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## **Addressing the Skills Gap in Regeneration and Economic Development in Cumbria**

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### **Abstract**

There has been considerable discussion recently regarding processes by which regeneration practitioners acquire the skills and knowledge necessary to innovate in the delivery of the sustainable communities agenda. This paper highlights some key literature regarding how knowledge is developed and shared and the role of networking in disseminating such knowledge. The findings of a 'skills audit' conducted in Cumbria in the North West of England are used to illustrate the ways in which local institutional structures and partnership arrangements can enable or inhibit processes of knowledge exchange. Although 'skills gaps' are identified, issues related to the co-ordination of projects are also noted. Evidence indicates that the acquisition of "tacit knowledge" through interacting with others in networks is recognised as an important mechanism for enabling innovation by removing the obstacles to knowledge exchange created by institutional barriers.

**Keywords:** Skills audit, regeneration, knowledge management, innovation, institutional structures, Cumbria

## INTRODUCTION

There has been considerable discussion in the UK policy arena concerning the nature of the skills and knowledge required to achieve effective outcomes for economic development and regeneration<sup>1</sup>. National studies of such skills have concluded that there are some significant gaps in terms of *technical skills* and the availability of various professions in the regeneration process. Commentators have recognised the significance of some key *generic skills*, particularly those that relate to aspects of leadership in localities. Significantly, it has also been suggested that individuals who display high levels of social skill operating on the boundaries between organisations can have a major impact on levels of innovation in public policy in general and on regeneration management in particular<sup>2,3</sup>.

These policy debates have also been influenced by recent academic research which seeks to understand the mechanisms by which public sector workers in general and regeneration practitioners in particular acquire the skills and knowledge needed to operate effectively. The focus of much academic writing has emphasised the role of knowledge sharing through inter-organisational networks and the significance of the concept of “tacit knowledge”<sup>2,3,4,5</sup>. This article explores some of these issues using the findings from a recent study of skills in economic development and regeneration in the County of Cumbria in North-West England<sup>6</sup>. In particular, the study explores the relationship between skills, learning processes and the institutional structures within which those involved in local regeneration currently operate.

## SKILLS, KNOWLEDGE AND NETWORKS

The regeneration sector has focused in the last few years on the skills which require to be developed in order to deliver ‘sustainable communities’. These have been defined as places where people want to live and work now and in the future; a place that is prosperous and vibrant, that will improve everyone’s quality of life<sup>1</sup>. The Plan for Sustainable Communities, “Sustainable Communities: Building for the future” was launched in February 2003<sup>7</sup>, setting out a long-term programme of action for delivering sustainable communities in both urban and rural areas to tackle a number of issues including housing supply issues, and the quality of public spaces.

The Academy for Sustainable Communities’ (ASC) national research project, “Mind the Skills Gap” examined the availability of the skills required to achieve this vision<sup>1</sup>. It defined the professions required to deliver sustainable communities as those linked to planning, surveying, architecture, engineering, regeneration, economic development and housing<sup>8</sup>. However, it also highlighted the importance of a number of generic skills in delivering sustainable communities. These had previously been identified by the Egan Review<sup>9</sup>, which emphasised that “it is the generic skills, behaviour and knowledge that will make the difference between successful delivery and failure”<sup>9</sup> of regeneration and sustainable communities projects.

These “generic” attributes include skills in leadership of communities, inclusive visioning, the ability to broker agreements between partners and stakeholders, resolving conflicts as well as process and project management, change management and effective evaluation and learning from past experiences. Many of these required attributes relate to social skills and their application and their development within networks that extend outside the boundaries of organisations. An example of this is provided by the need to share the findings of programme evaluations with other regeneration partnerships<sup>10</sup>.

