntary agencies.

The investigation covers England, Wales and Scotland and its terms of reference, as required by section 49 of the Race Relations Act 1976 (RRA), are as follows:

- To investigate the extent to which public organisations are complying with the duty to promote race equality under the RRA in relation to their regeneration functions;
- To investigate the economic and social effects of physical regeneration schemes on different racial groups;
- To investigate the extent, and effectiveness, of community consultation and participation in physical regeneration, from policy proposals to evaluation of completed projects;
- To investigate the extent to which the private sector does or should consider the implications for race equality of carrying out physical regeneration, and the extent to which public organisations bound by the statutory duty to promote race equality can and do influence the private sector;
- To consider critically the measures used to evaluate the success or otherwise of physical regeneration schemes in relation to the duty to promote race equality, and the importance of promoting integrated communities;
- To consider whether there is adequate oversight and scrutiny of the way organisations involved in physical regeneration schemes take account of racial equality.

We consulted 119 organisations in England, Scotland and Wales about the terms of reference, and 34 (28.6%) responded. The responses came from the following sectors: two from the 'business sector', two from professionals, 17 from the public sector, seven from the voluntary and community sector and six from other bodies.

## **APPENDIX 4. Regeneration programmes in the case study areas**

- Building of residential tower, including affordable accommodation
- Building of new mix-tenure homes and local facilities
- Building of a new residential park
- Redevelopment of social rented housing
- Large-scale rebuilding of homes
- Sheltered housing development for a specific ethnic minority community
- Development of housing units aimed at re-housing displaced residents
- Development of residential properties for sale or rent, business or retail units
- New development, including homes, retail and leisure units
- Development of new houses and community facilities
- Building of new business quarter: 50,000 sq metres of office space
- Development of new science and technology park
- Development of waterfront, including new homes, restaurants and leisure facilities
- Redevelopment of town centre, including building of new shops, homes, open spaces, landmark buildings, transport system
- Renovation of transport system

## **APPENDIX 5. Call for evidence**

### **The approach**

A general call for evidence was issued at the launch of the investigation on 7 September 2006, and re-issued on 9 October 2006, to four specific groups: the voluntary and community sector, the public sector, regeneration professionals and the private sector, and individuals. The deadline for submissions was extended from the end of January 2007 to the end of March 2007.

We circulated the call for evidence as widely as time and resources allowed. At the launch of the investigation, the call for evidence was placed on the investigation website and a letter was sent to a wide range of organisations from the public, private and voluntary and community sectors, and to regeneration practitioners, asking them to respond, and to pass the letter on to others who might be interested. Many of these letters, particularly those to voluntary and community organisations, were followed up with phone calls to encourage a response. The local government associations in England, Scotland and Wales circulated the call for evidence to their members on our behalf. We contracted specialist public relations consultants to boost the response from private sector organisations; they published a press release in the specialist trade press, and approached private sector regeneration companies and developers. In the call for evidence we asked respondents to describe the regeneration project they wanted to tell us about, identify who they were (unless they wished to remain anonymous), how they were involved, and what stage the work had reached. We then asked them to answer a standard set of questions. We asked the same questions of all respondents, except those from the private sector, whose questions were tailored to their experiences.

The standard questions are reproduced below.

- We are looking at whether physical regeneration projects build strong communities and promote race equality and good race relations. If you are reporting a good example to us, please give us a brief summary of why you feel the project was a success. If you are reporting a project where there are or have been problems, please give us a brief summary of your concerns. Please tell us what you think should have been done differently.
- Which ethnic groups in the area have been or are likely to be affected, and have some groups benefited more than others?
- Do you think that race relations between the different racial groups in your area have been affected, and, if so, how?

The questions directed to the private sector were as follows:

- Do you think physical regeneration of an area can improve race equality and bring different racial groups together? Please tell us why and, if

possible, illustrate your answer with an example of a physical regeneration project that you have worked on.

- What if anything have you found to be the obstacles to improve race equality and build inclusive communities through physical regeneration? Please tell us why and if possible illustrate your answer with an example of a physical regeneration project that you have worked on.
- What changes (if any) to current arrangements would support the private sector in delivering projects which will help in building inclusive communities and promoting race equality?

## The response

The table below gives the numbers of completed responses to the standard form sent out with the call for evidence, and includes those who send us relevant information in a more informal format.

	Countries				Total
	England	Scotland	Wales	UK	
<b>Individuals</b>	26	4	0		<b>30</b>
<b>Professionals and private sector</b>	13	4	1	4	<b>22</b>
<b>Public sector</b>	45	5	3	1 (EU)	<b>54</b>
<b>Voluntary and community sector</b>	18	5	1	1	<b>25</b>
<b>Total</b>	<b>102</b>	<b>18</b>	<b>5</b>	<b>6</b>	<b>131</b>

## **APPENDIX 6. The survey questionnaire**

### **The approach**

The survey was designed by Ipsos MORI and Dr Gareth Potts from the British Urban Regeneration Association (BURA) on the CRE's instructions. It consisted of two parts: a questionnaire, which was analysed by Ipsos MORI; and a request for documents, which was analysed by BURA. The purpose of requesting documents was to get a general feel for the way in which the race equality duty is acknowledged and threaded through the key strategic documents.

We discussed the composition of the target group for the questionnaire and decided on balance to include county councils. Although most county councils would do little direct work on physical regeneration projects and were not strategic planning authorities, most would have some involvement and would also have an overarching community strategy, where its overall approach to racial equality and community cohesion would be set out. Providing an option to answer each question with 'not applicable', and analysing the answers based on the number of actual responses to each question would guard against their inclusion skewing the results. The survey was therefore sent to all local authorities in England, Scotland and Wales; the nine regional development agencies in England; Scottish Enterprise and the Highlands and Islands Enterprise; and the Welsh Assembly Government Department for Enterprise, Innovation and Networks (the department mainly responsible for physical regeneration at the time).

