



## What makes a community-based regeneration organisation legitimate?

Stephen Connelly, Department of Town & Regional Planning, University of Sheffield

### **Introduction**

This study investigated how development trusts establish and maintain their legitimacy as community-based regeneration organisations, using interviews with managers and documents from the trusts in a large northern English city.

### **Key findings**

- Legitimacy was an issue: it was not taken for granted and strenuous efforts were made to establish and maintain it.
- Trust managers saw their organisations' overall purpose as improving quality of life for their communities, with service provision and giving 'voice' to community concerns complementary in contributing to this aim. Their overall legitimacy derived from their success, and was something that they acquired and built over time, rather than something guaranteed by fixed governance structures and processes.
- While legitimacy and effectiveness are in principle complementary, trust managers had to actively balance and manage tensions between democratic community control and management of community assets and staff.
  - There was great variety in the formal structures for governance and accountability to the community within the basic requirement of a board of trustees including some community representatives. Designing and organising these structures was important for building an effective management team, protecting assets, and allowing open democratic process.
  - Formal structures were generally fairly weak. The openness and accountability to the community on which the organisations' legitimacy largely rests was achieved through informal processes of communication. These were mainly carried out by paid staff, influenced in particular by the culture of the organisation set by the senior manager. The latter's leadership qualities and personal legitimacy were tightly bound to the organisations' effectiveness.
- Organisations have to attain and sustain legitimacy not only with respect to their communities, but also in the eyes of partner organisations and individuals *outside* their communities. This was largely a matter of establishing reputations as reliable and competent, and was not closely related to organisations' governance structures.
- I conclude that:
  - community based organisations' wide range of complementary functions need sustaining as a whole, with a risk that over-emphasis on any one function might incidentally damage their legitimacy and so their overall effectiveness;
  - given the importance of informal processes of communication and accountability, attempts to strengthen formal representative democratic structures may undermine organisations' effectiveness and actual legitimacy;
  - reliance on principled behaviour by key individuals is too fragile a base for legitimate community governance, which needs to be enhanced by building a wider culture of community activism which would enable organisations to be held to account effectively;
  - given the key role often played by paid staff, their frequent denigration in contrast to volunteers is unhelpful and unwarranted *as a generalisation*, whereas community activism is a quality to be valued and supported, whether paid or unpaid.

## **Background**

Community based organisations have emerged as vehicles to give communities a level of control over regeneration initiatives. Increasingly, whatever their origins (e.g. as grass-roots campaign organisations, self-organised neighbourhood forums, local authority-initiated Single Regeneration Budget partnership boards etc.), they have opted for formal legal status as either companies limited by guarantee or industrial provident societies. Many have also joined the Development Trusts Association<sup>1</sup>, thus committing themselves to becoming independent regeneration organisations, 'community based, owned and managed', and active in wider, strategic partnerships as well as their own affairs.

Although they appear well-placed to play a role not just in regeneration management but in enriching local democracy, until recently central government policy has emphasised the former but not the latter. For example, even though the Quirk Report cast them as appropriate community 'anchor organisations' and managers of community assets<sup>2</sup>, they were strangely absent in the policy rhetoric of the 'double devolution' of power from central to local government, and from local government to 'the community', even though in many places development trusts already existed as possible 'devolvees'<sup>3</sup>. More recent policy recognises their 'unique' and 'vital' functions within communities, including their position as intermediaries between state and the grassroots, and even their role in 'speaking truth to power'<sup>4</sup>.

Lacking the legitimacy conferred by history and the ballot box on local authorities, it is not obvious where such organisations get their legitimacy in the eyes of their communities or partner organisations. Yet their long-term effectiveness rests on sustaining that legitimacy, which is also important to society as a whole, given that these organisations claim to speak and act for their communities and to be appropriate recipients of public money. This research investigated this issue 'from the inside', asking how those responsible for developing and managing development trusts understand their organisation's role in working for their community, and what processes were used to attempt to create and maintain legitimate processes of community representation. No pre-judgement was made about what might constitute legitimacy in this setting – it was simply taken to mean whatever quality an organisation has which gives it the right to make decisions, act for others and so on. It was not assumed that this would be recognisably democratic, at least in the sense of having elections and the other formal structures of representative democracy. Attention was rather paid to whether processes met the more fundamental democratic principles of allowing authorisation by the community and accountability to them in some way<sup>5</sup>, as well as to the possibility that legitimacy in practice had non-democratic foundations.