This statement of skills requirements in economic development and regeneration appears consistent with recent academic publication in the field of public policy<sup>5</sup>. There has been much discussion, for instance, of the role of networking in sharing knowledge and acquiring skills in the public sector. Although networking is recognised as beneficial for promoting innovation between public sector organisations, prevalent initiatives tend to rely too much on a “dissemination” model that assumes knowledge can be regarded as a commodity that can be transferred by a simple “drag and drop” operation<sup>2</sup>, whereas inter-organisational learning depends more on careful development of relationships marked by mutual “trust, curiosity and respect”. This is a more “relational” approach to knowledge creation, transfer and application,

a complex process that takes considerable time to take hold – whereby ideas are continuously “turned over” and grafted into new situations as a new practice. It is evident that effective engagement in these processes requires the kinds of social skills identified in the Egan Review<sup>9</sup>.

The significance of inter-organisational networking for the acquisition of skills and knowledge in regeneration has considerable resonance with ideas developed in other contexts related to the concept of tacit knowledge. Tacit knowledge refers to locally available forms of knowledge that are exchanged through informal processes of social interaction, in contrast to “codified knowledge” which is formal and accessible on a global scale. It is commonly argued that tacit knowledge resides in networks of interpersonal networks that exist in local areas and facilitated by mutual trust that arises from frequent face to face contact. Bate and Robert<sup>11</sup>, for instance, make use of socially constructed models of knowledge management in their discussion of learning in the health sector, arguing that it is vital to improve understanding of the manner in which individuals acquire “tacit” knowledge about tasks, procedures and ways of working.

### **Silos and institutional structures**

Recognition of the significance of tacit knowledge, however, exposes another problem for learning in regeneration. Tacit knowledge which is held by individuals tends to be a precarious way of storing knowledge<sup>11</sup>. Not only do individuals find difficulty in transferring what they know to others, but networks of individuals can easily be disrupted by institutional changes. Such knowledge can also reside in silos created by formal barriers between departments and organisations. In one sense, tacit knowledge is valuable for regeneration practitioners precisely because it “sticks” in particular regions and localities, but this very stickiness means tacit knowledge may not easily travel between organisations even across fairly active partnerships.

Literature also has much to say about structures and firms and the ways in which these might influence flows of knowledge and learning processes. In particular, there is the idea that some firms may grow technical specialisms that are structured into departments that become “silos” of information and knowledge. Business leaders have noted the tendency for such silos to stifle innovation and the fact that it is often easier for knowledge exchange between firms and institutions than within them. There is permeability for innovation at the extremities of firms which is not reflected in their core functions.

Hartley and Bennington<sup>2</sup> conclude that power relations have significant effects upon the extent to which knowledge transfers, becomes adopted, and is applied. Their analysis distinguishes between vertical and horizontal (peer to peer) learning processes. Knowledge creation also requires active leadership, facilitation and management if barriers are to be overcome, rather than assuming this will occur naturally through attendance at events.

These theories have articulated the relationship between knowledge processes, innovation and the structures formed by firms and institutions. Much less attention has been given to skills in harvesting useful knowledge, whether tacit or codified. Firms and institutions will not only vary in the permeability of their structures but knowledge flows will also be influenced by the skills and behaviour of employees. Although these are partly produced by institutional characteristics and cultures, it is nonetheless true that groups of employees within firms and organisations will vary in their attitudes towards acquiring skills that lead to innovation and effective absorption of useful knowledge.

### **Soft skills and “leadership of place”**

Recent academic research has drawn attention to the significance of generic “soft skills” that relate to leaders and leadership in the public sector<sup>12</sup> and specifically in the context of regeneration. Emerging debates regarding the ‘new’ strategic leadership of place have been summarised succinctly by Gibney and Collinge<sup>13</sup>, who argue that this ‘new’ strategic leadership has arisen as a result of the need for policy to be “‘joined-up’ across boundaries within and between different geographies, agencies and sectors” in order to be effective, in

parallel with public concern over recent failures of systems which are expected to protect the most vulnerable in society. They also argue that the activity of 'new' strategic leadership occurs in 'place' – in neighbourhoods, cities, sub-regions and regions, contrasting with more traditional leadership roles which often occur within an organisation. However, this expanded leadership role requires different skills than the more traditional role, as it can cover a wide range of organisations, partnerships and communities, both of place and of interest, and operates in a "fuzzy decentred world of partnerships and networking".