The first draft was piloted among 11 local authorities and the feedback received led to substantial changes. A second draft was piloted this time through a series of in-depth interviews with regeneration practitioners at 15 local authorities and regional developments agencies. The final survey questionnaire was agreed and sent out on 2 May 2007, with a request for responses by 25 May 2007. Ipsos MORI recommended an online survey, which allowed for electronic completion as well as the opportunity for organisations to email attachments of the documents we had requested.

Following completion of the fieldwork, Ipsos MORI sent the data for coding and processing to Framework, an external, specialist data processing agency, and forwarded the documents to BURA for analysis. Ipsos MORI provided us with a final report on the questionnaire responses, analysis of the documents and raw data tables. The findings as reported to us have been incorporated in this report.

### **Questionnaire - the response rate and process of analysis**

The questions put to organisations in the questionnaire have been reproduced at the end of this appendix. The table below indicates the number and percentages of responses received, broken down by type of organisation and country.

Response rates, by type of organisation and country			
	Number contacted	Number of responses	Response rate %
Local authorities – England	389	197	51
Local authorities – Scotland	32	22	69
Local authorities – Wales	22	12	55
Development agencies (all)	12	10	83
<b>Total</b>	<b>455</b>	<b>241</b>	<b>53</b>
<i>Local authorities total</i>	<i>443</i>	<i>231</i>	<i>52</i>
<i>Source: Ipsos MORI</i>			

Not every organisation responding to the questionnaire answered every question, resulting in gaps in the data. The data in the report refers only to the actual responses given for that particular question; therefore the base size will vary from question to question. Online surveys rely on respondents choosing to fill out the questionnaires – they are self-selecting – and as such the findings should be treated as indicative rather than truly representative of the whole population.

## Response to and analysis of the document request

The documents listed in the table below were requested from all organisations. They were selected because they were deemed to reflect the most important strategic statements of the organisations' approach to the issues that were being investigated.

Response rates, by type of organisation and country					
	Race equality scheme	Race action plan	(Race) equality impact assessment	Statement of community involvement	Consultation strategy
Local authorities – England	126	23	108	82	29
Local authorities – Scotland	15	4	9	n/a	9
Local authorities – Wales	6	3	2	n/a	0
Development agencies (all)	8	4	5	n/a	1
<b>Total</b>	<b>155</b>	<b>34</b>	<b>124</b>	<b>82</b>	<b>39</b>
<i>Local authorities total</i>	<i>147</i>	<i>30</i>	<i>119</i>	<i>82</i>	<i>38</i>
<i>Source: BURA</i>					

The approach to analysing each type of document is explained below.

### Race equality schemes and race action plans

All the race equality schemes (RESs) and race action plans were searched, electronically, for certain key terms that would indicate some understanding of how physical regeneration might be relevant to the race equality duty. The terms selected were: disadvantage, regenerat\*, renewal, depriv\*, redevelopment, and inclusion. The asterisk means that several endings may be found (for example, regenerate or regeneration).

The search terms for each document were catalogued in an excel spreadsheet and the documents were then searched to see how many of the sections where the terms appeared actually considered race and regeneration in a meaningful way. Where the sections referred to physical regeneration, the comments were then organised into the following categories:

- Details of impact assessment and monitoring methods in relation to the race and physical regeneration
- Procurement and support for ethnic minority business
- Recruitment of ethnic minority staff in regeneration departments
- The sophistication and/or success of techniques for consulting ethnic minority groups
- Other novel/innovative practice in race and physical regeneration

Each authority was then given a rating, based on overall performance:

- An authority with nothing relevant to any category scored 1 point [poor].
- An authority in one or two categories received 2 points [average].
- An authority in three or more of the five categories was given 3 points [good].

That the documents did not often throw a great deal of light on physical regeneration did not mean that the RES was non compliant with the legislative requirements or that there were not parts of the RES that were good.

### Race equality impact assessments

Ipsos MORI received a total of 124 race equality impact assessments or equality impact assessment which covered race as well as other equality strands from the survey and BURA assessed only 42 of these as being relevant to physical regeneration. The others covered economic regeneration policies, housing allocations,



consultation strategies, and business support initiatives. However, we decided to analyse all the assessments, to get a feel for the overall quality of the documents that the organisations had felt were relevant to the investigation.

## Statements of community involvement, consultation and community strategies

These documents were read and graded as follows:

- Mentions consulting ethnic minorities in general (that is, rather than any specific methods for these consultations) or not at all, but doesn't make reference to the Race Relations Act 1976 (RRA) – scored 1 point [poor].
- Reference to the RRA and/or reference to local ethnic minority groups and specific consultation methods for these groups – scored 2 points [average].
- If, in addition to the above, the document indicated a specific practice for targeting ethnic minority groups (and sometimes businesses) in consultations around planning – scored 3 points [good].

## The content of the questionnaire

### Physical regeneration: mainstreaming race equality

How, if at all, does your organisation ensure that the race equality duty is factored into your strategic priorities for physical regeneration? We are interested particularly in the priorities set out in your key strategic documents:

- *for local authorities*: the Local Development Framework, Unitary Development Plan, Master Plans, Community Strategy, Regeneration Outcome Agreements (ROAs), or the Council's Corporate Plan/Vision
- *for development agencies*: the Regional Economic Strategy and the Agency's Corporate Plan. In addition, in your role as statutory planning consultee how do you encourage and influence the production of local authority documents such as Local Development Frameworks, Unitary Development Plans and Master Plans?

How, if at all, does your organisation monitor the impacts of physical regeneration on (a) race equality and (b) race relations (community cohesion)? When answering these questions we would like you to think about the outcomes of physical regeneration, these may include the use of buildings/projects by ethnic minorities, employment or training opportunities for ethnic minorities or opportunities available to ethnic minority businesses.