## **Findings**

### **Legitimacy and the purposes of trusts**

Legitimacy was clearly an issue for the trusts – it was not taken for granted and strenuous efforts were made to establish and maintain it. In every case this involved both formal and informal structures and practices, only some of which appear to be 'democratically legitimate'. These processes were intended to achieve the trusts' overriding purpose of promoting their communities' development, described in terms of 'improving quality of life', making a 'better place', somewhere 'people can be proud of'. Close behind this came a commitment to giving communities a say in this development, but legitimacy rested ultimately on tangible outputs - several interviewees made the point that not being 'just a talking shop' was a necessary part of being a *development* trust.

### **Formal structures: balancing management and legitimacy**

Within the legal framework imposed on them, trusts have adopted a wide range of rules for membership and election to the board of trustees, ranging from universal local franchise to limiting board membership to local community group representatives, elected by their peers at an annual general meeting. Some trusts also limited the proportion of community representatives on the board.

This range reflected different balances struck between formal, election-based democracy and achieving effective management of the trusts as commercial enterprises, service providers, and sometime significant employers of local people. Achieving both aims involved a pro-active approach by trustees and staff to recruiting – and sometimes training – people to the boards to provide representation of relevant groups with sufficient skills and understanding to be effective.

*'We as a Trust have planned and gone out and done it.... To grow a really strong really representative board, so that we're not just the few characters that were here from where we were originally [when we founded the organisation].'*

Equally important was the need to protect the 'community interest' - both its tangible assets and the organisations' ability to do good for the community. This could require action to exclude those perceived as being representative of only a particular narrow interest, or of being 'in it for themselves', or simply destructive or incompetent, and was explicitly contrasted with the organisations' democratic basis.

*'Some of the stuff we do is serious stuff, and it can crumble on the grounds that maybe one person can get a bunch of mates and say "next week I want you to turn up [to the AGM]".'*

Exactly where the balance was struck in part reflected the organisational purposes as determined by original and subsequent managers and trustees. Prioritising service delivery went with more controlled democratic processes, while the widest franchise and most open processes were established by a network of highly-politicised activists. Overall there was a notable striving for 'formal' democracy following traditional representative principles as the basis for being 'community-led', and most interviewees were uncomfortable about compromising these principles, even where they recognised the necessity for this.

The local governance context and other chance factors also affected the design of trusts' internal structures. Neighbourhoods differed in terms of the presence of other community-based organisations, and this shaped trusts' sense of purpose, ranging from supporting existing groups to positioning themselves as 'the voice of the community' in opposition to large regeneration organisations. Uncertain beginnings could also play a part, with sheer inexperience leading to what were later acknowledged as ineffective and undemocratic structures. Trusts also changed their structures over time, roughly on two contrasting trajectories – one towards 'more democracy' to raise their legitimacy in the eyes of the community, the other towards more control as they acquired more assets.

### **Informal communication and accountability**

In all cases the boards were relatively weak, principally acting to hold the paid staff to account financially and provide guidance based on their *personal* judgement of what was right for the community. This weakness was not seen to delegitimise the organisations, which compensated with numerous and varied informal mechanisms through which the paid staff – rather than community board members – were in almost continuous contact with their communities. For the larger trusts development workers were important, while organised events such as fun-days, an open-door policy at the office, and casual encounters in the community were all significant in providing channels of communication *in both*

*directions.* These processes achieved the crucial functions of representation of interests and issues, communication of these to people carrying out projects, and accountability back to the community. Overall their legitimacy was confirmed by their success in enabling effective delivery of services and visible responsiveness to the community - if an organisation was seen to be doing 'the wrong things' or not enough of 'the right things' then 'ears were bent' in the local pub. The trust of the community was vital, and several interviewees saw a trade-off between trust and formal ways of guaranteeing legitimacy.