Additional research<sup>14</sup> has added key information regarding the professions and skills required to deliver the sustainable communities agenda. There has been a notable increase in learning in leadership skills, project management skills, understanding / conceptual thinking, and visualising and implementing solutions to regeneration issues. Attention has also been given to the vocational occupations of surveying, planning, architecture and engineering which are relatively easy to characterise within the workforce, due to the strong professional bodies which oversee them. While this may provide a sound basis for nurturing such professional skills, there has been recognition of the tendency for "silos" to develop which inhibit communication and knowledge exchange in regeneration.

Although much of this research is focused on 'professions' per se, these professions are integral to the strategic leadership of place, for example they are involved in developing Masterplans and Local Area Agreements (LAAs), and delivering on relevant targets. Increasingly, they are becoming involved in leadership roles, working across partnerships designed to deliver economic development, sustainable communities and regeneration, and like elsewhere in the UK and overseas this is happening in Cumbria. Where once these professions worked in 'silos' they now work across organisations and sectors, sharing knowledge and ideas. In the new economic conditions in which economic development, regeneration and sustainable communities are being delivered, this may become even more important, as many public (and third) sector organisations restructure to cope with downward pressures on public expenditure. However, it can be challenging to create the space in which to reflect on the skills which may be required by leaders, and also in which to develop them.

### **Knowledge exchange in regeneration management**

The above discussion has served to highlight three particular aspects of skills and knowledge in regeneration. Firstly, attempts to identify the range of skills required for effective regeneration practice have given prominence to a range of networking and inter-personal or "soft" skills that include attributes of effective leadership and good management of relationships with partners. Secondly, while individuals will clearly vary in their abilities, the extent to which useful skills and knowledge are nurtured, disseminated and effectively deployed may depend to a large extent on the institutional context and power relations that exist in local areas. Thirdly, learning through networking may assist transfer of knowledge across institutional boundaries but the ability to apply any new knowledge may still be constrained by institutional factors such as cultures marked by inflexibilities and risk-aversion that tend to permeate many public sector organisations.

These points suggest that a useful skills audit needs not only to ask questions about the attributes and knowledge held by groups of practitioners at a particular point in time but also to consider a) the learning processes that operate via social interaction and b) the institutional factors that might inhibit or enhance learning processes and knowledge exchange. The following discussion of a skills audit<sup>6</sup> conducted in Cumbria provides the opportunity to explore these relationships between skills and knowledge and institutional structures.

## **REGENERATION AND THE LOCAL INSTITUTIONAL CONTEXT IN CUMBRIA**

### **Structures of local government**

Cumbria provides a highly relevant context within which to examine skills in regeneration and the social processes that transmit useful knowledge and experiences within and between institutions. Although there have been several attempts by government to introduce a unitary system, it retains a two-tier system of local government (some would say "three-tier" if parish

level representation is also considered alongside District and County administrations). Cumbria is a non-metropolitan county in the North West of England that came into existence in 1974 after the Local Government Act of 1972, and currently operates with a County Council and six District Councils<sup>15</sup>.

Cumbria County Council serves a total area of 676,700 ha, with 498,800 residents<sup>16</sup>. The District Councils vary in population size from 49,800 in Eden to 102,300 in South Lakeland. These districts include large rural areas with dispersed populations in smaller towns and villages, and reflect differences in economic structures and cultures. This situation is made even more complex by the presence of the Lake District National Park Authority which is divided between four of the Districts (Eden, Allerdale, Copeland and South Lakeland).