If you have identified any negative impacts of physical regeneration on race equality or race relations/community cohesion, can you give an example of how your organisation has addressed these? Negative impacts may include issues such as racially motivated incidents/attacks, complaints about physical regeneration from specific ethnic groups, lower levels of usage of the physical regeneration by ethnic groups.

How does your organisation ensure that the race equality duty is factored into those parts of your physical regeneration activity that relate to housing? In this question we are asking about how you consider issues such as those listed below. You do not have to respond to each and every one of these, these are meant as a guide. *(For regeneration agencies the question was adapted by referring to the local authority's housing regeneration activity)*. Where possible, please give specific examples to illustrate your response.

- where new housing is built/housing is refurbished
- whether the supply of new/refurbished housing meets the needs of different communities/cultures (e.g. different ethnic groups, faith groups, Gypsies, Scottish and Irish Travellers, refugees and asylum seekers, people with disabilities)
- how your housing supply is allocated
- segregation/ghetto-isation of communities
- tensions between communities/neighbourhoods
- displacement of specific communities

Can you give an example of how you have addressed any negative impacts of housing regeneration? For instance, where you have overcome issues such as community tensions, segregation, and displacement of communities?

### Assessing impact on race equality

Which of the following best describes your organisation's approach to race equality impact assessments (REIAs)?

- We have one overall REIA which covers all physical regeneration projects and/or the physical regeneration strategy
- We carry out REIAs for every physical regeneration project that we are involved with (100%)
- We carry out REIAs for most physical regeneration projects that we are involved with (c. 80%)
- We carry out REIAs for some physical regeneration projects that we are involved with (c. 50%)
- We carry out REIAs for few physical regeneration projects that we are involved with (c. 25%)
- We have never carried out a REIA (0%)
- Other

If you do not conduct race equality impact assessments or only conduct them for a few or some physical regeneration projects how do you ensure that you always know

what effect your physical regeneration work has on different racial groups and on race relations?

If possible, please give an example of how the results of a race equality impact assessment or any other process have been used to make changes or modifications to a physical regeneration project. Please refer to a specific project if this will help you illustrate your response and please provide details of how the project was changed to benefit race equality and/or good race relations.

## Community consultation

*For local authorities:* How, if at all, does your organisation ensure that your approach to consultation in relation to physical regeneration meets the needs of all members of the community? In particular, we are referring to minority groups and groups that are traditionally under-represented in consultation exercises such as Gypsies, Scottish and Irish Travellers, asylum seekers, refugees and women from ethnic minority groups. When answering this question please provide examples of any good practice/ consultations that have worked well with ethnic minority groups.

*For regeneration agencies two separate questions were asked:*

- (a) When consulting directly with the community, how, if at all, does your organisation ensure that your approach to consultation in relation to physical regeneration meets the needs of all members of the community?;
- (b) When advising or working in partnership with other organisations who are consulting on physical regeneration, how, if at all, does your organisation ensure that your approach to consultation in relation to physical regeneration meets the needs of all members of the community?

Can you give any examples of where your organisation has used the outcomes of consultation to design or modify a physical regeneration project to benefit race equality?

## Procurement

What minimum standards, if any, do you have in place for checking the compliance of developers and contractors with the Race Relations Act? For example, do you require contractors to have an equal opportunities policy or an equal opportunities complaints procedure?

Do you monitor compliance with these minimum standards?

Thinking about the contractors that your organisation has monitored in the last five years, have such checks ever revealed non-compliance with race equality requirements?

And how did you address this non-compliance?

- The contractor was asked to comply and did
- The contractor was asked to comply but did not and no further action was taken
- The contractor was asked to comply but did not and further action was taken
- The contract was amended
- The contract was terminated
- The contractor was removed from the approved supplier's list
- No action was taken against the contractor
- Other (please specify)

If possible, please provide any examples of where you have used the procurement process for physical regeneration to generate wider social benefits in relation to race equality and good race relations. By wider social benefits we mean measures such as using the procurement process to encourage contracts from local businesses, ethnic minority businesses or using contractors who employ ethnic minorities

#### Planning obligations (*for local authorities only*)

Does your local authority have a policy on how it secures and uses funds/benefits sourced through planning obligations or Section106/75 agreements?

Has the policy has been assessed for its impact on race equality?

If not, how do you ensure that race equality and good race relations are taken into account in the use of these funds/benefits?

#### Staff training on the race equality duty

For each the following staff working within your organisation, please state whether your organisation provides them with bespoke training on the race equality duty, whether the race equality duty is covered as part of other training, or whether there is no training provided on the race equality duty.

*For local authorities:*

- Staff working in regeneration
- Staff working in planning/ development control
- Staff working in housing
- Staff working in procurement
- Leader of the council
- Mayor (if applicable)

- The Cabinet/Executive
- Councillors
- Chief executive
- Heads of departments/functions

*For development agencies:*

- Board members
- Chief executive
- Corporate directors
- All other staff

How, if at all, have the benefits of training on the race equality duty in relation to your organisation's approach to physical regeneration been measured? For example, do you monitor performance on race equality issues through performance management systems?

## **APPENDIX 7. Evidence from stakeholders**

### **Key stakeholders**

We identified key stakeholders, to whom we proposed to address our report and its recommendations, and approached each of them to discuss the investigation. A brief description of these organisations and how we approached them follows below for each country.

#### **Local authorities**

Our contact with local authorities was limited to the questionnaire and the case studies, although a few local authority officers submitted responses to the call for evidence. We also met or spoke to representatives of the Local Government Association, the Convention of Scottish Local Authorities and the Welsh Local Government Association.

#### **National and regional stakeholders in England**

##### **Communities and Local Government**

Communities and Local Government (CLG) is the successor department to the Office of the Deputy Prime Minister (ODPM). Its remit is to promote community cohesion and equality, as well as being responsible for housing, urban regeneration, planning and local government.