### **Legitimacy outside the community**

Trusts are concerned not only with their legitimacy within their communities, but also in their interactions with other organisations as they bid for funds and service contracts, and seek to influence service providers and other agencies through local partnerships and lobbying. The managers' perception was that the trusts' democratic, community-based credentials were not crucial in this context, but that recognition as competent, reliable managers of funds and services was what gave them legitimacy in the eyes of external bodies. This reinforced the tension noted above – as one put it:

*a board full of grassroots group leaders is brilliant for representation but if they don't also have professional skills and understanding that will enable them to really be able to take responsibility for quite important decisions, then that becomes difficult, and lenders and funders and banks and people are asking you things about well 'what are the skills of your Board?'*

Their legitimacy has also grown over time, from one in which the trusts were seen as problematic and illegitimate by partners outside the community sector to one in which partnership working was becoming the norm and their role as participants less questionable. However, this trajectory has perhaps been reversed – several interviewees reported that under the national 'double devolution' agenda the raised legitimacy of local authorities was accompanied by a delegitimising of the trusts from the town hall's perspective.

### **Unsung community activists**

All these processes - within the community and outside - rely to a considerable extent on paid staff, not just as managers and implementers but also to represent community interests. A significant factor in determining how the trusts functioned was these professionals' political beliefs and approach to communication and democracy, and the extent to which they instilled a similar ethos in 'their' organisations. They were fundamental to the success of these *community-based* organisations, and their ability to play this role was underpinned by their legitimacy in the eyes of both the communities and external stakeholders. The principle source of this was their track record of delivery of appropriate outcomes, tied to formal accountability to boards and, more importantly, to informal communication processes which allowed informal but powerful 'calling to account'. Their legitimacy also rested on more personal (and less democratic) qualities: competence and approachability, charisma as leaders and ability to enthuse, localness, and visible, passionate commitment. Several had moved from a voluntary role to their paid positions, and there was no sense of a necessary conflict between professionalism and activist commitment. On the contrary, they saw taking up (very) full-time paid roles as positive moves which made them more effective in working for the community.

### **Issues and implications**

Community based organisations' ability to fulfil a wide range of complementary functions is tightly bound up with their legitimacy – their effectiveness rests on their legitimacy, which is generated through their ability to deliver in ways which are seen to be appropriate by the community (and by other organisations). *All* their functions therefore need sustaining:

there is a risk that over-emphasis on one aspect, such as contract service delivery for a local authority, might incidentally damage their legitimacy and so their overall effectiveness.

Organisations' effectiveness depends only in part on formal democratic processes to guarantee authorisation and accountability by the community. Informal processes are at least as important, and also crucial in managing the tension between representation processes and effective management and protection of community assets. This clearly opens up the possibility of questioning the illegitimacy of both organisations and their staff. The representative democracy criteria cannot simply be set aside, both because of their prevalence within community governance and their intrinsic democratic value. Increasing legitimacy through strengthening the formal structures would involve increasing trustees' involvement and power, and improving their 'lines of communication' to their communities<sup>6</sup>. However, this research suggests this would have associated costs, since trust and informality seem to be strongly associated and crucial ingredients in organisations' success and local legitimacy. Moreover, formalisation has the potential to undermine trust.

This suggests an alternative approach to assessing legitimacy, which recognises both the fundamentals of how organisations attain legitimacy and wider concerns with democracy. The key is preserving and enhancing effectiveness and appropriateness through a *range* of processes for guaranteeing accountability and authorisation - assessed by their collective capacity to ensure both community input and effective management. Clearly relying on the principled behaviour of a few individuals to guarantee this is a fragile base for devolved local governance, and obviously opens the possibility for the exclusion of groups within communities, and the pursuit of sectional or personal interests. This points to the need to increase accountability, both through organisations' becoming more open and transparent and through increasing opportunities for critical 'holding to account' by the community. While beyond the scope of this research this does suggest the need for creating a more activist democratic culture, in which community members and community-based organisations are collectively empowered to challenge each other and the other partners in local governance.