The history and topography of Cumbria make it more disconnected than many other counties of similar size. The central part of Cumbria is formed by the English Lake District which creates a physical barrier to communications between the major centres of population. To the North, the City of Carlisle has strong ties with the Scottish borders and North East England while the populations of Kendal and Barrow in Furness in the South identify strongly with Lancashire. There are also distinct differences between the relatively rural but more accessible East of Cumbria compared to communities in West Cumbria which have a much more prominent industrial culture (Workington, Whitehaven) and significant dependence on Sellafield and the nuclear industry.

### **Collaboration and Partnership working in Cumbria**

Attempts to address issues surrounding joint working across the County as a whole have focused on the activities of the Cumbria Strategic Partnership (CSP). This countywide partnership was established in 2001 bringing together partners representing the public, private and third sector organisations in Cumbria. It is responsible, on behalf of the County Council, for developing a Sustainable Community Strategy and implementing the LAA. However, there are also four Local Strategic Partnerships (LSPs) which have developed in different ways. The West Cumbria LSP (involving Allerdale and Copeland) evolved from the previously existing West Cumbria Partnership, which had been working to improve West Cumbria since 1988, when Neighbourhood Renewal Funding (NRF) was allocated to Allerdale in 1998. The Furness Partnership was also formed following the allocation to Barrow Borough Council of NRF.

The joint working arrangements that developed during and after the Foot and Mouth Disease outbreak in 2001 were the catalyst for the Carlisle and Eden LSP. However, the 2005 floods and the consequent opportunity to embark on a major regeneration initiative in Carlisle were a key factor in identifying the need for a specific LSP solely for Carlisle, which was formally launched 2006. Finally, South Lakeland formed its own LSP in order to bring together key public, private, and third sector organisations at a local level to tackle shared priorities in a co-ordinated manner. Clearly, Cumbria has a fragmented governance structure with overlapping responsibilities across the public sector, and very real pressures on budgets to reduce public spending.

Alongside local government structures, Cumbria is also served by various development agencies and public sector bodies that deliver government services in the County. Since 2005 economic development has been coordinated by Cumbria Vision (CV), the sub-regional body of Northwest Regional Development Agency (NWDA). CV has brought together all the economically relevant projects within the County that are currently at some stage of conception, planning or development as presented in the Cumbria Economic Strategy<sup>17</sup>. Most recently, "Vision Boards" are being developed in Carlisle, West Cumbria, Barrow and South Lakes/Eden to deliver NWDA projects across the County.

### **The unitary government debate**

Progress with joint-working arrangements in Cumbria has probably been hindered by various attempts that have been made over the years to explore unitary options for the County, episodes which have tended to generate tensions between Districts and County level

administrations. In 2003, Carlisle City Council investigated the feasibility of a three unitary local authority structure for Cumbria<sup>18</sup>, instigated by the Boundary Committee Review of Local Government in Cumbria and Lancashire. Although the original structure was retained, this was followed in 2007 by yet another review in which Cumbria County Council voted for an official bid to scrap the current two-tier system for a new unitary Cumbria Council. This was opposed by the Districts and subsequently rejected by Central Government. It is fair to say that relationships across partnerships in Cumbria at these times were tested because of the different interests surrounding options for unitary local government in the county.

Partners could not reach consensus on the issue of unitary structures, hence alternatives have been sought involving measures to improve partnership. As in many two-tier authorities, however, working collaboratively in Cumbria is not easy due to the existence of overlapping responsibilities which tend to generate conflicts compounded by rapidly changing priorities emerging from Central Government. Cumbrian economic development and regeneration practitioners are therefore working in a particularly challenging institutional environment.

### **Regeneration and knowledge transfer in Cumbria**

The University of Cumbria is regarded as a key partner in the development of knowledge in the County. Although it does not currently deliver courses specifically related to the full range of professions identified as being key in delivering sustainable communities, it does offer a number of business and management courses to individuals engaged in delivering economic development and regeneration. The University is also seen as a key instrument for attracting and retaining skilled individuals and innovative businesses within Cumbria. As part of the economic development of the area, the University delivers programmes aiming at supporting local businesses and bespoke courses for some public sector organisations. These are viewed as key activities in developing networks which enable individuals to innovate through interaction involving sharing ideas and knowledge. Although the University faces many challenges including the current economic situation which has adversely affected the organisation's capacity to meet very high expectations, partners still recognise that a vibrant HE sector is a vital component to economic regeneration in the County.