We met or spoke to representatives of the following areas: new deal for communities, neighbourhood renewal, local strategic partnerships, local enterprise growth initiative, decent homes, regional development agencies and the Commission on Integration and Cohesion.

##### **Department for Children, Schools and Families**

We spoke to representatives of the Department for Education and Skills (now the Department for Children, Schools and Families) only in connection with the building schools for the future programme. We also had discussions with Partnerships for Schools, the non-departmental body that is responsible for this programme.

##### **English Partnerships/Homes and Communities Agency**

English Partnerships is the national regeneration agency that works to support high quality sustainable growth in England. In January 2007, then Secretary of State Ruth Kelly announced proposals to create the Homes and Communities Agency, a new housing and regeneration agency for England. The Homes and Communities Agency

will be responsible for housing and regeneration, bringing together the functions of English Partnerships, the Housing Corporation, and a range of work carried out by CLG. The Homes and Communities Agency's aim will be to pioneer innovative and more efficient ways of working with partners in the public, private and voluntary sectors to get better outcomes from public investment in places, and supporting local authorities in strategic place-making and helping to create and shape prosperous and cohesive communities.

We met representatives of English Partnerships and considered written submissions and documents provided.

## Housing Corporation

The Housing Corporation regulates and funds housing associations in England. We met representatives of the Corporation and considered written submissions and documents they provided.

## Regional Development Agencies

Nine regional development agencies (RDAs) cover the eight English regions, including London. Their remit is to promote sustainable economic development, and each RDA is required to produce a regional economic strategy, outlining the planned economic development and regeneration of the respective region.

We met equality and regeneration officers from three of the nine RDAs, attended several meetings of the RDA equality and diversity group, received a response to the questionnaire from each one (9), although one was received too late to be included in Ipsos MORI's analysis, and 6 who responded to our call for evidence.

## Audit Commission

The Audit Commission is an independent public body for England, responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services.

We met representatives of the Audit Commission and considered written submissions and the documents it provided.

## National stakeholders for Scotland

### Scottish Government

The Scottish Government is the devolved administration in Scotland and covers all key public policy areas, including those of regeneration (physical, economic and

community) housing, education, health, transport and infrastructure, and justice and related areas. As such, it sets the overall policy framework for regeneration, as well as producing statutory guidance in the areas of planning and community planning, housing, skills and training, and community regeneration.

We met representatives of the Scottish Government and considered written submissions and the documents they provided.

## Scottish Enterprise

Scottish Enterprise is the economic development agency for southern and central Scotland. Its main remit is economic regeneration, although the initiative Linking Opportunity and Need (LOAN) attempts to broaden this focus. Highland and Islands Enterprise is a sister organisation for the highlands and islands of Scotland.

We met representatives of Scottish Enterprise and considered written submissions and the documents they provided. We did not meet representatives of Highland and Islands Enterprise, which thought its position could be represented by Scottish Enterprise.

## Communities Scotland

Communities Scotland is the national housing and regeneration agency, with responsibility for housing strategy and investment, regulation and inspection, community regeneration and Community Learning and Development. It has a network of area offices across the country that helps local authorities and registered social landlords to plan and implement strategies for achieving change.

We met representatives of Communities Scotland and considered written submissions and documents provided.

## Audit Scotland

Audit Scotland is an independent public body for Scotland, which helps the Auditor General and the Accounts Commission to ensure that public money is spent properly, efficiently, and effectively by central and local government, NHS boards, police, fire and other boards, further education colleges, and Scottish Water.

We met representatives of Audit Scotland and considered written submissions and documents provided.

## National stakeholders for Wales



## Welsh Assembly Government

The Welsh Assembly Government is responsible for most of the day-to-day issues that affect the people of Wales, including the economy, health, education, and local government. Prior to the elections in May 2007, responsibility for physical regeneration lay with the Department for Enterprise, Innovation and Networks and overlapped with the work done by the Department for Social Justice and Regeneration. Following a re-organisation, responsibility for physical regeneration is now shared across a number of departments, although departments with a particular role in regeneration are the Department for the Economy and Transport, the Department for Social Justice and Local Government and the Department for Environment, Sustainability and Housing.

We met representatives of the Department for Enterprise, Innovation and Networks, the Department for Social Justice and Regeneration, and Value Wales as they were at the time of the meetings, and considered written submissions and documents provided.

## Wales Audit Office

The Wales Audit Office is responsible, on behalf of the Auditor General, for auditing the National Assembly for Wales, its sponsored and related bodies and NHS organisations in Wales, as well as appointing auditors for local authorities. The Wales Audit Office also conducts value-for-money/performance studies on Welsh public bodies including the NHS and further and higher education sectors. Its mission is ‘to promote improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money.’

We met representatives of the Wales Audit Office and considered written submissions and documents provided.

## Other stakeholders

We identified several other organisations that we thought would have useful contributions to make to this investigation, and approached them in groups, as resources allowed.

## Community and voluntary organisations

We spent time at the beginning of this investigation identifying national and regional organisations that would have knowledge of regeneration in their area, and in some cases would be representative of sections of the community they served. Using this data base, we invited all the national organisations in England, Scotland and Wales to separate group meetings, where we discussed all the major aspects of the investigation. We were also able to invite organisations from several English regions to similar group meetings, namely, the North East, North West, Yorkshire and

Humber, East of England, and London. Representatives from a total of 40 national and regional organisations attended these meetings.

## **The private sector and regeneration practitioners**

We held a group meeting for national developers and ethnic minority-owned businesses, which we thought would be able to contribute to the investigation. Unfortunately the meeting for national developers had to be cancelled for logistical reasons (very few were able to travel to a group meeting), but the meeting with ethnic minority-owned businesses went ahead. The only other meetings we had with private sector developers were in the case study areas.