In many cases organisations' success was built on the stability of long-term involvement of key individuals, whether as volunteers or paid staff. Accepting such people as important in sustaining organisations' legitimacy conflicts with a commonly held view of paid staff as potentially problematic: barriers to direct representation of community voices, who have to be 'kept in check' by (volunteer) community leaders and can undermine community organisations' legitimacy if they become too powerful<sup>7</sup>. All the interviewees were aware of this challenge to their legitimacy, and several were engagingly uncomfortable about it – unsurprisingly given their clear commitment to community-led regeneration and local democracy.

While professionalisation has its dangers it is not inevitably a problem, with the evidence from this research showing that individuals can be both paid staff *and* community leaders at the same time. Given the role of paid staff in sustaining organisations' community base, the denigration of paid staff in contrast to volunteers is unhelpful and unwarranted as *a generalisation* – more constructively community activism is a quality to be supported, whether paid or unpaid. This reinforces the conclusion of the preceding paragraph – that the key to sustaining legitimate community-based organisations is not formal processes or roles but a more flexible, collective approach in which individuals and organisations are judged by their effectiveness and responsiveness to their communities and can effectively be held to account by a community informed and empowered to do so.

## Methodology

The research was carried out in 2006 and 2007 when I interviewed the most senior paid staff member of the development trusts in a large northern English city and the chairs of the boards of trustees of two of the trusts, and backed up this principal data source with trusts' documentation. A subsequent meeting with most of the interviewees and the DTA's regional development manager was used to validate the findings. This methodology is robust but limited: the results are very much 'the view from the top' and the research did not intend to understand how the trusts' legitimacy is assessed by trustees or in the wider community. It is also the story of one city and the results cannot be generalised in any simple way to other places.

I started from the premise that community-based organisations have a legitimate role, and was motivated by a desire to understand how trusts work in order to share and improve practice, as well as to contribute to broader academic understanding of this field. On these grounds it was supported 'in principle' but not in any material way by the DTA.

### For more information contact:

Dr Stephen Connelly  
Department of Town & Regional Planning  
University of Sheffield  
Winter Street, Sheffield S10 2TN  
email: [s.connelly@sheffield.ac.uk](mailto:s.connelly@sheffield.ac.uk)  
web: [www.shef.ac.uk/trp/staff/steve\\_connelly](http://www.shef.ac.uk/trp/staff/steve_connelly)

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### Notes:

<sup>1</sup> For more on the Development Trusts Association, see [www.dta.org.uk](http://www.dta.org.uk).

<sup>2</sup> B. Quirk (2007) *Making Assets Work: The Quirk Review of community management and ownership of public assets*, London: HMSO.

<sup>3</sup> See the 2006 Local Government White Paper (*Strong and Prosperous Communities*, Cm 6939, London: HMSO) and David Miliband's speech (as Minister for Communities and Local Government) to the New Local Government Network's 2006 annual conference (*Empowerment and the Deal for Devolution*, London: DCLG).

<sup>4</sup> See for example the 2008 Local Government White Paper (*Communities in control: Real people, real power*, Cm 7427, London: HMSO) and DCLG's *Principles of Representation: A framework for effective third sector participation in Local Strategic Partnerships* of the same year.

<sup>5</sup> See N. Urbinati and M. Warren (2008) 'The Concept of Representation in Contemporary Democratic Theory', *Annual Review of Political Science* 11(1): 387-412.

<sup>6</sup> This line of thinking is visible in the Home Office's *Firm Foundations: The Government's Framework for Community Capacity Building* (2004, London: Home Office) and DCLG's recent (2008) *Principles of Representation: A framework for effective third sector participation in Local Strategic Partnerships* (London: DCLG).

<sup>7</sup> For recent examples, see M. Bowles, B. Messer and M. Pitchford (2007) *Community Leadership & Representation: Current Challenges and Practical Recommendations*, London: Community Development Foundation, and G. Lodge (2007) *Community asset transfers: Overcoming challenges of governance and accountability*, London: Adventure Capital Fund/Institute for Public Policy Research.