## **REGENERATION AND ECONOMIC DEVELOPMENT: SKILLS AND KNOWLEDGE IN CUMBRIA**

Two sources of data have been used as a basis for the audit of the regeneration and economic development skills which currently exist within Cumbria. A questionnaire survey was developed to identify the availability of the skills specified as being essential to deliver the sustainable communities agenda by the Egan Review<sup>9</sup>. This survey was posted to all partners in the CSP and to a small number of other organisations closely involved in regeneration and economic development in the County. Eighteen useable survey responses were received.

In addition, interviews were conducted with senior representatives of eighteen organisations which are partners in the CSP and have significant involvement in regeneration and economic development in Cumbria. The purpose of these interviews was to investigate the scale and characteristics of any "skills gaps" that might exist in regeneration and economic development and to explore in more detail the processes through which skills and knowledge are disseminated in the County and the ways in which institutional structures might facilitate or inhibit the spread of innovative ideas and practices.

### **Structure of Employment in Regeneration and Economic Development**

The respondent organisations accounted for 3,380 workers of whom 62% were paid employees in full-time posts. Guidance derived from the ASC on the definition of "regeneration and economic development" workers was provided in the survey. These included regeneration specialists as well as other professions essential to the process of economic development including planners, engineers, architects, surveyors, housing officers and community development workers. The survey shows that the 443 workers employed in

these roles constitute around 12% of the total workforce, the majority of which (82%) are full time salaried posts.

Respondents were asked to indicate the range of workers involved in different specialisms and in ten cases organisations were able to provide specific numbers in each category. The three largest categories are regeneration and economic development specialists (84), neighbourhood and community development specialists (65) and planning professionals (62). Other significant categories include housing and welfare officers (32), environmental specialists (17) transport planners (16), enterprise support (11), public health workers (10) and engineers (10).

### **Skill shortages and recruitment difficulties**

The majority of respondents perceived a shortage in the supply of regeneration and economic development professionals in Cumbria in general, and several respondents attributed this to the salaries offered or the apparent 'remoteness' of Cumbria which makes it difficult to attract workers. Fourteen organisations indicated that 75 posts in regeneration and economic development had been advertised in the past 12 months. While most of these were filled satisfactorily, 10 remained unfilled and a further eleven proved difficult to fill. The respondents identified project and development managers/officers as the professionals that may be in short supply over the next two to three years. The reasons for posts being hard to fill varied in detail but most related to lack of financial attractiveness. Other reasons related to location and career-paths. There were also difficulties in recruiting due to what were perceived as national shortages in some professions e.g. planning officers.

Responses to these recruitment difficulties varied, with a minority suggested improving pay and conditions, but the majority indicating that their preferred option is to develop skills internally through investment in staff development and redeployment. Most of the respondent organisations used the formal appraisal system to identify ways in which regeneration and economic development skills can be developed internally and through training. A wide range of training sources are utilised, although in-house training programmes and specialist part time courses were considered to be most significant. Training is also provided by private training providers and universities, and other local training opportunities some of which are delivered in partnership with others in the County. These included collaborative learning events offered to practitioners through Fusion Cumbria Learning Lab and Achieving Cumbrian Excellence (ACE). The value of these particular programmes in facilitating cross-fertilisation of ideas between partner organisations was recognised.

### **Significance of “generic skills” in the management of regeneration processes**

The skills audit also asked respondents to evaluate the current situation in Cumbria with regard to generic skills. Nearly two thirds of respondents believe that there is a need for significant improvement in “breakthrough thinking / brokerage” skills and “inclusive visioning” and around half of respondents also indicate a need for improvement in “leadership” in sustainable communities, customer awareness and skills and behaviour involved in “making it happen”. By comparison, there was less concern expressed in relation to technical / professional skills, communication, financial management, appraisal, team working and partnership skills (Table 1).