We met or spoke to representatives from a number of other organisations that we have collectively referred to as ‘regeneration practitioners’. They included academics who had produced research on regeneration, several English regional housing boards, a number of professional membership organisations and other national organisations, including: the Royal Town Planning Institute (RTPI), the Commission for Architecture and the Built Environment (CABE), Planning Aid for England, the Planning Inspectorate in Wales, the Academy for Sustainable Communities and the Commission for Sustainable Development.

## **Others**

To give other organisations an opportunity to contribute, we sent out a request for written submissions to two groups of organisations. The first was a generic group of over 200 organisations, whom we asked a set of general questions about the areas under investigation. We only received responses from five of them: two from voluntary organisations (one operating in England only, and the other in England and Wales); two from professional organisations (one operating in England and Wales, and the other in the UK); and one from a regional public body operating in the North West of England.

The second group was registered social landlords, for whom we put together a specific set of questions about housing regeneration. This request was circulated to all registered social landlords on our behalf by the Housing Corporation, and the Scottish and Welsh Federations of Housing Associations. We received responses from 50 registered social landlords from England and 14 from Scotland.

## **APPENDIX 8. Case studies**

To understand how regeneration was working locally, we selected five local authority areas for detailed case studies; three were in England, and one, respectively, in Scotland and Wales.

### **Selection criteria**

We took into account the following factors when selecting the local authority areas for the case studies: geographical spread; the range of partners involved in any ongoing regeneration work; the stages that regeneration projects had reached, as we wanted to look at projects that had been completed as well as some that were ongoing or being planned; the types of regeneration, to ensure that some of the projects included housing; the range of ethnic minority groups in the area; the opportunity to capture some of the good practice examples we had been told about in the responses to our call for evidence and to examine some of the concerns that had been raised.

### **Approach**

We adopted a standard approach to each of the case studies in terms of the officers from the local authorities whom we wanted to interview, the local authority documents we decided to examine and the organisations in the local area that we planned to meet. Inevitably, though, variations crept in to accommodate the different arrangements each authority made for their work on regeneration, and the availability of officers, but the differences were not significant.

#### **Local authority officers interviewed**

- Chief executives and directors of the relevant departments, including regeneration, planning, and housing
- Councillors with a regeneration portfolio
- Senior managers with responsibility for community engagement
- Equality officers
- Procurement officers
- Managers and less senior officers from the departments mentioned above who had direct involvement in the regeneration projects we were considering in the authority
- Others, including local strategic partnership managers, new deal for community managers, neighbourhood renewal unit officers, public relations or press officers

## Other organisations interviewed in the local authority area

- Government offices and other national organisations with a local presence (such as English Partnership and the Housing Corporation where appropriate); the regeneration and equality officers from regional development agencies
- Community and voluntary organisations: racial equality councils; housing associations or arms-length management organisations (in areas with housing-related regeneration); community organisations; and members of the public or representatives from the business community, where appropriate
- Private sector organisations involved in regeneration work in the area: private contractors; urban regeneration companies (where available); housing market renewal pathfinders (where relevant)

## Local authority documents requested

**Racial equality:** race equality scheme or equality scheme if combined (including action plan); any departmental equality or race equality action plans (including regeneration, housing, corporate policy, chief executive's office, planning, or procurement); any generic equality or diversity documents concerning service delivery; copies of relevant equality or race equality impact assessments (including details of any consultations carried out as part of these); any pro forma and internal guidance for equality impact assessments; training notes for the race equality duty; operational guidance on any of the above; minutes of meetings for any officer group responsible for racial equality or implementation of the race equality scheme; copies of any briefings on racial equality for councillors, the corporate management team or departmental management teams; minutes of meetings of the committee responsible for racial equality.

**Regeneration:** regeneration strategy; strategic regeneration frameworks; local and ward level plans for specific areas; master plan for specific areas; business plan for regeneration, planning and equality departments; delivery plans for particular initiatives; evaluations (including interim evaluations) of specific regeneration projects.

**Planning:** local development framework or planning documents (if developed, or current draft documents); local development scheme; statement of community involvement; any unitary development plan or current local plan.

**Housing (if housing focused):** homelessness strategy; housing strategy (including any ethnic minority housing strategy); housing market renewal strategy or related policy documents; most recent housing needs assessments; most recent housing market assessments.

**Procurement:** contract conditions or specifications or monitoring or guidance on equality in procurement; invitations to bid.

**Other:** local area agreements; community safety policies; community engagement policies; sustainable community strategies; local public service agreement targets; cultural strategies; details of consultations for regeneration projects and analysis of responses; guidance on community consultation; leaflets produced for public or council publications on regeneration; relevant press releases or press cuttings; details of complaints procedure; terms of reference for multi-agency partnerships and forums; structure charts (members); structure charts (senior management team); structure charts (departmental management team).

## **The interview process and writing up our findings**

We drew up a generic outline of questions for all local authority officers and councillors and supplemented these with questions specific to regeneration projects and local issues in each area. We followed the gist of these with representatives of the other organisations interviewed. Where permission was granted, the interviews were recorded and conducted on a one-to-one basis, but in a few cases, we had to carry out interviews with officers in small groups or by telephone. Each interview was then written up in a standard format and followed up, if necessary.

All interview notes were then analysed, alongside the documents, to produce a summary of findings and recommendations for each of the case study areas. Each summary highlighted the particular strengths and weaknesses in the performance of each local authority in respect of the race equality duty.

## **Feedback**

We shall be feeding back our findings privately to each of the local authorities.

## GLOSSARY

<b>2001 census categories</b>	16 ethnic categories were used in the 2001 census for England and Wales and 14 in the 2001 census for Scotland. For more details, please see 'Ethnic monitoring: A guide for public authorities' (CRE, 2002e).
<b>Action plan</b>	A practical and realistic plan, with an agreed timetable, showing how an organisation is planning to meet its duties.
<b>Adverse impact</b>	A significant difference in patterns of representation or outcomes between racial groups, with the difference amounting to a detriment for one or more racial groups.
<b>Affordable housing (or sub-market housing)</b>	A significant difference in patterns of representation or outcomes between racial groups, with the difference amounting to a detriment for one or more racial groups.
<b>Best value performance indicators</b>	A set of nationally determined indicators to help local authorities measure and manage their performance, in order to provide better and more responsive public services.
<b>Building schools for the future</b>	A government-led programme aimed at rebuilding or renewing every secondary school in England over a 10-15 year period from 2005.
<b>Cities growth fund</b>	The cities growth fund is providing around £173.1 million to Scotland's six cities over five years (1 April 2003-31 March 2008). The broad aim of the fund is to support the development of a ten-year vision for each city from 2003 to 2013.
<b>Closing the opportunity gap</b>	The Scottish Government's approach to social inclusion; its aim is to: prevent individuals or families from falling into poverty; provide routes out of poverty for individuals and families; and sustain individuals or families in a lifestyle free from poverty. The six closing the opportunity gaps are published on the Government's website at <a href="http://www.scotland.gov.uk/topics/people/social-inclusion/17415/opportunity">http://www.scotland.gov.uk/topics/people/social-inclusion/17415/opportunity</a> .
<b>Community cohesion</b>	A government initiative, developed in response to the disturbances in 2001 in the north of England, which gives local authorities a leading role in helping to realise 'a common vision, a sense of belonging, and positive relationships between people from different backgrounds among the elements that help create cohesive communities.'

<b>Community leadership</b>	Term used to describe local authorities' leadership role in relation to communities. It includes involvement in, and learning from, communities, building vision and direction, standing up for communities, being accountable to communities and working in partnership.
<b>Community planning</b>	The process whereby a local authority and partner organisations come together to plan, provide and promote the well-being of their communities. It promotes the active involvement of communities in the decisions about local services that affect people's lives, including for example health, education, transport, the economy, safety and the environment.
<b>Community planning partnerships (CPPs)</b>	Partnerships introduced by local government through the Scotland Act 2003 which bring together key representatives from the public, private, community and voluntary sectors, with the aim of providing better, more joined-up public services.
<b>Community regeneration fund</b>	In December 2004, the Scottish Government established a £318 million community regeneration fund (CRF), to run for three years, to bring improvements to Scotland's most deprived areas, and to help individuals and families escape poverty.
<b>Community strategy</b>	The plans which local authorities are required (by the Local Government Act 2000) to prepare, to improve the economic, environmental and social well-being of local areas, and which the authorities are expected to use to coordinate the actions of public, private, voluntary and community organisations in the area.
<b>Complementary</b>	This refers to the fact that the three parts of the general duty support each other and may, in practice, overlap. However, each is distinct and public authorities should consider them individually.
<b>Comprehensive area assessment (CAA)</b>	A method of assessment which will supersede the current comprehensive performance assessment (CPA) in 2009. It aims to be more relevant to local people, by focusing on issues that are important to the community.
<b>Comprehensive performance assessment (CPA)</b>	Comprehensive performance assessment, introduced by the Audit Commission in 2002, measures how well councils are providing services to the public. It is aimed at reducing the overall burden of regulation.

<b>Creating sustainable places</b>	An initiative by which the Welsh Assembly Government has set out sustainability and design quality expectations for all the regeneration and development projects it is asked to support, and for land that it sells. Proposals put to the Welsh Assembly Government are judged against these objectives and requirements.
<b>Decent homes</b>	Government standards that state that a home must be warm and weatherproof, and have reasonably modern facilities in order to be classed as ‘decent’.
<b>Discrimination law review (DLR)</b>	A review of equalities legislation launched by the government in February 2005, with the aim of developing proposals for a clearer and more streamlined legislative framework for equality.
<b>Due regard</b>	The weight given to race equality proportionate to its relevance to the three parts of the race equality duty.
<b>Enquiry by design</b>	A participatory approach, through which stakeholders in a proposed development collaborate to produce a master plan. Although it shares many similarities with other types of planning workshop, it differs in the degree of technical input, the length of the workshop and its focus on stakeholder participation.
<b>Enterprise Networks</b>	Enterprise Networks is a global term referring to Scottish Enterprise, Highlands and Islands Enterprise and the local enterprise companies which they sponsor, which combine business development and training at a local level across Scotland.
<b>Equalities Review</b>	A review set up by the government to help understand the long-term and underlying causes of disadvantage that need to be addressed by public policy; make practical recommendations on key policy priorities for the government and public sector; employers and trade unions; and civic society and the voluntary sector; and, inform both the modernisation of equality legislation, towards a Single Equality Act; and the development of the new Commission for Equality and Human Rights. The final report of the Equalities Review was published on 28 February 2007.
<b>Ethnic (monitoring) categories</b>	The classifications used when collecting information about people's ethnic backgrounds (see also ethnic monitoring)