Table 1: Significance of generic skills for regeneration in Cumbria

Generic Skill	Number			Percentage of respondents who say the skill is in need of significant improvement
	Well developed across many aspects of regeneration	Well developed in some areas of regeneration but weaknesses in others	Less well developed and in need of significant improvement	
Breakthrough thinking / brokerage		5	9	64%



Inclusive visioning		5	9	64%
Making it happen	2	5	8	53%
Leadership	1	7	7	47%
Customer awareness and securing feedback	3	5	7	47%
Analysis, decision making, evaluation		9	7	44%
Process management / change management	1	9	5	33%
Project management	4	6	5	33%
Conflict resolution	2	9	3	21%
Stakeholder management	3	10	3	19%
Technical / professional skills	5	7	2	14%
Communication	1	13	2	13%
Financial management and appraisal	5	9	2	13%
Team / partnership working	3	13	1	6%

Note: Not all respondents answered this question

### **Lack of capacity, previous experience and significance of tacit knowledge**

Some respondents suggested that the reasons these skills are hard to acquire in Cumbria is partly due to a national problem in that individuals tend to adopt “organisationally constrained thinking” and are not prepared to take risks by stepping outside norms of organisational behaviour, or is related to lack of investment in training and the high cost of staff development. However, several respondents challenged the theory that a skills shortage exists in Cumbria, arguing instead that there are institutional constraints that create problems in delivery due to poor co-ordination of regeneration projects. It was also suggested that poor communication between those who develop strategy and others who must deliver programmes and projects has led in some instances to “too many projects, too little focus” and projects that are not easy to deliver. These particular knowledge-flows – two way exchanges between strategy and delivery – emerged as a significant point of debate during this research.

In addition, some respondents, particularly those in organisations that operate in the rural east of the County, argued that there is a general lack of capacity to deliver regeneration projects. This capacity problem was explained as a consequence of a lack of previous experience in the area of large scale regeneration projects rather than simply “lack of skills” in the workforce. It was suggested particularly in those parts of the County that have not previously been recipient to large scale funding for regeneration that people with such experience (as opposed to skills per se) are lacking.

This observation can be interpreted as an indication of the importance of “learning by doing” and “learning by observing others” which clearly necessitates “previous experience” in a process of large scale regeneration. The following quotes illustrate this particular point:

*“The problem is lack of experience rather than skills. The area lacks enough people who have experience of managing large regeneration projects”*

*“There is not enough ...people out there that can take on a big project and manage delivery to completion ...not enough people with regeneration experience...”*

### **Coordination, institutional silos and weak links in the “regeneration supply chain”**

Another group of interviewees argued that there may be enough people involved but these individuals are not well coordinated and supported in their efforts. It was argued that existing skills and capacity could be made to work better if coordination of effort could be improved:

*“Not so much a skills gap as a coordination gap. With better coordination we could make skills work much better”*

*“Is there capacity? Do we know? One thing we do know... it is not well coordinated”*

Some respondents also used the analogy of the “supply chain” applied to regeneration. It was suggested that the supply chain that leads to successful outcomes in regeneration has some weak links. Several interviewees pointed to the weak linkages between strategy and project development, arguing that better delivery has as much to do with improving skills in designing projects as in project management.