<b>Ethnic group</b>	Defined by the House of Lords as a group that regards itself or is regarded by others as a distinct community by virtue of certain characteristics that will help to distinguish the group from the surrounding community.
<b>Ethnic minorities</b>	Groups of people, defined by colour, race, nationality or ethnic or national origins, which are not the numerically dominant group in the country or region where they live. The CRE also uses the term to refer to groups defined by religious and/or cultural characteristics, such as Muslims, Rastafarians and others, that may not have formal protection under the Race Relations Act.
<b>Ethnic minority business</b>	A business 51% or more of which is owned by members of one or more ethnic minority groups. If there are a few owners, where at least 50% of the owners are members of one or more ethnic minority groups.
<b>Ethnic monitoring</b>	The process of collecting, analysing and evaluating information, to measure performance, progress or change with reference to the ethnic backgrounds of people.
<b>Formal investigation</b>	An investigation by the CRE under sections 49 – 52 of the Race Relations Act 1976. The investigation may be of a ‘named person’, whom the CRE suspects might be discriminating unlawfully on racial grounds; or a general investigation to examine practice in an area of activity. The CRE can make recommendations and, in the case of a ‘named’ investigation, issue a non-discrimination notice for five years.
<b>Functions</b>	The full range of activities carried out by a public authority to meet its duties.
<b>General duty</b>	The duty stated in section 71(1) of the Race Relations Act 1976. This gives the public authorities listed in a schedule of the Act (1A) a legal responsibility when carrying out their functions to have 'due regard' to the need to eliminate unlawful racial discrimination, and to promote equality of opportunity and good relations between persons of different racial groups.
<b>Housing market renewal (HMR)</b>	A programme introduced by the government to tackle the most acute areas of low demand and abandoned homes. It aims to promote confidence in an area and safeguard sustainability. Nine pathfinders have been established in parts of northern England and the Midlands.
<b>Improvement Service</b>	The Improvement Service is a partnership between the Scottish Government, the Convention of Scottish Local Authorities (COSLA) and the Society of Local Authority

	Chief Executives (SOLACE).
<b>Indicators</b>	Measures that show progress and performance against stated aims.
<b>Infrastructure</b>	Basic services necessary for development to take place, for example, roads, electricity, sewerage, water, education and health facilities.
<b>Integration</b>	Integration is achieved when the following essential components of an integrated society are met: (a) equality – where every member of society has an equal opportunity to access jobs and services without risk of discrimination; (b) participation – where each individual can engage in the decisions that directly affect them, and help to shape policies and services; and (c) interaction – where different ethnic groups have positive contact with one another, building bridges across communities to develop mutual understanding.
<b>Interaction</b>	In the context of integration (see above), this means positive contact between people from different racial groups, and building bridges towards mutual understanding.
<b>Local area agreements (LAAs)</b>	Agreements made between central and local government in a local area. Their aim is to achieve local solutions that meet local needs, while also contributing to national priorities and the achievement of standards set by central government.
<b>Local development framework</b>	A non-statutory term used to describe a folder, used in England and Wales, containing all the local planning authority's local development documents and which reflect the area's spatial planning strategy. Three component parts are required: the local development scheme, the annual monitoring report and the statement of community involvement.
<b>Local development plan</b>	The term local development plan is used to describe a plan which covers an area entirely within the boundary of a local authority, for which it sets the detailed planning policy and specific development objectives.
<b>Local strategic partnership</b>	A partnership of people that brings together organisations from the public, private, community and voluntary sectors within a local authority area, with the objective of improving people's quality of life.

<b>Locally adapted census categories</b>	To ensure that all ethnic groups are captured in monitoring work by public authorities, the CRE's advice is to use 'locally adapted' 2001 census categories, which would allow public authorities to capture data about groups not reflected specifically in the census categories.
<b>Master plan</b>	A type of planning brief outlining the preferred use of land and the overall approach to the layout of a developer, and providing detailed guidance for subsequent planning applications.
<b>Monitoring</b>	The process of collecting, analysing and evaluating information in relation to policies and actions to measure performance, progress or change.
<b>Neighbourhood management approach</b>	Programme to help deprived communities improve local areas, by developing and joining up local services, and making them more responsive to local needs. See <a href="http://www.neighbourhood.gov.uk/nmanagement.asp">www.neighbourhood.gov.uk/nmanagement.asp</a> .
<b>Neighbourhood renewal</b>	A national strategy, launched in January 2001, with the aims of: reducing unemployment and crime, and improving health, skills, housing and the physical environment in the most deprived neighbourhoods; and narrowing the gaps in these areas between the most deprived neighbourhoods and the rest of England.
<b>Neighbourhood renewal fund (NRF)</b>	The neighbourhood renewal fund (NRF) aims to enable England's most deprived local authorities, in collaboration with their local strategic partnerships, to improve services, narrowing the gap between deprived areas and the rest of the country.
<b>New deal for communities (NDC)</b>	A government programme to regenerate 39 very deprived areas across England over a ten-year period. See <a href="http://www.neighbourhood.gov.uk/page.asp?id=617">www.neighbourhood.gov.uk/page.asp?id=617</a> .
<b>Obligatory</b>	This refers to the fact that public authorities are legally bound to meet the general duty, and must make race equality a central part of their functions.
<b>Outcomes</b>	Outcomes refer to long-term changes that are anticipated for an area or a group of people as a result of regeneration activities.
<b>Outputs</b>	Outputs measure what was directly produced by the regeneration programme, such as extra training places or more houses.

<b>Physical regeneration</b>	Work on the physical fabric of an area which forms part of a strategy to promote social, physical and economic improvements in a given locality, rather than just redevelopment driven solely by market forces.
<b>Planning for real</b>	A consultation method involving creative exercises (for example, the use of maps and model buildings), designed to engage the public in planning.
<b>Policies</b>	The sets of principles or criteria that define the different ways in which an organisation carries out its role or functions and meets its duties. Policies also include formal and informal decisions made in the course of their implementation.
<b>Practices</b>	The customary ways in which intentions or policies are actually carried out. They include attitudes and behaviour that could amount to unlawful racial discrimination through unwitting prejudice, ignorance, thoughtlessness and racist stereotyping.
<b>Procurement</b>	The process of acquiring goods, works and services from outside suppliers. The term encompasses the full range of local authority contracts, including private finance initiative projects and public private partnerships.
<b>Proportionate</b>	The weight given to race equality should be proportionate to its relevance to a particular function. This approach may mean giving greater consideration and resources to functions or policies that have most effect on the public, or on the authority's employees.
<b>Race equality duty</b>	The general duty to promote race equality, including good race relations, and related specific duties, under section 71(1) of the Race Relations Act 1976.
<b>Race equality impact assessment (REIA)</b>	A systematic way of determining whether a proposed policy, in employment or service delivery, affects all racial groups equally, or whether it could have an adverse impact on one or more of them.
<b>Race equality scheme (RES)</b>	A timetabled plan setting out how a public authority intends to meet the statutory general duty to eliminate unlawful racial discrimination and promote equality of opportunity and good relations between different racial groups. The scheme should list the functions and policies that have been assessed as being relevant to meeting the duty, and state the arrangements that have been made to assess, consult on and monitor present and proposed policies for any implications they might have for meeting the duty to promote race equality.