*“There is gap, but it is not in delivery - the gap is in formulating projects – it is a gap in the regeneration supply chain”*

*“Institutions are too horizontal in their thinking. Strategists communicate with other strategists; but not with deliverers”*

This particular line of argument led some to suggest that people are not distributed in the system to best effect – more people are needed “down the supply chain” from strategy to development and delivery or the creation of critical mass in fewer locations:

*“Not enough capacity to deliver – need to be redistributed down the chain”*

*“Maybe there are enough people, but they are distributed in an inefficient way..... not enough front line managers and too many back-office workers”*

*“There might be enough people but no critical mass in any one place”*

### **Use of external consultants to acquire specialist skills**

While interpretations of the nature and cause of “skills gaps” in Cumbria varied across the County, one common theme concerned the ways in which agencies and local authorities address skills issues. Many of the agencies and authorities involved in delivering regeneration in Cumbria are comparatively small and the work programmes they have been involved with in the recent past have not generally been on the same scale as experienced in urban conurbations in the south of the region. As a consequence, interviewees recognised that their demand for specific types of skills associated with regeneration is intermittent and the scale of activity does not enable them to sustain the full range of skills in-house.

Several organisations dealt with this problem by out-sourcing their requirement for specialist skills, most often to the private sector. The extensive use of consultants to overcome internal skills shortages was identified as a significant national trend by the ASC (2007)<sup>1</sup> which noted that “a combination of factors such as limited budgets, higher staff turnover and difficulties in recruiting the desired staff profile tends to encourage the frequent and increased use of consultants to carry out core functions or to assist in the preparation of the evidence base required for policy-making”.

These explanations for the increased use of consultants may apply to some organisations in Cumbria, but the lack of critical mass adds an extra factor that induces this response. Several interviewees stated clearly that specialist skills are purchased when required from external sources because there is insufficient continuous demand for these skills to retain them in-house on a permanent basis.

Some organisations expressed satisfaction with these experiences, indeed, they point to the advantages to be gained by close working with the private sector. In some of these cases, this appeared to be part of a well-considered approach to combining in-house expertise with external skills. However, while several of these respondents believed that this addressed the issue of skills deficit, some were less enthusiastic about this approach, arguing that using consultants is more costly and puts other demands upon in-house regeneration teams in

terms of project management. A few also questioned the quality of work contracted out in this way, implying that keeping work in-house would produce a better outcome if this could be achieved. There was also recognition that use of external consultants fails to build up the local knowledge pool which is believed to be an important resource.

### **Management of skills and knowledge in regeneration**

Various approaches appear to be used to build skills capacity in regeneration, including external recruitment or redeployment (either temporary or permanent) within organisations. Another strategy has involved the use of secondments between organisations as a means not only of acquiring skills but of generating critical mass and creating situations where groups of workers can learn more effectively from one another. Again, this practice is consistent with the belief held by many that “tacit” forms of local knowledge can best be learned through observation and shared practice.

Even so, some of the larger organisations also described their recent experience of developing skills and capacity *internally*. Many of these comments relate to national issues that have already been identified by the ASC<sup>1</sup>. Several interviewees noted recent difficulty in recruiting planners, architects, designers and other professions associated with physical development such as surveyors, engineers, and people with skills and experience in site preparation.

As regards “front-line” regeneration workers, interviewees also commented on issues surrounding career paths and reward structures for those involved in regeneration. Some of the issues identified are clearly part of a national problem in the sector which has been characterised by a lack of standardisation of pay and reward as well as the preponderance of relatively short term projects and use of fixed term contracts of employment.

Interviewees argued, however, that these problems have a particular character in Cumbria due to local circumstances in the labour market. Salaries in Cumbria are relatively low; several interviewees noted the disparity in pay levels for regeneration workers comparing Cumbria with larger urban centres in the north of England. According to interviewees, this can make it difficult to attract experienced people to the County. For regeneration workers already in the County, however, lack of critical mass can reduce opportunities for career progression locally. This can mean that upward career progression generates movement of experienced people out of Cumbria. As a consequence of these difficulties, some interviewees noted that “Cumbria is not seen as a good career move”.

Several interviewees also noted the connection between skills issues in Cumbria, the past history of regeneration and in particular the nature of funding regimes – the short term nature of funding for projects often exacerbated by delays and complexities in decision-making can make it difficult to develop skills within organisations. These uncertainties, they suggest, make it difficult to attract, develop and retain skilled people.

### **Project management and “leadership qualities”**

Finally, interviewees were asked to identify those skills where improvements could make the biggest impact on progress with regeneration. By far the most common response concerned improvement in skills in project management and delivery. This response ties in consistently with the increased use of consultants and the need for core teams within delivery agencies to develop skills in managing complex processes involving inter-departmental working, inter-agency partnerships in the public sector and engagement with private firms.

An interesting aspect of these discussions concerned the meaning of “project management” and the type of knowledge and behaviour required of a good project manager. Interviewees argued that these individuals need to have *leadership qualities* – able to command respect from a wide range of disciplines. Good project managers also need to be creative in their thinking to anticipate potential problems in delivery. This is consistent with the points made above about the significance of “previous experience” as opposed to “skill” in delivering regeneration.

This particular research finding resonates with recent discussions in the academic literature concerning "leadership of place" and the significance of the new skills set required of "project managers" who are not only good administrators but also *capable of managing a complex social process and leading groups of partners in shared visions and objectives*. Project managers therefore need good social or "influencing" skills to work with partners and collaborators. These "soft skills" are, undeniably, difficult to measure but interviewees did not doubt the significance of these inter-personal skills in effective partnership working.

## **IMPLICATION FOR KNOWLEDGE EXCHANGE IN REGENERATION**

The example of Cumbria provided in this article demonstrates some of the ways in which the opportunities for learning and knowledge exchange in regeneration are filtered through local institutional structures and customary patterns of interaction. It has been shown that the processes of innovation and skill formation are influenced by the unique combination of geographical characteristics (a predominantly rural and peripheral area with dispersed urban settlement) and the compartmentalised nature of local institutional structures. In these circumstances, coordinating activities in regeneration and economic development has presented many challenges to practitioners. These include, notably, overcoming the barriers that exist to the flow of knowledge and understanding between those involved in strategy development, project design and delivery as well as the difficulties of providing networking opportunities for sharing tacit knowledge across a large and diverse territory.

In the Cumbrian context, recognition of the importance of learning and sharing knowledge in networks has provided impetus for various interventions in recent years. These include the Achieving Cumbrian Excellence (ACE) Programme and Fusion Cumbria Learning Lab which have given opportunities for practitioners to network and engage in learning opportunities between institutions and across disciplines. Themes for these events have included many generic skills such as leadership and creative thinking as well as sharing technical aspects of work in regeneration. These interventions tend to support the views of Hartley and Bennington<sup>2</sup> that social interactions can act as a catalyst for innovation by generating shared enthusiasm and confidence through comparison with the experiences of others. Critically, however, making use of new knowledge acquired through inter-institutional networking still requires openness to new ideas within institutions. There remains the need for managers in these institutions to adopt holistic definitions of "useful knowledge" and to create environments within which the application of new ideas and new ways of working are encouraged and rewarded.

Looking beyond the present, the capacity for innovation in regeneration management and skill formation in Cumbria is likely to face very different circumstances to those that have pertained during the period covered by the skills audit reported here. The Comprehensive Spending Review of 2007 has already required local authorities to achieve three percent annual cashable savings.. This has subsequently been reinforced by the Operational Efficiency Review 2009 and the general need to reduce public spending prior to the next general election in mid 2010. These reviews, in combination with downward pressure on spending within all public sector organisations, will inevitably present challenges in sustaining a rich learning environment internally within Local Authorities and other public sector organisations. The impact of this may be that more services are shared between Local Authorities. This could include collaboration in provision of learning opportunities, particularly in developing leadership and related skills in negotiation and conflict management which could be critical in providing innovative solution to sustaining communities within a much more austere funding environment. In this context, Cumbria may be well-placed as networks focused on sharing knowledge and experience have already been established, and the presence of a recently-established University could provide the necessary platform for local provision of shared learning opportunities which are important to regeneration activity.

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