<b>Race Relations Act (RRA)</b>	The Race Relations Act 1976, as amended by the Race Relations (Amendment) Act 2000 and the Race Relations Act 1976 (Amendment) Regulations 2003.
<b>Racial groups</b>	Racial groups are groups defined by racial grounds, that is race, colour, nationality, (including citizenship), or ethnic or national origins. All racial groups are protected from unlawful racial discrimination under the RRA. The courts have held that a person's actual racial group may be irrelevant to the way they are treated, and that their racial group may be defined by a discriminator's perception of, or (incorrect) assumptions about, their ethnic or national origins.
<b>Regeneration</b>	Economic, social and environmental renewal and improvement, with the aim of achieving a lasting improvement to an area.
<b>Regeneration outcome agreements</b>	Three-year agreements which define the regeneration strategy which community planning partnerships will adopt to regenerate a deprived area. These agreements must be approved by the Scottish Government and are required in order to access money from the community regeneration fund.
<b>Relevance</b>	For the purposes of the Race Relations Act 1976, 'relevance' means 'having implications for' (or affecting) the general duty. A function or a policy will be relevant to race equality if it has, or could have, implications for promoting race equality. Relevance is about how far a function or policy affects people – both as members of the public and as employees of the authority.
<b>Scottish Index of Multiple Deprivation</b>	An index which identifies the most deprived areas in Scotland. It is based on 37 indicators in the seven individual domains of: current income; employment; housing; health; education, skills and training; geographic access; and crime. Information is available for the seven domains and as a composite measure of multiple deprivation.
<b>Scrutiny committee</b>	A council committee that reviews and monitors the local authority's services.
<b>Single equality duty</b>	A proposed duty to promote equality that will cover a broader spectrum of equality areas, and replace the separate race, disability and gender duties, as suggested in the Discrimination law review consultation paper, 'A Framework for Fairness'.
<b>Social housing</b>	Housing which is not privately owned, but rented from a housing association or a council.

<b>Specific duties</b>	Duties placed on selected public authorities bound by the general duty (see above) under the Race Relations Act 1976 (Statutory Duties) Order 2001 or the Race Relations Act 1976 (Statutory Duties) Order 2003. In Scotland, additional public authorities are listed in the Race Relations Act 1976 (Statutory Duties) (Scotland) Order 2002 (SSI No 62) and the Race Relations Act 1976 (Statutory Duties) (Scotland) Amendment Order 2003 (SSI No 566). The duties include production and publication of a 'race equality scheme' (see above), and monitoring, by racial group, of specified aspects of employment.
<b>Statutory code of practice</b>	Practical guidance which has been approved by the secretary of state and laid before parliament. A statutory code of practice is admissible in evidence in a tribunal or court of law, and must be taken into account when it is relevant to any question arising in proceedings under the relevant legislation, in this case the Race Relations Act 1976.
<b>Supplier diversity</b>	Initiatives aimed at supporting under-represented businesses to supply goods and services to public, private and voluntary sector organisations.
<b>Sustainability appraisal</b>	An appraisal which identifies and reports on the likely significant effects of a plan, and the extent to which it will achieve social, environmental and economic objectives. This should ensure sustainable development. All development plan documents and supplementary planning documents that form part of the local development framework will require a sustainability appraisal.
<b>Sustainable development</b>	Defined by the Brundtland Commission (1987) as development which meets the needs of the present without compromising the ability of future generations to meet their own needs. It includes concepts of social justice, equity, concern about the long-term future, a responsible approach to environmental resources, and development which provides a better quality of life.
<b>Sustainable Development Commission</b>	The Sustainable Development Commission is the Government's independent watchdog on sustainable development, reporting to the Prime Minister and the First Ministers of Scotland and Wales. Through advocacy, advice and appraisal, the Commission helps put sustainable development at the core of government policy. It is a non-departmental public body and is covered by the general race equality duty, but not the specific duties.

<b>Sustainable procurement</b>	A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis, in terms of generating benefits not only to the organisation but also to society and the economy, while minimising damage to the environment. Sustainable procurement should consider the environmental, social and economic consequences of: design; non-renewable material use; manufacture and production methods; logistics; service delivery; use; operation; maintenance; re-use; recycling options; disposal; and suppliers' capabilities to address these consequences throughout the supply chain.
<b>Urban regeneration company (URC)</b>	A not-for-profit company established by local partners to achieve a focused, integrated regeneration strategy for key towns and cities.
<b>Wales programme for improvement</b>	A programme introduced in Wales in 2002 as a new approach to stimulating and supporting improvement in the delivery of local services. Under the programme, councils examine the health of the corporate organisation and the performance of the range of services they provide
<b>Welsh Index of Multiple Deprivation</b>	An index, introduced in 2000, constructed specifically to identify clusters of people suffering deprivation, including income deprivation; employment deprivation; health deprivation; education, skills and training deprivation; housing deprivation; geographic proximity to services; environmental deprivation and target economic regeneration, and to target economic regeneration.
<b>Workforce Plus</b>	The purpose of Workforce Plus, according to the Scottish Government's website, 'is to help more disadvantaged people, including people from minority ethnic communities, into sustained employment, based on the belief – espoused in Closing the Opportunity Gap – that for most people, work is the best way of them raising and sustaining themselves out of poverty'.

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